

No. 15150

**SPAIN
and
CHILE**

**Financial Co-operation Agreement (with protocol). Signed
at Madrid on 6 December 1972**

Authentic text: Spanish.

Registered by Spain on 3 December 1976.

**ESPAGNE
et
CHILI**

**Accord de coopération financière (avec protocole). Signé à
Madrid le 6 décembre 1972**

Texte authentique : espagnol.

Enregistré par l'Espagne le 3 décembre 1976.

[TRANSLATION — TRADUCTION]

FINANCIAL CO-OPERATION AGREEMENT¹
BETWEEN THE SPANISH STATE AND THE REPUBLIC OF CHILE

The Government of the Spanish State and the Government of the Republic of Chile, in the spirit of friendship which unites their two countries and desiring to develop economic co-operation between them for their mutual benefit, have decided to conclude this Financial Co-operation Agreement and, for this purpose, have appointed as their plenipotentiaries:

For the Government of the Spanish State, His Excellency Mr. Gregorio López-Bravo, Minister for Foreign Affairs;

For the Government of the Republic of Chile, His Excellency Mr. Oscar Agüero Corvalan, Ambassador Extraordinary and Plenipotentiary to Spain;

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

Article I. In order to create conditions conducive to the strengthening of economic relations between the Republic of Chile and Spain, the Government of the Spanish State shall make two loans to the Government of the Republic of Chile in the following amounts:

—1,611,842,500 convertible pesetas to be repaid in 16 equal instalments at half-yearly intervals from the end of the 24th month following the date of each drawing on the loan;

—967,105,500 convertible pesetas to be repaid in 6 equal instalments at half-yearly intervals from the 24th month following the date of each drawing on the loan.

The Government of the Republic of Chile may, however, at any time, repay in advance the whole or part of the outstanding debt.

Article II. The sums drawn on the two loans shall yield annual interest at 6.5 per cent from the date of the drawing, and the interest shall be paid, free of any charge or commission, on 30 June and 31 December of each year.

Article III. Repayment of the principal, together with payment of interest and charges, shall be made in convertible pesetas and shall be exempt from any expense or deduction.

Article IV. The loan to which the second paragraph of article I refers shall be used to finance up to a total of 100 per cent of payments due from the Republic of Chile for the purchase in Spain of capital goods, engineering projects and spare parts, each specific transaction having been the subject of prior agreement between the two Parties.

Article V. The loan to which the third paragraph of article I refers shall be used to finance up to 100 per cent of the purchase by Chile of goods or services in general, preferably in Spain, or through the intermediary of Spain.

¹ Came into force on 6 April 1973, the date of the last of the notifications by which the Parties informed each other of the completion of their internal legal procedures, in accordance with article XI.

To this end, Chile shall propose specific transactions to be financed by the loan, so that the competent Spanish bodies may ascertain whether the goods or services can be obtained from Spain or through Spain and, if not, may authorize that the necessary funds be made freely available.

Article VI. The period for the use of the loans referred to in article I shall be two years from the date of entry into force of this Agreement. If the total amounts of the loans have not been used within the said period, the two Parties may mutually agree on a possible extension of the time-limit for their use.

Article VII. The date of the drawing on either loan shall, for each specific transaction, be the date on which the Bank of Spain debits the account of the Central Bank of Chile in the amounts of the payment orders in favour of Spanish exporters or, where appropriate, exporters residing in third countries.

Article VIII. In each country, the amounts drawn on the two loans covered by this Agreement, together with the amounts intended for the repayment thereof and the payment of interest or other charges, shall be exempt from taxes, expenses or charges of any kind.

Article IX. The execution of the financial transactions arising from this Agreement shall be entrusted:

- (a) on behalf of the Spanish Government, to the Bank of Spain;
- (b) on behalf of the Government of the Republic of Chile, to the Central Bank of Chile.

Article X. For the purpose of executing the provisions of the preceding article, the Bank of Spain, which shall act on behalf of the Spanish Government, shall open two lines of credit in the total amounts of the two loans specified in article I in favour of the Central Bank of the Republic of Chile, which shall act on behalf of the Government of the Republic of Chile. The Central Bank of Chile may issue repayment orders to cover the payments financed from the two loans, in accordance with the provisions of articles IV and V.

The Bank of Spain and the Central Bank of Chile shall draw up a technical agreement for the execution of the provisions of this Agreement.

Article XI. This Agreement shall enter into force when each Party informs the other of the completion of the necessary internal legal procedures for its execution and shall remain valid until such time as both Parties have discharged all obligations pursuant hereto.

DONE at Madrid, in duplicate, in the Spanish language, both copies being equally authentic, on 6 December 1972.

For the Government
of the Spanish State:

[Signed]

GREGORIO LÓPEZ-BRAVO
Minister for Foreign Affairs

For the Government
of the Republic of Chile:

[Signed]

OSCAR AGÜERO CORVALÁN
Ambassador of Chile to Spain

PROTOCOL TO THE FINANCIAL CO-OPERATION AGREEMENT
BETWEEN THE SPANISH STATE AND THE REPUBLIC OF CHILE

With reference to the provisions of article X of the Financial Co-operation Agreement signed today between the Spanish State and the Republic of Chile, the two Parties have agreed that, in order to expedite transactions to the maximum, every order for finance under the line of credit opened in favour of the Central Bank of Chile pursuant to the third paragraph of article I of the said Agreement shall be subject to the appropriate recommendation of the Chilean Embassy in Madrid and a favourable report from the Spanish Ministry of Trade to the Bank of Spain on the transaction in question.

DONE at Madrid, in duplicate, in the Spanish language, both copies being equally authentic, on 6 December 1972.

For the Government
of the Spanish State:

[Signed]

GREGORIO LÓPEZ-BRAVO
Minister for Foreign Affairs

For the Government
of the Republic of Chile:

[Signed]

OSCAR AGÜERO CORVALAN
Ambassador of Chile to Spain