

No. 965

**DENMARK
and
PORTUGAL**

Payments Agreement. Signed at Lisbon, on 8 April 1949

Official text: French.

Registered by Denmark on 1 November 1950.

**DANEMARK
et
PORTUGAL**

Accord de paiement. Signé à Lisbonne, le 8 avril 1949

Texte officiel français.

Enregistré par le Danemark le 1er novembre 1950.

TRANSLATION — TRADUCTION

No. 965. PAYMENTS AGREEMENT¹ BETWEEN DENMARK AND PORTUGAL. SIGNED AT LISBON, ON 8 APRIL 1949

The Danish and Portuguese Governments have agreed to give effect to the following provisions for regulating payments between Denmark and the Portuguese currency area:

Article I

For the purposes of this Agreement the Portuguese currency area shall mean continental Portugal, the adjacent islands and Portuguese territories overseas.

Article II

1. Transactions carried out under this Agreement shall be subject to the official rate of exchange.
2. The official rate shall be determined by agreement between the Danmarks Nationalbank (National Bank of Denmark) and the Banco de Portugal (Bank of Portugal) and may not be altered by either party without giving as long as possible a period of notice to the other.
3. The Danmarks Nationalbank and the Banco de Portugal shall also agree on the maximum upward and downward deviations to be permitted in markets under their control.

Article III

1. The Banco de Portugal (as agent for the Portuguese Government) may purchase from the Danmarks Nationalbank (as agent for the Danish Government) Danish kroner for escudos at the official rate of exchange to cover all current payments made in Denmark by persons resident in the Portuguese currency area in accordance with the law in force in continental Portugal, the adjacent islands and Portuguese territories overseas.
2. The Danmarks Nationalbank (as agent for the Danish Government) may purchase from the Banco de Portugal (as agent for the Portuguese Government) escudos for Danish kroner at the official rate of exchange to cover all current payments made in the Portuguese currency area by persons resident in Denmark in accordance with the law in force in that country.

¹Came into force on 8 April 1949, as from the date of signature, in accordance with article IX.

3. The Banco de Portugal shall keep an account in escudos for the transactions mentioned in paragraph 1 of this article, and the Danmarks Nationalbank shall keep an account in kroner for the transactions mentioned in paragraph 2 of this article.

Either party may at any time call for settlement of the balances of these accounts at the official rate of exchange.

4. If the combined balance of the two accounts for settlement exceeds 20,000,000 escudos or the corresponding sum in Danish kroner, that part of the balance in excess of such sums shall bear interest against the debtor country at 2 per cent *pro rata temporis*.

5. If at any time the balance mentioned in paragraph 4 of this article exceeds 40,000,000 escudos or the corresponding sum in Danish kroner, the two banks shall consult together with a view to restoring equilibrium.

6. The account of the Banco de Portugal in the Danmarks Nationalbank may be credited with sums in Danish kroner paid in by or transferred from the accounts of banks or other legal persons or individuals resident in the Portuguese currency area.

The account of the Danmarks Nationalbank with the Banco de Portugal may be credited with sums in escudos paid in by or transferred from the accounts of banks or other legal persons or individuals resident in the Danish currency area.

Article IV

The Banco de Portugal shall, subject to the legal limitations on note issue, provide the Danmarks Nationalbank against escudos with the local currency necessary for making all current payments in Portuguese territories overseas where that currency is legal tender.

Article V

The debtor country shall at all times be entitled to settle either in the currency of the creditor country, or in a foreign currency accepted by the creditor country, or in gold at a price to be agreed upon between the Danmarks Nationalbank and the Banco de Portugal.

Article VI

If the official rate of exchange is altered in accordance with paragraph 2 of article II hereof, then on the day of such alteration the accounts shall be settled at the old rate of exchange.

If the balance is expressed in the devalued currency, it shall be adjusted by the debtor country in proportion to the devaluation.

Article VII

The Danmarks Nationalbank and the Banco de Portugal shall deal with all technical matters arising under this Agreement.

Article VIII

If before the expiry of this Agreement the Contracting Parties adhere to a multi-lateral currency convention, they shall revise the text hereof with a view to incorporating any necessary amendments.

Article IX

This Agreement shall enter into force for an indefinite period on the date of its signature, and may be denounced by either party at any time on three months' notice.

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto, have signed this Agreement.

DONE at Lisbon, in two copies, on 8 April 1949.

For Denmark:

(Signed) Holten EGGERT

For Portugal:

(Signed) L. ESTEVES FERNANDES