

No. 976

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**BELGIUM**  
and  
**INDIA**

**Agreement relating to money and property situated in Belgium and British India which have been subjected to special measures in consequence of the war. Signed at New Delhi, on 4 August 1947**

**Exchange of notes constituting an arrangement for the application of the Agreement of 4 August 1947. New Delhi, 18 May 1950**

*Official text: English.*

*Registered by Belgium on 10 November 1950.*

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**BELGIQUE**  
et  
**INDE**

**Accord concernant les fonds et avoirs se trouvant en Belgique et dans l'Inde anglaise et qui ont été soumis à des mesures spéciales du fait de la guerre. Signé à New-Delhi, le 4 août 1947**

**Echange de notes constituant un arrangement en vue de l'application de l'Accord du 4 août 1947. New-Delhi, 18 mai 1950**

*Texte officiel anglais.*

*Enregistrés par la Belgique le 10 novembre 1950.*

No. 976. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF INDIA AND THE BELGIAN GOVERNMENT RELATING TO MONEY AND PROPERTY SITUATED IN BELGIUM AND BRITISH INDIA WHICH HAVE BEEN SUBJECTED TO SPECIAL MEASURES IN CONSEQUENCE OF THE WAR. SIGNED AT NEW DELHI, ON 4 AUGUST 1947

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The Government of India and the Belgium Government desiring to conclude an Agreement to facilitate the restoration of money and property situated in Belgium and British India and belonging to persons who are and have been resident or carrying on business in British India and Belgium respectively and which have been subjected to special measures in consequence of the war have agreed as follows:

PART I. — OBJECT AND SCOPE

*Article 1*

(a) The present Agreement shall apply as regards British India to money and property of Belgian persons which have been dealt with under rule 114 of the Defence of India Rules (hereinafter called the "said Rules"). It shall apply as regards Belgium to money and property situated in Belgium of British Indian persons which have been subject to special regimes since the 31st May, 1940.

(b) For the purpose of this Agreement the phrase "Belgian persons" is defined as meaning persons whose money and property have been dealt with under the said Rules solely because they are and have been resident or carrying on business in Belgium. The phrase "British Indian persons" is defined as meaning persons whose money and property have been subject to special regimes solely because they are and have been resident or carrying on business in British India.

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<sup>1</sup> Came into force on 4 August 1947, as from the date of signature, in accordance with article 17.

(c) It is expressly understood that this Agreement does not apply to any settlement to be effected between the contracting Governments or in which one or more Government Departments are concerned except by mutual agreement.

*Article 2*

This Agreement does not purport to deal with the position of the money and property of Belgian and British Indian persons under Revenue or Foreign Exchange Control Legislation in force in British India or Belgium.

*Article 3*

Money and property in British India of British subjects resident in Belgium which have been dealt with under the said Rules shall be dealt with outside the terms of this Agreement.

PART II. — MONEYS

*Article 4*

*Bank Balances.* — Bank balances belonging to Belgian and British Indian persons shall be placed at the disposal of the original account holders or their successors.

*Article 5*

*Commercial debts, interest and other moneys of a like nature due under contracts:*

(a) Commercial debts, interest and other moneys of a like nature actually collected by the Custodian of Enemy Property for British India (hereinafter referred to as the Custodian) and due to Belgian persons shall be transferred to the Belgium Government with a view to the satisfaction of the claims of the creditors.

Provided that nothing in the foregoing shall prevent the Government of India in cases which in its opinion justify this action, from agreeing with the Belgium Government to the return to the person by whom payment was made of the moneys now held by the Custodian.

(b) Commercial debts, interest and other moneys of a like nature due to British Indian persons shall be settled direct between the Belgian debtors and their creditors in British India.

(c) The Belgium Government recognise that Belgian persons who are debtors to British Indian persons in respect of moneys of the kinds dealt

with in this Article remain liable to their creditors until the debts are fully discharged in accordance with the terms of the appropriate contracts. In this connection the Belgium Government will assist British Indian creditors to trace and identify their debtors and take such other action as may be deemed necessary by the Parties to the Agreement to facilitate the enforcement of the claims of the creditors against the original debtors, their heirs or successors.

#### *Article 6*

*Other Moneys.* — Other moneys such as those arising from the sale of goods, by way of legacies or under trusts or settlements or from other causes, shall be dealt with in accordance with the provisions of Article 5.

### PART III. — PROPERTY

#### *Article 7*

Securities belonging to Belgian and British Indian persons shall be placed at the disposal of the original holders or their successors.

Nevertheless it is recognised that securities held in one country for banks in the other country will only be released on proof that they are not beneficially owned by persons resident or carrying on business in a country with which the Government making the release is at war or by concerns incorporated under the laws of such a country.

#### *Article 8*

*Immoveable Property.* — Belgian and British Indian persons shall be free to resume ownership and management of their immoveable property.

#### *Article 9*

*Moveable Property.* — The two contracting Governments shall use their best endeavours to assist in tracing and returning the moveable property of Belgian and British Indian persons.

#### *Article 10*

*Industrial, literary and artistic property.* — Where the disposition of industrial, literary and artistic property is not covered by the provisions of any special agreement, it shall be dealt with under this Agreement.

*Article 11*

*Commercial, financial and industrial undertakings.* — Any restrictions (other than those which are common to all persons resident in Belgium or British India) which at present prevent Belgian persons from resuming the management or direction of such undertakings in British India shall be removed and any restrictions in Belgium which may prevent British Indian persons from resuming management or direction of their undertaking shall be removed likewise.

*Article 12*

*Acts of dispossession.* — The Belgium Government shall give no less favourable treatment to British Indian subjects than to Belgian citizens in regard to property situated in Belgium which has been the subject of acts of dispossession of the kinds covered by the Inter-Allied Declaration of the 5th January, 1943, or of discriminatory legislation and they will take the action necessary to restore any British Indian rights or interests which have been prejudiced.

*Article 13*

*Removal of legal obstacles.* — The two contracting Governments agree to consider action for the removal of legal obstacles (including periods of prescription), arising from the war which may prevent an equitable settlement of outstanding indebtedness.

*Article 14*

*Liquidation in progress.* — The two contracting Governments will consult together on outstanding questions arising out of liquidations or similar proceedings undertaken on account of Custodian legislation.

*Article 15*

*Fees.* — Fees already levied on money or property coming under this Agreement by the respective authorities will not be refunded. No further fees will be levied on either side in respect of such money or property, but any expenses incurred in course of the administration and supervision of such assets may be charged.

*Article 16*

*Estate of deceased persons.* — In dealing with the estates in British India of Belgian persons who have died since their money and property became sub-

ject to the said rules, it is agreed that the terms of the Agreement shall not be applied until a legal personal representative has been appointed.

*Article 17*

*Implementation.* — The contracting Governments shall consult together in order to decide the details of the procedure for giving effect to this Agreement which shall come into force on the date of signature.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in New Delhi in duplicate on the 4th August 1947.

For the Government of India:  
(Signed) Sudhir Kumar SEN

For the Belgium Government:  
(Signed) HUPPERTS

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EXCHANGE OF NOTES CONSTITUTING AN ARRANGEMENT<sup>1</sup> FOR  
THE APPLICATION OF THE AGREEMENT OF 4 AUGUST 1947.  
NEW DELHI, 18 MAY 1950

I

AMBASSADE DE BELGIQUE  
NEW DELHI

18th May 1950.

Sir,

With reference to the Agreement signed on the 4th August, 1947, between the Belgian Government and the Government of India, relating to money and property situated in Belgium and what was then known as "British India" and belonging to persons who are and have been resident or carrying on business in the said "British India", and Belgium respectively, and which have been

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<sup>1</sup> Came into force on 18 May 1950, by the exchange of the said notes.

subjected to special measures in consequence of the war, I am directed to say that the following practical arrangements will be made in connection with the above Agreement.

1. The Government of India will transmit to the Belgian Government, lists of *amounts* due to Belgium under clause (a) of Article 5 of the Agreement.

2. The Government of India will transmit to the Belgian Government lists of names of *account holders* in Banks in India who are resident in Belgium.

3. The Government of India will transmit to the Belgian Government lists of names of *security account holders* in India resident in Belgium.

4. A list of amounts due to India under Article 5 of the Agreement as far as they are known to the Government of India, will be transmitted to the Belgian Government by the Government of India showing all available particulars to enable a check to be made in Belgium. The Belgian Government will also furnish to the Government of India all particulars which may eventually be in the possession of the Belgian Government regarding Indian assets in Belgium.

5. The lists transmitted by the Government of India will be examined by the Belgian Government. The lists transmitted by the Belgian Government will be examined by the Government of India and these lists will then be returned with information relating to possible cases in which a debt, the holder of a Bank account, or security represents enemy interests. In all other cases the Indian assets in Belgium will be released in the manner indicated below :

(a) *Current Accounts*: — The I.B.L.C. will grant the Belgian debtors the necessary authorization to allow the amount due to the Indian creditor to be transferred to India.

(b) *Banking Accounts*: — The I.B.L.C. will authorize the Banks holding the Bank accounts to transfer to India all moneys due to the Indian creditors or to credit a "Compte Etranger B" which is transferable into Indian currency and can be used for any kind of payment to be made in the Belgian Monetary area.

To enable the Indian Government to follow the progress in the deblocking procedure as regards the Indian assets in Belgium the I.B.L.C. will send to the Reserve Bank of India, Bombay, under intimation to the Indian Government, an approved copy of the documents sent to the Belgian Banks which hold the Indian assets involved.

The Belgian Government will also take suitable measures to prevent remittances of moneys due to Indian creditors and released by Banks in Belgium to countries outside Belgium other than India.

In the case of obligations expressed in Belgian francs and to be transferred from Belgium to Indian creditors the payment and remittance shall be made in that currency in a "Compte Etranger B" or through a sterling account. However, the Belgian Government should not refuse the transfer of an additional sum in Belgian francs that a Belgian debtor should wish to transfer to India in view of offsetting in part or in full the loss incurred by the Indian creditor as a result of the Belgian franc depreciation in terms of sterling in 1944.

(c) *Security Deposits*: — The I.B.L.C. will authorize the Banks which hold such deposits to put them into a "dossier étranger débloqué".

As far as the Indian Government admits the transfer to Belgium of securities belonging to Belgian holders in India, the Belgian Government will authorize the transfer to India of foreign securities belonging to Indian holders.

6. After return of the lists mentioned in para. 5 above, the Custodian Of Enemy Property for India will transfer to the O.B.G.L. the amounts mentioned in Clause (a) of Article 5 of the Agreement.

The Belgian assets in India held by the Custodian of Enemy Property for India shall be paid into the account of the Office Belge de Gestion et de Liquidation with the Bank of England in London after approval by the Institut Belgo-Luxembourgeois du Change of the lists transmitted by the Government of India. In the case of obligations expressed in Belgian francs the payment and remittance shall be made through a credit into sterling account, the transfer of which into Belgian francs is approved by the sterling area regulations. The Government of India will not claim any discharge from Belgian creditors in respect of payments received by them.

In regard to such Belgian assets including Bank deposits, immovable property, etc., as have not been entrusted to the Custodian of Enemy Property for India, a claim for release will be filed with the Custodian through the intermediary of the Institut Belgo-Luxembourgeois du Change and the Office Belge de Gestion et de Liquidation.

7. The arrangements outlined in the preceding clauses will apply also in the case of other moneys mentioned in Article 6 of the Agreement.

8. Whereas subsequent to the signature of the Agreement, India has been partitioned and two separate countries of India and Pakistan have come into being, it is understood that wherever such expressions as "Government of India", "India", "Custodian of Enemy Property, India", etc., are used, they shall be construed as referring to "Government of Pakistan", "Pakistan",



“Custodian of Enemy Property, Pakistan”, etc., where the transactions relate to Pakistan, and that, Pakistan Government has specifically agreed to such construction.

In all matters relating to Pakistan, the Belgian Government will address Pakistan Government direct.

It is understood that the present letter, together with your letter of acceptance, shall have a binding effect.

Yours faithfully,

(Signed) Prince DE LIGNE

Sri C. C. Desai, I.C.S.,  
Secretary to the Government of India  
Ministry of Commerce  
New Delhi

## II

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE

New Delhi, the 18th May, 1950

Sir,

I have the honour to acknowledge receipt of your letter of 18th May 1950 reading as follows:

[See note I]

and to state on behalf of my Government that they agree to the arrangements specified in the aforesaid letter.

2. It is further agreed that your letter and this reply shall have binding effect.

Yours faithfully,

(Signed) C. C. DESAI  
Secretary