

## II.

## Accordi tra la Somalia ed altri Stati

1. **Accordo commerciale e di pagamento tra la Somalia e la Repubblica Araba Unita** (Il Cairo, 10 dicembre 1960).

The Government of the Somalia Republic and the Government of the United Arab Republic, moved by the desire to strengthen friendly relations and with a view to developing economic cooperation and facilitating trade exchanges between the two countries, have agreed as Follows:

*Article I.*

Both contracting parties agree to encourage and develop the exchange of trade between them by all means and to extend all necessary facilities to transactions relating to the import and export of goods, particularly with regard to the goods mentioned in Lists «A» and «B» annexed hereto, within the laws and regulations in force in each of the two countries.

List «A» designates the exports of the Somalia Republic.

List «B» designates the exports of the United Arab Republic.

The above mentioned lists shall not be construed as excluding the exchange of goods and commodities other than those enumerated in them.

The protocol annexed to this Agreement will regulate the Exchange of trade in bananas as indicated in the said protocol which form an integral part of this Agreement.

*Article II.*

Each of the two contracting parties shall grant the other party the most favoured nation treatment particularly with regard to:

- a) formalities concerning the export and import of goods.
- b) customs dues, any additional dues, method of collecting these dues, clearance formalities of imports and exports from customs.
- c) port dues and privileges accorded to ships or aeroplanes of either party when entering or leaving the harbours or airports of the other party and during their stay in these harbours and airports.

*Article III.*

The most favoured nation treatment mentioned in Article II shall not apply to:

a) Advantages and facilities accorded or to be accorded by either of the two countries to contiguous countries, and to advantages and facilities resulting from a custom union to which either of the two contracting countries is or may become a party.

b) Restrictions or prohibitions which may be imposed for the protection of public health or protection of plants or animals against disease, degeneration or extinction.

*Article IV.*

Each of the contracting parties undertake on the basis of reciprocity to extend all facilities for transit trade of the goods of the other party, and shall not charge for goods in transit, duties at a higher level than may be reasonably taken as a whole to defray expenses in such cases and which should comply with customs regulations in force in each of the two countries.

*Article V.*

Both contracting parties agree that payments relating to the exchange of Goods and other current transactions between the two countries shall be effected in free sterling pounds through the exchanged credit facilities as indicated in Articles VI and VIII of this Agreement.

The term «Current transactions» referred to above shall mean the transactions covered by Article XIX (1) of the Agreement of the International Monetary Fund.

This Agreement does not apply, however, to the payments of Suez Canal dues, which shall be effected outside the scope of the credit facilities referred to in Article VI, in free currencies as prescribed by the Exchange Control Regulations in force in the United Arab Republic.

*Article VI.*

In order to facilitate the execution of current payments between the two countries in free sterling pounds, the two contracting parties have agreed that the central banks in the two countries exchange credit facilities in sterling pounds through the following accounts:

1. - The National Bank of Egypt, acting as agent of the Government of the United Arab Republic (Egyptian Region) shall open in their books, in the name of the National Bank of Somalia, acting as agent of the Government of the Somalia Republic, a non-bearing interest and free of charges account to be kept in sterling pounds styled «General Account - E».

This account shall be credited with all current payments effected by physical or juristic persons residing in the United Arab Republic (Egyptian Region) in favour of physical or juristic persons residing in the Somalia Republic, and shall be debited with all current payments effected by physical or juristic persons residing in the Somalia Republic in favour of physical or juristic persons residing in the United Arab Republic (Egyptian Region).

2. - The Central Bank of Syria, acting as agent of the Government of the United Arab Republic (Syrian Region) shall open on their books, in the name of the National Bank of Somalia, acting as agent of the Government of the Somalia Republic a non-bearing interest and free of charges account to be kept in sterling pounds styled «General Account - S».

This account shall be credited with all current payments effected by physical or juristic persons residing in the United Arab Republic (Syrian Region) in favour of physical or juristic persons residing in the Somalia Republic, and shall

be debited juristic persons residing in the Somalia Republic in favour of physical or juristic persons residing in the United Arab Republic - (Syrian Region).

*Article VII.*

All values in the contracts and invoices relating to the trade between the United Arab Republic and the Somalia Republic as well as payment documents and payment orders shall be expressed in sterling pounds.

*Article VIII.*

The «General Account - E» and the «General Account - S» shall be closed at the end of every three months during the validity of this Agreement. The United Arab Republic shall settle 25% of the value of its imports from Somalia - which has been credited to each of the afore mentioned General Accounts during the period of three months, in free sterling pounds. The remaining 75% of the value of the said imports as well as the total of other current payments appearing in the credit side of the two General Accounts shall be settled in goods and services.

*Article IX.*

In case of any change in the gold parity of the Sterling pound which is at present 2,48828 grams of fine gold for one sterling pound, the balances of the «General Account - E» and the «General Account - S» referred to in Article VI above on the date of the change, shall be adjusted accordingly so that the value of the two balanced remains the same in terms of gold.

*Article X.*

The National Bank of Egypt, the Central Bank of Syria and the National Bank of Somalia, shall, by mutual agreement, establish the necessary technical arrangements for the implementation of this Agreement.

*Article XI.*

In order to facilitate the implementation of this Agreement, both parties agree to consult with each other in respect of any matter arising from or in connection with this Agreement.

For this purpose a Joint Committee shall meet on demand of either party within one month from the date of the request.

*Article XII.*

In the event of termination of this Agreement, the balances existing on that date on the «General Account - E» and the «General Account - S» shall be settled by the debtor party to the creditor party in goods and services within six months from the date of the last settlement to be effected in accordance with the stipulations of Article 8. Any balance remaining thereafter shall be settled in the manner to be agreed upon between the two parties.

*Article XIII.*

This Agreement is subject to ratification in accordance with the prevailing laws in each of the two countries and shall come into force provisionally after fifteen days from the date of its signature and finally on the date of exchange of ratification instruments.

*Article XIV.*

This Agreement shall be valid for a period of one year from the date of its coming into force, and shall be automatically renewed for additional periods of one year each, unless either party notifies the other of its intention to terminate the Agreement two months before its expiry date.

LIST «A»

*Export of the Republic of Somalia*

1. Livestack
2. Butchered meat and prepared meat
3. Prepared fishes
4. Animal fats
5. Animal bones
6. Raw skins not for furriery purposes
7. Semi-tanned skins
8. Dry skins and dry-salted skins
9. Maize, millet, beans
10. - Tropical fruits, bananas, etc.
11. Cotton
12. Oil seeds and oily fruits
13. Seeds oil
14. Oily panel
15. Ghee of cattle and of sheep
16. Incence and mirrah
17. Arab gum
18. Other goods
19. Salt.

LIST «B»

*Exports of the United Arab Republic*

*Cotton and cotton Products:*

- Raw cotton
- Cotton yarn
- Cotton fabrics
- Cotton fabrics mixed with silk or wool
- Cotton thread
- Cotton knitted fabrics and hosiery

Cotton knitted mixed with silk or wool  
 Cotton blankets  
 Cotton shawls and scarves pure or mixed  
 Cotton hydrophilic.

*Fibres:*

Raw flax  
 Flax yarn  
 Flax fabrics  
 Felt  
 Luffa.

*Artificial silk:*

Acetate and viscose yarn  
 Artificial silk fabrics  
 Artificial silk fabrics mixed with cotton or wool  
 Silk knitted fabrics pure or mixed  
 Socks and stockings  
 Ready made clothes.

*Wool:*

Woollen yarn  
 Pure or mixed woollen manufactures  
 Woollen blankets and rugs  
 Woollen socks  
 Woollen shawls and scarves.

*Agricultural products:*

Fruits, fresh, dried and with sugar  
 Confectionery  
 Rice  
 Sugar  
 Barley and lentils and wheat  
 Onion (fresh, dehydrated)  
 Garlic (fresh, dehydrated)  
 Peanuts  
 Edible oils  
 Cheese  
 Oil - cake seeds and animal fodder  
 Arabic gum  
 Molasses and Alcohol  
 Pharmaceutical products, Medical drugs and liquorice-root.

*Mines and quarries products:*

Manganese ores  
 Matches

Iron ores  
 Lead ores  
 Zinc ores  
 Limenite  
 Raw- steatite  
 Talc  
 Wax  
 Salt  
 Cement and cement tiles  
 Phosphate and Gypsum  
 Oil and its products and Benzin  
 Petroleum residues and Asphalt.

*Other products:*

Casings and catgut for industrial purposes  
 Glycerine  
 Essential oils  
 Perfumes and Toilet preparations  
 Henna and vegetal raw materials for dyeing  
 Natural sponges  
 Plastic products  
 Paper board, wrapping paper and paper products  
 Printed-matter, books and pamphlets  
 Newspapers and Magazines  
 Ribbons for typewriting and calculating machines  
 Office-equipments  
 Righting Pads  
 Glass and glass products  
 Goods of nacre  
 Hand-made fancy goods (Khan-El-Khalily)  
 Egyptian cinema films developed, positive, talking  
 Musical records  
 Sport equipment  
 Tyres  
 Rubber fabrics  
 Footwear  
 Canavas and rubber shoes  
 Materials for stuffing and padding  
 Iron and steal, its products  
 Wagons and Rails  
 Refrigerators  
 Stoves and spare-parts  
 Metallurgicals  
 Furnitures, wooden or metallic.

P R O T O C O L

Between the Government of the Republic of Somalia  
and the Government of the United Arab Republic

*Concerning Bananas.*

In the course of Trade Negotiations held by the respective delegations of the Government of the United Arab Republic and the Government of the Republic of Somalia, the purchase by the First of Somali bananas was discussed and both Governments agreed upon the following:

*Article I.*

The Government of the United Arab Republic has agreed to authorize the southern Region to purchase yearly, and for a period of Five years starting the day of coming into force of the Trade and Payments Agreement signed today, the amount of eight thousand tons of Somalia bananas. This quantity may be subject to increase.

*Article II.*

The Government of the Republic of Somalia has agreed to authorize the United Arab Republic to call agricultural experts to inspect with view to ensure before shipment that the bananas are in good condition, free from pests and qualify for export.

*Article III.*

The Government of the United Arab Republic has agreed that the delivery of bananas should be on board ship (F.O.B.) at the Somalian harbours designated by the United Arab Republic.

*Article IV.*

The value of bananas purchased within the frame of this Protocol shall be settled in accordance with the terms of Article 8 of the Trade and Payments Agreement signed today, I. E. 25 % in free currency and 75 % in commodities from the Egyptian Region of the United Arab Republic.

2. **Accordo per un prestito a lungo termine tra la Somalia e la Repubblica Araba Unita** (Mogadiscio, 28 agosto 1961).

*Article I.*

The Government of the United Arab Republic (Egyptian Region) considering the friendly relations between the two Nations, agrees to put at the disposal of the Government of the Republic of Somalia, a line of credit of four million pounds sterling (of account) for the realization of one or more of the following projects:

- a) Spinning and weaving
- b) Sugar factory

- c) Slaughtery - House
- d) Expansion of Mogadishu - Aeroport
- e) Construction of Roads and Houses
- f) Financing of small industries, agricultural and building credits through local Somali Banks
- g) Any other project that may be agreed upon by the two Governments.

This credit will be utilised to finance the import into Somalia of equipment and machinery required for such projects. A part of the loan in the percentage that shall be agreed upon between the two Governments shall be made available in cash upon proved evidence of the payments made in local currency.

*Article II.*

For the purpose of this agreement, the Central Bank of Egypt, on behalf of the Government of United Arab Republic (Egyptian Region), will open in their books a special account in pounds sterling, in the name of the Somali National Bank, on behalf of the Government of the Republic of Somalia. This account will be debited with amounts advanced under this Agreement, and credited with repayments made towards settlement of the loan.

An interest at the rate of 2 % per annum, will be calculated on the debit Balance of this account. This interest will be settled on the 30th June and 31st December of each year, in accordance with the payments arrangements then prevailing between the two countries.

*Article III.*

The total withdrawals under this agreement, during any calendar year, will be fixed on the 31st December of each year, and this amount will be repaid by the Government of the Republic of Somalia in seven equal yearly instalments, the first of which will become due one year after fixing the amount of such instalments.

For special projects the Two Governments may agree that amount will be repaid over a longer period or according to gradual ammortization schedule.

*Article IV.*

In case of any change on the gold parity of the sterling pound, which is at present 2,48828 gms. of fine gold for one sterling pound, the balance of the account referred to in article two above on the date of the change will be adjusted accordingly so that the value of the two balances remain the same in term of gold.

*Article V.*

The Central Bank of Egypt, and the Somali National Bank, shall by mutual agreement establish the necessary technical arrangements for the implementation of this Long Term Loan Agreement.

*Article VI.*

Upon agreement by the two Governments as to the project that will be realized, the Government of United Arab Republic (Egyptian Region) will cooperate with

the Government of the Republic of Somalia to carry on the project until the inter-prise has come into action with the necessary study and Extension of technical advice.

For this purpose, the Government of the United Arab Republic (Egyptian Region) will send to Somalia the technicians required by the Government of the Republic of Somalia and the latter will supply those technicians with all data and information required. These technicians will enjoy the benefits provided for by article seventeen of the Law n. 10 of February 18th, 1960, on Foreign Investments in Somalia.

*Article VII.*

The two Governments have agreed that they will allow juridical and natural persons from the Egyptian Region of the United Arab Republic to participate in the financing of some projects in the percentage that will be agreed upon by the two Governments.

The Government of the Republic of Somalia will apply the provisions of aforementioned law of Foreign Investments on that part of the capital belonging to persons of the Egyptian Region of the United Arab Republic.

*Article VIII.*

The facility granted under this Agreement will be valid for a period of two years as from the date of its coming into force and will be automatically renewed for a same period unless one of the Parties concerned notify the other of its intention to terminate the agreement, two months before its expiry date.

*Article IX.*

This Agreement, which has been initialed in Mogadiscio on the 15th of February 1961, is subject to ratification in accordance with the prevailing laws in each of the two Countries and shall come into force on the date of exchange of ratification instruments.

This Agreement has been done in English in two originals.

IN WITNESS WHEREOF the Representatives Plenipotentiaries have affixed hereto their signatures and seals in Mogadiscio, Capital of the Somali Republic, on the Year One Thousand Nine Hundred and Sixty One.

FOR THE GOVERNMENT OF THE

UNITED ARAB REPUBLIC

(Egyptian Region)

MOUSTAFA TAWFIK

(Ambassador of the United  
Arab Republic in Somalia)

FOR THE GOVERNMENT OF THE  
REPUBLIC OF SOMALIA

DR. SCEK ABDULLE MOHAMUD MOHAMED

(Minister of Industry and Commerce)

3. - **Accordo commerciale e di pagamento tra la Somalia e la Cecoslovacchia**  
(Mogadiscio, 26 giugno 1961).

The Government of the Somali Republic and the Government of the Czechoslovak Socialist Republic being desirous of strengthening and expanding the economic cooperation and trade relations between both countries on the basis of equality and mutual benefit have decided to conclude the following Agreement:

*Article 1.*

The Contracting Parties will grant reciprocally treatment according to the principle of the most-favoured nation in respect of all matters related to their mutual commercial relations.

The provisions of para 1 of this article, shall, however, not apply to advantages which:

a) one of the Contracting Parties had granted or shall grant to neighbouring countries in order to facilitate frontier traffic;

b) shall result from a Customs Union to which either Contracting Party may be or shall become party.

*Article 2.*

Both Contracting Parties shall support and facilitate within the scope of their laws and regulations the widest possible exchange of goods between the two countries namely of goods enumerated in Schedules « A » and « B » attached to this Agreement.

To this effect, both Contracting Parties undertake to support and facilitate the granting of import and export licences as long as such licences have been or shall be required in accordance with the regulation of one and/or both Contracting Parties.

*Article 3.*

Contracts for deliveries of goods and providing for services according to this Agreement shall be concluded between the Czechoslovak Foreign Trade Corporations as independent legal bodies and other independent legal persons authorized according to Czechoslovak laws to conduct foreign trade and legal and physical persons residing in the Somali Republic.

*Article 4.*

The Contracting Parties shall not levy customs duty and other charges on samples of goods of all kinds imported from the territory of the other Contracting Party provided these samples are of a small value and are used as samples for canvassing orders for the respective goods and are not intended for sale.

Catalogues, price-lists and prospectuses relating to commercial goods and advertising material supplied within the framework of commercial activity, shall also be exempt from import duty and charges.

*Article 5.*

The Contracting Parties shall not require the depositing of securities for import duties and other charges in the cases of temporary admission of:

- a) models and samples on which payment of customs duties and other charges is required,
- b) objects meant for testing and experimenting,
- c) objects meant for exhibitions, fairs,
- d) tools and implements for assembling, exported or imported by technicians or those sent to them in advance or afterwards,
- e) objects imported within the framework of scientific and technical cooperation.

*Article 6.*

The Contracting Parties shall grant each other mutually the freedom of transit of goods of one of them transported over the territory of another Contracting Party.

*Article 7.*

Goods purchased by Czechoslovak legal persons in the Somali Republic and by legal and/or physical persons residing in the Somali Republic in the Czechoslovak Socialist Republic may be reexported to a third country without prior approval of the Contracting Party on the territory of which the goods had been purchased.

*Article 8.*

The Contracting Parties shall grant each other unlimited and unconditional treatment according to the principle of the most-favoured nation in all matters concerning navigation. The Somali Republic shall grant Czechoslovak ships as well as ships hired by a Czechoslovak corporation as well as the cargo on the above mentioned treatment in its ports and interior and territorial waters according to the most-favoured nation clause.

*Article 9.*

All current payments between the two countries shall be effected in accordance with the foreign exchange regulations in force in the respective Contracting Party in Pound Sterling or another convertible currency.

For this purpose the Central Banks of both Contracting Parties shall by mutual agreement stipulate the banking procedure necessary for a smooth implementation of this Agreement.

*Article 10.*

A Joint Commission of representatives of the Contracting Parties shall be established, its main task being to supervise the implementation of this Agreement and to suggest modifications and amendments of the Schedules mentioned in Article 2 of the present Agreement. The Commission shall meet upon request of one of the Contracting Parties within the shortest possible time.

*Article 11.*

The Contracting Parties shall consult each other upon request of one of the Contracting Parties on measures for the expansion of mutual economic cooperation and of commercial relations and for the solving of any problems related to the implementation of this Agreement.

*Article 12.*

The provisions of this Agreement shall be applied also after the terminations of this Agreement in respect of contracts not having been fulfilled as of the day of the termination of the Agreement.

*Article 13.*

The present Agreement shall enter into force on the day when the two Contracting Parties have confirmed by exchange of notes that the Agreement has been approved under the respective constitutional procedures of the Contracting Parties; it shall be provisionally applied from the day of its signature.

The Agreement shall be valid for a period of one year; its validity shall be automatically extended from one year to another unless one of the Contracting Parties has communicated in writing its intention to terminate this Agreement three months before the end of its validity.

## LIST «A»

## Somali goods for Export to the Czechoslovak Socialist Republic

I. - *Agricultural Products:*

- Fibre (Cotton, Kapok, Banana, etc.)
- Oil seeds
- Resines (Incenses, Mirra, Gum Arabic)
- Fruits (Banana, Grape fruits, Mangoes).

II. - *Animal Products:*

- Meat and meat products
- Fish and fish meals
- Raw hides and skins and leather with the exception of Leopard skins
- Animal fats
- Vegetable oil
- Ivory
- Shells.

III. - *Mineral Products:*IV. - *Other goods:*

## LIST «B»

## Czechoslovak goods for export to the Somali Republic

I. - *Machinery:*

Machine tools  
 Textile machinery  
 Printing machinery  
 Woodworking machinery  
 Shoemaking machinery  
 Sewing machinery  
 Building machinery  
 Agricultural machinery  
 Pumps and irrigation equipment.

II. - *Means of Transport:*

Motor vehicles and buses  
 Motorcycles  
 Bicycles  
 Tractors.

III. - *Different Apparatus and Instruments:*

Measuring instruments of all kind  
 Electricity meters and watermeters  
 Equipment and instruments for medical and surgical purposes  
 Typewriters and calculating machines  
 Static machines  
 Laboratory equipment  
 Geometrical instruments  
 Optical instruments and equipment.

IV. - *Chemicals:*

Chemical products  
 Paints and varnishes  
 Pharmaceutical products.

V. - *Consumer goods:*

Chinaware and Barthernware  
 Building and Sanitary ceramic ware  
 Household appliances and equipment  
 Glassware  
 Textiles  
 Musical instruments  
 Toys  
 Matches  
 Stationery (pens pencils, crayons, etc.)

Leather goods  
 Films, books, gramophone records  
 Sugar  
 Other goods.

4. - **Accordo di cooperazione economica tra la Somalia e la Cecoslovacchia**  
 (Mogadiscio, 26 giugno 1961).

The Government of the Czechoslovak Socialist Republic and the Government of the Somali Republic, bearing in mind the friendly relations between their countries and being desirous to promote mutual cooperation in the fields of economics and technology to the widest possible extent on the basis of equality and mutual benefit, have agreed as follows:

*Article 1.*

The Government of the Czechoslovak Socialist Republic endeavouring to contribute to the realization of further development of the national economy of the Somali Republic grants to the Government of the Somali Republic a Long Term Credit up to the amount of 1.500.000 (one million five hundred thousand) Pounds Sterling for the purchase of equipment for complete plants and/or parts thereof, which shall be delivered from Czechoslovakia to Somalia in accordance with the present Agreement.

An indicative list of such equipment is attached as Schedule «A» to this Agreement; this attached is Schedule may be altered and supplemented by an agreement between the Contracting Parties.

*Article 2.*

Contracts for the purchases of equipment according to Article 1 of this Agreement shall be concluded in Pounds Sterling between the Czechoslovak Foreign Trade Corporations (hereinafter referred to as the «Czechoslovak Exporters») and Somali legal and physical persons authorized for this purpose by the Government of the «Somali Importers»), not later than the 31st December 1963.

The Contracting Parties shall take all necessary steps to facilitate the conclusion of the contracts under Agreement.

*Article 3.*

Each contract before its conclusion shall be subject to approval by the competent Authorities of the Contracting Parties who shall examine whether the contract is being concluded in accordance with this Agreement and whether the contract fulfils its provisions. The approval shall always form an integral part of the contract.

*Article 4.*

The F.O.B. invoiced value of each delivery or partial delivery of equipment carried out in accordance with Art. 1 and 2 of this Agreement and the provisions

of each contract shall be paid by the Stàtni Banka Československá to the Czechoslovak Exporter by utilizing the Credit on the strength of an Irrevocable Letter of Credit to be opened by the Somali National Bank by order of the Somali Importer with the Stàtni Banka Československá in Praha in favour of the Czechoslovak Exporter through the Credit Accounts established in accordance with Article 7 of this Agreement.

*Article 5.*

The Credit shall not be used for purposes other than for the purchase of Czechoslovak equipment.

In particular, the value of the sub-deliveries from third countries which are necessary for the completion of the Czechoslovak deliveries of equipment agreed upon in each contract between the Czechoslovak Exporter and the Somali Importer shall not be paid by utilizing the Credit but shall be paid by the Somali Importer at the same time at which the Czechoslovak Exporter is due to meet his obligation towards the supplies from the third country.

Whenever the Czechoslovak Exporter, in connection with the deliveries of equipment, shall be obliged to provide sea freight and/or insurance of the said equipment, the sea freight charges and/or insurance shall not be paid by utilizing the Credit.

All payments according to this Article shall be effected by the Somali Importer in Pounds Sterling or in any other convertible currency as may be agreed upon between the Stàtni Banka Československá and the Somali National Bank.

*Article 6.*

The Credit granted in accordance with this Agreement may be utilized from the date of entry into force of this Agreement until the termination of the deliveries of equipment pursuant to the contracts concluded under this Agreement.

The Credit shall be considered to have been utilized on the day on which the Stàtni Banka Československá shall honour the documents presented by the Czechoslovak Exporters under the Letters of Credit opened in accordance with Article 4 of this Agreement.

*Article 7.*

The Stàtni Banka Československa shall open on its books in the name of the Somali National Bank a Credit Account for each contract separately for purpose of keeping records of the deliveries of goods on credit according to the respective contract. These accounts shall be carried out in Pounds Sterling and entitled « Credit Accounts of the Government of the Somali Republic according to the Agreement on Economic Cooperation of June 15th, 1961 ».

The Stàtni Banka Československá shall debit the Credit Accounts with the amounts paid to Czechoslovak Exporters according to Article 4 of this Agreement and credit the same Accounts with the amounts paid by the Government of the Somali Republic according to Article 10 of this Agreement.

*Article 8.*

In case of a change in the gold parity of the Pound Sterling (now being 2,48828 grammes of fine gold) the value of equipment to be delivered under contracts already concluded, the balances of Credit Accounts provided for in Article 7 of this Agreement as well as the value of instalments unpaid as established according to Article 10 of this Agreement, and the amounts of interest shall be adjusted accordingly as on the date of the change in such a way that the equivalent of the said amounts expressed in gold remains the same as before the change occurred.

*Article 9.*

Balances of the Credit Accounts established according to Article 7 of this Agreement shall be subject to the rate of interest of 2 1/2 (two and one half) percent per annum. The interest shall be calculated and due on June 30th and December 31st of each year.

The interest shall be paid by the Government of the Somali Republic within the period of one month from the date of its maturity.

*Article 10.*

The amounts of Credit utilized under this Agreement shall be paid by the Government of the Somali Republic as follows:

a) The total amount of Credit utilized for the payment of the deliveries of equipment according to each contract shall be paid in equal yearly instalments within a period of three to eight years. These periods shall be fixed by an agreement of the representatives of the Contracting Parties before the conclusion of each contract according to the nature of the equipment to be delivered;

b) The first instalment shall be due and paid always one year after the date of payment of the final invoice by the Stàtni Banka Československá to the Czechoslovak Exporter for equipment delivered in accordance with the contract and the provisions of Article 4 of this Agreement. The second and subsequent instalments shall be due and paid always at intervals of one year.

*Article 11.*

All payments of interest and instalments due in accordance with Articles 9 and 10 of this Agreement shall be effected in Somali goods or, should it not be possible, in Pounds Sterling or in any other convertible currency as may be agreed between the Stàtni Banka Československa and the Somali National Bank.

For this purpose, three months prior to the beginning of each calendar year the representatives of the Contracting Parties shall agree on the kind, the price and general terms of delivery of the Somali goods to be exported in the following year for the total or partial reimbursement of the credits and payments of the interest.

*Article 12.*

For the purpose of this Agreement the Stàtni Banka Československá and the Somali National Bank shall act as agents of their respective Governments.



The Stàtni Banka Ceskoslovenskà and the Somali National Bank shall agree upon the technical procedures of the implementation of the payment provisions of this Agreement, as well as on the respective guarantees concerning payments under Articles 4 and 11 of this Agreement.

*Article 13.*

In order to ensure full utilization and smooth implementation of this Agreement a Commission consisting of representatives of the Contracting Parties shall meet upon request of either Contracting party in Praha or Mogadiscio in the shortest possible time.

*Article 14.*

Any difference resulting from contracts concluded in accordance with this Agreement shall be resolved by arbitration in compliance with the provision of each contract.

The Contracting Parties shall endeavour to ensure that the arbitration award be complied with by the Czechoslovak Exporters and the Somali Importers.

*Article 15.*

This Agreement shall enter into force on the day when the two Contracting Parties have confirmed by exchange of notes that the Agreement has been approved under the respective constitutional procedures of the Contracting Parties and shall remain in force until all obligations of the Contracting Parties arising from this Agreement are fulfilled.

SCHEDULE «A»

Power plants (Hydro or Thermal)  
Cement factory  
Flour mill  
Tractor assembly plants  
Ice making plants  
Gold storage  
Other plants.