

No. 13349

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**UNITED STATES OF AMERICA  
and  
NEPAL**

**Exchange of notes constituting an agreement relating to military assistance: Deposits under the Foreign Assistance Act of 1971. Kathmandu, 20 November 1972 and 16 January 1973**

*Authentic text: English.*

*Registered by the United States of America on 30 May 1974.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
NÉPAL**

**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. Katmandou, 20 novembre 1972 et 16 janvier 1973**

*Texte authentique: anglais.*

*Enregistré par les États-Unis d'Amérique le 30 mai 1974.*

# EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND NEPAL RELATING TO MILITARY ASSISTANCE: DE- POSITS UNDER THE FOREIGN ASSISTANCE ACT OF 1971

## I

### *The American Embassy to the Nepalese Ministry of Foreign Affairs*

No. 86

The Embassy of the United States of America refers to recent discussions regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment to the United States Government in Nepalese currency of ten percent of the value of grant assistance for military training provided by the United States to the Government of Nepal.

In accordance with that provision, it is proposed that the Government of Nepal 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 Nepal for Nepalese currency on the date deposits are made, the following amounts in Nepalese currency: in the case of a grant of assistance for military training to the Government of Nepal, an amount equal to ten percent of each such grant. The Government of Nepal will be notified quarterly of 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.

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 Nepalese currency, 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 Nepal shall, together with this note, constitute an agreement between our Governments on this subject effective from and after the date of the Ministry's reply and applicable to rendering of defense services funded or agreed to and rendered on or subsequent to that date.

Embassy of the United States of America

Kathmandu, Nepal November 20, 1972.

<sup>1</sup> Came into force on 16 January 1973, the date of the note in reply, in accordance with the provisions of the said notes.

## II

MINISTRY OF FOREIGN AFFAIRS  
HIS MAJESTY'S GOVERNMENT OF NEPAL  
KATHMANDU

January 16, 1973

Dear Mr. Coon,

Please refer to the Embassy's note No. 86, dated 20 November, 1972, and our conversation about it.

In this connection I write to confirm that His Majesty's Government of Nepal agrees in principle to pay ten percent of the value of grant assistance for military training of the Nepal Army personnel in the United States of America.

With kind regards,

Yours sincerely,

[Signed]  
SHARDUL S. RANA  
Joint-Secretary

Mr. Carl S. Coon  
Counsellor  
American Embassy  
Kathmandu

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