

No. 520

**DENMARK
and
FINLAND**

Payments Agreement (with protocol). Signed at Copenhagen, on 22 March 1949

Danish and Finnish official texts communicated by the Permanent Representative of Denmark to the United Nations. The registration took place on 15 August 1949.

**DANEMARK
et
FINLANDE**

Accord de paiements (avec protocole). Signé à Copenhague, le 22 mars 1949

Textes officiels danois et finnois communiqués par le représentant permanent du Danemark auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 15 août 1949.

TRANSLATION — TRADUCTION

No. 520. PAYMENTS AGREEMENT¹ BETWEEN DENMARK
AND FINLAND. SIGNED AT COPENHAGEN, ON
22 MARCH 1949

The Danish and Finnish Governments have concluded the following agreement on the manner in which payments shall be made between the two countries.

Article 1

1. The rate of exchange between Danish crowns and Finnish marks is 3.5443 Danish crowns to 100 Finnish marks.

2. The said rate (hereinafter called "the official rate") shall not be changed by either Government unless notice thereof is given to the other Government as long in advance as possible.

3. The two Governments shall take steps to ensure that the official rate shall be employed for all transactions which the Governments are in a position to control and which involve the reciprocal value of the two currencies.

4. The Danmarks Nationalbank and the Suomen Pankki (Bank of Finland) shall come to an agreement, as agents for their respective Governments, respecting the highest and lowest limits of variation from the official rate which shall be recognized on purchases and sales in the two countries.

Article 2

1. The Danmarks Nationalbank (as agent for the Danish Government) shall, subject to the provisions of article 3 hereunder, sell the amounts in Danish crowns necessary for payments which persons in Finland are entitled to make to persons in Denmark in accordance with the currency regulations in force in Finland. The said Danish crowns shall be sold for Finnish marks, which shall be credited at the official rate to the No. 1 account of the Danmarks Nationalbank with the Suomen Pankki.

¹ Came into force on 22 March 1949, as from the date of signature, and became applicable on 1 April 1949, the date agreed upon by the National Bank of Denmark and the Bank of Finland, in accordance with article 7.

2. The Suomen Pankki (as agent for the Finnish Government) shall, subject to the provisions of article 3 hereunder, sell the amounts in Finnish marks necessary for payments which persons in Denmark are entitled to make to persons in Finland in accordance with the currency regulations in force in Denmark. The said Finnish marks shall be sold for Danish crowns, which shall be credited at the official rate to the No. 1 account of the Suomen Pankki with the Danmarks Nationalbank.

Article 3

1. The right to buy currency of the other country as laid down in article 2 may be exercised while the net credit of the Suomen Pankki or of the Danmarks Nationalbank respectively in consequence of this agreement does not exceed the sum of 25 million Danish crowns or of 705,360,000 Finnish marks, as the case may be.

2. If the credits in the accounts referred to in article 2 exceed one-third of the sum hereinbefore mentioned, interest shall be paid on the surplus at the rate of two (2) per cent per annum in half yearly payments on 30 June and 31 December.

3. If either of the limits prescribed in the first paragraph of this article is exceeded, the two Governments shall consult each other with a view to adjusting the discrepancy.

Article 4

1. If the rate of exchange prescribed in article 1, paragraph 1, is altered, the accounts shall be cleared on the day on which the alteration occurs, at the rate in force before the alteration.

2. If the balance is drawn up in the currency which has depreciated in value in relation to the other currency, the debtor country shall adjust the amount of the balance in accordance with the depreciation that has taken place.

Article 5

1. The Danmarks Nationalbank (as agent for the Danish Government) and the Suomen Pankki (as agent for the Finnish Government) shall be responsible for giving effect to this agreement and shall exercise such control over the development of payments as may be necessary therefor. The banks shall co-operate in adapting the application of the agreement to the circumstances and shall otherwise maintain contact with one another with respect to all technical questions arising in connexion with the agreement. Each country shall be solely responsible for its own economic relations with any country not a

party to the agreement; nevertheless, the banks shall keep one another informed of any case where the situation with respect to payments between either country and a third country affects the interests of the other contracting country.

2. If the conditions giving rise to the agreement should alter, the Danmarks Nationalbank and the Suomen Pankki shall come to an arrangement respecting any alterations or additions to the agreement which the circumstances may render necessary.

Article 6

On the expiry of this agreement the two Governments shall consult each other with a view to the settlement of any net balance.

Article 7

This agreement shall enter into force on the date of its signature and shall apply as from the date agreed upon by the Danmarks Nationalbank and the Suomen Pankki. The clearing arrangement between the Danmarks Nationalbank and the Suomen Pankki shall cease to have effect from the same date. This agreement may be terminated at any time on three months' notice by either Party.

DONE at Copenhagen, this 22nd day of March 1949, in duplicate, in the Danish and Finnish languages, both texts being equally authentic.

(Signed) SANDAGER JEPPESEN

(Signed) K. R. SAVOLAHTI

PROTOCOL

In connexion with the conclusion of the Payments Agreement between Denmark and Finland, the Danish Government and the Finnish Government agree that it shall apply to all current payments, irrespective of when they fall due, including capital payments falling due under contract as well as dividends and other income from capital investments.

Nevertheless, this shall not be interpreted as meaning that the Contracting Parties are not entitled in special cases to demand effective payment in a currency other than Finnish marks or Danish crowns, particularly for deliveries of goods or for services requiring expenditures in another currency by the creditor.

DONE at Copenhagen, this 22nd day of March 1949, in duplicate, in the Danish and Finnish languages, both texts being equally authentic.

(Signed) SANDAGER JEPPESEN

(Signed) K. R. SAVOLAHTI