



INFCIRC/133 30 October 1969

GENERAL Distr. Original: ENGLISH

THE TEXT OF A SAFEGUARDS AGREEMENT BETWEEN THE AGENCY AND THE REPUBLIC OF CHINA

The text[1] of the agreement between the Agency and the Republic of China for the application of safeguards to the Taiwan research reactor facility, which entered into force on 13 October 1969, is reproduced in this document for the information of all Members.

^[1] The footnote to the text has been added in the present information circular.

AGREEMENT BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE GOVERNMENT OF THE REPUBLIC OF CHINA FOR THE APPLICATION OF SAFEGUARDS TO THE TAIWAN RESEARCH REACTOR FACILITY

WHEREAS the Agency is authorized by its Statute to apply safeguards, at the request of a State to any of that State's activities in the field of atomic energy;

WHEREAS the Government of the Republic of China has requested the Agency to apply its safeguards system with regard to a reactor and associated research facilities which the Government of the Republic of China intends to purchase from a supplier in Canada, and to the fuel and heavy water for that facility; and

WHEREAS the Board of Governors has acceded to that request on 30 September 1969;

NOW, THEREFORE, the Agency and the Government hereby agree as follows:

PART I

Definitions

Section 1. For the purposes of this Agreement:

- (a) "Agency" shall mean, the International Atomic Energy Agency;
- (b) "Board" shall mean the Board of Governors of the Agency;
- (c) "Nuclear Facility" shall mean the Canada NRX type D 0 moderated research reactor and associated research facilities, which the Government intends to purchase from a supplier in Canada and construct at Huaitzupu in Tao-yuan Hsien;
- (d) "Government" shall mean the Government of the Republic of China;
- (e) "Inspectors Document" shall mean the Annex to Agency document GC(V) /INF/39;
- (f) "Inventory" shall mean the list of material and facilities to be established by the Agency pursuant to Section 9;
- (g) "Nuclear material" shall mean any source or special fissionable material as defined in Article XX of the Statute;
- (h) "Material" shall mean nuclear material, heavy water, or both;
- (i) "Parties" or "Party" shall mean the Parties or Party to this Agreement;
- (j) "Principal nuclear facility" shall have the meaning stated in paragraph 78 of the Safeguards Document;
- (k) "Safeguards Document" shall mean Agency document INFCIRC/66/Rev.2;
- (1) "Statute" shall mean the Statute of the Agency.

PART II

Undertakings by the Government and the Agency

Section 2. The Government undertakes that the Nuclear Facility, and any material or facility listed in the Inventory shall not be used in such a way as to further any military purpose.

Section 3. The Agency undertakes to apply its safeguards system to the Nuclear Facility and to any material listed in the Inventory.

Section 4. The Government undertakes to facilitate the application of safeguards by the Agency and to co-operate with the Agency to that end.

PART III

Notifications

Section 5. The Government shall notify the Agency of the following:

- (a) The commencement of the construction of the Nuclear Facility; (b) Any transfers into its jurisdiction of:
 - (i) Major parts of the Nuclear Facility; or
 - (ii) Any material supplied for the Nuclear Facility.

Notifications of transfers shall be submitted normally within two weeks after the material or the major parts of the Nuclear Facility arrive in the Republic of China, except that transfers of source material in quantities not exceeding one metric ton may be notified at quarterly intervals.

Section 6. Notifications of transfers referred to in sub-Section 5(b) may also be made by the State from whose jurisdiction the material or major parts of the Nuclear Facility are being transferred into the jurisdiction of the Government. Such notifications may either be made unilaterally by the State concerned or jointly with the Government. The Agency may also seek information from that State on any matter arising out of a notification made by the Government pursuant to Section 5.

Section 7. The notifications of transfers made pursuant to Sections 5 and 6 shall specify, to the extent relevant, the nuclear and chemical composition, the physical form, and the quantity of the material or the type and capacity of any parts of the Nuclear Facility, the date of shipment, the date of receipt, the identity of the consignor and consignee, and any other relevant information.

PART IV

The Inventory

Section 8. The Agency shall establish an Inventory in accordance with Section 9. The Inventory shall be maintained on the basis of notifications, reports received from the Government, the application of the procedures provided for in Section 13 and any other arrangements made pursuant to this Agreement. Nuclear material referred to in sub-Section 9(a) (iii) shall be considered as being listed in the Inventory from the time that it is produced, processed or used within the meaning of that sub-Section. The Agency shall send copies of the Inventory to the Government every twelve months and also at any other time specified by the Government in a request communicated to the Agency at least two weeks in advance.

Section 9. The following material and facilities shall be listed in the indicated parts of the Inventory:

- (a) Main Part:
 - (i) The Nuclear Facility as soon as its construction has commenced;
 - (ii) Material that has been supplied for the Nuclear Facility and duly notified to the Agency;
 - (iii) Nuclear material that is being or during the term of this Agreement has been produced, processed or used in the Nuclear Facility, or produced in or by the use of any nuclear material listed in the Main Part of the Inventory; or
 - (iv) Nuclear material that has been substituted in accordance with paragraph 25 or 26(d) of the Safeguards Document for any nuclear material listed in sub-parts (ii) or (iii).
- (b) Subsidiary Part:
 - (i) Any facility while it contains any material listed in the Main Part;
 - (ii) Any other material in the Nuclear Facility.
- (c) Inactive Part:
 - (i) Nuclear material which is or has been exempted by the Agency from safeguards pursuant to Section 10;
 - (ii) Nuclear material, with regard to which safeguards have been suspended pursuant to Section 10.

Section 10. The Agency shall exempt nuclear material from safeguards under the conditions specified in paragraph 21 of the Safeguards Document and shall suspend safeguards with respect to nuclear material under the conditions specified in paragraph 24 or 25 of the Safeguards Document. Upon such exemption or suspension, the nuclear material affected shall be transferred from the Main to the Inactive Part of the Inventory.

Section 11. The Agency shall terminate safeguards with respect to nuclear material under the conditions specified in paragraph 26 of the Safeguards Document and may make arrangements with the Government to terminate safeguards pursuant to paragraph 27 of the Safeguards Document.

PART V

Safeguards Procedures

Section 12. In applying safeguards, the Agency shall observe the principles set forth in paragraphs 9-14 of the Safeguards Document.

Section 13. The procedures for the application of safeguards by the Agency under this Agreement shall be those set forth in the Safeguards Document. The Agency and the Government shall make subsidiary arrangements concerning the implementation of this Agreement.

Section 14. The Agency shall have the right to obtain the information referred to in paragraph 41 of the Safeguards Document and to make an initial inspection or inspections in accordance with paragraphs 51 and 52 of the Document.

Section 15. The Government shall inform the Agency of its intention to transfer any material listed in the Main Part of the Inventory to a facility within its jurisdiction in connection with which the Agency is not applying safeguards, and shall provide to the Agency sufficient information to enable it to determine whether, and under what conditions, it can apply safeguards to the material after transfer to such a facility. The material shall not be transferred until all the necessary arrangements with the Agency to this end have been concluded.

Section 16. Nuclear material listed in the Main Part of the Inventory shall only be transferred beyond the jurisdiction of the Government in accordance with the provisions of paragraph 28 of the Safeguards Document. The Nuclear Facility or major parts thereof and heavy water may only be so transferred in accordance with such provisions, mutatis mutandis.

Section 17. If the Board determines that there has been any non-compliance with this Agreement, the Board shall call upon the Government to remedy such non-compliance forthwith, and shall make such reports as it deems appropriate. If the Government fails to take fully corrective action within a reasonable time the Board may take any measures provided for in Article XII. C of the Statute. The Agency shall promptly notify the Government in the event of any determination by the Board pursuant to this Section.

PART VI

Agency Inspectors

Section 18. The provisions of paragraphs 1-9 and 12-14 of the Inspectors Document shall apply to Agency inspectors performing functions pursuant to this Agreement. However, paragraph 4 of the Inspectors Document shall not apply with regard to any principal nuclear facility or to nuclear material to which the Agency has access at all times; procedures necessary for implementing paragraph 50 of the Safeguards Document shall be agreed between the Agency and the Government in an agreement supplementing this Agreement.

Section 19. With respect to the Agency, its inspectors and its property used by them in performing their functions pursuant to this Agreement, the Government shall apply provisionally the relevant provisions of the Agreement on the Privileges and Immunities of the Agency[2] pending its acceptance of that Agreement.

PART VII

Financial Provisions

Section 20. Expenses shall be borne as follows:

- (a) Subject to sub-Section (b) below, each Party shall bear any expenses incurred in the implementation of its responsibilities under this Agreement;
- (b) All special expenses incurred by the Government or persons under its jurisdiction at the written request of the Agency, its inspectors, or other officials, shall be reimbursed by the Agency, if the Government notifies the Agency before the expense is incurred that reimbursement will be required.

These provisions shall not prejudice the allocation of expenses which are reasonably attributable to a failure by either Party to comply with this Agreement.

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Section 21. The Government shall ensure that any protection against third-party liability, including any insurance or other financial security, in respect of a nuclear incident occurring in a nuclear installation under its jurisdiction shall apply to the Agency and its inspectors when carrying out their functions under this Agreement as that protection applies to nationals of the Republic of China.

PART VIII

Settlement of Disputes

Section 22. Any dispute arising out of the interpretation or application of this Agreement which is not settled by negotiation or as may otherwise be agreed by the Parties concerned shall on the request of either Party be submitted to an arbitral tribunal composed as follows: each Party shall designate one arbitrator, and the two arbitrators so designated shall elect a third, who shall be the Chairman. If within thirty days of the request for arbitration either Party has not designated an arbitrator, either Party to the dispute may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty days of the members of the arbitrat tribunal shall constitute a quorum, and all decisions shall be made by majority vote. The arbitral procedure shall be fixed by the tribunal. The decisions of the tribunal, including all rulings concerning its constitution, procedure, jurisdiction and the division of the expenses of arbitration between the Parties, shall be binding on both Parties. The remuneration of the arbitrators shall be determined on the same basis as that of ad hoc judges of the International Court of Justice.

Section 23. Decisions of the Board concerning the implementation of this Agreement, except such as relate only to Part VII, shall, if they so provide, be given effect immediately by the Parties, pending the final settlement of any dispute.

PART IX

Amendments, Entry into Force and Duration

Section 24. The Parties shall, at the request of anyone of them consult about amending this Agreement. If the Board decides to make any change in the Safeguards or Inspectors Document, this Agreement shall be amended, by agreement of the Parties, to take account of such change.

Section 25. This Agreement shall enter into force upon signature on behalf of the Agency and the Government. It shall cease to be in force when safeguards on the Nuclear Facility and all material listed in the Main Part of the Inventory have been terminated.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement.

DONE in Vienna, this thirteenth day of October 1969, in duplicate in the English language.

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

For the GOVERNMENT OF THE REPUBLIC OF CHINA:

(signed) Sigvard Eklund

(signed) Chitseng Yang