

**No. 10183**

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**ARGENTINA  
and  
PARAGUAY**

**Agreement on investment and industrial complementarity. Signed  
at Buenos Aires on 20 July 1967**

*Authentic text: Spanish.*

*Registered by Argentina on 14 January 1970.*

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**ARGENTINE  
et  
PARAGUAY**

**Accord relatif aux investissements et à la complémentarité indus-  
trielle. Signé à Buenos Aires le 20 juillet 1967**

*Texte authentique : espagnol.*

*Enregistré par l'Argentine le 14 janvier 1970.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> ON INVESTMENT AND INDUSTRIAL  
COMPLEMENTARITY BETWEEN THE ARGENTINE  
REPUBLIC AND THE REPUBLIC OF PARAGUAY

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The Governments of the Argentine Republic and the Republic of Paraguay, desiring to encourage by all possible means the development of the economic, financial and commercial ties between their countries,

Convinced that the policy of Latin American economic integration can thereby be extended and placed on solid foundations and

With a view to taking co-ordinated action to promote closer links between their economies to achieve increased production and more extensive trade between Argentina and Paraguay, have decided to conclude the following Agreement and for that purpose have appointed as their Plenipotentiaries:

His Excellency the President of the Argentine Republic, General Juan Carlos Onganía: His Excellency the Minister for Foreign Affairs and Worship of the Argentine Republic, Mr. Nicanor Costa Mendez;

His Excellency the President of the Republic of Paraguay, General Alfredo Stroessner: His Excellency the Minister for Foreign Affairs of Paraguay, Mr. Raúl Sapena Pastor;

who, having exchanged their full powers, found in good and due form, have agreed as follows:

*Article I*

The Governments of the Argentine Republic and the Republic of Paraguay shall adopt all appropriate measures to encourage reciprocal capital investment in their territories.

*Article II*

The Government of the Republic of Paraguay undertakes to grant the

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<sup>1</sup> Came into force on 3 October 1969, sixty days after the exchange of the instruments of ratification, which took place at Asunción on 4 August 1969, in accordance with article XI.

following benefits in respect of capital investment in industrial projects which are of interest to both countries:

- (a) Exemption from all duties, charges and restrictions, with the exception of charges for services actually rendered, on the import of capital goods intended for the establishment of industries and on such other items as are essential to the operation of the plant and the processing of the product;
- (b) Exemption from duties and charges on the export of goods manufactured by any enterprise covered by this Agreement;
- (c) Exemption from the taxes on the incorporation of companies, their articles of association and their registration in the Public Commercial Register and other national registers, and on the issue, placement and transfer of the shares and bonds of the enterprise concerned. The benefits mentioned in this article may be granted for a period of up to ten years from the date on which they take effect and in accordance with the economic importance of each industrial sector.

### *Article III*

The benefits referred to in article II of this Agreement shall apply to capital investment for the execution of industrial projects in such sectors as shall be determined by The Mixed Argentine-Paraguayan Co-operation and Co-ordination Commission.

### *Article IV*

The capital may be invested in:

- A. Machinery and accessories;
- B. Spare parts necessary for the continuing operation of an enterprise during the period for which the benefits are granted;
- C. Industrial inputs which are not produced in the country concerned in the quantities required for each working year.
- D. Foreign exchange.

### *Article V*

The Government of the Argentine Republic undertakes to grant all fiscal

and administrative incentives and facilities for the export of the capital goods and industrial inputs required for the purposes of this Agreement.

#### *Article VI*

Both parties shall take the necessary measures for the avoidance of double taxation of the enterprises covered by this Agreement.

#### *Article VII*

The Government of the Argentine Republic shall grant technical and credit assistance for the execution of industrial projects which are of interest to both countries, in accordance with the regulations in force on the subject and subsequent amendments thereto.

#### *Article VIII*

The reciprocal tax exemptions and administrative facilities granted by the parties, with a view to promoting the marketing of finished products, to the enterprises established in their respective territories under this Agreement shall be applied in accordance with the provisions of the Montevideo Treaty and through machinery to be agreed upon by the parties.

#### *Article IX*

The Mixed Argentine-Paraguayan Co-operation and Co-ordination Commission shall be the competent organ for the application of this Agreement.

#### *Article X*

This Agreement shall be governed by the regulations in effect within the Latin American Free Trade Association (LAFTA) with respect to complementarity agreements and shall accordingly be open to accession by all the Contracting Parties of LAFTA.

#### *Article XI*

This Agreement shall be ratified in accordance with the procedures in force in each of the contracting countries. The instruments of ratification shall

be exchanged at Asunción, and the Agreement shall enter into force sixty days thereafter and remain in force for an indefinite period.

*Article XII*

Either Contracting Party may terminate this Agreement by giving express notice to the other Party and the termination shall not take effect until one year has elapsed from the date of notification. Nor shall it affect the investments that have already been approved under this Agreement.

IN WITNESS WHEREOF the above-mentioned Plenipotentiaries have signed and sealed this Agreement, in two equally authentic copies.

DONE at Buenos Aires, capital of the Argentine Republic, on 20 July 1967.

For the Government  
of the Argentine Republic:

Nicanor COSTA MENDEZ  
Minister for Foreign Affairs  
and Worship  
[SEAL]

For the Government  
of the Republic of Paraguay:

Raúl SAPENA PASTOR  
Minister for Foreign Affairs  
[SEAL]