

**AGREEMENT ON COMMERCE
BETWEEN
INDIA AND JAPAN**

The Government of India and the Government of Japan,
Being desirous of facilitating and developing commerce between
their respective countries,
Have agreed as follows :

ARTICLE I

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 the rules and formalities in connection with importation and exportation, and with respect to the application of internal taxes to exported goods, and with respect to all internal taxes or other internal charges of any kind imposed on or in connection with imported goods, and with respect to all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods, any advantage, favour, privilege or immunity which has been or may hereafter be granted by either Party to any product originating in or destined for any third country shall be accorded immediately and unconditionally to the like product originating in or destined for the territory of the other Party.

2. The provisions of paragraph 1 of this Article shall not entitle Japan to claim the benefit of preferences or advantages accorded by India to Commonwealth countries or of advantages accorded by India to adjacent countries in order to facilitate frontier traffic.

ARTICLE II

1. Nationals and companies of either Party shall be accorded treatment no less favourable than that accorded to nationals and companies of any third country with respect of payments, remittances and transfers of funds or financial instrument directly or indirectly between the territories of the two Parties in accordance with the laws and regulations of the other Party in force from time to time.

2. No prohibitions or restrictions shall be applied by either Party on the importation of any product of the other Party, or on the exportation of any product destined for the territory of such other Party, unless the importation of the like product of all third countries or the exportation of the like product to all third countries is similarly prohibited or restricted.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, either Party may take such measures as are necessary to safeguard its external financial position and balance of payments.

ARTICLE III

1. Nationals of either Party shall be permitted to enter, sojourn, travel or reside in the territory of the other Party; provided that the enjoyment of the above rights shall be subject to the laws and regulations of such other Party which are generally applicable to all foreigners alike.

2. Nationals and companies of either Party, within the territory of the other Party, shall be accorded most-favoured nation treatment with respect to all matters pertaining to the levying of taxes, access to the courts, the making and performance of contracts, rights to property (tangible and intangible), participation in juridical entities, and generally the conduct of all kinds of business and professional activities.

Notwithstanding the above provisions, each Party reserves the right to accord special tax advantages on a basis of reciprocity or by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue.

ARTICLE IV

The two Parties undertake to cooperate for mutual benefit with a view to expanding trade and to strengthening economic relations between the two countries, and to furthering the interchange and use of scientific and technical knowledge, particularly in the interests of economic development and of the improvement of standards of living within their respective territories.

ARTICLE V

1. Each Party undertakes that if it establishes or maintains a state enterprise, wherever located, or grants to any enterprise or agency, formally or in effect, exclusive or special privileges, such enterprise or agency shall not, in its purchases or sales involving either imports or exports, act in a manner as will nullify or impair any benefits accruing to the other under the Agreement. To this end, subject to the provisions of Article II, such enterprise or agency shall make any purchases or sales solely in accordance with commercial considerations including price, quality, availability, marketability and other conditions of purchase or sale, and shall afford to the enterprises of the other Party adequate opportunity in accordance with customary business practice to compete for participation in such purchases or sales.

2. The provisions of paragraph 1 of this Article shall not apply to imports of products for immediate or ultimate consumption in governmental use and not otherwise for re-sale or use in the production of goods for sale. With respect to such imports each Party shall accord to the trade of the other Party fair and equitable treatment.

ARTICLE VI

1. Merchant vessels of either Party shall have liberty, on equal terms with merchant vessels of the other Party and of any third country, to come with their passengers and cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels shall in all respects be accorded most-favoured-nation treatment within the ports, places and waters of such other Party.

2. Merchant vessels of either Party shall be accorded most-favoured-nation treatment by the other Party with respect to the right to carry all goods and persons that may be carried by vessels to or from the territory of such other Party; and such goods and persons shall be accorded treatment no less favourable than that accorded to like goods and persons carried in merchant vessels of such other Party with respect to duties and all other fees and charges, to bounties, drawbacks and other privileges of this nature, as well as to the administration of the customs.

3. Each Party may reserve to its own vessels the right to engage in the coasting trade, provided that such restriction shall be applied to vessels of any third country.

Merchant vessels of either Party may, nevertheless, proceed from one port to another within the territory of the other Party, either for the purpose of landing the whole or part of their passengers or cargoes brought from abroad, or of taking on board the whole or part of their passengers or cargoes for a foreign destination.

4.(1) In case of shipwreck, damage at sea or forced putting in, either Party shall extend to vessels of the other Party the same assistance and protection and the same exemptions as are in like cases accorded to its own vessels. Goods salvaged from such vessels shall be exempt from all customs duties, unless the goods are cleared, within a reasonable period, from customs custody for domestic consumption.

(2) If a vessel of either Party has stranded or has been wrecked on the coasts of the other Party, the appropriate authorities of such other Party shall notify the occurrence to the nearest competent consular officer of the country to which the vessel belongs.

ARTICLE VII

The Government of each Party shall accord sympathetic consideration to representations made by the Government of the other Party in respect of any matter arising from or in connection with the implementation of the Agreement and shall afford to the Government of the other Party adequate opportunity for consultation.

ARTICLE VIII

1. The Agreement shall be ratified and shall enter into force on the date of the exchange of instruments of ratification which shall take place as soon as possible at New Delhi.

2. The Agreement shall remain in force for a period of two years from its entry into force and shall continue in force thereafter provided that it shall be terminated on the date of expiry of the above-mentioned two year period or thereafter if the Government of either Party has previously given

to the other at least three months written notice of its intention to terminate the Agreement.

In WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed the Agreement.

Done at Tokyo, this fourth-day of February, 1958, in duplicate in the English language.

For the Government of India
Chandra Shekhar Jha

For the Government of Japan
Aiichiro Fujiyama