BILATERAL

# 35/10390

Read online (full-text search, related cases, audio case brief): https://batas.org/library/84d3975b5207/

Excellency,

I have the honour to refer to the recent discussions held between the representatives of the Government of Japan and of the Government of the Republic of the Philippines concerning Japanese economic cooperation to be extended with a view to strengthening friendly and cooperative relations between the two countries, and to propose on behalf of the Government of Japan the following arrangements:

1. For the purpose of contributing to the increase of food production in the Republic of the Philippines, the Government of Japan will extend to the Government of the Republic of the Philippines, in accordance with the relevant laws and regulations of Japan, a grant up to three billion one hundred forty million yen (¥3,140, 000,000) (hereinafter referred to as "the Grant").

2. The Grant will be made available during the period between the date of coming into force of the present arrangements and 31 March 1989, unless the period is extended by mutual agreement between the authorities concerned of the two Governments.

3. (1) The Grant will be used by the Government of the Republic of the Philippines properly and exclusively for the purchase of the products of Japan and the services listed below:

> (a) fertilizer and agricultural chemicals, and services necessary for the transportation thereof to ports in the Republic of the Philippines up to two billion five hundred forty million yen (¥2,540,000,000) for the Philippines-Japan Food Production Programme; and
>
> (b) fertilizer and agricultural chemicals, and services necessary for the transportation thereof to ports in the Republic of the Philippines up to six hundred million yen (¥600,000,000) for the projects for which the Asian Development Bank extends financial assistance.

(2) Notwithstanding the provisions of sub-paragraph (1) above, when the two Governments deem it necessary, the Grant may be used for the purchase of the agricultural chemicals of the kind mentioned in (a) and (b) of sub-paragraph (1) above, which are products of eligible source countries other than Japan.

4. The Government of the Republic of the Philippines or its designated authority will enter into contracts in Japanese yen with Japanese nationals for the purchase of the products and services referred to in paragraph 3. Such contracts shall be verified by the Government of Japan to be eligible for the Grant. (The term Japanese nationals whenever used in the present arrangements means Japanese physical persons or Japanese juridical persons controlled by Japanese physical persons.)

5. (1) The Government of Japan will execute the Grant by making payments in Japanese yen to cover the obligations incurred by the Government of the Republic of the Philippines or its designated authority under the contracts verified in accordance with the provisions of paragraph 4 (hereinafter referred to as "the Verified Contracts") to an account to be opened in the name of the Government of the Republic of the Philippines in an authorized foreign exchange bank of Japan designated by the Government of the Republic of the Philippines or its


Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

designated authority (hereinafter referred to as "the Bank").

(2) The payments referred to in sub-paragraph (1) above will be made when payment requests are presented by the Bank to the Government of Japan under an authori' zation to pay issued by the Government of the Republic of the Philippines or its designated authority.

(3) The sole purpose of the account referred to in sub-paragraph (1) above is to receive the payments in Japanese yen by the Government of Japan and to pay to the Japanese nationals who are parties to the Verified Contracts. The procedural details concerning the credit to and debit from the account will be agreed upon through consultation between the Bank and the Government of the Republic of the Philippines or its designated authority.

6. (1) The Government of the Republic o£ the Philippines will take necessary measures:

(a) to ensure prompt unloading and customs clearance at ports of disembarkation in the Republic of the Philippines and prompt internal transportation therein of the products purchased under the Grant;

(b) to exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the Republic of the Philippines with respect to the supply of the products and services under the Verified Contracts;

(c) to ensure that the products purchased under the Grant will make effective contribution to the increase of food production and eventually to the stabilization and development of the Philippine economy; and

(d) to bear all the expenses, other than those covered by the Grant, necessary for the execution of the Grant.

(2) The products purchased under the Grant shall not be re-exported from the Republic of the Philippines,

7. (1) The Government of the Republic of the Philippines will deposit in Philippine currency an amount equivalent to the yen disbursement paid with respect to the purchase of the products referred to in (a) and (b) of sub-paragraph (1) of paragraph 3 in an account to be opened in its name in the Philippine National Bank. The deposit shall be made within the period of three years from the date of coming into force of the present arrangements, unless otherwise agreed between the authorities concerned of the two Governments.

(2) The currency thus deposited shall be utilized for agricultural development purposes, including the increase of food production, in the Republic of the Philippines.

(3) The authorities concerned of the two Governments will consult with each other about the utilization of the currency deposited.

8. Further procedural details for the implementation of the present arrangements will be agreed upon through consultation between the authorities concerned of the two Governments.

9. The two Governments will consult with each other in respect of any matter that may arise from or in connection with the present arrangements.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Republic of the Philippines the foregoing arrangements shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of Your Excellency's reply.

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.

His Excellency RAUL S. MANGLAPUS
Secretary of Foreign Affairs


Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Department of Foreign Affairs
Republic of the Philippines

(Sgd.) TSUNEO TANAKA
Ambassador Extraordinary and Plenipotentiary
of Japan to the Republic of the Philippines

## AGREED MINUTES ON PROCEDURAL DETAILS

With reference to paragraph 8 of the Exchange of Notes between the Government of Japan and the Government of the Republic of the Philippines dated 12 April 1988, concerning the Japanese economic cooperation for the supply of fertilizer and agricultural chemicals (hereinafter referred to as "the Exchange of Notes"), the representatives of the Government of Japan and of the Government of the Republic of the Philippines wish to record the following procedural details which have been agreed upon between the authorities concerned of the two Governments:

1. The eligible source countries referred to in sub-paragraph (2) of paragraph 3 of the Exchange of Notes are as follows:

(a) all the developing countries and territories covered by the Statistical Reporting Directives of the DAC, except, in the case of the purchase of the agricultural chemicals of the kind mentioned in (a) of sub-paragraph (1) of the said paragraph, the Republic of the Philippines; and

(b) all the member countries of the Organization for Economic Cooperation and Development (OECD).

2. (1) The authorization to pay referred to in sub-paragraph (2) of paragraph 5 of the Exchange of Notes shall be issued in Japanese yen for each contract.

(2) The amount of the authorization to pay shall correspond to the amount of the contract.

(3) The authorization to pay shall no longer be valid after the last day of the period during which the Grant is made available in accordance with the provisions of paragraph 2 of the Exchange of Notes (hereinafter referred to as "the Last Day"). However, the documents to be called for in the authorization to pay must be presented to the authorized foreign exchange bank of Japan referred to in sub-paragraph (1) of paragraph 5 of the Exchange of Notes fifteen days before the Last Day at the latest.

3. (1) With respect to sub-paragraph (1) of paragraph 7 of the Exchange of Notes, the amount equivalent to the yen disbursement shall be computed by the Government of the Republic of the Philippines at the average exchange rates of April 1988 of both countries which the I.M.F. is notified of. The amount thus computed shall be reported to the Government of Japan.

(2) The Government of the Republic of the Philippines will inform the Government of Japan of the selling price of the fertilizer and the agricultural chemicals purchased in a ccordance with the Exchange of Notes and the situation of the deposit.

(3) With respect to sub-paragraph (3) of paragraph 7 of the Exchange of Notes, the Government of the Republic of the Philippines will make "the Utilization Programme" of deposited fund which shall include the names of specific projects, their details and the amount of money to be allocated. "The Utilization Programme" shall be presented to the Government of Japan for consultation.


Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

### The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

### Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

### Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

### The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

### Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

### A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at https://batas.org**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.