

**No. 4249**

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**ITALY  
and  
FRANCE**

**Convention of Establishment (with Protocol and exchange of notes). Signed at Paris, on 23 August 1951**

*Official texts of the Convention and Protocol: French and Italian.*

*Official text of the exchange of letters: French*

*Registered by Italy on 25 March 1958.*

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**ITALIE  
et  
FRANCE**

**Convention d'établissement (avec Protocole et échange de notes). Signée à Paris, le 23 août 1951**

*Textes officiels de la Convention et du Protocole français et italien.*

*Texte officiel de l'échange de notes français.*

*Enregistrée par l'Italie le 25 mars 1958.*

[TRANSLATION — TRADUCTION]

No. 4249. CONVENTION<sup>1</sup> OF ESTABLISHMENT BETWEEN ITALY AND FRANCE. SIGNED AT PARIS, ON 23 AUGUST 1951

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The President of the Italian Republic and the President of the French Republic, desiring to regulate the status of nationals of each of the two States in the territory of the other in the spirit of the Convention of Customs Union of 23 June 1950 between Italy and France, have decided to conclude a convention and have appointed as their plenipotentiaries for this purpose :

The President of the Italian Republic :

His Excellency Pietro Quaroni, Ambassador of Italy in France,

The President of the French Republic :

His Excellency Robert Schuman, Minister of Foreign Affairs of the French Republic ;

who, having exchanged their full powers, found in good and due form, have agreed on the following provisions :

*Article 1*

Nationals of each of the High Contracting Parties may freely enter the territory of the other Party and stay, travel, establish themselves in or leave that territory at any time, subject to the provisions of the laws concerning public order, public safety and national defence which are applicable to all foreigners.

*Article 2*

Nationals of each of the High Contracting Parties shall enjoy most-favoured-nation treatment in the territory of the other Party in matters relating to private and civil rights, the right to engage in commerce, industry, professions and trades, the right to manage industrial and commercial establishments or to accept technical employment in such establishments, and the right to acquire, possess and dispose of any movable or immovable property.

Moreover, nationals of each of the High Contracting Parties shall be on the same footing as nationals of the other Party in matters relating to the lease of dwellings, buildings and premises for commercial, industrial or agricultural purposes.

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<sup>1</sup> Came into force on 6 December 1957, fifteen days after the exchange of the instruments of ratification which took place at Rome on 20 November 1957, in accordance with article 13.

*Article 3*

The nationals of each of the High Contracting Parties shall have free and ready access in the territory of the other Party to the courts of every instance for the purpose of claiming and defending their rights and interests. They shall enjoy in this respect the same rights and advantages as nationals of that Party.

*Article 4*

Each of the High Contracting Parties undertakes not to take any measure involving the disposal, limitation or expropriation, for public purposes or in the general interest, of property, rights and interests legally held in its territory by nationals of the other Party, unless such measure is applicable under the same conditions to its own nationals or to nationals of any other State. The same shall apply to compensation granted as a result of such measures.

*Article 5*

1. Nationals of the High Contracting Parties shall be liable, in time of peace and war, only to requisitions levied on nationals, and shall be entitled to the indemnities which the laws in force grant to nationals.

2. Nationals of the High Contracting Parties, except in special cases to be governed by a special agreement, shall be exempt in the territory of the other Party from any military service in the regular army, the national guard or the militia, and from any personal military contribution as well as from any levy in cash or in kind in lieu of such service or contribution.

*Article 6*

Subject to the provisions of such double taxation agreements as have been or may be concluded, the nationals of each of the High Contracting Parties shall not be liable in the territory of the other Party to any duties, taxes or charges, howsoever designated, other or higher than those levied on nationals; they shall in particular enjoy, under the same conditions as nationals, reductions in or exemptions from taxes or charges and basic tax relief, including tax deductions in respect of dependents.

Nothing in the foregoing provisions shall affect liability, where appropriate, to so-called residence taxes or taxes in connexion with the carrying out of police formalities, provided that such taxes are also levied on other foreigners. The rate of such taxes shall not exceed that of the taxes levied on nationals of any other State.

*Article 7*

1. Each of the High Contracting Parties shall recognize the lawful existence of commercial and non-commercial associations of persons legally constituted in

the territory of the other Party and having their head office there, provided that nothing in their statutes or purposes is contrary to the public order of the first Party. The same shall apply to public insurance organizations and other State-controlled organizations or associations of persons in so far as they carry on commercial activity in the territory of the other Party.

2. Associations of persons and organizations of one of the High Contracting Parties may carry on their activities in the territory of the other Party in accordance with the most favourable provisions applicable to foreign associations of persons and organizations and may, in particular, maintain branches, agencies or offices in the territory of that Party.

3. Without prejudice to the rights thus accorded them, they may, if they are under French, Italian or mixed Franco-Italian control, benefit in the territory of the other Contracting Party from its national regulations governing the matters referred to in the preceding paragraph.

4. The establishment of branches, agencies or offices shall in every case be subject to compliance with the formalities stipulated by the law of the country with regard to foreign associations of persons.

#### *Article 8*

Subject to the provisions of such double taxation agreements as have been or may be concluded, the associations of persons and organizations referred to in paragraph 1 of the preceding article and their branches, agencies or offices shall not be liable in the territory of the High Contracting Parties to any duties, taxes or charges other or higher than those to which associations of persons of the country are liable.

#### *Article 9*

This Convention shall be applicable only to metropolitan France and the departments of Algeria.

#### *Article 10*

The provisions of this Convention may, if necessary, be amended by agreement in the light of such measures of customs union as may be taken pursuant to the Convention of 23 June 1950.

#### *Article 11*

The High Contracting Parties shall establish a Mixed Advisory Commission which shall meet alternately in France and in Italy at the request of either Party.

The Commission's function shall be to ensure the proper application of this Convention.

The Commission shall be composed of not more than six representatives of the competent Government departments of each State. Each delegation may co-opt experts.

#### *Article 12*

Any dispute relating to the interpretation or application of this Convention which cannot be settled through the diplomatic channel or by the Advisory Commission referred to in the preceding article shall be submitted, at the request of either Party, to a Conciliation Commission appointed to settle the dispute and composed of one representative of the Italian Government and one representative of the French Government. If the said two representatives are unable to reach a settlement within three months from the date on which the dispute was submitted to them, they shall appoint by agreement an additional member who shall be a national of a third State. If such appointment is not agreed upon within two months, either Party may request the President of the International Court of Justice to appoint a third member of the Commission, which shall then act as a commission of arbitration.

The said Commission shall adopt its own rules of procedure and shall render decisions by a majority vote of its members. Its decision shall be final and binding.

#### *Article 13*

This Convention shall be ratified. It shall enter into force fifteen days after the exchange of the instruments of ratification, which shall take place at Rome.

The term of the Convention shall be five years, and it shall remain in force thereafter until such time as one of the High Contracting Parties gives six months' notice of intention to terminate it.

DONE at Paris on 23 August 1951, in duplicate, in the Italian and French languages, both texts being equally authentic.

(Signed) Pietro QUARONI

(Signed) Robert SCHUMAN

#### PROTOCOL

On signing the Convention of Establishment this day,<sup>1</sup> the undersigned plenipotentiaries have agreed on the following provisions, which shall form an integral part of the Convention for all purposes :

1. For the purposes of this Convention, the term « national » shall apply to both corporate bodies and individuals.

<sup>1</sup> See p. 156 of this volume.

2. *Ad* article 2 :

(a) Italian nationals in France shall be on the same footing as nationals of the country as regards legislation governing the lease of farms and share-cropping (*métayage*) contracts, save as regards the provisions granting a right of pre-emption for the benefit of the person working the farm who is a leaseholder, of French nationality, in possession.

(b) If one of the High Contracting Parties concludes or has concluded with a third State a special agreement concerning the exercise of a particular profession or trade, for the purpose of according to nationals of that State the benefit of the special provisions concerning the acquisition of immovable property laid down in favour of leaseholders, the other High Contracting Party shall be entitled to initiate negotiations in order to consider means of concluding a similar agreement. Pending the conclusion of such agreement, the latter High Contracting Party may not claim in this connexion the benefit of the most-favoured-nation clause provided by article 2, first paragraph.

3. *Ad* article 7 :

The condition laid down in article 7, paragraph 3, of the Convention shall be deemed to be fulfilled where the majority of those responsible for the management and actual administration of an association of persons are of French or Italian nationality and the greater part of the capital invested belongs to French or Italian nationals.

The above definition of control may be amended as appropriate by an exchange of lettres between the two Governments.

DONE at Paris on the twenty-third day of August one thousand nine hundred and fifty-one, in duplicate in the Italian and French languages, both texts being equally authentic.

(Signed) Pietro QUARONI

(Signed) Robert SCHUMAN

## EXCHANGE OF NOTES

### I

#### MINISTRY OF FOREIGN AFFAIRS

Paris, 23 August 1951

Your Excellency,

I have the honour to inform you that my Government considers it necessary to make the following stipulation with reference to articles 2 and 7 of the Convention of Establishment between France and Italy of today's date :<sup>1</sup>

<sup>1</sup> See p. 156 of this volume.

Any individual wishing to work an agricultural holding in one of the two States must first obtain such permit as may be required under the regulations in force in that State. In this respect, notwithstanding article 7, paragraph 3, of the Convention, the same procedure applies to associations of persons. It is understood that individuals and associations of persons may, in any event, avail themselves of the most-favoured-nation clause.

These provisions shall remain in force until a special procedure applicable to farmers has been agreed upon between the two Governments.

I should be grateful if you would inform me whether the Italian Government agrees to the foregoing.

I have the honour to be, etc.

R. SCHUMAN

His Excellency Mr. Quaroni  
Ambassador of Italy  
Paris

## II

### ITALIAN EMBASSY

Paris, 23 August 1951

Your Excellency,

By a letter of today's date you were good enough to inform me as follows :

[See note I]

I have the honour to inform you that the Italian Government agrees to the foregoing provisions.

I have the honour to be, etc.

P. QUARONI

His Excellency Mr. Robert Schuman  
Minister of Foreign Affairs  
Paris

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