

No. 7091

**NETHERLANDS
and
ICELAND**

**Agreement for amortization (with annex). Signed at Paris,
on 30 April 1959**

Official text: French.

Registered by the Netherlands on 4 February 1964.

**PAYS-BAS
et
ISLANDE**

**Accord d'amortissement (avec annexe). Signé à Paris, le
30 avril 1959**

Texte officiel français.

Enregistré par les Pays-Bas le 4 février 1964.

[TRANSLATION — TRADUCTION]

No. 7091. AGREEMENT¹ FOR AMORTIZATION BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE REPUBLIC OF ICELAND. SIGNED AT PARIS, ON 30 APRIL 1959

The Government of the Kingdom of the Netherlands and the Government of the Republic of Iceland,

— Having regard to the Agreement for the Establishment of a European Payments Union, signed in Paris on 19 September 1950, and Supplementary Protocols Nos. 1 to 10 amending that Agreement ;

— Having regard to the Agreement for repayment and amortization between the two Governments signed in Paris on 28 December 1954 ;²

— Considering that the Agreement of 19 September 1950 terminated at the close of business on 27 December 1958 ;

— Considering that the Council of the Organization for European Economic Co-operation established by its Decision of 30 January 1959 that, on the liquidation of the European Payments Union in accordance with the provisions of annex B to the Agreement of 19 September 1950, the Government of the Republic of Iceland owed the Government of the Kingdom of the Netherlands the sum of 985,287 units of account which, converted on the basis of the parity of the Netherlands guilder with the unit of account as on 27 December 1958, i.e. 3.80 guilders to one unit of account, represents 3,744,090.60 Netherlands guilders ;

Have agreed as follows :

Article I

The Government of the Republic of Iceland shall pay the Government of the Kingdom of the Netherlands the sum of 3,744,090.60 Netherlands guilders on the conditions described in the following articles.

Article II

(a) The sum of 570,000 guilders shall be repaid in two equal half-yearly instalments of 285,000 guilders. The sum of 139,559.38 guilders has already been paid

¹ Came into force on 30 April 1959, upon signature, in accordance with article VIII.

² United Nations, *Treaty Series*, Vol. 287, p. 159, and p. 363 of this volume.

on 15 April 1959 towards the first half-yearly instalment falling due on 15 July 1959. Consequently, the half-yearly instalment remaining to be paid on 15 July 1959 amounts to 145,440.62 guilders.

(b) The sum of 3,174,090.60 guilders shall be repaid in six equal annual instalments of 529,015.10 guilders, the first falling due on 30 November 1960.

Article III

The principal outstanding shall bear interest at the rate of $3\frac{1}{4}$ per cent per annum from 16 January 1959.

The interest shall be calculated and paid on the due dates specified in article II above.

Article IV

All payments under articles II and III shall be made in guilders to the Nederlandsche Bank N.V. at Amsterdam, acting for the Government of the Kingdom of the Netherlands.

Article V

The Government of the Kingdom of the Netherlands shall be entitled to request the Government of the Republic of Iceland at any time to deliver to it Treasury bonds, corresponding to the model annexed to this Agreement, for the whole or part of the outstanding balance of the sum specified in article I above.

The Treasury bonds shall be divided into fractions having a face value of at least 100,000 Netherlands guilders.

Sums not secured by the delivery of Treasury bonds shall continue to be repaid on the conditions defined in articles II and III above.

Article VI

All payments to be made by the Government of the Republic of Iceland in settlement of the principal or interest shall be free of any tax, toll or commission whatsoever, present or future, to which such payments might be subject under any law or regulation of the Republic of Iceland.

Article VII

This Agreement cancels and supersedes the Agreement for repayment and amortization between the Government of the Kingdom of the Netherlands and the Government of the Republic of Iceland dated 28 December 1954.

Article VIII

This Agreement shall enter into force on signature. As regards the Kingdom of the Netherlands, it shall apply only to the Kingdom in Europe.

IN WITNESS WHEREOF the representatives of the two Governments, being duly authorized for the purpose, have signed this Agreement.

DONE at Paris, on 30 April 1959, in duplicate in the French language.

For the Government
of the Kingdom of the Netherlands :
(Signed) STRENGERS

For the Government
of the Republic of Iceland :
(Signed) Niels P. SIGURDSSON

ANNEX

MODEL TREASURY BOND TO BE ISSUED BY THE REPUBLIC OF ICELAND UNDER ARTICLE V OF THE AGREEMENT FOR AMORTIZATION BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE REPUBLIC OF ICELAND DATED 30 APRIL 1959¹

1. Under article of the Act dated, the Government of the Republic of Iceland is authorized to issue this Treasury bond.
2. On the Government of the Republic of Iceland, represented by the Minister for Finance and duly authorized by the Decree dated, shall pay to the bearer on presentation of this Treasury bond the principal sum of guilders (guilders).
3. This Treasury bond shall bear interest at the rate of per cent per annum. The interest shall be payable on presentation of the attached coupons on the dates stated thereon. The coupons shall lapse ten years after their date of maturity.
4. The principal and interest shall be paid at Amsterdam in guilders, in cash at the Nederlandsche Bank N.V., acting for the Government of the Kingdom of the Netherlands.
5. Payments made by the Government of the Republic of Iceland in settlement of the principal or interest shall be free of any tax, toll or commission whatsoever, present or future, to which such payments might be subject under any law or regulation in force in the Republic of Iceland.

Furthermore, the Government of the Republic of Iceland undertakes to ensure that the principal and interest are transferred freely to the Netherlands and to the agreed place of payment at any time, without any restriction and in any circumstances, without requiring that any affidavit be drawn up or that any formality be complied with.

¹ See p. 15 of this volume.

6. This Treasury bond shall be negotiable only on the Netherlands market. However, the Government of the Republic of Iceland may discharge its debt by payment of the instalments of the principal and interest due to the Nederlandsche Bank N.V. at Amsterdam, acting for the Government of the Kingdom of the Netherlands.

7. The principal of this Treasury bond shall cease to be payable ten years after

DONE at, on 19

The Minister for Finance :

(Signature)

MODEL COUPON

Treasury Bond No. delivered by the Government of the Republic of Iceland to the Government of the Kingdom of the Netherlands

Coupon No. of guilders

(..... guilders)

Payable at the Nederlandsche Bank N.V. at Amsterdam, acting for the Government of the Kingdom of the Netherlands, on 19

This coupon shall lapse ten years after 19