

No. 5506

**JAPAN
and
FEDERATION OF MALAYA**

Agreement on Commerce (with Protocol). Signed at Kuala Lumpur, on 10 May 1960

Official text: English.

Registered by Japan on 3 January 1961.

**JAPON
et
FÉDÉRATION DE MALAISIE**

Accord commercial (avec Protocole). Signé à Kuala Lumpur, le 10 mai 1960

Texte officiel anglais.

Enregistré par le Japon le 3 janvier 1961.

No. 5506. AGREEMENT ON COMMERCE¹ BETWEEN JAPAN
AND THE FEDERATION OF MALAYA. SIGNED AT
KUALA LUMPUR, ON 10 MAY 1960

The Government of Japan and the Government of the Federation of Malaya, desiring to strengthen and develop the commercial relations existing between Japan and the Federation of Malaya, have resolved to conclude an agreement which will regulate the commercial relations between Japan and the Federation of Malaya and have agreed as follows :

Article I

1. Each Party shall accord to the other Party unconditional most-favoured-nation treatment in all matters with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to the rules and formalities connected with importation or exportation, and with respect to all internal taxes or other internal charges of any kind imposed on or in connection with imported or exported goods, and with respect to all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods within the territory of such Party.

2. Accordingly, products of either Party imported into the territory of the other Party shall not be subject, in regard to the matters referred to in paragraph 1 of this Article, to any duties, taxes or charges higher, or to any rules or formalities more burdensome, than those to which the like products of any third country are or may hereafter be subject.

3. Similarly, products exported from the territory of either Party and consigned to the territory of the other Party shall not be subject, in regard to the matters referred to in paragraph 1 of this Article, to any duties, taxes, or charges higher, or to any rules or formalities more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.

4. Any advantage, favour, privilege or immunity which has been or may hereafter be granted by either Party in regard to the matters referred to in paragraph 1 of

¹ Came into force on 16 August 1960, the date of the exchange of the instruments of ratification at Tokyo, in accordance with article XI.

this Article to any product originating in any third country or consigned to the territory of any third country shall be accorded immediately and unconditionally to the like product originating in or consigned to the territory of the other Party.

5. The provisions relating to customs duties and charges in paragraph 1 of this Article shall not entitle Japan to claim the benefit of preferences or advantages accorded by the Federation of Malaya exclusively to products of Commonwealth countries, the Republic of Ireland and the Union of Burma.

Article II

1. Nationals and companies of either Party shall be accorded treatment no less favourable than that accorded to nationals and companies of any third country with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of the other Party and of any third country.

2. The provisions of paragraph 1 of this Article do not preclude either Party from imposing such exchange restrictions as are consistent with the rights and obligations that it has or may have as a contracting party to the Articles of Agreement of the International Monetary Fund.¹

3. Neither Party shall impose restrictions or prohibitions on the importation of any product of the other Party, or on the exportation of any product to the territory of the other Party, unless the importation of the like product of, or the exportation of the like product to, all third countries is similarly restricted or prohibited.

4. Notwithstanding the provisions of paragraph 3 of this Article, either Party may apply restrictions or controls on the importation and exportation of goods that have effect equivalent to exchange restrictions which such Party may at that time apply under the provisions of paragraph 2 of this Article.

Article III

1. Nationals of either Party shall be permitted to enter, sojourn, travel or reside in the territory of the other Party, provided that the enjoyment of the above rights shall be subject to the laws and legislative and administrative regulations of such other Party which are generally applicable to all foreigners alike.

2. Nationals and companies of either Party, within the territory of the other Party, shall be accorded treatment no less favourable than that accorded to nationals and companies of any third country with respect to all matters relating to the levying

¹ United Nations, Treaty Series, Vol. 2, p. 40; Vol. 19, p. 280; Vol. 141, p. 355; Vol. 199, p. 308; Vol. 260, p. 432; Vol. 287, p. 260; Vol. 303, p. 284, and Vol. 316, p. 269.

of taxes, access to the courts, rights to property, participation in juridical entities, and generally the conduct of all kinds of business and professional activities.

Notwithstanding the above provisions, each Party reserves the right to accord special tax advantages on a basis of reciprocity or by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue.

Article IV

Property of nationals and companies of either Party shall not be taken within the territory of the other Party except in accordance with law and in an equitable manner, nor shall it be taken without prompt, adequate and effective compensation. In all the matters dealt with in this Article, nationals and companies of either Party shall receive, within the territory of the other Party, treatment no less favourable than that accorded to nationals and companies of any third country.

Article V

The two Parties undertake to co-operate for mutual benefits with a view to expanding trade and to strengthening economic relations between the two Parties, and to furthering the interchange and use of scientific and technical knowledge, particularly in the interests of economic development and of the improvement of standards of living within their respective territories.

Article VI

1. Each Party undertakes that if it establishes or maintains a state enterprise or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprise shall, in its purchases or sales involving either imports or exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in the present Agreement for governmental measures affecting imports or exports by private traders. To this end, having due regard to the other provisions of the present Agreement, such enterprise shall make any purchases or sales solely in accordance with commercial considerations including price, quality, availability, marketability, transportation and other conditions of purchase or sale, and shall afford to the enterprises of the other Party adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases or sales.

2. The provisions of paragraph 1 of this Article shall not apply to imports of products for immediate or ultimate consumption in governmental use and not otherwise for re-sale or use in the production of goods for sale. With respect to such imports, each Party shall accord to the trade of the other Party fair and equitable treatment.