

Nepal Friendship and Commerce Agreement

Exchange of notes at Kathmandu April 25, 1947

Entered into force April 25, 1947

61 Stat. 2566; Treaties and Other International Acts Series 1585

The Chief of the United States Special Diplomatic Mission to the Prime Minister and Supreme Commander-in-Chief of Nepal

UNITED STATES SPECIAL DIPLOMATIC

MISSION TO THE KINGDOM OF NEPAL

KATHMANDU, April 25, 1947

YOUR HIGHNESS:

I have the honor to make the following statement of my Government's understanding of the agreement reached through recent conversations held at Kathmandu by representatives of the Government of the United States of America and the Government of the Kingdom of Nepal with reference to diplomatic and consular representation, juridical protection, commerce and navigation. These two Governments, desiring to strengthen the friendly relations happily existing between the two countries, to further mutually advantageous commercial relations between their peoples, and to maintain the most-favored-nation principle in its unconditional and unlimited form as the basis of their commercial relations, agree to the following provisions:

1. The United States of America and the Kingdom of Nepal will establish diplomatic and consular relations at a date which shall be fixed by mutual agreement between the two Governments.
2. The diplomatic representatives of each Party accredited to the Government of the other Party shall enjoy in the territories of such other Party the rights, privileges, exemptions and immunities accorded under generally recognized principles of international law. The consular officers of each Party who are assigned to the Government of the other Party, and are duly provided with exequaturs, shall be permitted to reside in the territories of such other Party at the places where consular officers are permitted by the applicable laws to reside; they shall enjoy the honorary privileges and the immunities accorded to officers of their rank by general international usage; and they shall not, in any event, be treated in a manner less favorable than similar officers of any third country.
3. All furniture, equipment and supplies intended for official use in a consular or diplomatic office of the sending state shall be permitted entry into the territory of the receiving state free of all customs duties and internal revenue or other taxes whether imposed upon or by reason of importation.
4. The baggage and effects and other articles imported exclusively for the personal use of consular and diplomatic officers and employees and the members of their respective families and suites, who are nationals of the sending state and are not nationals of the receiving state and are not engaged in any private occupation for gain in territory of the receiving state, shall be exempt from all customs duties and internal revenue or other taxes whether imposed upon or by reason of importation. Such exemption shall be granted with respect to property accompanying any person entitled to claim an exemption under this paragraph on first arrival or on any subsequent arrival and with respect to property consigned to any such person during the period the consular or diplomatic officer or employee, for or through whom the exemption is claimed, is assigned to or is employed in the receiving state by the sending state.

5. It is understood, however, (a) that the exemptions provided by paragraph 4 of this Agreement shall be accorded in respect of employees in a consular office only when the names of such employees have been duly communicated to the appropriate authorities of the receiving state; (b) that in the case of the consignments to which paragraph 4 of this Agreement refers, either state may, as a condition to the granting of the exemption provided, require that a notification of any such consignment be given in such manner as it may prescribe; and (c) that nothing herein shall be construed to permit the entry into the territory of either state of any article the importation of which is specifically prohibited by law.

6. Nationals of the Kingdom of Nepal in the United States of America and nationals of the United States of America in the Kingdom of Nepal shall be received and treated in accordance with the requirements and practices of generally recognized international law. In respect of their persons, possessions and rights, such nationals shall enjoy the fullest protection of the laws and authorities of the country, and shall not be treated in any manner less favorable than the nationals of any third country.

7. In all matters relating to customs duties and charges of any kind imposed on or in connection with importation or exportation or otherwise affecting commerce and navigation, to the method of levying such duties and charges, to all rules and formalities in connection with importation or exportation, and to transit, warehousing and other facilities, each Party shall accord unconditional and unrestricted most-favored-nation treatment to articles the growth, produce or manufacture of the other Party, from whatever place arriving, or to articles destined for exportation to the territories of such other Party, by whatever route. Any advantage, favor, privilege or immunity with respect to any duty, charge or regulation affecting commerce or navigation now or hereafter accorded by the United States of America or by the Kingdom of Nepal to any third country shall be accorded immediately and unconditionally to the commerce and navigation of the Kingdom of Nepal and of the United States of America, respectively.

8. There shall be excepted from the provisions of paragraph 7 of this Agreement advantages now or hereafter accorded: (a) by virtue of a customs union of which either Party may become a member; (b) to adjacent countries in order to facilitate frontier traffic; (c) to third countries which are parties to a multilateral economic agreement of general applicability, including a trade area of substantial size, having as its objective the liberalization and promotion of international trade or other international economic intercourse and open to adoption by all the United Nations; and (d) by the United States of America or its territories or possessions to one another, to the Republic of Cuba, to the Republic of the Philippines, or to the Panama Canal Zone. Clause (d) shall continue to apply in respect of any advantages now or hereafter accorded by the United States of America or its territories or possessions to one another irrespective of any change in the political status of any such territories or possessions.

9. Nothing in this Agreement shall prevent the adoption or enforcement by either Party: (a) of measures relating to fissionable materials, to the importation or exportation of gold and silver, to the traffic in arms, ammunition and implements of war, or to such traffic in other goods and materials as is carried on for the purpose of supplying a military establishment; (b) of measures necessary in pursuance of obligations for the maintenance of international peace and security or necessary for the protection of the essential interests of such Party in time of national emergency; or (c) of statutes in relation to immigration.

10. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either Party against the nationals, commerce or navigation of the other Party in favor of the nationals, commerce or navigation of any third country, the provisions of this Agreement shall not extend to prohibitions or restrictions: (a) imposed on moral or humanitarian grounds; (b) designed to protect human, animal, or plant life or health; (c) relating to prison-made goods; or (d) relating to the enforcement of police or revenue laws.

11. The provisions of this Agreement shall apply to all territory under the sovereignty or authority of either of the parties, except the Panama Canal Zone.

12. This Agreement shall continue in force until superseded by a more comprehensive commercial agreement, or until thirty days from the date of a written notice of termination given by either Party to the other Party,

whichever is the earlier. Moreover either Party may terminate paragraphs 7 and 8 on thirty days' written notice.

If the above provisions are acceptable to the Government of the Kingdom of Nepal this note and the reply signifying assent thereto shall, if agreeable to that Government, be regarded as constituting an agreement between the two Governments which shall become effective on the date of such acceptance.

Please accept, Your Highness, the renewed assurances of my highest consideration.

JOSEPH C. SATTERTHWAITE

His Highness

The Maharaja

PADMA SHUM SHERE JUNG BAHADUR RANA

Prime Minister and Supreme Commander-in-Chief

Nepal

The Prime Minister and Supreme Commander-in-Chief of Nepal to the Chief of the United States Special Diplomatic Mission

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your note dated 25th April 1947, in which there is set forth the understanding of your Government of the agreement reached through recent conversations held at Kathmandu between the representatives of the Government of the United States of America and the representatives of the Government of the Kingdom of Nepal, in the following terms:

The Government of the United States of America and the Government of the Kingdom of Nepal, desiring to strengthen the friendly relations happily existing between the two countries, to further mutually advantageous commercial relations between their peoples, and to maintain the most-favorednation principle in its unconditional and unlimited form as the basis of their commercial relations, agree to the following provisions:

[For terms of provisions, see numbered paragraphs of U.S. note, above.]

The Government of the Kingdom of Nepal approves the above provisions and is prepared to give effect thereto beginning with the date of this reply note.

Please accept Your Excellency the renewed assurance of high consideration with which I remain,

Your Excellency's sincerely,

PADMA SHUM SHERE JUNG R. B.

Dated KATHMANDU

the 25th April 1947.

To,

His Excellency

The Hon'ble Mr. JOSEPH C. SATTERTHWAITE

Chief, United States Special

Diplomatic Mission to the Kingdom of Nepal

Kathmandu.

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