

No. 488

**BELGIUM
and
PORTUGAL**

**Payments Agreement (with protocol). Signed at Brussels, on
1 March 1949**

*French official text communicated by the Permanent Representative of Belgium
to the United Nations. The registration took place on 5 July 1949.*

**BELGIQUE
et
PORTUGAL**

**Accord de paiement (avec protocole). Signé à Bruxelles, le
1er mars 1949**

*Texte officiel français communiqué par le représentant permanent de la Bel-
gique auprès de l'Organisation des Nations Unies. L'enregistrement a eu
lieu le 5 juillet 1949.*

TRANSLATION — TRADUCTION

No. 488. PAYMENTS AGREEMENT¹ BETWEEN THE BELGIAN
GOVERNMENT AND THE PORTUGUESE GOVERNMENT.
SIGNED AT BRUSSELS, ON 1 MARCH 1949

The Belgian Government, acting on its own behalf and on behalf of the Luxembourg Government, by virtue of existing agreements,
and the Portuguese Government
have agreed as follows:

Article 1

For the purposes of the present agreement, the "Belgian monetary zone" shall be understood to mean the Economic Union of Belgium and Luxembourg, the Belgian Congo and the Trust Territories of Ruanda-Urundi,

and the "Portuguese monetary zone" shall be understood to mean the Portuguese continental territory, the adjacent islands and the Portuguese colonies.

Article 2

1. The rate of exchange between the Belgian franc and the escudo shall be fixed at 176.625 Belgian francs to 100 escudos, or 56.617 escudos to 100 Belgian francs.

2. This rate, to be known as the "official rate", may not be altered by either of the Parties without notifying the other as far in advance as possible.

3. The National Bank of Belgium and the Bank of Portugal shall establish by agreement the maximum margins of difference above or below the official rate, which may be applied on the markets they control.

4. The sales of gold provided for in the present agreement shall be effected at the debtor's option in Lisbon, Brussels, New York, London or Ottawa, free of all charges, taxes or other commission whatsoever, at the net price of 1 kg. of fine gold=27,922.481 escudos and 49,318.0822 Belgian francs.

Should the official rate be altered, the above prices shall be proportionately adjusted.

Article 3

1. The National Bank of Belgium, acting for the Belgian Government, shall open in the name of the Bank of Portugal, acting for the Portuguese

¹ Came into force on 1 March 1949, as from the date of signature, in accordance with article 14.

Government, an account in Belgian francs, which shall be known as the "reciprocal account of the Bank of Portugal".

2. The Bank of Portugal, acting for the Portuguese Government, shall open in the name of the National Bank of Belgium, acting for the Belgian Government, an account in escudos which shall be known as the "reciprocal account of the National Bank of Belgium".

Article 4

1. The National Bank of Belgium, acting for the Belgian Government, shall sell, at the official rate, to the Bank of Portugal, acting for the Portuguese Government, the Belgian francs required for current payments which natural persons or bodies corporate residing or established in the Portuguese monetary zone are authorized to make to natural persons or bodies corporate residing or established in the Belgian monetary zone, in accordance with the exchange regulations in force in the two zones:

(a) against escudos to be credited to the "reciprocal account" of the National Bank of Belgium with the Bank of Portugal, as long as the credit balance of that account does not exceed 67,940,552 escudos up to and including 30 June 1949 and 56,617,126 escudos as from 1 July 1949

or

(b) if the credit balance of the "reciprocal account" of the National Bank of Belgium with the Bank of Portugal reaches 67,940,552 escudos up to and including 30 June 1949 and 56,617,126 escudos as from 1 July 1949, against gold sold by the Bank of Portugal to the National Bank of Belgium at the price and on the conditions laid down in article 2 (4) of the present agreement. Subject to the agreement of both banks, this gold may be replaced wholly or in part by foreign currencies convertible into gold.

2. The Bank of Portugal, acting for the Portuguese Government, shall sell, at the official rate, to the National Bank of Belgium, acting for the Belgian Government, the escudos required for current payments which natural persons or bodies corporate residing or established in the Belgian monetary zone are authorized to make to natural persons or bodies corporate residing or established in the Portuguese monetary zone, in accordance with the exchange regulations in force in the two zones:

(a) against Belgian francs to be credited to the "reciprocal account" of the Bank of Portugal with the National Bank of Belgium, as long as the credit balance of that account does not exceed 120,000,000 Belgian francs up to and including 30 June 1949 and 100,000,000 Belgian francs as from 1 July 1949

or

- (b) if the credit balance of the "reciprocal account" of the Bank of Portugal with the National Bank of Belgium reaches 120,000,000 Belgian francs up to and including 30 June 1949 and 100,000,000 Belgian francs as from 1 July 1949, against gold sold by the National Bank of Belgium to the Bank of Portugal at the price and on the conditions laid down in article 2 (4) of the present agreement. Subject to the agreement of both banks, such gold may be replaced wholly or in part by foreign currencies convertible into gold.

Article 5

1. The account opened for the Bank of Portugal in the books of the National Bank of Belgium in accordance with article 3 of the present agreement shall be credited with the following sums:

- I. The sums in Belgian francs referred to in Article 4 (1) and (2) (a);
- II. The sums in Belgian francs transferred from the accounts of banks or other natural persons or bodies corporate residing or established in the Portuguese monetary zone;
- III. The sums in Belgian francs deposited in the name of natural persons or bodies corporate residing or established in the Portuguese monetary zone;
- IV. The sums in Belgian francs from other accounts of the Bank of Portugal;
- V. Sums in Belgian francs relating to other operations upon which the two Contracting Parties agree.

This account shall be used for the following purposes:

- I. Transfers to the accounts of banks or other natural persons or bodies corporate residing or established in the Portuguese monetary zone, or of banks or other natural persons or bodies corporate residing or established in the Belgian monetary zone, for current payments for necessary purposes in conformity with the relations between the Belgian monetary zone and the Portuguese monetary zone;
- II. Purchases of Congo francs through the National Bank of Belgium, to the extent available, in order to make payments in the Belgian Congo and the territories of Ruanda-Urundi;
- III. Current payments or transfers to natural persons or bodies corporate residing or established in countries outside the Belgian monetary zone and the Portuguese monetary zone whenever such payments or transfers have been arranged by agreement between the two Contracting Parties and the other interested parties have also signified their agreement.

2. The account opened for the National Bank of Belgium in the books of the Bank of Portugal in accordance with article 3 of the present agreement shall be credited with the following sums:

- I. The sums in escudos referred to in article 4 (1) (a) and (2);
- II. Sums in escudos transferred from the accounts of banks and other natural persons or bodies corporate residing or established in the Belgian monetary zone;
- III. Sums in escudos from other accounts of the National Bank of Belgium;
- IV. Sums in escudos deposited on behalf of persons residing in the Belgian monetary zone;
- V. Sums in escudos relating to other operations upon which the two Contracting Parties agree.

This account shall be used for the following purposes:

- I. Transfers to the accounts of banks or other natural persons or bodies corporate residing or established in the Belgian monetary zone, or banks or other natural persons or bodies corporate residing or established in the Portuguese monetary zone, for current payments for necessary purposes in conformity with the relations between the Belgian monetary zone and the Portuguese monetary zone;
- II. Purchases through the Bank of Portugal, within the legal issue limits, of local currencies of the Portuguese monetary zone, in order to make payments in territories where these currencies are legal tender;
- III. Current payments or transfers to natural persons or bodies corporate residing or established in countries outside the Belgian monetary zone and the Portuguese monetary zone, whenever such payments or transfers have been arranged by agreement between the two Contracting Parties and the other interested parties have also signified their agreement.

Article 6

For the purposes of articles 4 and 5 of the present agreement, current payments shall be deemed to be payments in respect of:

- (1) Supply of merchandise from the Portuguese monetary zone to the Belgian monetary zone and supply of merchandise from the Belgian monetary zone to the Portuguese monetary zone;

- (2) Cost of transport, storage, clearance, manufacture, processing, work done to specification and all other costs relating to merchandise;
- (3) Costs and profits arising out of transit trade;
- (4) Other operations customary in the relations between the two zones, including:
 - (a) Fees and royalties from patents, licences, trade marks and authors' rights;
 - (b) Wages, salaries and pensions, social insurance contributions and compensation, pensions and annuities;
 - (c) Commercial representation and publicity expenses, commissions, brokerage;
 - (d) Travelling, subsistence and living expenses;
 - (e) Insurance and re-insurance premiums and claims;
 - (f) Taxes, fines, legal costs;
 - (g) Interest and dividends, administrative expenses and trading profits of enterprises;
 - (h) Other operations included by joint agreement between the two Governments.

Payments relating to the above-mentioned operations, which it has hitherto been impossible to make for any reason whatsoever, shall be deemed to be current payments.

Article 7

1. The National Bank of Belgium may sell, at any time, to the Bank of Portugal, against all or part of the balance in Belgian francs of the "reciprocal account" of the Bank of Portugal:

- I. escudos deposited to the credit of its "reciprocal account" with the Bank of Portugal;
- II. gold sold at the price and on the conditions laid down in article 2 (4) of the present agreement;
- III. foreign currencies convertible into gold, by agreement with the bank of Portugal;

2. The Bank of Portugal may sell, at any time, to the National Bank of Belgium, against all or part of the balance in escudos of the "reciprocal account" of the National Bank of Belgium:

- I. Belgian francs deposited to the credit of its "reciprocal account" with the National Bank of Belgium;
- II. gold sold at the price and on the conditions laid down in article 2 (4) of the present agreement;
- III. foreign currencies convertible into gold, by agreement with the National Bank of Belgium.

Article 8

For the purposes of articles 4, 5 and 7 of the present agreement, it is understood that so long as the Agreement for the Intra-European Payments and Compensations signed at Paris on 16 October 1948 remains in force, the two Governments shall take into account the principles set forth in articles 5 and 7 of the said agreement, although the present Payments Agreement has been concluded after the signing of the aforesaid Paris Agreement.

Article 9

The portion of the balance in the reciprocal account of the National Bank of Belgium with the Bank of Portugal in excess of 17,000,000 escudos shall bear interest at the rate of 2 per cent per annum, free of all taxes or deduction whatsoever, on each successive amount of 600,000 escudos.

The portion of the balance in the reciprocal account of the Bank of Portugal with the National Bank of Belgium in excess of 30,000,000 Belgian francs shall be invested, in successive amounts of 1,000,000 Belgian francs, in Belgian Treasury bonds bearing interest at the rate of 2 per cent per annum, free of all taxes or deductions.

The sums invested in Treasury bonds shall be covered by the exchange guarantee provided for in article 10 and by the guarantee of reimbursement in gold provided for in article 11. In particular, the bonds shall be redeemable whenever this is necessary for clearing against escudos credited to the reciprocal account of the National Bank of Belgium with the Bank of Portugal.

Article 10

Should there be any alteration in the official rate during the period of the present agreement, the reciprocal accounts mentioned in article 3 shall be closed and their balances shall be cleared at the official rate at the close of business on the day preceding the date on which such alteration comes into effect, account being taken of the orders in transit at the time of such alteration in the rate.

Furthermore, as long as such alteration is not a consequence of revaluation of one of the two currencies in relation to gold, and if the credit balance after clearing is expressed in the currency whose value is reduced in relation to the

other, the Central Bank issuing the currency in question shall adjust the amount of the credit balance in proportion to the alteration in the official rate.

Article 11

On the expiry of the present agreement, the balances of the accounts mentioned in article 3 shall be cleared at the official rate obtaining at that date and the final credit balance shall be repayable in gold at the current price. Repayment in gold may be effected according to an amortization table drawn up by agreement between the two Governments, but the period of amortization shall not exceed one year from the date of expiry of the agreement. In this case the credit balance shall bear interest, payable in gold, at the rate of 3 per cent per annum.

The gold due under the provisions of this article shall be sold at the price and on the conditions laid down in article 2 (4) of the present agreement.

Subject to the agreement of both Governments, such gold may be replaced by foreign currencies convertible into gold.

Article 12

Should the Belgian and Portuguese Governments undertake to enter into an international monetary agreement during the period of the present agreement, they shall review the terms of the present agreement with a view to making any necessary amendments.

Article 13

The National Bank of Belgium and the Bank of Portugal shall be responsible for dealing with all technical questions which may arise in connexion with the present agreement.

Article 14

The agreement shall remain in force for a period of one year. It shall come into force on the date of its signature.

It may be extended thereafter for a period to be determined after prior agreement between the two Governments.

It shall be subject to revision or amendment at any time by common agreement.

DONE in Brussels, in duplicate, this first day of March 1949.

For the Belgian Government:
MOENS DE FERNIG

For the Portuguese Government:
Eduardo VIEIRA LEITÃO

PROTOCOL ANNEXED TO THE PAYMENTS AGREEMENT SIGNED
BY THE BELGIAN AND PORTUGUESE GOVERNMENTS

Following the denunciation by the Bank of Portugal of the Convention on Payments concluded between it and the National Bank of Belgium on 7 January 1946,¹ and in application of the provisions of articles 3, 4 and 7 of that convention and of the provisions of the Payments Agreement signed this day by the Belgian and Portuguese Governments, the aforesaid two Governments have agreed as follows:

(1) After taking into account the result of the operations effected under the provisions of the Agreement for the Intra-European Payments and Compensations signed at Paris on 16 October 1948, the balance at 31 January 1949, in excess of the credit of 100 million escudos, after clearing the "reciprocal accounts" opened in each other's names by the National Bank of Belgium and the Bank of Portugal in accordance with article 3 of the Convention on Payments of 7 January 1946, shall be paid forthwith in gold to the National Bank of Belgium by the Bank of Portugal on the conditions laid down in the aforesaid Convention of 7 January 1946.

(2) The balance of the aforesaid accounts, after the payment in gold under (1) above has been effected, shall be settled in the following manner:

(a) a sum of 67,940,552 escudos shall be deposited by the Bank of Portugal to the credit of the account opened in the name of the National Bank of Belgium with the Bank of Portugal in accordance with article 3 of the agreement signed this day by the Belgian and Portuguese Governments;

(b) the balance remaining after such deposit shall be credited to a new account entitled "Special Account No. 2 of the National Bank of Belgium" to be opened in the name of the National Bank of Belgium with the Bank of Portugal. This account shall be covered by the exchange guarantee under article 10 of the Payments Agreement signed this day by the Belgian and Portuguese Governments and shall bear interest at the official rate of the creditor bank.

(3) The account referred to in 2 (b) above shall be amortized in gold on the conditions laid down in the aforesaid Convention of 7 January 1946, and subject to the provisions of article 8 of the Payments Agreement signed this day, as follows:

¹ United Nations, *Treaty Series*, Volume 19, page 159.

Five million escudos.....	on 31 July 1949
Five million escudos.....	on 31 August 1949
Five million escudos.....	on 30 September 1949
Five million escudos.....	on 31 October 1949
Five million escudos.....	on 30 November 1949
The balance.....	on 31 December 1949

Nevertheless, the Bank of Portugal shall have the right to redeem, before the due date, and on the above-mentioned conditions, all or part of the sum standing to the credit of the Special Account No. 2 referred to in 2 (b) above.

DONE in Brussels, in duplicate, this first day of March 1949.

For the Belgian Government:
MOENS DE FERNIG

For the Portuguese Government:
Eduardo VIEIRA LEITÃO