

No. 21849

MULTILATERAL

**EURODIF Convention (with annex). Signed at Paris on
20 March 1980**

Authentic texts: French, Spanish and Dutch.

Registered by France on 12 April 1983.

MULTILATÉRAL

**Convention relative à EURODIF (avec annexe). Signée
à Paris le 20 mars 1980**

Textes authentiques : français, espagnol et néerlandais.

Enregistrée par la France le 12 avril 1983.

[TRANSLATION — TRADUCTION]

EURODIF CONVENTION¹

The Government of the French Republic, the Government of the Kingdom of Belgium and the Government of the Kingdom of Spain,

Considering the importance that they attach to the development of peaceful uses of nuclear energy,

Considering that the development of civil nuclear programmes in Europe and outside Europe makes it necessary to create a large-scale enrichment capacity,

Considering the co-operation undertaken for this purpose within the framework of the EURODIF Corporation,

Considering that the French Government has guaranteed the success of the work on the Tricastin plant of which it has approved the construction,

Considering the contribution they have already made or are ready to make to the financing of this operation,

Have agreed as follows:

Article I. The object of this Convention is to define the rights and obligations of the States Parties participating in the capital of the EURODIF Corporation, either directly, or indirectly, through public or private corporate bodies within their jurisdiction or under their control.

TITLE I. FINANCIAL AND FISCAL PROVISIONS

Article II. The fiscal provisions referred to in this title are those of French legislation and of French tax regulations or those provisions which may be added to or may replace the existing ones.

Article III. Cash contributions to the EURODIF Corporation shall be exempt from all taxes and particularly the tax provided for in article 810-I of the *Code Général des Impôts*.

Article IV. The non-taxable VAT credits shall be reimbursed monthly to the EURODIF Corporation for any payment related to the construction of the Tricastin plant.

Article V. 1. The profits of the EURODIF Corporation shall be exempt from any company tax in proportion to public foreign participation in its capital.

¹ Came into force on 25 July 1982, i.e., one month after the deposit with the French Government of the third instrument of ratification or approval, in accordance with article XXI.

State	<i>Date of deposit of the instrument of ratification, or approval (A)</i>
Belgium	1 October 1981
France	22 December 1980 (A)
Spain	25 June 1982

2. Without prejudice to article 223 *sexies* of the *Code Général des Impôts*, the French Government shall reimburse to the EURODIF Corporation the sums corresponding to the amount of the company tax paid on the basis of French public participation.

Article VI. 1. The foreign public shareholders of the EURODIF Corporation who are nationals of foreign States Parties to this Convention shall be exempted from tax on income derived from their shares in the EURODIF Corporation or from sums made available to this Corporation under the following conditions:

- (a) The sums distributed by the EURODIF Corporation in exchange for foreign public holdings in the capital of this Corporation shall be exempt from the withholding tax provided for in article 119 *bis*-2 of the *Code Général des Impôts*. Furthermore, with regard to these distributed sums, the provisions of articles 209 *bis*-1 and 223 *sexies* of the *Code Général des Impôts*, relating to fiscal assets and to withholding, shall not be applicable.
- (b) The interests on loans or advances made to the Corporation by public foreign shareholders shall be exempt from compulsory withholding and, if necessary, from the deduction at source referred to in articles 125-A-III and 119 *bis*-1 of the *Code Général des Impôts*.

2. Public foreign shareholders of the EURODIF Corporation may repatriate their dividends and, under the contractual terms of repayment, the advances, loans and interest related thereto.

Article VII. For the application of articles V and VI, public foreign participation in the capital of the EURODIF Corporation means direct participation of foreign States in the capital of the Corporation or in the capital of French companies holding shares in the Corporation in proportion to their rights in the Corporation; it also means participation on behalf of bodies or public establishments of these States or on behalf of companies in which these States, these bodies or these public establishments possess at least 50 per cent of the voting rights.

Article VIII. Interest on loans contracted abroad by the EURODIF Corporation to finance the construction of the Tricastin plant shall be subject for the whole of their duration to the present fiscal régime governing income from foreign movable property.

Article IX. The limitation in accounting delays laid down in article 209-1 (2nd paragraph) of the *Code Général des Impôts* shall not be applicable to the deficits accumulated by the EURODIF Corporation during financial exercises established before the date of completion of the Tricastin plant.

Article X. 1. In respect of the Tricastin plant and the power station supplying it with electric current, the rateable values used to establish local taxes shall be assessed at half their amount, without prejudice to the ordinary law deduction applicable to nuclear plants.

2. The bases for the professional tax — reduced, in respect of rateable values, as stated in paragraph 1 above — shall be cut by half:

- For the EURODIF Corporation by virtue of the possession and operation of the Tricastin plant;
- For Electricité de France, by virtue of the possession and operation of the power station supplying electric current to the Tricastin plant.

This reduction shall be applied for 10 years from 1 January 1981 onwards to the Tricastin plant, and to the nuclear power station.

3. With regard to the land tax on the properties built, the same reduction for the same period of time shall be applied from 1 January 1982 onwards.

4. The Tricastin plant and the power station supplying it with electric current shall be exempt from local taxes until 31 December 1981. However, the EURODIF Corporation shall pay to designated local communities, during the years 1979, 1980 and 1981, by way of exception, a lump-sum amounting to 50 million francs at the rate of a third of that amount per year.

Article XI. The fiscal provisions laid down in this Convention in favour of the EURODIF Corporation shall also benefit the French subsidiary company which the Corporation may establish to manage the Tricastin plant, provided that this subsidiary is controlled to the extent of at least 99 per cent by the EURODIF Corporation and is not merely a management company without ownership of the Tricastin installations.

Article XII. Each of the States Parties undertakes, in proportion to its direct or indirect participation and/or the direct or indirect participation of shareholders under its jurisdiction or control, to give its guarantee, or to give other guarantees of equivalent effect, under its domestic legislation, to the loans designed to complete the resources which the EURODIF Corporation has already obtained to finance the building of the Tricastin plant, it being understood that the total commitments thus accepted in respect of the EURODIF Corporation are limited to the equivalent of 4.3 billion French francs.

In case of withdrawal of a shareholder, the State Party concerned shall continue to be bound by the commitment defined in the first paragraph of this article, unless this commitment is taken over by the Government having jurisdiction or control over the new shareholder.

TITLE II. MISCELLANEOUS PROVISIONS

Article XIII. 1. The Parties undertake to take all necessary measures to ensure that all sensitive data,* all equipment, all basic products or all special fissile materials in their possession or in the possession of enterprises under their jurisdiction or control, for the purposes of, or as a result of the construction and operation of the installations decided upon within the framework of EURODIF, are not used by a non-nuclear State to manufacture or otherwise acquire, by means of these sensitive data, equipment, basic products or special fissile materials, nuclear weapons or other nuclear explosive devices, or to gain control of such weapons or devices.

For the purpose of this article, "non-nuclear State" means any State, including States bound by this Convention, which has not manufactured and exploded a nuclear weapon or any other explosive nuclear device before 1 January 1967.

2. Furthermore, the installations constructed by EURODIF shall not produce, for the manufacture of nuclear weapons or of any other nuclear explosive devices, uranium possessing the degree of enrichment necessary for the manufacture of nuclear weapons.

Article XIV. With a view to verifying that the obligations arising from article XIII of this Convention regarding equipment, basic products and special fissile materials are observed, all non-nuclear States which, as a result of the activities of EURODIF, have in their possession or receive, either basic products or special fissile materials, or equipment or materials especially designed or prepared for the treatment

* Sensitive data are all data designated as such from the point of view of non-proliferation by the person communicating them.

or utilization of such products or materials shall, if they have not done so already, adopt in advance appropriate control measures based on the procedures of IAEA, taking into account the international obligations agreed to by each of them.

These measures shall involve the control of EURATOM verified by IAEA for those States which are members of the European Atomic Energy Community.

Article XV. The Parties undertake to ensure that all sensitive data, all equipment, all basic products and all special fissile materials referred to in paragraph 1 of article XIII are not transferred or retransferred to anyone in the territory of a non-nuclear State within the meaning of article XIII, without having obtained from that State the same undertakings as those to which they have subscribed in articles XIII and XIV.

Article XVI. The Parties shall take on their territory and, in the case of transport outside of their territory, the necessary measures to ensure effective physical protection for the nuclear materials covered by this Convention.

The minimum common levels of physical protection on the basis of which such measures must be taken shall be established in a separate agreement.

Article XVII. This Convention shall not affect the obligations derived from the Treaty establishing the European Atomic Energy Community (EURATOM)¹ for the Parties to this Convention which are members of that Community.

Article XVIII. The Parties to this Convention may propose amendments to it at any time.

In this case, the representatives of the Parties shall meet with a view to considering the amendment proposed.

In order to be adopted, the amendment must be accepted by all the Parties and must be approved by each of them, this approval being notified to the French Government as depositary of this Convention.

The amendment shall enter into force thirty days after the last written notification has reached the French Government.

The French Government shall inform the other Parties without delay of the date on which the amendment entered into force.

Article XIX. The Parties shall strive to reach an amicable settlement of any dispute arising between them on the subject of the interpretation or application of this Convention.

Any dispute which cannot be settled by this means must:

- (a) If it concerns the provisions of articles XIII and XIV, be settled in accordance with the procedures laid down in the guarantee agreements concluded with IAEA;
- (b) If it concerns the other provisions of this Convention, be arbitrated, at the request of any of the Parties to the dispute, under the conditions laid down in the annex of this Convention, unless the Parties agree between themselves on another method of settlement.

The annex mentioned in the previous paragraph is an integral part of this Convention.

Article XX. The provisions of articles XIII, XIV, XVI and XVII shall continue to apply in any case and in any circumstance to all the equipment, sensitive data, basic

¹ United Nations, *Treaty Series*, vol. 298, p. 167.

products and special fissile materials referred to in article XIII and derived from the EURODIF Corporation.

Article XXI. This Convention shall enter into force, for each of the States that have approved or ratified it, one month after the deposit with the French Government of the third instrument of approval or ratification, including that of the French Government. However, the fiscal provisions of the Convention shall apply from the date of the establishment of the EURODIF Corporation.

The French Government shall inform the other signatory States without delay of the deposit of each of the instruments of approval or ratification and of the date of entry into force of this Convention.

Article XXII. This Convention shall be open for accession by any State which is participating or desires to participate in the capital of the EURODIF Corporation, in conformity with article I. This accession requires the unanimous agreement of the States which, on the date of the request for accession, are Parties to the Convention.

Article XXIII. Without prejudice to the provision of article XX above, this Convention shall terminate on the dissolution of the EURODIF Corporation. However, without prejudice to the provisions of article XX, in case of dissolution of the Corporation, this Convention shall terminate on the date of this dissolution.

IN FAITH WHEREOF, the representatives of the Contracting States, duly authorized for this purpose, have signed this Convention.

DONE in Paris, on 20 March 1980, in triplicate in French, Spanish and Dutch, the three texts being equally authentic.

For the Government of the French Republic:

[Signed]

BRUNO DE LEUSSE DE SYON

For the Government of the Kingdom of Belgium:

[Signed]

Baron PATERNOTTE DE LA VAILLÉE

For the Government of the Kingdom of Spain:

[Signed]

MIGUEL SOLANO AZA

ANNEX

(a) If a dispute as referred to in article XIX (b) arises between two Parties, it shall be submitted to an Arbitration Committee composed of three arbitrators. The arbitrators shall be designated as follows:

The Party taking the initiative shall communicate the name of an arbitrator to the other Party which, in its turn, within 40 days of this communication, shall communicate the name of the second arbitrator. The two Parties shall designate, within 60 days from the nomination of the second arbitrator, the third arbitrator, who shall be neither a national of one or the other of the two Parties nor of the same nationality as one or the other of the two first arbitrators. This third arbitrator shall be Chairman of the Committee.

If the second arbitrator has not been appointed within the prescribed period or if the two Parties have not agreed within the prescribed period on the designation of the third arbitrator, the third arbitrator shall be designated, at the request of one or the other Party, by the President of the International Chamber of Commerce of Geneva.

The Arbitration Committee shall determine its meeting place and shall itself establish its rules of procedure.

The decision of the Arbitration Committee shall be rendered by a majority of its members: They cannot abstain from voting.

(b) If the dispute arises between more than two Parties, it shall be submitted for arbitration to the President of the International Chamber of Commerce of Geneva.

(c) Any State Party to this Convention, when it is not a Party to the dispute, may take part in the arbitration proceedings with the agreement, depending on whether the dispute concerns two or more of the two Parties, either of the Arbitration Committee or the President of the International Chamber of Commerce of Geneva, if one or other Party considers that it has a substantial interest in the settlement of the case.

The decision shall be final and binding on all Parties to the dispute, which shall carry out the decision without delay. If there is any disagreement about its scope, the Arbitration Committee, in the case of a dispute between two Parties, or the President of the International Chamber of Commerce of Geneva, in the case of a dispute between more than two Parties, shall give an interpretation at the request of the Parties.

(d) In the case of a dispute between two Parties, the two Parties in question shall contribute equally to the payment of the emoluments of the three arbitrators and the costs of the Arbitration Committee. The Arbitration Committee shall present a final account of all the expenditures. The establishment of the emoluments of the arbitrators shall be submitted for approval of the two Parties.

In the case of a dispute between more than two Parties, the Parties in question shall contribute equally to the payment of the emoluments and costs of the President of the International Chamber of Commerce of Geneva under the same conditions as those applying to any dispute between two Parties.