

N° 4019.

ITALIE ET SUÈDE

**Accord spécial pour le règlement des
paiements arriérés, avec annexe.
Signé à Rome, le 1^{er} décembre
1936.**

ITALY AND SWEDEN

**Special Agreement for the Settlement
of Outstanding Payments, with An-
nex. Signed at Rome, December
1st, 1936.**

¹ TRADUCTION. — TRANSLATION.

No. 4019. — SPECIAL AGREEMENT ² BETWEEN ITALY AND SWEDEN
FOR THE SETTLEMENT OF OUTSTANDING PAYMENTS. SIGNED
AT ROME, DECEMBER 1ST, 1936.

French official text communicated by the Swedish Minister for Foreign Affairs. The registration of this Agreement took place December 14th, 1936.

THE SWEDISH GOVERNMENT and THE ITALIAN GOVERNMENT, with a view to the settlement of certain payments between their respective countries, have agreed upon the following provisions :

Article 1.

The Italian debtors of Swedish creditors in respect of debts, of whatever nature, already due or falling due by February 28th, 1937, shall be called upon to pay the amounts owing, on the respective due dates and not later than the date above mentioned, into the Banca d'Italia as the banker of the Istituto Nazionale per i Cambi con l'Estero, Rome.

The foregoing provision shall not apply to the debts to be transferred in accordance with the terms of the Clearing Agreement ³ between Sweden and Italy signed this day, or to the debts referred to in Article 3, paragraphs (a) and (b), of that Agreement, falling due after November 30th, 1936.

The payments in respect of commercial exchanges provided for in the Agreement ⁴ regarding Commercial Exchanges between Italy and Sweden of June 24th, 1935, and the *Modus Vivendi* of September 5th, 1936, shall be credited by the Istituto Nazionale per i Cambi con l'Estero to the accounts opened in accordance with the respective Agreements.

Payments effected in accordance with the provisions of the Italian Ministerial Decree of November 20th, 1935, and payments in respect of non-commercial debts, shall be credited to the Account B mentioned in the letter dated September 5th, 1936, from the Istituto Nazionale per i Cambi con l'Estero to the Clearingnämnden, Stockholm.

Article 2.

The Swedish creditors entitled to sums deposited by November 30th, 1936, in " Loro Vecchi " accounts with Italian banks may apply to the Italian banks in question for the transfer of their claims up to February 28th, 1937. On the receipt of such applications, the Italian banks shall pay the sums due into the Banca d'Italia as the banker of the Istituto Nazionale per i Cambi con l'Estero, such sums to be credited to the Account B mentioned in Article 1 of the present Agreement.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

² Came into force December 1st, 1936.

³ See page 269 of this Volume.

⁴ Vol. CLXI, page 21, of this Series.

¹ Translated by the Secretariat of the League of Nations, for information.

Article 3.

Italian debtors liable for commercial debts already due, who have paid in the amounts owing by November 30th, 1936, shall be called upon, in the event of the said amounts not having yet been transferred, to pay into the Banca d'Italia as the banker of the Istituto Nazionale per i Cambi con l'Estero the exchange differences as between the rate prevailing on the date of payment and that prevailing on December 1st, 1936.

The foregoing provisions shall not apply to amounts paid in which, in accordance with the rules set out in the letter dated September 5th, 1936, from the Istituto Nazionale per i Cambi con l'Estero to the Clearingnämnden, have already been converted into Swedish crowns at the rate prevailing on August 31st, 1936 (Account A).

Article 4.

The Swedish debtors of Italian creditors for commercial debts already due or falling due by February 28th, 1937, shall be called upon to pay the amounts owing on account of the said debts, on their respective due dates, and not later than the date above mentioned, to the Clearingnämnden.

The Clearingnämnden shall credit such amounts to the accounts provided for in the Agreement of June 24th, 1935, and the *Modus Vivendi* of September 5th, 1936.

The provisions laid down in the first paragraph of the present Article shall not apply to the Swedish debts to be transferred under the terms of the Clearing Agreement signed this day, or to the debts referred to in Article 3, paragraphs (a) and (b), of that Agreement, falling due after November 30th, 1936.

Article 5.

The Istituto Nazionale per i Cambi con l'Estero and the Clearingnämnden undertake to call upon the debtors in their respective countries to make the payments necessary to settle their debts by February 28th, 1937.

Article 6.

The lire balances standing, on November 30th, 1936, to the credit of the Clearingnämnden in its accounts with the Istituto Nazionale per i Cambi con l'Estero, that is to say, the account provided for in the Clearing Agreement of June 24th, 1935, and Account B, shall be converted into Swedish crowns on December 1st, 1936, at the rate prevailing on that date.

The provisions of the first paragraph of Article 3 of the present Agreement shall apply in respect of the exchange differences as between the rate prevailing on the date of payment and that prevailing on December 1st, 1936.

After November 30th, 1936, the settlement of debts shall be effected by payments, in Italy or in Sweden as the case may be, based upon the rates provided for in Article 7 of the Clearing Agreement signed this day. Italian lire paid in in Italy shall be at once converted at the same rate into Swedish crowns.

Article 7.

The balance of the *Modus Vivendi* Account shall be struck on February 28th, 1937, and according to expectations should be in favour of Italy.

Such balance shall be used, in the first place, for the payment of the residual amounts falling short of 94 Swedish crowns payable to Swedish creditors in application of Article 8 of the present Agreement. Should any further balance remain when this has been done, it shall be used for the settlement, in general chronological order, of the outstanding Swedish claims under the Agreement of June 24th, 1935.

Article 8.

With the amount in Swedish crowns remaining after the payments and settlement provided for in Article 7 of the present Agreement, together with the Swedish crown balance of Account A, after deduction of the sum necessary to pay off the residual amounts falling short of 94 crowns, referred to in paragraph 3 of the present Article, the Istituto Nazionale per i Cambi con l'Estero shall subscribe at the Italian Treasury, as at April 1st, 1937, 3 % Treasury Bonds with value stated in Swedish crowns, redeemable in two years, that is, on April 1st, 1939, domiciled at the Stockholms Enskilda Bank, Stockholm, and exempt from any present or future Italian taxes or dues.

The text of the said Treasury Bonds is annexed to the present Agreement.

The 3% interest on such bonds being payable on redemption concurrently with the capital value, the bonds shall be issued at 94 Swedish crowns and redeemable on the appointed date at 100 Swedish crowns (inclusive of interest).

The Swedish claims concerned shall be settled by the delivery of such bonds at the said price of 94 Swedish crowns ; residual amounts falling short of 94 crowns shall be paid out of the *Modus Vivendi* Account of September 5th, 1936, as provided in Article 7 of the present Agreement.

Article 9.

Should any Swedish creditor not desire to obtain the Treasury Bonds in settlement of his claim, he shall notify the Istituto Nazionale per i Cambi con l'Estero not later than February 15th, 1937. Having made this notification, he shall be entitled to have his claim in Italian lire deposited in a " Loro Vecchio " account to be opened in his name at an Italian bank, subject to the provisions in force in Italy in respect of such accounts. Should the amount owing have been already paid in, under the terms of the present Agreement, before December 1st, 1936, it shall be converted into Italian lire at the lire-Swedish crown rate prevailing on December 1st, 1936 ; should the amount be paid in after that date, it shall be converted into Italian lire at the rate at which the payment was made.

Article 10.

The Istituto Nazionale per i Cambi con l'Estero shall make the Clearingnämnden responsible for the delivery to Swedish creditors of the Treasury Bonds provided for in Articles 8 and 11 of the present Agreement, and also for the payment against the *Modus Vivendi* Account, of the residual amounts referred to in Articles 7 and 8 of the present Agreement. Such deliveries shall take place in the chronological order of the payments made by the Italian debtors.

Article 11.

The issue of 3% Treasury Bonds with value stated in Swedish crowns redeemable on April 1st, 1939, shall not exceed a total equivalent to 424,500 pounds sterling (£476,500 less £52,000 at the maximum).

Should the settlement of outstanding Swedish claims, in accordance with the present Agreement, necessitate the issue of Treasury Bonds in excess of the above-mentioned maximum, the Istituto Nazionale per i Cambi con l'Estero shall subscribe at the Italian Treasury 3% Treasury Bonds with value stated in Swedish crowns, redeemable on April 1st, 1940, and domiciled at the Stockholms Enskilda Bank, Stockholm.

Bonds in this category shall be issued at 91 Swedish crowns up to a total amount equivalent to £108,500.

The procedure provided for in Articles 8 and 10 of the present Agreement shall also apply to the issue and delivery of these Treasury Bonds.

Article 12

Payments effected by Italian debtors, in all cases at the rates of exchange provided for in Article 6 of the present Agreement, after February 28th, 1937, in respect of commercial exchanges subject to the Agreement of June 24th, 1935, and affected by the provisions of the Italian Ministerial Decree of November 20th, 1935, shall be settled every successive calendar quarter by the delivery, to the Swedish creditors concerned, of 3% Treasury Bonds redeemable on April 1st, 1939, or 3% Treasury Bonds redeemable on April 1st, 1940, in accordance with the provisions of Articles 7, 8, 10 and 11 of the present Agreement.

Such delivery shall be effected with due reference to the fact that the interest on such Bonds accrues from April 1st, 1937, that is to say on the basis of 94.75 Swedish crowns at July 1st, 1937, 95.50 at October 1st, 1937, 96.25 at January 1st, 1938, for 100 Swedish crowns nominal value, if delivery is made in Treasury Bonds redeemable on April 1st, 1939; and on the basis of 91.75, 92.50 or 93.25 Swedish crowns, as the case may be, for 100 Swedish crowns nominal value, if delivery is made in Treasury Bonds redeemable on April 1st, 1940.

As regards the payment of amounts falling short of the value of a Bond, as determined in the manner indicated above, the Swedish creditors shall pay a sum equal to the difference between the amount of their claim and the said value of the Treasury Bonds. Such differences shall be transferred through the account provided for in Article 5 of the Clearing Agreement signed this day, unless the Swedish creditor avails himself, in respect of the whole or a part of his claim, of the option allowed him in Article 9 of the present Agreement. Notification of such option shall reach the Istituto Nazionale per i Cambi con l'Estero by May 16th, 1937, August 16th, 1937, and November 16th, 1937, respectively.

In faith whereof the present Agreement has been signed.

Done at Rome, in duplicate, this 1st day of December, 1936.

For Sweden :
Erik SJÖBORG.
Arvid RICHERT.

For Italy :
CIANO.

KINGDOM OF ITALY.

MINISTRY OF FINANCE.
Treasury Department.

Italian Treasury Bond issued under the Royal Decree-Law of August 7th, 1936-XIV, No. 1556.

(Series and Number.)

Swedish crowns

On (date) on presentation of the present Treasury Bond at the Stockholms Enskilda Bank, Stockholm, the sum of Swedish crowns shall be paid on behalf of the Italian Treasury to M....., or order.

Rome,

Director-General of the Treasury.

(The present bond is transferable by endorsement and, if the holder's name is not inserted in the space provided, it will be regarded as a bearer security.)