

No. 4178

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**NETHERLANDS, BELGIUM and LUXEMBOURG**

**Agreement (with Protocol of signature) concerning the removal of restrictions on capital transfers between the Netherlands and the Belgo-Luxembourg Economic Union. Signed at Brussels, on 8 July 1954**

*Official texts: French and Dutch.*

*Registered by the Netherlands on 20 February 1958.*

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**PAYS-BAS, BELGIQUE et LUXEMBOURG**

**Accord (avec Protocole de signature) relatif à la libération des transferts de capitaux entre les Pays-Bas et l'Union économique belgo-luxembourgeoise. Signé à Bruxelles, le 8 juillet 1954**

*Textes officiels français et néerlandais.*

*Enregistré par les Pays-Bas le 20 février 1958.*

[TRANSLATION — TRADUCTION]

No. 4178. AGREEMENT<sup>1</sup> BETWEEN THE KINGDOM OF THE NETHERLANDS, THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG CONCERNING THE REMOVAL OF RESTRICTIONS ON CAPITAL TRANSFERS BETWEEN THE NETHERLANDS AND THE BELGO-LUXEMBOURG ECONOMIC UNION. SIGNED AT BRUSSELS, ON 8 JULY 1954

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The Governments of the Netherlands, Belgium and Luxembourg, desiring to remove restrictions on capital movements between the three countries, have agreed as follows :

*Article 1*

Capital invested in the Netherlands by residents of the countries of the Belgo-Luxembourg Economic Union and capital invested in the Belgo-Luxembourg Economic Union by residents of the Netherlands may be freely converted and negotiated between residents of the three countries.

*Article 2*

The residents of the three countries may transfer their capital from the Netherlands to the Belgo-Luxembourg Economic Union and from the Belgo-Luxembourg Economic Union to the Netherlands.

*Article 3*

The residents of the three countries may invest their capital in any of those countries in any form they may desire and may exchange those investments for others. Investments in transferable securities shall be confined to the categories defined in article 4.

*Article 4*

Operations in transferable securities shall be confined to stocks and shares issued by private or public bodies incorporated under Netherlands, Belgian, Congolese or Luxembourg law, the value of which is expressed in Netherlands florins, Belgian francs, Congolese francs or Luxembourg francs.

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<sup>1</sup> Came into force on 16 July 1954, in accordance with article 11. The Protocols, signed at Brussels on 14 July 1955, 14 August 1956 and 1 August 1957, prolonged the duration of the said Agreement until 16 July 1956, 16 July 1957 and 16 July 1958 respectively.

*Article 5*

Any transferable securities specified in article 4 which are held or acquired by residents of the three countries may be transferred from one country to another through the channels prescribed in the applicable exchange regulations.

*Article 6*

Issues of transferable securities in Netherlands florins on the Netherlands market by private or public bodies incorporated under Belgian, Congolese or Luxembourg law and the participation of Netherlands residents in issues of transferable securities in Netherlands florins on the market of the Belgo-Luxembourg Economic Union shall remain subject to prior approval by the Netherlands monetary authorities.

Issues of transferable securities in Belgian francs, Congolese francs or Luxembourg francs on the market of the Belgo-Luxembourg Economic Union by private or public bodies incorporated under Netherlands law and the participation of Belgian and Luxembourg residents in issues of transferable securities in Belgian francs, Congolese francs or Luxembourg francs on the Netherlands market shall remain subject to prior approval by the Belgian and Luxembourg monetary authorities.

Special authorization shall also be required for loans of the type known in the Netherlands as "*onderhandse leningen*", expressed in the creditor's currency, of amount exceeding 1 million Netherlands florins or the equivalent thereof in Belgian francs or Luxembourg francs, which do not involve an issue of transferable securities but nevertheless represent a transaction on the money market.

*Article 7*

The Netherlands monetary authorities shall grant permission to export out of the three countries transferable securities belonging to residents of the Belgo-Luxembourg Economic Union and deposited in the Netherlands before 27 March 1954. The same shall apply to transferable securities acquired by residents of the countries of the Belgo-Luxembourg Economic Union with the proceeds of sale of exportable securities.

The monetary authorities of the three countries shall take steps to prevent the exportation from the territory of the three countries of transferable securities which persons resident in the Netherlands acquire in the Belgo-Luxembourg Economic Union or persons resident in the countries of the Belgo-Luxembourg Economic Union acquire in the Netherlands as new investments.

*Article 8*

With a view to facilitating the operations described in articles 1, 2 and 3 of the present Agreement, the Netherlands monetary authorities shall institute

in the Netherlands a free market for holdings in Belgian francs and the Belgian and Luxembourg monetary authorities shall adapt the free market already in existence in the Belgo-Luxembourg Economic Union for holdings in Netherlands florins. The residents of the three countries shall have access to these two markets.

The monetary authorities of the three countries shall determine by joint agreement what categories of payments shall be made, respectively, through the Belgo-Luxembourg-Netherlands Monetary Convention of 21 October 1943<sup>1</sup>, through the free markets described in the preceding paragraph, or through either of those channels at the option of the parties concerned.

#### *Article 9*

The monetary authorities of the three countries shall carry this Agreement into effect and shall co-operate to ensure its efficient operation. To that end, they shall make such changes as they may jointly decide upon as essential in the regulations in force in the Netherlands and in the Belgo-Luxembourg Economic Union.

#### *Article 10*

Any difficulties arising in the operation of this Agreement which cannot be resolved by the application of article 9 shall be submitted to the Committee of Ministers established under article 12 of the Protocol concerning the co-ordination of economic and social policies, signed at The Hague on 24 July 1953<sup>2</sup>.

#### *Article 11*

This Agreement shall enter into force on 16 July 1954. It shall remain valid for a period of one year from that date.

DONE at Brussels on 8 July 1954, in triplicate, in the Dutch and French languages, both texts being equally authentic.

For the Government of the Netherlands :  
(Signed) VAN HARINXMA THOE SLOOTEN

For the Government of Belgium :  
(Signed) P. H. SPAAK

For the Government of Luxembourg :  
(Signed) SCHAUS

<sup>1</sup> United Nations, *Treaty Series*, Vol. 2, p. 281.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 250, p. 109.

## PROTOCOL OF SIGNATURE

On signing the present Agreement, the Governments of the three countries wish to complete and clarify certain provisions.

In consequence, they agree on the following :

Any request for a special authorization required for an issue of transferable securities or for a loan referred to in article 6 of the Agreement shall be examined in a liberal spirit. The monetary authorities of the three countries shall endeavour, through mutual consultation, to find satisfactory solutions for the interests involved.

Exchange regulations in the Belgo-Luxembourg Economic Union shall make no distinction between Belgian and Luxembourg undertakings financed by Netherlands capital and those financed by Belgian and Luxembourg capital with regard to their access to credit granted by Belgian and Luxembourg banks and other credit institutions.

DONE at Brussels on 8 July 1954, in triplicate, in the Dutch and French languages, both texts being equally authentic.

For the Government of the Netherlands :

(Signed) VAN HARINXMA THOE SLOOTEN

For the Government of Belgium :

(Signed) P. H. SPAAK

For the Government of Luxembourg :

(Signed) SCHAUS