

**No. 12358**

---

**CANADA  
and  
HUNGARY**

**Trade Agreement. Signed at Ottawa on 6 October 1971**

*Authentic texts : French, English and Hungarian.*

*Registered by Canada on 28 March 1973.*

---

**CANADA  
et  
HONGRIE**

**Accord de commerce. Signé à Ottawa le 6 octobre 1971**

*Textes authentiques : français, anglais et hongrois.*

*Enregistré par le Canada le 28 mars 1973.*

## TRADE AGREEMENT<sup>1</sup> BETWEEN CANADA AND THE HUNGARIAN PEOPLE'S REPUBLIC

The Government of Canada and the Government of the Hungarian People's Republic, desirous of regulating and facilitating trade between the two countries upon the basis of equality and reciprocal advantage, have agreed as follows :

### *Article I*

Each Contracting Party shall accord to the other Contracting Party unconditional most-favoured-nation treatment in all matters with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation and with respect to the method of levying such duties and charges, with respect to the rules and formalities connected with importation or exportation, and with respect to all internal taxes or internal charges of any kind, and with respect to all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods within the territory of such Contracting Party.

Accordingly, products of each Contracting Party imported into the territory of the other Contracting Party shall not be subject, in regard to the matters referred to in the first paragraph of this article, to any duties, taxes or charges other or higher, or to any rules or formalities more burdensome, than those to which like products of any third country are or may hereafter be subject.

Similarly, products exported from the territory of a Contracting Party and consigned to the territory of the other Contracting Party shall not be subject, in regard to matters referred to in the first paragraph of this article, to any duties, taxes or charges other or higher, or to any rules or formalities more burdensome, than those to which like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favour, privilege or immunity which has been or may hereafter be granted by either Contracting Party, in regard to the matters referred to in the first paragraph of this article, to any product of any third country shall be accorded immediately and without compensation to like

---

<sup>1</sup> Came into force provisionally on 1 January 1972, and definitively on 29 May 1972, the date of the exchange of the instruments of ratification, which took place in Budapest, in accordance with article VII.

products originating in the territory of the other Contracting Party, and irrespective of the nationality of the carrier.

Each Contracting Party shall accord to the other Contracting Party most-favoured-nation treatment with respect to sales or purchases involving exports or imports.

#### *Article II*

Each Contracting Party shall accord to the products of the other Contracting Party, which have been in transit through the territory of any third country receiving most-favoured-nation treatment from the importing country, treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through the territory of such third country. Each Contracting Party shall, however, be free to maintain its requirements of direct consignment existing on the date of signature of the present Agreement in respect of any goods in regard to which such direct consignment has relation to that Contracting Party's prescribed method of valuation for duty purposes.

#### *Article III*

The advantages accorded by Canada exclusively to countries and their dependent overseas territories entitled to the benefits of the British Preferential Tariff shall be excepted from the operation of articles I and II of this Agreement. The Preferential Tariff treatment which may be accorded by either Contracting Party to developing countries, areas or territories in accordance with UNCTAD resolution 21(II) shall be excepted from the operation of articles I and II of this Agreement.

#### *Article IV*

No prohibitions or restrictions shall be applied by either Contracting Party on the importation or exportation of any product from or to the territory of the other Contracting Party which are not similarly applied to the importation or exportation of the like product from or to the territories of all third countries except for import or exchange restrictions applicable to all countries in like circumstances for the purpose of safeguarding the external financial position and balance of payments.

The provisions of the present Agreement shall not limit the right of either Contracting Party to apply prohibitions or restrictions of any kind directed to the protection of its essential security interests.

*Article V*

The Contracting Parties will facilitate visits for business purposes between the two countries.

*Article VI*

Each Contracting Party looks forward to a further development and diversification of their mutual trade. To this end, it has been agreed that representatives of the two sides will meet at least once a year to review the development of trade between the two countries and the implementation of the present Agreement, and to elaborate measures as appropriate to facilitate the development of this trade within the scope of the laws and regulations in force in the respective countries.

The Government of each Contracting Party shall give sympathetic consideration to any representation which the Government of the other Contracting Party may make in respect of the implementation of the present Agreement.

*Article VII*

The present Agreement shall enter into force provisionally on January 1, 1972. It shall, however, be ratified as soon as possible thereafter by both Contracting Parties and shall enter into force definitively on the date of the exchange of the instruments of ratification which shall take place in Budapest.

The Trade Agreement shall remain in force for a period of five years from January 1, 1972. At the conclusion of this period the Agreement shall automatically be extended for further periods of five years unless either Contracting Party, not less than six months before its date of expiry, has given written notice of its desire to terminate or to renegotiate the Agreement.