

No. 24452

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**FEDERAL REPUBLIC OF GERMANY  
and  
LESOTHO**

**Agreement concerning financial co-operation. Signed at  
Maseru on 15 January 1986**

*Authentic texts: German and English.*

*Registered by the Federal Republic of Germany on 12 November 1986.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
LESOTHO**

**Accord de coopération financière. Signé à Maseru le 15 jan-  
vier 1986**

*Textes authentiques : allemand et anglais.*

*Enregistré par la République fédérale d'Allemagne le 12 novembre 1986.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE KINGDOM OF LESOTHO AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

The Government of the Kingdom of Lesotho, and the Government of the Federal Republic of Germany,

In the spirit of the friendly relations existing between the Kingdom of Lesotho and the Federal Republic of Germany,

Desiring to strengthen and intensify those friendly relations through financial co-operation in a spirit of partnership,

Aware that the maintenance of those relations constitutes the basis of this Agreement,

Intending to contribute to social and economic development in the Kingdom of Lesotho,

Have agreed as follows:

*Article 1.* The Government of the Federal Republic of Germany shall enable the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH (German Finance Company for Investments in Developing Countries), hereinafter referred to as the "DEG", Cologne, to acquire an investment of up to 1,000,000 (one million) Maloti in the Lesotho National Development Corporation (LNDC).

To this end the Government of the Federal Republic of Germany shall make available to the DEG an amount of up to DM 1,000,000 (one million Deutsche Mark).

*Article 2.* The acquisition of the investment by the DEG pursuant to Article 1 of this Agreement shall be effected in accordance with a contract of association yet to be concluded with the LNDC.

*Article 3.* (1) With regard to the investment referred to in Article 1 of this Agreement, the Government of the Kingdom of Lesotho shall guarantee the free import of any foreign currency in connection with the acquisition of said investment as well as the free transfer of proceeds from the sale or liquidation thereof.

(2) The Government of the Kingdom of Lesotho undertakes on its own behalf and on behalf of the Central Bank of the Kingdom of Lesotho not to obstruct the LNDC in the discharge of its liabilities to the DEG.

Similarly, the Government of the Kingdom of Lesotho and the Central Bank of the Kingdom of Lesotho shall not obstruct the payment of the purchase price to the DEG by any party acquiring the investment referred to in Article 1 of this Agreement.

(3) The Contracting Parties agree that any return on the investment referred to in Article 1 of this Agreement shall be paid into a special account of the LNDC

<sup>1</sup> Came into force on 15 January 1986 by signature, in accordance with article 7.

and used, in accordance with an arrangement to be concluded between the DEG and the LNDC, for activities of particular relevance to development.

*Article 4.* The Government of the Kingdom of Lesotho shall exempt the DEG from all taxes and other public charges levied in the Kingdom of Lesotho in connection with the acquisition, sale or liquidation of the investment referred to in Article 1 of this Agreement.

*Article 5.* In case the investment referred to in Article 1 of this Agreement increases through the issue of bonus shares, the guarantees and assurances given by the Government of the Kingdom of Lesotho pursuant to Articles 3 and 4 of this Agreement shall also apply to the increased investment.

*Article 6.* This Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the Kingdom of Lesotho within three months of the date of entry into force of this Agreement.

*Article 7.* This Agreement shall enter into force on the date of signature thereof.

DONE at Maseru on 15th January 1986 in duplicate in the English and German languages, both texts being equally authentic.

For the Government  
of the Kingdom of Lesotho:  
[Signed — Signé]<sup>1</sup>

For the Government  
of the Federal Republic of Germany:  
[Signed — Signé]<sup>2</sup>

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<sup>1</sup> Signed by E. R. Sekhonyana — Signé par E. R. Sekhonyana.

<sup>2</sup> Signed by Wolter — Signé par Wolter.