

**MUTUAL  
SECURITY  
AGENCY**

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**AMENDMENT 1**  
**(Published on Jan. 22, 1953)**  
**to**  
**MSA REGULATION 1**

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**MUTUAL SECURITY AGENCY**

**WASHINGTON 25, D. C.**

**TITLE 22—FOREIGN RELATIONS**

**Chapter II—Mutual Security Agency**

[MSA Reg. 1, as issued on Dec. 30, 1951, Amdt. 1]

**PART 201—PROCEDURES FOR FURNISHING ASSISTANCE TO PARTICIPATING COUNTRIES**

**MISCELLANEOUS AMENDMENTS**

MSA Regulation 1 is amended in the following respects:

1. Section 201.3 is amended to read as follows:

§ 201.3 *Dollar allotments, procurement authorization applications and procurement authorizations*—(a) *Dollar allotments and procurement authorization applications.* MSA will determine from time to time an amount of dollars to be made available as dollar allotments to each participating country for the purchase of commodities and services. From time to time thereafter, the participating country will, on the basis of the available allotments made by MSA, indicate on procurement authorization applications the dollar amounts of the commodities and services which the country desires to procure with its allotted funds. Two copies of each procurement authorization application filed with MSA, Washington, D. C., will simultaneously be filed with the MSA Mission to the participating country. Supplementary information with respect to procurement authorization applications may be required from time to time.

(b) *Procurement authorizations.* (1) MSA will review each procurement authorization application to determine that the proposed purchases of commodities and services for delivery to the participating country are in accordance with the objectives of the laws under which aid to the participating country is authorized. Upon such a determination, MSA will, as soon as practicable, issue appropriate procurement authorizations. These procurement authorizations will cover the commodities and services for the purchase of which the participating country may make sub-authorizations to importers, and will specify the maximum dollar amounts which MSA will finance, the source from which the commodities and services (other than ocean transportation) are to be obtained, the periods during which contracts and/or deliveries are to be made, and any other provisions deemed necessary by MSA. Each procurement authorization will bear a procurement authorization number, and the issuance of a procurement authorization will constitute authority to the participating country to sub-authorize its importers to use the procurement authorization number in placing orders for the purchase of the commodities and services specified in the procurement authorization to be delivered to the participating country. Participating countries may request MSA to make changes in procurement authorizations where deemed necessary or proper.

(2) Procurement authorization numbers will indicate the participating country to which the authorization is given, the commodity code number, the source from which the commodity or services

are to be obtained, and a serial number. An example of a procurement authorization number is as follows:

38 Participating country	010 Commodity code	00 Source	3001 Serial No.
France.....	Bread grains....	U. S.....	.....

(c) *Commodity codes.* Procurement authorization applications will be made in terms of the MSA Commodity Codes which are listed in the official MSA Commodity Code Book, as revised July 1, 1952, or in subsequent revisions. Authorization will normally be made in the same commodity codes, but in certain instances the procurement authorization may be restricted to one or more commodities within a commodity code.

2. Section 201.5 is amended to read as follows:

§ 201.5 *Contracts and deliveries eligible for financing under procurement authorizations*—(a) *Commodity and services procurement authorizations*—

(1) *Contracts.* (i) Contracts for the purchase of commodities and services will not be eligible for financing under a procurement authorization if made prior to the date of issuance, or in the event that an initial contracting date is specified, if made prior to the specified date.

(ii) Procurement authorizations will indicate, in addition to an initial contracting date, a contract cut-off date. The contract cut-off date will normally be three to six months subsequent to the first day of the month following the month in which the procurement authorization is issued. In making sub-authorizations to importers, the participating country must specify that contracts under the sub-authorizations must be made on or before the contract cut-off date. Contracts made after the contract cut-off date will not be eligible for financing under the procurement authorization unless deliveries under such contracts are made within the delivery period specified on the procurement authorization (see subparagraph (3) of this paragraph).

(2) *Reporting.* The participating country shall, in accordance with instructions issued by MSA, report within 30 days after the contract cut-off date the total or estimated total value of all contracts entered into pursuant to sub-authorizations made under the procurement authorization, whether or not deliveries have actually been made. If the total or estimated total value of such contracts, as so reported, is less than the total dollar amount of the procurement authorization, the procurement authorization will be reduced by the amount of the difference. If no such report is filed by the participating country within 30 days after the contract cut-off date, MSA will assume that the procurement authorization has been fully sub-authorized and contracted for, and no reduction in the procurement authorization will be made.

(3) *Deliveries.* Each procurement authorization will also state a delivery period. The period will be indicated

normally by two dates: (i) The date before which deliveries may not be made (initial delivery date), and (ii) the date on or before which deliveries must be made (terminal delivery date). Where, however, an initial delivery date is not specified, the date of issuance of the procurement authorization shall be deemed to be the initial delivery date. Deliveries made before the initial delivery date or after the terminal delivery date will not be eligible for MSA financing under the procurement authorization. MSA may extend the terminal delivery date for limited periods on an individual contract basis, if the contract was made on or before the contract cut-off date.

(b) *Submission of documentation of delivery.* In the case of reimbursement by letter of commitment to a bank, the submission of documentation shall be in accordance with § 201.16 (c) (2). In the case of other types of reimbursement, proper documentation of deliveries, in accordance with § 201.19, must be presented to the Controller, MSA, Washington, D. C., within 90 days after the latest date on which deliveries may take place under the procurement authorization.

(c) *Ocean transportation procurement authorizations.* Ocean transportation procurement authorizations will not be subject to the provisions of paragraphs (a) and (b) of this section, but will be subject to the following provisions:

(1) *Deliveries.* (i) Delivery of ocean transportation services may be made at any time on or after the initial delivery date and on or before the terminal delivery date specified on the procurement authorization.

(ii) The date of delivery of ocean transportation services shall be deemed to be the date of the relative bill of lading, or airway bill, or the cablegram alternatively submitted under section 201.19.

(2) *Submission of documentation of delivery.* In the case of reimbursement by letter of commitment to a bank, the submission of documentation shall be in accordance with § 201.16 (c) (2). In the case of other types of reimbursement, proper documentation in accordance with § 201.19 (b) must be presented to the Controller, MSA, Washington, D. C., within 90 days after the date of the bill of lading covering ocean shipment.

(d) *Ships' dollar disbursement procurement authorizations.* Ships' dollar disbursement procurement authorizations will not be subject to the provisions of paragraphs (a), (b) and (c) of this section, but will be subject to the following provisions:

(1) *Deliveries.* (i) Delivery of commodities and services included within ships' dollar disbursements may be made at any time on or after the initial delivery date and on or before the terminal delivery date specified on the procurement authorization.

(ii) The date of delivery of such commodities and services shall be deemed to be the date of the vessel's departure from the last dollar port of call prior to return to the participating country.

(2) *Submission of documentation.* Proper documentation in accordance with § 201.19 (e) must be presented to the Controller, MSA, Washington, D. C., within 120 days after the date of delivery as defined in subparagraph (1) of this paragraph.

3a. Section 201.6 (h) (1) (i) is deleted. Section 201.6 (h) (1) (ii) is renumbered § 201.6 (h) (1) (i) and is amended to read as follows:

(i) Placed by the importer (or by the supplier or any other person if authorized so to do by the importer in a cable, written document, or the letter of credit), and authorized in the subauthorization; and

b. Section 201.6 (h) (1) (iii) is renumbered § 201.6 (h) (1) (ii).

4. The last sentence of § 201.7 (c) (1) (iii) is amended to read as follows: "Amounts earned for dispatch shall be credited first against demurrage, if any, incurred in connection with the same voyage; the balance, supported by the vessel's signed laytime statement(s), shall then be refunded to the Controller, MSA, Washington, D. C., within 90 days after date of discharge of the cargo on which dispatch was earned."

5. Section 201.16 (c) (8) is amended to read as follows:

(8) In the event that the banking institution shall file with MSA a certificate as specified in the third paragraph of § 201.19 (a) (3), or a modified certificate as permitted in § 201.23 (o), it shall be repaid and reimbursed by the Director for the costs, expenses and liabilities paid or incurred by it subsequent to the receipt by MSA of the certificate, as a result either of its following instructions received from the Director, or of its continued holding of documents pending the receipt of such instructions.

6. The second sentence of § 201.17 (b) is amended to read as follows: "If a notice of assignment is sent to the Director and the Department of the Treasury under the Assignment of Claims Act of 1940, as amended, such notice shall not be effective unless the date and fact of such notice is indicated on the letter of commitment."

7. The third paragraph of § 201.19 (a) (3) is amended to read as follows:

In the case of any commodity shipped from the continental United States (excluding Alaska) and financed under a letter of commitment to a banking institution in the United States, MSA will accept in lieu of the documents referred to in the two preceding paragraphs, a certificate from the banking institution to the effect that it has been informed by the approved applicant or supplier that the sale is on an f. o. b. or f. a. s. basis and it is impracticable to furnish an ocean or charter party bill of lading, airway bill or parcel post receipt, and that either:

(i) The banking institution has received a common carrier bill of lading, warehouse receipt, mate's receipt, master's receipt, dock receipt or domestic parcel post receipt (if in non-negotiable

form, showing that the commodity has been consigned to or is being held for a person or organization designated by the approved applicant); it has delivered or sent the same, in accordance with the instructions of the approved applicant, to a person or organization designated by the approved applicant; and it has in its possession a written undertaking of such person or organization (a) to arrange for ocean shipment and to deliver to the banking institution a copy (or photostat) of the ocean or charter party bill of lading, airway bill, or parcel post receipt for forwarding to MSA, or (b) if unable to arrange for ocean shipment within 90 days of the date of the undertaking, to so notify the Controller, MSA, Washington, D. C., and at such time as MSA may request, to deliver to the banking institution for forwarding to MSA, a common carrier bill of lading or warehouse receipt in negotiable form for the commodity; or

(ii) The banking institution has received a common carrier bill of lading or warehouse receipt in negotiable form, and is in possession of the same; it has been unable to deliver the same to a person or organization designated by the approved applicant against the written undertaking described in subdivision (i) of this subparagraph; and it is holding the negotiable common carrier bill of lading or negotiable warehouse receipt subject to the instructions of MSA, and will forward same to MSA when and if so instructed, except that if it becomes possible before any such instructions are received, it will proceed in accordance with subdivision (i) of this subparagraph.

8. The second paragraph of § 201.19 (a) (4) is amended to read as follows:

Unless the procurement authorization requires as an additional document for reimbursement a certificate of growth or origin, or unless shipment is made from a country wholly or partly in Europe which is authorized as an area of source on the procurement authorization, the following signed certificate shall be endorsed on, or attached to, the copy (or photostat) of supplier's invoice:

The undersigned certifies that the commodity invoiced was not originally shipped from a country wholly or partly in Europe, in the form, or substantially in the form, supplied by the undersigned.

9. Section 201.19 (a) (5) is amended to read as follows:

(5) Such additional or substitute documentation as may be required for reimbursement by endorsement upon the procurement authorization or letter of commitment, if any.

10. Section 201.19 (b) (6) is amended to read as follows:

(6) Such additional or substitute documentation as may be required for reimbursement by endorsement upon the procurement authorization or letter of commitment, if any.

11. Section 201.19 (c) (5) is amended to read as follows:

(3) Certificate by an authorized representative of the participating country as follows:

The undersigned certifies that (i) the services for which reimbursement is requested have been satisfactorily rendered; (ii) the costs thereof are properly reimbursable, and the fees earned, in accordance with the terms of the contract; and (iii) any reports or recommendations required under the terms of the contract have been received.

12. Section 201.19 (c) (6) is amended to read as follows:

(6) Such additional or substitute documentation as may be required for reimbursement by endorsement upon the procurement authorization or letter of commitment, if any.

13. The beginning paragraph and paragraph (1) of the supplier's certificate (Form MSA-280) set forth in § 201.19 (d) are amended to read as follows:

The supplier hereby acknowledges notice that the sum indicated on the accompanying invoice as claimed to be due and owing under the terms of the underlying contract, is to be paid out of funds made available by the United States under the Mutual Security Act, as amended, and further certifies and agrees with the Director as follows:

(1) The supplier is entitled under said contract to the payment of the claimed sum, and he will promptly make appropriate refund to the Director, in the event of his non-performance, in whole or in part, under said contract, or for any breach by him of the terms of this certificate.

14. A new paragraph (4) is added at the end of § 201.19 (d) to read as follows:

(4) Normally, only the original of the Supplier's Certificate (Form MSA-280) should be signed; if for any reason, copies other than the original need to be signed, they should be clearly marked "Duplicate" after the signature.

15. Section 201.19 (e) (5) is amended to read as follows:

(5) Such additional or substitute documentation as may be required for reimbursement by endorsement upon the procurement authorization or letter of commitment, if any.

16. Section 201.20 is amended to read as follows:

§ 201.20 *Procurement by United States Government agencies.* When procurement of a commodity or service is made through United States Government procurement facilities in accordance with § 201.10, arrangements will be made for the reimbursement of the procuring department, agency or establishment by MSA.

17. The first paragraph of § 201.22 (d) (4) (i) (b) is amended to read as follows:

(b) Purchases from sources other than United States: A price for a purchase of a petroleum product from sources other than the United States will be approved for reimbursement if it complies with the requirements of § 201.21 and of paragraph (e) (2) of this section, and, unless from a supply area excepted by MSA, does not exceed the lowest competitive

market price in the United States for a comparable export sale of the same or a similar commodity on the date the purchase price is fixed.

18. The second paragraph (including table), beginning "Provided," of § 201.22 (d) (4) (i) (b), and § 201.22 (d) (4) (i) (c) are deleted. Section 201.22 (d) (4) (i) (d) is renumbered § 201.22 (d) (4) (i) (c).

19. Section 201.23 (d) is amended to read as follows:

(d) Section 201.5 (a) (3), (c) (1) and (d) (1) permit delivery under a procurement authorization at any time on or after the initial delivery date and on or before the terminal delivery date specified on the procurement authorization. If any of the documents specified in § 201.19 (a) (3), (b) (4), (c) (3), (e) (2) (or in the procurement authorization or letter of commitment) are dated at any time within the period during which delivery is permissible under the above subsections, or any other period per-

mitted by MSA, they are acceptable. In practice, it is contemplated that each letter of commitment will specify a maturity date not later than 30 days subsequent to the end of such periods.

20. Paragraph (o) is added to § 201.23 to read as follows:

(o) *Bank unable to deliver or send non-negotiable document to forwarding agent under § 201.19 (a) (3).* The right of reimbursement for payment made by a bank under a Letter of Commitment will not be affected by the fact that the bank is unable to deliver or send a non-negotiable shipping document or receipt to the designated person as contemplated by § 201.19 (a) (3) (i), if the bank is prevented from doing so because of any action by the United States Government or other causes beyond its control. In such case, the bank's certificate may be altered accordingly, and may state that the bank does not have a written undertaking from the designated person, but the certificate may not be altered in any

other way, and the bank will continue to hold the document involved subject to the instructions of MSA, except that if it becomes possible before any such instructions are received, the bank will deliver or send such document to the designated person.

*Transitory provision.* This amendment to MSA Regulation 1 will take effect on January 22, 1953, but will not be applicable to claims for reimbursement for payments made to a supplier pursuant to letters of credit issued, confirmed or advised, or payment instructions received, prior to January 22, 1953.

(Sec. 104, 62 Stat. 138, as amended, sec. 502, Pub. Law 165, 82d Cong.; 22 U. S. C. 1503. Interprets or applies sec. 503, Pub. Law 165, 82d Cong.)

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