

No. 29984

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**FRANCE
and
MONACO**

Customs Convention (with protocol of signature and exchanges of letters). Signed at Paris on 18 May 1963

Authentic text: French.

Registered by France on 28 April 1993.

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et
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Convention douanière (avec protocole de signature et échanges de lettres). Signée à Paris le 18 mai 1963

Texte authentique : français.

Enregistrée par la France le 28 avril 1993.

[TRANSLATION — TRADUCTION]

CUSTOMS CONVENTION¹ BETWEEN FRANCE AND THE PRINCIPALITY OF MONACO

The Government of the French Republic and His Serene Highness the Prince of Monaco, referring to the Treaties of 2 February 1861² and 17 July 1918,³ and more especially to article 6 of the latter Treaty, have agreed on the following provisions:

Article 1

French territory and Monegasque territory, including the territorial waters thereof, shall form a customs union.

The Customs Code, the schedules of import and export duties and the other customs laws and regulations of the French Republic shall be applicable in the Principality of Monaco.

There shall be only one customs demarcation line in the Principality. Established on the sea side, it shall merely form a section of the French customs demarcation line on the Mediterranean coast.

The provisions of the French Customs Code concerning the maritime zone of the area shall apply up to the distance established by French customs legislation.

Article 2

The Government of His Serene Highness acting through the Harbour Master shall be responsible for the policing of the Principality's ports. The Harbour Master may collect only charges other than the duties, taxes and other charges levied by the French authorities under this Convention.

Article 3

French regulations and fees pertaining to health inspection shall be applicable in the Principality.

Article 4

French vessels shall enjoy the same treatment as Monegasque vessels in the ports of the Principality and likewise Monegasque vessels shall enjoy the same treatment as French vessels in French ports.

In order to obtain Monegasque nationality, vessels shall meet the following requirements:

1. Ownership shall be at least half Monegasque or French.

¹ Came into force on 1 September 1963, i.e., the first day of the month following the date on which the Parties had notified each other (on 16 and 19 August 1963) that it had been approved pursuant to their constitutional procedures, with retroactive effect from 13 October 1962, in accordance with article 13.

² United Nations, *Treaty Series*, vol. 1775, No. II-1085.

³ *Ibid.*, vol. 981, p. 359.

In the case of vessels owned by a company:

- Where the company is a private company, French and Monegasque partners shall hold at least 50 per cent of the authorized capital;
- The majority of the members of the Board of Directors or Supervisory Board shall be Monegasque or French. The Chairman of the Board of Directors or Supervisory Board, the Managing Director, where applicable, and the Manager shall be Monegasque or French.

The Monegasques referred to in this paragraph shall reside in the territory of the Principality or in French customs territory or, if not resident there, shall meet the requirements of the Customs Code.

The French nationals referred to in this paragraph shall reside in the territory of the Principality.

Where the vessels are owned by a company, the company's registered place of business shall be located in the territory of the Principality.

2. The vessels shall have been built in Monegasque territory or in French customs territory or shall have paid the import duties and taxes applicable in French customs territory.

3. Unless exceptions are agreed to on a case-by-case basis, the vessels shall have Monegasque or French officers and crew members as regards the deck, the engine-room and the radio service and three out of every four general service positions on board every vessel shall be held by Monegasque or French nationals.

The above-mentioned rules shall not be applicable to vessels flying the Prince's flag. Moreover, the requirements laid down in paragraphs 1 and 3 above shall not be applicable to vessels which would not have to be registered as French vessels in France or to fishing vessels with not more than five crew members or to yachts whose owners are third-country nationals with Monegasque residence status.

The navigation permits and ship safety certificates issued by the Monegasque authority shall be as valid as the permits and certificates issued by the French authority in accordance with the legislation on the safety of shipping.

The period spent by French seamen on Monegasque vessels shall count towards their retirement.

Article 5

The internal taxes levied on imports into France by the Customs Service on behalf of the Administration des contributions indirectes, the countervailing surcharges provided for under the General Tax Code, the equalization payments on rums and alcohol-based products for consumption imported from the French overseas Departments, turnover taxes and similar taxes levied upon entry into France shall be payable on imports into the Principality in accordance with the laws and regulations applicable to imports into France.

Article 6

Except as otherwise provided for in article 7 of this Convention, the duties, taxes and other charges, including navigation dues and charges provided for in French customs laws and regulations, health inspection fees and the duties, taxes and surcharges referred to in the preceding article shall be collected on behalf of France by the French authorities.

The same procedure shall apply with respect to internal duties and taxes when goods subject to such duties and taxes are shipped from France to the Principality.

Article 7

The annual proceeds from the duties, taxes and other charges listed below and collected within French customs territory, excluding the overseas Departments, and in the Principality by the Administration française des douanes et droits indirectes shall be apportioned by mutual agreement between the Principality of Monaco and the French Republic:

- Duties, taxes and other charges provided for in French customs law and regulations;
- Taxes, surcharges and equalization payments referred to in article 5 of this Convention with the exception of turnover taxes and similar taxes.

Article 8

All the customs employees and officers in the Principality shall be French; they shall be appointed by the Government of the Republic with the approval of the Government of the Principality, which shall reserve the right to request their replacement.

Article 9

The Government of the Principality shall provide, at its own expense, the facilities for the accommodation of the French customs officers and for the establishment of the customs revenue office and the guardroom on the quays of the port.

The Government of the Principality shall also defray the costs involved in guarding the warehouses, paying the salaries and emoluments pertaining to the positions required for the operation of the warehouses and the opening of the Monaco railway station to international traffic, and providing the facilities required to accommodate the expanded traffic.

Article 10

All the employees and officers of the French Customs Service in the Principality shall be subject to the jurisdiction of French courts in respect of any offence they may commit in the performance of their duties. Where an offence is committed, the investigation shall be conducted by a French judge but the establishment of facts, on-site inspections and all other activities pertaining to the investigation shall be conducted on the territory of the Principality by a judge of the Monaco court on the basis of a letter of request from the French judge countersigned in advance by an official of the Government Procurator's Office. However, the authorities of the Principality may, where necessary, arrest a suspect caught in the act and record that an offence has been committed. French customs employees and officers shall be subject to the jurisdiction of the courts of the Principality in respect of any offence they may commit while not on official duty.

Article 11

Violations of the laws and regulations applicable in the Principality as a result of the Customs Union may be recorded by the officials of the competent French authority performing or authorized to perform their duties within the jurisdiction of the Nice Court of Major Jurisdiction, where the reports shall be confirmed if necessary. Proceedings shall be instituted in respect of such violations at the request of the competent French authority.

If caught in the act of committing a customs offence in the Principality, the persons concerned shall immediately be brought before the representative of the Monaco Government Procurator's Office, who shall decide, on the basis of the report, whether to place them in custody or allow their release on bail; the decision to release them on bail shall be taken in accordance with French customs legislation.

French customs employees and officers may request that the Monegasque authorities should place in custody those accused of smuggling and that the Monaco Government Procurator's Office should investigate those involved in fraud or accessories thereto.

This provision shall be without prejudice to the Monegasque authorities deciding *proprio motu* to institute proceedings.

Summonses to appear before the competent French courts in the cases envisaged in this article and the preceding article shall be issued at the request of the competent French authority but they shall be served by the bailiffs or officials of the Principality, once they have received the countersignature stipulated in article 10. French courts may impose the penalties prescribed by French law on the witnesses thus summoned who fail to appear either before the examining magistrates or before the French courts.

The judgements rendered in the foregoing cases shall be enforceable in the Principality on the basis of the application bearing the above-mentioned countersignature and addressed by the competent French authority to the law enforcement officials of the Principality. Jail or civil imprisonment sentences rendered by the French courts shall be served in France.

Article 12

The Parties shall establish a Joint Advisory Commission, which shall meet at the request of either one of the Parties.

The Commission shall be made up of representatives of the relevant authorities of each State.

The Commission shall consider any problems pertaining to the interpretation or implementation of this Convention which the Parties have failed to resolve through the diplomatic channel and shall propose a solution to the Parties.

Article 13

This Convention shall be approved in accordance with the constitutional provisions in force in each of the two countries. It shall enter into force on the first day of the month following the exchange of notifications stating that both Parties have complied with those provisions and shall remain in force until it is denounced by either Contracting Party upon six months' notice. It shall apply retroactively to 13 October 1962, thereby ensuring continuity in the settlement of customs issues under chapter one of the previous Convention of 23 December 1951.

DONE at Paris on 18 May 1963 in duplicate.

For the Government
of the French Republic:

FRANÇOIS LEDUC

For His Serene Highness
the Prince of Monaco:

PIERRE BLANCHY

PROTOCOL OF SIGNATURE

At the moment of signing the Customs Convention of today's date, the signatories made the following agreed statement, which is an integral part of the Convention:

I

The Administration française des douanes et droits indirectes shall ensure the implementation in the Principality of Monaco under the same conditions as in France of:

- Regulations relating to the import and export of goods and provisions relating to the control of foreign trade;
- Regulations relating to stamps or descriptions of origin and to trade marks;
- Regulations relating to the book trade;

And, in general, all legislative or regulatory provisions in force in France that prohibit or restrict imports and exports in any way or subject imports and exports to specific procedures under the supervision of the Customs Service.

The French Government, within the framework of the Joint Commission provided for in article 12, shall give sympathetic consideration to any difficulties that may arise in connection with the implementation of the above-mentioned provisions.

II

Pursuant to article 7 of today's Convention, the Government of the French Republic shall pay each year to the Treasury of the Principality an amount the size of which shall be determined by multiplying total annual proceeds from the duties, taxes and other charges referred to in the said article, modified by a mutually agreed coefficient, by the ratio between the population of the Principality on the one hand and the combined populations of metropolitan France and the Principality on the other hand.

The payments shall be made annually on the basis of the results recorded during the previous year and after the publication of statistics on revenue earned during the whole year. During the fiscal year, however, quarterly advances equivalent to approximately four fifths of the amounts disbursed in respect of the previous year shall be paid when they fall due. Adjustments shall be made as soon as possible after the publication of the annual statistics on revenue. Should the advances paid exceed the amount due for the whole year, the excess shall be fully set off against the following quarterly advance or advances.

III

A warehouse under direct customs control for scheduled and prohibited goods may be established in Monaco by order of the Prince subject to the provisions of French law.

IV

The two Governments shall be authorized to review, by mutual agreement, the provisions of article 4 of the Convention on the determination of the Monegasque nationality of vessels.

V

No financial or other advantages shall be granted to industries established in the Principality which produce or manufacture goods for the domestic market or for export unless they are also available to similar French industries.

By the word “advantages” the two Parties mean:

- Import or export subsidies;
- Special advantages for goods imported or exported under the transit regime and for goods subject to a temporary admission procedure;
- The refund, in whole or in part, of the duties provided for in the Convention and of charges levied for port and warehouse operations;
- The full or partial reimbursement of direct or indirect taxes;
- Tax reductions, subsidies, interest guarantees and other similar incentives.

The Government of the Principality agrees to take all necessary steps to prevent and punish action with respect to any goods, especially items of value or precious metals, which defrauds the French Treasury and is detrimental to French trade.

VI

Shipments to the Monegasque Red Cross shall be exempt from duties and taxes levied by the Customs Service on the same terms and subject to the same reservations as shipments to the French Red Cross.

VII

For the purposes of the provisions in paragraph II of this Protocol, the relevant populations, as far as both France and Monaco are concerned, are the populations enumerated by the latest official censuses, excluding tourists staying in hotels and tourists in transit.

DONE at Paris in duplicate on 18 May 1963.

For the Government
of the French Republic:

[FRANÇOIS LEDUC]

For His Serene Highness
the Prince of Monaco:

[PIERRE BLANCHY]

EXCHANGES OF LETTERS

I a

Paris, 18 May 1963

Sir,

With respect to the Customs Convention of today's date, I have the honour to inform you that the navigation dues and charges levied in the Principality, pursuant to the provisions of article 6 of the above-mentioned Convention, by the French authorities on behalf of France do not include piloting, mooring and berthing fees and, in general, toll charges and charges for the issuance of clearance certificates and ship's articles and naturalization certificates.

These fees and charges shall, as in the past, continue to be collected by the Monegasque authorities for the benefit of the Treasury of the Principality.

It should be added, moreover, that the dues collected by the Harbour Master under article 2 include special entry dues that are separate from the navigation dues levied by the French authorities.

Lastly, it is understood that should French legislation relating to the charges levied on shipping be changed, the authorities of the two countries shall consult each other in order to avoid any substantial disparity between the relevant regulations in the matter.

I should be grateful if you would inform me whether these proposals meet with the agreement of the Monegasque Government.

Accept, Sir, etc.

FRANÇOIS LEDUC

Mr. Pierre Blanchy
Minister Plenipotentiary
Minister of State
Principality of Monaco

II a

Paris, 18 May 1963

Sir,

In your letter of today's date you proposed the following:

[See letter I a]

I have the honour to inform you that the foregoing is acceptable to the Government of the Principality.

Accept, Sir, etc.

PIERRE BLANCHY

Mr. François Leduc
Minister Plenipotentiary
Ministry of Foreign Affairs
Paris

I b

Paris, 18 May 1963

Sir,

Pursuant to article 7 of the Customs Convention of today's date relating to the apportionment between the French Republic and the Principality of Monaco of duties, taxes and other charges referred to in article 7, I have the honour to propose that:

(1) The coefficient provided for in paragraph II of the Protocol shall be set at 170 p. 100.

(2) The above-mentioned method of apportionment shall apply to revenue collected from 13 October 1962 onwards.

(3) The coefficient provided for in paragraph 1 of this letter shall be reviewed every three years in the light of the economic trends in the two countries within the framework of the Customs Union.

I should be grateful if you would inform me whether these proposals meet with the agreement of the Government of the Principality.

Accept, Sir, etc.

FRANÇOIS LEDUC

Mr. Pierre Blanchy
Minister Plenipotentiary
Minister of State
Principality of Monaco

II b

Paris, 18 May 1963

Sir,

In your letter of today's date you communicated to me the following:

[*See letter I b*]

I have the honour to inform you that the foregoing is acceptable to the Government of the Principality.

Accept, Sir, etc.

PIERRE BLANCHY

Mr. François Leduc
Minister Plenipotentiary
Ministry of Foreign Affairs
Paris

I c

Paris, 18 May 1963

Sir,

I have the honour to inform you that since 31 July 1962, certain customs duties levied by the French authorities have been replaced by levies established by the regulations of the European Economic Community, which are to be deposited in a Community fund.

The French Government therefore proposes that these and other similar levies destined for deposit in a Community fund should no longer be included in the customs revenue subject to apportionment between the French Republic and the Principality.

I should be grateful if you would inform me whether these proposals meet with the agreement of the Government of the Principality.

Accept, Sir, etc.

FRANÇOIS LEDUC

Mr. Pierre Blanchy
Minister Plenipotentiary
Minister of State
Principality of Monaco

II c

Paris, 18 May 1963

Sir,

In your letter of today's date you communicated to me the following:

[See letter I c]

I have the honour to inform you that the Government of the Principality approves the text of the above communication, provided that the said levies are excluded only until such time as the issues deriving from the effects of the Treaty establishing the European Economic Community¹ on the Franco-Monegasque Customs Union are resolved by mutual agreement.

Accept, sir, etc.

PIERRE BLANCHY

Mr. François Leduc
Minister Plenipotentiary
Ministry of Foreign Affairs
Paris

¹United Nations, *Treaty Series*, vol. 298, p. 3 (English translation); vol. 294, p. 3 (authentic French text); vol. 295, p. 2 (authentic German text); vol. 296, p. 2 (authentic Italian text); vol. 297, p. 2 (authentic Dutch text); vol. 1376, p. 138 (authentic Danish text); vol. 1377, p. 6 (authentic English text); vol. 1378, p. 6 (authentic Irish text); vol. 1383, p. 146 (authentic Greek text); vol. 1452, p. 306 (authentic Portuguese text) and vol. 1453, p. 332 (authentic Spanish text).

III c

Paris, 18 May 1963

Sir,

In response to my letter of today's date relating to levies established by the regulations of the European Economic Community, which are to be deposited in a Community fund, you informed me of the following.

[*See letter II c*]

I have the honour to inform you that my Government approves the text of this communication.

Accept, Sir, etc.

FRANÇOIS LEDUC

Mr. Pierre Blanchy
Minister Plenipotentiary
Minister of State
Principality of Monaco
