

No. 4172

**NETHERLANDS
and
DENMARK**

**Agreement for repayment and amortization. Signed at
Paris, on 31 January 1956**

Official text: French.

Registered by the Netherlands on 12 February 1958.

**PAYS-BAS
et
DANEMARK**

**Accord de remboursement et d'amortissement. Signé à Paris,
le 31 janvier 1956**

Texte officiel français.

Enregistré par les Pays-Bas le 12 février 1958.

[TRANSLATION — TRADUCTION]

No. 4172. AGREEMENT¹ FOR REPAYMENT AND AMORTIZATION BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE KINGDOM OF DENMARK. SIGNED AT PARIS, ON 31 JANUARY 1956

The Government of the Kingdom of the Netherlands and the Government of the Kingdom of Denmark, desiring to conclude an agreement for repayment and amortization in accordance with the provisions of article 13*bis* of the Agreement for the Establishment of an European Payments Union, have agreed as follows :

Article 1

This agreement shall apply to 17,000,000 units of account of the Netherlands claims on the European Payments Union (hereinafter referred to as the Union) and 17,000,000 units of account of the Danish debt to the Union.

Article 2

(a) One-eighth of this amount of 17,000,000 units of account, or 2,125,000 units of account, shall be paid by the Danmarks Nationalbank to the Nederlandsche Bank in gold, dollars or any other currency acceptable to the Nederlandsche Bank, at the option of the Danmarks Nationalbank, on the value date of operations for the month of January 1956.

(b) The positions of the Netherlands and of Denmark in the Union shall be reduced in accordance with the principles laid down by the decisions of the Council of the Organization for European Economic Co-operation.

Article 3

(a) The remaining seven-eighths of the amount of 17,000,000 units of account, or 14,875,000 units of account, shall be repaid in the following manner. An amount of 7,000,000 units of account shall be repaid over a period of seven years, beginning 1 July 1954, and a sum of 7,875,000 units of account shall be repaid over a period of six years beginning 1 July 1955. During the life of the Union the repayments shall be made, at the option of the Danmarks Nationalbank, in gold, dollars or any other currency acceptable to the Nederlandsche Bank, by equal monthly instalments.

¹ Came into force on 31 January 1956, upon signature, in accordance with article 9.

The monthly instalments shall therefore be,

beginning 1 July 1954 :

$$\frac{7 \text{ million}}{7 \times 12} \text{ units of account,}$$

and, beginning 1 July 1955 :

$$\frac{7 \text{ million}}{7 \times 12} + \frac{7,875,000}{6 \times 12} \text{ units of account.}$$

The monthly instalments which have fallen due before the signature of this agreement and the instalment falling due on 31 January 1956 shall be paid by the Danmarks Nationalbank to the Nederlandsche Bank in gold, dollars or any other currency acceptable to the Nederlandsche Bank, at the option of the Danmarks Nationalbank, on the value date of operations for the month of January 1956.

After the liquidation of the Union the repayments shall be made by equal semi-annual instalments.

These semi-annual instalments shall be :

$$\frac{7 \text{ million}}{7 \times 2} + \frac{7,875,000}{6 \times 2} \text{ units of account.}$$

(b) Beginning 1 February 1956 and until the liquidation of the Union :

- (1) The Danish Government shall have the right on the due date of any instalment to pay in advance all or part of the remaining unpaid instalments.
- (2) If Denmark becomes a creditor in its cumulative accounting position in the Union, the Danish Government shall have the right to suspend the repayments provided for above so long as that situation continues to exist.

If, in its cumulative accounting position in the Union, the Netherlands becomes a debtor, the Netherlands Government shall have the right to suspend the repayments so long as that situation continues to exist.

If Denmark, in its cumulative accounting position in the Union, becomes a creditor at the same time as the Netherlands, in its cumulative accounting position in the Union, becomes a debtor, the repayments shall be suspended so long as that situation continues to exist unless the two Governments decide otherwise by agreement between them.

- (3) The positions of Denmark and of the Netherlands in the Union shall be adjusted monthly by deduction of the monthly instalments repaid from the credit granted by the Netherlands to the Union and by the Union to Denmark.

(c) On the liquidation of the Union, the unrepaid balance of the debt shall be represented by Treasury bearer bonds issued by the Danish Government and placed at the disposition of the Nederlandsche Bank. From that date, any pre-

payment shall be subject to the agreement of the two Governments. The Treasury bonds shall be denominated and payable in florins.

The calculation in florins shall be made on the basis of the rate of exchange between the florin and the unit of account on the date of liquidation of the Union.

The calculations made in application of the provisions on liquidation of the Union (annex B, section II, paragraphs 16 to 18 of the Agreement on the Establishment of the Union) may however show a debt greater or smaller than the remaining unpaid balance :

- (1) If the Danish debt is smaller than the remaining unpaid balance, the Danish Government may at its choice either :
 - Continue to make the repayments provided for in article 3 (a) until that debt is extinguished ; or
 - Repay the amount of that debt in equal semi-annual instalments spread over the unexpired portion of the period of amortization provided for in this Agreement.

The value and number of the Treasury bonds shall be adjusted accordingly.

- (2) If the Danish debt is greater than the remaining unpaid balance, the difference between the two debts shall be settled in conformity with annex B of the Agreement.

Article 4

The Treasury bonds referred to in article 3 (c) shall be divided into denominations of the amount requested by the Nederlandsche Bank and of which the total maturing in each of the semi-annual periods shall be equal to the amount of the corresponding semi-annual instalment.

Each Treasury bond shall bear notice of its date of maturity and shall be provided with interest coupons. Interest shall be payable semi-annually or by fractional part of such semi-annual period if the bonds mature in less than six months. The coupons shall bear due dates drawn up accordingly.

Article 5

The rates of interest shall be fixed as follows :

(a) The Treasury bonds maturing no later than 20 June 1958 shall bear interest at the rate of $2 \frac{3}{4}$ per cent per annum.

(b) The Treasury bonds maturing between 1 July 1958 and 30 June 1961 shall bear interest at the rate of $3 \frac{1}{4}$ per cent per annum.

Article 6

(a) The Treasury bonds delivered by the Danish Government to the Nederlandsche Bank in representation of its debt may be placed on the Netherlands market by the Netherlands authorities as they see fit.

(b) It is understood that the Danish Government may discharge its debt by payment to the Nederlandsche Bank of the interest and amortization due ; the Treasury bonds shall include a clause to that effect.

Article 7

If at any date before the liquidation of the Union one or both of the Contracting Parties withdraw from the Union, effect shall be given to the provisions laid down in this Agreement in case of the liquidation of the Union.

Article 8

The Nederlandsche Bank and the Danmarks Nationalbank shall be responsible for the application of the preceding provisions and shall decide on the means by which they are to be given effect, in so far as they are not stated above, by agreement between themselves.

Article 9

This Agreement shall enter into force on its signature. As regards the Kingdom of the Netherlands, this Agreement shall be applicable only to the Kingdom in Europe.

DONE in Paris, on 31 January 1956.

For the Government of the Kingdom of the Netherlands :

(Signed) J. C. KRUISHEER

For the Government of the Kingdom of Denmark :

(Signed) Anthon VESTBIRK