

No. 9572

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**ARGENTINA  
and  
SWITZERLAND**

**Exchange of notes constituting an agreement on the grant of a credit for the purpose of increasing imports of equipment from Switzerland and the provision of services. Buenos Aires, 5 September 1968**

*Authentic texts: French and Spanish.*

*Registered by Argentina on 14 May 1969.*

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**ARGENTINE  
et  
SUISSE**

**Échange de notes constituant un accord relatif à l'ouverture de crédits en vue d'accroître les importations de biens d'équipement d'origine suisse et les prestations de services. Buenos Aires, 5 septembre 1968**

*Textes authentiques: français et espagnol.*

*Enregistré par l'Argentine le 14 mai 1969.*

[TRANSLATION — TRADUCTION]

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT <sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE ARGENTINE  
REPUBLIC AND THE GOVERNMENT OF THE SWISS  
CONFEDERATION ON THE GRANT OF A CREDIT FOR  
THE PURPOSE OF INCREASING IMPORTS OF EQUIP-  
MENT FROM SWITZERLAND AND THE PROVISION OF  
SERVICES

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I

SWISS EMBASSY

Buenos Aires, 5 September 1968

Sir,

The Government of the Swiss Confederation, desirous of enabling the Argentine Republic to expand its purchases of Swiss capital goods and of contributing to the development of its economy, has instructed me to transmit to your Government the following proposals relative to the opening of bank credits to be used in making payment for future deliveries of such goods and for the provision of services:

1. The amount of the said credits shall be 45 million Swiss francs. The credits shall be used for the purposes of delivery of Swiss capital goods to private concerns and, in a suitable proportion, payment for services in the sphere of activity of Swiss engineering consultant firms. The total value of deliveries of capital goods and of services shall be 50 million Swiss francs. The minimum amount per contract and per delivery or service shall be 50,000 Swiss francs.

2. The Industrial Bank of the Argentine Republic and the Trade Division of the Federal Department of Public Economy, acting through the Swiss Embassy at Buenos Aires, shall reach agreement on the deliveries and services, case by case.

3. A consortium of Swiss banks shall grant the credits in favour of the Industrial Bank of the Argentine Republic up to the amount of 45 million Swiss francs indicated in paragraph 1 above. To this end, the said consortium and the Industrial Bank of the Argentine Republic shall conclude an agreement stipulating the credit procedures and guarantees.

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<sup>1</sup> Came into force on 5 September 1968 by the exchange of the said notes.

4. Contracts for the operations referred to in paragraph 2 above shall be approved by the competent Swiss and Argentine authorities. In so doing, the said authorities shall undertake to issue all authorizations necessary for the performance of the transaction, on most-favoured-nation terms and conditions.

5. The contracts shall normally prescribe as terms of payment:

- (a) The payment of at least 5 per cent of the value of the invoice or fees upon signature of the contract;
- (b) The opening of an irrevocable letter of credit in favour of the Swiss seller for 5 per cent of the value of the invoice (f.o.b. value), freightage, insurance and other charges, payable against presentation of the shipping documents for the goods. So far as the provision of services is concerned, the Swiss and Argentine parties concerned shall arrange between themselves for the payment of this 5 per cent of the fees;
- (c) Payment of the balance, i.e. the amount of the invoice (f.o.b. value) less the minimum of 10 per cent paid on account, shall be effected at maturity of the letter of credit referred to in subparagraph (b) above. The balance of fees, subject to the final statement of account, shall be settled on the due date of the payment mentioned in sub-paragraph (b). The account opened in the name of the Industrial Bank of the Argentine Republic with the Union of Swiss Banks shall be debited by these amounts.

6. In respect of all credits for contracts of delivery and services covered by this note and approved by the competent authorities of the two countries, the Industrial Bank of the Argentine Republic undertakes, in accordance with the formula established in the credit agreement, to pay to the consortium of Swiss banks, in free Swiss francs and at maturity, the contractual interest and amortization.

7. For the purpose of obtaining the credits covered by this note, requests for financing, based on firm contracts concluded, must be submitted by 31 December 1969 at the latest; this time-limit may be extended by common agreement.

8. So far as concerns the approval of particular credits under paragraphs 2 and 4 above, the following procedure shall apply:

- (a) The competent authorities shall be, in the case of Switzerland, the Trade Division of the Federal Department of Public Economy and, in the case of Argentina, the Industrial Bank of the Argentine Republic;
- (b) The Industrial Bank of the Argentine Republic shall, by means of a detailed notification and through the medium of the Swiss Embassy at Buenos Aires, inform the Trade Division of the Federal Department of Public Economy of the projects it has approved;

(c) The Trade Division of the Federal Department of Public Economy shall, through the Swiss Embassy at Buenos Aires, inform the Industrial Bank of the Argentine Republic of the decision of the Swiss authorities.

The proposal of the Industrial Bank of the Argentine Republic and the affirmative response of the Trade Division of the Federal Department of Public Economy, pursuant to sub-paragraphs (b) and (c) above shall constitute the agreement referred to in paragraph 2 of this note.

9. The opening of credits under this note shall produce no disadvantageous effect upon current imports of Swiss goods outside this arrangement, on normal conditions of payment and transfer.

10. The Argentine authorities undertake, with the exception of situations covered by article XXIV of the General Agreement on Tariffs and Trade<sup>1</sup> to extend to Swiss deliveries under these credits the same advantages, favours, exceptions and reductions (in particular concerning customs duties, advance deposits and fiscal charges) as they extend to imports of goods financed under credits or *avals* of the Industrial Bank of the Argentine Republic.

This note and your favourable reply shall constitute an Agreement between our two Governments which shall enter into force immediately.

Accept, Sir, etc.

JANNER  
Ambassador of Switzerland

His Excellency Mr. Nicanor Costa Méndez  
Minister for Foreign Affairs and Public Worship  
Buenos Aires

<sup>1</sup> United Nations, *Treaty Series*, Vol. 55, p. 187; for subsequent actions relating to this Agreement see references in Cumulative Indexes Nos. 1 to 8, as well as Annex A in volumes 609, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 640, 651, 661, 662, 663, 664, 665 and 668.

## II

Buenos Aires, 5 September 1968

Sir,

I have the honour to acknowledge receipt of your note of today's date, which reads as follows:

*[See note I]*

I should like to inform you that the Argentine Government agrees to the terms of your note.

Accept, Sir, etc.

Nicanor COSTA MÉNDEZ  
Minister for Foreign Affairs and Public Worship

His Excellency Mr. Antonino Janner  
Ambassador Extraordinary and Plenipotentiary  
of Switzerland  
Buenos Aires

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