

No. 2281

**DENMARK
and
CZECHOSLOVAKIA**

Payments Agreement. Signed at Prague, on 23 April 1953

Official text: French.

Registered by Denmark on 6 October 1953.

**DANEMARK
et
TCHÉCOSLOVAQUIE**

**Arrangement des paiements. Signé à Prague, le 23 avril
1953**

Texte officiel français.

Enregistré par le Danemark le 6 octobre 1953.

No. 2281. PAYMENTS AGREEMENT¹ BETWEEN THE KINGDOM OF DENMARK AND THE CZECHOSLOVAK REPUBLIC. SIGNED AT PRAGUE, ON 23 APRIL 1953

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 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.

¹ Came into force on 23 April 1953, upon signature, in accordance with the terms of article 6.

(4) If the amount resulting from the balancing of the two accounts exceeds 3.75 million Danish crowns or a corresponding sum in Czechoslovak crowns, the part of the balance exceeding that sum shall bear interest at $1\frac{1}{2}$ 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 7.5 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 its signature.

Upon expiry of the present Agreement the accounts referred to in article 2 shall be balanced at the official rate of exchange in force.

If the present Agreement is renewed, the balance shall be maintained in the existing account, or if a new payments agreement is concluded, the balance shall be transferred to the account opened under the new agreement.

If the present Agreement is not renewed or if a new payments agreement is not concluded, the balance shall be liquidated within six months by consignments of goods to be agreed upon between the two parties. Any balance not settled by consignments of goods within the above time-limit shall be paid during the

three ensuing months in the currency of a third State, to be agreed upon by the two parties (preferably in pounds sterling), or in any other manner agreed upon by the two parties.

The present Agreement replaces the Payments Agreement between the Kingdom of Denmark and the Czechoslovak Republic of 17 December 1949¹ and the letters of the same date annexed thereto as well as the Protocol of 4 April 1952² relating to the said Agreement.

DONE at Prague, in duplicate, on 23 April 1953.

For the Kingdom of Denmark :

(Signed) E. BLECHINGBERG

For the Czechoslovak Republic :

(Signed) B. JELLINECK

¹ United Nations, *Treaty Series*, Vol. 74, p. 159.

² United Nations, *Treaty Series*, Vol. 133, p. 363.