

No. 4248

**ITALY
and
FINLAND**

**Payments Agreement (with annexed exchange of letters).
Signed at Rome, on 17 December 1957**

Official text: French.

Registered by Italy on 25 March 1958.

**ITALIE
et
FINLANDE**

**Accord de paiement (avec échange de lettres en annexe).
Signé à Rome, le 17 décembre 1957**

Texte officiel français.

Enregistré par l'Italie le 25 mars 1958.

[TRANSLATION — TRADUCTION]

No. 4248. PAYMENTS AGREEMENT¹ BETWEEN ITALY AND FINLAND. SIGNED AT ROME, ON 17 DECEMBER 1957

With a view to facilitating the settlement of payments between Italy and Finland, the Italian Government and the Finnish Government have agreed as follows :

Article 1

Current payments between Italy and Finland shall be settled in Italian lire in accordance with the currency regulations in force in the two countries.

The aforesaid payments may also be settled in other currencies to the extent allowed by the relevant provisions in force in the two countries.

Article 2

The payments defined in article XIX (i) of the International Monetary Fund Agreement² shall be deemed to be current payments.

On a reciprocal basis, the competent authorities of the two countries shall subject to their respective exchange control regulations, issue the required authorizations for the settlement of current payments.

Article 3

The Payments Agreement between Italy and Finland signed on 5 May 1951 shall expire the day before the entry into force of this Agreement.

The General Account 1951, established in article 1 of the aforesaid Payments Agreement, shall be closed and the balance in that Account shall be settled in accordance with the provisions of letter No. 2 attached hereto.

Payments relating to commitments made while the aforesaid Agreement was in force which have not been settled in accordance with its provisions shall be settled in accordance with the provisions of article 1 above.

An exception shall be made for payments relating to parallel and special transactions which shall be settled in accordance with the provisions of letter No. 2 attached hereto.

¹ Came into force on 2 January 1958, the fifteenth day following its signature, in accordance with article 5.

² United Nations, *Treaty Series*, Vol. 2, p. 39 ; Vol. 19, p. 280 ; Vol. 141, p. 355 ; Vol. 199, p. 308 ; Vol. 260, p. 432, and Vol. 287.

Article 4

The Italian Exchange Office and the Bank of Finland shall by mutual agreement make the technical arrangements for the application of this Agreement.

Article 5

This Agreement, together with the attached notes which are an integral part of it, shall enter into force on the fifteenth day following its signature and may be denounced at any time, on one month's notice.

DONE at Rome, in French, in two copies, on 17 December 1957.

For the Italian Government :

FOLCHI

For the Finnish Government :

Asko IVALO

EXCHANGE OF LETTERS

LETTER No. 1

Rome, 17 December 1957

Your Excellency,

With reference to the provision in the first paragraph of article 1 of the Payments Agreement between Italy and Finland signed this day,¹ I have the honour to inform you that, according to the exchange control regulations at present in force in Italy, the Italian lire to be used as means of payment between our two countries are those of the multilateral foreign accounts in lire (*conti esteri in lire multilaterali*).

Any change in the Italian exchange control regulations shall be duly notified by the Italian Exchange Office.

I would request you, in addition, to note that under the Ministerial Decree of 5 October 1957, transfers of funds between the multilateral foreign accounts in lire may be made without limitation and that the assets of those accounts may also be used freely for the purchase on our market, through the intermediary of authorized Italian banks, of any one of the transferable currencies quoted on the Italian exchange market. At present these are the currencies of the countries participating in the European Payments Union and in the multilateral arbitration system.

I have the honour to be, etc.

FOLCHI

His Excellency Mr. Asko Ivalo
Ambassador of Finland
Rome

¹ See p. 135 of this volume.

LETTER No. 1

Rome, 17 December 1957

Your Excellency,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows :

[See letter above]

I have the honour to confirm that I have taken due note of the foregoing.

I have the honour to be, etc.

Asko IVALO

His Excellency Mr. Alberto Folchi
Under-Secretary of State
in the Ministry of Foreign Affairs
Rome

LETTER No. 2

Rome, 17 December 1957

Your Excellency,

With reference to the provisions of article 3 of the Payments Agreement signed this day, concerning the settlement of the balance in the "General Account 1951" and payments relating to parallel and special transactions, I have the honour to confirm the agreement of the Italian Government to the following :

(1) *Settlement of the balance in the "General Account 1951"*

Following the entry into force of the Payments Agreement signed this day, the Bank of Finland and the Italian Exchange Office shall, by mutual agreement, and as soon as possible, determine the amount representing the balance of the reciprocal payment orders entered to the credit and to the debit of the "General Account 1951" and relating to parallel and special transactions which have not yet been liquidated.

The amount so determined shall be credited or debited, as the case may be, to the "General Account 1951" and transferred to the debit or credit of an account in United States dollars which the Bank of Finland, acting on behalf of the Finnish Government, shall open in favour of the Italian Exchange Office, acting on behalf of the Italian Government. This account, to be known as the "Special Transactions Account", shall be free of charges and non-interest-bearing.

As soon as the aforesaid transfer has been effected, the balance remaining in the "General Account 1951" shall be settled by the debtor institution in lire of the *conti esteri in lire multilaterali* or in the currency of one of the countries participating in the European arbitration system.

The conversion of United States dollars into Italian lire or into the third currency, as the case may be, shall be made at the official rate of the United States dollar in Italy, or on the basis of the official parity between the United States dollar and the third currency, in force on the day of payment.

(2) *Payments relating to parallel and special transactions*

Payments which remain to be made in respect of the aforesaid transactions authorized by the competent authorities of the two countries before the entry into force of the Payments Agreement signed today shall be made by crediting and debiting the "Special Transactions Account" as provided under (1) above.

Payments shall be made by the Finnish and Italian importers in their national currency, at the official rate of the United States dollar in force in Finland or in Italy, as the case may be.

The Bank of Finland and the Italian Exchange Office shall without delay exchange payment orders in United States dollars with respect to such payments.

The Italian Exchange Office shall execute every payment order issued by the Bank of Finland up to the amount deposited with it by the Italian importer participating in the transaction to which the payment order refers. Similarly, the Bank of Finland shall execute the payment orders issued by the Italian Exchange Office.

If any transactions remain unsettled after the relevant authorizations expire, the Bank of Finland and the Italian Exchange Office, having secured the waiver of the parties concerned with regard to the liquidation of the transactions under the terms of the aforesaid authorizations, shall communicate with each other with a view to arranging the settlement of the payment orders which have not been executed.

For the purpose of effecting that settlement, the debtor institution shall place the necessary funds at the disposal of the creditor institution in multilateral lire or other transferable currencies.

I should be grateful if you would be so good as to confirm the agreement of the Finnish Government to the foregoing, and have the honour to be, etc.

FOLCHI

His Excellency Mr. Asko Ivalo
Ambassador of Finland
Rome

LETTER No. 2

Rome, 17 December 1957

Your Excellency,

I have the honour to acknowledge receipt of your letter of today's date reading as follows :

[*See letter above*]

I have the honour to confirm my Government's agreement to the foregoing.

I have the honour to be, etc.

Asko IVALO

His Excellency Mr. Alberto Folchi
Under-Secretary of State
in the Ministry of Foreign Affairs
Rome