

No. 1202

**NORWAY
and
ITALY**

**Payments Agreement (with annex and exchange of notes).
Signed at Oslo, on 22 January 1951**

Official text: French.

Registered by Norway on 18 May 1951.

**NORVÈGE
et
ITALIE**

**Accord de paiement (avec annexe et échange de notes). Signé
à Oslo, le 22 janvier 1951**

Texte officiel français.

Enregistré par la Norvège le 18 mai 1951.

TRANSLATION — TRADUCTION

No. 1202. PAYMENTS AGREEMENT¹ BETWEEN NORWAY AND ITALY. SIGNED AT OSLO, ON 22 JANUARY 1951

With a view to regulating payments between Norway and Italy within the framework of the Agreement of 19 September 1950 for the Establishment of a European Payments Union, the Norwegian Government and the Italian Government have agreed as follows :

Article 1

(a) To ensure the necessary means for payments which persons resident in Norway may, under the exchange control regulations in force in Norway, make to persons resident in Italy, the Ufficio dei Cambi, acting as agent of the Italian Government, shall sell to the Norges Bank lire against Norwegian crowns which shall be credited to the account in crowns referred to in paragraph (c) of this article.

(b) To ensure the necessary means for payments which persons resident in Italy may, under the exchange control regulations in force in Italy, make to persons resident in Norway, the Norges Bank, acting as agent of the Norwegian Government, shall sell to the Ufficio dei Cambi Norwegian crowns against lire which shall be credited to the account in lire referred to in paragraph (c) of this article.

(c) For the purpose of giving effect to the preceding paragraphs, the Norges Bank shall open in the name of the Ufficio dei Cambi an account in Norwegian crowns styled "Crowns Account", and the Ufficio dei Cambi shall open in the name of the Norges Bank an account in lire styled "Lire Account". The said accounts, which shall not bear interest, may not at any time show a debit balance.

Article 2

(a) The Norges Bank may at any time sell to the Ufficio dei Cambi, against all or part of the crowns balances held by the latter under this Agreement, the lire standing to the credit of the Norges Bank in the "Lire Account" referred to in article 1 (c).

(b) The Ufficio dei Cambi may at any time sell to the Norges Bank, against all or part of the lire balances held by the latter under this Agreement, the crowns standing to the credit of the Ufficio dei Cambi in the "Crowns Account" referred to in article 1 (c).

¹ Came into force on 1 February 1951, in accordance with article 5.

Article 3

(a) Transactions arising from the application of this Agreement shall be carried out on the basis of the rate of exchange between the crown and the lira.

(b) This rate of exchange shall be fixed by agreement between the Ufficio dei Cambi and the Norges Bank on the basis, on the one hand, of the parity of the crown in terms of USA dollars and, on the other hand, of the *Conti valutari esportazioni e rimesse* quotations (the arithmetical mean of the closing rates quoted on the Rome and Milan stock exchanges) of the USA dollar in Italy. This rate of exchange may be modified by agreement between the Ufficio dei Cambi and the Norges Bank whenever variations in the above-mentioned rates so require.

Article 4

(a) The Ufficio dei Cambi and the Norges Bank shall be responsible for all technical matters arising out of this Agreement.

(b) The two agents may also by joint agreement make provision for the decentralization of payments through authorized Italian and Norwegian banks.

Article 5

The present Agreement, which supersedes the Payments Agreement of 19 November 1949,¹ shall come into force on 1 February 1951; it shall be valid for an indefinite period and may be denounced at any time by either Party at three months' notice.

Nevertheless, considering that the settlement of balances occurring in the accounts provided for in article 1 (c) must be made within the framework of the Agreement for the Establishment of a European Payments Union, to which both countries are Parties, the application of the present Agreement shall forthwith be suspended if the first-mentioned Agreement is terminated or there is a withdrawal or a suspension of the Union with regard to either of the two countries. The two Governments shall confer with each other forthwith—if possible before the occurrence of one of the aforesaid events—on the measures to be adopted for the settlement of payments.

DONE at Oslo, in duplicate, on 22 January 1951.

For Norway :

(Signed) Halvard LANGE

For Italy :

(Signed) RULLI

¹ United Nations, *Treaty Series*, Vol. 47, p. 89.

ANNEX

TO THE PAYMENTS AGREEMENT BETWEEN NORWAY AND ITALY

The Norwegian Government and the Italian Government have agreed that the provisions of articles 1 and 2 of the Payments Agreement signed this day shall apply to payments in respect of :

- (1) deliveries of goods to Italy and Norway within the framework of agreements concluded between the Norwegian Government and the Italian Government;
- (2) services relating to goods traffic between Italy and Norway, such as all types of transport costs, charges in respect of forwarding, warehousing, customs clearance and goods insurance (premiums and indemnities), etc.
- (3) commissions, brokerage and representation, advertising and publicity expenses;
- (4) charges and profits relating to transit trade;
- (5) ocean freight due to vessels of Italian or Norwegian registry for transportation of goods between Italy or Norway and a third country, or between countries other than Italy or Norway on condition that the said freight is due from Italian or Norwegian traders and the relevant contracts specify payment in lire or Norwegian crowns;
- (6) as respect travel between Italy and Norway, the transport of persons resident in Italy by vessels of Norwegian registry or aircraft of Norwegian companies, and the transport of persons resident in Norway by vessels of Italian registry or aircraft of Italian companies;
- (7) expenses incurred (excluding bunkering charges) in Italian ports by Norwegian ships and in Norwegian ports by Italian ships, such as port expenses and dues, including outlay incurred by the master, normal ship's supplies, ordinary repairs, etc.; and expenses incurred at Italian and Norwegian airports by aircraft belonging respectively to Norwegian and Italian air transport companies;
- (8) ordinary processing, machining, assembling and repair expenses;
- (9) wages, salaries, fees, artists' and sportsmen's fees, pensions and annuities;
- (10) relief, living expenses, maintenance payments, and emigrants' remittances;
- (11) fees and royalties in respect of patents, licences, trademarks, copyrights and film exhibition rights, and in general any debts in respect of intellectual and artistic property;
- (12) payment and receipts of public services, taxes, fines, costs arising in connexion with official proceedings, etc.;
- (13) periodical settlement of the accounts opened between the postal and telegraph and the railway administrations and of the profits accumulated by the air and road transport companies of the two countries;
- (14) maintenance of diplomatic posts and the expenses of each country's diplomatic or official missions and cultural institutions in the other;
- (15) subsistence and travelling expenses, tourist expenses, school fees, and hospital and treatment expenses;

(16) insurance and reinsurance : premiums, balances, annuities, commissions, indemnities, etc.;

Payments relating to reinsurance transactions shall be settled as provided in letters of today's date exchanged on this subject.

(17) proceeds from capital : rent, dividends, interest, business profits, etc.;

(18) subscriptions to newspapers, magazines and periodical publications;

(19) contractual amortization of long-term loans;

(20) exchange differences, interest and indemnities arising out of the aforementioned transactions;

(21) any other transfer of funds in the nature of a payment authorized by agreement between the Ufficio dei Cambi and the Norges Bank.

The payments specified above may be made irrespective of the due date of the debt from which they arose.

It is also understood that the above-mentioned payments between Norway and the Territory of Trieste will be made through the accounts provided for in the Payments Agreement signed this day.

DONE at Oslo, in duplicate, on 22 January 1951.

For Norway :
(Signed) Halvard LANGE

For Italy :
(Signed) RULLI

EXCHANGE OF NOTES

I

ITALIAN LEGATION IN NORWAY

Oslo, 22 January 1951

Sir,

With reference to the Payments Agreement between Italy and Norway signed this day and to the talks which have been held at Oslo between the representatives of the Italian and Norwegian delegations on the settlement of reinsurance transactions between Italian and Norwegian companies, I have the honour to propose the following :

(1) *Payments arising out of reinsurance transactions expressed in lire or Norwegian crowns*

Reinsurance balances in favour of Italian and Norwegian insurance companies may be settled by joint agreement between the companies concerned in one of the following ways :

- by a transfer effected through the " Lire Account " or the " Crowns Account " provided for in the above-mentioned Agreement;
- by a payment into accounts opened, with the prior authorization of the competent authorities of the two countries, with approved Italian banks in the name of Norwegian insurance companies and with approved Norwegian banks in the name of Italian insurance companies.

The funds available in the said accounts may be used, *inter alia*, for payments which the company holding the account must make in the country where the account is held in settlement of losses incurred under direct insurance transactions or in settlement of reinsurance balances in favour of a company of a third country holding a similar account, on condition that the payments relate to transactions originally expressed in lire or Norwegian crowns.

The balances of the said accounts may also be transferred through the " Lire Account " or the " Crowns Account " provided for in the Agreement signed this day.

(2) *Payments arising out of reinsurance transactions expressed in a currency other than the lira or the Norwegian crown*

Balances arising out of reinsurance transactions expressed in a currency other than the lira or the Norwegian crown shall be settled in the currency specified in the contract if that currency is freely convertible.

Balances arising out of transactions expressed in currencies not freely convertible may be settled, by joint agreement between the companies concerned, either :

— in the currency specified in the contract, or
— as provided in Section 1 with regard to balances arising out of transactions expressed in lire or Norwegian crowns.

If more liberal provisions in regard to the settlement of reinsurance transactions are adopted by the Council of the OEEC, the Ufficio dei Cambi and the Norges Bank shall take the steps necessary in order to conform with those provisions.

If the Norwegian Government agrees to the foregoing, this letter and your reply thereto shall be regarded as an agreement between our two Governments in the matter.

I have the honour to be, etc.

(Signed) RULLI

His Excellency Mr. Halvard Lange
Minister of Foreign Affairs
Oslo

II

Oslo, 22 January 1951

Sir,

You have been good enough to send me the following communication :

[See note I]

I have the honour to inform you that the Norwegian Government agrees to the foregoing, and to be, etc.

(Signed) Halvard LANGE

His Excellency Mr. Guglielmo Rulli
Minister of Italy
etc.

III

ITALIAN LEGATION IN NORWAY

Oslo, 22 January 1951

Sir,

With reference to the talks which have been held at Oslo between the representatives of the Italian and Norwegian delegations, I have the honour to confirm the Italian Government's agreement that the amount of £84,025 standing to the credit of the sterling account opened in the name of the Ufficio dei Cambi with the Norges Bank shall continue to be reserved for the payment of the inclusive sum referred to in article 1 of the Agreement of 12 June 1948, between

Italy and Norway, for the reciprocal settlement of deliveries suspended on account of the war.

Please inform me whether the Norwegian Government agrees to the foregoing.

I have the honour to be, etc.

(Signed) RULLI

His Excellency Mr. Halvard Lange
Minister of Foreign Affairs
Oslo

IV

Oslo, 22 January 1951

Sir,

You have been good enough to send me the following communication :

[See note III]

I have the honour to inform you that the Norwegian Government agrees to the foregoing, and to be, etc.

(Signed) Halvard LANGE

His Excellency Mr. Guglielmo Rulli
Minister of Italy
etc.

V

ITALIAN LEGATION IN NORWAY

Oslo, 22 January 1951

Sir,

With reference to the talks which have been held at Oslo between the representatives of the Italian and Norwegian delegations on the settlement of clearing transactions, I have the honour to propose the following :

Clearing transactions wholly or partly outstanding in respect of exports or imports may also be settled under the Payments Agreement signed this day.

It is understood that any settlement of clearing transactions as above provided shall require the prior authorization of the competent Italian and Norwegian authorities.

Lira payments made to the Ufficio dei Cambi in connexion with a clearing

transaction to be settled under the Payments Agreement shall be converted at the rate of exchange provided for in that Agreement. It is understood that any exchange differences shall be chargeable to the parties concerned.

No consent shall be given for the transfer of sums exceeding amounts previously authorized by the competent Italian and Norwegian authorities. In the case of partly completed transactions, the amount in Norwegian crowns authorized for transfer may not exceed the sum that would have been transferred if the clearing transaction had been completed.

If the Norwegian Government agrees to the foregoing, this letter and your reply thereto shall be regarded as an agreement between our two Governments in the matter.

I have the honour to be, etc.

(Signed) RULLI

His Excellency Mr. Halvard Lange
Minister of Foreign Affairs
Oslo

VI

Oslo, 22 January 1951

Sir,

You have been good enough to send me the following communication :

[See note V]

I have the honour to inform you that the Norwegian Government agrees to the foregoing, and to be, etc.

(Signed) Halvard LANGE

His Excellency Mr. Guglielmo Rulli
Minister of Italy
etc.