

No. 7812

**CZECHOSLOVAKIA
and
HUNGARY**

**Treaty of Trade and Navigation. Signed at Prague, on
20 December 1963**

Official texts: Czech and Hungarian.

Registered by Czechoslovakia on 11 June 1965.

**TCHÉCOSLOVAQUIE
et
HONGRIE**

**Traité de commerce et de navigation. Signé à Prague, le
20 décembre 1963**

Textes officiels tchèque et hongrois.

Enregistré par la Tchécoslovaquie le 11 juin 1965.

[TRANSLATION—TRADUCTION]

No. 7812. TREATY¹ OF TRADE AND NAVIGATION BETWEEN
THE CZECHOSLOVAK SOCIALIST REPUBLIC AND THE
HUNGARIAN PEOPLE'S REPUBLIC. SIGNED AT
PRAGUE, ON 20 DECEMBER 1963

The President of the Czechoslovak Socialist Republic and the Presidential Council of the Hungarian People's Republic,

Desiring to strengthen and intensify the fraternal co-operation between the peoples of the two States in matters of trade as in other matters, to expand economic relations on the basis of equality and mutual benefit, and thus to raise further the level of living of the peoples of the two countries,

Have decided to conclude a Treaty of trade and navigation.

For this purposes they have appointed as their plenipotentiaries :

The President of the Czechoslovak Socialist Republic :

Mr. Václav David, Minister for Foreign Affairs;

The Presidential Council of the Hungarian People's Republic :

Mr. Lajos Cséby, Ambassador Extraordinary and Plenipotentiary,

who, having exchanged their full powers, found in good and due form, have agreed as follows :

Article 1

1. The Contracting Parties shall take all necessary measures for the purpose of further strengthening and expanding trade relations between the two States in a spirit of fraternal co-operation and mutual assistance and on the basis of equality and mutual benefit.

2. To this end, the Contracting Parties shall regulate the exchange of goods and other economic relations between them through long-term and annual agreements concerning the exchange of goods, payments and the provision of transport and forwarding services, through agreements on economic co-operation and, where appropriate, through other agreements; the said agreements shall be concluded by the Governments or the competent authorities of the two States.

¹ Came into force on 25 October 1964, the thirtieth day following the date of the exchange of the instruments of ratification which took place at Budapest on 25 September 1964, in accordance with article 23 (1).

3. After concluding the agreements referred to in paragraph 2 of this article, the Contracting Parties shall take appropriate measures, in the spirit of socialist co-operation, to comply fully with the obligations laid down in the agreements with regard to the exchange of goods, payments, transport, forwarding and other economic matters and shall take no action that might in any way impede the discharge of the said obligations.

Article 2

The Contracting Parties shall grant each other unconditional and unrestricted most-favoured-nation treatment in all matters relating to trade, inland navigation and all other economic relations between the two States.

Article 3

1. In conformity with the principle of most-favoured-nation treatment, each Contracting Party shall accord to bodies corporate of the other Contracting Party which engage in foreign trade or other economic activity, and to vessels of the other Contracting Party, treatment not less favourable than it accords to companies, bodies corporate and vessels of any third State; consistently with the foregoing, each Contracting Party shall forthwith and unconditionally accord to bodies corporate and vessels of the other Contracting Party all advantages, reliefs, privileges and exemptions which it accords to any third State.

2. All advantages, reliefs, privileges and exemptions which have been or may be granted by either Contracting Party in respect of goods of any origin or intended for export to any other country shall be granted forthwith and unconditionally by the said Contracting Party in respect of similar goods imported into or exported from its territory within the scope of economic relations between the Contracting Parties.

3. The most-favoured-nation clause shall apply, *inter alia*, to authorization for the import and export of goods, to the procedure for issuing import and export licences, to import and export duties, taxes and charges and the collection and refund thereof, to the tariff classification of goods, to the warehousing of goods under customs control, and to customs regulations and formalities.

4. The most-favoured-nation treatment referred to in article 2 shall be applied to navigation on inland waterways on which international treaties permit free navigation for all States.

Article 4

Neither Contracting Party shall subject manufactured and agricultural products imported into or intended for export from its territory, within the scope of economic relations with the other Contracting Party, to a higher duty, tax or charge or to less favourable regulations or procedures than it applies to products imported from or intended for export to any third State.

Article 5

The dutiable value of goods imported into the territory of either Contracting Party within the scope of economic relations between the Contracting Parties shall, where the said goods are subject to *ad valorem* duty, be deemed to be identical with the purchase price shown in the invoice.

Article 6

The Contracting Parties shall grant each other exemption from duties, taxes and charges, and shall require no import or export licences, on the following goods :

- (a) Goods intended for experiment and research, supplied free of charge;
- (b) Goods and parts thereof supplied in fulfilment of a guarantee obligation;
- (c) Merchandise samples of negligible value which are used for advertising or to secure orders;
- (d) Merchandise samples, whatever their value, sent to trade missions of the Contracting Parties, and merchandise samples sent to foreign trade enterprises, provided that the quantity thereof does not exceed the normal limit for commercial samples;
- (e) Catalogues, price-lists, prospectuses and advertising material, including advertising films, sent to trade missions of the Contracting Parties or foreign trade enterprises;
- (f) Documentation sent within the scope of scientific and technical co-operation.

Article 7

The goods listed below shall be exempt from duties, taxes and charges and from the deposit of a bond on importation into the territory of either Contracting Party within the scope of economic relations between the Contracting Parties,