

Exchange of Notes at Seoul August 18, 1978  
Entered into force August 18, 1978

**Exchange of Notes between  
the Government of the Republic of Korea  
and the Government of Japan  
for the Supply of Additional Medical Equipment of the Community Medical Center**

**The Ambassador of Japan to the Minister of Foreign Affairs**

Seoul, August 18, 1978

I have the honour to refer to the Exchange of Notes dated September 29, 1977, between the Government of Japan and the Government of the Republic of Korea concerning Japanese economic cooperation for the strengthening of the functions of the Community Medical Center (hereinafter referred to as "the Center").

I have further the honour to refer to the recent discussions held between the representatives of the two Governments concerning additional Japanese economic cooperation to be extenders: to the Republic of Korea with a view to strengthening friendly and cooperative relations between the two countries, and to propose on behalf of the Government of Japan the following arrangements :

1. For the purpose of contributing further to the strengthening of the functions of the Center by the Government of the Republic of Korea, 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 four hundred million yen (¥400,000,000) (hereinafter referred to as "the Grant").

2. The Grant will be made available during the period between the date of coming into force of the present arrangements on March 31, 1978, unless the period is extended by mutual agreement between the authorities concerned of the two Governments.

3. The Grant will be used by the Government of the Republic of Korea for the purchase of products of Japan and services of Japanese nationals or Korean physical or juridical persons listed below (The term Japanese nationals whenever used in the present arrangements means Japanese physical persons or Japanese juridical persons controlled by Japanese physical persons. ) :

- (a) medical equipment for the Center; and
- (b) services necessary for the transportation of the equipment referred to in sub-paragraph (a) above to ports in the Republic of Korea.

4. The Government of the Republic of Korea or its designated authority will enter into contracts in Japan then with Japanese nationals for the purchase of the products and the services referred to in paragraph 3. Such contracts shall be verified by the Government of Japan to be eligible for the Grant.

5. (1) 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 contracts verified in accordance with the provisions of paragraph 4 (hereinafter referred to as "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").

- (2) The payments referred to in sub-paragraph (1) above 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.
  - (3) The sole purpose of the account referred to in sub-paragraph (1) above is to receive the payments in Japanese yen by the Government of Japan and to the Japanese nationals who are parties to the Verified Contracts. The procedural details concerning the credit to and debit from the account will be agreed upon through consultation between the Bank and the Government of the Republic of Korea or its designated authority.
6. The Government of the Republic of Korea will take necessary measures :
- (a) to ensure prompt unloading and customs clearance at ports of disembarkation in the Republic of Korea and internal transportation therein of the products purchased under the Grant;
  - (b) to exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the Republic of Korea with respect to the products and the services under the Verified Contracts ;
  - (c) to ensure that the products purchased under the Grant be maintained and used properly and effectively for the activities of the Center ; and
  - (d) to bear all the expense, other than those to be borne by the Grant, necessary for the transportation and the installation of the products purchased under the Grant.
7. 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 this 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 assurance of my highest consideration.

/Signed/Ryozo Sunobe  
Ambassador

The Minister of Foreign Affairs to the Ambassador of Japan

Seoul, August 18, 1978

Excellency,

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

“.....Japanese Note..... “

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.

/Signed/Tong-Jin Park  
Minister of Foreign Affairs