

No. 9425

**BRAZIL
and
FEDERAL REPUBLIC OF GERMANY**

**Protocol on financial co-operation. Signed at Bonn on
30 November 1963**

Authentic texts : Portuguese and German.

Registered by Brazil on 24 February 1969.

**BRÉSIL
et
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Protocole de coopération financière. Signé à Bonn le
30 novembre 1963**

Textes authentiques : portugais et allemand.

Enregistré par le Brésil le 24 février 1969.

[TRANSLATION — TRADUCTION]

PROTOCOL ¹ ON FINANCIAL CO-OPERATION

The Government of the United States of Brazil and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the United States of Brazil and the Federal Republic of Germany,

Desiring to strengthen and further promote these friendly relations by fruitful co-operation in the field of development assistance,

Bearing in mind that the maintenance of these relations is the basis for the provisions of the present Protocol, and

With a view to promoting the development of the economy of the United States of Brazil,

Have agreed as follows :

Article I

(1) The Government of the Federal Republic of Germany shall enable the Government of the United States of Brazil and/or other borrowers to be chosen jointly by both Governments to raise loans up to a total of DM 200,000,000.00 (two hundred million German Marks) from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt-on-Main for development projects approved by the Government of the United States of Brazil and submitted for examination to the Government of the Federal Republic of Germany.

(2) The Government of the Federal Republic of Germany shares the view of the Government of the United States of Brazil that the improvement of economic and social conditions in the less developed areas of Brazil, especially the North East, requires urgent attention. The two Governments agree that the greater part of the total resources of two hundred million German Marks shall be used to finance projects in the North Eastern region.

(3) From the total loan of two hundred million German Marks a portion of up to DM 40,000,000.00 (forty million German Marks) may be granted to Brazilian institutions having the characteristics of development banks which are proposed by Brazil and judged by Germany, after examination, to be suitable for investment in small and medium-sized enterprises.

¹ Came into force on 30 November 1963 by signature, in accordance with article IX.

(4) In view of the level of development already reached by Brazilian industry, the Government of the Federal Republic of Germany agrees that from the total loan of two hundred million German Marks a portion not exceeding forty million German Marks may be used to finance the purchase of capital goods produced in Brazil.

Article II

The utilization of the loans and the terms and conditions on which they are granted shall be governed by the provisions of the agreements to be concluded between the borrowers and the Kreditanstalt für Wiederaufbau, which shall be subject to the legal provisions applicable in the Federal Republic of Germany.

Article III

The Government of the United States of Brazil agrees that any expenses arising at the time of the conclusion or during the execution of the contracts, as well as taxes, duties or charges of any kind on the capital and interest of the loans granted in accordance with this Protocol shall be borne by the borrowers.

Article IV

The Governments of the United States of Brazil and the Federal Republic of Germany shall refrain from taking measures which might impede the participation of German or Brazilian enterprises in passenger and goods transport by sea or air arising from the granting of the loans. Without prejudice to and in accordance with the legal provisions in force in the two countries and the agreements concluded between their respective shipping companies and airlines, both Governments shall leave the choice of means of transport to the passengers and suppliers.

Article V

The loans granted in accordance with this Protocol may be used only to pay for supplies and services from countries of the free world.

Article VI

The provision of supplies and services for projects financed from the loans granted in accordance with this Protocol shall be subject to international public tender, except in so far as any different provision is made in particular

cases, and except in the cases referred to in article I, paragraphs (3) and (4), and article IV.

Article VII

When goods are supplied in connexion with the loans granted, the Government of the Federal Republic of Germany is particularly anxious that preference should be given, in the same or equivalent conditions, to products of *Land* Berlin industry.

Article VIII

With the exception of those provisions of article IV which refer to air transport, this Protocol shall also apply to *Land* Berlin, unless the Government of the Federal Republic of Germany makes a contrary declaration to the Government of the United States of Brazil within three months following the entry into force of the present Protocol.

Article IX

This Protocol shall enter into force on the date of signature thereof.

DONE at Bonn on the thirtieth day of November nineteen hundred and sixty-three in four original copies, two each in the Portuguese and German languages, the two texts being equally authentic.

For the Government
of the United States
of Brazil :

Egydio MICHAELSEN

For the Government
of the Federal Republic
of Germany :

SCHROEDER