

N° 4213.

PAYS-BAS ET TURQUIE

Accord concernant le règlement des paiements relatifs aux échanges commerciaux entre les deux pays, avec annexes, protocole de signature et protocole, signés à Ankara, le 27 février 1937, et échange de notes y relatif de la même date.

THE NETHERLANDS AND TURKEY

Agreement regarding the Regulation of Payments in connection with Goods Transactions between the Two Countries, with Annexes, Protocol of Signature and Protocol, signed at Ankara, February 27th, 1937, and Exchange of Notes relating thereto of the same Date.

¹ TRADUCTION. — TRANSLATION.

No. 4213. — AGREEMENT BETWEEN THE KINGDOM OF THE NETHERLANDS AND THE REPUBLIC OF TURKEY REGARDING THE REGULATION OF PAYMENTS IN CONNECTION WITH GOODS TRANSACTIONS BETWEEN THE TWO COUNTRIES. SIGNED AT ANKARA, FEBRUARY 27TH, 1937.

French official text communicated by the Netherlands Minister for Foreign Affairs. The registration of this Agreement took place November 15th, 1937.

THE NETHERLANDS GOVERNMENT and THE TURKISH GOVERNMENT, desirous of regulating payments in connection with goods transactions between the two countries, have agreed upon the following provisions :

Article 1.

Payments in respect of goods transactions between the Netherlands and Turkey shall be effected by way of clearing or private compensation in accordance with the provisions of the following Articles.

Article 2.

1. Payments for goods of Netherlands origin, or goods having their origin in Netherlands oversea territories, imported into Turkey under the provisions of the present Agreement shall be made in Turkish pounds to the Türkiye Cümhuriyet Merkez Bankasi (Central Bank of the Turkish Republic), which shall convert them into Netherlands guilders as on the date of payment, and credit them to a pooled account in Netherlands guilders, not carrying interest, to be opened in its books in favour of the Nederlandsch Clearinginstituut (Netherlands Clearing Institution).

2. The conversion of the Turkish pounds into Netherlands guilders shall be at the official rate of the Türkiye Cümhuriyet Merkez Bankasi.

3. Where the sum owing is expressed in a currency other than the Netherlands guilder or Turkish pound, it shall be converted into Netherlands guilders at the latest available London rate.

Article 3.

1. Payments for goods of Turkish origin imported into the Netherlands shall be made in Netherlands guilders to the Nederlandsch Clearinginstituut.

2. Where the sum owing is expressed in Turkish pounds, it shall be converted into Netherlands guilders at the latest rate of the Turkish pound as communicated to the Nederlandsch Clearinginstituut by the Türkiye Cümhuriyet Merkez Bankasi.

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

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

3. Where the sum owing is expressed in a currency other than the Netherlands guilder or Turkish pound, it shall be converted into Netherlands guilders at the middle rate quoted for the currency in question on the Amsterdam Stock Exchange on the last stock exchange day preceding the date of payment.

Article 4.

1. The Nederlandsch Clearinginstituut shall credit the sums received to the following accounts in Netherlands guilders, not carrying interest, to be opened in its books in favour of the Türkiye Cümhuriyet Merkez Bankasi, in the following proportions, that is to say :

- (a) As to 50 per cent, to the pooled account,
- (b) As to 30 per cent, to the free foreign exchange account,
- (c) As to 20 per cent, to a special account.

2. The pooled account shall be used for the liquidation of the debts, on settlement whereof payments have been made into the pooled account of the Nederlandsch Clearinginstituut at the Türkiye Cümhuriyet Merkez Bankasi under the provisions of the present Agreement.

3. Debts in respect of goods having their origin in Netherlands oversea territories, imported into Turkey after the entry into force of the present Agreement, shall be settled by debiting the pooled account to an amount not exceeding 20 per cent of the total of the said account.

4. The free foreign exchange account shall be at the free disposal of the Türkiye Cümhuriyet Merkez Bankasi.

5. The special account shall be used for the liquidation of a part of the debts in respect of goods having their origin in the Kingdom of the Netherlands, imported into Turkey before the entry into force of the present Agreement. A list of such debts shall be communicated to the Türkiye Cümhuriyet Merkez Bankasi by the Nederlandsch Clearinginstituut.

6. On the completion of the liquidation of the debts to which the preceding paragraph relates, the special account shall be closed, and the percentage of payments into the pooled account shall be increased to 70 per cent.

Article 5.

The guilder balances, as at the entry into force of the present Agreement, to debit or credit of the pooled accounts at the two clearing institutions for which provision is made in Articles 2 and 3 of the Clearing Agreement between Turkey and the Netherlands of September 23rd, 1934, shall be transferred to the pooled accounts for which Article 2 and Article 4, paragraph 1 (a), of the present Agreement provides, less the amount of the debts to which Article 4, paragraph 5, relates.

Article 6.

1. Payment of customary and reasonable costs and commissions due by Netherlands exporters to their representatives in Turkey, or by Turkish exporters to their representatives in the Netherlands, in respect of goods transactions between the two countries shall be made through the clearing.

2. The two clearing institutions reserve the right to check the character and control the use of the sums so paid, and to satisfy themselves that they represent the true value of the costs and commissions aforesaid.

Article 7.

The Nederlandsch Clearinginstituut and the Türkiye Cümhuriyet Merkez Bankasi undertake to accept all payments made under the provisions of the present Agreement ; and such acceptance shall not be made contingent, in any case on the fulfilment of conditions for which the present Agreement does not provide.

Article 8.

The two clearing institutions shall advise one another from day to day of all payments received. The advice notes shall specify in the case of each payment the amount in Netherlands guilders, the amount in the currency in which the debt was expressed, the name of the party from whom the order for payment proceeds, the name of the payee in the other country, and any other particulars required for the establishment of the claim.

Article 9.

1. Payments-out to creditors shall be made in the Netherlands by the Nederlandsch Clearinginstituut, and in Turkey by the Türkiye Cumhuriyet Merkez Bankasi, in the chronological order of the payments received, as and when the necessary funds are available in the pooled account or special account as the case may be.

2. Payments-out in Turkey shall be made in Turkish pounds at the official rate of the Türkiye Cumhuriyet Merkez Bankasi on the date of payment.

Article 10.

1. All exports under the provisions of the present Agreement of goods of Netherlands origin or of goods having their origin in Netherlands oversea territories to Turkey, and all exports of goods of Turkish origin to the Netherlands, must be accompanied by a certificate of origin in duplicate drawn up in accordance with the specimens annexed to the present Agreement. The said certificates shall be issued in accordance with the general regulations prevailing in the two countries during the period covered by the present Agreement.

2. The B duplicates of the certificates shall be stamped by the Customs authorities of the importing country in attestation of the import, and shall be forwarded by them to the clearing institution to which the payment is to be made. The two clearing institutions shall forward the B duplicates of the certificates, duly stamped, to one another as quickly as possible.

Article 11.

1. Private compensation transactions in goods of Turkish or Netherlands origin shall be permissible only in accordance with the regulations prevailing in the country concerned.

2. Products of Turkish origin other than currants, dried figs and nuts may be traded by way of private compensation against Netherlands products. The two Governments reserve the right to revise the lists of such products by means of an exchange of notes.

3. Imports into the Netherlands by way of private compensation of goods of Turkish origin must be of greater value than the corresponding imports into Turkey of goods of Netherlands origin to such an extent as to leave a balance of 35 per cent of the total value of the imports into the Netherlands to be settled otherwise than by private compensation. The said balance shall be credited, as to 30 per cent to the free foreign exchange account, and as to the remainder to the pooled account, of the Türkiye Cumhuriyet Merkez Bankasi.

4. Creditors with claims for settlement by debit of the special account shall be entitled to liquidate the same by way of private compensation under the provisions of the present Article, without regard to the chronological order of the claims, on the understanding that in such case the balance for which the previous paragraph provides shall be increased to 45 per cent.

5. Private compensation transactions shall be settled through the clearing. It shall be obligatory for debtors to make payment for the purpose into the clearing institutions of their respective countries.

Article 12.

The two Governments shall take the necessary steps to compel their respective importers to comply with the provisions of the present Agreement.

Article 13.

The Nederlandsch Clearinginstituut and the Türkiye Cümhuriyet Merkez Bankasi shall concert together as to the technical measures required for the regular operation of the present Agreement.

Article 14.

Claims in respect of products having their origin in one of the contracting countries, which are exhibited and sold in fairs or exhibitions in the territory of the other country (the import and sale of such articles being authorised by the laws and regulations of the country in which the fairs or exhibitions are held), shall be settled through the clearing, without regard to the chronological order of the payments received.

Article 15.

1. If on the expiry of the present Agreement there should be a balance in favour of the clearing institution of one of the two countries, the importers of the other country shall continue to make payment for their imports to the clearing institution of their own country, until such time as the whole of the claims represented by the said balance are liquidated.

2. Similarly, payment for goods imported on credit shall continue to be made in accordance with the provisions of the present Agreement.

3. Payments in connection with private compensation transactions initiated during the period covered by the present Agreement and not completed by the expiry of the same shall continue to be made in accordance with the provisions of the present Agreement for a period of six months from the date of its expiry.

Article 16.

In the event of exceptional circumstances affecting the normal operation of the present Agreement, either Government shall be entitled to demand the opening of fresh negotiations with a view to a remedy and, in the event of such negotiations not resulting in an agreement, to denounce the present Agreement as from thirty-one days after the commencement of the said negotiations.

In the event of denunciation, goods already afloat and goods shipped not later than the day after denunciation shall be admitted to import by both countries under the provisions of the Agreement denounced, provided the period of grace thus accorded does not exceed sixty days, and the Customs duties on the goods concerned are paid within ten days of the date of their arrival in the port of the importing country. The goods in question shall be liable to the import dues in force at the time of their import.

Article 17.

The present Agreement shall come into force on March 1st, 1937, and shall remain in force for twelve months. It shall be renewed for successive periods of twelve months by tacit assent, failing two months' notice of denunciation.

Article 18.

The present Agreement replaces the Agreement dated September 23rd, 1934, which shall cease to be in force as from the entry into force of the present Agreement.

Done at Ankara, this 27th day of February, 1937.

(L. S.) B. Ph. VAN HARINKMA THOE SLOOTEN.

(L. S.) Faik KURDOGLU.

ANNEX.

DUPLICATE A.

CERTIFICATE OF ORIGIN.

Consignor :

Consignee :

Name	Name
Address	Address
Street	Street

Nature of goods :

Manner of packing :

Number of parcels :

Marks No. :

Weight	{	Gross	kg.
		Net	kg.

Value :

Per :

This is to certify that the goods specified above are of origin, and the present certificate of origin has been issued in accordance with the provisions of the Commercial Agreement between Turkey and the Netherlands of

ANNEX.

DUPLICATE B.

(The present copy shall bear the same number as Duplicate A and shall be stamped by the Customs authorities and forwarded by them to the bank to which the payment is to be made.)

Consignor :

Consignee :

Name	Name
Address	Address
Street	Street

Nature of goods :

Manner of packing :

Number of parcels :

Marks No. :

Weight	{	Gross	kg.
		Net	kg.

Value :

Per :

This is to certify that the goods specified above are of origin, and the present certificate of origin has been issued in accordance with the provisions of the Commercial Agreement between Turkey and the Netherlands of

PROTOCOL OF SIGNATURE

RELATING TO THE AGREEMENT BETWEEN THE KINGDOM OF THE NETHERLANDS AND THE REPUBLIC OF TURKEY CONCERNING THE REGULATION OF PAYMENTS IN CONNECTION WITH GOODS TRANSACTIONS BETWEEN THE TWO COUNTRIES.

The Netherlands Government and the Turkish Government hereby record that :

The expression " Kingdom of the Netherlands " shall be deemed to include the Netherlands, the Netherlands Indies, Surinam and Curaçao.

Wherever the expression " the Netherlands " is found in the present Agreement, it shall be deemed to refer to the Netherlands territory in Europe only.

Done at Ankara, this 27th day of February, 1937.

B. Ph. VAN HARINXMA THOE SLOOTEN.
Faik KURDOGLU.

EXCHANGE OF NOTES.

I.

ANKARA, *February 27th*, 1937.

SIR,

At the moment of signing the present Agreement, I have the honour to inform you, with reference to paragraph 1 of Article 10, that under the regulations prevailing in the Kingdom of the Netherlands all certificates of origin of Netherlands goods of the kind to which Article 10 of the Agreement relates require to be visaed by the competent Netherlands authority or to be accompanied by an export certificate issued by the said authority.

The authority at present competent for the purpose is the Crisis Uitvoer Bureau (Crisis Export Bureau) at The Hague.

I have the honour to be, etc.

B. Ph. VAN HARINXMA THOE SLOOTEN.

Monsieur Faik Kurdoglu,
Under-Secretary of State,
Turkish Ministry of National Economy,
Ankara.

II.

ANKARA, *February 27th*, 1937.

SIR,

I have the honour to acknowledge receipt of your letter of today's date in the following terms :

" At the moment of signing the present Agreement, I have the honour to inform you, with reference to paragraph 1 of Article 10, that under the regulations prevailing in the Kingdom of the Netherlands all certificates of origin of Netherlands goods of the

kind to which Article 10 of the Agreement relates require to be visaed by the competent Netherlands authority or to be accompanied by an export certificate issued by the said authority.

“ The authority at present competent for the purpose is the Crisis Uitvoer Bureau (Crisis Export Bureau) at The Hague. ”

I beg to inform you that I am in agreement with the terms of the above letter.
I have the honour to be, etc.

Faik KURDOGLU.

Baron B. Ph. van Harinxma thoe Slooten,
Netherlands Chargé d’Affaires,
Ankara.

PROTOCOL.

At the moment of signing the Agreement of today’s date between the Kingdom of the Netherlands and the Turkish Republic concerning the Regulation of Payments in connection with Goods Transactions between the two countries, the two Governments are agreed as follows :

Article 1.

The two Governments shall continue the study of the deliveries and works to be effected under the present Protocol, and the extension of the arrangements for the transfer of the sums required in this connection to an amount not exceeding 35,000,000 Netherlands guilders.

It is understood that the deliveries and works in question are the following :

- (a) Construction of wireless stations and works for the Postal, Telegraph and Telephone Services ;
- (b) Construction and equipment of the ports of Gölcük, Ereğli, Samsun and Trabzun (Trebizond) ;
- (c) Shipbuilding ;
- (d) Deliveries of coffee having its origin in Netherlands oversea territories ;
- (e) Deliveries to the Turkish Government and execution of works under the Industrial Plan and public works for the Turkish State.

The above list, as also the amount of 35,000,000 Netherlands guilders above mentioned, may be modified by the two Governments by common accord.

Article 2.

The annual transfers to the parties concerned over a period not exceeding eight years shall be effected under the provisions of the contracts concerned, and in accordance with the following articles :

Article 3.

The annual transfers to the Netherlands may be made by the export of Turkish goods, viz. :

- (a) Either by direct sales by the Turkish authorities in Netherlands markets ;
- (b) Or by imports into the Netherlands by Netherlands firms by way of private compensation transactions.

The form of transfer shall be determined by the Turkish authorities in their contracts with the Netherlands parties concerned.

Article 4.

Should the Turkish Government take steps with a view to direct sales in Netherlands markets in payment of sums due under the contracts, the Netherlands Government undertakes to make the necessary import permits available without qualifications with a view to such sales.

The two Governments are further agreed that the proceeds of the sales in question shall be paid in to the Nederlandsch Clearinginstituut. 30 per cent of the sums in question shall be placed at the disposal of the Türkiye Cümhuriyet Merkez Bankası, and 70 per cent shall be credited to a Works and Deliveries account.

Should the balance of the Works and Deliveries account not suffice to make up the full amount of the annual payments due to any particular Netherlands firm, the Turkish Government undertakes to make good the difference in free foreign exchange as and when due.

Article 5.

Should Netherlands firms conclude private compensation contracts, the provisions of Article 4 relating to import permits shall also be applicable, on the understanding that in such case the payments for the imports in question shall be reserved in their entirety for meeting the payments due.

It is understood that such private compensation transactions shall be settled through the intermediary of the Türkiye Cümhuriyet Merkez Bankası and the Nederlandsch Clearinginstituut, which shall determine by common accord the technical arrangements required for the purpose.

Article 6.

The following are the Turkish products to which the provisions of Articles 4 and 5 of the present Protocol in regard to direct sale by the Turkish Government or for private compensation transactions by Netherlands firms shall apply :

Wheat, barley, millet (durra), alpist (canary seed), opium (including opium supplied to the Netherlands Indies Monopoly, on condition that it is sold through the medium of the Netherlands firms in question), mohair, cotton, wines, spirits, marble and any other products of Turkish origin, in so far as the additional character of the import into the Netherlands is acknowledged by the two Governments.

It is understood that the goods above mentioned may also be imported through the clearing or by private compensation transactions not covered by the present Protocol, up to the date of signature of the contracts concerned, as also in amounts exceeding those necessary to meet the annual payments required under the contracts concerned.

Article 7.

1. As regards wheat, the Turkish Government undertakes to reserve each year for the private compensation transactions to which the preceding Article relates sufficient amounts to meet the sums due in current obligations.

2. If, for reasons of drought or other unfavourable and unforeseen climatic conditions, the Turkish wheat harvest should be less than 50 per cent of the average for the five previous years, the two parties shall concert together forthwith as to the delivery of other Turkish products in lieu of wheat, and as to the prices payable for such products under the provisions of paragraph 4.

3. Should the Turkish Government not be in a position to place the necessary quantity of wheat, or (in the event to which the preceding paragraph relates) products in lieu of wheat, at the disposal of the parties concerned, or of the Netherlands buyers appointed by the latter, the

Turkish Government undertakes to make the difference available in free foreign exchange at the disposal of the parties concerned, as and when due, through the intermediary of the Nederlandsch Clearinginstituut.

4. Wheat placed at the disposal of the Netherlands parties concerned shall be delivered f.o.b. Istanbul. The Istanbul f.o.b. price must not exceed the average of the prices quoted for wheat of similar quality on the markets :

Rotterdam (c.i.f.)

Liverpool (c.i.f.)

Istanbul-Export (f.o.b.).

5. Nevertheless, the average so determined must in no case be higher than the average of the prices of the Rotterdam and Liverpool markets plus five per cent.

6. The dates on which the Netherlands parties concerned shall be required to take delivery of such wheat, and the duration of the Turkish Government's undertaking to keep such wheat at their disposal, shall be specified in the contracts to be concluded.

7. The type of sales contract to be adopted, the technical details of delivery, and the procedure to be followed for the settlement of any disputes (for example, concerning the quality of wheat supplied) which may affect prices, shall be determined by the contracts to be concluded between the Turkish authorities and the Netherlands parties concerned.

Article 8.

The provisions of the present Protocol shall remain in force pending a comprehensive settlement in regard to the annual payments under the contracts.

Done at Ankara, this 27th day of February, 1937.

B. Ph. VAN HARINKMA THOE SLOOTEN.

Faik KURDOGLU.
