# No. 4978

# UNION OF SOVIET SOCIALIST REPUBLICS and FEDERAL REPUBLIC OF GERMANY

# Agreement (with annex and exchange of letters) concerning general matters of trade and navigation. Signed at Bonn, on 25 April 1958

Official texts: Russian and German.

Registered by the Union of Soviet Socialist Republics on 21 December 1959.

# UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES

et

# **RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

# Accord (avec annexe et échange de lettres) relatif à des questions générales de commerce et de navigation. Signé à Bonn, le 25 avril 1958

Textes officiels russe et allemand. Enregistré par l'Union des Républiques socialistes soviétiques le 21 décembre 1959. [TRANSLATION — TRADUCTION]

No. 4978. AGREEMENT<sup>1</sup> BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE FEDERAL REPUBLIC OF GERMANY CONCERNING GENERAL MATTERS OF TRADE AND NAVIGATION. SIGNED AT BONN, ON 25 APRIL 1958

The Government of the Union of Soviet Socialist Republics and the Government of the Federal Republic of Germany

Desiring to promote the development of economic relations between the two countries,

Have agreed as follows :

## Article 1

Goods originating in the territory of one Contracting State shall enjoy, on importation into or exportation from the territory of the other State, unconditional most-favoured-nation treatment with respect to customs duties and other taxes and charges connected with the importation or exportation of goods, with respect to the method of levying the said customs duties, taxes or charges, and with respect to the regulations and formalities applied in the customs clearance of goods.

The provisions of this article shall not extend to :

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

(b) Advantages arising out of a customs union which has been or may hereafter be concluded by one of the Contracting States.

#### Article 2

Each Contracting State shall grant to the goods of the other Contracting State unconditional most-favoured-nation treatment in all matters relating to internal taxes or charges of any kind.

#### Article 3

Neither Contracting State shall establish or maintain any restrictions or prohibitions in relation to imports from or exports to the territory of the other State which are not applied in like circumstances to all other States.

<sup>&</sup>lt;sup>1</sup> Came into force on 24 April 1959, the date of the exchange of the instruments of ratification at Moscow, in accordance with article 9.

(a) Public order and State security;

(b) The protection of public health, the protection of animals and plants against disease, harmful insects and parasites, and the protection of plant seeds against degeneration.

#### Article 4

The vessels of either Contracting State and their cargoes, upon arrival at and departure from and while staying in a port of the other Contracting State, shall not be accorded in any respect less favourable treatment than the vessels of other States.

## Article 5

The nationality of vessels shall be reciprocally recognized in accordance with the laws and regulations of each of the Contracting States, on the basis of the papers and certificates carried by the vessel and issued by the competent authorities of the State concerned.

Papers relating to the construction of the vessel, its equipment and crew, and also certificates of measurement and registration and other related technical ship's papers carried by the vessel and issued or recognized by one of the Contracting States shall also be recognized by the other State. In accordance with this provision, any vessel of either Contracting State carrying a valid tonnage certificate shall be exempt from re-measurement in the ports of the other State, and the net capacity of the vessel entered in the certificate shall be taken as the basis for calculating harbour dues and charges.

#### Article 6

If a vessel of one Contracting State is in distress or is wrecked on the coast of the other Contracting State, such vessel and its crew, passengers and cargo shall enjoy the same advantages and immunities as are granted under the laws of the latter State to its own vessels and their crew, passengers and cargo in similar circumstances.

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

#### Article 7

In view of the fact that, under the laws of the Union of Soviet Socialist Republics, foreign trade is a State monopoly, the Federal Republic of Germany agrees that the Union of Soviet Socialist Republics shall establish a Trade Delegation in the Federal Republic of Germany. The legal status of this Trade

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Delegation shall be governed by the provisions of the annex<sup>1</sup> to this Agreement, which shall constitute an integral part thereof.

## Article 8

Individuals and bodies corporate of the Union of Soviet Socialist Republics and individuals, bodies corporate and commercial companies of the Federal Republic of Germany may agree that disputes arising out of commercial contracts concluded between them shall be submitted to arbitration. The agreement concerning arbitration shall be embodied in the contract itself or in a separate agreement drawn up in the form required for the contract. Such an agreement shall preclude recourse to the State courts.

The Contracting States undertake to enforce in their territories any arbitral awards made in accordance with an agreement as referred to in the first paragraph of this article, regardless of whether they have been made in the territory of either State or in the territory of a third State. Orders for the enforcement of arbitral awards shall be made and the enforcement itself carried out in accordance with the laws of the State in which enforcement is required.

The enforcement of an arbitral award may not be refused unless :

(a) The arbitral award has not become final and operative for the parties under the law of the country in which it was made;

(b) The arbitral award is contrary to public policy in the country in which enforcement of the award is sought.

Arbitral awards shall not be subject to substantive review.

## Article 9

This Agreement shall be ratified as soon as possible and shall come into force on the day of the exchange of the instruments of ratification, which shall take place at Moscow.

The Agreement shall remain in force until 31 December 1960. The Governments of the two Contracting States shall enter into negotiations concerning the extension of the Agreement not later than two months before the date of its expiration.

DONE at Bonn, on 25 April 1958, in duplicate, in the Russian and German languages, both texts being equally authentic.

For the Government of the Union of Soviet Socialist Republics : A. MIKOYAN

P. KUMYKIN

For the Government of the Federal Republic of Germany : v. BRENTANO LAHR

<sup>&</sup>lt;sup>1</sup>See p. 96 of this volume,

#### ANNEX

#### THE LEGAL STATUS OF THE TRADE DELEGATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE FEDERAL REPUBLIC OF GERMANY

#### Article 1

The functions of the Trade Delegation of the Union of Soviet Socialist Republics in the Federal Republic of Germany shall be :

(a) To promote the development of trade relations between the Union of Soviet Socialist Republics and the Federal Republic of Germany;

(b) To represent the interests of the Union of Soviet Socialist Republics in matters relating to foreign trade with the Federal Republic of Germany;

(c) To carry out on behalf of the Government of the Union of Soviet Socialist Republics trading transactions in the Federal Republic of Germany.

#### Article 2

The Trade Delegation, which shall have its headquarters at Cologne, shall form an integral part of the Embassy of the Union of Soviet Socialist Republics in the Federal Republic of Germany and shall accordingly enjoy the following privileges :

(a) The premises occupied by the Trade Delegation, the location (address) of which in Cologne shall be determined by agreement between the two Governments, shall enjoy the privileges and immunities accorded to the premises of the Embassy of the Union of Soviet Socialist Republics in the Federal Republic of Germany under international law;

(b) The Trade Delegation shall be entitled to use a cipher;

(c) The head of the Trade Delegation and his three deputies shall enjoy all the privileges and immunities accorded to the members of the Embassy of the Union of Soviet Socialist Republics in the Federal Republic of Germany under international law;

(d) The number of employees of the Trade Delegation shall be fixed by agreement between the two Governments;

(e) The Trade Delegation employees referred to in paragraph (d) hereof who are citizens of the Union of Soviet Socialist Republics shall be exempt from taxation by the Federal Republic of Germany on the emoluments they receive as members of the Trade Delegation staff.

The Trade Delegation shall not be subject to any 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 on behalf of the Trade Delegation and signed by two authorized persons.

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The Trade Delegation shall publish in the *Bundesanzeiger* the names of the persons authorized to take legal action on its behalf and information concerning the manner in which each such person is empowered to sign commercial contracts on its behalf. The powers of such persons shall remain valid until announcement of their cancellation is made in the same manner.

Any commercial contracts concluded in the territory of the Federal Republic of Germany without the guarantee of the Trade Delegation by any Soviet organizations whatsoever, which under the laws of the Union of Soviet Socialist Republics have the status of independent corporate bodies, shall be binding only on the organizations in question. No responsibility for such contracts shall be incurred by the Government of the Union of Soviet Socialist Republics or by the Trade Delegation of the USSR in the Federal Republic of Germany or by any other Soviet organization whatsoever.

#### Article 4

The rights, immunities and privileges accorded to the Trade Delegation under article 2, first paragraph, of this annex shall extend to its commercial activities, with the following exceptions :

(a) Disputes arising out of commercial contracts concluded or guaranteed in the territory of the Federal Republic of Germany under article 3 of this annex by the Trade Delegation shall, in the absence of agreement regarding arbitration or any other jurisdiction, be subject to the jurisdiction of the courts of the Federal Republic of Germany; in these disputes the defendant or plaintiff shall be the Trade Delegation of the Union of Soviet Socialist Republics in the Federal Republic of Germany. No interim orders may, however, be made against the Trade Delegation;

(b) Final judicial decisions against the Trade Delegation in the disputes referred to in paragraph (a) hereof which have become legally valid may be enforced by execution. Such execution may be levied on all State property of the Union of Soviet Socialist Republics in the Federal Republic of Germany, in particular property, rights and interests arising out of contracts concluded or guaranteed by the Trade Delegation, with the exception of property belonging to the organizations referred to in article 3, third paragraph, of this annex.

Property and premises intended solely for the exercise in the Federal Republic of Germany of the political and diplomatic rights of the Union of Soviet Socialist Republics, in accordance with international practice, and also the premises occupied by the Trade Delegation and the movable property situated therein, shall not be liable to execution measures.

#### Article 5

The establishment of the Trade Delegation of the Union of Soviet Socialist Republics in the Federal Republic of Germany shall not in any way affect the rights of individuals corporate bodies and commercial companies of the Federal Republic of Germany to maintain direct relations with Soviet foreign trade organizations for the purpose of concluding and carrying out commercial contracts.

# EXCHANGE OF LETTERS

## I

MINISTRY OF FOREIGN AFFAIRS

Bonn, 25 April 1958

Sir,

With reference to article 1 of the Agreement between the Federal Republic of Germany and the Union of Soviet Socialist Republics concerning general matters of trade and navigation signed this day,<sup>1</sup> I have the honour to inform you of the following :

It is possible that during the term of the aforesaid Agreement the Federal Republic of Germany will form a free trade area with other States. In that case the provisions of article 1 aforesaid shall not extend to tariff reductions granted to other States members of the free trade area by the Federal Republic of Germany, provided that the Government of the Federal Republic of Germany shall inform the Government of the Union of Soviet Socialist Republics of its intention to become a member of a free trade area and afford it adequate opportunity for consultation.

I have the honour to be, etc.

Mr. P. N. Kumykin

Deputy Minister of Foreign Trade

of the Union of Soviet Socialist Republics Bonn

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Bonn, 25 April 1958

P. KUMYKIN

LAHR

Sir,

I have the honour to acknowledge the receipt of your letter of today's date which reads as follows :

[See letter I]

I have the honour to inform you that I am in agreement with the contents of this letter.

I have the honour to be, etc.

Mr. Rolf Lahr, Ambassador

Chairman of the Delegation of the Federal Republic of Germany

for Negotiations with the Delegation of the Union

of Soviet Socialist Republics

Bonn

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<sup>&</sup>lt;sup>1</sup> See p. 90 of this volume.

## III

Bonn, 25 April 1958

Sir,

In connexion with the signature this day of the Agreement between the Union of Soviet Socialist Republics and the Federal Republic of Germany concerning general matters of trade and navigation, I have the honour to confirm that we have agreed as follows :

In order to determine the origin of goods to be imported into their territory, the competent authorities of the two States may, in individual cases, require the presentation of a certificate of origin showing that the item to be imported was produced in the territory of the Federal Republic of Germany or in the territory of the Union of Soviet Socialist Republics, as the case may be, or is to be regarded as having been produced in the exporting country in view of the processing it has undergone there.

The following shall be authorized to issue such certificates of origin :

In the Union of Soviet Socialist Republics : the All-Union Board of Trade, the Trade Delegation of the Union of Soviet Socialist Republics in the Federal Republic of Germany and the customs authorities;

In the Federal Republic of Germany : the Boards of Industry and Trade, the Handicrafts Boards, the Agricultural Boards and the customs authorities.

I have the honour to be, etc.

P. KUMYKIN

Mr. Rolf Lahr, Ambassador

Chairman of the Delegation of the Federal Republic of Germany for Negotiations with the Delegation of the Union

of Soviet Socialist Republics

Bonn

## IV

#### MINISTRY OF FOREIGN AFFAIRS

Bonn, 25 April 1958

LAHR

Sir,

[See letter III]

I have the honour to be, etc.

Mr. P. N. Kumykin

Deputy Minister of Foreign Trade

of the Union of Soviet Socialist Republics

Bonn

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Bonn, 25 April 1958

Sir,

With reference to article 2, paragraph 1 (d) of the provisions concerning the legal status of the Trade Delegation of the Union of Soviet Socialist Republics in the Federal Republic of Germany (annex to the Agreement between the Union of Soviet Socialist Republics and the Federal Republic of Germany concerning general matters of trade and navigation signed this day), I have the honour to confirm, on behalf of my Government, that we have reached agreement that the number of employees of the Trade Delegation, exclusive of the Head of the Trade Delegation and his three Deputies, shall not exceed sixty. House servants of non-Soviet nationality shall not be included in this number.

I have the honour to be, etc.

Mr. Rolf Lahr, Ambassador Chairman of the Delegation of the Federal Republic of Germany for Negotiations with the Delegation of the Union of Soviet Socialist Republics

Bonn

## VI

## MINISTRY OF FOREIGN AFFAIRS

Bonn, 25 April 1958

P. KUMYKIN

Sir,

[See letter V]

I have the honour to be, etc.

Mr. P. N. Kumykin

Deputy Minister of Foreign Trade of the Union of Soviet Socialist Republics Bonn LAHR