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**Canada
and
Philippines**

General Agreement on development co-operation between the Government of Canada and the Government of the Republic of the Philippines (with annexes). Manila, 13 November 1987

Entry into force: *13 November 1987 by signature, in accordance with article XVI*

Authentic texts: *English and French*

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**Canada
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Accord général sur la coopération au développement entre le Gouvernement du Canada et le Gouvernement de la République des Philippines (avec annexes). Manille, 13 novembre 1987

Entrée en vigueur : *13 novembre 1987 par signature, conformément à l'article XVI*

Textes authentiques : *anglais et français*

Enregistrement auprès du Secrétariat des Nations Unies : *Canada, 13 mai 2015*

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[ENGLISH TEXT – TEXTE ANGLAIS]

GENERAL AGREEMENT ON DEVELOPMENT CO-OPERATION

BETWEEN

THE GOVERNMENT OF CANADA

AND

THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

The Government of Canada and the Government of the Republic of the Philippines,

Desiring to strengthen the existing cordial relations between the two countries and their peoples, and

Desiring to foster development co-operation between the two countries in conformity with the socio-economic development Programs of the Government of the Republic of the Philippines,

Have agreed as follows:

ARTICLE I

The Government of Canada and the Government of the Republic of the Philippines shall under this Agreement promote a programme of development co-operation, between their two countries, consisting of the following components:

- (a) the sending of appraisal and evaluation missions to the Philippines to study and analyze development projects;
- (b) the granting of fellowships to nationals of the Republic of the Philippines for studies and professional training in Canada, the Philippines or a third country;
- (c) the assignment of Canadian experts, advisers and other specialists to the Philippines;
- (d) the provision of equipment, materials, goods and services required for the successful execution of development projects in the Philippines;
- (e) the development and carrying out of studies and projects designed to contribute to the attainment of the objectives of this Agreement;
- (f) the encouragement and promotion of relations between firms, institutions and persons of the two countries; and
- (g) any other form of assistance which may be mutually agreed upon.

ARTICLE II

1. In support of the objectives of this Agreement, the Government of Canada and the Government of the Republic of the Philippines may conclude subsidiary arrangements in respect of specific projects involving one or several components of the programme described in Article I.
2. Unless stated otherwise, subsidiary arrangements concerning contributions of the Government of Canada shall be considered as administrative arrangements.
3. Subsidiary arrangements shall make specific reference to this Agreement and the terms of this Agreement shall, unless otherwise stated, apply to such subsidiary arrangements.

ARTICLE III

The Government of Canada shall assume the responsibilities described in Annex "A" and the Government of the Republic of the Philippines shall assume the responsibilities described in Annex "B" in respect of any specific project established under a subsidiary arrangement unless otherwise indicated in such subsidiary arrangement. Annexes "A" and "B" shall be integral parts of this Agreement.

ARTICLE IV

The Government of the Republic of the Philippines shall ensure that development aid funds provided under any subsidiary arrangement are not used to pay any taxes, fees, customs duties or any other levies and charges imposed directly or indirectly by the Government of the Republic of the Philippines, on any goods, materials, equipment, vehicles and services purchased or acquired for the execution of any project being carried out in the Philippines pursuant to a subsidiary arrangement.

ARTICLE V

The Government of the Republic of the Philippines shall exempt Canadian firms and Canadian personnel from or bear the costs of customs and excise duties, sales taxes, fees (except those associated with private motor vehicles), and other charges imposed by the Government of the Republic of the Philippines of similar nature, on all goods, materials, equipment, vehicles and services and on any other goods or services acquired in or imported into the Philippines for or related to the execution of projects established under any subsidiary arrangement. Resale of goods, materials, equipment or vehicles acquired under this section to a firm or person other than a Canadian firm or Canadian personnel or other exempt buyer

will be subject to normal taxes and duties as provided for by the existing laws of the Philippines.

ARTICLE VI

For the purposes of this Agreement:

- (a) "Canadian firm" means Canadian institutions or firms or other non-Philippines firms or institutions engaged in any project established under a subsidiary arrangement;
- (b) "Canadian personnel" means Canadians or non-Philippines Citizens , who are working in the Philippines on any project established under a subsidiary arrangement; and
- (c) "dependant" means
 - (i) the spouse of a member of the Canadian personnel, including a person of the opposite sex with whom the member of the Canadian personnel has lived and publicly represented as his or her spouse for a period of not less than one year before the commencement of his or her period of service in the Philippines;
 - (ii) a child of the member of the Canadian personnel or his or her spouse who is:
 - (a) under twenty-one years of age and dependent on the member of the Canadian personnel or his or her spouse for support, or
 - (b) twenty-one years of age or older and dependent on the member of the Canadian personnel or his or her spouse for support by reason of a mental or physical incapacity.

ARTICLE VII

The Government of the Republic of the Philippines shall indemnify and save harmless the Government of Canada, Canadian firms and Canadian personnel from civil liability for acts or omissions occurring in the course of the performance of their duties in the execution of any specific project established under any subsidiary arrangement except for acts arising from gross negligence or wilful misconduct of Canadian firms or Canadian personnel.

ARTICLE VIII

The Government of the Republic of the Philippines shall exempt Canadian firms and Canadian personnel and their dependants from taxes imposed on income, provided such income arises from sources outside of the Philippines

or from Canadian aid funds as provided for in any subsidiary arrangement. In addition, the Government of the Republic of the Philippines shall exempt Canadian firms and Canadian personnel, including their dependants, from any obligations to present written declarations in relation to these exemptions.

ARTICLE IX

The Government of the Republic of the Philippines shall exempt Canadian personnel from the payment of customs duties, excise duties and sales taxes in respect of bona fide personal effects and essential basic household equipment including especially prescribed medicine and special health foods brought into, or purchased, in the Philippines for their own use or the use of their dependants. Canadian personnel may purchase duty free locally manufactured/assembled items provided that such purchases shall be made from the manufacturers and paid for in Canadian or U.S. currency and delivery shall be made from bonded warehouses. In the event of theft, fire or other destruction, the exemptions under this Article may be re-exercised at any time during the assignment of the Canadian personnel.

ARTICLE X

The Government of the Republic of the Philippines shall exempt Canadian personnel from the payment of customs duties, excise duties and sales taxes in respect of one motor vehicle imported into the Philippines or purchased locally for their personal use provided that:

- (a) such imported motor vehicle has been used by the Canadian personnel in their country of origin or the country of their last posting, or such motor vehicle is purchased locally or from a third country within the period of six (6) months from the date of their arrival in the Philippines; and
- (b) if the motor vehicle is sold or otherwise disposed of to non-exempt entities or personnel, it shall be subject to the normal duties and other charges at the rate in force on the date the exemption was given and on the value at the time of disposal.

In the event of fire, theft, damage or destruction the exemptions under this Article may be re-exercised at any time during the assignment of the Canadian personnel.

ARTICLE XI

The Government of the Republic of the Philippines shall facilitate for Canadian firms and Canadian personnel involved in projects the re-exportation of funds from