

January 15, 1953

**EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT
AMENDING THE AGREEMENTS BETWEEN THE PHILIPPINES AND
THE UNITED STATES OF AMERICA IMPLEMENTING THE
AGREEMENT OF 14 MARCH 1947 CONCERNING MILITARY BASES**

Note: The Agreement entered into force, February 9, 1953.

Reference: This Agreement is also published in 229 UNTS, p. 282.

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**THE PHILIPPINE SECRETARY OF FOREIGN AFFAIRS TO THE AMERICAN
AMBASSADOR REPUBLIC OF THE PHILIPPINES DEPARTMENT OF FOREIGN
AFFAIRS**

Manila, January 15, 1953

Excellency :

I have the honor to refer to my note of December 29, 1952 proposing the exemption of United States military agencies and their instrumentalities including their authorized contractors from the contractor's tax of 3%, the excise or compensating tax of 7% and upwards, the foreign exchange tax of 17%, and the import licensing formality and fee of 2% in respect of goods and services imported by such agencies and instrumentalities from abroad or procured locally from importers, manufacturers and producers either by such agencies and instrumentalities directly or through the agency of private contractors acting for and in their behalf, provided that such goods and services are exclusively destined for and actually utilized in the construction, operation, maintenance and defense of the bases, and provided further that such exemptions are subject to the conditions specified in any note under reference.

A review of my Government's proposal has disclosed that mention of the 17% foreign exchange tax was inadvertently omitted as one of the exemptions also subject to the conditions prescribed before such an exemption may be granted. Accordingly, I have the honor to propose that the opening sentence of the first paragraph on page 2 of my note of December 29, 1952 be amended to incorporate mention of this particular tax as follows: (proposed amendment underscored).

"In case of the contractor's tax of 3%, the excise or compensating tax of 7% and upwards, the foreign exchange tax of 17% and the import licensing formality and fee of 2%, the Philippine Government requires of the United States base commanders concerned or their respective contracting officers, etc."

I would appreciate if Your Excellency's Government could accept the above-indicated amendment of my note under reference and this note together with Your Excellency's concurrence thereto taken as integral parts of the original understanding of our respective Governments regarding these exemptions.

Accept, Excellency, the renewed assurances of my highest consideration.