

No. 5732

**UNION OF SOVIET SOCIALIST REPUBLICS
and
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA**

**Treaty of Trade and Navigation (with annex). Signed at
Moscow, on 22 June 1960**

Official texts: Russian and Korean.

Registered by the Union of Soviet Socialist Republics on 26 June 1961.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
RÉPUBLIQUE POPULAIRE DÉMOCRATIQUE
DE CORÉE**

**Traité de commerce et de navigation (avec annexe). Signé
à Moscou, le 22 juin 1960**

Textes officiels russe et coréen.

Enregistré par l'Union des Républiques socialistes soviétiques le 26 juin 1961.

[TRANSLATION — TRADUCTION]

No. 5732. TREATY OF TRADE AND NAVIGATION¹ BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA. SIGNED AT MOSCOW, ON 22 JUNE 1960

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the Presidium of the Supreme People's Assembly of the Democratic People's Republic of Korea,

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

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. Nikolai Semenovitch Patolichev, Minister for Foreign Trade of the USSR,

The Presidium of the Supreme People's Assembly of the Democratic People's Republic of Korea :

Mr. Lee Song Oon, Ambassador Extraordinary and Plenipotentiary of the Democratic People's Republic of Korea to the Union of Soviet Socialist Republics,

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, ensuring the development of trade in accordance with the economic requirements of both States.

¹ Came into force on 3 March 1961, upon the exchange of the instruments of ratification at Pyongyang, in accordance with article 17.

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

In accordance with the provisions of article 2, the Contracting Parties shall 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.

Accordingly, 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 4

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, repacking or warehousing.

Article 5

Subject to their being re-exported or re-imported within a time-limit fixed by the customs authorities and to the production of proof thereof, the following articles shall be exempt from duties, taxes and 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) The tare marked on containers imported in order to be filled, and the tare of containers used for imported articles.

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

Article 6

Internal charges imposed in the territory of one Contracting Party 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 7

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 law and order, public health, the protection of animal and plant life or the preservation of works of art and archeological 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 8

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 : dues and charges of every kind levied on behalf of and for the benefit of the State, the local authorities and other organizations; the mooring, loading and unloading of vessels in ports and roadsteads; the services of pilots and the use of canals, locks, bridges, signals and fairway lighting; the use of

cranes, weighbridges, warehouses, shipyards, dry-docks and repair shops; and supplies of fuel, lubricating oils, water and food.

The provisions of this article shall not extend to the performance of harbour services, including pilotage by escort 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 destined for a foreign State, shall not be regarded as engaged in coastal shipping.

Article 9

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 and privileges as are granted under the laws of the latter State to its own vessels in similar circumstances.

The necessary aid and assistance 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.

Where there are special agreements on such matters, aid shall likewise be afforded in accordance with such agreements.

Article 10

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 as entered in the certificate shall be taken as the basis for calculating harbour dues.

Article 11

With regard to the carriage of goods, passengers and baggage on domestic railways, roads and waterways, the two Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to the acceptance of consignments for carriage, the means and cost of carriage and the duties levied on carriage in the given direction and for the given distance.

Article 12

Natural and 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 annex,¹ which shall constitute an integral part of this Treaty.

Article 14

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 15

The provisions of this Treaty shall not extend to such rights and advantages as may have been or as may hereafter be granted by either of the Contracting Parties for the purpose of facilitating frontier trade relations with adjacent States in border areas.

Article 16

The Contracting Parties guarantee the enforcement of arbitral awards made in disputes arising out of the commercial or other contracts of their corporate bodies or institutions, provided that 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 such awards shall be enforced, 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 Pyongyang.

¹ See p. 32 of this volume.

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

DONE at Moscow on 22 June 1960, in duplicate in the Russian and Korean languages, both texts being equally authentic.

N. S. PATOLICHEV

LEE SONG OON

A N N E X

THE LEGAL STATUS OF THE TRADE DELEGATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND OF THE TRADE DELEGATION OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA IN THE UNION OF SOVIET SOCIALIST REPUBLICS

Article 1

The Trade Delegation of the Union of Soviet Socialist Republics in the Democratic People's Republic of Korea and the Trade Delegation of the Democratic People's Republic of Korea in the Union of Soviet Socialist Republics shall perform the following functions; each will :

- (a) Promote the development of trade and economic 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 trade between the Union of Soviet Socialist Republics and the Democratic People's Republic of Korea.

Article 2

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

The Trade Delegation of the Union of Soviet Socialist Republics in the Democratic People's Republic of Korea and the Trade Delegation of the Democratic People's Republic of Korea in the Union of Soviet Socialist Republics may open branches by agreement between the Governments of the two Parties.

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 and its branches shall enjoy extra-territoriality. The Trade Delegation and its branches shall be entitled to use cipher.

The Trade Delegation and its branches shall not be subject to commercial registration.

Employees of the Trade Delegation and its branches who are citizens of the State to which the Trade Delegation belongs shall be exempt in the receiving State from taxation on the emoluments which 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 transact legal business on behalf of the Trade Delegation and particulars of the degree of authority of each such person to sign commercial contracts on its behalf shall be published in the official gazette 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 relating to 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 providing for arbitration or for some other jurisdiction, be subject to the jurisdiction of the courts of the said State. No interim court orders for the provision of security may be made;

(b) Final judicial decisions against the Trade Delegation in such disputes shall be enforceable when they have acquired legal effect, but execution may be levied only on goods and claims standing to the credit of the Trade Delegation.

N. S. P.

LEE
