

No. 17944

**NETHERLANDS
and
POLAND**

**Protocol on the financing conditions of investment and co-
operation projects. Signed at The Hague on 15 March
1977**

Authentic text: English.

Registered by the Netherlands on 17 August 1979.

**PAYS-BAS
et
POLOGNE**

**Protocole sur les modalités de financement de projets d'in-
vestissement et de coopération. Signé à La Haye le
15 mars 1977**

Texte authentique : anglais.

Enregistré par les Pays-Bas le 17 août 1979.

PROTOCOL¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE POLISH PEOPLE'S REPUBLIC ON THE FINANCING CONDITIONS OF INVESTMENT AND COOPERATION PROJECTS

The Government of the Kingdom of the Netherlands and the Government of the Polish People's Republic,

Endeavouring to create the best possible conditions for the extension of economic and industrial cooperation according to the provisions of the Long-term Agreement on the Development of the Economic, Industrial and technical Cooperation between the Government of the Polish People's Republic and the Government of the Kingdom of the Netherlands of July 2, 1974,² as well as of the Agreement on the Development of the Economic Cooperation between the two Governments of November 26, 1976;³

Having in mind the importance which in the mutual trade exchange is attached to deliveries of capital goods from the Netherlands to Poland;

Taking especially into consideration the provisions of article 6 of the above-mentioned Long-term Agreement of July 2, 1974, as well as of article 4 of the said Agreement of November 26, 1976, which stress the importance of providing the best possible conditions of financing for cooperation projects;

Have reached the following understanding:

Article 1

Considering the long-term and complex character of supplies of capital goods both Parties are in consent that appropriate conditions should be created for purchases of these goods in the Netherlands on the basis of the best possible credit facilities.

As usual, the corresponding finance and credit arrangements will be concluded between financing and banking institutions concerned of both Parties with the aim to finance the sale of capital goods from the Netherlands to Poland.

Article 2. THE AMOUNT AND PURPOSE OF THE CREDIT FACILITIES

1. The Netherlands Government is prepared to guarantee a credit to an amount of 100 million of Dutch guilders for the purpose as mentioned in article 1 and to provide preferential credit facilities.

2. They serve the financing of export operations of the Dutch industries concerning the sale of capital goods, industrial plants and services related to these supplies. They are reserved for goods and services of Dutch origin and Polish destination.

3. In the case when for technical reasons it is necessary to include certain sub-deliveries and services from third countries into purchases made by Poland in the Netherlands, the Netherlands competent authorities will examine to what extent the preferential financing conditions will be applied to these sub-deliveries and services.

4. Preferential credit facilities will also cover local expenses in Poland connected with projects based on supplies from the Netherlands, provided that they do not exceed downpayments.

¹ Came into force on 25 January 1979, the date of receipt of the last of the notifications by which the Governments informed each other of the fulfilment of the internal law requirements, in accordance with article 11.

² United Nations, *Treaty Series*, vol. 987, p. 341.

³ Registered with the Secretariat of the United Nations on 19 August 1980 under No. I-19060.

5. The amounts for contracts to benefit from these preferential conditions are specified in article 4 of this Protocol.

6. The preferential credit facilities envisaged in this Protocol will be granted case by case after approval of the contracts by the competent authorities of both countries.

Article 3. THE SCOPE OF DEFERRED PAYMENTS

The deferred payments will cover supplies of goods, services, licence fees and all other accompanying supplies up to 85–90% of the amount of contracts.

The remaining 15–10% of the amount will constitute the downpayments.

Cash payments will be at least 5% at the signing of the contracts.

Article 4. THE PERIOD OF DEFERRED PAYMENTS

The credit will be repaid in equal successive semi-annual instalments during the period, depending on the size of contracts and the nature of goods as stated hereinafter:

- a) For contracts of unit value Dfls. 500.000,— and more for supplies of individual machines and light industry equipment, the deferred payments period will be up to 5 years,
- b) For contracts of unit value Dfls. 1.000.000,— and more for supplies of individual machines and light industry equipment, the deferred payments period will be up to 7 years,
- c) For contracts of unit value Dfls. 6.000.000,— and more for supplies of heavy and middle-heavy industry equipment, the deferred payments period will be up to 8.5 years.

The repayment of the credit will start six months after the date of completion of the deliveries or putting of the equipment into operation, according to the contract. This date shall not surpass the date mentioned in the contract and approved by the two competent authorities of the two parties concerned.

Article 5. THE RATE OF INTEREST

The rate of interest charged on the above-mentioned credits shall be the commercial interest rate. However, if this rate is surpassing a ceiling of 7¾% per annum, the interest rate will be fixed at 7¾% per annum. The interest rate will be paid simultaneously with the semi-annual instalments.

Article 6. SALE OF SHIPS

The preferential credit conditions will not be applied to eventual sales of ships, in accordance with international engagements of the Netherlands.

Article 7. THE VALIDITY OF THE CREDIT LINE

Provisions of this Protocol will be applied to contracts signed since April 1, 1977, until April 1, 1980.

Article 8. TECHNICAL BANKING ARRANGEMENTS

Following the principles established by both Parties in this Protocol, the Bank Handlowy w Warszawie S.A. and Netherlands banking institutions concerned will conclude financial arrangements in the implementation of this Protocol.

The Bank Handlowy w Warszawie S.A. will provide a guarantee for the repayment of the credit.

Article 9

For and on behalf of the Netherlands Government the “Nederlandsche Credietverzekering Maatschappij N.V.” / “Netherlands Credit Insurance Company Ltd.” will deal with the execution of this Protocol.

Article 10

On the request of one of the Contracting Parties the competent authorities of both countries will meet to review the utilisation of the credit line and consider necessary facilities and measures to promote the trade in capital goods, industrial plants and services related to these supplies between the two countries.

Article 11

This Protocol shall enter into force on the day of the exchange of notes between both Governments informing each other that their internal law requirements have been fulfilled.

Article 12

As regards the Kingdom of the Netherlands the present Protocol shall apply to the Kingdom in Europe only.

DONE at The Hague on 15 March 1977, in duplicate, in the English language.

For the Government
of the Kingdom of the Netherlands:

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For the Government
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