

Exchange of Notes at Seoul August 31, 1977

Entered into force August 31, 1977

**Exchange of Notes between the Government of the Republic of Korea and the
Government of Japan for the Supply of Laboratorial Equipment for the Wheat and Barley
Research Institute**

The Ambassador of Japan to the Minister of Foreign Affairs

Seoul, August 31, 1977

Excellency,

I have the honour to refer to the recent discussions held between the representatives of the Government of Japan and the Government of the Republic of Korea in response to the aid request made by the Government of the Republic of Korea to the Government of Japan concerning the strengthening of the laboratory work of the Wheat and barley Research Institute (hereinafter referred to as "the Institute"), and to propose the following arrangements :

1. For the purpose of cooperating with the Government of the Republic of Korea in purchasing laboratorial equipment for the Institute, the Government of Japan will extend to the Government of the Republic of Korea, in accordance with the relevant laws and regulations of Japan, a grant up to one hundred million yen (¥100,000,000), which will be made available during the period between the date of coming into force of the present arrangements and March 31, 1978, unless the period is extended by mutual agreement between the authorities concerned of the two Governments.

2. The grant will be used by the Government of the Republic of Korea for the purchase of products of Japan and services listed below :

(a) temperature controlling equipment for laboratory use at the Institute (hereinafter referred to as "the Equipment") ; and

(b) services necessary for the transportation of the Equipment to ports in the Republic of Korea.

3. The Government of the Republic of Korea or its designated authority will enter into contracts in Japanese yen with Japanese nationals or Japanese juridical persons controlled by Japanese nationals for the purchase of the products and services referred to in paragraph 2. Such contracts shall be verified by the Government of Japan to be eligible for the grant.

4. The Government of Japan will execute the grant by making payments in Japanese yen to cover the obligations incurred by the Government of the Republic of Korea or its designated authority under the verified contracts to an account to be opened in the name of the Government of the Republic of Korea in an authorized foreign exchange bank of Japan designated by the Government of the Republic of Korea or its designated authority (hereinafter referred to as “the Bank”).

5. The payments referred to in paragraph 4 will be made when payment requests are presented by the Bank to the Government of Japan under an authorization to pay issued by the Government of the Republic of Korea or its designated authority.

6. The sole purpose of the account referred to in paragraph 4 is to receive the payments in Japanese yen by the Government of Japan and to pay to Japanese nationals or Japanese juridical persons controlled by Japanese nationals.

7. (1) The Government of the Republic of Korea will take necessary measures :
- (a) to bear all the expenses, other than those to be borne by the grant, necessary for the transportation, installation and maintenance of the Equipment provided by the grant;
 - (b) to exempt Japanese nationals and Japanese juridical persons controlled by Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the Republic of Korea with respect to the supply of the products and services under the grant ;
 - (c) to ensure prompt unloading and customs clearance at ports of disembarkation in the Republic of Korea and internal transportation therein of the products provided by the grant ;
 - (d) to ensure that the Equipment be maintained and used properly and effectively for the activities of the institute ; and
 - (e) to bear banking charges or fees arising in connection with the execution of the grant.(2) The products provided by the grant shall not be re-exported from the Republic of Korea.

8. The procedural details concerning the credit to and debit from the account referred to in paragraph 4 will be agreed upon through consultation between the Bank and the Government of the Republic of Korea or its designated authority.

9. The two Governments will consult with each other in respect of any matter that may arise from or in connection with the present arrangements.

I have further the honour to propose that the present Note and Your Excellency 's Note in reply confirming on behalf of the Government of the Republic of Korea the

foregoing arrangements shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of Your Excellency ' s reply.

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

/Sgd./

Ryozo Sunobe

The Minister of Foreign Affairs to the Ambassador of Japan

Seoul, August 31, 1977

Excellency,

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

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“Japanese Note“

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I have further the honour to confirm on behalf of the Government of the Republic of Korea 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 force on the date of this reply.

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

/Sgd./

Tong-Jin Park