

No. 962

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**DENMARK  
and  
CZECHOSLOVAKIA**

**Payments Agreement. Signed at Copenhagen, on 17 December 1949**

*Official text: French.*

*Registered by Denmark on 31 October 1950.*

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**DANEMARK  
et  
TCHÉCOSLOVAQUIE**

**Arrangement des paiements. Signé à Copenhague, le 17 décembre 1949**

*Texte officiel français.*

*Enregistré par le Danemark le 31 octobre 1950.*

## TRANSLATION — TRADUCTION

No. 962. PAYMENTS AGREEMENT<sup>1</sup> BETWEEN THE KINGDOM OF DENMARK AND THE CZECHOSLOVAK REPUBLIC. SIGNED AT COPENHAGEN, ON 17 DECEMBER 1949

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With a view to regulating payments between Denmark and Czechoslovakia, the Danish Government of the first part and the Czechoslovak Government of the second part agree to apply the following provisions:

*Article 1*

(1) All exchange operations resulting from the present Agreement shall be made on the basis of an official rate of exchange.

(2) The said rate (at present 100 Czechoslovak crowns to 13.81429 Danish crowns) shall not be altered by one of the parties without prior consultation between the currency authorities of the two countries.

(3) The National Bank of Denmark and the National Bank of Czechoslovakia shall fix by common agreement the highest and lowest limits of variation from the official rate which shall be recognized in transactions under their control.

*Article 2*

(1) For all current payments to be made in Denmark by persons resident in Czechoslovakia, in keeping with the exchange control legislation in force in Czechoslovakia, the National Bank of Czechoslovakia, acting as agent for the Czechoslovak Government, may buy from the National Bank of Denmark, acting as agent for the Danish Government, Danish crowns for Czechoslovak crowns.

(2) For all current payments to be made in Czechoslovakia by persons resident in Denmark, in keeping with the exchange control legislation in force in Denmark, the National Bank of Denmark, acting as agent for the Danish Government, may buy from the National Bank of Czechoslovakia, acting as agent for the Czechoslovak Government, Czechoslovak crowns for Danish crowns.

(3) The National Bank of Czechoslovakia shall maintain, in the name of the National Bank of Denmark, an account in Czechoslovak crowns of the operations referred to in paragraph 1 of this article, and the National Bank of Denmark shall maintain, in the name of the National Bank of Czechoslovakia, an account in Danish

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<sup>1</sup>Came into force on 17 December 1949, as from the date of signature, in accordance with article 6.

crowns of the operations referred to in paragraph 2 of this article. These accounts shall be balanced at the official rate of exchange whenever one of the parties so desires.

(4) If the amount resulting from the balancing of the two accounts exceeds 7.5 million Danish crowns or a corresponding sum in Czechoslovak crowns, the part of the balance exceeding that sum shall bear interest at 1½ per cent per annum in favour of the creditor party.

(5) If at a given time the balance referred to in paragraph 4 of the present article exceeds 15 million Danish crowns or a corresponding sum in Czechoslovak crowns, the two Governments shall consult each other with a view to adjusting the discrepancy.

### Article 3

The debtor country shall always have the right to make repayments either in the currency of the creditor country at the official rate of exchange, or in foreign currencies accepted by the creditor country, or in gold at the price agreed between the National Bank of Denmark and the National Bank of Czechoslovakia.

### Article 4

If the official rate of exchange prescribed in article 1, paragraph 1, of the present Agreement is altered, the accounts referred to in article 2, paragraph 3, shall be closed and the balance computed at the official rate previously in force.

The resulting net balance to the credit of one of the contracting parties shall then be settled in such a way that its equivalent in the currency of the said party shall be the same as it was before the alteration of the official rate of exchange.

### Article 5

If the contracting parties accede to a multilateral monetary convention before the expiry of the present Agreement, they shall review the terms hereof with a view to making any alteration therein which may be deemed necessary.

### Article 6

The present Agreement, which may be revised or altered after mutual consultation, shall enter into force on the date of its signature. It shall expire one year from the date of signature but shall be automatically renewed each year by tacit agreement if not denounced with three months' prior notice.

Upon expiry of the present Agreement the accounts referred to in article 2 shall be balanced at the official rate of exchange in force. The final balance shall be either redeemed by the debtor country in a currency to be agreed upon between

the two parties, or converted into Treasury bonds bought by the debtor country in the currency of the creditor country. These bonds shall bear interest at 3 per cent and shall be amortized in five equal annual instalments. The parties may agree upon any other method of settlement.

The present Agreement replaces the Payments Regulation between Denmark and Czechoslovakia dated 27 November 1945 and the letter of the same date annexed thereto as well as the Protocol of 14 September 1946 relating to the said Regulation.

DONE at Copenhagen, in duplicate, on 17 December 1949.

For the Kingdom of Denmark:

(Signed) E. BLECHINGBERG

For the Czechoslovak Republic:

(Signed) Dr. Viktor JAKESCH