AGREEMENT ON TECHNICAL COOPERATION BETWEEN THE GOVERNMENT OF JAPAN AND THE COUNCIL OF MINISTERS OF SERBIA AND MONTENEGRO

The Government of Japan and the Council of Ministers of Serbia and Montenegro,

Desiring to strengthen further the friendly relations existing between the two countries by the promotion of technical cooperation, and

Considering mutual benefits derived from promoting the economic and social development of their respective countries,

Have agreed as follows:

Article |

The Government of Japan and the Council of Ministers of Serbia and Montenegro shall endeavor to promote technical cooperation between the two countries.

Article II

Separate arrangements which govern specific technical cooperation programs carried out under this Agreement shall be agreed upon between the competent authorities of the Government of Japan and of the Council of Ministers of Serbia and Montenegro. The competent authority of the Government of Japan is the Ministry of Foreign Affairs, and the competent authority of the Council of Ministers of Serbia and Montenegro is the Ministry of International Economic Relations of Serbia and Montenegro.

Article III

The following forms of technical cooperation will be carried out by the Japan International Cooperation Agency (hereinafter referred to as "JICA") at its own expense in accordance with the laws and regulations in force in Japan as well as with the arrangements referred to in Article II:

(a) providing technical training to nationals of Serbia and Montenegro;

(b) dispatching experts (hereinafter referred to as the "Experts") to Serbia and Montenegro;

(c) dispatching Japanese volunteers with a wide range of technical skills
 and abundant experience (hereinafter referred to as the "Senior
 Volunteers") to Serbia and Montenegro;

- (d) dispatching Japanese missions (hereinafter referred to as the "Missions") to Serbia and Montenegro to conduct surveys of economic and social development projects of Serbia and Montenegro;
- (e) providing the Council of Ministers of Serbia and Montenegro with equipment, machinery and materials; and

(f) providing the Council of Ministers of Serbia and Montenegro with other forms of technical cooperation as may be decided upon by mutual consent between the Government of Japan and the Council of Ministers of Serbia and Montenegro.

Article IV

The Council of Ministers of Serbia and Montenegro shall ensure that the techniques and knowledge acquired by nationals of Serbia and Montenegro as well as the equipment, machinery and materials provided as a result of the Japanese technical cooperation as set forth in Article III contribute to the economic and social development of Serbia and Montenegro, and are not utilized for military purposes.

Article V

In case JICA dispatches the Experts, the Senior Volunteers and the Missions, the Council of Ministers of Serbia and Montenegro shall:

 (1) (a) exempt the Experts, the Senior Volunteers and members of the Missions from taxes including income tax, and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad;

(b) exempt the Experts, the Senior Volunteers, members of the Missions and their families from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation of:

(i) luggage;

(ii) personal effects, household effects and consumer goods; and
(iii) one motor vehicle per Expert, per family of the Expert, per
Senior Volunteer and per family of the Senior Volunteer assigned
to stay in Serbia and Montenegro;

(c) exempt the Experts, the Senior Volunteers and their families who do not import any motor vehicle into Serbia and Montenegro from taxes including value added tax and fiscal charges in respect of the local purchase of one motor vehicle per Expert, per family of the Expert, per Senior Volunteer and per family of the Senior Volunteer; and (d) exempt the Experts, the Senior Volunteers and their families from the registration fee of the motor vehicles mentioned in (b) (iii) and (c).

(2) (a) provide at its own expense suitable office and other facilities including telephone and facsimile services necessary for the performance of the duties of the Experts, the Senior Volunteers and the Missions as well as to bear the expenses for their operation and maintenance;

(b) provide at its own expense the local staff (including adequate interpreters, if necessary) as well as counterparts of Serbia and Montenegro to the Experts, the Senior Volunteers and the Missions necessary for the performance of their duties;

- (c) bear expenses of the Experts and the Senior Volunteers for:
- (i) daily transportation to and from their place of work;
- (ii) their official travels within Serbia and Montenegro; and
- (iii) their official correspondence;
- (d) provide the convenience for acquisition of appropriate housing accommodation for the Experts, the Senior Volunteers and their families; and

(e) provide the convenience for receiving medical care and facilities for the Experts, the Senior Volunteers, members of the Missions and their families.

- (3) (a) permit the Experts, the Senior Volunteers, members of the Missions and their families to enter, leave and sojourn in Serbia and Montenegro for the duration of their assignment therein, offer them the convenience for procedures of alien registration requirements, and exempt them from consular fees;
 - (b) issue identification cards to the Experts, the Senior Volunteers and members of the Missions to secure the cooperation of all organizations of the Council of Ministers of Serbia and Montenegro necessary for the performance of their duties;
 - (c) offer the Experts, the Senior Volunteers and their families the convenience for acquisition of car driving license; and
 - (d) carry out other measures necessary for the performance of the duties of the Experts, the Senior Volunteers and the Missions.
- 2. The motor vehicles mentioned in paragraph 1. shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within Serbia and Montenegro to individuals or organizations not entitled to exemption from such taxes or similar privileges.
- 3. The Council of Ministers of Serbia and Montenegro shall accord the Experts, the Senior Volunteers, members of the Missions and their families such privileges, exemptions and benefits as are no less favorable than those accorded to experts, senior volunteers, members of missions and their families of any third country or of any international organization performing a similar mission in Serbia and Montenegro.

Article VI

The Council of Ministers of Serbia and Montenegro shall bear claims, if any arises, against the Experts, the Senior Volunteers and members of the Missions resulting from, occurring in the course of, or otherwise connected with, the performance of their duties, except when the Government of Japan and the Council of Ministers of Serbia and Montenegro agree that such claims arise from gross negligence or willful misconduct on the part of the Experts, the Senior Volunteers or members of the Missions.

Article VII

1. (1) In case JICA provides the Council of Ministers of Serbia and Montenegro with equipment, machinery and materials, the Council of Ministers of Serbia and Montenegro shall exempt such equipment, machinery and materials from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation. The equipment, machinery and materials mentioned above shall become the property of the Council of Ministers of Serbia and Montenegro upon being delivered c. i. f. at the port of the disembarkation to competent authorities of the Council of Ministers of Serbia and Montenegro.

(2) In case JICA provides the Council of Ministers of Serbia and Montenegro with equipment, machinery and materials, the Council of Ministers of Serbia and Montenegro shall exempt such equipment, machinery and materials from taxes including value added tax and fiscal charges in respect of the local purchase.

(3) The equipment, machinery and materials mentioned in sub - paragraphs (1) and (2) shall be utilized for the purpose specified in the arrangements referred to in Article II unless otherwise agreed upon between the competent authorities of the Government of Japan and of the Council of Ministers of Serbia and Montenegro.

(4) The expenses for the transportation within Serbia and Montenegro of the equipment, machinery and materials mentioned in sub - paragraphs (1) and (2) and the expenses for their replacement, maintenance and repair shall be borne by the Council of Ministers of Serbia and Montenegro.

2. (1) The equipment, machinery and materials, prepared by JICA, necessary for the performance of the duties of the Experts, the Senior Volunteers and members of the Missions shall remain the property of JICA unless otherwise agreed upon between the competent authorities of the Government of Japan and of the Council of Ministers of Serbia and Montenegro.

(2) The Council of Ministers of Serbia and Montenegro shall exempt the Experts, the Senior Volunteers and members of the Missions from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation of the equipment, machinery and materials mentioned in sub - paragraph (1).

(3) The Council of Ministers of Serbia and Montenegro shall exempt the Experts, the Senior Volunteers and members of the Missions from taxes

including value added tax and fiscal charges in respect of the local purchase of the equipment, machinery and materials mentioned in sub - paragraph (1).

Article VIII

The Council of Ministers of Serbia and Montenegro shall maintain close contact, through organizations designated by it, with the Experts, the Senior Volunteers and members of the Missions.

Article IX

- 1. The Council of Ministers of Serbia and Montenegro shall admit JICA to open and maintain an overseas office in Serbia and Montenegro (hereinafter referred to as the "Office") and shall accept a resident representative and his/her staff to be dispatched from Japan (hereinafter referred to as the "Representative" and the "Staff" respectively) who perform the duties to be assigned to them by JICA relative to the technical cooperation programs under this Agreement in Serbia and Montenegro.
- 2. The Council of Ministers of Serbia and Montenegro shall:
 - (1) (a) exempt the Representative, the Staff and their families from taxes including income tax and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad;
 (b) exempt the Representative, the Staff and their families from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and

certificate of foreign exchange coverage, in respect of the importation of:

(i) luggage;

(ii) personal effects, household effects and consumer goods; and
 (iii) one motor vehicle per Representative, per Staff, per family
 of the Representative and per that of the Staff assigned to stay
 in Serbia and Montenegro;

- (c) exempt the Representative, the Staff and their families who do not import any motor vehicle into Serbia and Montenegro from taxes including value added tax and fiscal charges in respect of the local purchase of one motor vehicle per Representative, per Staff, per family of the Representative and per that of the Staff;
- (d) exempt the Representative, the Staff and their families from the registration fee of the motor vehicles mentioned in (b) (iii) and (c);
- (e) permit the Representative, the Staff and their families to enter, leave and sojourn in Serbia and Montenegro for the duration of their assignment therein, offer them the convenience for procedures of alien registration requirements, and exempt them from consular fees;
- (f) issue identification cards and special passes to the Representative and the Staff to enter airport/seaport beyond passport control point to receive and send off the Experts, the Senior Volunteers and members of the Missions;

(g) offer the Representative, the Staff and their families the convenience for acquisition of car driving license; and

(h) carry out other measures necessary for the performance of the duties of the Representative and the Staff.

- (2) (a) exempt the Office from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation of the equipment, machinery, motor vehicles and materials necessary for activities of the Office;
 (b) exempt the Office from taxes including value added tax and fiscal charges in respect of the local purchase of the equipment, machinery, motor vehicles and materials necessary for the functions of the Office; and
 - (c) exempt the Office from taxes including income tax and fiscal charges imposed on or in connection with office expenses remitted from abroad.
- 3. The motor vehicles mentioned in paragraph 2. shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within Serbia and Montenegro to individuals or organizations not entitled to exemption from such taxes or similar privileges.
- 4. The Council of Ministers of Serbia and Montenegro shall accord the Representative, the Staff and their families as well as the Office such privileges, exemptions and benefits as are no less favorable than those accorded to representatives, staff and their families as well as offices of any third country or of any international organization performing a similar mission in Serbia and Montenegro.

Article X

The Council of Ministers of Serbia and Montenegro shall take necessary measures to ensure security of the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in Serbia and Montenegro.

Article XI

The Government of Japan and the Council of Ministers of Serbia and Montenegro shall consult with each other in respect of any matter that may arise from or in connection with this Agreement.

Article XII

- 1. The provisions of this Agreement shall also apply, after the entering into force of this Agreement, to the specific technical cooperation programs which have commenced prior to the entering into force of this Agreement, and to the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in Serbia and Montenegro as well as to the equipment, machinery and materials related to the said programs.
- 2. The termination of this Agreement shall neither affect the specific technical cooperation programs being carried out until the date of the completion of the said programs, unless otherwise decided upon by mutual consent between the Government of Japan and the Council of Ministers of Serbia and Montenegro, nor affect the privileges, exemptions and benefits accorded to the Experts, the Senior Volunteers, members of the Missions,

the Representative, the Staff and their families staying in Serbia and Montenegro for the performance of their duties in connection with the said programs.

Article XIII

- This Agreement shall enter into force on the date of receipt by the Government of Japan of the written notification from the Council of Ministers of Serbia and Montenegro of the completion of necessary domestic procedures for the entry into force of this Agreement.
- 2. This Agreement shall remain in force for a period of one year, and shall be automatically renewed every year for another period of one year each, unless either the Government of Japan or the Council of Ministers of Serbia and Montenegro has given to the other at least six months' written advance notice of its intention to terminate the Agreement.

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Agreement.

DONE in duplicate in English at Belgrade on November 30,2005.For the Government ofFor the Council of Ministers of SerbiaJapan:and Montenegro: