MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM AND THE GOVERNMENT OF THE REPUBLIC OF INDIA ON THE EXCHANGE OF PROPERTIES AND LAND FOR THEIR RESPECTIVE DIPLOMATIC MISSIONS

The Government of the Socialist Republic of Vietnam (herein after referred to as the Government of Vietnam) and the Government of the Republic of India (herein after referred to as the Government of India);

With the desire to further consolidate and develop the traditional friendship and multi-faceted cooperation between the two countries;

With an aim to create more conducive and favourable conditions for the functioning of their respective Diplomatic Missions in each other's capitals;

In order to facilitate their Diplomatic Missions in construction, managing and maintaining their Chanceries and Residences in conformity with the new situation and on the basis of equality and reciprocity.

Recalling the Agreement on Reciprocal Exchange of Plots of Land for the Construction of Embassy Buildings, between the Socialist Republic of Vietnam and the Republic of India, signed on September 12, 2001 in New Delhi;

Desirous of initiating steps for implementation of this Agreement;

Have reached the following understanding:

Article 1

The Government of Vietnam and the Government of India agree to exchange equivalent areas of land without applying any charges or fees or rentals for the use and construction of necessary Chancery and Residences of the Diplomatic Missions of each respective country.

Article 2

The Government of Vietnam agrees to grant to the Government of India the right to use two plots of land with the total area of 3,752sqm. and the structures constructed on them at 58-60 Tran Hung Dao Street (occupying an area of 2,057sqm.) and 41 Ly Thuong Kiet Street (occupying an area of 1,695sqm.) in Hoan Kiem district of Hanoi, Vietnam for the use as necessary Chancery and Residences of the Diplomatic Mission of the Republic of India.

Article 3

The Government of India agrees to grant to the Government of Vietnam the right to use a plot of land with the total area of 3,452.156 sqm. at number EP-7A in the diplomatic quarter of Chanakyapuri in New Delhi (and another plot of land of 300 sqm. in New Delhi, which would be discussed later), for the construction of necessary Chancery and Residences of the Diplomatic Mission of the Socialist Republic of Vietnam.

Article 4

The two sides agree to evaluate within 6 months the value of the infrastructures and constructions on the two plots of land as cited in Article 2 by an internationally recognized independent evaluating company. The cost of evaluation shall be equally shared by the two sides.

The Indian side shall, as soon as possible, transfer to the Vietnamese side the corresponding amount of money mutually agreed for the construction of the Chancery and Residences of Diplomatic Mission on the two plots of land cited in Article 3. Once this money transaction is completed, the Indian side shall obtain the full ownership of infrastructures and constructions on the two plots of land as cited in Article 2 and consequently, no more rentals shall be applied by the Government of Vietnam. At the same time, the Government of India will hand over possession of the plot mentioned in Article 3 to the Vietnamese side.

Article 5

The Government of India shall permit and facilitate the Government of Vietnam to construct new structures on the plots of land cited in Article 3 for the latter's Chancery and necessary Residences of Diplomatic Missions as per the Vietnamese side's requirements and in conformity with Indian Laws and local planning.

Article 6

The land as cited in Articles 2 and 3 and the ownership thereof would still belong to the Government of the host country. The plots will be allotted on a lease of 99 years, without any lease rental, and with provision for automatic renewal. The rights to use land and the ownership of current and future infrastructure and constructions on the plots of land as cited in Articles 2 and 3 shall belong to the Government of the sending country of each respective Diplomatic mission.

Each side shall cover all costs of repairs, maintenance, renovation and new construction in their respective Chanceries and Residences of Diplomatic Mission. However, new construction projects must get the approval of the host country.

Article 7

The Government of Vietnam and India agree that the two sides would only have the rights to use land, infrastructures and constructions on the plots of land mentioned in Articles 2 and 3 in conformity with international law and national law of the host country as their respective Chanceries and Residences of Diplomatic Missions, and not for any other purposes. The properties would also not be transferred to a third party for use without the consent of the host country.

This Memorandum of Understanding comes into effect on the date of signing.

Done in New Delhi, on the sixth day of July, 2007, in two (02) equally authentic originals in English.

On behalf of the Government of the Socialist Republic of Vietnam

Le Cong Phung
First Deputy Minister
Ministry of Foreign Affairs

On behalf of the Government of the Republic of India

N. Ravi
Secretary
Ministry of External Affairs