

N° 962.

FINLANDE ET LETTONIE

**Traité de commerce et de navigation
avec Protocole de clôture, signés à
Helsingfors, le 23 août 1924.**

FINLAND AND LATVIA

**Treaty of Commerce and Navigation
with Final Protocol, signed at
Helsingfors, August 23, 1924.**

¹ TRADUCTION. — TRANSLATION.No. 962. — TREATY² OF COMMERCE AND NAVIGATION BETWEEN FINLAND AND LATVIA, SIGNED AT HELSINGFORS, AUGUST 23, 1924.

French official text communicated by the Latvian Minister for Foreign Affairs. The registration of this Treaty took place October 9, 1925.

THE GOVERNMENT OF THE LATVIAN REPUBLIC and THE GOVERNMENT OF THE REPUBLIC OF FINLAND, being desirous of promoting the development of commercial relations between their countries, have decided to conclude a Treaty of Commerce and Navigation and have for that purpose appointed as their Plenipotentiaries :

THE GOVERNMENT OF THE LATVIAN REPUBLIC :

Germain ALBAT, Minister Plenipotentiary, Secretary-General of the Ministry for Foreign Affairs, and
Charles ZARINE, Envoy Extraordinary and Minister Plenipotentiary :

THE GOVERNMENT OF THE REPUBLIC OF FINLAND :

V. M. J. VILJANEN, Engineer, former Director-General, and
Ilmari SAARI, Licencié ès lettres, Director,

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

Article 1.

The nationals of each of the Contracting Parties shall enjoy in the territory of the other Party the same treatment in all respects as is accorded to the nationals of the most favoured nation. They may not be subjected to any taxes, dues or contributions of any nature or kind whatever other or higher than those imposed on the nationals or the subjects of the most favoured nation.

Article 2.

Commercial, industrial, financial, insurance and other companies, co-operative societies and economic associations of any kind whatever which are domiciled in one of the two countries, and are constituted under the respective laws of these countries, may, unless forbidden to do so by the laws of the other Party, and provided that they comply with all formalities required by these laws, extend their operations to the territory of the latter country, acquire and enjoy rights in that country and engage in commercial operations.

¹ Traduit par le Secrétariat de la Société des Nations.

¹ Translated by the Secretariat of the League of Nations.

² The exchange of ratifications took place at Helsingfors, June 23, 1925.

Nothing in the foregoing provisions shall in any way affect the question as to the right of any such company or association established in one of the two countries to carry on trade or industry in the other ; this right shall continue to be determined in accordance with the laws and regulations in force in the country concerned.

The above-mentioned companies and associations shall enjoy in all respects the same rights and benefits as are or may be granted to similar organisations of a third Power.

They shall not be subject to taxes, duties or contributions of any kind whatever higher than those imposed in the above-mentioned companies and associations of the most favoured nation.

Article 3.

Nationals of either Contracting Party in the territory of the other, and companies, co-operative societies, or economic associations domiciled in its territory, may only be subjected to the taxes, dues and contributions referred to in Articles 1 and 2 in respect of such part of their assets as is situated in the country in which the aforesaid taxes, dues and contributions are levied, or in respect of any trade or industry which they carry on, or of any income which they earn therein.

Article 4.

Latvian nationals not domiciled in Finland, and Latvian companies, co-operative societies and associations exporting goods from Latvia to Finland, shall not be subject in Finland to taxes on the profits derived from such export trade, unless they carry on their trade or industry wholly or partly in Finland, in which case the portion of the profits derived from the business transacted in Finland shall alone be liable to taxation in that country.

The same treatment shall be applied to goods exported to Latvia by Finnish nationals, companies, co-operative societies and associations.

Article 5.

Nationals of either Contracting Party, established or temporarily resident in the territory of the other Party, shall be exempted from all compulsory official duties and from all military service or other personal service in connection with the defence of the country, and also from all contributions whatsoever levied in lieu of such service. They shall also be exempted from all forced loans and all military requisitions or contributions except in so far as these charges are imposed upon all nationals as owners, tenants or lessees of buildings or commercial and industrial undertakings.

Article 6.

Nationals of either of the Contracting Parties and companies and co-operative societies and associations domiciled in the territory of either of the Parties shall have free and unhindered access to the Courts and various authorities of the other Party on the same terms as that Party's own nationals. In the exercise of this right they shall not be subjected to charges other or higher than those levied upon the country's own nationals or upon the above-mentioned companies and associations.

Article 7.

Merchants, manufacturers and other traders of either Contracting Party who can produce a trading licence issued by the competent authorities of their country, showing that they are

authorised to carry on their trade or industry in that country and that they pay therein the dues and taxes required by law, shall be entitled, provided that they observe the laws and regulations in force in both countries, to effect purchases in the territory of the other Contracting Party, either personally or through travellers in their employ, from merchants or producers or in the public market. They may accept orders, even by means of models and samples, from merchants or other persons who make use, in their own trade or industry, of goods of the same nature as those offered.

If either of the Contracting Parties should impose special taxes or trading licence fees, the other Party shall be entitled to adopt similar measures, in order to re-establish reciprocity.

Latvian and Finnish commercial travellers who are furnished with trading licences in conformity with the specimen form agreed upon between the Contracting Parties and issued by the authorities of their respective countries shall be entitled to carry with them samples and models, but not goods.

The Contracting Parties shall communicate to each other the names of the authorities who are qualified to issue trading licences, and the regulations which commercial travellers must observe while conducting their business.

Articles imported as samples with the above-mentioned object shall, in each of the two countries, be temporarily admitted free of duty on compliance with the Customs regulations and formalities laid down to ensure their re-exportation or the payment of the prescribed Customs duties if they are not re-exported within the period allowed in the laws and regulations of the respective countries. Nevertheless, this privilege shall not apply to articles which by reason of their quantity or value cannot be regarded as samples, or which owing to their nature cannot be identified on re-exportation. The right to decide whether a sample is entitled to be admitted free of duty belongs in all cases exclusively to the competent authorities of the importing country.

The above provisions shall not affect the import and export restrictions which are in force in the two countries.

If the samples or models are produced for re-export before the expiration of the regulation period at a Customs office which is competent to deal with them, the said office shall satisfy itself that the articles produced are the same as those for which the temporary permit granting exemption from import duty was issued. If there is no doubt on this point, the office shall register the goods as re-exported and shall refund the value of the duties deposited.

If it is found that the samples or models have not been re-exported before the expiration of the prescribed period, the amount of the duties shall accrue to the Treasury.

In certain cases the Customs officials of the importing country may, if they think fit, affix supplementary marks in addition to those officially affixed in the exporting country to identify the samples or models.

The above provisions shall not apply to itinerant traders, to hawkers or to the soliciting of orders from persons who are not engaged in industry or trade, each of the High Contracting Parties reserving full legislative freedom in this respect.

Article 8.

Should one of the Contracting Parties establish prohibitions or restrictions on the import or export of goods, it shall grant to the other Party the same treatment as has been or may subsequently be granted to goods imported from or exported to any third country.

If any import or export prohibition has been, or may hereafter be, removed or relaxed, even temporarily, by one of the Contracting Parties in favour of a third Power, the benefits of such removal or relaxation shall be extended immediately and unconditionally to the same or similar goods coming from or proceeding to the territory of the other State.

The provisions of this article shall not apply to import or export prohibitions or restrictions imposed or maintained :

- (a) For reasons of public safety or when considered necessary owing to a state of war.
(b) As sanitary measures or preventive measures against epizooties and epiphyties.

Article 9.

Should either of the Contracting Parties make the trade in certain goods the subject of a monopoly or make their import or export dependent upon prices or other conditions controlled by the Government or by any organisation authorised by the Government, the conditions applicable to the other Party shall be not less favourable than those which are or may hereafter be applied to any third Power.

Article 10.

As regards import duties and charges and any additional charges, co-efficients or increases of any kind whatsoever which are or may be levied on the importation of goods, each of the Contracting Parties undertakes to grant to the natural or manufactured products of the other Party, unconditionally and without reserve, the benefit of any privilege or exemption which it has granted or may grant to similar goods of a third Power.

Natural or manufactured products exported from the territory of one of the Contracting Parties to the territory of the other shall enjoy most-favoured-nation treatment as regards the export duties and charges which are at present in force or which may subsequently be imposed.

Most-favoured-nation treatment shall also be guaranteed to each of the Contracting Parties as regards Customs facilities and repayments, the completion of Customs formalities, the deposit and safe-keeping of goods in Customs warehouses, and the charges relating thereto.

Article 11.

Each of the Contracting Parties undertakes to grant to goods imported from the territory of the other country, immediately and without compensation, the benefit of all such favours, privileges or reductions in octroi and excise duties and all other subsidiary and local duties on goods imported, exported, re-exported, carried in transit or warehoused as it has accorded or may hereafter accord to any third Power.

Article 12.

The products of either country, imported into the territory of the other country with a view to being warehoused or carried in transit, shall not be subject therein to any Customs duties or charges or to any internal taxes other than warehouse charges or similar payments or charges relating to business transactions affecting the goods in question.

In other respects most-favoured-nation treatment shall be guaranteed to the goods of either Contracting Party in transit in the territory of the other.

Article 13.

As regards traffic by rail and other forms of public transport, goods of either Contracting Party shall be treated in all respects in the territory of the other Party as favourably as similar national goods, particularly in respect of despatch, of transport and of transport rates.

Article 14.

In order to reserve the benefits of the above provisions for products originating in their respective countries and to prevent irregularities through the despatch of goods by circuitous routes, the Contracting Parties may require that products and goods imported into their territories should be accompanied by a certificate of origin issued by the competent authorities in the country of origin.

Article 15.

The documents and certificates issued for the purpose, in conformity with the laws and regulations of the respective countries, by the competent authorities of the said countries shall be recognised as establishing the nationality of vessels.

Tonnage certificates and other documents regarding tonnage measurement issued by either Contracting Party shall be recognised by the other Party in conformity with the special arrangements which have been or may hereafter be concluded between the two contracting countries.

Article 16.

The same treatment in all respects shall be granted to vessels and their cargoes in the territorial waters and the territory of the other Contracting Party as is accorded to national vessels and their cargoes, irrespective of their place of departure or destination.

Any privileges or exemptions which either Contracting Party may grant in this respect to a third Power shall also be applied simultaneously and unconditionally to the other Party.

Nevertheless, the provisions of the present article shall not apply :

- (a) As regards certain duties which either of the Contracting Parties imposes or may hereafter impose on its own fisheries and fishing products ;
- (b) As regards facilities, rebates or exemptions which either of the Contracting Parties may grant to its nationals as a premium on national shipbuilding ;
- (c) As regards the coasting trade, for which the Contracting Parties shall grant most-favoured-nation treatment ;
- (d) As regards navigation on inland navigable waterways, whether natural or artificial, in respect of which the vessels of the two Contracting Parties and their cargoes shall be subject to the same conditions as the vessels and cargoes of the most favoured nation, provided, however, that the duties which may be levied on the vessels and their cargoes shall not be at a higher rate than is applicable to national vessels and their cargoes.

Without prejudice to the other provisions of the present article, and subject to the provisions of the first paragraph, it is understood that the laws and regulations in force in either country regarding the obligation to employ pilots shall apply to the vessels of the other Contracting Party to the same extent as to other foreign vessels.

Article 17.

Finnish vessels entering Latvian ports and Latvian vessels entering Finnish ports, with the sole object of completing their cargoes or of unloading some portion thereof, shall be entitled, provided that they conform to the laws and regulations of the respective States, to retain on board any portion of the cargo which is consigned to another port or to another country, and to re-export such portion of the cargo without being liable to pay any duty or charges on it, excepting those

for supervision ; the latter dues shall not, however, be charged at a higher rate than the lowest payable by national vessels.

Article 18.

If a vessel belonging to either Contracting Party is stranded or wrecked in the waters of the other State, the vessel and its cargo shall enjoy the same privileges and immunities as are accorded by the laws and regulations of the country in question, in similar circumstances, to national vessels. Assistance and relief shall be afforded to the master and crew, both for themselves and for the vessel and its cargo, to the same extent as would be afforded to nationals.

As regards salvage charges, the laws of the country in which the salvage takes place shall be applicable.

Goods salvaged from a stranded or shipwrecked vessel shall not be subject to any Customs duties unless they are admitted for consumption in the country.

Article 19.

The two Contracting Parties shall grant to each other the right to appoint consular representatives in all ports, towns and places of the other Party to which consular representatives of any other country are admitted.

After receiving an exequatur from the Government of the country in which they are residing, the consular representatives of each of the Contracting Parties shall enjoy in the territory of the other the same privileges and exemptions and shall exercise the same powers as are or may be granted to consular representatives of the same rank belonging to a third Power.

Article 20.

The following exemptions, immunities and privileges shall not be deemed to infringe the principle of most-favoured-nation treatment on which the present Treaty is based :

- (a) Privileges which have been or may be granted to neighbouring States with a view to facilitating local traffic within either frontier zone up to a maximum breadth of 15 kilometres on each side of the frontier ;
- (b) Privileges which are or may be granted by Latvia to Esthonia and Lithuania in virtue of an economic and Customs union, and by Finland to Esthonia with a view to preserving her traditional trade relations with that country ;
- (c) Benefits in connection with the obligation to employ pilots which are or may be granted to Sweden in respect of navigation north of 58° latitude N. for Swedish vessels of less than 125 net registered tons ;
- (d) Privileges which Finland has granted or may grant to Russia as regards fishing and sealing in Finnish territorial waters of the Arctic Ocean.

It is understood, however, that each of the Contracting Parties may immediately claim these advantages should they be granted by the other Party to any third State not mentioned above.

Further, the principle of most-favoured-nation treatment shall not be deemed to be infringed by the benefits of the régime governing the importation of wines and other alcoholic beverages conceded by Finland to France under Article VI of the Commercial Convention¹ which was concluded between those two countries on July 13, 1921.

Article 21.

The present Treaty shall be ratified and the ratifications exchanged at Helsingfors as early as possible.

¹ Vol. XXIX, page 745 of this Series.

It shall come into force fifteen days after the exchange of ratifications and shall remain in force until the expiration of one year reckoned from the date of its denunciation by one of the Contracting Parties.

In faith whereof, the Plenipotentiaries of the two countries, being duly authorised for the purpose, have signed the present Treaty and have thereto affixed their seals.

Done in duplicate at Helsingfors on August 23, 1924.

(Signed) G. ALBAT. (Signed) V. M. J. VILJANEN.
(Signed) CH. ZARINE. (Signed) ILMARI SAARI.

FINAL PROTOCOL.

When proceeding to sign on this day the Treaty of Commerce and Navigation concluded between Latvia and Finland, the Plenipotentiaries of the two Contracting Parties, being duly authorised, further agreed on the following provisions :

As regards Article 8 :

Independently of the provisions of Article 8, each Party has the right, in execution of general regulations, to prohibit the importation from the territory of the other Party or any other country of all seed which may legitimately be regarded as unsuited to the importing country, provided, however, that the general regulations with regard to seed coming from the territory of the other Party are at least as favourable as those which apply to similar commodities coming from any other country.

As regards Article 10 :

Notwithstanding the most-favoured-nation principle, Latvia will not claim the Customs reductions provided in Article 2 of the Commercial Convention concluded between Finland and France on July 13, 1921, until these benefits are granted by Finland to at least two Powers other than France.

As regards Article 14 :

The Contracting Parties may require that the certificates referred to in Article 14 shall show :

- (1) In the case of raw materials properly so-called that they originate in the other country or have been so completely transformed therein that they have lost their original identity ;
- (2) In the case of a manufactured product, that at least one-half of its value is represented by the value of the raw material originating in the other country, and by the labour expended on it therein.

Certificates of origin shall be issued either by the Chambers of Commerce to which the consignor belongs or by any other authority approved by the country of destination. The competent authorities may require that these certificates should be authenticated by a diplomatic or consular representative in the country of destination.

In faith whereof, the respective Plenipotentiaries have drawn up the present Protocol, which shall have the same force and the same value as if the provisions which it contains were inserted in the Treaty itself.

Done in duplicate at Helsingfors on August 23, 1924.

(Signed) G. ALBAT. (Signed) V. M. J. VILJANEN.
(Signed) CH. ZARINE. (Signed) ILMARI SAARI.