

**No. 15968**

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**BRAZIL  
and  
URUGUAY**

**Agreement on maritime transport. Signed at Rivera,  
Uruguay, on 12 June 1975**

*Authentic texts: Portuguese and Spanish.  
Registered by Brazil on 25 October 1977.*

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**BRÉSIL  
et  
URUGUAY**

**Accord relatif aux transports maritimes. Signé à Rivera  
(Uruguay) le 12 juin 1975**

*Textes authentiques : portugais et espagnol.  
Enregistré par le Brésil le 25 octobre 1977.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE FEDERATIVE REPUBLIC OF BRAZIL AND THE EASTERN REPUBLIC OF URUGUAY ON MARITIME TRANSPORT

The Government of the Federative Republic of Brazil and the Government of the Eastern Republic of Uruguay,

Considering the desire of both Governments to develop trade between the Federative Republic of Brazil and the Eastern Republic of Uruguay;

Bearing in mind the special interest of both Governments in promoting the strengthening of their respective merchant marines;

Recognizing the need for efficient and regular maritime transport services and for the adoption of appropriate and stable freight rates;

Taking into account that the merchant marines of the two countries have a priority right to transport cargoes shipped in the context of their reciprocal trade;

Bearing in mind that the proceeds of freight charges in respect of the maritime transport of cargoes generated by bilateral trade should benefit shipowners of both countries;

Considering it desirable for Brazilian and Uruguayan shipping companies to strengthen their relations and maintain permanent contacts with each other;

Have agreed as follows:

*Article I.* 1. The maritime transport of cargoes shipped in the context of the trade between the two countries, including cargoes receiving favoured treatment from the Government of either country, must be effected in vessels flying the Brazilian or the Uruguayan flag.

2. Transport shall be effected in such a way that the total freight charges are divided equally between vessels flying the flags of the two Contracting Parties.

3. If one of the Contracting Parties is unable at any time to effect transport in accordance with paragraph 2 of this article, the transport in question shall be effected in vessels of the other Contracting Party and shall be counted as part of the fifty (50) per cent share of the ceding Party.

*Article II.* 1. Vessels shall be considered to be vessels flying the Brazilian or the Uruguayan flag, as the case may be, if they are so considered in accordance with the legislation in force in each of the Contracting Parties.

2. In cases of chartering, the shipowners of one Contracting Party shall give preference, wherever possible, all other conditions being equal, to vessels flying the flag of their own country and, if none is available, firstly to vessels

<sup>1</sup> Came into force on 7 October 1976, i.e., 90 days after the date of the exchange of the instruments of ratification, which took place at Brasilia on 9 July 1976, in accordance with article XXXI.

flying the flag of the other Contracting Party and secondly to vessels flying the flag of a third country.

3. The competent maritime authorities shall notify each other whenever authorization is granted for the chartering of vessels to be used in the commercial traffic between the two countries.

*Article III.* To ensure regular services and better use of the vessels flying the flags of both countries, co-ordination systems and special shipment régimes may be established for those cargoes which, because of their physical properties or volume, so require.

*Article IV.* The application of this Agreement shall not entail any discrimination with regard to cargo and shall not cause any delays in shipment beyond the number of days agreed on by the competent authorities, in the Regulations governing the implementation of this Agreement, for perishable or easily spoilt goods and for other cargoes.

*Article V.* The requirement as to transport referred to in article I, paragraph 1, shall be applied in such a way as not to result in higher freight rates which might affect trade between the two countries.

*Article VI.* 1. For the purpose of implementing this Agreement with respect to cargoes, Brazilian and Uruguayan shipowners shall negotiate an Agreement on Rates and Services, which shall be responsible for organizing the maritime cargo traffic covered by this Agreement in the interests of maximum efficiency and economy.

2. The Contracting Parties shall, if it proves desirable, promote the establishment of a Freight Conference comprising the shipowners of the two countries who are authorized by the competent maritime authorities to engage in the traffic covered by this Agreement.

3. In addition, the aforementioned bodies shall deal with the various aspects of Brazilian-Uruguayan maritime transport and shall maintain permanent contacts with shippers or their agents and with the competent authorities of the two countries.

*Article VII.* 1. The transport of cargoes shipped from Brazilian ports to Uruguayan ports and vice versa shall be effected only by shipowners who are members of the Agreement on Rates and Services. When no hold space is available in vessels belonging to the Agreement on Rates and Services, shipment in a Brazilian or Uruguayan national vessel not belonging to the said Agreement may be authorized.

2. Shipment in vessels flying the flag of a third country may be authorized when no hold space is available in vessels flying the Brazilian or the Uruguayan flag within the time-limits to be established in accordance with article IV, priority being given to vessels of the region, on a reciprocal basis. Such authorization shall be granted by the competent authority of the country of shipment.

3. Shipowners of third countries who are granted authorization in accordance with paragraph 2 of this article shall not be members of the Agreement on Rates and Services.

*Article VIII.* During the period between the entry into force of this Agreement and the actual implementation of the Agreement on Rates and Services,

arrangements shall be made by the shipowners of the two countries and by the competent maritime authorities to ensure regularity of frequency and of services sufficient to meet the requirements of trade.

*Article IX.* The Regulations of the Agreement on Rates and Services shall include provisions to ensure its proper functioning. Those provisions shall be detailed, particularly as regards the declaration of principles; conditions for membership; designation of authorities; termination and extension of their mandate; equitable distribution of ports of loading and unloading; rules for the rationalization of services; establishment of committees, their functions and powers; rules for determining rates and conditions of carriage; voting systems; and co-operation between member shipowners in faithfully implementing the provisions relating to operation of the traffic referred to in this Agreement.

*Article X.* The Agreement on Rates and Services shall be based on a comprehensive system for the classification of cargoes involved in trade, in accordance with the rules laid down in the tariff nomenclature to be adopted by both Contracting Parties.

*Article XI.* If agreement on freight rates and conditions of carriage is not reached in the Agreement on Rates and Services, they shall be determined by agreement between the competent maritime authorities of the two Contracting Parties.

*Article XII.* The Regulations of the Agreement on Rates and Services, and any freight rates and conditions of carriage which may be established, shall enter into force only after approval by the competent maritime authorities of both Contracting Parties.

*Article XIII.* 1. The competent maritime authorities of the Contracting Parties shall decide directly between themselves on the time-limits for approving, objecting to or disapproving freight rates and conditions of carriage, and on the procedure for consultation in case of a decision by one of them, with the knowledge of the other, to object to or disapprove freight rates and conditions of carriage.

2. The said maritime authorities shall fix the time-limits for communications with each other concerning approval of, objection to or disapproval of freight rates and conditions of carriage.

*Article XIV.* If the Agreement on Rates and Services fails to arrive at a solution within the specified time-limit regarding objections to or disapproval of freight rates or conditions of carriage by the competent maritime authority of a Contracting Party, the latter shall arrange a meeting with the competent maritime authority of the other Contracting Party in order to proceed in accordance with the provisions of article XIII of this Agreement.

*Article XV.* If and when the interests of shippers or of carriers are adversely affected by the application of freight rates or conditions of carriage, the Contracting Parties shall, within their jurisdictions, promote consultations between the sectors concerned.

*Article XVI.* In order to enable the competent maritime authority of each Contracting Party to supervise the services and verify the degree of participation of shipowners and of vessels flying its flag in the traffic in question, the

Agreement on Rates and Services shall supply such information as may be requested of it in connexion with its activities.

*Article XVII.* The Contracting Parties undertake to facilitate the smooth and speedy settlement and transfer of sums collected by Brazilian and Uruguayan shipowners in respect of freight charges, in accordance with the provisions in force between the two countries governing reciprocal payments.

*Article XVIII.* The Contracting Parties undertake to adopt, within their respective jurisdictions and to the extent of their means, the necessary measures to expedite the operations of vessels.

*Article XIX.* For the purpose of implementing the provisions of article I of this Agreement, the appropriate authorities of each Contracting Party shall affix to documents relating to cargoes a stamp indicating that shipment must be made in vessels flying the flag of one of the signatories to this Agreement.

*Article XX.* Vessels flying the Brazilian or the Uruguayan flag which provide regular cargo service between the two countries, including vessels on longer routes which serve the traffic between South American countries only, shall be entitled in each country to the same treatment as vessels flying the national flag and engaged in the same traffic, without prejudice to the sovereign rights of each country to restrict certain areas for reasons of national security.

*Article XXI.* No measure adopted by either Contracting Party in respect of cargo transported in vessels of its own registry shall entail surcharges, increases, rebates or any differential treatment in freight charges when cargo is transported in vessels of the other Party.

*Article XXII.* The Contracting Parties undertake not to adopt or impose restrictions of any kind, or measures having a like effect, on the operation, reception or dispatch of national vessels of the two countries which would result in unequal treatment or treatment less favourable than is applied to vessels flying the flag of a third country.

*Article XXIII.* 1. Nothing in this Agreement shall be interpreted as restricting the right of each country to regulate its domestic coastal shipping and transport to and from third countries.

2. Nothing in this Agreement shall be interpreted as restricting the right of each country to facilitate in any manner the domestic coastal shipping services operated by its vessels.

3. For the purposes of the foregoing, domestic coastal trade and shipping shall be understood to mean transport services operated between ports or geographical points within the same country in accordance with its legislation.

*Article XXIV.* The application of the provisions of this Agreement shall not result in discrimination with regard to cargoes, unjustified refusal of shipments, excessive freight charges, delays in shipment, granting of rebates or the adoption of other measures constituting unfair competitive practices which might adversely affect the participation of vessels flying the flag of either Contracting Party.

*Article XXV.* The Contracting Parties undertake to adopt standard systems of statistics showing the true and balanced participation in traffic of vessels flying the flags of both countries and the cargoes transported by vessels flying

the flag of a third country. In addition, an attempt shall be made to standardize and simplify the shipping documents used by vessels covered by this Agreement.

*Article XXVI.* The competent maritime authorities shall exchange information with a view to achieving maximum efficiency in maritime transport between the Contracting Parties.

*Article XXVII.* 1. For the purposes of this Agreement, "competent maritime authority" means, in the Federative Republic of Brazil, the National Inspectorate of the Merchant Marine—SUNAMAM—Ministry of Transport, and, in the Eastern Republic of Uruguay, the Directorate of the Merchant Marine, Ministry of Transport and Public Works.

2. If a change in the legislation of either Contracting Party results in a change in the competence of the maritime authority referred to in paragraph 1 of this article, the other Contracting Party shall be informed of the new authority by diplomatic note.

*Article XXVIII.* 1. Either Contracting Party may request meetings for consultation between the competent maritime authorities with a view to suggesting amendments to the provisions of this Agreement and of the Agreement on Rates and Services; such meetings shall begin within ninety (90) days of the date of notification of the request and shall, unless otherwise agreed, be held in the territory of the country to which the request for consultation was made.

2. The competent maritime authorities shall also hold periodic consultations for the purpose of reviewing and seeking to improve the conditions and results of the application of this Agreement.

3. Upon the expiry of one year from the date of entry into force of this Agreement, the Contracting Parties shall meet to consider and adopt, in the light of the experience acquired during that period, such amendments or adjustments as may be necessary.

*Article XXIX.* The Contracting Parties agree that the facilities and rights which they accord to each other under this Agreement shall be excluded from the application of the most-favoured-nation clause, which might have the effect of extending them to third States.

*Article XXX.* Bulk shipments of petroleum and its derivatives, and of iron ore where such ore is the sole cargo, shall be excluded from the provisions of this Agreement.

*Article XXXI.* This Agreement shall enter into force ninety (90) days after the exchange of the instruments of ratification and shall remain in force for a period of five (5) years, automatically renewable for a like period, unless one of the Contracting Parties informs the other at any time, on at least ninety (90) days' notice, of its desire to denounce it.

#### TRANSITIONAL PROVISIONS

1. Within thirty (30) days after the exchange of the instruments of ratification, the shipowners authorized to become members of the Agreement on Rates and Services shall meet for the purpose of drawing up its Regulations.

2. Within sixty (60) days after the exchange of the instruments of ratification, the shipowners shall submit the said Regulations to the competent maritime authorities of both Contracting Parties for approval.

3. Within ninety (90) days after the exchange of the instruments of ratification, the competent maritime authorities of the Contracting Parties shall take a decision on the said Regulations.

DONE in the city of Rivera on 12 June 1975, in two originals in the Portuguese and Spanish languages, both texts being equally authentic.

For the Government  
of the Federative Republic  
of Brazil:

ANTONIO F. AZEREDO DA SILVEIRA

For the Government  
of the Eastern Republic  
of Uruguay:

JUAN CARLOS BLANCO

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