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**AGREEMENT**  
**BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND**  
**THE GOVERNMENT OF THE REPUBLIC OF BULGARIA CONCERNING**  
**ECONOMIC, TECHNICAL AND RELATED ASSISTANCE**

The Government of the United States of America and the Government of the Republic of Bulgaria

- recognizing the substantial efforts and progress which the Republic of Bulgaria has made to advance its economic and political development;

- recognizing that the Government of the United States of America is undertaking, in consultation and cooperation with the Government of the Republic of Bulgaria, a program of economic, technical, and related assistance in the Republic of Bulgaria;

- recognizing the important role played by United States private organizations in implementing such assistance programs;

- desiring to consolidate and confirm certain arrangements and to establish a framework to govern and facilitate the provision of assistance which has been provided to date and which may be provided in the future by the Government of the United States of America, subject to the applicable laws and regulations of the United States of America.

Hereby agree as follows:

Article 1. (a) The diplomatic mission of the United States of America to the Republic of Bulgaria will carry out and discharge the responsibilities of the Government of the United States of America under this Agreement, and a section of that diplomatic mission is established for this purpose. The designated governmental entity will represent the Government of the Republic of Bulgaria.

(b) Objectives and details of the program assistance with the Government of the Republic of Bulgaria will be agreed through Memoranda of Understanding and/or other written agreements which will be signed, on behalf of the Government of the Republic of Bulgaria, by: (i) the designated Bulgarian governmental entity; and (ii) the interested Bulgarian governmental entity.

Article 2. The Government of the Republic of Bulgaria shall:

(a) Make such contribution as may be appropriate and as agreed to by both governments, permitted by its personnel, resources, facilities, and general economic condition in furtherance of the purposes for which assistance may be provided;

(b) Take appropriate steps to ensure the effective use of such assistance;

(c) Provide the Government of the United States of America with full and complete information concerning the implementation of assistance provided by the Government of the United States of America as well as other relevant information which representatives of the Government of the United States of America may need in order to assess the nature, scope and effectiveness of such assistance programs, projects, and operations; and

(d) Upon notice within a reasonable period of time, permit observation and review by representatives of the Government of the United States of America of any assistance programs, projects, and operations funded by the Government of the United States, and records pertaining thereto.

Article 3. In order to assure the maximum benefit to the people of the Republic of Bulgaria from the assistance to be furnished hereunder and except as may be agreed by the two governments:

(a) Services, commodities, supplies and equipment or other property utilized in connection with assistance programs funded by the Government of the United States may be imported, exported, purchased, used or disposed of in the Republic of Bulgaria free from any customs duties, import taxes, export taxes, value-added taxes (VAT), taxes on purchase or disposition of property and other taxes or similar charges unless the above contravenes the assistance programs funded by the Government of the United States or the written agreements described in Article 1(b).

(b) Any public or private organization that has responsibility for implementing assistance programs funded by the Government of the United States in the Republic of Bulgaria shall be exempt from any income or other taxes imposed by the Government of the Republic of Bulgaria or any subdivision

thereof, with respect to income derived from the implementation of assistance programs funded by the Government of the United States. Income derived from other activities in the Republic of Bulgaria is not exempted by this Agreement from taxation under the laws of the Republic of Bulgaria.

(c) All personnel (and their families), except nationals or permanent residents of the Republic of Bulgaria, who are under contract with or are employees of any public or private organization that has responsibility for implementing assistance programs funded by the Government of the United States, and who are present in the Republic of Bulgaria to perform work in connection with assistance programs funded by the Government of the United States, shall be:

I) Exempt from any income, social security or other taxes levied under the laws of the Republic of Bulgaria with respect to income derived from assistance programs funded by the Government of the United States;

II) Exempt from any customs duties, import taxes, VAT and other similar taxes and charges upon personal or household goods imported into the Republic of Bulgaria within a period of six months from the date of their first arrival in the Republic of Bulgaria for the personal use of such personnel and members of their families, and such personal or household goods may be used in and exported from the Republic of Bulgaria free from any such taxes;

III) Exempt from any taxes on rent or other taxes on leases for the premises used as the primary residences in the Republic of Bulgaria, of such personnel and their families; and

→ IV) Entitled to a resident visa, issued without fees or other charges, for the entire period in which they are required to perform work in the Republic of Bulgaria in connection with assistance programs funded by the Government of the United States.

(d) United States citizen employees of the Government of the United States of America (together with their families forming part of their respective households), except nationals or permanent residents of the Republic of Bulgaria, who are assigned to the diplomatic mission of the United States to perform work in connection with assistance programs funded by

the Government of the United States and who are not accorded diplomatic status shall enjoy a status equivalent to that accorded to administrative and technical staff personnel working at the United States Embassy. This Article 3(d) shall not apply to employees of: (i) institutional contractors; (ii) grantees; and (iii) cooperative agreement recipients performing work in connection with assistance programs funded by the Government of the United States.

(e) In the event that the Government of the Republic of Bulgaria does not have procedures to exempt payment of taxes, pursuant to this Article 3, at the point of sale or importation, the Government of the Republic of Bulgaria agrees to refund the payment of such taxes pursuant to a reasonable refund system. The Government of the Republic of Bulgaria agrees that the Ministry of Finance will develop uniform procedures for reimbursement of such taxes.

(f) Nothing in this Agreement shall be construed to derogate from the privileges and immunities to which personnel are otherwise entitled.

Article 4. Funds brought into the Republic of Bulgaria for assistance programs funded by the Government of the United States:

(a) Shall be allowed to be converted into the currency of the Republic of Bulgaria at the rate providing the largest number of units of such currency per United States dollar which, at the time the conversion is made, is not unlawful in the Republic of Bulgaria; and

(b) Shall not be subject to restrictions or requirements that are within the competence of the Government of the Republic of Bulgaria, or any subdivision thereof, that govern import, export, investment, deposit or use of such funds.

Article 5. The Government of the United States of America and the Government of the Republic of Bulgaria may from time to time enter into implementing arrangements to assist in the implementation of this Agreement.

Article 6.

(a) This Agreement shall enter into force upon the first day of the first month after the exchange of diplomatic notes

confirming that the parties have completed their respective requirements for the entry into force of this Agreement. This Agreement shall apply to organizations and individuals as of the date of their arrival in the Republic of Bulgaria in connection with assistance programs funded by the Government of the United States, whether before or after the date this agreement enters into force, and shall also apply to assistance provided before or after such date, and any customs duties, taxes or other similar charges covered by this Agreement that are due but not paid by any individuals or organizations funded by assistance programs of the Government of the United States before the entry into force of this Agreement shall not be paid. The Government of the Republic of Bulgaria shall not make a refund or reimbursement to any individuals or organizations funded by assistance programs of the Government of the United States that paid such customs duties, taxes or similar charges in accordance with Bulgarian legislation before the date of entry into force of this Agreement. This Agreement may be amended or revised by written consent of the parties.

(b) This Agreement shall remain in force until thirty (30) days after the receipt by either party of written notification of the intention to terminate the Agreement. Notwithstanding any such termination, this Agreement shall be applicable to assistance furnished before the termination.

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

Done at Sofia, the Republic of Bulgaria in duplicate, in the English and Bulgarian languages, the texts being equally authentic, on the 27<sup>th</sup> day of July 1998.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA:

*Chris J. Bohlen*

FOR THE GOVERNMENT OF THE  
REPUBLIC OF BULGARIA:

