

No. 7812

CZECHOSLOVAKIA
and
HUNGARY

**Treaty of Trade and Navigation. Signed at Prague, on
20 December 1963**

Official texts: Czech and Hungarian.

Registered by Czechoslovakia on 11 June 1965.

TCHÉCOSLOVAQUIE
et
HONGRIE

**Traité de commerce et de navigation. Signé à Prague, le
20 décembre 1963**

Textes officiels tchèque et hongrois.

Enregistré par la Tchécoslovaquie le 11 juin 1965.

[TRANSLATION—TRADUCTION]

No. 7812. TREATY¹ OF TRADE AND NAVIGATION BETWEEN THE CZECHOSLOVAK SOCIALIST REPUBLIC AND THE HUNGARIAN PEOPLE'S REPUBLIC. SIGNED AT PRAGUE, ON 20 DECEMBER 1963

The President of the Czechoslovak Socialist Republic and the Presidential Council of the Hungarian People's Republic,

Desiring to strengthen and intensify the fraternal co-operation between the peoples of the two States in matters of trade as in other matters, to expand economic relations on the basis of equality and mutual benefit, and thus to raise further the level of living of the peoples of the two countries,

Have decided to conclude a Treaty of trade and navigation.

For this purposes they have appointed as their plenipotentiaries :

The President of the Czechoslovak Socialist Republic :

Mr. Václav David, Minister for Foreign Affairs;

The Presidential Council of the Hungarian People's Republic :

Mr. Lajos Cséby, Ambassador Extraordinary and Plenipotentiary,

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

Article 1

1. The Contracting Parties shall take all necessary measures for the purpose of further strengthening and expanding trade relations between the two States in a spirit of fraternal co-operation and mutual assistance and on the basis of equality and mutual benefit.

2. To this end, the Contracting Parties shall regulate the exchange of goods and other economic relations between them through long-term and annual agreements concerning the exchange of goods, payments and the provision of transport and forwarding services, through agreements on economic co-operation and, where appropriate, through other agreements; the said agreements shall be concluded by the Governments or the competent authorities of the two States.

¹ Came into force on 25 October 1964, the thirtieth day following the date of the exchange of the instruments of ratification which took place at Budapest on 25 September 1964, in accordance with article 23 (1).

3. After concluding the agreements referred to in paragraph 2 of this article, the Contracting Parties shall take appropriate measures, in the spirit of socialist co-operation, to comply fully with the obligations laid down in the agreements with regard to the exchange of goods, payments, transport, forwarding and other economic matters and shall take no action that might in any way impede the discharge of the said obligations.

Article 2

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

Article 3

1. In conformity with the principle of most-favoured-nation treatment, each Contracting Party shall accord to bodies corporate of the other Contracting Party which engage in foreign trade or other economic activity, and to vessels of the other Contracting Party, treatment not less favourable than it accords to companies, bodies corporate and vessels of any third State; consistently with the foregoing, each Contracting Party shall forthwith and unconditionally accord to bodies corporate and vessels of the other Contracting Party all advantages, reliefs, privileges and exemptions which it accords to any third State.

2. All advantages, reliefs, privileges and exemptions which have been or may be granted by either Contracting Party in respect of goods of any origin or intended for export to any other country shall be granted forthwith and unconditionally by the said Contracting Party in respect of similar goods imported into or exported from its territory within the scope of economic relations between the Contracting Parties.

3. The most-favoured-nation clause shall apply, *inter alia*, to authorization for the import and export of goods, to the procedure for issuing import and export licences, to import and export duties, taxes and charges and the collection and refund thereof, to the tariff classification of goods, to the warehousing of goods under customs control, and to customs regulations and formalities.

4. The most-favoured-nation treatment referred to in article 2 shall be applied to navigation on inland waterways on which international treaties permit free navigation for all States.

Article 4

Neither Contracting Party shall subject manufactured and agricultural products imported into or intended for export from its territory, within the scope of economic relations with the other Contracting Party, to a higher duty, tax or charge or to less favourable regulations or procedures than it applies to products imported from or intended for export to any third State.

Article 5

The dutiable value of goods imported into the territory of either Contracting Party within the scope of economic relations between the Contracting Parties shall, where the said goods are subject to *ad valorem* duty, be deemed to be identical with the purchase price shown in the invoice.

Article 6

The Contracting Parties shall grant each other exemption from duties, taxes and charges, and shall require no import or export licences, on the following goods :

- (a) Goods intended for experiment and research, supplied free of charge;
- (b) Goods and parts thereof supplied in fulfilment of a guarantee obligation;
- (c) Merchandise samples of negligible value which are used for advertising or to secure orders;
- (d) Merchandise samples, whatever their value, sent to trade missions of the Contracting Parties, and merchandise samples sent to foreign trade enterprises, provided that the quantity thereof does not exceed the normal limit for commercial samples;
- (e) Catalogues, price-lists, prospectuses and advertising material, including advertising films, sent to trade missions of the Contracting Parties or foreign trade enterprises;
- (f) Documentation sent within the scope of scientific and technical co-operation.

Article 7

The goods listed below shall be exempt from duties, taxes and charges and from the deposit of a bond on importation into the territory of either Contracting Party within the scope of economic relations between the Contracting Parties,

provided that they are re-exported in the condition and within the time-limit prescribed in the regulations in force in the importing country and that proof of their identity is produced :

- (a) Goods sent for fairs and exhibitions and materials for use in setting up and furnishing the same;
- (b) Goods sent for repair;
- (c) Goods sent for processing and finishing;
- (d) Containers sent for filling and containers of imported goods;
- (e) Tools, instruments and appliances which fitters or other persons bring with them in order to carry out work connected with economic or trade relations between the Contracting Parties, or which are sent to them for that purpose.

Article 8

The Contracting Parties shall refrain from levying duties, taxes and charges on goods imported into their territory within the scope of economic relations between them, or shall refund any duties, taxes and charges already paid on goods returned or forwarded to another State, if the goods have been returned or forwarded because they did not meet the agreed conditions, because the relevant transaction was for some reason not completed or because the goods remained unsold.

Article 9

1. Each Contracting Party shall grant the right of free transit through its territory for the goods of the other Contracting Party.

2. Manufactured and agricultural products of one Contracting Party in transit through the territory of the other Contracting Party shall not be liable to duties, taxes or charges.

Article 10

The Contracting Parties shall co-operate closely in all branches of science and technology in order to promote the development of production, further economic growth, and hence the expansion of trade relations between the two States. Such co-operation shall be regulated by special treaties.

Article 11

1. The nationality of vessels of the Contracting Parties shall be determined by the law of the Contracting Party under whose flag they sail.

2. Ship's papers and papers relating to the crew which are issued in accordance with the law of the Contracting Party under whose flag the vessel sails shall be recognized by the authorities of the other Contracting Party.

3. The Contracting Parties shall notify each other which authorities are competent to issue the documents referred to in the preceding paragraph.

Article 12

Where a vessel is wrecked or damaged, the Contracting Parties shall extend the necessary assistance to the master, crew and passengers and to the vessel and its cargo in the same measure as they would to their own vessels in similar circumstances.

Article 13

1. The provisions of this Treaty shall not apply to traffic between ports of the same Contracting Party (cabotage).

2. Vessels of one Contracting Party sailing from one port of the other Contracting Party to another port of the latter Contracting Party for the purpose of landing cargo imported from a third State or of taking on board cargo destined for a third State shall not be deemed to be engaged in traffic between ports of the same Contracting Party.

Article 14

The provisions of this Treaty shall not affect the provisions of the Convention regarding the regime of navigation on the Danube, concluded at Belgrade on 18 August 1948.

Article 15

Each Contracting Party shall be entitled to establish a trade mission in the capital city of the other Contracting Party for the purpose of expanding economic relations. With the consent of the receiving State, the sending State may also establish trade missions in other towns of the receiving State. Trade missions shall be an integral part of the diplomatic mission of the sending State, and

their members shall enjoy the same privileges and immunities as other members of the diplomatic mission.

Article 16

With a view to simplifying the formalities for the import and export of goods, neither Contracting Party shall require consular invoices or certificates of origin from the other Contracting Party for the import of goods from its territory.

Article 17

The Contracting Parties shall reciprocally recognize prohibitions and restrictions which are applied without distinction to all States in like circumstances and which relate to State security, the social order, public health, protection against plant and animal pests and diseases, protection against the degeneration of seed grain, and the protection of works of art and objects of historical value, as well as those which relate to precious metals, coins, banknotes and securities.

Article 18

In giving effect to treaties concluded within the scope of commercial and economic relations, the competent foreign trade enterprises and other organizations of each Contracting Party may employ in the territory of the other Contracting Party nationals of their own country and nationals of the other Contracting Party.

Article 19

Each Contracting Party shall foster the participation of the other Contracting Party in exhibitions organized in its territory, the reciprocal display of products, and exchanges of visits by commercial and technical specialists, in order that they may acquire the widest possible familiarity with each other's needs and potential for supply.

Article 20

Each Contracting Party shall accord nationals and bodies corporate of the other Contracting Party the same treatment as its own nationals and bodies corporate with regard to the registration, acquisition, retention and protection of patents, trademarks and other industrial property and to the protection of appellations of origin, trade names and copyright.

Article 21

1. Bodies corporate having their head office in the territory of one Contracting Party and established in accordance with its laws shall be recognized in the territory of the other Contracting Party as well.

2. Bodies corporate of one Contracting Party which engage in foreign trade or other economic activity shall enjoy in the territory of the other Contracting Party the same legal protection as bodies corporate of the latter Contracting Party.

Article 22

This Treaty shall be ratified in accordance with the constitutional provisions of the Contracting Parties and the instruments of ratification shall be exchanged at Budapest as soon as possible.

Article 23

1. This Treaty shall enter into force thirty days after the exchange of the instruments of ratification.

2. The Treaty shall remain in force for one year from the date on which either Contracting Party notifies the other Contracting Party in writing that it is denouncing the Treaty.

3. Upon the entry into force of this Treaty, the Agreement on the temporary regulation of economic relations between the two States, concluded at Prague on 23 April 1949, shall cease to have effect.

DONE at Prague on 20 December 1963 in two original copies, each in the Czech and Hungarian languages, both texts being equally authentic.

For the President
of the Czechoslovak Socialist Republic :

For the Presidential Council
of the Hungarian People's Republic :

V. DAVID

CsÉBY Lajos