

No. 2948

**UNION OF SOVIET
SOCIALIST REPUBLICS
and
ITALY**

**Treaty of Commerce and Navigation (with annex and
protocol). Signed at Moscow, on 11 December 1948**

Official texts; Russian and Italian.

Registered by the Union of Soviet Socialist Republics on 27 September 1955.

**UNION DES RÉPUBLIQUES
SOCIALISTES SOVIÉTIQUES
et
ITALIE**

**Traité de commerce et de navigation (avec annexe et proto-
cole). Signé à Moscou, le 11 décembre 1948**

Textes officiels russe et italien.

Enregistré par l'Union des Républiques socialistes soviétiques le 27 septembre 1955.

[TRANSLATION — TRADUCTION]

No. 2948. TREATY¹ OF COMMERCE AND NAVIGATION
BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS
AND THE ITALIAN REPUBLIC. SIGNED AT
MOSCOW, ON 11 DECEMBER 1948

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics, on the one hand, and the President of the Italian Republic, on the other hand, desiring to promote the development of economic relations between the two countries, have resolved to conclude a Treaty of Commerce and Navigation and have appointed as their plenipotentiaries for this purpose :

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics : Mr. Anastas Ivanovich Mikoyan, Minister of Foreign Trade of the Union of Soviet Socialist Republics;

The President of the Italian Republic : Mr. Ugo La Malfa, Parliamentary Deputy,

who, having exchanged their full powers, found in good and due form, have agreed as follows :

Article 1

The Contracting Parties shall grant each other favourable treatment in all matters relating to commerce between the two countries and shall adopt, to the extent permitted by their respective legislations, the necessary measures to facilitate and develop the reciprocal exchange of goods and services.

Article 2

The Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to customs duties, taxes and charges and procedures for collecting the same; the application of the customs tariff, the fixing of rates and the classification of goods; the drawback of customs duties, taxes and charges; and the regulations, formalities and charges applied in the operations of customs clearance, trans-shipment and warehousing of goods.

¹ Came into force on 28 March 1952, upon the exchange of the instruments of ratification at Rome, in accordance with article 22.

Article 3

The natural or manufactured products originating in the territory of one of the Contracting Parties shall in no case be liable, on importation into the territory of the other Party, to any duties, taxes or charges other or higher, or to customs regulations or formalities other or more burdensome, than those which are or may hereafter be imposed on similar natural or manufactured products originating in any third country.

Similarly, the natural or manufactured products originating in the territory of one of the Contracting Parties shall in no case be liable, on exportation to the territory of the other Party, to any duties, taxes or charges other or higher, or to customs regulations or formalities other or more burdensome, than those which are or may hereafter be imposed on similar natural or manufactured products exported to the territory of any third country.

Article 4

Any advantages, facilities, privileges or immunities with respect to the matters referred to in articles 2 and 3 which are granted or may hereafter be granted by one of the Contracting Parties in respect of the natural or manufactured products originating in any third country or intended for export to the territory of any third country shall be granted in respect of similar products originating in or intended for export to the territory of the other Contracting Party.

Article 5

The natural or manufactured products originating in the territory of one of the Contracting Parties which are conveyed through the territory of a third country shall not be liable, on importation into the territory of the other Contracting Party, to customs duties, taxes or charges higher than those to which they would have been liable if they had been imported directly from the country of origin.

These provisions shall apply both to goods which are conveyed directly and to goods which are subjected, while in transit through the territory of the third country, to trans-shipment, repacking or warehousing.

Article 6

Where internal charges are payable in its territory on the production, processing, distribution or consumption of goods of a certain category, each of the Contracting Parties shall accord goods of the same category of the other Party the treatment established by it for its domestic goods, or most-favoured-nation treatment, whichever is more advantageous to the other Party.

Article 7

The Contracting Parties undertake not to hinder the reciprocal exchange of goods by imposing prohibitions or restrictions on imports or exports.

Provided that the prohibitions or restrictions apply to all countries, exceptions to this rule may be permitted

(a) for reasons of public security;

(b) where prohibitions or restrictions are applied to all foreign goods in connexion with prohibitions or restrictions established under domestic law with respect to the production, sale, transport and consumption of similar goods of domestic origin;

(c) in connexion with the protection of public health, measures to combat plant and animal diseases, and the protection of vegetable seeds against degeneration, provided that such prohibitions or restrictions are applied to countries where the same conditions prevail.

Article 8

For the purposes of establishing the origin of imported goods, each Contracting Party may require the presentation of certificates issued by a public authority, or other authority, acceptable to the importing country, and attesting that the imported goods have been produced or manufactured in the territory of the other Contracting Party or that they are to be so regarded in view of the work performed on them in the country from which they are imported.

In cases where the certificate of origin of the goods is not issued by a public authority it must be authenticated by the diplomatic authorities or the competent consular authorities.

In any event, the Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to requests for the presentation of certificates of origin of goods and to the relevant regulations and formalities.

The presentation of certificates of origin shall not be required in respect of postal packets.

Article 9

Subject to compliance with the existing regulations concerning temporary importation or exportation, the following articles shall be exempt from duties and charges on importation and exportation :

(a) samples of goods;

(b) articles intended for experiments and tests, and fitters' equipment;

- (c) articles intended for exhibitions, fairs and competitions;
- (d) articles intended for repair;
- (e) marked containers and receptacles normally used in trade and intended for the conveyance of goods.

Article 10

The vessels of each of the Contracting Parties, their crews, passengers and cargoes shall be accorded in the territorial waters and ports of the other Party most-favoured-nation treatment with regard to entering, clearing and stationing; dues and charges of every kind imposed on behalf of and for the benefit of the State, municipalities or other authorities or organizations; anchorages; loading and discharging in harbours, roadsteads, bays and basins; supplies of fuel, water and food; and with regard to the application of all regulations and formalities.

The vessels of either Contracting Party shall be entitled to use, under the same conditions and on payment of the same charges as the vessels of the most-favoured nation, canals, locks, bridges, and lights and signals used to mark navigable waters; pilotage services; warehouses, shipyards and repair yards; and cranes and other means of loading and discharging.

Article 11

The vessels of either Contracting Party may proceed from a port of the other Party to one or more other ports of that Party for the purpose of delivering or storing the whole or part of their cargo brought from abroad, or of making up or completing their cargo for a foreign destination.

Article 12

Italian vessels entering a port of the Union of Soviet Socialist Republics or Soviet vessels entering an Italian port, as the case may be, solely to discharge a part of their cargo may, subject to compliance with the laws and regulations of the State concerned, retain on board that part of their cargo which is destined for another port in the same or another country and export is free of all customs, harbour or other charges except charges for surveillance.

With the permission of the competent authorities, goods may be transhipped directly from one vessel to another without passing through intermediate warehouses afloat or on land and free of all dues or charges, except surveillance costs.

Article 13

If a vessel of one of the Contracting Parties is in distress or is wrecked on the coast of the other Party, such vessel and its cargo shall enjoy the same advantages and immunities as are granted under the laws and regulations of the appropriate Party in similar circumstances to vessels of the most-favoured nation and their cargoes. The necessary aid and assistance shall be afforded at all times and in the same measure as in the case of national vessels, to the master, crew and passengers, and to the vessel and its cargo.

It is agreed that articles salvaged from a vessel which has been in distress or wrecked shall not be liable to any customs duties or charges, provided that such articles are not intended for consumption inside the country.

Article 14

The nationality of vessels shall be determined in accordance with the laws of the country to which the vessel belongs, on the basis of the papers and certificates carried by the vessel and issued by the competent authorities.

Any tonnage certificates and other related technical ship's papers, issued or recognized by one of the Contracting Parties, shall also be recognized by the other Party.

In accordance with this provision, any vessel of either Contracting Party carrying a valid tonnage certificate shall be exempt from re-measurement in the ports of the other Party and the net capacity of the vessel entered in the certificate shall be taken as the basis for calculating harbour dues.

Article 15

The provisions of this Treaty shall not extend to

- (a) the performance of harbour services, including pilotage and towage;
- (b) coastal shipping; nevertheless, the vessels of either of the Contracting Parties proceeding from one port of the other Party to another for the purpose of landing the whole or part of a cargo brought from abroad, or of taking on board the whole or part of a cargo for a foreign destination, shall not be regarded as engaged in coastal shipping.

Article 16

Each of the Contracting Parties undertakes, in respect of the transit of passengers, baggage and goods of the other Party, not to apply a treatment different from that applied to passengers, baggage and goods of any third country.

Provided that transit is permitted, goods in transit coming from the territory of one of the Contracting Parties or consigned thereto shall be exempt in

the territory of the other Party, on the basis of reciprocity, from all transit dues and charges, whether they pass directly through the territory or have to be unloaded, warehoused or trans-shipped while in transit.

In any event, free transit shall be afforded to passengers and their baggage, subject to compliance with the regulations made by each Contracting Party.

Article 17

The two Contracting Parties shall grant each other, in respect of the conveyance of goods, passengers and baggage by internal railways, roads or waterways, most-favoured-nation treatment in all matters relating to acceptance of consignments for conveyance, methods and costs of conveyance and charges connected with such conveyance.

Article 18

The Union of Soviet Socialist Republics shall maintain in Italy a Trade Delegation, the legal status of which shall be governed by the provisions of the annex¹ to this Treaty, which shall constitute an integral part thereof.

Article 19

Bodies corporate and commercial companies constituted in the territory of one of the Contracting Parties in accordance with the laws in force in that territory shall be recognized as such in the territory of the other Party.

Bodies corporate, commercial companies and citizens of one of the Contracting Parties shall be entitled to appear in the courts of the other Party, either as plaintiffs or as defendants.

Article 20

The provisions of this Treaty shall not extend to:

(a) advantages which have been or may hereafter be granted by one of the Contracting Parties for the purpose of facilitating frontier relations with adjacent States;

(b) advantages arising out of a customs union which one of the Contracting Parties has concluded or may hereafter conclude;

¹ See p. 216 of this volume.

(c) special advantages which one of the Contracting Parties may hereafter grant to territories having a special internationally recognized legal status, more particularly to territories which may be placed for administration purposes under the trusteeship of that Party.

Article 21

The Contracting Parties, agreeing to recognize any arbitration clause with regard to disputes concerning commercial contracts concluded by their citizens, organizations or institutions, undertake to enforce arbitral awards made in respect of such disputes, provided that :

(a) the award has become final and operative under the law of the country in which it was made;

(b) the award is not incompatible with public policy in the country in which its enforcement is sought.

The enforcement of arbitral awards shall be governed by the laws of the country in which enforcement is sought.

Article 22

This Treaty is concluded for a period of five years. It shall be ratified as soon as possible and shall enter into force on the day of the exchange of the instruments of ratification, which shall take place at Rome.

If neither of the Contracting Parties gives notice in writing, twelve months before the expiration of the said period, of its desire to terminate the Treaty, it shall remain in force until the expiration of one year from the date on which notice of termination is given by either Contracting Party.

IN WITNESS WHEREOF, the plenipotentiaries of the two Contracting Parties have signed this Treaty and have affixed thereto their seals.

DONE in duplicate, at Moscow, on 11 December 1948, in the Russian and Italian languages, both texts being equally authentic.

A. MIKOYAN
[L.S.]

Ugo LA MALFA
[L.S.]

Annex to the Treaty of Commerce and Navigation between the Union of Soviet Socialist Republics and the Italian Republic of 11 December 1948

THE LEGAL STATUS
OF THE TRADE DELEGATION OF THE UNION OF SOVIET SOCIALIST
REPUBLICS IN ITALY

Article 1

The Trade Delegation of the Union of Soviet Socialist Republics in Italy shall exercise the following functions; it will

- (a) promote the development of economic relations between the Union of Soviet Socialist Republics and Italy;
- (b) represent the interests of the Union of Soviet Socialist Republics in Italy in all matters relating to foreign trade;
- (c) carry on trade between the Union of Soviet Socialist Republics and Italy.

Article 2

The Trade Delegation shall form an integral part of the Embassy of the Union of Soviet Socialist Republics in Italy and shall have its headquarters at Rome.

The Trade Delegate of the Union of Soviet Socialist Republics in Italy and his three deputies shall enjoy all the immunities and privileges accorded to members of diplomatic missions.

The employees of the Trade Delegation and its Branches who are citizens of the Union of Soviet Socialist Republics shall be exempt from Italian taxation on the emoluments which they receive in the service of the Government of the Union of Soviet Socialist Republics.

The Trade Delegation shall be entitled to open its branches in the cities of Milan, Genoa and Naples. Branches of the Trade Delegation may be opened in other Italian cities after agreement between the Government of the Union of Soviet Socialist Republics and the Government of the Italian Republic. The legal status of the branches of the Trade Delegation shall be determined by agreement between the two Parties.

The premises occupied by the Trade Delegation shall enjoy extra-territoriality.

The Trade Delegation shall be entitled to use a cipher.

The Trade Delegation shall not be subject to the regulations governing commercial registration.

Article 3

The Trade Delegation shall act on behalf of the Government of the Union of Soviet Socialist Republics. The Government of the Union of Soviet Socialist Republics shall be responsible only for commercial contracts concluded or guaranteed in Italy by the Trade Delegation and signed by authorized persons.

The Trade Delegation shall communicate to the Ministry of Foreign Affairs of Italy the names of the persons authorized to take legal action on its behalf and information concerning the extent to which each such person is empowered to sign commercial contracts, so that this information may be published in the Government publication of the Italian Republic.

Article 4

The immunities and privileges accorded to the Trade Delegation shall extend to its commercial activities, with the following exceptions :

(a) Disputes regarding commercial contracts concluded or guaranteed in the territory of Italy by the Trade Delegation shall, in the absence of an arbitration clause, be subject to the jurisdiction of the Italian courts and shall be settled in accordance with Italian law, save as otherwise provided by the terms of individual contracts. No interim orders may, however, be made against the Trade Delegation;

(b) Final judicial decisions against the Trade Delegation in the aforementioned disputes may be enforced by execution; nevertheless such execution may be levied only on the Trade Delegation's goods, the claims outstanding to its credit, and its other assets directly attributable to the commercial transactions concluded by it.

Article 5

Any commercial contracts whatsoever concluded without the guarantee of the Trade Delegation by any Soviet organizations whatsoever shall be binding only on the organizations in question, and execution in respect of such transactions may be levied only on their property.

The Trade Delegation may give its guarantee for contracts concluded between a Soviet organization and any Italian commercial company, individual or body corporate.

A. M.

U. LM.

PROTOCOL

On proceeding to sign this day the Treaty of Commerce and Navigation between the Union of Soviet Socialist Republic and the Italian Republic, the undersigned plenipotentiaries have agreed as follows :

1. The provisions of article 7 of this Treaty shall not apply to quantitative restrictions on the importation and exportation of goods which are in force on the date of signature of this Protocol, or which may in future be imposed by one of the Contracting Parties in connexion with the regulation of foreign trade and trade payments.

Nevertheless, such restrictions shall be so applied as not to permit any discrimination to the disadvantage of the other Party. Any agreements concluded by either Contracting Party with any third country for the purpose of balancing reciprocal payments in respect of trade between the two countries shall not be regarded as discriminatory.

No restrictions of any kind shall be imposed with respect to the importation and exportation of the goods specified in any quotas which may be established in commercial agreements between the two Governments, or to the importation and exportation of goods under contracts duly authorized and concluded during the period of validity of the said commercial agreements.

2. No privileges with regard to the payment of the dues and charges referred to in the first paragraph of article 10 of this Treaty may be claimed by one of the Contracting Parties unless it grants the same privileges to the other Party.

DONE in duplicate, at Moscow, on 11 December 1948 in the Russian and Italian languages, both texts being equally authentic.

A. MIKOYAN

Ugo LA MALFA