

N° 1470.

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## ESTONIE ET LETTONIE

Traité d'exécution de l'union douanière avec protocole final, signés à Riga, le 5 février 1927, et protocole additionnel, signé à Riga, le 31 mars 1927.

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## ESTONIA AND LATVIA

Treaty for the Execution of the Customs Union, with Final Protocol, signed at Riga, February 5, 1927, and Additional Protocol, signed at Riga, March 31, 1927.

<sup>1</sup> TRADUCTION. — TRANSLATION.No. 1470. — TREATY <sup>2</sup> BETWEEN ESTONIA AND LATVIA FOR THE EXECUTION OF THE CUSTOMS UNION. SIGNED AT RIGA FEBRUARY 5, 1927.

*French official text communicated by the Estonian and Latvian Ministers for Foreign Affairs. The registration of this Treaty took place May 16, 1927.*

THE GOVERNMENT OF THE REPUBLIC OF ESTONIA, and THE GOVERNMENT OF THE REPUBLIC OF LATVIA, being desirous of extending their economic co-operation beyond the limits fixed in the Preliminary Treaty <sup>3</sup> regarding the Economic and Customs Union between Estonia and Latvia, signed at Tallinn on November 1, 1923, have resolved to conclude a treaty on the subject, with a view to a Customs Union between the two States, and have appointed as their Plenipotentiaries:

THE GOVERNMENT OF THE REPUBLIC OF ESTONIA :

H. E. Dr Frederick AKEL, Minister for Foreign Affairs ;

THE GOVERNMENT OF THE REPUBLIC OF LATVIA :

H. E. M. Felix CIELENS, Minister for Foreign Affairs ;

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

*Article 1.*

The preliminary Treaty regarding the Economic and Customs Union between Estonia and Latvia, which was signed at Tallinn on November 1, 1923, shall be held to be abrogated as from the coming into force of the present Treaty.

One month after the Laws, Conventions and Arrangements provided for in Article 6, paragraphs 1-7, with the exception of the reservations in Article 8, paragraph 4, shall have come into force, a Customs Union shall be established between the Republic of Estonia and the Republic of Latvia, and the territories of the two Contracting States shall be considered as constituting a single territory from the Customs point of view. Customs duties shall cease to be levied on goods passing from the territory of one country to the territory of the other.

*Article 2.*

Each of the Contracting Parties undertakes to grant in its territory, to the nationals of the other Party, the same treatment as it grants to its own nationals in all matters concerning the use,

<sup>1</sup> Traduit par le Secrétariat de la Société des Nations.

<sup>1</sup> Translated by the Secretariat of the League of Nations.

<sup>2</sup> The exchange of ratifications took place at Tallinn, May 10, 1927.

<sup>3</sup> Vol. XXV, page 359, of this Series.

possession and disposal of immovable property, trade, industry, navigation, jurisdiction and the application of administrative regulations and all taxation of any kind whatsoever. With regard, however, to the acquisition of immovable property, the establishment of commercial companies and other commercial, industrial, financial or insurance associations, fisheries, national shipbuilding, coasting trade and towing, the Contracting Parties only undertake to grant to one another the treatment accorded to nationals and legal persons of the most favoured nation.

*Article 3.*

The nationals of each of the Contracting Parties shall be reciprocally exempted from all personal military service, from participation in military organisations, and from any military contribution, whether pecuniary or in kind.

They shall not, for military purposes, be subjected to obligations in respect of service or requisition, other than those incumbent on citizens of the country, and they shall be entitled, on a basis of reciprocity, to the same compensation as is provided for the nationals of the respective countries.

They shall also be exempted from any judicial or municipal responsibilities or duties of any kind whatsoever.

*Article 4.*

The tonnage certificates issued by the competent Authorities of either Contracting Party shall be accepted by the other Party, provided that the tonnage measurements are based on the Moorsom system.

*Article 5.*

The Contracting Parties shall proceed without delay to appoint a General Joint Commission, with equal representation for both Parties, to be entrusted, in accordance with the provisions of the present Treaty, with the preliminary work for the Esto-Latvian Customs Union. The said General Commission shall draw up rules for its own internal procedure. To facilitate its work it shall be authorised to appoint special Sub-Commissions.

*Article 6.*

The General Commission shall be instructed :

- (1) To draw up a common Esto-Latvian Customs tariff ;
- (2) To co-ordinate the Customs legislation of the two States ;
- (3) To co-ordinate legislation regarding excise and monopolies in the two States ;
- (4) To co-ordinate the dates for transport and communications in the two States, more especially with regard to railways, navigation, aviation, posts, telegraphs, telephones and radio-telegraphy ;
- (5) To regulate the question of Customs receipts in such a way that a fair system of mutual compensation shall be established. For this purpose the possible losses in revenue to the respective States shall first be ascertained, either by the registration of goods passing from the territory of one country to the territory of the other, or by other suitable methods ;
- (6) To co-ordinate legislation regarding taxation, direct contributions and trading licences, and legislation regarding the protection of labour ;
- (7) To co-ordinate the issuing and discount policy of the central banks in the two States ;

- (8) To examine all commercial treaties with a view to making it possible to adopt a single system of commercial treaties in both States ;
- (9) To examine all questions relating to the Customs union, to give their opinions thereon and to submit such opinions to the respective Governments.

*Article 7.*

All the co-ordinated draft Laws and all the draft Conventions drawn up by the General Commission in pursuance of Article 6 of the present Treaty shall be submitted to the respective Governments, and shall not come into force until they have been adopted by the legislatures of the two States, and until the instruments of ratification have been duly exchanged.

Any other decisions taken by the General Commission under Article 6 may be put into force whenever they have received the approval of the two Governments.

*Article 8.*

The work referred to in Article 6, paragraph 1, shall be carried out within a period of one year from the date on which the present Treaty comes into force.

It is agreed, however, that in case of necessity, and if the two Governments concur, the submission of the common Customs tariff to the legislatures may be deferred for six months.

All the other work referred to in Article 6 shall be carried out within a period which will allow of the respective draft laws and Conventions being submitted to the legislatures sufficiently early for ratification to be effected and for the instruments of ratification to be exchanged within three years, reckoned from the date on which the co-ordinated Customs tariff comes into force.

With regard, however, to the co-ordination of the laws referred to in Article 6, with the exception of the common Customs tariff, the General Commission shall be entitled to decide that certain provisions in the respective laws shall not be co-ordinated, or that the time-limit allowed for their co-ordination shall be provisionally extended. The above-mentioned decisions of the General Commission shall come into force when they have been approved by the two Governments. Nevertheless, the non-completion of the work to which the aforesaid decisions relate, or the provisional extension of the period allowed for it, shall not prevent the Customs Union from coming into force within the period appointed in Article 1.

Any of the time-limits laid down in the present Article may be extended, but only with the consent of both Governments.

*Article 9.*

The common Customs tariff shall be drawn up in gold francs, and Estonia shall accept the gold Eesti-kroon at its par value (1 : 0.72) for the payment of Customs duties.

The banks of issue in the two States shall exchange lats for Eesti-kroons at the par gold value, and no commission shall be charged for such exchanges.

*Article 10.*

Any disputes or differences of opinion which may arise between the two Contracting Parties concerning the application and interpretation of the present Treaty shall be settled by a mixed arbitral tribunal. The arbitral tribunal shall be constituted *ad hoc* and shall include an equal number of representatives of both Parties. If these representatives fail to arrive at an agreement they shall appeal to a third and neutral arbitrator, who shall be appointed, if the Parties fail to agree in their choice, by the President of the Permanent Court of International Justice.

*Article 11.*

Without waiting for the execution of the present Treaty, the two Contracting Parties shall proceed to draw up a provisional economic Treaty with the object of facilitating trade in products of the soil, agriculture and industry of the two countries even before the Union comes into being.

*Article 12.*

The present Treaty shall be ratified and the ratifications shall be exchanged at Tallinn. It shall come into force on the date of exchange of the instruments of ratification.

The present Treaty shall remain in force for ten years, reckoned from the date laid down in Article 1. On the expiration of this period, it shall remain in force for two years from the date on which it shall have been denounced by one of the Contracting Parties.

Done in duplicate in French, and signed at Riga, February 5, 1927.

Fr. AKEL.  
F. CIELENS.

## FINAL PROTOCOL.

*Ad Article 2.*

1. It is agreed that the privilege of national treatment, which is reciprocally granted by each State to the nationals of the other State in connection with the right of establishment, shall only become applicable as from the date on which the Customs Union between the two States comes into force. With regard to the interval preceding the above-mentioned period, the two Governments mutually undertake to grant most-favoured-nation treatment with regard to the right of establishment.

2. The provisions of Article 2 of the present Treaty shall not be considered as creating an exception to the provisions of Article 18 of the Frontier Convention<sup>1</sup> dated October 19, 1920, and of Article 6 of the Supplementary Convention<sup>2</sup> on Frontier Questions dated November 1, 1923, with regard to the liquidation of immovable property intersected by the frontier line.

RIGA, *February 5, 1927.*

Fr. AKEL.  
F. CIELENS.

## ADDITIONAL PROTOCOL.

The Government of Estonia and the Government of Latvia have agreed to supplement paragraph 2 of Article 9 of the Treaty in execution of the Customs Union between Estonia and Latvia signed on February 5, 1927, by the following provisions:

(1) The obligation imposed on the banks of issue of the two States to exchange lats for Eesti-kroons shall likewise include the obligation to exchange Eesti-kroons for lats.

(2) The banks of issue of the two States shall conclude an agreement to regulate the details of such exchanges.

The present Protocol shall be considered as an integral portion of the Treaty in execution of the Customs Union concluded between Estonia and Latvia on February 5, 1927.

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

Done in duplicate in French at Riga, March 31, 1927.

Jul. SELJAMAA.  
F. CIELENS.

<sup>1</sup> Vol. XVII, page 189, of this Series.

<sup>2</sup> Vol. XXV, page 345, of this Series.