

INVESTMENT GUARANTIES

Agreement Between the
UNITED STATES OF AMERICA
and SUDAN

Relating to the Agreement of
March 17, 1959

Effected by Exchange of Notes
Signed at Khartoum March 2, 1964



SUDAN

Investment Guaranties

*Agreement relating to the agreement of March 17, 1959.
Effected by exchange of notes
Signed at Khartoum March 2, 1964;
Entered into force March 2, 1964.*

*The American Ambassador to the Sudanese Minister for Foreign
Affairs*

EMBASSY OF THE
UNITED STATES OF AMERICA
Khartoum, March 2, 1964.

No. 108

EXCELLENCY:

I have the honor to refer to the Agreement effected by the exchange of notes of March 17, 1959,^[1] between our two Governments relating to investment guaranties which may be issued by the Government of the United States of America for American investments in activities in the Sudan. After the conclusion of that Agreement, legislation has been enacted in the United States of America modifying and augmenting the coverage to be provided investors by investment guaranties that may be issued by the Government of the United States of America.

In the interest of facilitating and increasing the participation of private enterprise in furthering the economic development of the Sudan, the Government of the United States of America is prepared to issue investment guaranties providing such coverage as may be authorized by the applicable United States legislation for appropriate investments in activities approved by your Government provided that your Government agrees that the undertakings between our respective Governments contained in the Agreement effected by the exchange of notes of March 17, 1959, will be applicable to such guaranties including, but not limited to, those issued under the Foreign Assistance Act of 1961,^[2] as amended.

¹ TIAS 4201; 10 UST 408.

² 75 Stat. 429; 22 U.S.C. § 2181 *et seq.*

In connection with application of the undertakings contained in the above-mentioned Agreement to all investment guaranties issued by the Government of the United States of America, I also have the honor to propose that Subparagraph (c) and the final sentence of Subparagraph (d) of Paragraph (3) of the above-mentioned Agreement be considered as no longer in effect.

Upon receipt of a note from Your Excellency indicating that the foregoing is acceptable to the Government of the Republic of the Sudan and that such undertakings shall apply, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two Governments on this subject, the Agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

WILLIAM M. ROUNTREE

His Excellency

AHMED MOHAMMED KHEIR,
Minister for Foreign Affairs,
Khartoum.

*The Sudanese Minister for Foreign Affairs to the American
Ambassador*

EXCELLENCY:

I have the honour to acknowledge receipt of your note No. 108 dated March 2nd., 1964; which reads as follows:-

"I have the honour to refer to the Agreement effected by the exchange of notes of March 17, 1959 between our two Governments relating to investment guaranties which may be issued by the Government of the United States of America for American investments in activities in the Sudan. After the conclusion of that Agreement, legislation has been enacted in the United States of America modifying and augmenting the coverage to be provided investors by investment guaranties that may be issued by the Government of the United States of America.

In the interest of facilitating and increasing the participation of private enterprise in furthering the economic development of the Sudan, the Government of the United States of America is prepared to issue investment guaranties providing such coverage as may be authorized by the applicable United States legislation for appropriate investments in activities approved by your Government provided that your Government agrees that the undertakings between our respective Governments contained in the Agreement effected by the exchange of

notes of March 17, 1959 will be applicable to such guaranties including, but not limited to, those issued under the Foreign Assistance Act of 1961, as amended.

In connection with application of the undertakings contained in the abovementioned Agreement to all investment guaranties issued by the Government of the United States of America, I also have the honour to propose that subparagraph (c) and the final sentence of subparagraph (d) of Paragraph (3) of the abovementioned Agreement be considered as no longer in effect.

Upon receipt of a note from Your Excellency indicating that the foregoing is acceptable to the Government of the Republic of the Sudan and that such undertakings shall apply, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two Governments on this subject, the Agreement to enter into force on the date of your note in reply."

I confirm that the Government of the Republic of the Sudan consider your note and this reply as constituting an Agreement between our two Governments which shall enter into force on the date of this reply.

Accept, Excellency, the renewed assurances of my highest consideration.

AHMED KHAIR

Ahmed Khair,
Minister,
Ministry of Foreign Affairs.

[SEAL]

To H.E. WILLIAM M. ROUNTREE
Ambassador to the United States of America
Khartoum

Done this day the 2nd. of March, 1964
Khartoum.

TIAS 5544

GUARANTY OF PRIVATE INVESTMENTS

Agreement Between the
UNITED STATES OF AMERICA
and the SUDAN

Effected by Exchange of Notes
Signed at Khartoum March 17, 1959



Convertibility
Expropriation
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DEPARTMENT OF STATE

[Literal print]

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SUDAN

Guaranty of Private Investments

*Agreement effected by exchange of notes
Signed at Khartoum March 17, 1959;
Entered into force March 17, 1959.*

*The American Ambassador to the Sudanese Minister of Foreign
Affairs.*

EMBASSY OF THE
UNITED STATES OF AMERICA
Khartoum, March 17, 1959.

Note No. 297

EXCELLENCY:

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties authorized by Section 413(b)(4) of the Mutual Security Act of 1954, [1] as amended. I also have the honor to confirm the following understandings reached as a result of these conversations:

1. The Governments of the Republic of the Sudan and the United States of America will, upon the request of either of them, consult respecting projects in the Republic of the Sudan proposed by nationals of the United States of America with regard to which guaranties under Section 413(b)(4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.
2. The Government of the United States of America agrees that it will issue no guaranty with regard to any project unless it is approved by the Government of the Republic of the Sudan.
3. With respect to such guaranties extending to projects which are approved by the Government of the Republic of the Sudan in accordance with the provisions of the aforesaid Section 413(b)(4), the Government of the Republic of the Sudan agrees:
 - a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of the Republic of the Sudan will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the United States of America to any

¹ 68 Stat. 847; 22 U.S.C. § 1933(b)(4).

claim or cause of action, or right of such person arising in connection therewith.

- b. That Sudanese pound amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such Sudanese pound amounts will be freely available to the Government of the United States of America for administrative expenditures.
- c. That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in the Republic of the Sudan the Government of the Republic of the Sudan agrees that nationals of the United States of America to whom such guaranties have been issued, will be accorded by the Government of the Republic of the Sudan treatment no less favorable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of the Republic of the Sudan may make or pay for losses incurred by reason of war; if the Government of the United States of America makes payment in United States dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of the Republic of the Sudan will recognize the transfer to the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of the Republic of the Sudan.
- d. That any claim against the Government of the Republic of the Sudan to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government. This sub-paragraph (d) shall not be applicable to the type of guaranties provided for in sub-paragraph (c), immediately above.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Republic of the Sudan, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Ambassador:

WILLIAM E. COLE, JR.
Counselor of Embassy

His Excellency
Sayed AHMED KHEIR,
Minister of Foreign Affairs,
Khartoum.

*The Sudanese Minister of Foreign Affairs to the Counselor of the
American Embassy*

THE REPUBLIC OF THE SUDAN

Teleg. Address:
(KHARIJIA) KHARTOUM

MINISTRY OF FOREIGN AFFAIRS
P. O. Box 873,
KHARTOUM,
SUDAN.

Ref. No./MFA/SCR/12. A.1.

Khartoum March 17th. 1959.

SIR,

I have the honour to acknowledge the receipt of your Note No. 297 dated March 17th. 1959, which reads as follows:—

“I have the honour to refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. I also have the honour to confirm the following understandings reached as a result of those conversations:

1. The Governments of the Republic of the Sudan and the United States of America will, upon the request of either of them, consult respecting projects in the Republic of the Sudan proposed by nationals of the United States of America with regard to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.

2. The Government of the United States of America agrees that it will issue no guaranty with regard to any project unless it is approved by the Government of the Republic of the Sudan.

3. With respect to such guaranties extending to projects which are approved by the Government of the Republic of the Sudan in accordance with the provisions of the aforesaid Section 413(b) (4), the Government of the Republic of the Sudan agrees:

a) That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of the Republic of the Sudan will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the United States of America to any claim or cause of action, or right of such person arising in connection therewith.

b) That Sudanese pound amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favourable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and such Sudanese pound amounts will be freely available to the Government of the United States of America for administrative expenditure.

c) That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in the Republic of the Sudan the Government of the Republic of the Sudan agrees that nationals of the United States of America to whom such guaranties have been issued, will be accorded by the Government of the Republic of the Sudan treatment not less favourable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of the Republic of the Sudan may make or pay for losses incurred by reason of war; if the Government of the United States of America makes payment in United States dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of the Republic of the Sudan will recognize the transfer to the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of the Republic of the Sudan.

d) That any claim against the Government of the Republic of the Sudan to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government. This sub-paragraph (d) shall not be applicable to the type of guaranties provided for in sub-paragraph (c), immediately above.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Republic of the Sudan, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply".

I confirm that the Government of the Republic of the Sudan considers your note and this reply as constituting an agreement between our two Governments which shall enter into force on the date of this reply.

Accept, Sir, the assurances of my highest consideration.

AHMED KHAIR

Ahmed Khair,

Minister of Foreign Affairs.

WILLIAM E. COLE, Esq.,
*Counselor of Embassy,
 Embassy of the United States of America,
 Khartoum
 (Sudan).*