

**TREATY OF COMMERCE AND NAVIGATION BETWEEN THE
CZECHOSLOVAK REPUBLIC AND THE UNION OF SOVIET SOCIALIST
REPUBLICS. SIGNED AT PRAGUE, MARCH 25TH, 1935**

THE CENTRAL EXECUTIVE COMMITTEE OF THE UNION OF SOVIET SOCIALIST REPUBLICS and THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC, being desirous of promoting and developing commercial relations between the two countries, have decided to conclude a Treaty of Commerce and Navigation, and have for that purpose appointed as their Plenipotentiaries:

THE CENTRAL EXECUTIVE COMMITTEE OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

Monsieur Sergei Sergeievich ALEXANDROVSKY, Envoy Extraordinary and Minister Plenipotentiary of the Union of Soviet Socialist Republics; and
Monsieur Fritz Fritzevich KILEVITZ, Trade Delegate of the Union of Soviet Socialist Republics in the Czechoslovak Republic;

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC:

Dr. Eduard BENEŠ, Minister for Foreign Affairs;

Who, having communicated their full powers, found in good and due form, have agreed upon the following provisions:

Article I.

Nationals of each of the Contracting Parties, provided they comply with the laws and regulations of the country of residence, shall be free to enter and to travel, reside and settle in the territory of the other Party, or to leave that territory at any time without being subject to any restrictions other than those applicable to nationals of the most-favoured nation.

They shall enjoy complete liberty to work and shall not be compelled to belong to trades unions or other organisations.

Nationals and juridical persons of each of the Contracting Parties shall be entitled in the territory of the other Party, subject to compliance with the laws and regulations on the subject, to acquire, possess, administer, lease, dispose of, give away and bequeath all kinds of property in the same manner and on the same conditions as nationals of the most-favoured nation.

Each of the Contracting Parties reserves the right, both under judgments of the courts and under decisions of the administrative authorities based on the laws and regulations, to prohibit individual nationals of the other Contracting Party to settle or reside in its territory and also reserves the right to expel nationals of the other Contracting Party in accordance with its laws and regulations.

At the same time both Contracting Parties undertake not to place obstacles in the way of the return of their nationals to their own country. They shall accept their nationals who are expelled by the authorities of the other State, if such nationals are or will be provided with national passports issued in the proper manner by the authorities of their own country and if the State which has to accept the expelled persons has no doubt as to their nationality.

Article II.

Nationals of each of the Contracting Parties, with a view to obtaining and defending their rights, shall have access in the territory of the other Party to the courts and departments engaged in legal defence and shall enjoy in this respect all rights granted to the nationals of the country.

For the purpose of protecting their interests they may employ counsel and other agents chosen by themselves and shall not in this respect be subject to any restrictions other than those laid down by the laws and regulations of the territory in question. In this connection they shall be treated in all respects in the same manner as nationals of any third State.

Article III.

The nationals of each of the Contracting Parties, when accepting work, may not for this reason be subjected in the territory of the other Party to any taxes, duties or supplementary charges of any description whatsoever other or higher than those levied on the nationals of the country or on the nationals of the most-favoured nation.

Article IV.

Nationals of both Contracting Parties shall be exempt, in the territory of the other Party, from any personal military service whatsoever in the land, sea or air forces or any other formations organised on a military basis for the purpose of defending the country and maintaining order and security within the country. Similarly, they shall be exempt from all contributions imposed in lieu of such service.

They may, however, be called upon to fulfil other than personal military service (for instance, military quartering, transport, etc.) and may be subject to requisitions to the extent and under the conditions applicable to the nationals of the country.

On the other hand, they shall not be hindered in any way from carrying out their military service in their own country.

Similarly, they shall be exempt from all compulsory official functions, whether judicial, administrative or municipal, except that of guardianship in respect of their own nationals, in so far as this is not contrary to the laws of the country in which the persons in question are living.

Article V.

Nationals of each of the Contracting Parties entering the territory of the other Party in order to work shall be entitled, without obtaining a previous permit, to import and export tools, instruments, etc., necessary for carrying out their work, and in addition articles for their personal use, provided they observe the regulations established on the subject.

Nationals of each of the Contracting Parties shall be entitled, at any time, provided they observe the regulations laid down on the subject, to export freely their movable property, including inheritances. When exporting such property the nationals of each of the Contracting Parties shall not, on account of the fact that they belong to a foreign nationality, pay other or higher duties, taxes or charges than the nationals of the country or the nationals of the most-favoured nation.

Article VI

The Contracting Parties undertake to conclude a Consular Convention and an Agreement on Inheritance at the earliest possible date.

Until the Consular Convention is concluded, the Contracting Parties shall grant each other the right to appoint Consuls. These Consuls, in carrying out the usual international consular duties, shall enjoy, subject to reciprocity, all the rights, privileges, advantages and immunities of the Consuls of the most-favoured nation. Before a Consul is appointed, the Government appointing him must obtain the consent of the State in whose territory he must carry out his duties. A special agreement shall be concluded between Governments of the Contracting Parties regarding the place of residence of Consuls in the territory of the Contracting Parties.

The expression "Consul" is understood to include Consul-General, Consul, Vice-Consul and Consular Agent. Consuls must be officials de carrière of the Department of Foreign Affairs of the State appointing them. They shall not be entitled to engage in trade or industry in the territory of the country where they discharge their functions.

Article VII.

1. In view of the fact that, under the laws of the Union of Soviet Socialist Republics, the foreign trade monopoly belongs to the State, the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic exercises the following functions; it will:

(a) Facilitate and promote the development of trade between the Union of Soviet Socialist Republics and the Czechoslovak Republic;

(b) Represent the interests of the Union of Soviet Socialist Republics in matters of foreign trade, and control and carry on such trade and the exchange of goods between the Contracting Parties.

2. The Trade Delegation of the Union of Soviet Socialist Republics, as the organ exercising the foreign trade monopoly of the Union of Soviet Socialist Republics, forms part of the staff of the Diplomatic Mission of the Union of Soviet Socialist Republics.

The Trade Delegate and his Deputy shall enjoy personal inviolability and all the rights accorded to members of the Diplomatic Mission. The chancery and other official premises of the Trade Delegation in the building in which the direction of the Trade Delegation is permanently situated, the locality of which shall be communicated to the Ministry of Foreign Affairs of the Czechoslovak Republic by a note verbale from the Diplomatic Mission of the Union of Soviet Socialist Republics in the Czechoslovak Republic, shall enjoy extra-territoriality.

The Trade Delegation of the Union of Soviet Socialist Republics shall be entitled to use a cipher.

3. The Government of the Union of Soviet Socialist Republics assumes full responsibility for all commercial contracts concluded or guaranteed by the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic.

Contracts are deemed to be commercial contracts concluded or guaranteed by the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic, acting

on behalf of the Union of Soviet Socialist Republics, if they are provided with two signatures, the first of which must be the signature of the Trade Delegate or his Deputy, and the second the signature of the Deputy of the Trade Delegate or of a person specially granted the right of apposing a second signature by the People's Commissary of Foreign Trade of the Union of Soviet Socialist Republics.

Commercial contracts concluded without the guarantee of the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic by any State economic organisation of the Union of Soviet Socialist Republics other than the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic enjoying the rights of an independent juridical person under the laws of the Union of Soviet Socialist Republics are binding only on the organisation in question and distraint in respect of them can be levied only on the property of such organisation. Responsibility for such contracts shall not be borne either by the Government of the Union of Soviet Socialist Republics or by the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic or by any other State economic organisations of the Union of Soviet Socialist Republics.

4. The Trade Delegation of the Union of Soviet Socialist Republics shall publish in the official journal of the Czechoslovak Republic (Uředni list republiky Československé) the names of the persons authorised to represent it. The powers of attorney of such persons shall be extended until such time as an announcement of their withdrawal is published in the same manner.

5. All the commercial contracts of the Trade Delegation of the Union of Soviet Socialist Republics concluded or guaranteed in the territory of the Czechoslovak Republic shall be subject to Czechoslovak laws and shall come under Czechoslovak jurisdiction.

6. Distraint may be levied on property of the Union of Soviet Socialist Republics situated in the territory of the Czechoslovak Republic in accordance with decisions and decrees, issued on the basis of paragraph 5 of the present Article, which have acquired force of law and are subject to execution, with the exception of articles which, under international law, are exempt from the application of such measures on the grounds that they are necessary for giving effect to the rights of State sovereignty or for the official work of the diplomatic and consular representatives of the Union of Soviet Socialist Republics.

In view of the fact that the Government of the Union of Soviet Socialist Republics assumes responsibility for all commercial contracts concluded with or guaranteed by its Trade Delegation in the Czechoslovak Republic, the property of the Union of Soviet Socialist Republics in the Czechoslovak Republic shall not be subject to measures of distraint of a provisional character.

7. Should the Government of the Czechoslovak Republic establish its own Trade Delegation in the Union of Soviet Socialist Republics, that delegation and its personnel shall enjoy in the territory of the Union of Soviet Socialist Republics the same rights, privileges and immunities as are granted to the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic.

Article VIII.

The question of the taxation of the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic shall be settled in the following manner:

1. The obligation to pay special income tax, with all additional payments (State, rural, district, municipal, etc.) chargeable thereupon, payable under the Czechoslovak Direct Taxation Law by the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic as a body engaged in commercial activity in Czechoslovak territory, shall be regulated as follows:

The net income subject to taxation shall be considered to be a lump sum amounting to 0.4 % of the total commercial turnover on contracts concluded by the Trade Delegation.

The Trade Delegation, which in accordance with Czechoslovak taxation laws is obliged to declare its income, shall nevertheless not be obliged to furnish the competent authorities with any other particulars in addition to those which are necessary in order to establish the abovementioned lump sum.

2. The buildings or parts thereof used by the Trade Delegation shall, on condition of reciprocity, be exempt from the apartment tax on the same grounds as buildings of foreign States used by diplomatic representatives accredited to the Government of the Czechoslovak Republic and Consuls de carrière are exempt from this tax.

Article IX.

Commercial, industrial, financial, insurance and transport companies and State economic organisations (trusts, State trading organisations, unions, etc.), having their seat in the territory of one of the Contracting Parties and constituted in accordance with the laws of that Party, shall be recognised as legally constituted also in the territory of the other Contracting Party. They shall have the right to appear in court as plaintiffs or defendants and shall have free access to the authorities of the other Party. The legality of the constitution of these companies and State economic organisations and their right to appear in court shall be defined in accordance with the laws of the country in which they are constituted.

The right of these companies and State economic organisations to engage in trade or industry in the territory of the other Contracting Party shall be governed by the laws and regulations which are or may hereafter be in force in that territory. The companies and State economic organisations granted rights in this manner shall in all respects be subject to the treatment provided for companies and State economic organisations of the most-favoured nation. This does not, however, apply to individual decisions taken in application of the system of concessions or at the discretion of the Parties in administrative matters.

Nationals of one of the Contracting Parties shall enjoy in the territory of the other Contracting Party, in respect of the formation of the companies mentioned in the first paragraph, the same rights and privileges as are accorded to nationals of the most-favoured nation.

Article X.

Merchants, manufacturers or other persons concluding contracts in the territory of the other Contracting Party, and also commercial travellers and representatives in the service of the above-mentioned persons, shall be subject to the same treatment as similar persons of any third State. They must, however, prove by producing an identification card issued by the competent organs of their own country, in accordance with the annexed specimen, that they are entitled under the laws of their country to engage in their trade or industry in that country.

The persons mentioned in paragraph 1 of the present Article may carry with them samples and models but not goods, and these samples and models shall be subject to the same treatment as samples and models belonging to the nationals of any third State whatsoever.

The Contracting Parties shall inform each other what authorities are entitled to issue the identification cards mentioned in the present Article.

Article XI.

Products of the soil and industry of one of the Contracting Parties, on being imported into the Customs territory of the other Contracting Party, shall not be subject to duties or charges — including additional charges and surtaxes — other or higher than those levied now or hereafter on products of the soil and industry of any third State.

Products manufactured in the territory of one of the Contracting Parties by the working up of foreign materials, including products registered under the system of temporary admission, shall also be regarded as manufactured goods of that Contracting Party. It is, however, agreed that manufactured goods obtained from the working up of materials of foreign origin shall be regarded as manufactured goods of the Contracting Parties only if as a result of the finishing or improvement they have undergone substantial alteration or their value has been considerably increased. Repairs, repacking, simple cleaning, etc., shall not be regarded as such finishing or improvement.

On exportation from the Customs territory of one of the Contracting Parties to the Customs territory of the other Party, no duties or charges shall be levied other or higher than those levied on the exportation of the same goods to the State most favoured in this respect.

As regards Customs regulations and their application, the testing and analysis of imported goods, the conditions of payment of charges and duties, the tariff classification and the interpretation of tariffs, together with the use of Customs warehouses, including the standardisation of arrivals, the storing of goods in free ports or zones and in public warehouses and their removal therefrom, each of the Contracting Parties undertakes not to subject importation to and exportation from the other Contracting Party to less favourable treatment than that applied to any third State.

Article XII.

Subject to compliance with the existing regulations concerning temporary admission to the Customs territories of the two Contracting Parties, the following articles shall be temporarily exempt from duties and charges on importation and exportation:

- (1) Articles intended for repair;
- (2) Articles intended for experiments and tests;
- (3) Machinery and parts thereof sent for testing;
- (4) Goods intended for exhibitions, competitions and fairs;
- (5) Tools and appliances for fitters, whether imported or exported by the latter, or sent to them before or after they have crossed the frontier;

(6) Furniture vans with their equipment, loaded or empty, even if they take up a different load at any place on the return journey, provided that during their temporary stay in the territory of the other Contracting Party they are not used for local transport;

(7) Marked outer packing which has already been used, imported for the purpose of being refilled.

Article XIII.

Internal duties which are or may hereafter be imposed on whosoever account on the production, manufacture, distribution or consumption of any article in the territory of one of the Contracting Parties, shall not under any circumstances be levied on the goods of the other Contracting Party at a higher rate or in a more burdensome manner than on local goods of the same kind, or in the absence of such local goods, on those of the most-favoured nation.

Article XIV.

Products of the soil or industry of one of the Contracting Parties which have passed in transit through the territory of one or more third States shall not be subject, when imported into the territory of the other Contracting Party, to duties or charges higher than those to which they would have been subject if they had been imported direct from their country of origin.

These provisions shall apply to goods whether transported immediately or after reloading, repacking or storing in warehouses.

Article XV.

The conditions of most-favoured-nation treatment shall not extend to:

(1) Rights and privileges which are or may hereafter be granted by either of the Contracting Parties with a view to facilitating frontier traffic with adjacent countries, within a zone not exceeding 15 kilometres on either side of the frontier;

(2) Rights and privileges arising out of a Customs union;

(3) Special provisions relating to trade included in agreements which the Union of Soviet Socialist Republics has concluded or may hereafter conclude with Latvia, Lithuania and Estonia or with countries on the mainland of Asia, the territories of which are contiguous with the territories of the Union of Soviet Socialist Republics.

Article XVI.

In respect of postal, telegraph and telephone relations between the two Contracting Parties, the existing conventions, agreements and working regulations of the Universal Postal Union and the International Telecommunications Union shall apply in so far as the two Contracting Parties are parties thereto and such relations are not governed by any special agreements between the competent authorities of the two Contracting Parties.

Article XVII.

The two Contracting Parties undertake in respect of the transit of passengers, luggage and goods of the other Contracting Party to apply no less favourable treatment than that applicable to the transit of passengers, luggage and goods of any third State.

Article XVIII.

As regards the transport of goods between the two Contracting Parties, the provisions of the International Convention concerning the Transport of Goods by Rail, signed at Berne on October 23rd, 1924, shall apply with the exceptions and additions which have been or may hereafter be agreed upon between the railway administrations of the two Contracting Parties.

Article XIX.

As regards the transport of passengers, luggage and urgent goods by rail, no distinction whatever shall be made between the nationals of the Contracting Parties in respect of all matters relating to the despatch or transport, or the application of the tariffs, Customs duties and the public charges connected with such transport.

Goods consigned for transport in the territory of one of the Contracting Parties and despatched to the territory of the other Contracting Party or through that territory to a third State, provided the conditions are equal, shall not be subject on the railways of the other Contracting Party to less favourable treatment as regards forwarding or transport, the calculation of rates under the internal tariffs and the public charges connected with the transport than similar goods consigned in the territory of the other Contracting Party and despatched in the same direction and on the same route.

The above provisions shall not extend to privileges granted for reasons of charity or in case of general poverty, privileges granted to State and public officials, officials of transport undertakings or commercial travellers, privileges regarding transport of samples and, lastly, privileges granted in respect of the transport of railway, civil or military authorities.

Article XX.

The vessels of each of the Contracting Parties, their cargoes, masters and crews shall, in the harbours and waters of the other Contracting Party, enjoy in all respects the same treatment as that accorded to national vessels and their cargoes or to vessels and cargoes of the most-favoured nation.

The treatment granted to national vessels and their cargoes shall not be held to include:

- (1) Facilities granted to national fisheries;
- (2) Special measures and subsidies for the development of national shipping;
- (3) Privileges granted to national sporting clubs;
- (4) The coasting trade;
- (5) The piloting of vessels and also the exercise of pilotage, towing, signal and life-saving services.

Article XXI.

Navigation on inland waterways shall be reserved for the flag of the Contracting Party in question, with the exceptions provided for in its legislation or in international agreements to which both Parties are or may hereafter be parties.

Article XXII.

Both Contracting Parties undertake to conclude an agreement regarding the preservation of rights to literary and artistic property.

Article XXIII.

The present Treaty is drawn up in duplicate in the Russian and Czechoslovak languages. Both texts are authentic.

The present Treaty shall be ratified and the instruments of ratification shall be exchanged as soon as possible at Moscow.

The present Treaty shall come into force on the fifteenth day after the exchange of the instruments of ratification. The Governments of the two Contracting Parties may, however, enter into an agreement to bring the Treaty into force before ratification.

The Treaty shall cease to apply one year after the date of denunciation notified by one of the Contracting Parties.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Treaty and have thereto affixed their seals.

Done at Prague, this 25th day of March, 1935.

(L. S.) Dr. Edvard BENEŠ.

(L. S.) (Signed) S. ALEXANDROVSKY.
(L. S.) (Signed) F. KILEVITZ.

ANNEX TO ARTICLE X.

Bilingual.

Name of the State issuing the Identity Card.

Name of the Authority issuing the Identity Card.

INDUSTRIAL IDENTITY CARD

Valid for twelve months from the date of issue.

Valid for ...

Card number ...

It is hereby certified that the holder of the present certificate, M ...

born at ...

resident at ...

street, No. ...

is the owner (or is the representative of) [Name of commercial or industrial undertaking.] ...

at ...

under the name ...

(or) is a commercial traveller in the service of the firm(s) of ...

at ...

that is (are) the owner(s) of ...

under the name ...

In view of the fact that the holder of the present certificate proposes to take orders and to purchase goods in the above-mentioned States for the above-mentioned firm(s), it is hereby certified that the firm(s) in question is (are) engaged in [The country in which the card is issued.] ...

in industry and trade and that it pays (they pay) in ...

... the taxes provided by law for the purpose.

... 19..

Signature of the head of the firm(s):

Personal description of the owner of the card:

Age ...

Height ...

Hair ...

Special characteristics ...

Signature of the holder of the card: ...

Stamp and signature of the authority issuing the card: ... 19..

Note: The first part of the form must be filled up only if the card is issued to the head of a trading or industrial undertaking or his attorney.

FINAL PROTOCOL.

At the time of signing the Treaty of Commerce and Navigation concluded this day, the undersigned Plenipotentiaries have made the following reservations and declarations, which shall form an integral part of this Treaty:

To Article I.

It is agreed that the provisions of this Article do not in any way affect the regulations of the two Contracting Parties concerning passports, residence or expulsion of foreign nationals, or the laws governing the protection of the national labour market.

The provisions of paragraph 3 of this Article do not affect the services and requisitions mentioned in Article IV.

To Articles I and IX.

In so far as the functions of economic life are or may hereafter be carried out in one of the Contracting Parties by State economic organisations (trusts, State trading organisations, unions, etc.), which differ in structure from the forms of juridical persons adopted in most other countries (joint stock companies, etc.), the Contracting Parties declare that the privileges granted by one of them to joint stock companies and other juridical persons of the most-favoured nation shall be extended to all State economic organisations of the other Party constituted in accordance with the laws of that Party.

To Article II.

It is agreed that the two Contracting Parties shall enter into negotiations at the earliest possible date regarding an agreement relating to legal assistance in civil cases and regulating the question of arbitral tribunals and the execution of their awards.

To Article III.

It is agreed that the provisions of this Article shall not in case of need prevent the recovery of so-called residence charges or charges connected with the execution of administrative formalities, and it is understood that nationals of the two Contracting Parties shall in this respect be placed in the same position as nationals of the most-favoured nation.

To Article VII, Point 2.

1. It is agreed that the provisions of this point shall not prevent the execution of the provisions under point 5 of this Article.

2. It is agreed that the Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic does not require to be entered in the commercial register.

To Article VIII.

It is agreed that the Trade Delegation of the Union of Soviet Socialist Republics shall inform the Ministry of Finance of the Czechoslovak Republic each year by the end of February of the following year of the amount of its turnover for the previous year.

The first such communication for the previous year shall be made by the Trade Delegation not later than two months after the date on which the present Treaty comes into force.

To Articles XI, XII and XIV.

The provisions of these Articles shall not in any way affect the special conditions in force for the importation of wine into the Czechoslovak Republic.

To Article XVII.

The provisions of the present Article regarding the most-favoured-nation treatment in respect of transport does not relate to transport by rail in so far as it concerns the calculation of rates and the application of tariffs, since in these questions the provisions of Articles XVIII and XIX of the present Treaty are exclusively applicable.

To Article XVIII.

The transport of passengers, luggage and express goods between the two Contracting Parties shall be governed by the provisions of the agreement concluded between the railway administrations of the two Contracting Parties.

To Article XX, Point 4.

It is agreed that coasting trade is understood to mean navigation between all the ports of one and the same State.

Done at Prague, the 25th day of March, 1935.

Dr. Edvard BENEŠ.

(Signed) S. ALEXANDROVSKY.

(Signed) F. KILEVITZ.

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