

TRADE AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE ISLAMIC REPUBLIC OF IRAN

The Government of the Republic of the Philippines and the Government of the Islamic Republic of Iran hereinafter referred to as the Contracting Parties desiring to develop strengthen and diversify trade relations on the basis of equity, mutual respect and reciprocal benefits have agreed as follows:

ARTICLE 1

The commercial exchanges between the Contracting Parties and contracts concluded between natural persons or legal entities of the two Contracting Parties within the frame-work of this agreement, are subject to the laws, rules and regulations prevailing in the two countries.

ARTICLE 2

The Contracting Parties shall grant to each other treatment no less favorable than accorded to the like goods and commodities originating in or exported to any third country and vessels involved in carrying out these activities particularly relating to the following matters:

- a. Customs duties and charges of any kind including the method of levying such duties and charges imposed on or in connection with importation or exportation.
- b. Rules and formalities connected with customs clearance.
- c. The issuance of import and export licenses.
- d. Non tariff measures as well as legitimate technical barriers to trade, such as quarantines, health and hygienic conditions and such similar matters.
- e. Merchant cargo-bearing vessels/cargo-bearing aeroplanes in respect of their entry into, stay in and departure from the harbor/airport of the other party, in accordance with the laws, rules and regulations in force in the said other party.
- f. Merchant cargo-bearing vessels/cargo-bearing aeroplanes of the other Contracting Party that are in distress shall be permitted to take refuge in the nearest harbor/airport of the other contracting party and shall receive friendly treatment, assistance and protection in accordance with respective laws, rules and regulations and international conventions in force in both Contracting Parties.

ARTICLE 3

The provisions of Article 2 shall not apply to:

- a. Special preferences or other advantages accorded by either party resulting from its association in a regional or sub-regional arrangement, customs union or a free trade area or measures leading to the formation of a customs union or a free trade area,
- b. Tariff preferences or other advantages which either Contracting Party grants or may grant to facilitate frontier/border traffic.

c. Special tariff preferences or other advantages which either party may grant to developing countries under any trade expansion or economic cooperation scheme of which the other party is not a member.

ARTICLE 4

No provision of this Agreement shall be interpreted in such a manner as to prevent the adoption or enforcement by the Contracting Parties of measures:

- a. necessary to safeguard its balance of payment position.
- b. necessary to protect public health, morals, public order and national security.
- c. necessary to prevent injury to domestic industries or the threat thereof, attributable to trade from either Contracting Party.
- d. necessary to protect human, animal or plant health or life against diseases, pollution, and other threats thereto.
- e. relating to traffic in illicit narcotic products, arms/ammunitions, implements of war, or traffic in other materials carried on directly or indirectly for the purpose, of supplying a military establishment, and
- f. relating to fissionable (nuclear materials, the sources thereof, or the radioactive by-products thereof except as may be required for medical purposes.

ARTICLE 5

1. All payments arising from trade between the two countries shall be made in freely convertible currencies, subject to foreign exchange regulations and other pertinent laws, rules and regulations effective in the respective countries.

2. Payments between the two countries may also be effected through other payment arrangements subject to the laws and regulations in force in the respective countries.

ARTICLE 6

In order to expand and develop further commercial activities between the two countries, both Contracting Parties subject to laws, rules and regulations prevailing in each country shall permit, encourage and facilitate the following:

- a. Visit of businessmen, mercantilists, business group and missions to each other's territories.
- b. close cooperation between the chambers of commerce of the two countries and, if found feasible, to establish joint chamber of commerce.
- c. arranging, facilitating and conducting seminars, conferences for acquainting the nationals and businessmen of two countries on economic and commercial scope of each other.
- d. arranging and organizing specialized solo-trade fair with the right to sell the goods and commodities subject to arrangements agreed upon by the Contracting Parties.
- e. participating in international trade fair held in both countries.