No. 9256

UNION OF SOVIET SOCIALIST REPUBLICS
and
BRAZIL

Trade and Payments Agreement. Signed at Rio de Janeiro, on 20 April 1963

Official texts: Russian and Portuguese.

Registered by the Union of Soviet Socialist Republics on 25 September 1968.

UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES
et
BRÉSIL

Accord de commerce et de paiement. Signé à Rio de Janeiro, le 20 avril 1963

Textes officiels russe et portugais.

Enregistré par l'Union des Républiques socialistes soviétiques le 25 septembre 1968.

[TRANSLATION — TRADUCTION]

No. 9256. TRADE AND PAYMENTS AGREEMENT[1] BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED STATES OF BRAZIL. SIGNED AT RIO DE JANEIRO, ON 20 APRIL 1963

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the President of the Republic of the United States of Brazil,

Noting with satisfaction the favourable development of trade relations between the two countries,

Desiring, in a spirit of friendship and mutual understanding, to develop trade relations and economic co-operation between the two countries on the basis of the principles of equality and mutual benefit,

Have decided to conclude a Trade and Payments Agreement and have for this purpose appointed as their plenipotentiaries :

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics : Mr. Andrei Andronovich Fomin, Ambassador Extraordinary and Plenipotentiary of the USSR to Brazil, and Mr. Sergei Arkadyevich Mkrtumov, Head of Department, USSR Ministry of Foreign Trade,

The President of the Republic of the United States of Brazil : Mr. Hermes Lima, Minister for Foreign Affairs, and Mr. Francisco Clementino de Santiago Dantas, Minister of Finance,

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

Article 1

The Contracting Parties shall do everything in their power to increase the exchange of goods between the two countries. For this purpose the competent authorities of both Parties shall, in accordance with the laws in force in their respective countries concerning foreign trade and currency control, provide the necessary administrative and currency facilities for the trade transactions governed by this Agreement, particularly in matters relating to the issue of export and import licences, where necessary, for the execution of commercial contracts between Soviet foreign trade organizations and Brazilian natural or legal persons.

[1] Came into force on 14 April 1965 by the exchange of the instruments of ratification which took place at Moscow, in accordance with article 21.

The Contracting Parties shall apply the provisions of this Agreement in a manner conducive to maintaining a balance in the payments made for the goods exchanged.

Article 2

The Contracting Parties shall, in all matters relating to trade and navigation, accord each other treatment which is no less favourable in any respect than the treatment which each of them accords or may accord to any third country.

Such treatment shall be accorded, in particular, in all matters relating to customs duties and charges and domestic taxes and charges of all kinds on the processing, distribution or consumption of imported goods, to restrictions or prohibitions, and to regulations and formalities relating to the import and export of goods.

The provisions of this article shall not extend to :

(*a*) Advantages and privileges arising out of a customs union which may hereafter be concluded by either of the Contracting Parties;

(*b*) Advantages and privileges which Brazil has granted or may hereafter grant to States Parties to the Treaty of Montevideo of 18 February 1960 in accordance with the provisions of the said Treaty; and

(*c*) Advantages and privileges which either of the Contracting Parties has granted or may hereafter grant in respect of the import into its territory of the natural and manufactured products of adjacent countries and the export to those countries of natural and manufactured products originating in the territory of either Contracting Party.

Article 3

Execution of commercial contracts concluded in accordance with this Agreement shall not entail liability on the part of either Government or any other natural or legal persons, except in cases in which they are parties to the contracts.

Article 4

Export and import licences issued by the competent authorities of each of the Contracting Parties during the period when this Agreement is in force shall remain valid after its expiry.

Article 5

Soviet nationals and legal persons established in accordance with the laws in force in the USSR shall, in conformity with Brazilian law, enjoy the same treatment with respect to the protection of their persons and property as is accorded to the nationals and legal persons of any other State, when they are exercising their commercial activities in the territory of Brazil, either directly or through their appointed agents, in compliance with the conditions on which such activities are permitted by the laws and regulations of Brazil.

Brazilian nationals and legal persons established in accordance with the laws in force in Brazil shall, in conformity with the law of the USSR, enjoy the same treatment with respect to the protection of their persons and property as is accorded to the nationals and legal persons of any other State when they are exercising their commercial activities in the territory of the USSR, either directly or through their appointed agents, in compliance with the conditions on which such activities are permitted by the laws and regulations of the USSR.

The nationals and legal persons of each Contracting Party, as described in this article, shall have access to the courts of the other Contracting Party on the same basis as the nationals and legal persons of any other State.

Article 6

Goods exported from one country and imported into the other in accordance with this Agreement, including articles 13 and 14, shall be earmarked for domestic consumption or processing in the territory of the importing country.

Paragraph 1. Goods may be re-exported by one of the Contracting Parties only with the prior and express consent of the other Party in each case and only in compliance with the obligations assumed by each of the Contracting Parties under international agreements.

Paragraph 2. In cases where re-exportation is authorized, the Contracting Party re-exporting the goods shall ensure that the contracts for the purchase and sale of the goods re-exported include a mandatory provision stating that the goods may not be further re-exported. The Contracting Party re-exporting the goods shall be liable to the other Party if the final purchaser of the goods in the third country fails to comply with the said provision.

Paragraph 3. Payment for goods re-exported shall be made through the Accounts or Special Accounts provided for in articles 7 and 14 respectively of this Agreement, or in a currency to be agreed upon by the Contracting Parties.

Article 7

Payments between the Union of Soviet Socialist Republics and the United States of Brazil shall be made in the USSR through the Foreign Trade Bank of the USSR and in the United States of Brazil through the Bank of Brazil.

The Foreign Trade Bank of the USSR, acting on behalf of the Government of the USSR, shall open an account, in United States dollars, in favour of the Bank of Brazil, to be known as the " Clearing Account of the Bank of Brazil ".

The Bank of Brazil, acting on behalf of the Government of Brazil, shall open an account, in United States dollars, in favour of the Foreign Trade Bank of the USSR, to be known as " Clearing Account of the Foreign Trade Bank of the USSR ".

The above-mentioned accounts shall hereinafter be referred to as " the Accounts ".

Article 8

Payment for the following items shall be made through the Accounts mentioned in article 7 :

I. Payments for goods exported and imported under the terms of this Agreement.

II. Commercial and bank charges in connexion with the above-mentioned export and import operations, namely :

1. Freight charges;
2. Insurance (premiums and indemnities);
3. Expenses in connexion with the provisioning and repair of ships, and also port dues and similar charges;
4. Agents' commissions;
5. Expenses in connexion with sales promotion, including travel for commercial purposes, within the limits and subject to the conditions to be agreed upon between the Parties;
6. Commercial and bank interest;
7. Bank commissions and sums disbursed for postage, cables and radiograms by the Banks mentioned in article 7 and the banks authorized to engage in currency operations;
8. Warehousing charges;
9. Court costs and similar expenses;
10. Expenses in connexion with the inspection and checking of goods;
11. Expenses in connexion with discrepancies in the weight, type and quality of goods.