

No. 12454

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
HUNGARY**

**Co-operation Arrangement (with annex). Signed at Budapest
on 21 March 1972**

Authentic texts: English and Hungarian.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 27 April 1973.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
HONGRIE**

**Arrangement de coopération (avec annexe). Signé à Budapest
le 21 mars 1972**

Textes authentiques: anglais et hongrois.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 27 avril 1973.*

CO-OPERATION ARRANGEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Hungarian People's Republic,

Desirous of developing economic, industrial and technical co-operation between the two countries to their mutual advantage and having regard to article 3 of the Long Term Economic and Trade Agreement signed at Budapest on 21 March 1972,²

Have agreed as follows :

Article 1. The Contracting Parties shall encourage and facilitate the development of economic, industrial and technical co-operation between interested enterprises and economic organisations of their respective countries in the fields of industry, agriculture, trade and technology.

Article 2. (1) Co-operation projects which shall be regarded as falling within the terms of this Arrangement are set out in the annex to this Arrangement.

(2) The Contracting Parties shall consider as quickly as possible requests made to them to recognise co-operation projects for the purpose of this Arrangement.

Article 3. (1) Deliveries of goods in accordance with co-operation projects jointly recognised as falling within the terms of this Arrangement shall, if imported from the territory of one Contracting Party into the territory of the other Contracting Party, be free from quantitative restrictions other than those which are applied on a general basis.

(2) The Contracting Parties shall grant the most advantageous facilities possible within the limits of their respective laws and regulations for the development of such co-operation between the interested enterprises and economic organisations of their respective countries. To this end, in respect of co-operation projects jointly recognised as falling within the terms of this Arrangement, they shall grant to each other the most favourable treatment allowed by the laws and regulations applicable in their respective countries, and by their respective international obligations with particular respect to :

- (a) customs duties and charges of any kind imposed on or in connection with importation and exportation;
- (b) the method of levying duties or charges, and the granting of reductions and exemptions; and

¹ Came into force on 21 March 1972 by signature, in accordance with article 8.

² See p. 23 of this volume.

(c) rules, formalities and charges connected with the clearance of goods through customs.

Article 4. Unless the Contracting Parties agree otherwise, nothing in this Arrangement shall affect the implementation or the provisions regarding applied science and technology of the Agreement for co-operation in the field of applied science and technology between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Hungarian People's Republic signed at Budapest on 9 August 1967.¹

Article 5. A United Kingdom/Hungarian Joint Commission shall be established. It shall be composed of representatives of each of the Contracting Parties. Its functions shall be :

- (a) to undertake a periodic review of the implementation of this Arrangement;
- (b) generally to foster and promote new co-operation projects; and
- (c) to discuss any other questions arising out of this Arrangement which may be proposed by either Contracting Party.

Article 6. The termination of this Arrangement shall not affect the fulfilment of contracts and undertakings concluded between enterprises and economic organisations in the two countries.

Article 7. In relation to the Government of the United Kingdom, the territory to which this Arrangement shall apply shall be Great Britain and Northern Ireland.

Article 8. This Arrangement shall enter into force upon signature and shall continue in force until the expiry of six months from the date on which either Government gives written notice of termination to the other Government. The termination of the Long Term Economic and Trade Agreement signed at Budapest on 21 March 1972 shall not affect the validity of this Arrangement.

IN WITNESS WHEREOF, the undersigned, duly authorised thereto by their respective Governments, have signed this Arrangement.

DONE in duplicate at Budapest, this 21st day of March 1972, in the English and Hungarian languages, both texts being equally authoritative.

MICHAEL NOBLE
DEREK DODSON

BIRÓ J.

For the Government
of the United Kingdom of Great Britain
and Northern Ireland

For the Government
of the Hungarian People's Republic

ANNEX

1. For the purpose of article 2 of the Arrangement co-operation projects shall mainly, but not exclusively, include the following:

(i) Industrial undertakings which consist of:

- (a) two-way deliveries of parts and sub-assemblies for machines and related equipment for the purpose of the joint production of an end product, and its common or

¹ United Nations, *Treaty Series*, vol. 632, p. 39.

- co-ordinated sale in the territories of the Contracting Parties or in third-country markets;
- (b) deliveries of parts and assemblies produced by one partner in accordance with specifications provided by the other partner in which the other partner then makes the end product, whether or not combined with joint marketing of the end product;
 - (c) contracts for the processing by one partner of materials provided by the other partner;
 - (d) the exchange of experience between firms and enterprises in the respective territories of the Contracting Parties, in respect of the standardisation of production, the introduction of inventions and advanced technical processes, and technical information;
 - (e) trade in patents, know-how and licences, particularly contracts which provide for mutual deliveries of supplies produced under licences which have been granted; and
 - (f) the extension and modernisation of existing enterprises, the establishment of new enterprises, the improvement of manufacturing operations of processes, by one partner by the supply of machinery and equipment, or by the granting of licences, or by the supply of know-how, by the other partner, who has an interest in the purchasing and/or in the joint or co-ordinated marketing of the products produced by making use of the equipment, licences or know-how supplied.
- (ii) Joint design and/or joint construction of industrial, agricultural and other projects in third countries and co-operation in their operation.
2. By mutual consent of the Contracting Parties, other forms of co-operation may also be treated as co-operation projects for the purpose of Article 2 of the Arrangement.
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