

Memorandum to Cabinet by the Minister of Commonwealth and Foreign Affairs and the Minister of Finance, Customs and Port

Convention on the Taxation of Road Vehicles for Private Use in International Traffic

The Convention on the Taxation of Road Vehicles for Private use on International Traffic done at Geneva on the 18th May, 1956, is one of a number of treaties to which Malta, as a Member of the United Nations, is eligible to become a party.

2. The Convention provides that vehicles temporarily imported for private use in the territory of another Contracting Party be exempted from taxes and charges levied on the circulation or possession of vehicles in the territory of that Contracting Party. This exemption does not apply to taxes or charges on consumption, and is granted so long as the conditions laid down in the Customs regulations in force in that territory are fulfilled.

3. The Convention admits of two reservations. The one concerns the application of the Convention to Cycles without engines, the other the settlement of disputes which may arise from the interpretation or application of the Convention.

4. With regard to cycles without engine, it does not appear that any reservation is necessary. None of the Parties to the Convention has made any such reservation.

5. On the settlement of disputes the Convention provides that so far as possible disputes between Contracting Parties should be settled by negotiation between them; failing which, disputes shall be submitted to one or more arbitrators selected by agreement, if any one of the Parties to dispute so requests. If within three months from the date of the request for arbitration the Parties are unable to agree on the selection of an arbitrator or arbitrators any of the Parties may request the Secretary-General of the United Nations to nominate a single arbitrator to whom the dispute shall be referred for decision. Of the countries which have acceded to the Convention only Czechoslovakia and Poland have declared that they do not consider themselves bound by the

relevant article/.....

of the Convention (Article 10).

6. The Crown Advocate-General feels that a policy decision is called for on Article 10 referred to in paragraph 5 above. In this regard it is relevant to state that Malta has already accepted to settle disputes by arbitration in the case of the Conventions on (1) the Continental Shelf (2) the Territorial Sea and Contiguous Zone (3) Discrimination in Education and (4) the Pacific Settlement of International Disputes. A similar provision was also agreed to in the Trade Agreement made with Switzerland.

7. The Comptroller of Customs and the Commissioner of Police find no objection to Malta acceding to the Convention.

8. Hon. Ministers are therefore invited to agree to Malta becoming a party to this treaty.

21st July, 1966.