

No. 26772

**FEDERAL REPUBLIC OF GERMANY
and
SWAZILAND**

**Agreement concerning financial cooperation. Signed at
Mbabane on 18 December 1986**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 5 September 1989.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
SWAZILAND**

**Accord de coopération financière. Signé à Mbabane le 18 dé-
cembre 1986**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 5 septembre 1989.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF SWAZILAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

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

In the spirit of the friendly relations existing between the Kingdom of Swaziland 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 Swaziland,

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), Cologne, hereinafter referred to as the DEG, to acquire an investment amounting to E 1,400,000 (one million four hundred thousand emalangeni) in the Swaziland Industrial Development Company Ltd., hereinafter referred to as the SIDC, and to grant the SIDC a convertible loan with equity features by subscribing to emalangeni income notes having a value of up to E 4,600,000 (four million six hundred thousand emalangeni), hereinafter referred to as the investment.

The Government of the Federal Republic of Germany shall make available to the DEG for this purpose an amount of up to DM 6,000,000 (six million Deutsche Mark).

Article 2

The investment by the DEG referred to in Article 1 of this Agreement shall be effected with the provisions of the financing agreements to be concluded with the SIDC.

Article 3

(1) The Government of the Kingdom of Swaziland shall ensure that the investment by the DEG referred to in Article 1 of this Agreement enjoys full protection and full security. Expropriation may only take place for the public benefit and shall be subject to compensation. Such compensation shall correspond to the value of the investment expropriated, be effectively realizable and transferable, and be paid without delay. Provision shall have been made in an appropriate manner at or

¹ Came into force on 18 December 1986 by signature, in accordance with article 8.

prior to the time of expropriation for the determination and payment of such compensation. The legality of such expropriation, the amount of compensation and the term within which it is payable shall be subject to review by due process of law. The DEG shall enjoy most-favoured-nation treatment in respect of the matter covered by this Article.

(2) With regard to the investment referred to in Article 1 of this Agreement, the Government of the Kingdom of Swaziland shall guarantee the free importation of foreign currency in connection with the acquisition of the investment and the income notes, as well as the free transfer of any returns and sale or liquidation proceeds as well as interest and amortization payments accruing from the income notes or, if the right of conversion is exercised in full or in part, the free transfer of the resultant returns and sale or liquidation proceeds.

(3) The Government of the Kingdom of Swaziland undertakes on its own behalf and on behalf of the Central Bank of Swaziland not to hinder the SIDC in the discharge of its liabilities to the DEG.

Article 4

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

Article 5

Should the investment referred to in Article 1 of this Agreement be increased through the issue of bonus shares, the guarantees and assurances given by the Government of the Kingdom of Swaziland pursuant to Articles 3 and 4 of this Agreement shall also apply to the increased investment.

Article 6

By virtue of the Agreement of 13 September 1983¹ between the Government of the Kingdom of Swaziland and the Government of the Federal Republic of Germany, the DEG granted the National Industrial Development Corporation of Swaziland, hereinafter referred to as the NIDCS, a convertible loan with equity features by subscribing to income notes having a nominal value of E 450,000 (four hundred and fifty thousand emalangeni).

(a) With regard to the aforementioned income notes issued by the NIDCS, the SIDC shall assume all the rights and obligations of the NIDCS pursuant to an agreement to be concluded by the NIDCS, the SIDC and the DEG.

(b) The Government of the Kingdom of Swaziland shall ensure that the guarantees and assurances given by it pursuant to Articles 3 and 4 of the intergovernmental Agreement of 13 September 1983 also apply to the SIDC.

Article 7

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

¹ United Nations, *Treaty Series*, vol. 1360, p. 147.

Government of the Kingdom of Swaziland within three months of the date of entry into force of this Agreement.

Article 8

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

DONE at Mbabane on 18/12/1986 in duplicate in the English and German languages, both texts being equally authentic.

For the Government
of the Kingdom of Swaziland:

[Signed — Signé]¹

For the Government
of the Federal Republic
of Germany:

[Signed — Signé]²

¹ Signed by Sibusiso Dlamini — Signé par Sibusiso Dlamini.

² Signed by Wilfried Nölle — Signé par Wilfried Nölle.