

May 18, 1950

**FINANCIAL AGREEMENT FOR TRADE BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE
SUPREME COMMANDER FOR THE ALLIED POWERS ACTING IN
RESPECT OF OCCUPIED JAPAN**

Note: The Agreement entered into force immediately as *modus Vivendi*.

Reference: This Agreement is also published in II DFA TS No. 1, p. 7.

The Government of the Republic of the Philippines (hereinafter referred to as the Philippines) constituting one of the two parties to this Agreement, and the Supreme Commander for the Allied Powers, acting in respect of Occupied Japan (hereinafter referred to as SCAP), constituting the other party, have agreed upon the following financial arrangements to govern all transactions envisaged in the Trade Agreement between them which is to be executed simultaneously herewith:

ARTICLE I

All transactions involving goods and/or services covered by the Trade Agreement shall be invoiced in dollars of the United States of America.

ARTICLE II

For the purposes expressed in this Agreement each party shall designate its principal financial agent bank and shall notify the other party in writing of such appointment. A list of other banks which each principal financial agent bank desire to designate as its sub-agents shall be submitted to the other for approval.

ARTICLE III

All transactions covered by the Trade Agreement shall be entered into the account of each party to be maintained in the books of both principal financial agent banks specified in Article II. The value of all exports from the Philippines to Occupied Japan shall be debited against the account of SCAP in the books of the principal financial agent bank of the Philippines and credited to the account of the Philippines in the books of the principal financial agent bank of SCAP. The value of all imports from Occupied Japan to the Philippines shall be debited against the account of the Philippines in the books of the principal financial agent bank of SCAP and credited to the account of SCAP in the books of the principal financial agent bank of the Philippines.

ARTICLE IV

Statements of accounts as of the last day of each month shall be exchanged between the two principal financial agent banks not later than ten (10) days after the end of every month. Notice of any discrepancy found by either bank shall be served the other within ten (10) days upon the receipt of this monthly statement.

ARTICLE V