

No. 956

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**DENMARK  
and  
ARGENTINA**

**Trade and Payments Agreement (with annexes). Signed at Buenos Aires, on 14 December 1948**

*Official texts: Danish and Spanish.*

*Registered by Denmark on 26 October 1950.*

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**DANEMARK  
et  
ARGENTINE**

**Accord relatif aux échanges commerciaux et aux paiements (avec annexes). Signé à Buenos-Aires, le 14 décembre 1948**

*Textes officiels danois et espagnol.*

*Enregistré par le Danemark le 26 octobre 1950.*

## TRANSLATION — TRADUCTION

NO. 956. TRADE AND PAYMENTS AGREEMENT<sup>1</sup> BETWEEN THE  
KINGDOM OF DENMARK AND THE ARGENTINE REPUBLIC.  
SIGNED AT BUENOS AIRES, ON 14 DECEMBER 1948

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The Danish and Argentine Governments, desiring to facilitate and promote economic relations between their two peoples, united by close ties of friendship, have decided to conclude a Trade and Payments Agreement, to which end they have designated their plenipotentiaries, who, being duly authorized to this effect, have agreed together as follows:

## CHAPTER I

## GENERAL

*Article 1*

The High Contracting Parties declare that they intend to strengthen the economic ties existing between them and to promote the exchange of their products, in order to ensure permanent markets therefor in accordance with their respective national needs.

*Article 2*

The Danish and Argentine Governments guarantee to one another strict reciprocity in all commercial and financial transactions between the two countries. They shall examine and decide with sympathetic consideration any proposals which they may present to each other for the purpose of facilitating and promoting their economic relations.

*Article 3*

The High Contracting Parties undertake to provide the maximum advantages compatible with their legislation for natural or manufactured products originating in the territory of one Party and imported into the territory of the other Party in respect of customs duties, dues, taxes and public charges and in respect of the administrative stages and proceedings to which the importation, movement, transport and distribution of such products are subject.

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<sup>1</sup>Came into force provisionally on 29 December 1948, fifteen days after its signature, in accordance with article 41.

*Article 4*

The Danish and Argentine Governments shall take the necessary measures, in accordance with the spirit of the provisions and agreements in force, to ensure the protection of designations of origin and quality of typical products originating in one of the two countries and shall, by means of adequate penalties, prevent the distribution and sale in their own territory or in that of a third country of goods bearing a false designation of origin, quality or type.

## CHAPTER II

## EXCHANGE OF GOODS

*Article 5*

The Argentine Republic shall grant facilities to Denmark to enable that country to purchase according to its needs, during a period of one year from the date of the entry into force of this Agreement, the following Argentine products, amongst others, for the minimum prices indicated:

<i>Product</i>	<i>Prices (in thousands of Danish kr.)</i>
Forage cereals, oil cake, bran, powdered meat, bone meal and/or blood meal . .	25,000
Quebracho extract .....	1,000
Wool .....	5,000
Vegetable oils .....	6,000
Ox hides (refrigerated) .....	2,000
Miscellaneous products such as those specified in annex 1 .....	1,000

*Article 6*

Denmark may purchase in the Argentine Republic, during the period of one year from the date of the entry into force of this Agreement, large quantities of the products indicated in article 5, to the extent permitted by the Argentine exportable surpluses, up to a total value of 25,000,000 Danish kroner.

These purchases shall be paid for in the manner indicated in articles 18 and 19.

*Article 7*

Denmark shall grant facilities to the Argentine Republic to enable that country to purchase according to its needs, during a period of one year from the date of

the entry into force of this Agreement, the following Danish products, amongst others, for the minimum prices indicated:

<i>Product</i>	<i>Prices (in thousands of Danish kr.)</i>
Seed potatoes <sup>1</sup> .....	1,500
Forage and vegetable seed <sup>1</sup> .....	750
Cereal seed <sup>1</sup> .....	P.M.
Rennet .....	1,000
Natural cryolite .....	600
White cement .....	P.M.
Fishing vessels fitted with diesel engines and refrigerating equipment .....	2,000
Machinery, apparatus, articles of iron and other metals .....	30,000

including

Diesel and semi-diesel engines, marine and stationary, with accessories and spares, refrigerating machinery and equipment with accessories and spares, dairy machinery, separators, milking machines, machinery for fat and tallow refineries, road construction machinery, installations for the manufacture of fish oil and fish meal, machinery for the extraction of whale oil, shoe-making machinery, equipment for the manufacture and preparation of cement, machine tools and tools, copper electrical cables, wire and other articles such as those specified in annex 2.

Other industrial products, including chemical and pharmaceutical products .....	1,000
Miscellaneous products such as those specified in annex 3 .....	2,000

#### *Article 8*

The goods referred to in articles 5 and 6 shall be purchased by bodies or firms with headquarters in Denmark, from or through the Instituto Argentino de Promoción del Intercambio (Argentine Institute for the Development of Trade), unless that body prefers that they should be purchased from some other institution or from export concerns established in the Argentine Republic.

#### *Article 9*

The products indicated in article 7 shall be purchased by the Instituto Argentino de Promoción del Intercambio, by other official Argentine organizations, or by importers established in Argentina.

#### *Article 10*

Argentine and Danish products exchanged between Denmark and Argentina shall be invoiced at the prices fixed in the contract.

#### *Article 11*

The exportation of Argentine goods to Denmark and of Danish goods to Argentina shall be subject to the general regulations in force in the exporting country when each operation takes place.

<sup>1</sup>Provided that they comply with the specifications established by the competent Argentine official bodies.

The importation of Argentine products into Denmark and of Danish products into Argentina shall be subject to the general regulations in force in the importing country at the time of entry of the merchandise.

#### *Article 12*

Until the expiration of this Agreement, the High Contracting Parties will decide three months before the expiration of the one-year periods of this Agreement what Argentine and Danish goods in particular are to be exchanged between the two countries during the succeeding twelve months.

### CHAPTER III

#### FINANCIAL AND PAYMENT PROVISIONS

#### *Article 13*

All payments of any kind whatsoever relating to direct operations between Denmark and Argentina shall be made in Danish kroner under the conditions laid down in this Agreement and in conformity with the currency regulations in force in both countries.

The provisions of the preceding paragraph do not apply to the payments referred to in article 18.

#### *Article 14*

All payments referred to in article 13, except those in respect of the purchase of Argentine products specified in article 6, shall be made to the debit or credit of an account in kroner styled the "Argentine Special A Account", which the Danmarks Nationalbank (National Bank of Denmark), as agent for the Danish Government, shall open in the name of the Banco Central de la República Argentina (Central Bank of the Argentine Republic) as agent for the Argentine Government.

Operations may be carried on either directly between the two institutions or between banks and institutions of the two countries authorized to deal in foreign exchange. For this purpose Danish banks will open "private special accounts" in the name of their Argentine correspondents, and these will be considered as sub-accounts of the account opened by the Danmarks Nationalbank in the name of the Banco Central de la República Argentina.

#### *Article 15*

During the validity of this Agreement the creditor institution shall not demand any payment of the total net balance standing to its credit in the accounts referred to in article 14 so long as the balance does not exceed 40,000,000 kroner.

*Article 16*

The aggregate net balance, whether debit or credit, of the special accounts referred to in article 14 shall not bear or pay interest on an amount up to 13,000,000 Danish kroner.

Amounts in excess of this sum shall, until they are completely settled, bear or pay interest at  $2\frac{1}{2}\%$  per annum, to be paid up and entered quarterly in the Special A Account to be opened with the Danmarks Nationalbank in the name of the Banco Central de la República Argentina.

*Article 17*

When the total net balance in Danish kroner of the accounts referred to in article 14 exceeds the limit specified in article 15, the creditor institution may request that the amount in excess be converted and paid in instalments of not less than 1,000,000 kroner in accordance with the provisions of article 21.

*Article 18*

The additional purchases of Argentine products referred to in article 6 shall be paid for by the Danish Government in cash, in freely negotiable United States dollars, up to the equivalent of 15,000,000 Danish kroner.

*Article 19*

When the Danish Government has effectively completed the purchases, referred to in the preceding article, to be paid for in freely negotiable United States dollars, the Argentine Government shall authorize purchases against the remaining 10,000,000 Danish kroner. These purchases shall be paid for in Danish kroner to be credited to an Argentine Special B Account to be opened by the Danmarks Nationalbank in the name of the Banco Central de la República Argentina.

*Article 20*

The credit balance of the Argentine Special B Account shall, until it is completely settled, bear or pay interest at  $2\frac{1}{2}\%$  per annum, to be paid up and entered quarterly in the Argentine Special A Account.

*Article 21*

At the expiration of the present Agreement in accordance with the provisions of article 41, the debtor institution shall settle the total net balance of the Argentine Special A Account referred to in article 14 in freely negotiable United States dollars.

Danish kroner shall be converted into this currency at the rate of exchange for the United States dollar on the Copenhagen market mentioned in article 28.

The Banco Central de la República Argentina and the Danmarks Nationalbank may agree that the payment shall be made in gold coin or bars of fine gold or in other foreign currency.

#### *Article 22*

The value in Danish kroner of the Danish merchandise imported into Argentina from the day following the date of expiry of this Agreement shall be set aside to redeem the credit balance standing in the Argentine Special B Account at the time of expiry of the Agreement.

#### *Article 23*

If after two years from the date of expiry of the present Agreement, the Argentine Special B Account still shows a credit balance, this shall be redeemed in gold coin or bars of fine gold or in freely negotiable United States dollars at the option of the debtor institution.

#### *Article 24*

The debtor institution may at any time make total or partial payment of the balances on the accounts referred to in articles 14 and 19, and such payment shall be made in accordance with the conditions laid down in article 21.

#### *Article 25*

The Banco Central de la República Argentina shall notify the Danmarks Nationalbank daily by cable of the total Argentine position in Danish kroner, which shall comprise the entire cash holdings in that currency and the balance corresponding to the forward operations that are to be settled through the accounts referred to in articles 14 and 19.

The entire cash holdings shall include the cash positions of the Argentine Special A and B Accounts.

If the price of gold as determined in the manner set out in article 27 changes, the total Argentine position in Danish kroner shall be re-adjusted by the Danmarks Nationalbank or the Danish Government in proportion to the variation.

The re-adjustment shall be effected by one comprehensive credit or debit entry to the Special A and B Accounts of the Banco Central de la República Argentina with the Danmarks Nationalbank.

A change shall also be made in the maximum limit in Danish kroner applicable in accordance with the provisions of articles 15 and 19 to the total balance of the

accounts, so that the new limit based on the new price of gold shall be equivalent to the same amount of gold as was represented by the limit in force before the devaluation or revaluation.

The provisions of the present article shall apply to the balance of the Argentine Special B Account and to transactions carried on by its means until these are concluded and the balance fully settled.

#### *Article 26*

The Argentine balance in Danish kroner shall be re-adjusted as provided in the preceding article in accordance with the following procedure:

1. The re-adjustment shall be based on the balance of the cash account and on the balance of the forward contracts which the Banco Central de la República Argentina will notify to the Danmarks Nationalbank by cable at the close of business on the day preceding the change in the gold price fixed in accordance with article 27.
2. *Cash position:* The Danmarks Nationalbank or the Danish Government shall immediately credit or debit the Special A and B Accounts of the Banco Central de la República Argentina with such amount in Danish kroner as is necessary to make the new balance of the Argentine cash account calculated at the changed price of gold represent an amount of gold equal to that represented by the balance before the increase in the price of gold.
3. *Forward position:*
  - (a) Forward contracts concluded after the day on which the price of gold changes shall be entered in a new account.
  - (b) The re-adjustment of the balance of the Argentine forward account existing before the day on which the price of gold changes shall be effected gradually as the various contracts fall due and the currencies are entered in the Argentine cash account. In proportion to the devaluation or revaluation that has occurred, the Danmarks Nationalbank or the Danish Government shall increase or reduce the amount of Danish kroner standing to the Special A and B Accounts of the Banco Central de la República Argentina.

#### *Article 27*

In applying articles 17, 18, 21, 23, 24, 25 and 26 of the present Agreement, the price of gold shall be determined from the par value of the Danish krone in relation to the United States dollar as reported by the Danish Government to the International Monetary Fund (at the present time 1 Danish krone is equal to 0.185178 gramme of fine gold and 1 United States dollar is equal to 4.799 kroner).



*Article 28*

For the purposes of this Agreement the rate of exchange between the Argentine peso and the Danish krone shall be computed on the basis of the respective dollar rates at Buenos Aires and Copenhagen. At Buenos Aires the dollar rate to be used shall be:

- (a) In respect of transactions which in Argentina occur within the so-called Mercado Oficial de Cambios (Official Exchange Market), the rate applied on that market to such transactions.
- (b) In respect of transactions which in Argentina occur within the so-called Mercado Libre de Cambios (Free Exchange Market), the rate of the day quoted on that market.

At Copenhagen the dollar rate to be used shall be the par value of the Danish krone in relation to the United States dollar as reported by the Danish Government to the International Monetary Fund (at the present time 1 krone is equal to 0.185178 gramme of fine gold and 1 United States dollar is equal to 4.799 kroner).

*Article 29*

Where payment in fulfilment of a contract expressed in the currency of a third country is to be made by Argentina to Denmark or by Denmark to Argentina, conversion into Danish kroner shall be as follows:

1. In respect of transactions which in Argentina occur within the Mercado Oficial de Cambios, on the basis of the rate quoted at Buenos Aires:
  - (a) in the case of exports to Denmark, on the day of payment, or
  - (b) in the case of imports from Denmark, on the date on which customs clearance is requested in Argentina.
2. In respect of transactions which in Argentina occur within the Mercado Libre de Cambios, on the basis of the par value of the Danish krone as reported by the Danmarks Nationalbank to the International Monetary Fund (at the present time 1 krone is equal to 0.185178 gramme of fine gold, and 1 United States dollar is equal to 4.799 kroner).

*Article 30*

The account maintained by the Banco Central de la República Argentina with the Danmarks Nationalbank at the date of this Agreement shall be closed and the balance transferred to the new Argentine Special A Account.

*Article 31*

The High Contracting Parties agree:

- (a) To ensure that transfers of funds between Denmark and Argentina made under the present Agreement shall exclusively concern direct transactions between the two countries;
- (b) To authorize current payments between Denmark and Argentina in conformity with the exchange regulations in force in each country when such payments are made;
- (c) To consult together, in order, in conformity with the principles of their respective foreign-currency policies, to control capital transfers and in particular to prevent transfers that would serve no useful economic purpose;
- (d) To exchange all useful information for the purpose of ensuring fuller control of the application of the exchange regulations in force in each of the two countries, and
- (e) To maintain contact in order to examine jointly all technical problems arising in the application of this chapter, and to adopt by agreement all measures which circumstances may render necessary.

*Article 32*

The current payments referred to in item (b) of the preceding article refer in particular to:

Official payments;

Commercial payments, including supplementary expenditure and shipping costs;

Wages, remuneration for services, subsidies and maintenance expenditures;

Pensions, interest and dividends;

Operating costs and contractual amortization;

Patent fees, licences and authors' royalties;

Taxes and fines;

Insurance and re-insurance payments (premiums and compensation payments) and any other payments agreed upon between the Danmarks Nationalbank and the Banco Central de la República Argentina.

*Article 33*

Freight charges for the transport of Argentine or Danish goods exchanged between the two countries may be paid in Danish kroner only if the transport is by Argentine or Danish vessels.

*Article 34*

Goods originating in a third country and purchased by one High Contracting Party from the other shall not be paid for through the special accounts established under this agreement unless an arrangement to this effect is made in each case by the Danmarks Nationalbank and the Banco Central de la República Argentina.

*Article 35*

The two banks of issue shall, as required, consult together for the purpose of determining whether, with the consent of the other interested monetary authorities, it shall be possible to permit:

- (a) The utilization of the credit balance of the accounts referred to in article 14 for payments in favour of persons resident outside Denmark or Argentina;
- (b) The purchase of assets in Danish kroner from such persons for the credit of the said accounts.

*Article 36*

The High Contracting Parties will review the provisions of this Agreement for the purpose of making such changes as may appear necessary in consequence of their accession to general monetary conventions.

*Article 37*

Not less than ninety days before the date of expiry of the present Agreement, the Danmarks Nationalbank and the Banco Central de la República Argentina shall agree upon the method of settling payment transactions pending at that date.

## CHAPTER IV

## SHIPPING

*Article 38*

Ships of each of the High Contracting Parties shall enjoy within the jurisdiction of the other the most favourable treatment accorded under their respective law governing port regulations and operations.

*Article 39*

The Danish Government shall in no way obstruct the participation of Argentine ships in the sea traffic between Denmark and Argentina.

## CHAPTER V

## FINAL PROVISIONS

*Article 40*

Either of the High Contracting Parties may by agreement with the other start negotiations to remedy difficulties of any kind arising from the application of this Agreement.

*Article 41*

This Agreement shall be approved in conformity with the constitutional procedure of each of the High Contracting Parties.<sup>1</sup>

Without prejudice to its final approval, this Agreement shall enter into force provisionally fifteen days from the date of signature and shall remain in force for five years. Both the High Contracting Parties, however, reserve the right to denounce it at any time after the first year subject to six months' notice. In such case the provisions of articles 16, 20, 21, 22, 23, 25, 26 and 27 shall remain in force until the balance of the accounts referred to in articles 14 and 19 has been finally paid off.

IN WITNESS WHEREOF this Agreement is signed in two copies, in the Danish and Spanish languages, both being equally authentic, in the city of Buenos Aires on 14 December 1948.

(Signed) Helmuth MØLLER

(Signed) Humberto SOSA MOLINA

(Signed) Miguel MIRANDA

(Signed) José GREGORIO DE ELORDY

## ANNEX 1

PARTICULARS OF THE MISCELLANEOUS PRODUCTS REFERRED TO IN ARTICLE 5  
OF THE AGREEMENT BETWEEN ARGENTINA AND DENMARK

Carded wool materials.  
Dried and preserved fruits.  
Tanned reptile hides.  
Drugs.  
Toilet and sanitary articles.

<sup>1</sup>The Agreement was approved by Denmark on the date of signature, and by the Argentine Senate and Chamber of Deputies on 26 August 1950 and 18 September 1950 respectively.

Flax and hemp fibre.  
Yerba maté.  
Garlic.  
Special cardboards.  
Macaroni and edible pastes.  
Materials for the manufacture of shoes (fine leather, special cotton fabrics).  
Maize starch.  
Shark liver oil.  
"Family beef".  
Wines.  
Crude wool.  
Shoes.

## ANNEX 2

SUPPLEMENTARY LIST OF ITEMS INCLUDED UNDER THE HEADING "MACHINERY, APPARATUS AND ARTICLES OF IRON" IN ARTICLE 7 OF THE AGREEMENT BETWEEN ARGENTINA AND DENMARK

Machines for rinsing and filling bottles.  
Beer and oil separators.  
Shark liver-oil extraction plant.  
Centrifugal pumps of capacity of over 3 million litres per hour.  
Electrical meters.  
Anti-aircraft defence material.  
Textile-marking machinery.  
Waste-processing installations.  
Machines for fixing capsules on bottles.  
Electric motors of not less than 30 h.p.  
Vacuum cleaners.  
Welding apparatus and paint sprayers.  
Agricultural machinery (conforming to the specifications established by the competent Argentine official bodies).  
Small grain mills.  
Sécateurs.  
Wireless receivers for technical use.  
Loud-speakers, microphones, pick-ups and accessories.  
Telephone apparatus and accessories.  
Gramophone motors.  
Accounting machines, duplicators and calculating machines (four operations).  
  
Hand-operated meat-mincing machines.  
Hydraulic presses.  
Tobacco knives.  
Spraying machines.  
Razor-blade manufacturing plant.  
High-tension material.  
Low-tension batteries and switches.

Dental drills.  
Sewing machines for the garment industry.  
Filters for the sugar and vine-growing industries.  
Metal saws.  
Mechanical drills.  
Automatic lathes.  
Grinding and polishing machines.  
Cylinder-reboring machines.  
Industrial compressors.  
Hydraulic elevators.  
Air-conditioning apparatus.  
Air extractors.  
Milling machines.  
Electro-medical apparatus.  
Photo-typing and photo-copying apparatus.  
Passenger buses for public undertakings.  
Water-softeners.

### ANNEX 3

#### PARTICULARS OF THE MISCELLANEOUS PRODUCTS REFERRED TO IN ARTICLE 7 OF THE AGREEMENT BETWEEN ARGENTINA AND DENMARK

Laboratory precision instruments.  
Duplicator stencils.  
Refractory earths, cements and blocks.  
Tennis and badminton racquets, unstrung.  
Industrial powdered mustard.  
Special brushes.  
Engineers' slide-rules.  
Flint.  
Pianos, grand and upright.  
Chemical and biological products for the dairy industry.  
Aluminium hydroxide.  
Pepsin and peptone.  
Cutlery.  
Stud bulls (in conformity with the specifications established by the competent Argentine official bodies).

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