

SERBIA / MONTENEGRO

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

The Government of the United States of America and the Government of the Federal Republic of Yugoslavia,

Recognizing the substantial efforts and progress that the Federal Republic of Yugoslavia has made to advance its economic and political development;

Recognizing that the Government of the United States of America has initiated a program of assistance in the Federal Republic of Yugoslavia, in support of economic and democratic reform, involving activities in areas such as economic stabilization, reform and growth, energy and environment, support for democratic initiatives and institutions, and improvement in the quality of life;

Recognizing the important, positive role played by United States, Yugoslav and third country private organizations in implementing such assistance;

Desiring to establish a framework to govern and facilitate the provision of the 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; and

Desiring to ensure the highest efficiency and effectiveness in the provision of such assistance,

HEREBY AGREE AS FOLLOWS:


Article 1

The diplomatic mission of the United States of America to the Federal Republic of Yugoslavia 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 has been established for this purpose.

Article 2

The Government of the Federal Republic of Yugoslavia 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

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

Article 3

In order to assure the maximum benefit to the people of the Federal Republic of Yugoslavia from United States assistance programs and except as may be agreed by the two governments:

- (a) Services, commodities, supplies, equipment or other property, including real property, utilized in connection with United States assistance programs may be imported, exported, purchased, used, sold, donated or disposed of in the Federal Republic of Yugoslavia free from any tariffs, customs duties, import taxes, export taxes, value-added taxes (VAT), taxes on purchase or disposition of property and other taxes or similar charges;
- (b) Any public or private organization that has responsibility for implementing United States assistance programs in the Federal Republic of Yugoslavia to perform work in connection with United States assistance programs, and that is paid from the financial resources of the United States assistance programs, shall be exempt from any income, social security or other taxes imposed in the Federal Republic of Yugoslavia, or any subdivision thereof, with respect to income derived from the implementation of United States assistance programs. Income derived from other activities in the Federal Republic of Yugoslavia is not exempted by this Agreement from taxation under the laws in the Federal Republic of Yugoslavia.
- (c) All personnel (and their families), except nationals or permanent residents of the Federal Republic of Yugoslavia, who are under contract with, or are employees of, any public or private organization that has responsibility for implementing United States assistance programs, and who are present in the Federal Republic of Yugoslavia to perform work in connection with United States Assistance programs, shall be exempt from:
- (i) any income, social security or other taxes levied under the laws of the Federal Republic of Yugoslavia with respect to income derived from United States assistance programs;
 - (ii) any tariffs, customs duties, import taxes, value-added taxes and other similar taxes and charges upon personal or household goods imported into the Federal Republic of Yugoslavia for the personal use of such personnel and members of their families, and such personal and household goods may be used in and exported from the Federal Republic of Yugoslavia free from any such taxes, duties and charges;
 - (iii) any taxes on rent or other taxes on leases for the personal residences of such personnel and their families.
 - (iv) visa fees and residence permit fees, as well as the obligation to personally apply for visas and residence permits.
- (d) Employees of the Government of the United States of America (and their families), except nationals or permanent residents of the Federal Republic of Yugoslavia, who are present in the Federal Republic of Yugoslavia to perform work in connection with United States assistance programs, shall be accorded status equivalent to that accorded to administrative and technical staff personnel under the Vienna Convention on diplomatic relations.
- (e) In the event that the Government of the Federal Republic of Yugoslavia does not have procedures to exempt payment of value-added taxes at the point of sale or importation, the parties agree that the Government of the Federal Republic of Yugoslavia may satisfy the requirements of this Article 3 with respect to value-added taxes by refunding such value-added taxes pursuant to a reasonable refund system.

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

Article 4

- (a) Funds brought into the Federal Republic of Yugoslavia for purposes of United States assistance programs may be convertible into the currency of the Federal Republic of Yugoslavia at the rate providing the largest number of units of such currency per unit of United States currency which, at the time the conversion is made, is not unlawful in the Federal Republic of Yugoslavia. The existence in the Federal Republic of Yugoslavia of a market-determined, floating exchange rate shall fully satisfy the requirements of the foregoing sentence.
- (b) Funds brought into the Federal Republic of Yugoslavia for purposes of United States assistance programs shall be exempt from any currency controls or investment or deposit requirements which may be in effect in the Federal Republic of Yugoslavia (except for normal notification and reporting requirements).

Article 5

The Government of the United States of America and the Government of the Federal Republic of Yugoslavia 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 exchange of diplomatic notes confirming that the parties have completed their respective internal requirements necessary for the entry into force of this Agreement. The provisions of this Agreement shall apply to organizations and individuals and assistance associated with existing and future United States assistance programs and activities. Provisions pertaining to taxes and duties shall become applicable upon entry into force of this Agreement.
- (b) This Agreement may be amended or revised by written consent of the parties.
- (c) This Agreement shall remain in force until thirty (30) days after the receipt by either Party of written notification of the intention of the other party 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 Belgrade, in duplicate, in the English and Serbian languages, the texts being equally authentic, on March 6, 2001.

For the Government of the United States of America
Ambassador William D. Montgomery



For the Government of the Federal Republic of Yugoslavia
Deputy Prime-Minister Mirosljub Labus

