



Iran No. 1 (1959)

# Treaty of Commerce, Establishment and Navigation

between Her Majesty in respect of the  
United Kingdom of Great Britain and Northern Ireland  
and His Imperial Majesty the Shah of Iran

[with Exchange of Notes]

Tehran, March 11, 1959

[Ratifications have not been exchanged]

*Presented to Parliament by the Secretary of State for Foreign Affairs  
by Command of Her Majesty  
March 1959*

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# TREATY OF COMMERCE, ESTABLISHMENT AND NAVIGATION BETWEEN THE UNITED KINGDOM AND IRAN

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# TREATY OF COMMERCE, ESTABLISHMENT AND NAVIGATION BETWEEN THE UNITED KINGDOM AND IRAN

## PREAMBLE

Her Majesty the Queen of the United Kingdom of Great Britain and Northern Ireland and of Her other Realms and Territories, Head of the Commonwealth, and His Imperial Majesty Mohammad Reza Pahlavi, Shahanshah of Iran;

Desiring to facilitate and extend still further their mutual relations of trade and commerce;

Have resolved to conclude a Treaty for this purpose and have appointed as their Plenipotentiaries:—

Her Majesty the Queen of the United Kingdom of Great Britain and Northern Ireland and of Her other Realms and Territories, Head of the Commonwealth (hereinafter referred to as Her Majesty the Queen):

For the United Kingdom of Great Britain and Northern Ireland:

HIS EXCELLENCY SIR GEOFFREY WEDGWOOD HARRISON, K.C.M.G.,

*Her Britannic Majesty's Ambassador Extraordinary and  
Plenipotentiary;*

His Imperial Majesty Mohammad Reza Pahlavi, Shahanshah of Iran,  
(hereinafter referred to as His Imperial Majesty the Shah):

For Iran:

HIS EXCELLENCY MR. ALI ASGHAR HEKMAT,

*Minister for Foreign Affairs;*

Who, having communicated to each other their respective full powers, found in good and due form, have agreed as follows:—

## ARTICLE 1

The territories of the High Contracting Parties to which the present Treaty applies are, on the part of Her Majesty the Queen, the United Kingdom of Great Britain and Northern Ireland, and any territory in respect of which notice of extension is given under Article 33; and, on the part of His Imperial Majesty the Shah, the territory of Iran.

## ARTICLE 2

In the present Treaty—

1. The term "territory" means, in relation to a High Contracting Party, any territory of that High Contracting Party to which the present Treaty applies;

2. The term "nationals":—

(a) means physical persons only;

(b) in relation to Her Majesty the Queen means—

(i) all citizens of the United Kingdom and Colonies and all British protected persons except such citizens and persons as belong to any territory to which the present Treaty may be extended under Article 33 but has not been so extended, and

(ii) all citizens of the Federation of Rhodesia and Nyasaland, provided that the present Treaty shall have been extended under Article 33 to the Federation of Rhodesia and Nyasaland,

and in relation to His Imperial Majesty the Shah means—  
all nationals of Iran;

3. The term "vessels" means, in relation to a High Contracting Party, all ships registered at a port in any territory of that High Contracting Party to which the present Treaty applies;

4. The term "companies":—

(a) means all legal persons except physical persons;

(b) in relation to a High Contracting Party means all companies which derive their status as such from the law in force in any territory of that High Contracting Party to which the present Treaty applies;

(c) in relation to a country means all companies which derive their status as such from the law in force in that country.

#### ARTICLE 3

1. Nationals of one High Contracting Party shall be accorded, with respect to entry into, residence in and departure from any territory of the other, treatment not less favourable than that accorded to the nationals of any other foreign country.

2. Nationals of one High Contracting Party who are lawfully present within any territory of the other shall be free to travel anywhere within that territory and shall not be required, for this purpose, to obtain travel documents or permits. Either High Contracting Party may, however, for reasons of national security, restrict entry into particular areas either—

(a) on grounds of nationality, in which case nationals of the other High Contracting Party shall be accorded treatment not less favourable than that accorded to nationals of any other foreign country; or

(b) on any other grounds, in which case nationals of the other High Contracting Party shall be accorded treatment not less favourable than that accorded to nationals of the former High Contracting Party or of any other foreign country.

3. Any conditions as to the duration of his residence or as to his employment, profession, business or occupation which a national of one High Contracting Party who is permitted to reside in any territory of the other is required to observe during the period of his residence in that territory shall be imposed at the time of the grant to him of permission to enter or to reside, or at the time of his entry, shall be made known to him at the time when they are imposed and shall not thereafter be varied so as to make them more restrictive.

4. Subject to any conditions imposed by paragraphs 1 and 3 of this Article—

(a) the nationals of one High Contracting Party in any territory of the other shall be permitted to engage there on terms not less favourable than and to the same extent as nationals of the latter High Contracting Party in every lawful employment, profession, business or occupation subject to any prohibition or restriction in relation to any lawful employment, profession, business or occupation which is applied, under the law of that territory, to all foreigners; and

(b) the nationals of one High Contracting Party in any territory of the other shall be permitted to engage there in every lawful employment, profession, business or occupation on terms not less favourable than and to the same extent as nationals of any other foreign country.

#### ARTICLE 4

The nationals of one High Contracting Party in any territory of the other shall be exempted from all compulsory service whatsoever in the armed forces, national guard, militia, civil defence services or police forces; from all forms of compulsory labour; and from the compulsory performance of all judicial, administrative and municipal functions whatever, other than those imposed by the laws relating to juries. They shall also be exempted from all contributions, whether in money or in kind, imposed as an equivalent for such service or for the performance of such functions.

#### ARTICLE 5

1. The nationals of one High Contracting Party shall be accorded in any territory of the other liberty of conscience and freedom of worship. In the exercise of these rights they may conduct religious services provided that these services are not contrary to public morals. They shall be at liberty to erect and to maintain buildings for religious purposes provided that such buildings conform to the law applicable generally to buildings of like nature. Such buildings shall be respected and shall not be entered or searched except by due process of law.

2. They shall also be permitted to dispose of their dead according to their religious customs in suitable and convenient places established or maintained for the purpose, subject to the general law relating to the registration of deaths and to the disposal of the dead and subject to any non-discriminatory sanitary or medical requirements laid down by the authorities of the territory.

#### ARTICLE 6

1. The companies of one High Contracting Party shall receive fair and equitable treatment in all matters relating to the carrying on of all kinds of business as well as in all matters relating to the establishment and maintenance of head offices, branches, agencies, regional offices or any or all of such organisations in any territory of the other. The companies of either High Contracting Party shall enjoy treatment not less favourable than that accorded to the companies of any other foreign country.

2. Neither High Contracting Party shall in any territory enforce, as a condition for the operation of any company of the other, any requirements as to the nationality of the directors, administrative personnel, shareholders,



more restrictive than the requirements which are applied, under the law of that territory, to the companies of any other foreign country.

#### ARTICLE 7

1. The companies of one High Contracting Party shall receive fair and equitable treatment in all matters relating to the carrying on of the business of insurance in any territory of the other and to the establishment and maintenance in that territory of head offices, branches, agencies, regional offices or any or all of such organisations. In all the matters dealt with in this paragraph, they shall enjoy treatment not less favourable than that accorded to companies of any other foreign country.

2. Neither High Contracting Party shall impose any measure of a discriminatory nature that hinders or prevents the importer or exporter of products originating in any territory of either High Contracting Party from obtaining marine insurance on such products in companies of either High Contracting Party.

3. Notwithstanding the provisions of paragraph 4 of Article 2, for the purposes of this Article the term "companies" shall, in relation to Her Majesty the Queen, include the members of "Lloyds".

#### ARTICLE 8

1. The nationals and companies of one High Contracting Party shall enjoy in any territory of the other constant and complete protection and security for their persons and property.

2. Each High Contracting Party shall at all times accord fair and equitable treatment to nationals and companies of the other High Contracting Party, and to their property and enterprises; shall refrain from applying unreasonable or discriminatory measures that would impair their rights and interests; and shall ensure that their contractual rights are afforded effective means of enforcement in conformity with the applicable laws.

#### ARTICLE 9

1. Nationals of one High Contracting Party taken into the custody of the authorities in any territory of the other, whether in connection with criminal proceedings or otherwise, shall be informed without undue delay of the grounds on which they are so taken. While they are detained in such custody they shall receive reasonable and humane treatment and their property shall not be disposed of except by due process of law.

2. Nationals and companies of one High Contracting Party accused in any territory of the other of crime shall enjoy, on the same conditions and to the same extent as nationals and companies respectively of the latter High Contracting Party or of any other foreign country, all rights and privileges in connection with their trials permissible under the law of that territory. They shall be entitled to a public trial without undue delay, provided that nothing in this paragraph shall prohibit the exclusion of the public from all or any part of any trial in the interests of national security or of public safety, for the prevention of disorder or for the protection of children and young persons.

3. The nationals and companies of one High Contracting Party shall have free access to the courts of justice and tribunals in any territory of

the other for the declaration, prosecution or defence of their rights, without any conditions, restrictions, taxes or payments other or more onerous than those imposed on the nationals and companies respectively of the latter High Contracting Party or of any other foreign country. Proceedings to which nationals or companies of one High Contracting Party are parties in any territory of the other shall be heard and determined without undue delay.

4. The nationals and companies of one High Contracting Party shall in any territory of the other be at liberty on the same conditions and to the same extent as the nationals and companies respectively of the latter High Contracting Party or of any other foreign country to employ, in all proceedings, advocates, attorneys or agents from among the persons entitled to act as such in that territory.

5. The nationals of one High Contracting Party shall in any territory of the other be admitted to the benefit of free legal assistance and exemption from court fees on the same conditions and to the same extent as the nationals of the latter High Contracting Party or of any other foreign country.

6. Nationals of one High Contracting Party shall in all proceedings, other than criminal proceedings, before the courts of justice in any territory of the other be at liberty to employ, and be given reasonable opportunities of employing, interpreters of their own choice to translate the proceedings of the said courts into their language and to translate into the language in which the proceedings are conducted statements, evidence or arguments made, given or advanced by them or on their behalf in any other language.

7. Nationals of one High Contracting Party against whom criminal proceedings are taken in any territory of the other shall, if their acquaintance with the language in which the proceedings are conducted is insufficient for them to understand the proceedings, be entitled to have the evidence translated into their own language by competent interpreters. In any event, any statements, evidence or arguments made, given or advanced in a language other than that in which the proceedings are conducted shall be translated into the latter language by competent interpreters.

#### ARTICLE 10

1. The nationals and companies of one High Contracting Party shall not be subjected in any territory of the other to any taxation or any requirement connected therewith except under the conditions and with the formalities prescribed by the law in force in that territory.

2. The nationals and companies of one High Contracting Party shall not be subjected in any territory of the other to any taxation or any requirement connected therewith which is other or more onerous than the taxation and connected requirements to which the nationals and companies respectively of the latter High Contracting Party are subjected.

3. The nationals and companies of one High Contracting Party not resident for tax purposes in any territory of the other shall not be subjected in respect of profits attributable to their business in that territory to any taxation which is other or more onerous than the taxation to which the nationals and companies respectively of the latter High Contracting Party resident for tax purposes in that territory are subjected in respect of the like profits.

4. Nothing in paragraphs 2 and 3 of this Article shall be construed, in relation to any territory of a High Contracting Party, as obliging that High

Contracting Party to grant to nationals of the other who are not resident for tax purposes in that territory the same personal allowances, reliefs and reductions for tax purposes as are granted to the nationals of the former High Contracting Party.

5. Subject to the provisions of paragraph 4 of this Article the nationals and companies of one High Contracting Party shall enjoy, at the hands of the fiscal authorities and tribunals of the other, treatment and protection not less favourable than that accorded to the nationals and companies respectively of the latter High Contracting Party.

6. In all the matters referred to in this Article the treatment accorded by one High Contracting Party to nationals and companies of the other shall not be less favourable than that accorded to the nationals and companies respectively of any other foreign country.

7. The expression "taxation" as employed in this Article shall, without prejudice to the generality thereof, include:—

- (a) any taxation in respect of the person, or in respect of property, rights and interests, professions, occupations, commerce or industry;
- (b) any duties, taxes, exactions, fees which are substantially taxes, compulsory loans or subscriptions and other charges, levied on behalf of any authority whatsoever.

#### ARTICLE 11

The dwellings, offices, warehouses, factories, shops and all other premises owned, leased or occupied by nationals and companies of one High Contracting Party in any territory of the other shall be respected. Except under the conditions and with the formalities prescribed by law and applicable to nationals or companies of the latter High Contracting Party, no domiciliary visit to and no search of any such premises shall be carried out, nor shall any books, papers or accounts therein be seized, examined or inspected.

#### ARTICLE 12

1. The nationals and companies of one High Contracting Party shall, in any territory of the other, be permitted

- (a) to lease or, where and to the extent that the law and regulations of that territory so permit, otherwise to acquire immovable property or any interest therein; and
- (b) to acquire movable property or any interest therein; and
- (c) to own, enjoy or dispose of property, movable or immovable, acquired in conformity with sub-paragraphs (a) or (b) of this paragraph, or any interest therein

on the same conditions as are applicable to the nationals or companies of the latter High Contracting Party.

2. The nationals and companies of one High Contracting Party shall be permitted in any territory of the other to acquire, own, enjoy or dispose of property, movable or immovable, or any interest therein on the same conditions as are applicable to the nationals or companies of any other foreign country.

3. The nationals and companies of one High Contracting Party shall be permitted to export their movable property and the proceeds of the sale

to them, from any territory of the other subject to conditions or restrictions no more onerous than those applicable to the nationals or companies of the latter High Contracting Party or of any other foreign country.

4. The provisions of paragraphs 1 and 2 of this Article shall not be construed as extending to the conditions of registration of aircraft in the national register of any territory of either High Contracting Party.

5. Nothing in this Article shall be construed so as to prevent a High Contracting Party from restricting in any territory the acquisition, ownership or disposal of

- (a) ships entitled by the law of that territory to fly the national flag of that High Contracting Party or the flag of any territory of that High Contracting Party to which the present Treaty applies or may be extended under Article 33 or
- (b) any interest in such ships.

#### ARTICLE 13

In all cases where nationals and companies of one High Contracting Party are entitled, under the present Treaty, to carry on business in any territory of the other they shall be entitled to no less an extent than nationals and companies of any other foreign country to do so either in person or through agents of their own choice or in both such ways and they shall in any event receive in all these matters fair and equitable treatment.

#### ARTICLE 14

1. The nationals and companies of one High Contracting Party shall enjoy in any territory of the other fair and equitable treatment with regard to the formation under the laws of that territory of new companies. In this matter they shall enjoy treatment not less favourable than that accorded to the nationals and companies respectively of any other foreign country.

2. The nationals and companies of one High Contracting Party shall not be deprived of the right to continued control and management of a company which they have been permitted to form in accordance with the provisions of paragraph 1 of this Article except in circumstances in which nationals and companies of the other High Contracting Party or of any other foreign country are deprived of control and management of a company which they have formed.

3. Companies of one High Contracting Party more than one-half of the interests in which are owned or which are controlled by nationals or companies of the other shall in all the matters dealt with in the present Treaty be accorded treatment not less favourable than that accorded to companies of the former High Contracting Party more than one-half of the interests in which are owned or which are controlled by the nationals and companies of the former High Contracting Party or of any other foreign country.

4. Neither High Contracting Party shall in any territory place any restrictions upon the formation of Chambers of Commerce or similar bodies, whether incorporated or not, by the nationals or companies of the other, nor require any such body to join, adhere to, or in any way support Chambers of Commerce, trade guilds or associations or similar bodies existing in that territory.

The nationals and companies of one High Contracting Party shall receive equitable treatment in any territory of the other in respect of any measure of requisition, civil or military, or of disposal, limitation, restriction or expropriation affecting their property, rights and interests, or affecting the property, rights and interests of any company of the other High Contracting Party in which they own interests, and shall receive prompt, adequate and effective compensation for any such measure. Without prejudice to the foregoing, in all matters dealt with in this Article they shall receive in any territory of the other treatment not less favourable than that accorded to the nationals and companies of the latter High Contracting Party or of any other foreign country.

#### ARTICLE 16

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 all rules and formalities in connection with importation and exportation, the nationals and companies of one High Contracting Party shall be accorded in any territory of the other treatment not less favourable than that accorded to the nationals or companies of the latter High Contracting Party or of any other foreign country.

#### ARTICLE 17

1. 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 all rules and formalities in connection with the foregoing, any advantage, favour, privilege or immunity granted in any territory by one High Contracting Party to any product originating in or destined for any other foreign country shall be accorded to the like product originating in any territory of the other High Contracting Party (from whatever place arriving) or destined for any such territory.

2. For the purposes of the present Treaty

- (a) fish, whales and other natural produce of the sea taken by a vessel of either High Contracting Party and
- (b) products produced or manufactured at sea in a vessel of either High Contracting Party from fish, whales and other natural produce of the sea

shall be deemed to be products originating in the territories of that High Contracting Party.

#### ARTICLE 18

1. No prohibition, restriction, rule or formality shall be imposed or maintained on the importation into any territory of one High Contracting Party of any product originating in any territory of the other (from whatever place arriving) which shall not equally extend to the importation of the like products originating in any other foreign country.

2. No prohibition, restriction, rule or formality shall be imposed or maintained on the exportation of any product from any territory of one High Contracting Party to any territory of the other which shall not equally extend to the exportation of the like products to any other foreign country.

3. In so far as prohibitions and restrictions may be enforced in any of their territories on the importation or exportation of any products, the High Contracting Parties undertake as regards import and export licences to observe the provisions at (a)-(d) of Article 3 of the International Convention relating to the Simplification of Customs Formalities concluded at Geneva on 3rd November, 1923.<sup>(1)</sup>

4. The conditions to be fulfilled or formalities to be observed before quotas are allotted or licences are given in any territory of one High Contracting Party—

- (a) in respect of the importation of products originating in any territory of the other or
- (b) in respect of the exportation of products to any territory of the latter High Contracting Party

shall not be more onerous than the conditions to be fulfilled or formalities to be observed before quotas are allotted or licences are given in the case of any other foreign country.

5. Subject to the requirement that such measures shall not be applied in any arbitrary manner, the general rules laid down in the preceding paragraphs of this Article shall not be construed so as to prevent the adoption by either High Contracting Party of measures—

- (a) necessary to protect human, animal or plant life or health;
- (b) taken in the interests of national security;
- (c) taken for the regulation of the trade in any narcotic substance which is within the scope of any international agreement which relates to the international control of narcotic substances and to which that High Contracting Party is a party;
- (d) taken in pursuance of inter-governmental commodity agreements conforming to the principles approved by the Economic and Social Council of the United Nations in its resolution of 28th March, 1947.

6. Nothing in the present Article shall be construed so as to prevent a High Contracting Party from requiring, as a condition of permitting the exportation of any product from any territory, satisfactory evidence that payment for such product has been or will be made in accordance with any exchange control regulations in force in that territory.

#### ARTICLE 19

The provisions of paragraphs 1, 2 and 4 of Article 18 shall not prevent a High Contracting Party, if a member of the International Monetary Fund, from taking measures in any territory to restrict imports from, or to direct exports elsewhere than to, the territories of the other High Contracting Party in a manner having equivalent effect to restrictions on payments and transfers for current international transactions which that High Contracting Party may at that time apply under the Articles of Agreement of the International Monetary Fund.<sup>(2)</sup> provided that measures taken under the provisions of the

<sup>(1)</sup> "Treaty Series No. 16 (1925)," Cmd. 2347.

<sup>(2)</sup> "Treaty Series No. 21 (1946)," Cmd. 6885.

present Article shall not be applied in a manner which would cause unnecessary damage to the commercial or economic interests of the other High Contracting Party or would constitute a means of arbitrary or unjustifiable discrimination against the other High Contracting Party as compared with other foreign countries where, or in relation to which, similar conditions prevail.

#### ARTICLE 20

1. Products originating in any territory of one High Contracting Party and imported into any territory of the other shall not be subject, directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like products originating in any territory of the latter High Contracting Party or in any other foreign country.

2. Products originating in any territory of one High Contracting Party and imported into any territory of the other shall in that territory be accorded treatment not less favourable than that accorded to like products originating in any territory of the latter High Contracting Party or in any other foreign country in respect of—

- (a) all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use, and
- (b) any internal quantitative regulation relating to the mixture, processing or use of products in specified amounts or proportions.

The provisions of this paragraph shall not prevent the application of differential internal transportation charges which are based exclusively on the economic operation of the means of transport and not on the nationality of the product.

3. The provisions of paragraph 2 of this Article relating to the grant of national treatment shall not, however, prevent the maintenance or introduction of internal quantitative regulations relating to the mixture of imported and domestic products in specified amounts or proportions and which are required by either High Contracting Party to promote the establishment or development of particular industries or branches of agriculture in the territory of that High Contracting Party.

4. The provisions of paragraphs 1 and 2 of this Article shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.

5. The provisions of paragraphs 1 and 2 of this Article shall not prevent the payment by either High Contracting Party of subsidies exclusively to producers in any territory of that High Contracting Party, including payments to producers derived from the proceeds of internal taxes or charges applied consistently with the provisions of paragraphs 1 and 2 of this Article and subsidies effected through governmental purchases of national products.

6. The provisions of paragraph 2 of this Article shall not apply to laws, regulations, or requirements relating to the exhibition of cinematograph films, provided that in this matter cinematograph films originating in any territory of one High Contracting Party shall be accorded in any territory of the other treatment not less favourable than that accorded to like films originating in any other foreign country.

7. Products destined for exportation from any territory of one High Contracting Party to any territory of the other shall not be subject, directly

or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like products destined for exportation to any other foreign country.

#### ARTICLE 21

The nationals and companies of one High Contracting Party shall have in any territory of the other the same rights as nationals or companies of the latter High Contracting Party in regard to patents for inventions, trade marks, trade names and industrial designs, provided that they observe the conditions and formalities imposed on nationals or companies of the latter High Contracting Party in that territory.

#### ARTICLE 22

1. The vessels of one High Contracting Party shall be entitled, *inter alia*:—

- (a) to have access to the same extent as the vessels of the other High Contracting Party or of any other foreign country to all ports and other places in any territory of the latter High Contracting Party;
- (b) to import into or export from any territory of the other High Contracting Party all merchandise which may legally be imported thereinto or exported therefrom and to carry passengers to or from any such territory;
- (c) to compete for and carry passengers and cargoes, alike in any of the territories of the High Contracting Parties and elsewhere; no agreement shall be entered into or renewed, nor shall any measure be taken or continued by the other High Contracting Party which would prevent or have the effect of preventing them from so competing for or carrying passengers and cargoes.

2. In all the matters referred to in the previous paragraph of this Article and, in addition, in all other matters relative to commerce, navigation or the treatment of shipping, the vessels of one High Contracting Party, their passengers and cargoes shall be accorded in any territory of the other treatment not less favourable than that accorded to the vessels, passengers and cargoes of the latter High Contracting Party or of any other foreign country; they shall be accorded all the rights, liberties, favours, privileges, immunities and exemptions accorded to such vessels, passengers and cargoes and shall not be subjected to any other or more onerous duties, charges, taxes or other impositions of whatsoever kind or denomination than would be levied in similar circumstances in relation to such vessels, passengers and cargoes.

3. The nationals and companies of one High Contracting Party shall receive fair and equitable treatment in all matters relative to the carrying on of the business of shipping in any territory of the other and to the establishment for the purpose of carrying on that business, of offices, branches and agencies in that territory. In all the matters dealt with in this paragraph they shall receive treatment not less favourable than that accorded to the nationals and companies of any other foreign country.

4. Either High Contracting Party may, upon giving prior notice in writing to the other, terminate or limit, in relation to any territory, the application of the provisions of the preceding paragraphs of this Article to the coasting trade or to inland navigation: it is understood, however, that



the terms "coasting trade" and "innavigable navigation" shall not be regarded as applying to the carriage by vessels of one High Contracting Party between ports in a territory of the other of passengers or cargo brought from or destined for places outside that territory (including passengers holding through tickets and cargo consigned on through bills of lading to or from such places) or the landing or taking on board of such passengers or cargo at those ports.

#### ARTICLE 23

1. A vessel of one High Contracting Party which is forced by stress of weather or by reason of any other distress to take refuge in a port in any territory of the other shall be entitled to refit therein, to procure all necessary stores, to engage the services of any other vessel of whatever nationality to render assistance, and to put to sea again, without paying any other or more onerous duties, charges, taxes or other impositions of whatsoever kind or denomination than would be levied in similar circumstances in relation to a vessel of the latter High Contracting Party or of any other foreign country. If, however, the master of the vessel should be under the necessity of disposing of a part of his merchandise in order to defray his expenses, he shall be obliged to comply with the regulations and tariffs in force in the place to which he has come.

2. A vessel of one High Contracting Party which is wrecked, runs aground or suffers any other damage upon the coasts of any territory of the other shall be permitted to receive from the latter all such assistance and protection as would be given by the latter to one of its own vessels and shall be permitted in case of need to land or tranship its merchandise, without paying any duty, charge, tax or other imposition of whatsoever kind or denomination, unless such merchandise is delivered for use or consumption in the territory (in which case no such payment shall be exacted other or more onerous than would be exacted in similar circumstances in relation to the merchandise of a vessel of any other foreign country).

3. Where a vessel of one High Contracting Party is wrecked or runs aground upon the coasts of any territory of the other, such vessel and all parts thereof together with all stores, equipment and fittings belonging thereto, and all merchandise and effects saved therefrom, including any which may have been cast into the sea, or the proceeds thereof, if sold, as well as all papers found on board such vessel, shall be given up to the owner or his agents when claimed, provided that the claim is made within the period fixed by the law of the latter High Contracting Party. Any such owner or agent shall pay only the expenses incurred in the preservation of the property, together with the salvage and any fees and other expenses which would have been payable in the like case of the running aground or wreck of a vessel of the latter High Contracting Party or of any other foreign country.

#### ARTICLE 24

1. All those facilities and privileges which are set out in the International Convention relating to the Simplification of Customs Formalities concluded at Geneva on 3rd November, 1923, shall in any territory be accorded by one High Contracting Party to the other with respect to the treatment of commercial travellers, commercial samples and advertising material.

2. Any further facilities or privileges in respect of commercial travellers, commercial samples and advertising material accorded in any territory by one High Contracting Party to any other foreign country shall be extended to the other High Contracting Party.

1. Persons, baggage and goods and also vessels and other means of transport shall be deemed to be in transit across any territory of one High Contracting Party when the passage across that territory, with or without trans-shipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of the High Contracting Party across whose territory the traffic passes. Traffic of this nature is termed in this Article "traffic in transit."

2. There shall be freedom of transit through any territory of one High Contracting Party, via the routes most convenient for international transit, for traffic in transit to or from any territory of the other. No distinction shall be made which is based on the nationality of persons, the flag of vessels, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods, of vessels or of other means of transport.

3. Neither High Contracting Party shall be bound by this Article to afford transit across any territory for persons whose admission into that territory is forbidden or for goods the importation or exportation of which is prohibited or restricted in that territory.

4. The High Contracting Parties may require baggage and goods and also vessels and other means of transport in transit through any of their territories to be entered at the proper Customs House.

5. Traffic in transit through any territory of one High Contracting Party to or from any territory of the other shall not, except in case of failure to comply with applicable customs laws and regulations, be subject to any delays or restrictions other than to the minimum extent that may be necessary to ensure compliance with the applicable customs laws and regulations, and shall be exempt from customs duties and from all transit duties or other charges imposed in respect of transit, except charges for transportation or those commensurate with administrative expenses entailed by transit or with the cost of services rendered.

6. All charges and regulations imposed by one High Contracting Party on traffic in transit to or from any territory of the other shall be reasonable, having regard to the conditions of the traffic.

7. With respect to all charges, regulations and formalities in connection with transit, each High Contracting Party shall accord to traffic in transit to or from any territory of the other treatment not less favourable than the treatment accorded to traffic in transit to or from any other foreign country.

8. Nothing in this Article shall be construed so as to prevent Her Majesty the Queen from requiring, as a condition of permitting the transit through any of Her territories of any product exported from the Sterling Area, satisfactory evidence that payment for such product has been or will be made in accordance with any exchange control regulations in force in that territory.

#### ARTICLE 26

1. Each High Contracting Party shall provide in any territory suitable civil remedies and, in cases of fraud, suitable penal sanctions, in respect of the use of words, devices, descriptions or any other indications which state or manifestly suggest that the goods in connection with which they are used have been produced or manufactured in any territory of the other, if such

statement or suggestion be false. Proceedings may be taken in such cases by any person or company aggrieved. Moreover, criminal proceedings may also be taken by or on behalf of any person or company representing the special industry or business affected.

2. Each High Contracting Party shall prohibit the importation into any territory of any goods bearing words, devices, descriptions or any other indications which state or manifestly suggest that the goods have been produced or manufactured in any territory of the other, if such statement or suggestion be false. Moreover, each High Contracting Party shall provide measures for the seizure of any such goods in that territory.

3. The provisions of this Article shall not apply to goods in transit.

#### ARTICLE 27

1. The High Contracting Parties undertake to enter into negotiations at an early date for the conclusion of a Consular Convention.

2. Pending the entry into force of such a Convention each High Contracting Party shall continue to accord to the consular officers of the other in any territory of the former the same rights, privileges and immunities as they enjoy at present.

#### ARTICLE 28

1. All the provisions of the present Treaty relative to the grant of treatment not less favourable than that accorded to any other foreign country shall be interpreted as meaning that such treatment shall be accorded immediately and unconditionally.

2. Wherever the present Treaty makes alternative provision for the grant of national treatment or of treatment not less favourable than that accorded to any other foreign country in respect of any matter, and wherever the present Treaty makes alternative provision for the grant of the treatment accorded to nationals of any country or of the treatment accorded to companies of any country in respect of any matter, it is understood that the option as between these alternatives shall rest with the High Contracting Party beneficiary in each particular case.

#### ARTICLE 29

The provisions of Articles 17, 18, 19 and 20 and, in so far as they refer to goods, 25 shall not operate when the territory concerned of one High Contracting Party and the territory concerned of the other High Contracting Party are both territories in respect of which, as between Governments of the High Contracting Parties, the General Agreement on Tariffs and Trade applies.

#### ARTICLE 30

1. Nothing in the present Treaty shall entitle His Imperial Majesty the Shah to claim the benefit of any treatment, preference or privilege which may at any time be accorded by any territory of Her Majesty the Queen exclusively to any one or more of the territories enumerated in the following list:—

The United Kingdom of Great Britain and Northern Ireland,  
Canada,  
The Commonwealth of Australia,

New Zealand,  
The Union of South Africa,  
India,  
Pakistan,  
Ceylon,  
Ghana,

The Federation of Malaya,

Territories for the international relations of which Her Majesty the Queen is responsible through any of Her Governments at the date of signature of the present Treaty,

The Irish Republic,  
Burma.

2. Nothing in the present Treaty shall be construed so as to oblige one High Contracting Party to extend to the other the benefit of any treatment, preference or privilege which may be extended to any other foreign country in accordance with obligations incurred by the former High Contracting Party as a result of

- (a) the formation of a customs union or a free trade area, or
- (b) the adoption of an agreement designed to lead to the formation of such a union or area within a reasonable length of time.

3. Nothing in the present Treaty shall be construed so as

- (a) to prevent a High Contracting Party from taking, either singly or with other countries, any action considered necessary by that High Contracting Party for the protection of national security, where such action relates to

- (i) special nuclear materials or to materials or equipment from which they are produced; or
- (ii) the production of or traffic in arms, ammunition or implements of war, or to such production of or traffic in other goods or materials as is carried on directly or indirectly for the purpose of supplying a military establishment of the High Contracting Party or of any other country;

or

- (b) to prevent a High Contracting Party from taking any action considered necessary by that High Contracting Party to protect national security when that High Contracting Party is at war, or under imminent threat of war, or is involved in a public emergency threatening the life of the nation;

or

- (c) to prevent a High Contracting Party from taking any action in pursuance of obligations under the United Nations Charter<sup>(1)</sup> for the maintenance or restoration of international peace and security;

Provided that the High Contracting Parties shall aim to restrict any such action to that involving the least possible deviation, both in extent and duration, from the provisions of the present Treaty.

4. Without prejudice to the provisions of Articles 22 and 23, nothing in the present Treaty shall oblige one High Contracting Party to extend

- (a) to the nationals and companies of the other, or
- (b) to the companies of the former High Contracting Party more than one half of the interests in which are owned or which are controlled by nationals and companies of the latter High Contracting Party,

<sup>(1)</sup> "Treaty Series No. 67 (1946)," Cmd. 7015.

exclusively to public authorities in any of the territories of the former High Contracting Party or to other companies of that High Contracting Party more than one half of the interests in which are owned or which are controlled by that High Contracting Party or any such public authority.

5. Nothing in the present Treaty shall be construed so as to oblige either High Contracting Party to extend in relation to fishing in its territorial waters treatment more favourable than that accorded to any other foreign country.

6. Nothing in the present Treaty shall oblige one High Contracting Party to permit

(a) companies of the other, or

(b) companies of the former High Contracting Party more than one half of the interests in which are owned or which are controlled by companies of the latter High Contracting Party

to provide programmes for television broadcasts.

7. The provisions of the present Treaty relating to the grant of treatment not less favourable than that accorded to any other foreign country shall not extend to benefits accorded in any territory of either High Contracting Party solely in virtue of a provision relating to double taxation contained in an agreement with any other country.

#### ARTICLE 31

1. In so far as they have not already ceased to have effect, the Agreement between the United Kingdom and Iran signed at Tehran on the 9th February, 1903,<sup>(\*)</sup> and the Agreement concluded by the Exchange of Notes between the United Kingdom and Iran of the 21st March, 1920,<sup>(\*)</sup> are hereby abrogated.

2. This abrogation shall not be construed as affecting any legal rights and obligations in relation to territories for whose international relations Her Majesty the Queen is not responsible through Her Government in the United Kingdom.

#### ARTICLE 32

Any dispute that may arise between the High Contracting Parties as to the interpretation or application of any of the provisions of the present Treaty shall, upon the application of either of them, be referred to the International Court of Justice, unless in any particular case the High Contracting Parties agree to submit the dispute to some other tribunal or to dispose of it by some other procedure.

#### ARTICLE 33

1. Her Majesty the Queen may, at the time of exchange of the instruments of ratification or at any time thereafter, cause notice to be given in writing through the diplomatic channel of Her desire that the present Treaty shall extend to any territory for the international relations of which She is responsible through Her Government in the United Kingdom of Great Britain and Northern Ireland, and the Treaty shall extend to any territory specified in such notice as from the date thereof.

(\*) "Treaty Series No. 10 (1903)," Cd. 1629.

(\*) "Treaty Series No. 17 (1920)," Cmd. 1011.

2. His Imperial Majesty the Shah may, at the time of exchange of the instruments of ratification or at any time thereafter, cause notice to be given in writing through the diplomatic channel of His desire that the present Treaty shall be extended to any territory for whose international relations Her Majesty the Queen is so responsible.

3. After the expiry of a period of ten years from the coming into force of the present Treaty either High Contracting Party may, provided that twelve months' notice to that effect has been given in writing, terminate the application of the present Treaty to any territory to which it has been extended under the provisions of paragraph 1 of this Article.

#### ARTICLE 34

1. The present Treaty shall be ratified and the instruments of ratification shall be exchanged at London as soon as possible. It shall come into force immediately on the exchange of the instruments of ratification, and shall thereafter remain in force during a period of ten years.

2. In case neither High Contracting Party shall have given notice to the other twelve months before the expiry of the said period of ten years of intention to terminate the Treaty, it shall remain in force until the expiry of twelve months from the date on which notice of such intention is given.

3. A notice given under paragraph 2 of this Article shall apply to any territory to which this Treaty extends under Article 33.

In witness whereof the above named Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in duplicate at Tehran this 11th day of March 1959, corresponding with the 20th day of Esfand 1337, in the English and Persian languages, both texts being equally authoritative.

For Her Majesty the Queen:

(L.S.) GEOFFREY W. HARRISON.

For His Imperial Majesty the Shahanshah:

(L.S.) A. A. HEKMAT.

## EXCHANGE OF NOTES

No. 1

*Her Majesty's Ambassador at Tehran to the Iranian Minister for Foreign Affairs*

*British Embassy,*

*Tehran, March 11, 1959.*

Your Excellency,

I have the honour to invite reference to the Treaty of Commerce, Establishment and Navigation between the United Kingdom of Great Britain and Northern Ireland and Iran of to-day's date and, upon the instructions of Her Majesty's Principal Secretary of State for Foreign Affairs, to set out the understanding of Her Majesty's Government in the United Kingdom as regards the scope and application of certain stipulations of the said Treaty.

### 2. Her Majesty's Government understand

- (i) in relation to Article 3, that they shall be entitled to apply the provisions of the said Article 3 as if Great Britain and Northern Ireland were each a separate territory;
- (ii) in relation to Article 12, that nothing in the provisions of the said Article shall be regarded as exempting Iranian companies from obtaining the grant of a licence in mortmain as a condition of holding land in England, Wales or Northern Ireland where the law in force so requires;
- (iii) in relation to Article 17, that the provisions of the said Article shall not be regarded as precluding, in the case of the United Kingdom, any action in pursuance of the Customs Duties (Dumping and Subsidies) Act, 1957, and, in the case of Iran, the introduction and enforcement of similar legislation.

3. In addition, with reference to the provisions of the Treaty concerning navigation, I have the honour to confirm that Her Majesty's Government will take steps to ensure that all dues and charges levied for the use of maritime ports and all bye-laws and regulations of such ports shall be duly published before coming into force and that in each maritime port the port authority shall keep open for inspection by all persons concerned a table of dues and charges and a copy of the said bye-laws and regulations.

4. I am also to propose that if the contents of the second paragraph of this Note represent the understanding of the Government of Iran and if that Government will likewise act in the sense of the third paragraph, that this Note and Your Excellency's reply thereto, in the same sense, shall be regarded as constituting, in relation to these matters, an agreement between the two Governments which shall be treated as an integral part of the Treaty.

I avail, &c.

GEOFFREY W. HARRISON.

[Translation]

*The Iranian Minister for Foreign Affairs to Her Majesty's Ambassador at Tehran*

Your Excellency,

*Tehran, March 11, 1959.*

I have the honour to acknowledge the receipt of Your Excellency's Note of to-day's date regarding the scope and application of certain stipulations of the Treaty of Commerce, Establishment and Navigation between Iran and the United Kingdom of Great Britain and Northern Ireland which reads as follows:—

[As in No. 1]

With reference to the second paragraph of Your Excellency's Note, I have the honour to inform you that the contents of the said paragraph represent also the understanding of the Government of Iran.

With reference to the third paragraph of your Note, I have the honour to confirm that the Government of Iran will take steps to ensure that all dues and charges levied for the use of maritime ports and all bye-laws and regulations of such ports shall be duly published before coming into force and that in each maritime port the port authority shall keep open for inspection by all persons concerned a table of dues and charges and a copy of the said bye-laws and regulations.

I accordingly have the honour to inform Your Excellency that your proposal is acceptable to the Government of Iran and that they will therefore regard your Note and this reply as constituting, in relation to the matters in question, an agreement between the two Governments which shall be treated as an integral part of the Treaty.

I avail, &c.

A. A. HEKMAT.