

No. 9037

UNION OF SOVIET SOCIALIST REPUBLICS
and
IRAN

Agreement on co-operation in the construction of industrial and other projects in Iran and the granting of a loan for this purpose (with annex). Signed at Moscow, on 13 January 1966

Official texts : Russian and Persian.

Registered by the Union of Soviet Socialist Republics on 19 March 1968.

UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
IRAN

Accord de coopération concernant la construction d'installations industrielles et autres en Iran et l'octroi d'un crédit à cet effet (avec annexe). Signé à Moscou, le 13 janvier 1966

Textes officiels russe et persan.

Enregistré par l'Union des Républiques socialistes soviétiques le 19 mars 1968.

[TRANSLATION — TRADUCTION]

No. 9037. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE IMPERIAL GOVERNMENT OF IRAN ON CO-OPERATION IN THE CONSTRUCTION OF INDUSTRIAL AND OTHER PROJECTS IN IRAN AND THE GRANTING OF A LOAN FOR THIS PURPOSE. SIGNED AT MOSCOW, ON 13 JANUARY 1966

The Government of the Union of Soviet Socialist Republics and the Imperial Government of Iran,

Considering the relations of good-neighbourliness and co-operation which exist between the USSR and Iran, and

Moved by a common desire to develop further and to strengthen economic and technical co-operation based on the principles of equality, non-interference in domestic affairs and full respect for the national sovereignty of the two countries,

Have decided to conclude this Agreement as follows :

Article 1

The Union of Soviet Socialist Republics and Iran shall co-operate in the construction of :

1. A steel mill;
2. A gas pipeline;
3. A mechanical engineering plant.

A brief description of these projects is given in the annex to this Agreement, which forms an integral part of the Agreement.

Article 2

For the purposes of the co-operation provided for in article 1 of this Agreement :

1. The Soviet organizations shall :

Execute the necessary planning and exploratory work;

Deliver any equipment, machines, building machinery and materials which are unobtainable in Iran;

¹ Came into force provisionally on 13 January 1966 by signature, and definitively on 29 June 1966 by the exchange of the instruments of ratification at Teheran, in accordance with article 19.

Dispatch Soviet experts to Iran to collect initial data, execute exploratory work and geological surveys, furnish designer's supervision and advice in the construction of the projects, give technical industrial training to Iranian citizens and assist in the assembly, installation and initial operation of equipment;

Receive Iranian citizens for technical industrial training at USSR enterprises, with a view to employing them subsequently in the projects listed in article 1 of this Agreement;

Transmit to the Iranian Party the technical documentation needed to ensure the smooth operation of the projects provided for in article 1 of this Agreement.

The aforesaid technical documentation to be transmitted by the Soviet organizations to the Iranian Party shall be used by the latter solely in Iranian enterprises. Such documentation shall not be transmitted to any foreign juridical person or citizen without the prior consent of the Soviet organizations.

2. The Iranian organizations shall :

Transmit to the Soviet organizations any initial data in the possession of the Iranian Party which are needed for planning and co-operate with the Soviet organizations in the collection and preparation of other necessary data;

Review plans and, when these are acceptable, approve them within two months of their submission by the Soviet organizations;

Undertake, with the technical assistance of the Soviet organizations, the construction of the projects and the execution of the other work in accordance with the plans;

Provide manpower, electricity, water, gas, transportation and any necessary materials obtainable in Iran for the construction of the projects and the execution of the work and construct access roads, subsidiary installations and external communication lines;

Purchase in third countries, by agreement between the Parties, certain equipment and materials not manufactured in the USSR or Iran;

Arrange financing for the construction of the projects and the execution of other work and provide without charge accommodation, medical facilities, necessary services and transportation for official travel within Iran for the Soviet experts dispatched to Iran to provide technical assistance in accordance with this Agreement;

If necessary, purchase licences for technological processes and equipment, wherever these are needed.

Article 3

If the Iranian Party so desires, the Soviet organizations shall assist the Iranian organizations in the achievement of the designed capacity and the operation of the projects provided for in this Agreement, by dispatching Soviet experts and delivering spare parts and necessary materials, under the terms of a supplementary arrangement between the Parties.

Article 4

The Government of the Union of Soviet Socialist Republics shall grant the Imperial Government of Iran a loan in the amount of up to 260 million roubles (1 rouble = 0.987412 gramme of fine gold) at 2.5 per cent interest per annum to pay for the technical assistance to be provided to Iran by the Soviet organizations in the construction of the projects provided for in article 1 of this Agreement. This loan shall be used by the Imperial Government to pay for :

The planning and exploratory work to be executed by the Soviet organizations;

The equipment, machines, building machinery and materials unobtainable in Iran to be delivered from the USSR, c.i.f. Iranian ports or f.o.b. the Soviet-Iranian frontier;

The expenses incurred in connexion with the dispatch of Soviet experts to Iran to provide technical assistance in the construction of the projects provided for in this Agreement, with the exception of expenses within Iran, which are to be paid by the Iranian Party in rials;

The expenses for the subsistence in the USSR of Iranian citizens sent for technical industrial training at appropriate USSR enterprises.

If the total amount of the expenses incurred by the Soviet organizations in connexion with the provision of the technical assistance envisaged in this Agreement exceeds the amount of the loan, the amount in excess shall be paid by the Iranian Party in accordance with the trade and payments agreements in force between the USSR and Iran.

Article 5

The portions of the loan granted in accordance with this Agreement which are taken down in each calendar year shall be repaid by the Imperial Government

of Iran over the following twelve years, in equal annual instalments on or before 1 July, corresponding to 10 Tir, of the year following the year in which the relevant portion of the loan was taken down.

Interest on the loan shall accrue from the date on which the relevant portion of the loan is taken down and shall be paid during the first three months of the year following the year for which it is payable. The last payment of interest shall be made at the same time as the last payment of the principal of the loan. The date on which the loan was taken down for the purchase of equipment and materials shall be deemed to be the seventh day from the date of the bill of lading or the date of the stamp of the receiving station on the railway way-bill and the date on which it was taken down to pay for other types of work shall be deemed to be the date of the account.

Article 6

For the purpose of recording the use and repayment of the loan and for the calculation and payment of the interest on the loan granted in accordance with this Agreement, the State Bank of the USSR (or on its behalf the Bank for Foreign Trade of the USSR) and the Central Bank of Iran shall open for each other special loan accounts in roubles and shall together determine the technical procedure for the settlement and management of the loan accounts.

Article 7

In the event of a change in the gold content of the rouble referred to in article 4 of this Agreement, the State Bank of the USSR (or on its behalf the Bank for Foreign Trade of the USSR) and the Central Bank of Iran shall adjust the balances in the loan accounts opened in accordance with article 6 of this Agreement, on the date of the change in the gold content of the rouble and in the proportion equivalent to such change. The amount of the unused loan shall be adjusted in the same manner.

Article 8

The repayment of the loan and the payment of interest accrued thereon shall be effected by the Iranian Party by the deposit of Iranian rials (1 Iranian rial = 0.0117316 gramme of fine gold) in a separate account to be opened in the Central Bank of Iran in the name of the State Bank of the USSR (or on its behalf the Bank for Foreign Trade of the USSR). The conversion of roubles into rials shall be effected on the basis of the gold value of the rouble and the rial on the day of payment.

The sums deposited in this account shall be used for the purchase of goods in accordance with the terms of the trade and payments agreements in force