

AGREEMENT ON TECHNICAL COOPERATION AND GRANT ASSISTANCE BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF UKRAINE

The Government of Japan and the Government of Ukraine,

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

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

Have agreed as follows:

PART I

ARTICLE I

The two Governments shall endeavor to promote technical cooperation between the two countries.

ARTICLE II

Separate arrangements which govern specific technical cooperation projects carried out under this Agreement shall be agreed upon between the competent authorities of the two Governments. The competent authority of the Government of Japan is the Ministry of Foreign Affairs of Japan, and the competent authority of the Government of Ukraine is the Ministry of Economy and European Integration of Ukraine.

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 Ukrainian nationals;
- (b) dispatching experts (hereinafter referred to as the "Experts") to Ukraine;
- (c) dispatching Japanese volunteers with a wide range of technical skills and abundant experience (hereinafter referred to as the "Senior Volunteers") to Ukraine;
- (d) dispatching Japanese missions (hereinafter referred to as the "Missions") to Ukraine to conduct basic development surveys;
- (e) providing the Government of Ukraine with equipment, machinery and materials; and
- (f) providing the Government of Ukraine with other forms of technical cooperation as may be decided upon by mutual consent between the two Governments.

ARTICLE IV

The Government of Ukraine shall ensure that the techniques and knowledge acquired by Ukrainian nationals 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 Ukraine, and are not utilized for military purposes.

ARTICLE V

In case JICA dispatches the Experts, the Senior Volunteers and the Missions, the Government of Ukraine shall:

1. (1) (a) exempt the Experts, the Senior Volunteers and members of the Missions from taxes including income tax, and other obligatory charges imposed on or in connection with salaries and any allowances remitted to them from abroad related to the performance of their duties under this Agreement;
- (b) exempt the Experts, the Senior Volunteers, members of the Missions and members of their families from consular fees, taxes including customs duties and other obligatory charges, in respect of the importation of:
 - (i) personal effects, household effects and consumer goods, imported for private use; and
 - (ii) one motor vehicle per Expert, per family of the Expert, per Senior Volunteer and per family of the Senior Volunteer assigned to stay in Ukraine; and
- (c) exempt the Experts, the Senior Volunteers and members of their families who do not import any motor vehicle into Ukraine from taxes including value added tax and other obligatory 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.

- (2) assist the organization which receives the Experts, the Senior Volunteers and the Missions to:
 - (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 Ukrainian counterparts 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 Ukraine; and
 - (iii) their official correspondence;
 - (d) provide the convenience for acquisition of appropriate housing accommodation for the Experts, the Senior Volunteers and members of their families; and
 - (e) provide the convenience for receiving medical care and facilities for the Experts, the Senior Volunteers, members of the Missions and members of their families.
- (3) (a) permit the Experts, the Senior Volunteers, members of the Missions and members of their families to enter, leave and sojourn

in Ukraine 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 governmental organizations necessary for the performance of their duties; and

(c) carry out other measures necessary for the performance of the duties of the Experts, the Senior Volunteers and the Missions.

2. The personal effects, household effects, consumer goods and motor vehicles mentioned in paragraph 1 of this Article shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within Ukraine to physical or juridical persons not entitled to exemption from such taxes or similar privileges.

3. The Government of Ukraine shall accord the Experts, the Senior Volunteers, members of the Missions and members of their families such privileges, exemptions and benefits as are no less favorable than those accorded to experts, senior volunteers, members of missions and members of their families of any third country or of any international organization performing a similar mission in Ukraine.

ARTICLE VI

The Experts, the Senior Volunteers and members of the Missions shall be indemnified against any claims, if any arises, resulting from, occurring in the course of, or otherwise connected with, the performance of their

duties in the framework of specific technical cooperation projects, except when, after discussion between the two Governments, it is established 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 Government of Ukraine with equipment, machinery and materials, the Government of Ukraine shall exempt such equipment, machinery and materials from taxes including customs duties and other obligatory charges, in respect of the importation. The equipment, machinery and materials mentioned above shall become the property of the Government of Ukraine upon being delivered c. i. f. at the port of the disembarkation to competent authorities of the Government of Ukraine.
- (2) In case JICA provides the Government of Ukraine with equipment, machinery and materials, the Government of Ukraine shall exempt such equipment, machinery and materials from taxes including value added tax and other obligatory charges in respect of the local purchase.
- (3) The equipment, machinery and materials mentioned in sub - paragraph (1) and (2) shall be utilized for the purpose specified in the arrangements referred to in Article II of this Agreement unless otherwise agreed upon between the competent authorities of the two Governments.
- (4) The expenses for the transportation within Ukraine of the equipment, machinery and materials mentioned in sub - paragraph (1) and (2) and the

expenses for their replacement, maintenance and repair shall be borne by the Government of Ukraine.

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 two Governments.

(2) The Government of Ukraine shall exempt the Experts, the Senior Volunteers and members of the Missions from taxes including customs duties and other obligatory charges, in respect of the importation of the equipment, machinery and materials mentioned in sub - paragraph (1).

(3) The Government of Ukraine shall exempt the Experts, the Senior Volunteers and members of the Missions from taxes including value added tax and other obligatory charges in respect of the local purchase of the equipment, machinery and materials mentioned in sub - paragraph (1).

ARTICLE VIII

The Government of Ukraine shall maintain close contact, through organizations designated by it, with the Experts, the Senior Volunteers and members of the Missions.

ARTICLE IX

1. The Government of Ukraine shall admit JICA to open and maintain an overseas office of JICA in Ukraine (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 projects under this Agreement in Ukraine.

2. The Government of Ukraine shall:

(1) (a) exempt the Representative, the Staff and members of their families from taxes including income tax and other obligatory charges imposed on or in connection with salaries and any allowances remitted to them from abroad related to the performance of their duties under this Agreement;

(b) exempt the Representative, the Staff and members of their families from taxes including customs duties and other obligatory charges, in respect of the importation of:

(i) personal effects, household effects and consumer goods, imported for private use; and

(ii) one motor vehicle per Representative, per Staff, per family of the Representative and per that of the Staff assigned to stay in Ukraine;

(c) exempt the Representative, the Staff and members of their families who do not import any motor vehicle into Ukraine from taxes including value added tax and other obligatory 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) permit the Representative, the Staff and members of their families to enter, leave and sojourn in Ukraine for the duration

of their assignment therein, offer them the convenience for procedures of alien registration requirements, and exempt them from consular fees;

(e) issue identification cards to the Representative and the Staff;
and

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

(2) (a) exempt the Office from taxes including customs duties and other obligatory charges, 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 other obligatory 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 other obligatory charges imposed on or in connection with office expenses remitted from abroad.

3. The personal effects, household effects, consumer goods and motor vehicles mentioned in paragraph 2 of this Article shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within Ukraine to physical or juridical persons not entitled to exemption from such taxes or similar privileges.

4. The Government of Ukraine shall accord the Representative, the Staff and members of their families as well as the Office such privileges,

exemptions and benefits as are no less favorable than those accorded to representatives, staff and members of their families as well as offices of any third country or of any international organization performing a similar mission in Ukraine.

ARTICLE X

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

ARTICLE XI

1. The provisions of Part I shall also apply, after the entering into force of this Agreement, to the specific technical cooperation projects 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 members of their families staying in Ukraine as well as to the equipment, machinery and materials related to the said projects.
2. The termination of this Agreement shall neither affect the specific technical cooperation projects being carried out until the date of the completion of the said projects, unless otherwise decided upon by mutual consent between the two Governments, nor affect the privileges, exemptions and benefits accorded to the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and members of

their families staying in Ukraine for the performance of their duties in connection with the said projects.

PART II

ARTICLE XII

The two Governments shall endeavor to promote grant assistance between the two countries.

The Government of Japan will carry out the grant assistance to the Government of Ukraine for the purchase of the goods and/or services necessary for the execution of grant assistance projects in accordance with the laws and regulations in force in Japan as well as with the arrangements referred to in Article XIII.

ARTICLE XIII

Separate arrangements which govern specific grant assistance projects carried out under this Agreement shall be agreed upon between the two Governments in the form of exchange of notes.

ARTICLE XIV

1. In case the Government of Japan extends the grant to the Government of Ukraine, the Government of Ukraine shall exempt Japanese nationals from taxes including customs duties and other obligatory charges which may be imposed in Ukraine with respect to the supply of the goods and/or services under the grant. (The term "Japanese nationals" means Japanese physical persons or Japanese juridical persons controlled by Japanese physical persons.)

2. Goods and/or services, supplied by the Government of Japan to the Government of Ukraine under the grant, shall be exempted by the Government of Ukraine from any taxes including customs duties and other obligatory charges.

ARTICLE XV

The termination of this Agreement shall neither affect the specific grant assistance projects being carried out until the date of the completion of the said projects, unless otherwise decided upon by mutual consent between the two Governments, nor affect the exemptions related to the said projects.

PART III

ARTICLE XVI

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

ARTICLE XVII

1. This Agreement shall enter into force on the date of the receipt by the Government of Japan of the written notification from the Government of Ukraine 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 Government has given to the other Government 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 Tokyo on June 10, 2004.

For the Government
of Japan:

For the Government
of Ukraine: