

No. 21859

**UNION OF SOVIET SOCIALIST REPUBLICS
and
PEOPLE'S REPUBLIC OF KAMPUCHEA**

Trade Agreement. Signed at Moscow on 5 February 1980

Authentic texts: Russian, Khmer and French.

Registered by the Union of Soviet Socialist Republics on 18 April 1983.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
RÉPUBLIQUE POPULAIRE DU KAMPUCHEA**

Accord commercial. Signé à Moscou le 5 février 1980

Textes authentiques : russe, khmer et français.

Enregistré par l'Union des Républiques socialistes soviétiques le 18 avril 1983.

[TRANSLATION — TRADUCTION]

TRADE AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF KAMPUCHEA

The Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of Kampuchea,

Guided by the desire to strengthen friendship and co-operation between the two countries,

Wishing to develop trade and economic relations between the two countries on the basis of equality and mutual benefit,

Have agreed as follows:

Article 1. The Contracting Parties shall take all necessary measures to develop and strengthen trade and economic relations between the two countries.

For this purpose, the Contracting Parties shall conclude long-term and other agreements relating to mutual deliveries of goods and conditions for fostering the development of trade in accordance with the requirements of the national economies of the two countries.

Article 2. The Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to trade and to other forms of economic relations between the two countries.

Article 3. The provisions of article 2 of this Agreement shall not apply to advantages:

- (a) Which have granted or may hereafter be granted by either Contracting Party to neighbouring countries for the purpose of facilitating frontier trade;
- (b) Resulting from a customs union of which either Contracting Party is or may hereafter become a member;
- (c) Which have been granted or may hereafter be granted by the People's Republic of Kampuchea to one or more developing countries in order to strengthen and develop trade with those countries.

Article 4. Trade and economic co-operation between the two countries pursuant to this Agreement shall be carried out in accordance with the laws and regulations in force in each country, on the basis of contracts concluded between Soviet foreign trade organizations, on the one hand, and Kampuchean individuals and legal entities, on the other.

Article 5. The Contracting Parties shall exempt from customs duties, taxes and other charges imports and exports of the goods and articles specified below:

- (a) Advertising materials and samples used in trade advertising, provided that they have no commercial value or that they are re-exported;

¹ Came into force on 5 February 1980 by signature, in accordance with article 14.

- (b) Goods and articles used for testing or demonstration, provided that they are re-exported;
- (c) Goods and articles used at fairs and exhibitions, provided that they are re-exported;
- (d) Spare parts provided free of charge to replace defective parts during the guarantee period;
- (e) Tools and other equipment imported for assembly and/or repair, provided that they are re-exported;
- (f) Marked packaging imported for the purpose of being filled, and packaging containing imported articles, which must be re-exported on the expiry of a specified period;
- (g) Agricultural and industrial products imported for processing or treatment and to be re-exported in processed form.

Article 6. Deliveries of goods under this Agreement shall be effected at the prices prevailing on the principal world markets for the goods in question.

Article 7. Payment for goods provided under this Agreement, and all other payments between the two countries, shall be effected in roubles, in the Union of Soviet Socialist Republics through the Foreign Trade Bank of the USSR and in the People's Republic of Kampuchea through the Ministry of Finance and/or the National Bank of the People's Republic of Kampuchea.

For this purpose, the said banks shall open special rouble accounts with each other and shall immediately inform each other of all deposits in those accounts.

In order to ensure continuity of payments through the aforementioned accounts, the Foreign Trade Bank of the USSR and the Ministry of finance and/or the National Bank of the People's Republic of Kampuchea, respectively, shall grant to each other an interest-free technical credit in the amount of 500,000 roubles.

The Banks shall charge interest at the rate of 2 per cent annually on amounts in excess of the aforementioned technical credit. If the amount of the technical credit is exceeded, the Contracting Parties shall take the necessary measures to eliminate the surplus within a period of six months by means of deliveries of goods. If within this period the surplus has not been eliminated, the creditor bank may at any time demand payment of the excess amount in any freely convertible currency to be agreed between the banks of the two countries.

Rouble conversion into a freely convertible currency shall be effected at the rate quoted by the USSR State Bank on the day preceding the date of payment.

Article 8. The Foreign Trade Bank of the USSR and the Ministry of Finance and or the National Bank of the People's Republic of Kampuchea shall establish by mutual agreement the technical arrangements for keeping accounts pursuant to this Agreement.

Article 9. The Contracting Parties shall facilitate the free transit of goods originating in either country and transported through the territory of the other, in accordance with the laws and regulations in force in each country.

Goods originating in one country shall not, during transit through the territory of the other country to the territory of a third State, be subject to duties, taxes or other charges.

Article 10. Any disputes which may arise in the performance of contracts concluded pursuant to this Agreement and which are not resolved by the Parties to the contract shall be submitted to arbitration.

The Contracting Parties undertake to enforce arbitral awards in disputes that may arise from contracts concluded pursuant to this Agreement, if the award has become final under the legislation of the country in which it was handed down.

Article 11. The Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to merchant shipping.

Article 12. Upon expiry of the validity of this Agreement, the Foreign Trade Bank of the USSR and the Ministry of Finance and/or the National Bank of the People's Republic of Kampuchea shall continue to accept and effect payments to the accounts referred to in article 7 of this Agreement for all contracts concluded pursuant to this Agreement.

However, if in the special accounts a debt is outstanding from one of the Contracting Parties, the debt shall be paid off within six months from the date of expiry of this Agreement by means of agreed deliveries of goods.

Article 13. Representatives of the competent authorities of the Contracting Parties shall meet, by mutual arrangement, to review the progress of this Agreement and, when necessary, to formulate appropriate recommendations.

Article 14. This Agreement shall take effect on the date of its signature and shall remain in force until six months after the date on which either Contracting Party informs the other Contracting Party in writing of its intention to terminate the Agreement.

DONE in Moscow on 5 February 1980 in two original copies, each in the Russian, Khmer and French languages, all three texts being equally authentic.

For the Government
of the Union of Soviet Socialist
Republics:
[N. PATOLICHEV]

For the Government
of the People's Republic
of Kampuchea:
[TAING SARIM]
