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No. 9832

**UNION OF SOVIET SOCIALIST REPUBLICS
and
MALAYSIA**

**Trade Agreement (with annexes). Signed at Kuala Lumpur
on 3 April 1967**

Authentic texts: Russian, Malay and English.

Registered by the Union of Soviet Socialist Republics on 30 August 1969.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
MALAISIE**

**Accord commercial (avec annexes). Signé à Kuala Lumpur le
3 avril 1967**

Textes authentiques: russe, malais et anglais.

Enregistré par l'Union des Républiques socialistes soviétiques le 30 août 1969.

TRADE AGREEMENT¹ BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND MALAYSIA

The Government of the Union of Soviet Socialist Republics and the Government of Malaysia,

Desiring to establish and develop direct commercial relations between the U.S.S.R. and Malaysia on the basis of equality and mutual benefit,

Have agreed as follows :

Article I

1. Each Contracting Party shall grant the other most favoured nation treatment in all matters relating to :

- (a) customs duties and charges of any kind, including the method of levying such duties and charges, imposed on or in connection with importation, or exportation imposed on the transfer of payment for imports or exports;
- (b) rules, formalities and charges connected with customs clearance; and
- (c) all internal taxes or other internal charges of any kind imposed on or in connection with imported and exported products.

2. Each Contracting Party shall accord the other most favoured nation treatment in respect of issuance of import and export licences.

3. Any advantage, favour, privilege or immunity granted or may be granted by each Contracting Party on import or export of any product, originating in or consigned to the territory of a third country, shall be accorded immediately and unconditionally to the like product originating in or consigned to the territory of either Contracting Party.

4. Neither Contracting Party shall impose restrictions or prohibitions on the importation of any product from the territory of the other Contracting Party or on the exportation of any product consigned to the territory of the other Contracting Party, unless such prohibitions or restrictions are applicable to all third countries.

¹ Came into force on 3 April 1967 by signature, in accordance with article 13.

5. The provisions of the preceding paragraphs of this Article shall not however apply to advantages or preferences which either of the Contracting Parties has granted or may grant to its neighbouring countries.

Article II

1. The Contracting Parties shall, subject to their respective import, export, foreign exchange and other laws, rules and regulations in force in either country, provide the maximum facilities possible for the purpose of increasing the volume of trade between the two countries and in particular in respect of goods and commodities listed in Schedules A and B attached to the present Agreement as Annexes 1 and 2 respectively. These Schedules may be amended and supplemented by mutual consent of the Contracting Parties.

2. The provisions of the preceding paragraph of this Article shall also apply to goods and commodities not listed in Schedules A and B.

Article III

The provisions of the present Agreement shall not limit the right of either Contracting Party to adopt or execute measures relating to the protection of :

- (a) its security; and
- (b) public health or the prevention of diseases and pests in animals and plants.

Article IV

Commercial transactions within the framework of this Agreement shall be concluded between Soviet foreign trade organisations as independent legal bodies and Malaysian legal and natural persons.

Article V

Legal and natural persons of each Contracting Party, when engaged in commercial activities in the territory of the other, shall enjoy most favoured nation treatment in respect of protection of persons and their property, provided that the enjoyment of this treatment shall be subject to the laws, rules and regulations in force in the territory of the other Contracting Party.

Article VI

For the purpose of promoting trade between the two countries the Contracting Parties shall, on terms and conditions as shall be agreed upon by the com-

petent authorities of both countries, subject to laws, rules and regulations in force in either country, and within their competence, facilitate each other's participation in trade fairs to be held in either country and the organisation of commercial exhibitions by one of the Contracting Parties in the territory of the other.

Article VII

Mercantile ships of either country with or without cargoes thereon, other than ships engaged in coastal navigation, shall enjoy in respect of entry, stay in and departure from the ports of the other country most favoured nation facilities granted by their respective laws, rules and regulations to ships of third country flags.

Article VIII

All current payments between the two countries shall be effected in freely convertible currency in accordance with the foreign exchange controls in force in each country.

Article IX

Each Contracting Party may on the basis of reciprocity establish in the capital of the other Contracting Party its Trade Representation. The legal status of such Representation shall be determined by the provisions of Annex 3 which shall form an integral part of the present Agreement.

Article X

Unless the parties otherwise agree and in the absence of an arbitration clause, all disputes relating to any commercial transaction concluded between Soviet foreign trade organisations and Malaysian legal or natural persons shall be subject to the jurisdiction of the Soviet courts where the transaction has been concluded in the U.S.S.R. and to the jurisdiction of the Malaysian courts where such transaction has been concluded in Malaysia. Such disputes may also be submitted to the courts of any other country for determination where the parties have so stipulated in their contracts.

Article XI

The Contracting Parties shall, at the request of either Party, discuss in the spirit of mutual understanding measures for the expansion of trade between the two countries and problems relating to the implementation of the present Agreement.

Article XII

The provisions of the present Agreement shall continue to govern all commercial transactions concluded, but not fully executed, before the expiry of this Agreement.

Article XIII

1. The present Agreement shall come into force on the date of its signature and shall remain valid for a period of one year.

2. Upon the expiry of this period the Agreement shall automatically remain in force for further periods of one year each, unless either Contracting Party notifies in writing the other of its intention to terminate the Agreement at least 90 days prior to the expiry of each period.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

DONE at Kuala Lumpur this 3 day of April in two original copies each in the Russian, Malay and English languages; all three texts being equally authentic.

By Authority
of the Government
of the Union of Soviet
Socialist Republics :

V. B. SPANDARIAN

By Authority
of the Government
of Malaysia :

Raja Mohar Bin Raja BADIOZAMAN

ANNEX 1

SCHEDULE A

GOODS FOR EXPORT FROM MALAYSIA TO THE U.S.S.R.

Primary Products

Natural rubber
Tin
Rare metals and ores
Timber of precious types and forest products
Vegetable oils
Spices (pepper, nutmeg, etc.)
Tea
Coffee beans
Hemp (Abaca)
Natural gums and exotic resin
Gutta percha (Jelutong)
Cocoa

Skins and hides
Fresh fruits
Other primary products

Manufactures

Fruits, canned and juice
Rubber manufactures
Made up textile goods
Textile piece goods
Handicrafts
Hosiery
Plywood, veneer and other timber products
PVC electric cables
PVC floor tiles
Other manufactured products

A N N E X 2

SCHEDULE B

GOODS FOR EXPORT FROM THE U.S.S.R. TO MALAYSIA

Machinery and equipment for metal working industry
(machine tools, hammers, press, etc.)
Power-generating and electrotechnical equipment
(diesel engines, generators and transformers, etc.)
Lifting equipment
Tractors, agricultural machinery and implements
Building and earthmoving equipment
Equipment for light industry
Printing machinery and polygraphic equipment
Cutting and measuring tools and instruments, bearings
Medical instruments and equipment
Other machinery and equipment
Crude oil and petroleum products (excluding refined petroleum)
Asbestos raw
Pig-iron
Ferro-alloys
Rolled steel products
Aluminium and semi-finished aluminium products
Cables and wires
Chemical products
Dyestuffs
Fertilizers
Glass sheets
Wood pulp and paper

Raw materials for medicines and drugs
(including goods of Tibetan medicine)
Canned fish and crab meat
Caviar
Sea foods (shark fins, etc.)
Spirits and wines
Cotton textiles
Linen, silk and spun rayon fabrics
Porcelain ware and glassware
Metal ware and cutlery
Medicine and drugs
Perfumes
Watches
Cameras (including movie cameras)
Handicraft art products
Sport and hunting goods
Other goods.

A N N E X 3

THE LEGAL STATUS OF THE TRADE REPRESENTATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN MALAYSIA AND THE TRADE REPRESENTATION OF MALAYSIA IN THE U.S.S.R.

Article 1

Malaysia shall agree to the establishment by the Union of Soviet Socialist Republics of its Trade Representation in Malaysia.

The Trade Representation of the Union of Soviet Socialist Republics in Malaysia shall perform the following duties :

- (a) to promote the development of trade relations between the U.S.S.R. and Malaysia;
- (b) to represent the interests of the U.S.S.R. in Malaysia in all matters relating to foreign trade of the U.S.S.R.; and
- (c) to effect trade between the U.S.S.R. and Malaysia.

Article 2

- (i) The Trade Representation of the U.S.S.R. shall have its office and residential premises in the Federal Capital of Kuala Lumpur;
- (ii) The Trade Representative and his two Deputies shall enjoy all the immunities and privileges accorded to members of a diplomatic mission;
- (iii) The office and residential premises of the Trade Representation shall enjoy the immunities and privileges accorded to the office and residential premises of a diplomatic mission;
- (iv) The Trade Representation shall have the right to use cypher;

- (v) The Trade Representation shall not be subject to registration;
- (vi) The number of members of the Trade Representation shall be as agreed upon from time to time between the Contracting Parties.
- (vii) The members of the Trade Representation who are citizens of the U.S.S.R. shall not be subject to taxation on the wages and salaries they receive from the Government of the U.S.S.R. for the performance of their duties stipulated in Article 1 of this Annex.

Article 3

The Union of the Soviet Socialist Republics shall agree to the establishment by Malaysia of its Trade Representation in the U.S.S.R.

The Trade Representations of Malaysia in the U.S.S.R. shall perform the following duties :

- (a) to promote the development of trade relations between Malaysia and the U.S.S.R.; and
- (b) to represent the interests of the Government of Malaysia in the U.S.S.R. in all matters relating to foreign trade of Malaysia.

Article 4

- (i) The Trade Representation of Malaysia shall have its office and residential premises in Moscow.
- (ii) The Trade Representative and his two Deputies shall enjoy all the immunities and privileges accorded to members of a diplomatic mission.
- (iii) The office and residential premises of the Trade Representation shall enjoy the immunities and privileges accorded to the office and residential premises of a diplomatic mission.
- (iv) The Trade Representation shall have the right to use cypher.
- (v) The Trade Representation shall not be subject to registration.
- (vi) The number of members of the Trade Representation shall be as agreed upon from time to time between the Contracting Parties.
- (vii) The members of the Trade Representation who are citizens of Malaysia shall not be subject to taxation on the wages and salaries they receive from the Government of Malaysia for the performance of their duties stipulated in Article 3 of this Annex.

Article 5

The Trade Representation of the U.S.S.R. shall act on behalf of the Government of the Union of Soviet Socialist Republics in matters of trade.

The Government of the U.S.S.R. will assume responsibility for all commercial transactions which are concluded or guaranteed in Malaysia on behalf of the Trade Representation and signed by duly authorized persons.

The Government of the U.S.S.R. will not however accept any responsibility for any kind of commercial transactions concluded without guarantee of the Trade Representation

by any Soviet organisation which enjoys according to legislation of the U.S.S.R. the rights of independent juridical persons and is exclusively responsible for its own acts except in cases where the responsibility for such acts had been clearly accepted by the Trade Representation acting on behalf of the Government of the U.S.S.R.

Article 6

The Trade Representation of the U.S.S.R. enjoys the immunities and privileges resulting from the provisions of Article 2 of this Annex with the following exemptions :

- (a) disputes on commercial transactions concluded or guaranteed on behalf of the Trade Representation in accordance with Article 5 of this Annex are subject, in the absence of any clause regarding arbitration, to the jurisdiction of Malaysian courts and in such cases the Trade Representation shall authorize its representative to appear in court; and
- (b) the enforcement of a final court decision brought against the Trade Representation as a result of the above disputes can take place but the same can be applied only to funds of the Trade Representation and to goods being its property.

Article 7

The establishment of the Trade Representation of the U.S.S.R. in Malaysia and the establishment of the Trade Representation of Malaysia in the U.S.S.R. does not in any way affect the rights of Malaysian legal and natural persons and Soviet foreign trade organisations to maintain direct relations with each other for the purpose of conclusion and fulfilment of commercial transactions.

Article 8

The Trade Representation of the U.S.S.R. shall notify the Government of Malaysia of the names of persons authorized to enter into commercial transactions on behalf of the Trade Representation as well as of the scope of the authority of each of such persons in respect of signing of commercial obligations on behalf of the Trade Representation. The Government of Malaysia shall publish in the Government Gazette the names and the scope of authority of such persons.
