

No. 12112

UNITED STATES OF AMERICA
and
REPUBLIC OF KOREA

**Exchange of notes constituting an agreement regarding deposits for
military assistance under the Foreign Assistance Act of 1971.
Seoul, 12 May 1972**

Authentic text : English.

Registered by the United States of America on 17 October 1972.

ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DE CORÉE

**Échange de notes constituant un accord relatif aux dépôts effectués
au titre de l'assistance militaire en vertu de la loi de 1971 sur
l'aide à l'étranger. Séoul, 12 mai 1972**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 17 octobre 1972.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
THE REPUBLIC OF KOREA REGARDING DEPOSITS
FOR MILITARY ASSISTANCE UNDER THE FOREIGN
ASSISTANCE ACT OF 1971

I

No. 217

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Korea and has the honor to refer to recent discussions regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment to the United States Government in won of ten percent of the value of grant military assistance and excess defense articles provided by the United States to the Government of the Republic of Korea.

In accordance with that provision, it is proposed that the Government of the Republic of Korea will deposit in an account to be specified by the United States Government, at a rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in the country of the Republic of Korea for won on the date deposits are made, the following amounts in won : (A) in the case of any excess defense article given to the Government of the Republic of Korea, an amount equal to ten percent of the fair value of that article, as determined by the United States Government, and (B) in the case of a grant of military assistance to the Government of the Republic of Korea, an amount equal to ten percent of each such grant. The Government of the Republic of Korea will be notified quarterly of deliveries of defense articles and rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, which request shall be made, if at all, within one year following the aforesaid notification of deliveries. No more than dollars 20 million in won will be required to be deposited for deliveries in any one United States fiscal year.

¹ Came into force on 12 May 1972 by the exchange of the said notes, with retroactive effect from 7 February 1972, in accordance with their provisions.

It is further proposed that the amounts to be deposited may be used to pay all official costs of the United States Government payable in won, including but not limited to all costs relating to the financing of international educational and cultural exchange activities under programs authorized by the United States Mutual Education and Cultural Exchange Act of 1961.

It is finally proposed that the Ministry's reply stating that the foregoing is acceptable to the Government of the Republic of Korea shall, together with this note, constitute an agreement between our Governments on this subject effective from and after February 7, 1972 and applicable to deliveries of defense articles and rendering of defense services funded or agreed to and delivered or rendered on or subsequent to that date.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

Seoul, May 12, 1972.

Embassy of the United States of America

II

The Korean Ministry of Foreign Affairs to the American Embassy

MINISTRY OF FOREIGN AFFAIRS SEOUL

OBJ-456

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to acknowledge receipt of the Embassy's note dated May 12, 1972 which reads as follows :

[See note I]

The Ministry of Foreign Affairs has the honor to inform the Embassy of the United States of America that the Government of the Republic of Korea agrees to the proposal in the Embassy's note and to confirm that the Embassy's note and this reply thereto will constitute an agreement between the two Governments on this subject.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Seoul, May 12, 1972.