

No. 3037

DENMARK, NORWAY and SWEDEN

Agreement regarding financial guarantees to certain airlines. Signed at Copenhagen, on 29 September 1955

Official texts: Danish, Norwegian and Swedish.

Registered by Denmark on 6 December 1955.

DANEMARK, NORVÈGE et SUÈDE

Accord concernant l'octroi de garanties financières à certaines entreprises de transports aériens. Signé à Copenhague, le 29 septembre 1955

Textes officiels danois, norvégien et suédois.

Enregistré par le Danemark le 6 décembre 1955.

[TRANSLATION — TRADUCTION]

No. 3037. AGREEMENT¹ BETWEEN DENMARK, NORWAY AND SWEDEN REGARDING FINANCIAL GUARANTEES TO CERTAIN AIRLINES. SIGNED AT COPENHAGEN, ON 29 SEPTEMBER 1955

His Majesty the King of Denmark, His Majesty the King of Norway and His Majesty the King of Sweden have considered it appropriate to renew the Agreement concluded at Oslo on 20 December 1951² regarding financial guarantees to the three parent companies in the Scandinavian Airlines System (SAS) consortium, namely, Det Danske Luftfartselskab A/S (DDL), Det Norske Luftfartselskab A/S (DNL) and A/B Aerotransport (ABA).

The Contracting Parties have appointed as their plenipotentiaries:

His Majesty the King of Denmark:

Mr. Hans Christian Svane Hansen, Minister of Foreign Affairs;

His Majesty the King of Norway:

Mr. Jens Steenberg Bull, Ambassador Extraordinary and Plenipotentiary at Copenhagen;

His Majesty the King of Sweden:

Baron Hans Gustaf Beck-Friis, Ambassador Extraordinary and Plenipotentiary at Copenhagen;

Who, being duly authorized, have agreed as follows:

Article 1

The States concerned shall grant the airlines guarantees in the following amounts:

<i>Financial year</i>	<i>Denmark shall guarantee to DDL (million Danish kroner)</i>	<i>Norway shall guarantee to DNL (million Norwegian kroner)</i>	<i>Sweden shall guarantee to ABA (million Swedish kroner)</i>
1 Oct. 1955—30 Sept. 1956 . . .	4.5	4.5	5.0
1 Oct. 1956—30 Sept. 1957 . . .	4.5	4.5	5.0
1 Oct. 1957—30 Sept. 1958 . . .	4.5	4.5	5.0
1 Oct. 1958—30 Sept. 1959 . . .	4.5	4.5	5.0
1 Oct. 1959—30 Sept. 1960 . . .	4.5	4.5	5.0
TOTAL	22.5	22.5	25.0

¹ Came into force on 29 September 1955 by signature.

² United Nations, *Treaty Series*, Vol. 163, p. 309.

If any of the Scandinavian currencies is devalued or appreciated, the Governments shall enter into conversations for the purpose of making such adjustment in the amounts of the guarantees as may be required to restore generally the present value relationship between the said amounts and as may otherwise appear reasonable in view of the circumstances on which this Agreement is based.

Article 2

If the operations of an airline for any of the financial years mentioned in article 1 result in a deficit, the airline may make up the deficit from the funds made available by the State concerned up to an amount not exceeding the guarantee for that year.

If the deficit of the airline exceeds the amount of the guarantee, the airline may in the following years of the guarantee period make up the difference from the guarantees for those years, if to do so is possible.

The airline may upon application to the Government concerned obtain advance payment of the amounts referred to in the first paragraph.

The airline shall pay to the State concerned a charge of 1 per cent per annum on the amount of guarantee which at any time has been drawn upon and not yet repaid.

Article 3

Any amount of guarantee which has been drawn upon shall be repaid by the airline out of its surplus.

Dividends, which shall in no case exceed 5 per cent of the share capital, may not, without the consent of the State authority concerned, be paid by the airline during such time as a guarantee drawn upon has not been entirely repaid.

Rules for such repayment shall be made by agreement between the respective State and airline.

Article 4

Amounts which have not been repaid by 1 October 1975 may be written off if to do so is reasonable in view of the financial condition of the consortium and the national airline.

IN WITNESS WHEREOF the respective plenipotentiaries have signed the present Agreement and have affixed thereto their seals.

DONE at Copenhagen, on 29 September 1955, in three copies in the Danish, Norwegian and Swedish languages, the three texts being equally authentic.

(Signed) H. C. HANSEN (Denmark)

(Signed) Jens BULL (Norway)

(Signed) H. BECK-FRIIS (Sweden)