

**MEMORANDUM OF UNDERSTANDING ON DEFENSE INDUSTRY
COOPERATION BETWEEN THE DEPARTMENT OF NATIONAL
DEFENSE OF THE REPUBLIC OF THE PHILIPPINES AND THE
STATE ADMINISTRATION OF SCIENCE, TECHNOLOGY AND
INDUSTRY FOR NATIONAL DEFENSE OF THE PEOPLE'S REPUBLIC
OF CHINA**

The Department of National Defense (DND) of the Republic of the Philippines and the State Administration of Science, Technology and Industry for National Defense (SASTIND) of the People's Republic of China, hereinafter referred to collectively as the "Participants" or individually as the "Participant",

For the purpose of further strengthening the friendly relationship between the two countries and promoting bilateral exchanges and cooperation in defense industry,

Have decided as follows on the basis of mutual respect, trust, benefit and equality:

PARAGRAPH I

SCOPE

The Participants decided to jointly carry out the following matters within the framework of their own national laws, regulations and international obligations undertaken by their own countries:

1. Develop cooperation in the areas of science, technology and industry for national defense in the ways specified in this Memorandum of Understanding (MOU), including signing and implementation of project contracts;
2. Exchange technical and commercial information in science, technology and industry for national defense of their units with interest for cooperation within the scope of this MOU.

PARAGRAPH II

COOPERATION FORMS

The Participants may consider the following forms of cooperation:

1. Purchase, transfer and/or donation of equipment, matching parts, elements and raw materials for weapons and anti-terrorism & drug control equipment as well as other military products;
2. Technical and information transfer;
3. Joint Research and Development (R&D) and production;

4. Personnel exchanges during R&D, training, production, maintenance and implementation of the cooperation projects;
5. Providing logistic and technical support services for military equipment;
6. Other cooperative matters concerning national defense industry and technology decided by the Participants.

PARAGRAPH III

EXECUTIVE BODIES

The Participants will strive to promote direct exchanges and cooperation in national defense industry and technology between the two countries. The Participants designate the following bodies as the specific executive bodies, respectively, to facilitate the coordination:

The Philippine executive body will be the Office of the Assistant Secretary for Acquisition, Installations and Logistics (OASAIL), Department of National Defense (DND) of the Republic of the Philippines, which is located at Segundo Avenue, Camp General Emilio Aguinaldo, Quezon City, Metro Manila 1110, Philippines.

The Chinese executive body will be the Department of Military Trade and Foreign Affairs, State Administration of Science, Technology and Industry for National Defense (SASTIND) of the People's Republic of China, which is located at No. 8A, Fucheng Road, Haidian District, Beijing 100048, China.

PARAGRAPH IV

INTELLECTUAL PROPERTY PROTECTION

The Participants will ensure that any document, data, materials and information exchanged under this MOU will only be within the scope of cooperation provided for in Paragraph I of this MOU and with prior written consent of the owner of the proprietary right. The Participants will be obliged to take necessary measures to prevent their unauthorized use.

PARAGRAPH V

CONFIDENTIALITY

The Participants will carry out to keep confidential any document, data, materials and information received during the execution of this MOU. The confidential level and period of the above-mentioned documents, data, materials and information will be determined by the furnishing Participant.

Any Participant will not disclose or provide the confidential documents, data, materials and information to any third party or use them for any purpose beyond this MOU without prior written consent by the furnishing Participant.