

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

MF

EXEMPLAIRE 183
COPY

ORIGINAL: ENGLISH
25th February, 1964

NATO CONFIDENTIAL
DOCUMENT
AC/127-D/154(Revised)

See Corr following

COMMITTEE OF ECONOMIC ADVISERS

EX POST FACTO NOTIFICATION OF OFFICIALLY BACKED EXPORT
CREDITS OF OVER FIVE YEARS TO COMMUNIST COUNTRIES

Note by the Chairman

Attached is the draft decision on Ex Post Facto Notification of officially backed export credits of over five years to Communist countries revised in the light of the Committee's discussion on 20th February and later suggestions by the United Kingdom Delegation. This draft will be placed on the Agenda of the next meeting of the Committee of Economic Advisers.

(Signed) F.D. GREGH

OTAN/NATO,
Paris, XVIe.

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EX POST FACTO NOTIFICATION OF OFFICIALLY BACKED EXPORT CREDITS OF OVER FIVE YEARS TO COMMUNIST COUNTRIES

The Committee agreed that export credits (1) officially backed (2) and exceeding five years (3) extended to Communist countries (4) since the beginning of 1957 should be the subject of an exchange (5) of information (6), it being understood that notification of such credits should be given as soon as possible (7). The Committee agreed further that the above-mentioned terms should be interpreted as follows:

(1) Export credits

- credits or loans given to national suppliers to finance exports;
- credits or loans given to foreign purchasers of national export products;

(2) Officially backed

- export credits for which national agencies have given official cover or which have been financed by national governments or organizations under their control;
- export credits for which regional agencies have given official cover or which have been financed by provincial or local governments or organizations under their control, or by a nationalised concern, in cases where such official backing has come to the knowledge of the national government;

(3) Exceeding five years

(a) Definition of duration

- the last instalment is due more than five years after the starting point of the credit even if the official backing does not exceed five years (part period cover)
- or the agreement allows the buyer to renew the original contract and carry the last instalment beyond five years from the starting point of the credit;
- or the agreement is, in fact, renewed in such a way;

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(b) Definition of starting point of the credit

- in the cases of individual items usable in themselves, the starting point of the credit is the date when the buyer actually takes physical possession of the goods in his own country;
- if a number of individual items are delivered over a period of time and credit arrangements are made independently of the individual deliveries, the starting point of the credit can be regarded as the mean date of the actual dates when the buyer has taken physical possession of the goods;
- in the case of equipment for complete plants or factories, the starting point of the credit is the date when the buyer is taking physical possession of the entire equipment (excluding spare parts) supplied under the contract;
- in the case of construction or installation contracts, the starting point is the date when the seller has constructed or installed the plant;

(4) Communist countries

- the USSR, Poland, Czechoslovakia, Hungary, Roumania, Bulgaria, Albania, the Soviet-Occupied Zone of Germany, the Soviet-Occupied Sector of Berlin, Communist China, Mongolia, North Korea, North Vietnam;

(5) Exchange

- the notification received from member countries will be circulated confidentially to all members of the Committee;

(6) Information required

- name and address of buyer of goods
 - nature of goods bought
 - date of contract for purchase of goods
 - approximate value of contract for purchase of goods
 - date of credit/loan agreement
 - amount of credit/loan
 - period of credit from starting point
- } where credit is given by national supplier to foreign buyer
- } where credit or loan is given to foreign buyer otherwise than by national supplier

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