

No. 24

---

**NETHERLANDS AND FRANCE**

**Exchange of Notes and Monetary Agreement (with annexes).  
Paris, 9 April 1946. Came into force on 9 April 1946,  
by signature**

*French official text communicated by the Minister for Foreign Affairs of the  
Netherlands. The registration took place on 25 April 1947.*

---

**PAYS-BAS ET FRANCE**

**Echange de notes et accord monétaire (avec annexes). Paris,  
le 9 avril 1946. Entrés en vigueur le 9 avril 1946, par  
signature**

*Texte officiel français communiqué par le ministre des Affaires étrangères des  
Pays-Bas. L'enregistrement a eu lieu le 25 avril 1947.*

## TRANSLATION — TRADUCTION

## No. 24. EXCHANGE OF NOTES AND MONETARY AGREEMENT (WITH ANNEXES) BETWEEN THE NETHERLANDS AND FRANCE.

---

  
I

FRENCH REPUBLIC  
MINISTRY FOR FOREIGN AFFAIRS  
Department of Economic Affairs

Paris, 9 April 1946

Your Excellency,

I have the honour to enclose, as annex hereto, the text of the French-Netherlands Monetary Agreement as drawn up in the course of recent conversations between the representatives of the French and Netherlands Ministries of Finance.

The French Government, on its part, has already approved the terms of this agreement.

I should be obliged if you would advise me of your Government's agreement to this text.

I have the honour to be, etc.

BIDAULT

His Excellency Mr. Tjarda van Starckenborgh,  
Ambassador of the Netherlands,  
at Paris

---

  
II

EMBASSY OF THE NETHERLANDS

Paris, 9 April 1946

Your Excellency,

With your letter of this date, you transmitted to me the text of a French-Netherlands Monetary Agreement and two annexes thereto, to which the French Government has given its approval.

In reply I have the honour to inform you of my Government's agreement to the said convention and to attach hereto the text which it has approved and which is identical with that transmitted by you.

I have the honour to be, etc.

TJARDA VAN STARKENBORGH

His Excellency Mr. Georges Bidault  
Minister for Foreign Affairs  
Paris

---

#### FRENCH-NETHERLANDS MONETARY AGREEMENT

The Netherlands Government of the one part and the Provisional Government of the French Republic of the other part have agreed upon the following provisions:

##### *Article 1*

1. To ensure the necessary means for effecting the authorized payments in the guilder area of residents of the franc area and the authorized payments in the franc area of residents of the guilder area, the Nederlandsche Bank (acting as agents of the Netherlands Government) and the Banque de France (acting as agents of the French Government) shall sell to one another guilders for francs and francs for guilders.

2. In pursuance of the preceding paragraph the Nederlandsche Bank shall open a guilder account with the Banque de France; and the Banque de France shall open a franc account with the Nederlandsche Bank.

##### *Article 2*

1. The Banque de France shall provide the Nederlandsche Bank, against payment in francs, with the local currencies needed for all payments in the franc area where these local currencies are legal tender.

2. The Nederlandsche Bank shall provide the Banque de France, against payment in guilders, with the local currencies needed for all payments in the territories of the guilder area where these local currencies are legal tender.

*Article 3*

1. As long as the balance resulting from the clearance of the accounts referred to in Article 1 above shall not exceed 1,800,000,000 francs or 40,000,000 guilders, the Contracting Parties shall not ask for any security nor for the conversion of this balance into gold or foreign currency.

2. If the balance should at any time exceed 1,800,000,000 francs or 40,000,000 guilders, the creditor bank of issue may request that the excess be converted into gold at the rate agreed upon between the two banks of issue. It may likewise be decided, by mutual agreement, to increase, with or without special securities, the amounts specified above.

3. If the official rate of exchange should be varied in accordance with Article 4 hereunder, the amount stipulated in the preceding paragraphs and expressed in that currency which has been devaluated, shall be adjusted in proportion to the variation.

*Article 4*

1. All transactions resulting from the application of the present agreement shall be based upon the official rate of exchange.

2. The official rate (now 1 guilder = 44.8975 fr.) shall not be varied by either of the Contracting Parties except after mutual consultation.

3. The Banque de France and the Nederlandsche Bank shall fix by mutual agreement the maximum spread above and below the official rate which will be authorized on the markets which they control.

*Article 5*

1. If the official rate of exchange should be varied in accordance with Article 4 (2), the accounts existing between the Banque de France and the Nederlandsche Bank by virtue of Article 1 (2), shall be closed and the balance cleared at the official rate previously in force.

2. The amount of the balance resulting from such clearance, if expressed in that currency which has been devaluated, shall be adjusted by the debtor Government in proportion to the variation.

*Article 6*

The debtor bank of issue shall have the right at any time to effect repayment either in the currency of the creditor bank of issue or in a third currency to be agreed upon between the two banks of issue, or in gold at the rate agreed upon between the said banks.

*Article 7*

1. Credits in francs (and the credits in local currencies referred to in Article 2 (1)) held by residents of the guilder area may freely be used either for transfers to other residents in the guilder area or for payments to residents in the franc area or for payments made in accordance with Article 9 (3).

2. Credits in guilders (and the credits in local currencies referred to in Article 2 (2)) held by residents of the franc area may freely be used either for transfers to other residents in that area or for payments to persons in the guilder area or for payments made in accordance with Article 9 (3).

*Article 8*

The Contracting Parties shall co-operate with a view to assisting each other in keeping capital transactions between the franc area and the guilder area within the scope of their respective policies, and, in particular, with a view to preventing transfers between their areas which do not serve direct and useful economic or commercial purposes.

*Article 9*

1. If during the currency of this agreement, the Contracting Governments adhere to a general international Monetary Agreement, they will review the terms of the present agreement with a view to making any amendments that may be required.

2. While the present agreement remains in force, the Contracting Governments shall co-operate to apply it with the necessary flexibility according to circumstances. The Banque de France and the Nederlandsche Bank, as agents of their respective Governments, will maintain contact on all technical questions arising out of this agreement and will collaborate closely on exchange control matters affecting the franc area and the guilder area.

3. As opportunity offers, the French Government and the Netherlands Government shall seek with the consent of the other interested parties:

(a) to make francs at the disposal of residents of the guilder area and guilders at the disposal of residents of the franc area available for making payments to residents of other countries than those included in the guilder area and the franc area;

(b) to enable residents of other countries than those included in the guilder area and the franc area to use francs at their disposal to make payments to resi-

dents of the guilder area, and to use guilders at their disposal to make payments to residents of the franc area.

4. Notwithstanding that each of the Contracting Governments shall be alone responsible for its monetary relations with third countries, they shall maintain contact in so far as the monetary relations of the one affect the interests of the other.

#### *Article 10*

On the expiry of the present agreement the balance in guilders held by the Banque de France and the balance in francs held by the Nederlandsche Bank shall be cleared at the official rate. The final balance, or any portion thereof not used for repayment under the terms of Article 6, may freely be used by the creditor bank of issue for authorized payments in the monetary area of the debtor bank of issue.

The provisions of Article 5 shall apply to this balance until it is completely exhausted.

#### *Article 11*

The present agreement, which shall be subject to review and adjustment after mutual consultation, shall come into force on the day of its signature. It may be terminated at any time by three months' notice.

---

### ANNEX I

With reference to the Monetary Agreement signed this day, the Contracting Parties agree severally to make the necessary arrangements with a view to authorizing the following payments between the franc area and the guilder area:

Commercial payments (including incidental expenses), wages, services, relief and maintenance expenses, travelling expenses, living allowances, patent and license charges and fees, authors' royalties, taxes and fines, insurance and re-insurance payments, (premiums and indemnities), diplomatic and consular fees and all similar payments.

The above list of payments may be supplemented by mutual agreement between the Banque de France and the Nederlandsche Bank as agents of their respective Governments.

## ANNEX II

I. With reference to Article 7 of the Monetary Agreement signed this day, the Contracting Parties consider as credits in francs and credits in local currencies connected with the franc the accounts opened in these currencies with banks and exchange and stock-brokers in the franc area, in the name of residents of the guilder area, and conversely as credits in guilders and credits in local currencies connected with the guilder the accounts opened in these currencies with banks and stock-brokers in the guilder area in the name of residents of the franc area.

II. French bank notes held by residents of the guilder area and Netherlands bank notes held by residents of the franc area shall not, except by agreement between the Banque de France and the Nederlandsche Bank, as agents of their respective Governments, be usable for transfers and payments under the provisions of Article 7 of the Monetary Agreement.

III. Such of the credits in guilders referred to in paragraph I as have been blocked under general restrictions imposed by the Netherlands authorities shall be released under the following conditions:

(a) The guilders standing to the credit of French banks shall be released at the request of the banks holding such credits;

(b) Other credits in guilders may be transferred without restriction to the accounts of French banks at the request of the holders of such credits and shall then be released in accordance with sub-paragraph (a) hereinabove;

(c) Where a special permit from the Nederlandsche Bank is required, credits in guilders referred to in sub-paragraph (b) hereinabove which have not been transferred to the accounts of French banks shall be released by the Netherlands authorities only if the application for release submitted by the holder of the said credits has been approved by the French Office des Changes.

IV. Such of the credits in francs referred to in paragraph I as have been blocked under general restrictions imposed by the French authorities shall be released under the following conditions:

(a) The francs standing to the credit of Netherlands banks shall be released at the request of the banks holding such credits;

(b) Other credits in francs may be transferred without restriction to the accounts of Netherlands banks at the request of the holders of such credits and shall then be released in accordance with sub-paragraph (a) hereinabove;

(c) Credits in francs referred to in sub-paragraph (b) hereinabove which have not been transferred to the accounts of Netherlands banks shall be released by the French authorities only if the application for release submitted by the holders of the said credits has been approved by the Nederlandsche Bank.

V. The provisions of paragraph III and IV hereinabove are applicable *mutatis mutandis* to the registered securities of residents of either of the two countries in the banks of the other country; notwithstanding which, the securities in question may be sold without previously having been released, provided the proceeds of their sale and any securities which may be acquired through the proceeds of their sale shall be blocked until their release is authorized under the conditions stipulated hereinabove.

The same provisions are applicable to the proceeds of the redemption of the securities referred to hereinabove.

VI. Paragraphs III, IV and V shall not come into force until procedure for applying them has been agreed between the Banque de France and the Nederlandsche Bank as agents of their respective Governments.

---