

**No. 14708**

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**JAPAN  
and  
CHINA**

**Trade Agreement. Signed at Peking on 5 January 1974**

*Authentic texts: Japanese and Chinese.*

*Registered by Japan on 14 April 1976.*

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**JAPON  
et  
CHINE**

**Accord commercial. Signé à Pékin le 5 janvier 1974**

*Textes authentiques : japonais et chinois.*

*Enregistré par le Japon le 14 avril 1976.*

## [TRANSLATION — TRADUCTION]

TRADE AGREEMENT<sup>1</sup> BETWEEN JAPAN AND THE PEOPLE'S  
REPUBLIC OF CHINA

The Government of the People's Republic of China and the Government of Japan,

Proceeding on the basis of the joint declaration by the Governments of the two countries issued at Beijing (Peking) on 29 September 1972,

Valuing the results obtained from the existing trade links between their peoples,

Prompted by the desire to promote trade and strengthen economic ties between the two countries on the basis of the principles of equality and mutual benefit,

Have engaged in amicable negotiations and agreed as follows:

*Article 1.* 1. The Contracting Parties shall accord to each other most-favoured-nation treatment in respect of all customs duties, domestic levies and other taxes pertaining to imported and exported goods, of the methods of collection of the aforementioned duties, levies and taxes, and of customs regulations and procedures.

2. The conditions pertaining to goods to which the provisions of paragraph 1 apply shall be identical with the conditions pertaining to the granting of most-favoured-nation treatment to a third country by either Party.

3. The provisions of paragraph 1 shall not apply to preferential treatment accorded by either Party to a contiguous country in order to facilitate frontier trade.

*Article 2.* Each Contracting Party shall, in accordance with its relevant domestic legislation, extend most-favoured-nation treatment in respect of exemption from the collection of customs duties, domestic levies and other taxes on the following articles temporarily imported into or exported from its territory by the other Party:

- (i) samples of merchandise (in quantities not exceeding those generally used for samples in commercial practice);
- (ii) articles for use in experimentation and testing;
- (iii) articles to be shown in exhibitions, trade fairs and competitions;
- (iv) tools and implements used by installers in the installation and assembly of equipment;
- (v) articles to be processed or repaired and materials for use in processing or repair work;
- (vi) packing materials for imported or exported goods.

<sup>1</sup> Came into force on 22 June 1974, i.e., the thirtieth day following the date (24 May 1974) of exchange of the notifications confirming the completion in the respective countries of the procedures required by their internal legislation, in accordance with article 10 (1).

*Article 3.* Each Contracting Party shall accord most-favoured-nation treatment in respect of all customs duties, domestic levies and other taxes and regulations and procedures pertaining to transit traffic to goods from the other Party passing in transit through the territory of the first-mentioned Party to the territory of a third State.

*Article 4.* 1. All payments between the Contracting Parties shall be made, in accordance with the legislation and regulations of each Party relating to the control of foreign exchange, in renminbi, Japanese yen or a convertible currency recognized by both countries.

2. When payments are made in renminbi or Japanese yen pursuant to paragraph 1, the Contracting Parties will welcome the effective application, in accordance with the relevant legislation of each Party, of agreements relating to clearance operations between the competent banks of the two countries.

3. Bodies corporate (including foreign-trade organizations) or individuals of either Contracting Party shall, in matters relating to payments, remittances and transfers of capital or securities between the territories of the two Contracting Parties or to payments, remittances and transfers of capital or securities between the territory of the other Party and the territory of a third State, be accorded treatment no less favourable than that accorded to bodies corporate (including foreign-trade organizations) or individuals of any third State.

*Article 5.* Trade between the two Contracting Parties shall be conducted by the foreign-trade organizations authorized under the legislation of the People's Republic of China to carry on foreign trade and by bodies corporate and individuals authorized under Japanese legislation to carry on foreign trade, according to the principles of equality and mutual benefit and pursuant to contracts concluded on the basis of fair international market prices.

*Article 6.* In order to develop further the economic and trade ties between the two countries, the Contracting Parties shall actively promote the exchange of industrial technology on the basis of the principles of equality and mutual benefit.

*Article 7.* The Contracting Parties shall encourage the holding of exhibitions relating to trade by each in the other's country. Each Party shall give maximum support to such exhibitions held in its own country, in accordance with its relevant domestic legislation.

*Article 8.* 1. In the event of a dispute arising out of, or in connexion with, a commercial contract concluded between a foreign-trade organization of the People's Republic of China and a Japanese body corporate or individual, the Contracting Parties shall encourage the parties to the dispute to seek a settlement in the first instance through amicable negotiations.

2. If the dispute cannot be solved through negotiations, the parties to the dispute may submit it to arbitration in accordance with an arbitration clause. The arbitration clause shall be established by the parties to the contract in the contract itself or in a separate agreement relating to the contract.

3. The Contracting Parties shall use every possible method to encourage the parties to the dispute to avail themselves of the two countries' arbitration facilities.

4. The two Contracting Parties shall be under obligation to implement the arbitral award through the competent agencies, in accordance with the provisions of the law of the country requested to implement the said award.

*Article 9.* The two Contracting Parties shall establish a Mixed Commission consisting of representatives of the Governments of the two Parties, the functions of which shall be to examine the situation with regard to the implementation of this Agreement and matters relating to trade between the two countries (including the exchange of views on future prospects for trade links between the two countries) and, when necessary, to make appropriate recommendations to the Governments of the Parties. The Mixed Commission shall meet at least once each year, alternately, at Beijing and at Tokyo.

*Article 10.* 1. This Agreement shall enter into force on the thirtieth day following the exchange of notifications confirming the completion in each country of the procedures required under its domestic legislation for such entry into force. It shall have effect for three years, after which period it shall remain in force until denounced in accordance with the provisions of paragraph 2.

2. Either Contracting Party may, upon the expiry of the initial three-year period or at any time thereafter, terminate this Agreement after giving three months' notice thereof in writing to the other Party.

DONE at Beijing on 5 January 1974, in duplicate in the Japanese and Chinese languages, both texts being equally authentic.

For the Government of the People's Republic of China:

Ji PENGFEI

For the Government of Japan:

OHIRA MASAYOSHI

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