

No. 284

**DENMARK
and
NORWAY**

**Agreement concerning payments (with Protocol). Signed at
Copenhagen, on 21 April 1948**

Danish and Norwegian official texts communicated by the Permanent Representative of Denmark to the United Nations. The registration took place on 20 August 1948.

**DANEMARK
et
NORVEGE**

**Accord relatif aux paiements (avec Protocole). Signé à
Copenhague, le 21 avril 1948**

Textes officiels danois et norvégien communiqués par le représentant permanent du Danemark auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 20 août 1948.

TRANSLATION — TRADUCTION

No. 284. AGREEMENT¹ CONCERNING PAYMENTS BETWEEN DENMARK AND NORWAY. SIGNED AT COPENHAGEN, ON 21 APRIL 1948

The Royal Danish Government and the Royal Norwegian Government, wishing to facilitate payments between their two countries, have agreed on the following provisions:

Article 1

1. The rate of exchange between Danish and Norwegian crowns shall be 96.70 Danish crowns = 100 Norwegian crowns.

2. This rate, (referred to below as "the official rate") shall not be changed by either of the Governments without the other Government's being given prior notice of such change as soon as possible.

3. The two Governments shall ensure that the official rate shall be the basis for all transactions which affect the relative value of the two currencies, and which the Governments have control over.

4. The National Bank of Denmark and the Bank of Norway shall, as representatives of their Governments, establish by agreement the maximum margins over and under the official rate which may be sanctioned for buying and selling in the two countries.

Article 2

1. The National Bank of Denmark (as representing the Danish Government) shall, in accordance with the provisions of article 4 below, sell such amounts of Danish crowns as are necessary for payments which persons in Norway are entitled to make to persons in Denmark under the foreign exchange regulations in force in Norway. Such Danish crowns shall be sold for Norwegian crowns, which shall be credited at the official rate to the National Bank of Denmark's No. 1 account with the Bank of Norway.

¹ Came into force on 1 April 1948, in accordance with article 8.

2. The Bank of Norway (as representing the Norwegian Government) shall, in accordance with the provisions of article 4 below, sell such amounts of Norwegian crowns as are necessary for payments which persons in Denmark are entitled to make to persons in Norway under the foreign exchange regulations in force in Denmark. Such Norwegian crowns shall be sold for Danish crowns, which shall be credited at the official rate to the Bank of Norway's No. 1 account with the National Bank of Denmark.

Article 3

1. The National Bank of Denmark, or the Bank of Norway, as the case may be, shall have the right at any time to reduce the other bank's credit balance in Danish crowns, or Norwegian crowns, as the case may be, by selling either the buying country's currency at the official rate, or gold which shall be earmarked with the selling bank.

2. Gold which, in accordance with the provisions of this Article, is earmarked with the selling bank in Copenhagen, or in Oslo, as the case may be, shall be at the free disposal of the other bank and may be exported.

Article 4

1. The right laid down in article 2 to buy the other country's currency may be exercised so long as the net credit balance of the Bank of Norway, or of the National Bank of Denmark, as the case may be, under this agreement does not exceed 40 million Danish crowns, or 41.4 million Norwegian crowns as the case may be.

2. If the credit balances on the accounts referred to in article 2 exceed one-third of the above-mentioned amount, interest on the excess shall be charged at the rate of two (2) per cent *per annum* payable half-yearly on 30 June and 31 December respectively.

3. If either of the limits specified in section 1 of this article is exceeded, the excess shall be paid off at the end of each month in gold or in such currency as the National Bank of Denmark and the Bank of Norway shall agree upon.

Article 5

If the exchange rate between Danish and Norwegian crowns is changed, credit balances at the date of the change of rate shall be settled at the rate in

force prior to such change. The balance remaining in favour of one of the parties after such settlement shall then be converted so that its equivalent in the currency of the party in question remains the same as before the change of rate.

Article 6

1. The National Bank of Denmark (as representing the Danish Government) and the Bank of Norway (as representing the Norwegian Government) shall be responsible for carrying out this agreement and shall exercise such supervision over the development of the payments as may be necessary for carrying out the agreement. The banks shall co-operate with a view to adapting the application of the agreement to the circumstances and they shall also maintain contact with one another regarding all technical questions that may arise in connexion with the agreement. Even though each country shall be solely responsible for its economic relations with third countries, the banks shall keep each other informed in cases where the relations of one country with third countries in respect of payments, affects the interests of the other country.

2. Should any change occur in the conditions leading up to the agreement, the National Bank of Denmark and the Bank of Norway shall agree upon such amendments or additions to the agreement as the circumstances may require.

Article 7

1. Upon the expiry of the agreement the accounts shall be adjusted at the current exchange rate; the final balance shall be paid by the debtor country in a currency to be agreed upon between the two parties, or it shall be converted into State Treasury bills drawn by the debtor country in the currency of the creditor country.

2. These State Treasury bills shall bear interest at 3 per cent and shall be redeemed in three equal annual amounts.

3. The parties may conclude an agreement as to any other form of settlement.

Article 8

This Agreement shall come into force as from 1 April 1948. It may be denounced at any time by either of the parties at three months' notice.

DONE in Copenhagen, in duplicate, in the Danish and Norwegian languages, both texts being equally authentic, on 21 April 1948.

On behalf of the Royal Danish Government:

(Signed) Gustav RASMUSSEN

On behalf of the Royal Norwegian Government:

(Signed) Aug. ESMARCH

PROTOCOL

In connexion with the Payments Agreement signed this day between Denmark and Norway, the Danish Government and the Norwegian Government have agreed that the agreement shall be applicable to the following payments regardless of whether they fall due before or after the entry of the agreement into force:

I

1. Payments arising from the importation of Danish goods into Norway and of Norwegian goods into Denmark in accordance with agreements between the Danish and Norwegian Governments.

2. Payments for all expenses incurred in connexion with the Danish-Norwegian exchange of commodities.

3. Payments for study and travel expenses, patent fees, licences and other non-material disbursements.

4. Payments for maritime freights, freight charges, Danish and Norwegian shipping expenses in Norwegian and Danish ports, and freights and other charges in connexion with Danish-Norwegian air traffic.

5. Payment of balances occurring in settlements between the Danish and Norwegian railway, postal and telegraph administrations.

6. Insurance payments and payments of maintenance, pensions, legacies, agents' commissions (also in transit traffic) and the like, together with other

current payments, according to the directives agreed upon between the National Bank of Denmark and the Bank of Norway.

II

1. Interest on bonds, credit balances with banks and other financial credits, together with dividends and other yield from capital investments.

2. Rental and lease expenses and other retroactive payments of a similar character.

3. Taxes.

III

Expenses for shipping repairs, purchase of ships and payments on ship-building contracts.

IV

Other payments regarding which the two Governments or the National Bank of Denmark and the Bank of Norway may conclude special agreements.

DONE in Copenhagen, in duplicate, in the Danish and Norwegian languages, both texts being equally authentic, 21 April 1948.

On behalf of the Royal Danish Government:

(Signed) Gustav RASMUSSEN

On behalf of the Royal Norwegian Government:

(Signed) Aug. ESMARCH