

No. 280

**NORWAY
and
CZECHOSLOVAKIA**

Monetary Agreement. Signed at Oslo, on 13 December 1945

English official text communicated by the Permanent Representative of Norway to the United Nations. The registration took place on 19 August 1948.

**NORVEGE
et
TCHECOSLOVAQUIE**

Accord monétaire. Signé à Oslo, le 13 décembre 1945

Texte officiel anglais communiqué par le représentant permanent de la Norvège auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 19 août 1948.

No. 280. MONETARY AGREEMENT¹ BETWEEN THE ROYAL NORWEGIAN GOVERNMENT AND THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC. SIGNED AT OSLO, ON 13 DECEMBER 1945

The Royal Norwegian Government and the Government of the Czechoslovak Republic have agreed as follows:

Article 1

The rate of exchange between the Norwegian krone and the Czechoslovak crown shall be 9.925 Norwegian kroner to 100 Czechoslovak crowns.

This rate (hereinafter referred to as "the official rate") shall not be varied by either of the Contracting Governments except after giving to the other as much notice as may be practicable.

In all territories where they have jurisdiction the Contracting Governments shall enforce the use of the official rate as the basis of all transactions involving a relationship between the two currencies.

Norges Bank and the Czechoslovak National Bank, as agents of their respective Governments, shall fix by mutual agreement the maximum spread above or below the official rates which will be authorized on the markets which they control.

Article 2

The Czechoslovak National Bank (acting as agents of the Government of the Czechoslovak Republic) shall sell Czechoslovak crowns to Norges Bank (acting as agents of the Royal Norwegian Government) as may be required for payments which residents of Norway, under the exchange regulations in force in Norway, are permitted to make to residents of Czechoslovakia:

- (a) against Norwegian kroner to be credited at the official rate to the Czechoslovak National Bank's No. 1 Account with Norges Bank, provided that the balance standing to the credit of that Account is

¹ Came into force on 13 December 1945, as from the date of signature, in accordance with article 11.

not thereby increased above a maximum of 8.4 million Norwegian kroner, or

- (b) if the balance standing to the credit of the Czechoslovak National Bank's No. 1 Account with Norges Bank amounts to 8.4 million Norwegian kroner, either against such foreign currencies as may be agreed by the Czechoslovak National Bank, or against gold to be set aside in the Czechoslovak National Bank's name at Norges Bank in Oslo.

Norges Bank (acting as agents of the Royal Norwegian Government) shall sell Norwegian kroner to the Czechoslovak National Bank (acting as agents of the Government of the Czechoslovak Republic) as may be required for payments which residents of Czechoslovakia, under the exchange regulations in force in Czechoslovakia, are permitted to make to residents of Norway:

- (a) against Czechoslovak crowns to be credited at the official rate to Norges Bank's No. 1 Account with the Czechoslovak National Bank, provided that the balance standing to the credit of that account is not thereby increased above a maximum of 84 million Czechoslovak crowns, or
- (b) if the balance standing to the credit of Norges Bank's No. 1 Account with the Czechoslovak National Bank amounts to 84 million Czechoslovak crowns, either against such foreign currencies as may be agreed by Norges Bank, or against gold to be set aside in Norges Bank's name at the Czechoslovak National Bank in Praha.

Article 3

The balance in Norwegian kroner standing to the credit of the Czechoslovak National Bank's No. 1 Account with Norges Bank and the balance in Czechoslovak crowns standing to the credit of Norges Bank's No. 1 Account with the Czechoslovak National Bank shall be compensated at the end of each month, or at any other time at the request of one of the two parties at the official rate of exchange.

Article 4

The Czechoslovak National Bank shall have the right at any time to sell to Norges Bank, against all or part of the balance in Czechoslovak crowns held by that Bank, gold to be set aside at the Czechoslovak National Bank in Praha.

wegian Government under the arrangements contemplated in Article 9 (III) hereof.

Article 7

If the rate of exchange between the Czechoslovak crown and the Norwegian krone is varied, the balances shall be compensated on the date of that modification at the rate of exchange previously in force.

If the resulting net balance is expressed in that currency the value of which has been reduced in relation to the other currency, the balance shall be readjusted by the debtor country in relation to the reduction of the value of its currency.

Article 8

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

Article 9

(I) If, during the currency of this Agreement, either of the Contracting Governments adheres to a general international monetary agreement, the terms of the present Agreement shall be reviewed with a view to making any amendments that may be required.

(II) While the present Agreement continues in force the Contracting Governments shall co-operate to apply it with the necessary flexibility according to circumstances. The Czechoslovak National Bank and Norges Bank, as agents of their respective Governments will maintain contact on all technical questions arising out of the Agreement, and will collaborate closely on exchange control matters affecting Czechoslovakia and Norway.

(III) As opportunity offers the Contracting Governments shall seek with the consent of the other interested parties:

- (a) to make Norwegian kroner at the disposal of residents of Czechoslovakia and Czechoslovak crowns at the disposal of residents of Norway available for making payments of a current nature to residents of countries outside Czechoslovakia and Norway, and
- (b) to enable residents of countries outside Czechoslovakia and Norway to use Czechoslovak crowns at their disposal to make payments of a current nature to residents of Norway and to use Norwegian kroner

at their disposal to make payments of a current nature to residents of Czechoslovakia.

(IV) Notwithstanding that each of the Contracting Governments shall be alone responsible for its monetary relations with third parties, they shall maintain contact wherever the monetary relations of the one affects the interests of the other.

Article 10

Freights earned by Norwegian ships chartered by residents of Czechoslovakia or freights earned by Czechoslovak ships chartered by residents of Norway, shall only be settled according to the provisions of this Agreement when the freights are stipulated in Norwegian kroner or in Czechoslovak crowns.

Article 11

The present Agreement shall be valid for an indefinite period, but shall be subject to review and adjustment after mutual consultation. It shall come into force on the date of its signature. At any time thereafter either Contracting Government may give written notice to the other of its intention to terminate the Agreement, and the Agreement shall cease to have effect three months after the date of such notice.

In the event of the termination of the Agreement, any net balance standing to the credit of one of the two Contracting Governments shall either be converted into Treasury Bills issued by the debtor country in the currency of the creditor country or settled in any other manner upon which the two Governments agree. The Treasury Bills referred to above shall bear 3 per cent interest and be amortized in 3 equal annuities.

DONE in duplicate in Oslo, this 13th day of December 1945.

For the Royal Norwegian
Government:
(Signed) Trygve LIE

For the Government of the
Czechoslovak Republic:
(Signed) D. O. HEIDRICH