

No. 4268

UNION OF SOVIET SOCIALIST REPUBLICS
and
GERMAN DEMOCRATIC REPUBLIC

**Treaty of Trade and Navigation (with annex). Signed
at Berlin, on 27 September 1957**

Official texts: Russian and German.

Registered by the Union of Soviet Socialist Republics on 27 March 1958.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES**

et

RÉPUBLIQUE DÉMOCRATIQUE ALLEMANDE

**Traité de commerce et de navigation (avec annexe). Signé à
Berlin, le 27 septembre 1957**

Textes officiels russe et allemand.

Enregistré par l'Union des Républiques socialistes soviétiques le 27 mars 1958.

[TRANSLATION — TRADUCTION]

No. 4268. TREATY¹ OF TRADE AND NAVIGATION BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE GERMAN DEMOCRATIC REPUBLIC. SIGNED AT BERLIN, ON 27 SEPTEMBER 1957

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the President of the German Democratic Republic,

Guided by the principles of the Treaty of 20 September 1955² concerning relations between the Union of Soviet Socialist Republics and the German Democratic Republic and desiring, in accordance with the provisions of article 3 of the said Treaty, to promote the further development and strengthening of economic relations between the two States and to determine by treaty the basic provisions governing such relations,

Have resolved to conclude this Treaty of Trade 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. Pavel Nikolaevich Kumykin, Deputy Minister of Foreign Trade of the Union of Soviet Socialist Republics;

The President of the German Democratic Republic : Mr. Heinrich Rau, Minister of Foreign and Intra-German Trade of the German Democratic Republic,

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

Article 1

The Contracting Parties shall take all necessary measures to develop and strengthen trade relations between the two States in a spirit of friendly co-operation and mutual assistance and on a basis of equality and mutual benefit.

To this end the Governments of the two Contracting Parties shall conclude agreements, including long-term agreements, determining the mutual deliveries of goods and other conditions to ensure the development of trade in accordance with the requirements of the national economy of both States.

¹ Came into force on 8 February 1958, as from the date of the exchange of the instruments of ratification at Moscow, in accordance with article 17.

² United Nations, *Treaty Series*, Vol. 226, p. 201.

Article 2

The Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to trade, navigation and other economic relations between the two States.

Article 3

The Contracting Parties shall, in accordance with the provisions of article 2, grant each other most-favoured-nation treatment in all customs matters, in particular as regards duties, taxes and other charges, the warehousing of goods under customs control, and the regulations and formalities applied in the customs clearance of goods.

Article 4

Natural and manufactured products imported from the territory of one of the Contracting Parties into the territory of the other Contracting Party shall not be liable to any duties, taxes or similar charges other or higher, or to regulations other or formalities more burdensome, than those imposed on similar natural and manufactured products of any third State.

Similarly, natural and manufactured products of one Contracting Party shall not be liable, on exportation to the territory of the other Contracting Party, to any duties, taxes or similar charges other or higher, or to regulations other or formalities more burdensome, than those imposed on similar natural and manufactured products on exportation to the territory of any third State.

Article 5

Natural and manufactured products of one of the Contracting Parties imported into the territory of the other Contracting Party through the territory of a third State or of third States shall not be liable, on importation, to any duties, taxes or similar charges other or higher, or to regulations other or formalities more burdensome, than those to which they would have been liable if they had been imported directly from their country of origin.

This provision shall likewise apply to goods which, while in transit through the territory of a third State or of third States, have been subjected to transshipment, re-packing or warehousing.

Article 6

Subject to their being re-exported or re-imported within a time-limit fixed by the customs authorities and to the production of proof of identity, the fol-

Following articles shall be exempt from duties, taxes or other charges on importation and exportation :

- (a) Articles intended for fairs, exhibitions or competitions;
- (b) Articles intended for experiments or tests;
- (c) Articles imported for repair, which are to be re-exported in their repaired form;
- (d) Fitting equipment and instruments imported or exported by fitters or sent to them;
- (e) Natural and manufactured products imported for transformation or processing, which are to be re-exported in their transformed or processed form;
- (f) Marked containers imported in order to be refilled, and also containers which hold imported articles and which are to be re-exported at the end of a specified period.

Merchandise samples used only as such and consigned in quantities normal in the trade shall be unconditionally exempt from duties, taxes or other charges.

Article 7

Internal charges imposed in the territory of one Contracting Party, for whosoever benefit or on whosoever behalf, on the production, processing, distribution or consumption of any goods, shall in no event be levied on the natural or manufactured products of the other Contracting Party at a higher rate than on similar products of any third State.

Article 8

Neither of the Contracting Parties shall impose on imports from or exports to the territory of the other Contracting Party any restrictions or prohibitions which are not applicable to all other States.

The Contracting Parties nevertheless reserve the right to impose, for reasons of State security, the maintenance of public order, public health, the protection of animal and plant life or the preservation of works of art and archaeological and historical treasures, prohibitions or restrictions on importation or exportation, where such prohibitions or restrictions are applied in like circumstances to any third State.

Article 9

The vessels of one Contracting Party and their cargoes shall be accorded most-favoured-nation treatment on entering and leaving, and while lying in,

the ports of the other Contracting Party. Such treatment shall apply in particular with regard to :

(a) Dues and charges of every kind levied on behalf or for the benefit of the State, municipalities, authorities or other organizations;

(b) The mooring, loading and discharging of vessels in ports and roadsteads;

(c) The use of pilotage services, canals, locks, bridges, signals and lights used to mark navigable waters;

(d) The use of cranes, weigh-bridges, warehouses, dockyards, dry-docks and repair shops;

(e) Supplies of fuel, lubricating oils, water and food;

(f) The application of all regulations, including health and quarantine formalities.

The provisions of this article shall not extend to the performance of harbour services, including pilotage and towage, or to coastal shipping. Nevertheless, the vessels of either Contracting Party proceeding from one port of the other Party to another for the purpose of landing cargo brought from abroad, or of taking on board cargo for a foreign destination, shall not be regarded as engaged in coastal shipping.

Article 10

If a vessel of one Contracting Party is in distress or is wrecked on the coast of the other Contracting Party, such vessel and its cargo shall enjoy the same advantages immunities as are granted under the laws of the latter State to its own vessels in similar circumstances. The necessary aid and co-operation shall be afforded at all times, and in the same measure as in the case of vessels of the home nationality in the same situation, to the master, crew and passengers and to the vessel and its cargo.

Article 11

The nationality of vessels of the two Contracting Parties shall be reciprocally recognized on the basis of the papers carried on board the vessel and issued by the competent authorities in accordance with the laws and regulations of the Contracting Party under whose flag the vessel is sailing.

Tonnage certificates and other ship's papers carried on board the vessel and issued by the competent authorities of one of the Contracting Parties shall be recognized by the authorities of the other Contracting 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 12

Natural or manufactured products of one Contracting Party in transit through the territory of the other Contracting Party to the territory of a third State shall not be liable to any duties, taxes or other charges.

With respect to transit regulations and formalities, the treatment accorded to such products shall not be less favourable than that accorded to the transit consignments of any third State.

Article 13

Each of the Contracting Parties may maintain in the capital of the other Contracting Party a Trade Delegation whose legal status shall be governed by the provisions of the annex¹ to this Treaty, which shall constitute an integral part thereof.

Article 14

Corporate bodies resident in the territory of one of the Contracting Parties and recognized under that Party's laws shall likewise be recognized in the territory of the other Contracting Party. The admission of such corporate bodies to economic activity in the territory of the other Contracting Party shall be effected in accordance with its laws.

Article 15

Corporate bodies and individuals of either Contracting Party shall in all respects enjoy in the territory of the other Party treatment no less favourable than that accorded to corporate bodies and individuals of any third State.

Article 16

The Contracting Parties guarantee the enforcement of arbitral awards with regard to disputes arising out of the commercial or other contracts of their corporate bodies or institutions, where the parties have duly agreed to refer the dispute to an *ad hoc* or permanent arbitral tribunal for settlement.

Orders for the enforcement of arbitral awards shall be made, and the enforcement itself carried out, in accordance with the laws of the Contracting Party enforcing the award.

Article 17

This Treaty shall be ratified as soon as possible and shall enter into force on the date of the exchange of the instruments of ratification, which shall take place at Moscow.

¹ See p. 102 of this volume.

The Treaty shall remain in force until the expiry of a six months' period following the date on which one of the Contracting Parties gives notice of its intention to terminate the Treaty.

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

DONE at Berlin, on 27 September 1957, in duplicate in the Russian and German languages, both texts being equally authentic.

P. KUMYKIN

RAU

ANNEX

THE LEGAL STATUS OF THE TRADE DELEGATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE GERMAN DEMOCRATIC REPUBLIC AND OF THE TRADE DELEGATION OF THE GERMAN DEMOCRATIC REPUBLIC IN THE UNION OF SOVIET SOCIALIST REPUBLICS

Article 1

The Trade Delegation of the Union of Soviet Socialist Republics in the German Democratic Republic and the Trade Delegation of the German Democratic Republic in the Union of Soviet Socialist Republics shall exercise the following functions; each will :

- (a) Promote the development of trade relations between the two States;
- (b) Represent the interests of its own State in the other State in all matters relating to foreign trade;
- (c) Regulate trading transactions with the other State on behalf of its own State;
- (d) Carry on foreign trading transactions in the other State on behalf of its own Government.

Article 2

The Trade Delegation shall form an integral part of the Embassy of its own State.

The Trade Delegate and his deputies shall enjoy all the rights and privileges accorded to members of diplomatic missions.

The premises occupied by the Trade Delegation shall enjoy extraterritoriality. The Trade Delegation shall be entitled to use a cipher.

The Trade Delegation shall not be subject to commercial registration.

Employees of the Trade Delegation who are citizens of the State to which the Trade Delegation belongs shall be exempt in the receiving State from taxation on the emoluments they receive in the service of their Government.

Article 3

The Trade Delegation shall act on behalf of its Government. The Government shall be responsible only for foreign commercial contracts concluded or guaranteed on behalf of the Trade Delegation in the receiving State and signed by authorized persons.

The names of the persons authorized to take legal action on behalf of the Trade Delegation and information concerning the extent to which each such person is empowered to sign commercial contracts on its behalf shall be published in an official publication of the receiving State.

Article 4

The Trade Delegation shall enjoy all the immunities to which a sovereign State is entitled and which relate also to foreign trade, with the following exceptions only, to which the Parties agree :

(a) Disputes regarding foreign commercial contracts concluded or guaranteed under article 3 by the Trade Delegation in the territory of the receiving State shall, in the absence of a reservation regarding arbitration or any other jurisdiction, be subject to the competence of the courts of the said State. No interim court orders for the provision of security may be made;

(b) Final judicial decisions, which have become legally valid, against the Trade Delegation in the afore-mentioned disputes may be enforced by execution, but only on the Trade Delegation's goods and on claims outstanding to its credit.

(Initialled) P. K.

(Initialled) R.