



Treaty Series No. 35 (1973)

Exchange of Notes

concerning a Development Loan by the
Government of the United Kingdom
of Great Britain and Northern Ireland
to the Government of the Republic
of Viet-Nam

(The United Kingdom/Viet-Nam Loan Agreement 1972)

Saigon, 21 December 1972

[The Agreement entered into force on 21 December 1972]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
April 1973*

LONDON

HER MAJESTY'S STATIONERY OFFICE

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**EXCHANGE OF NOTES
CONCERNING A DEVELOPMENT LOAN BY THE GOVERNMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND TO THE GOVERNMENT OF
THE REPUBLIC OF VIET-NAM**

No. 1

*Her Majesty's Ambassador at Saigon to the
Minister for Foreign Affairs of Viet-Nam*

*British Embassy,
Saigon.*

21 December 1972

Your Excellency,

1. I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Vietnam and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of the Republic of Vietnam in the following terms. The position of the Government of the United Kingdom with regard to the provision of finance and the commitment of that Government and of the Government of the Republic of Vietnam as regards associated matters shall be as respectively set out in Part A and Part B below.

- A. The Government of the United Kingdom declare that it is their intention to make available to the Government of the Republic of Vietnam by way of a loan a sum not exceeding £1,000,000 (one million pounds sterling) towards the purchase in the United Kingdom of certain goods and services to be used in furtherance of development projects to be agreed after the date of this Note and before the 31st of March, 1975.
- B. (1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note in so far as they relate to things to be done by or on behalf of that Government. The Government of the Republic of Vietnam shall adopt the arrangements and procedures so described in so far as they relate to things to be done by or on behalf of that Government. The Government of the United Kingdom understand that the Government of the Republic of Vietnam may on-lend all or part of this loan to such authorities and on such terms as may be later agreed between the two Governments.
- (2) (a) For the purpose of these arrangements the Government of the Republic of Vietnam shall, by a request in the form set out in Annex A to this Note, open a special account (hereinafter referred to as "the Account") with the Crown Agents for Oversea Governments and Administrations, 4 Millbank, London, S.W.1 (hereinafter referred to as "the Crown Agents"). The Account shall be operated solely for the purpose of the loan and in accordance with the instructions contained in the said request.

- (b) As soon as the Account is opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of the Republic of Vietnam shall furnish the Government of the United Kingdom with a copy of their instructions to the Crown Agents given in accordance with the foregoing provisions of this paragraph. The Government of the Republic of Vietnam or the Crown Agents on their behalf, shall at the same time, and so often as any change is made therein, notify the Government of the United Kingdom of the names of the officers who are duly authorised to sign on its behalf the Requests for Drawing hereinafter provided and shall furnish a specimen signature in duplicate for each such officer.
- (3) (a) Where the Government of the Republic of Vietnam propose that part of the loan shall be allocated to the offshore costs (as described in paragraph B(4)) of a project, they shall forward to the Government of the United Kingdom through the British Embassy a description of the project and its location and shall provide such further details as the Government of the United Kingdom may require.
- (b) The Government of the United Kingdom shall notify the Government of the Republic of Vietnam whether their proposal to allocate part of the loan to the offshore costs of a project is approved, the amount of the loan approved as provisionally allocated towards such costs and any special conditions attached to such approval. If the project has not previously been agreed between the Government of the Republic of Vietnam and the Government of the United Kingdom, the approval of the Government of the United Kingdom of a proposal under this sub-paragraph shall constitute the agreement of the project.
- (4) Save to the extent (if any) to which the Government of the United Kingdom may otherwise agree, drawings from the loan shall be used only:
- (a) for payments under a contract for the purchase in the United Kingdom (which expression in this Note shall be deemed to include the Channel Islands and the Isle of Man) of goods wholly produced or manufactured in the United Kingdom or, in the case of chemical and allied products, goods which are duly declared to be of United Kingdom origin on the form set out in Annex C (chemicals) to this Note, or for work to be done or for services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom or for two or more of such purposes, being a contract which is made in connection with an agreed project and which:
- (i) provides for payment in sterling to persons carrying on business in the United Kingdom; and
 - (ii) is approved on behalf of the Government of the Republic of Vietnam and accepted on behalf of the Government of the United Kingdom for financing from the loan; and
 - (iii) is a contract entered into after the date of this Note and before the 30th of September, 1975.

- (b) for payment of charges and commissions due to the Crown Agents in respect of their services on behalf of the Government of the Republic of Vietnam in connection with this loan.
- (5) (a) Where a project has been agreed and the Government of the Republic of Vietnam proposes that part of the loan shall be applied to a contract in connection therewith, that Government shall ensure that the Crown Agents acting on their behalf obtain at the earliest opportunity:
- (i) a copy of the contract, or of a notification thereof in the form set out in Annex B to this Note; and
 - (ii) two copies of a certificate from the United Kingdom contractor concerned in the form set out in Annex C or Annex C (chemicals) (whichever is appropriate) to this Note.
- (6) (a) After the Crown Agents acting on behalf of the Government of the United Kingdom have considered the documents obtained in pursuance of the procedure described in the foregoing provisions of this Note, they shall decide whether and to what extent a contract is eligible for payment from the loan.
- (b) To the extent that the Crown Agents acting on behalf of the Government of the United Kingdom so accept a contract or transaction and agree to payment from the Account, the Government of the United Kingdom shall, on receipt of a request from the Crown Agents acting on behalf of the Government of the Republic of Vietnam in the form set out in Annex D to this Note, make payments in sterling into the Account, and each such payment shall constitute a drawing on the loan.
- (c) Unless the Government of the United Kingdom otherwise agrees payments into the Account shall not be made after the 31st of March, 1976.
- (7) Withdrawals from the Account shall be made only in the manner and subject to the conditions set out in this paragraph:
- (a) for payments due under a contract to which paragraph B (4) (a) refers, withdrawals shall be made only on receipt by the Crown Agents of Payment Certificates from the contractors concerned, in the form shown in Annex E hereto and the invoices (or a photocopy or duplicates of such invoices) referred to therein, or the invoices only relating to contracts in respect of which a contract certificate in the form shown in Annex C (chemicals) hereto has been obtained;
 - (b) for payments to which paragraph B (4) (b) refers, the Crown Agents may debit the Account.
- (8) If any monies that have been paid out of the Account are subsequently refunded either by the contractor or by a Guarantor, the Government of the Republic of Vietnam shall, so long as there are payments to be made from the Account, pay an equivalent of such sums into the Account and, in any other case, apply the refund to the reduction of the loan.

- (9) The Government of the Republic of Vietnam shall repay to the Government of the United Kingdom in pounds sterling in London, the total sum borrowed under the arrangements set out in this Note, such repayments to be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified in relation to that date only the amount then outstanding need be paid.

INSTALMENTS

<i>Date due</i>	<i>Amount</i>
	£
The 21st of June, 1980 and on the 21st of June in each of the succeeding 17 years ...	27,800
The 21st of December, 1980 and on the 21st of December in each of the succeeding 16 years	27,800
The 21st of December, 1997	27,000

- (10) Notwithstanding the provisions of paragraph (9) of this Note, the Government of the Republic of Vietnam shall be free at any earlier time to repay to the Government of the United Kingdom in pounds sterling in London the whole or any part of the loan that is still outstanding.
- (11) The Government of the Republic of Vietnam shall ensure the provision of such finance additional to the loan finance provided in accordance with the arrangement set out in this Note, as may be needed to complete a project.
- (12) In relation to goods and services provided with finance from the loan, the Government of the Republic of Vietnam shall permit officers from the British Embassy and other servants or agents of the British Government to inspect any such goods or the documents relating to any such goods and services and shall furnish such officers, servants or agents with such information relating to the goods and services as the latter may reasonably require.

2. If the foregoing proposals are acceptable to the Government of the Republic of Vietnam I have the honour to propose that the present Note and its Annexes together with Your Excellency's reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of Your Excellency's reply, and which shall be known as the United Kingdom/Vietnam Loan Agreement, 1972.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

BROOKS RICHARDS.
Her Britannic Majesty's Ambassador.

ANNEX A

GOVERNMENT OF THE REPUBLIC OF VIETNAM

To: The Crown Agents for Oversea
Governments and Administrations
4 Millbank, London, S.W.1.

United Kingdom/Vietnam Loan 1972

Dear Sir,

I confirm your appointment as agents of the Government of the Republic of Vietnam (hereinafter called "the Government") in connection with the purchase and payment for goods, works and/or services under the terms of the above loan to the value of one million pounds sterling.

2. I have to request you on behalf of the Government to open a Special Account in the name of the Government to be styled United Kingdom/Vietnam Loan 1972 Account (hereinafter called "the Account").

3. Payments into the Account will be made from time to time by Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland on receipt of requests in the form shown in Annex D to the United Kingdom/Vietnam Loan Agreement 1972 (a copy of which is attached hereto) and which you are hereby authorised to present on behalf of the Government. It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.

4. Payments from the Account are to be made only in respect of the amounts falling due under the contracts described in paragraph B (4) (a) and in respect of your commissions and charges as described in paragraph B (4) (b) of the above-mentioned Agreement and in the manner and subject to the conditions described in paragraph B (7) of that Agreement.

5. You are to send to the Government of the United Kingdom specimen signatures of the officers of the Crown Agents authorised to sign Requests for Drawing on behalf of the Government.

6. Your charges and commissions for acting as our agents in connection with this loan shall be chargeable to the Account.

7. A copy of this letter has been sent to the Government of the United Kingdom.

Yours faithfully,

ANNEX B

NOTIFICATION OF CONTRACT

United Kingdom/Vietnam Loan 1972

To: The Government of the United Kingdom

Notification of Contract No.....

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above loan.

1. Name and Address of
United Kingdom contractor:

2. Date of Contract:

3. Name of Purchaser:

4. Short description of goods:
and/or works or services:

5. Value of Contract: £

6. Terms of Payment:

Signed on behalf of the Government
of the Republic of Vietnam

Date.....

.....

ANNEX C

United Kingdom/Vietnam Loan 1972

Reqn. No.

No.....

CONTRACT CERTIFICATE

(For Chemicals and Allied Products use alternative "Certificate" overleaf)

Particulars of Contract

1. Date of Contract..... 2. Contract No.....

3. Description of goods or services to be supplied to the purchaser.....

If a number of items are to be supplied, a detailed list should be appended to this certificate.

4. Total contract price payable by purchaser (state CIF, C & F or FOB)
£.....

IF GOODS ARE TO BE SUPPLIED THE FOLLOWING SECTIONS MUST BE COMPLETED. If the contractor is exporting agent only, the information requested should be obtained from manufacturer.

5. Estimated % of the FOB value of the goods *not* originating in the United Kingdom, but purchased by the contractor directly from abroad, *i.e.* % of imported raw material or components used to manufacture:

(a) % FOB value.....

(b) Description of items and brief specifications.....

6. If any raw material or components used originated from abroad, *e.g.* copper, asbestos, cotton, wood pulp, etc., but have been purchased in the United Kingdom by the contractor for this contract, specify:

(a) % FOB value.....

(b) Description of items and brief specifications.....

IF SERVICES ARE TO BE SUPPLIED, THE FOLLOWING SECTION SHOULD ALSO BE COMPLETED

7. State the estimated value of any work to be done or services performed in the purchaser's country by:

(a) Your firm (site engineer's charges, etc.).....

(b) Local contractor.....

8. Qualifying remarks as necessary in respect of paragraph 5, 6 or 7 above

9. I hereby declare that I am employed in the United Kingdom by the Contractor named below and have the authority to sign this certificate. I hereby undertake that in performance of the contract no goods or services which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraph 5, 6, 7 and 8 above.

Signed
 Position held
 Name and Address of Contractor

 Date

Note: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

Contractors should note that goods should not be manufactured until acceptance has been notified.

FOR OFFICIAL USE ONLY				PAYMENTS			
Name or number of Project.....							
Amount committed	Date of entry	Acceptance		Date	Amount	PA No.	Initials
		Date	Initials				
£							

ANNEX C (CHEMICALS)

United Kingdom/Vietnam Loan 1972

CONTRACT CERTIFICATE FOR CHEMICAL AND ALLIED PRODUCTS ONLY

Reqn. No.:

1. Date of Contract..... Contract No.....
 Project Title (if appropriate).....

2. Description of Product(s) to be supplied to Purchaser (Note A)	£ Price	U.K. Tariff Classification No. (Note B)	Is the product of U.K. origin? (See Note C) State Yes or No
.....
.....
.....

3. Total [estimated] Contract Price payable by Purchaser in Sterling—£.....

4. (Declaration.) I hereby declare that I am employed in the United Kingdom by the contractor named below and have the authority to sign this certificate, and that the above information is correct.

Signed

Position held

Name and Address of Contractor

Date.....

NOTES

- A. This form is only to be used for chemical and allied products, most of which are covered by the appropriate sub-headings of Chapters 15, 25, 28-35, and 37-40 of the U.K. Tariff.
- B. See:
 - (i) H.M. Customs and Excise Tariff, H.M.S.O.
 - (ii) Classification of Chemicals in Brussels Nomenclature H.M.S.O.
- C.
 - (i) A product is regarded as "U.K. origin" if made *either* wholly from indigenous U.K. materials *or* according to the appropriate EFTA qualifying process using imported materials wholly or in part.
 - (ii) The EFTA qualifying processes are set out in Schedule I of the "EFTA Compendium for Use of Exporters", H.M.S.O.
 - (iii) For the purposes of this declaration it is to be emphasised that the "alternative percentage criterion" DOES NOT APPLY.
 - (iv) The words "Area Origin" where they appear in the above Schedule must be taken to mean "U.K. Origin" only.
 - (v) For the purposes of this declaration, the "Basic Materials List" (Schedule III of the EFTA Compendium) does not apply.
 - (vi) If a qualifying process is not listed for the material in question, advice should be sought from CS4 Department, Crown Agents for Oversea Governments and Administrations, 4 Millbank, London, S.W.1.
- D. For the purpose of this declaration the U.K. includes the Channel Islands and the Isle of Man.

ANNEX D

United Kingdom/Vietnam Loan 1972

D.F.....

Please pay the sum of £.....to the United Kingdom/Vietnam
Loan 197 Account at the Crown Agents.

This sum shall, on payment into the Account, constitute a drawing on the loan.

The balance in hand is £.....

.....
For the Crown Agents acting on behalf of
the Government of the Republic of
Vietnam

Funding approved.....ODA

ANNEX E

United Kingdom/Vietnam Loan 1972

Crown Agents Reqn. No.
Supplier's Contract Ref.

PAYMENT CERTIFICATE

I hereby certify that

(i) the payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are due to be made in respect of Contract No. dated between the contractor named below and (Purchaser) and are in accordance with the particulars of this contract notified in the contract certificate signed on behalf of the said contractor on.....

Contractor's Invoice No.	Date	Amount £	Short description of goods, works and/or services

(ii) the amounts specified in paragraph (i) do not include any additional foreign content to that already declared in paragraphs 5, 6 or 7 of the contract certificate.

(iii) I have the authority to sign this certificate on behalf of the Contractor named below.

Signed

Position held

For and on behalf of

Name and address of Contractor

Date

Note: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

No. 2

*The Minister of Foreign Affairs of Viet-Nam to
Her Majesty's Ambassador at Saigon*

*Ministry of Foreign Affairs,
Saigon,
December 21, 1972.*

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date which reads as follows:

[As in No. 1]

I have further the honour to confirm on behalf of my Government the foregoing arrangements and to agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments which will enter into effect on the date of this reply.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

TRĂN-VĂN-LĂM.
Minister of Foreign Affairs.

[Annexes as in No. 1]



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