

No. 4296

**UNITED STATES OF AMERICA
and
IRAN**

**Exchange of notes constituting an agreement relating to the
guaranty of private investments. Tehran, 17 and
21 September 1957**

Official texts : English and Persian.

Registered by the United States of America on 23 April 1958.

**ÉTATS-UNIS D'AMÉRIQUE
et
IRAN**

**Échange de notes constituant un accord relatif à la garantie
des investissements privés. Téhéran, 17 et 21 septembre
1957**

Textes officiels anglais et persan.

Enregistré par les États-Unis d'Amérique le 23 avril 1958.

No. 4296. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND IRAN RELATING TO THE GUARANTY OF PRIVATE INVESTMENTS. TEHRAN, 17 AND 21 SEPTEMBER 1957

I

The American Ambassador to the Iranian Minister for Foreign Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

No. 1235

Tehran, September 17, 1957

Excellency :

I have the honor to refer to conversations which have recently taken place between the representatives of the two Governments relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954 and to confirm the following understandings reached as a result of these conversations :

1. The Governments of Iran and the United States of America shall, upon the request of either party, consult on related projects proposed by nationals of the United States of America with regard to which guaranties have been made or are being considered under Section 413 (b) (4) of the Mutual Security Act of 1954.

2. The Government of the United States of America agrees not to guarantee any project unless it is approved by the Government of Iran.

3. With respect to such guaranties which may be extended to projects which are approved by the Government of Iran in accordance with the purport of the aforesaid Section 413 (b) (4), the Government of Iran agrees :

- a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of Iran shall recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made, and also the subrogation of the United States of America to any claim or cause of action and/or right of such person arising from this transfer.
- b. That such rial amounts as may be acquired by the American Government by virtue of such guaranties shall be accorded treatment not less favorable than that accorded private funds obtained through transactions by American nationals which are comparable to transactions covered by such guaranties, and that such rial amounts shall be made freely available to the Government of the United States of America for administrative expenditures.

¹ Came into force on 24 September 1957, the date of receipt by the Government of the United States of America of the note in reply from the Government of Iran, in accordance with the provisions of the said notes.

- c. That any claim against the Government of Iran to which the Government of the United States of America may be subrogated as a result of any payment under such guaranty shall be the subject of direct negotiation between the two Governments. If within a reasonable period of time the two Governments are unable to settle the dispute by mutual agreement, the matter shall be referred for final and binding determination to a sole arbitrator to be selected by mutual agreement. If the two Governments are unable, within three months, to reach an agreement on the selection of arbitrator, the arbitrator shall be such person as may be designated by the President of the International Court of Justice at the request of either Government.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Iran, the Government of the United States of America shall consider this note and Your Excellency's reply thereto as constituting an agreement between the two Governments on this subject.

This Agreement shall be put into effect as of the date of the receipt of Your Excellency's note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

Selden CHAPIN

His Excellency Ali Qoli Ardalan
Minister for Foreign Affairs
Tehran

[TRANSLATION¹ — TRADUCTION²]

MINISTRY FOR FOREIGN AFFAIRS

No. 2370/28364

30 Shahrivar 1336³

Mr. Ambassador :

I have the honor to acknowledge the receipt of Your Excellency's note No. 1235 dated September 17, 1957, which is exactly quoted hereinbelow :

[*See note I*]

On behalf of the Imperial Government, in conformity with the Law Relating To Investment of Private American Capital voted July 18, 1957 (Tirmah 27, 1336), I accept the contents of this note which constitute an agreement on this subject between the two Governments.

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

For the Foreign Minister :

MOSHFEQ-KASEMI

His Excellency Selden Chapin
Ambassador of the United States of America

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

³ September 21, 1957.