

No. 7623

**AUSTRIA, BELGIUM, DENMARK, FEDERAL REPUBLIC
OF GERMANY, FRANCE, etc.**

**Agreement (with annex) on commercial debts owed by
residents of Turkey, and**

**Protocol of provisional application of the above-mentioned
Agreement. Both signed at Paris, on 11 May 1959**

Official texts: French and English.

Registered by the Netherlands on 1 March 1965.

**AUTRICHE, BELGIQUE, DANEMARK, RÉPUBLIQUE
FÉDÉRALE D'ALLEMAGNE, FRANCE, etc.**

**Accord (avec annexe) sur les dettes commerciales de per-
sonnes résidant en Turquie, et**

**Protocole d'application provisoire de l'Accord susmention-
né. Signés tous deux à Paris, le 11 mai 1959**

Textes officiels français et anglais.

Enregistré par les Pays-Bas le 1^{er} mars 1965.

No. 7623. AGREEMENT¹ ON COMMERCIAL DEBTS OWED BY RESIDENTS OF TURKEY. SIGNED AT PARIS, ON 11 MAY 1959

The Governments of the Federal Republic of Germany, the Republic of Austria, the Kingdom of Belgium, the Kingdom of Denmark, the French Republic, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of Norway, the Kingdom of the Netherlands, the Portuguese Republic, the United Kingdom of Great Britain and Northern Ireland, the Kingdom of Sweden, the Swiss Confederation, and the Turkish Republic (hereinafter called the "Turkish Government") ;

Considering that they are Members of the Organisation for European Economic Co-operation (hereinafter called the "Organisation") ;

Considering that on 29th July, 1958, the Council of the Organisation adopted a Resolution concerning the Turkish Stabilisation Programme (hereinafter called the "Resolution") by which it took note of a declaration by the Turkish Government that the terms of servicing debts owed by residents of Turkey to residents of the countries of the other Contracting Parties must be revised ;

Noting that after the expiration of the standstill on transfers of which the Organisation took note by the Resolution, the Turkish Government will be able, within the framework of the present Agreement, to resume, on the dates provided therein, the transfer of payments in respect of certain categories of such debts ;

¹ In accordance with the provisions of paragraphs 1 and 3 respectively of the Protocol, the Agreement was applied provisionally from 11 May 1959, the date of signature, and the Protocol came into force on the same date with respect to all the signatory States, with the exception of the Netherlands and Belgium (see footnote 1, p. 178 of this volume). The provisions of the Agreement came into force provisionally for the Netherlands on 26 November 1959 and for Belgium on 8 July 1960, the date of deposit of their instruments of ratification of the Agreement, with retroactive effect to 11 May 1959, in accordance with paragraph 4 (ii) of the Protocol. The Protocol also entered into force on 26 November 1959 for the Netherlands and on 8 July 1960 for Belgium, in accordance with paragraph 4 (i) of the Protocol. Pursuant to article 16 (c) of the Agreement, the latter came into force definitively on 16 November 1962 for all the signatory States, their instruments of ratification having been deposited with the Secretary-General of the Organization for European Economic Co-operation and the Secretary-General of the Organization for Economic Co-operation and Development, respectively, on the dates indicated :

France	10 August 1959	Italy	11 April 1960
Denmark	6 October 1959	Federal Republic of Germany	21 April 1960
Norway	24 November 1959	United Kingdom of Great Britain and Northern Ireland	6 May 1960
Netherlands (for the Kingdom in Europe, Surinam, the Netherlands Antilles and Netherlands New Guinea)	26 November 1959	Belgium	8 July 1960
Austria	2 December 1959	Luxembourg	16 August 1961
Switzerland	7 December 1959	Portugal	3 April 1962
Sweden	17 March 1960	Turkey	16 November 1962

Recognising that, to this end, a common effort appears necessary ;

Considering that the Organisation requested, in its Resolution, the Governments concerned to agree upon arrangements for the repayment of such debts due or falling due within the next years, and the spreading of their repayment over a period, taking into account the ability of Turkey to pay, given the requirements and the expected results of the Turkish Stabilisation Programme ;

Desirous of giving effect to these principles in the provisions of the present Agreement ;

Considering that, on 30th January, 1959, the Council of the Organisation adopted a Decision concerning the Execution and Development of the Turkish Stabilisation Programme and the Granting by the European Fund of Credit to Turkey in which it recommended its Member Governments to urge the residents of their respective countries who have concluded with residents of Turkey contracts, the execution of which began before 5th August, 1958, to negotiate with the latter the necessary changes in that part of the contracts which had not been carried out before 5th August, 1958, and for which payment will be due before 1st January, 1964, so that the terms will be more favourable, taking account of the Stabilisation Programme, to the residents of Turkey, it being understood that these terms will not be more favourable to the debtor than the terms provided for the spreading of the repayment of certain categories of debts in the present Agreement ;

Considering that a Conference which dealt with financial aid to Turkey and the commercial debts owed by residents of Turkey was held under the auspices of the Organisation from 22nd September, 1958, to 6th May, 1959, in which the Contracting Parties and the Government of the United States of America took part and at which the present Agreement was elaborated ;

Noting that, at that Conference, the Turkish Government and the Government of the United States of America expressed their intention to exchange Notes in respect of commercial debts owed by residents of Turkey to United States creditors ; and

Considering that the principle of approximate equality of treatment between the various States whose Governments, together with the Turkish Government, have taken part in the said Conference should inspire that Exchange of Notes as well as the various bilateral Agreements which will be concluded by those Governments with the Turkish Government in order to agree on certain technical arrangements for the spreading of the repayment of such debts ;

Have agreed as follows :

Article 1

SCOPE OF THE AGREEMENT

(a) The Contracting Parties recognise that the establishment, by virtue of the present Agreement, of the instalment scheme for the repayment of debts owed by residents of Turkey to residents of countries of the other Contracting Parties and its implementation will not affect the rights and obligations of the individual creditors, debtors or guarantors concerned.

(b) Equally, the Contracting Parties recognise that the only obligations which will be undertaken by the Turkish Government in order to ensure the settlement of debts owed by residents of Turkey, belonging to categories for which the present Agreement provides, shall be the obligations defined therein and in the bilateral Agreements concluded in pursuance of Article 13.

Article 2

DEFINITIONS

For the purposes of the present Agreement and of Annex I¹ thereto :

1. "*bilateral Agreement*" shall hereinafter mean an Agreement entered into in pursuance of Article 13 ;
2. "*annual transfer*" shall have the meaning defined in paragraph (a) of Article 7 ;
3. "*creditor*" shall have the meaning defined in paragraph (a) of Article 3 ;
4. "*debtor*" shall have the meaning defined in paragraph (a) of Article 3 ;
5. "*debt*" shall mean any debt, as qualified in Article 3, which will be settled under the present Agreement ;
6. "*debt to United States creditors*" shall mean a debt of any of the categories defined in Article 3 which, however, is owed to a person resident in the United States of America ;
7. "*duly authorised by the Turkish authorities*" shall mean authorised by the competent Turkish authorities in conformity with the Turkish laws, rules and regulations as interpreted by them when the corresponding authorisation or licence was granted ;
8. "*appropriate institution*" of a Contracting Party shall mean the Central Bank or other institution designated for the purposes of the present Agreement in a bilateral Agreement ;
9. "*moratorium interest*" shall have the meaning defined in paragraph (a) of Article 10 ;
10. "*contractual moratorium interest*" shall have the meaning defined in paragraph (b) of Article 10 ;

¹ See p. 175 of this volume.

11. “*appropriate currency*” shall have the meaning defined in paragraph (d) of Article 5 ;
12. “*total amount of annual transfers*” shall have the meaning defined in paragraph (b) of Article 7 ;
13. “*parity*” shall have the meaning defined in paragraph (d) of Article 7 ;
14. “*creditor country*” shall mean a country, other than the Republic of Turkey, the Government of which is a Contracting Party to the present Agreement and shall include any territory for the international relations of which the Contracting Party concerned is responsible ; “*all the creditor countries*” shall refer to the countries of all the Contracting Parties other than the Turkish Government, but shall also include the United States of America ;
15. “*instalment scheme*” shall mean the arrangements which are established by the present Agreement ;
16. “*payment in the process of transfer*” shall mean a payment, in appropriate currency, of which the Turkish Government shall ensure the transfer in accordance with Article 6 to the extent that its transfer has not taken place ; it shall, however, include, until they should have been transferred in accordance with Article 8, any payments the counterpart of which has been used in Turkey by virtue of Article 9 ;
17. “*31st December*” of any year, used as a reference date, shall refer to the position of accounts as at close of business on that date.

Article 3

THE DEBTS

(a) Subject to Article 4, the provisions of the present Agreement shall apply to any debt owed by a person resident in Turkey, as original debtor or guarantor, to a person resident in a creditor country (which persons are hereinafter called, respectively, “debtor” and “creditor”) *provided* that :

- (i) the debt arises in respect of a contract relating to the import of goods or a transaction relating to services, duly authorised by the Turkish authorities ;
- (ii) the goods were delivered or the services rendered before 5th August, 1958 ; and
- (iii) payment in respect of the debt is due or falls due before 1st January, 1964.

(b) The term “debt” shall equally include any contractual interest thereon due or falling due before 1st January, 1964, as well as contractual moratorium interest which has fallen due before the date of the signature of the present Agreement.

Article 4

EXCEPTIONS

- The provisions of the present Agreement shall not apply to the execution of :
- (i) any obligation for the settlement of which funds are set aside from the proceeds of exports from Turkey in accordance with the terms of a special contract entered into before 5th August, 1958, duly authorised by the Turkish authorities, and listed in a bilateral Agreement ;
 - (ii) any payment due on or after 5th August, 1958, in respect of a current invisible transaction with the exception of contractual interest as provided in paragraph (b) of Article 3 ;
 - (iii) the repayment of any loan on security and the payment of interest, banking commissions or other charges in respect thereof ;
 - (iv) the repayment of any loan granted to the Turkish Government by any other Contracting Party and the payment of interest in respect thereof ; and
 - (v) any payment in respect of goods delivered or services rendered within the framework of an international Agreement entered into before 5th August, 1958, which is specified in certain bilateral Agreements.

Article 5

PAYMENTS

(a) Payments in Turkish Lira in respect of debts shall be made to the Central Bank of the Republic of Turkey which shall accept any such payment on the date of maturity duly authorised by the Turkish authorities provided that :

- (i) the obligation to make any such payment remains an obligation solely incumbent upon the debtor ;
- (ii) an application for transfer of the payment duly authorised by the Turkish authorities has been or will be submitted to that Central Bank ; and
- (iii) in the case of a debt expressed in a currency other than Turkish currency, the amount of the payment shall be calculated at the effective rate of exchange ruling in Turkey in accordance with Turkish regulations on the date on which the payment has been made or is deemed to have been made in accordance with paragraph (b).

(b) Whenever the debtor, owing to his special status by virtue of Turkish legislation, rules or regulations, is duly authorised by the Turkish authorities to make the payment after the date on which it is due, the payment shall be deemed to have been made, for the purposes of the present Agreement but subject to paragraph (a) (ii) of Article 6, on the date originally authorised in respect thereof.

(c) The Central Bank of the Republic of Turkey shall notify, as soon as possible, the appropriate institution of the creditor country concerned of :

- (i) any payment made to that Central Bank in respect of a debt before the date of the coming into force of the present Agreement or deemed to have been made to it in accordance with paragraph (b) before that date which has not been previously transferred to the creditor ; and
- (ii) any payment made to that Central Bank in accordance with paragraph (a) or deemed to have been made to it in accordance with paragraph (b) as from that date.

(d) The notification shall indicate :

- (i) the amount of the payment made to the Central Bank of the Republic of Turkey, in Turkish Lira ; and
- (ii) the amount of that payment expressed in the same currency in which the underlying obligation duly authorised by the Turkish authorities is expressed or, in the case of a debt expressed in Turkish Lira, in the currency of the creditor country in which the creditor is resident (the appropriate of such currencies hereinafter called "appropriate currency"). For the purposes of this calculation, the rate of exchange applied shall be the effective rate of exchange ruling in Turkey in accordance with Turkish regulations on the date on which the payment has been made or is deemed to have been made in accordance with paragraph (b).

Article 6

OBLIGATIONS ARISING FROM THE APPLICATION OF ARTICLE 5

The Turkish Government shall ensure :

(a) that each payment made to the Central Bank of the Republic of Turkey in accordance with Article 5 shall :

- (i) subject to the provisions of Article 9, remain with that Central Bank until its transfer ;
- (ii) be transferred, in accordance with the provisions of Article 7, to the creditor concerned in the appropriate currency at the rate of exchange ruling in Turkey in accordance with Turkish regulations on the date on which the payment was made or is deemed to have been made in accordance with paragraph (b) of Article 5 provided that any payment deemed to have been made in accordance with that paragraph shall only be transferred if it is actually received by that Central Bank at the time of the transfer at the latest ; and

(b) that payments in the process of transfer shall carry moratorium interest, as provided in Article 10, and that such moratorium interest shall be transferred as provided for in that Article.

Article 7

THE TRANSFER SCHEME

(a) In order to provide for the settlement of debts under the present Agreement, the Turkish Government shall, in the period of twelve years following its signature, ensure each year the transfer, in appropriate currencies, of a total amount to the creditors resident in each creditor country (hereinafter called the "annual transfer") which shall be determined and transferred in accordance with the provisions of this Article. In addition, the Turkish Government shall ensure the transfer of moratorium interest or contractual moratorium interest, as the case may be, as provided for in Article 10.

(b) In the first six years of that period, the total amount of annual transfers, including transfers in respect of debts to United States creditors (such total amount hereinafter called the "total amount of annual transfers"), shall :

- (i) in the first five years of that period be equivalent to 15 million, 20 million, 25 million, 30 million and 35 million United States dollars, successively, in each year ;
- (ii) in the sixth year of that period, be equal to one-seventh of the total amount of payments in the process of transfer to all the creditor countries on 31st December, 1963.

(c) In each of the first six years of that period, subject to the provisions of paragraph (e), the total amount of annual transfers shall be divided between creditor countries according to the ratio between the payments in the process of transfer to each creditor country on the reference date and the total amount of the payments in process of transfer to all creditor countries on the same date provided that :

- (i) the reference date shall be 5th August, 1958, for the first two years of that period ; 31st December, 1960, for its third and fourth year ; and 31st December, 1962, for its fifth and sixth year ; and that
- (ii) the annual transfers for the first two years of that period shall be calculated in accordance with the table set out in Annex I to the present Agreement ; and that
- (iii) on the basis of this distribution between creditor countries, the payments to United States creditors in the third, fourth, and fifth year shall be 13.939, 14.206 and 14.314 per cent, respectively, of the total amount of annual transfers to all the creditor countries, and in the sixth year, equal to one-seventh of the total amount of payments in the process of transfer to United States creditors on 31st December, 1963. This arrangement shall not affect the total amount of annual transfers provided in paragraph (b).

(d) (i) The total amount of payments in the process of transfer on any of these reference dates shall be calculated in United States dollars on the basis of the parities between the appropriate currencies and the United States dollar in force on that reference date. The annual transfer to each creditor country shall be expressed in the appropriate currencies on the basis of the parities used in the preceding calculation of the total amount of payments in the process of transfer. Nevertheless, in the calculations relating to the first two annual transfers, the parities in force at the date of the signature of the present Agreement shall be used.

(ii) For the purposes of the present Agreement, the parity between an appropriate currency and the United States dollar shall be taken to be the declared International Monetary Fund par value on the relevant reference date. Where such parity does not exist, the official United States dollar parity in the country concerned shall be used or a parity calculated from the legal fine gold content of the currency concerned and the declared International Monetary Fund par value in terms of gold of the United States dollar on the relevant reference date.

(e) To the extent that it is required for the settlement of debts owed to creditors resident in Luxembourg, Norway, Portugal and, in the case of the annual transfers for the third year of that period, in Denmark, the Turkish Government shall ensure, in the first three years of that period, annual transfers to each of these creditor countries which, in total, shall represent two per cent of the total amount of annual transfers for the corresponding years.

(f) In the remaining six years of that period, the annual transfer to each creditor country shall be, successively, equal to one-sixth, one-fifth, one-fourth, one-third, one-half, and to the remainder of the total amount of payments in the process of transfer to that country on 31st December of the year preceding the year in which the corresponding annual transfer is made.

(g) The Turkish Government shall carry out each annual transfer, in accordance with the Lists provided for in paragraph (a) of Article 8, in four equal instalments on 30th June, 30th September, 31st December, and 31st March, respectively, of each year provided that :

- (i) in the first year the instalments shall be transferred not later than 31st July, 31st October, 31st December, 1959, and 31st March, 1960, respectively ; and that
- (ii) the amount to be transferred in accordance with this paragraph shall be reduced by the amount of any payment in the process of transfer which should have been transferred in the corresponding year and the counterpart of which has been used in Turkey by virtue of Article 9.

Article 8

EXECUTION OF THE TRANSFER SCHEME

(a) The competent Turkish authorities shall regularly establish, in consultation with the appropriate institution of each creditor country, a List which shall determine

the creditors in that country to which the appropriate institution of Turkey shall make transfers.

(b) The Lists referred to in the preceding paragraph shall be established in the order of settlement agreed by common accord between the Turkish Government and the Contracting Party concerned and shall provide priority for payments to any creditor the total amount of whose claims does not exceed a specified amount agreed by common accord. The order of settlement may be subsequently modified by common accord.

(c) In order to carry out the transfer to the creditors determined by the Lists provided for in the preceding paragraphs, the appropriate institution of Turkey shall transmit, through the intermediary of the appropriate institution of the creditor country concerned, a paying order in favour of each of those creditors established, taking into account the provisions of Article 10, in conformity with the terms of the notification made in accordance with paragraphs (c) and (d) of Article 5.

Article 9

USE OF FUNDS IN TURKEY

(a) Provided he is duly authorised to do so by the Turkish authorities and subject, where necessary, to the exchange control rules and regulations of the creditor country concerned, a creditor may use, in Turkish currency, any payment in the process of transfer that is owed to him, or any part thereof, for investment or other expenditure in Turkey for his own account.

(b) To the extent that it is to be used by virtue of the preceding paragraph, the payment in the process of transfer shall be reconverted into Turkish currency at the effective rate of exchange ruling in Turkey at the date of the reconversion for operations of the same kind effected by means of new remittances in foreign currency.

Article 10

MORATORIUM INTEREST

(a) The Turkish Government shall pay to the creditor moratorium interest at the rate of 3 per cent per annum in respect of any payment in the process of transfer provided, however, that such payment has not been used in Turkey by virtue of Article 9.

(b) Notwithstanding the provisions of the preceding paragraph, no moratorium interest shall be payable whenever, in accordance with the terms of the underlying contract, duly authorised by the Turkish authorities, the debtor has undertaken to pay interest to the creditor from the date on which payment is due until the completion of its transfer (in the present Agreement called "contractual moratorium in-

terest"). Payments made to the Central Bank of the Republic of Turkey in respect of contractual moratorium interest shall be :

- (i) calculated in accordance with the principles set out in paragraph (a) (iii) of Article 5 and transferred to the creditor concerned in accordance with the provisions of this Article and with the principles set out in paragraph (a) (ii) of Article 6 ; and
- (ii) deemed to be moratorium interest for the purposes of transfer as provided in paragraphs (d) and (e).

(c) Moratorium interest shall be payable as from the date of the signature of the present Agreement or the date on which the payment is due, whichever is the later date, until the completion of the transfer of the payment or its utilisation by virtue of Article 9. Moratorium interest shall be determined and transferred in the appropriate currency.

(d) Subject to paragraph (e), moratorium interest shall be paid and transferred to the creditor concerned on 31st December of each year provided, however, that, whenever the payment to which such interest relates is transferred, the moratorium interest remaining payable in respect thereof shall be transferred at the same time.

(e) Notwithstanding the provisions of paragraph (d), moratorium interest on payments in the process of transfer which, under that paragraph, falls due on 31st December, 1959, may be transferred thereafter provided it is transferred as soon as possible and, in any event, before 1st January, 1961. Whenever it is transferred at any date after 31st December, 1959, the whole of the interest payable up to the former date, in accordance with paragraph (c), shall be paid and transferred at the same time.

Article 11

PRIOR AMORTISATION AGREEMENTS

(a) Bilateral Agreements, previously concluded by the Turkish Government with any other Contracting Party, relating to the amortisation of Turkish external commercial debts, as well as provisions relating thereto in other Agreements between the Turkish Government and any other Contracting Party, shall no longer apply as from the date of the signature of the present Agreement and shall be abrogated by bilateral Agreements entered into in pursuance of Article 13, with effect as from the date of the coming into force of the present Agreement.

(b) In abrogating these Agreements or provisions, the Parties concerned shall provide that, as far as any account is concerned which is opened in the name of the Central Bank of the Republic of Turkey by the appropriate institution of the creditor country in pursuance of such a bilateral Agreement or provision :

- (i) amounts credited to that Central Bank before 5th August, 1958, shall be used as provided by the bilateral Agreement or the provision in question ; and
- (ii) amounts credited to that Central Bank as from that date shall be placed at the disposal of that Central Bank.

Article 12

CENTRAL BANK OF THE REPUBLIC OF TURKEY

In the execution of the provisions of the present Agreement, the Central Bank of the Republic of Turkey shall act as the agent of the Turkish Government and shall in no event incur any obligations under the present Agreement.

Article 13

BILATERAL AGREEMENTS

(a) Bilateral Agreements with regard to the technical rules of application of the present Agreement shall be entered into by the Turkish Government with each other Contracting Party.¹ These bilateral Agreements shall also contain provisions relating to the abrogation of any prior amortisation Agreement and of any provisions relating to that subject, in accordance with Article 11 of the present Agreement.

(b) Bilateral Agreements shall be consistent with the provisions of the present Agreement. In the event of any inconsistency between the provisions of the present Agreement and the provisions of any bilateral Agreement, the provisions of the present Agreement shall prevail. However, the provisions of the bilateral Agreement between the Turkish Government and the Italian Government, linked with the particular rules of application envisaged by the Italian authorities with a view to the application of the present Agreement to creditors resident in Italy and resulting from the eventual substitution of such creditors by an institution which would be designated by these authorities in the bilateral Agreement, shall not be considered as inconsistent with the present Agreement.

Article 14

EXCHANGE OF INFORMATION

(a) The Contracting Parties shall exchange with one another the texts of the bilateral Agreements as well as all information required for the proper implementation of the present Agreement. Such information shall, in particular, include the following :

¹ For the text of the bilateral Agreement concluded between the Turkish and Netherlands Governments, see p. 181 of this volume.

- (i) as soon as possible and, in any event, before 1st January, 1961, statements showing the total amounts of payments in the process of transfer on 5th August, 1958, and on the date of the signature of the present Agreement ;
- (ii) at the beginning of each subsequent calendar year, statements showing the total amount of payments in the process of transfer on 31st December of the preceding year ;
- (iii) at the beginning of each calendar year, statements showing the total amount of payments in the process of transfer the counterpart of which has been used in Turkey in the preceding year by virtue of Article 9, and indicating, at the same time, the amount of such payments used previously by virtue of that Article which would have been transferred in the preceding year ; and
- (iv) at the beginning of each calendar year, statements showing the total amounts of payments in respect of debts, of moratorium interest and of contractual moratorium interest transferred during the preceding year.

(b) The amounts shown in the statements provided in the preceding paragraph shall be expressed, with regard to each creditor country, in the appropriate currencies as well as in United States dollars calculated on the basis of the parity defined in paragraph (d) of Article 7.

(c) The statements provided in sub-paragraphs (i) and (ii) of paragraph (a) shall be submitted, in the first place, by the appropriate institution designated by the Turkish Government, for the purpose of verification, to the appropriate institution designated by each other Contracting Party to that end, which shall inform the appropriate Turkish institution of the results of the enquiry made for the purpose of that verification. The statements provided in sub-paragraphs (iii) and (iv) of paragraph (a) shall be the subject of comparison between the appropriate institution of the Turkish Government and the appropriate institution designated to that end by each other Contracting Party.

(d) The Contracting Parties concerned shall communicate to the Organisation the texts of the bilateral Agreements. The same shall apply to the statements drawn up by virtue of paragraph (a) after their verification or comparison, as the case may be, in accordance with the provisions of paragraph (c). These Contracting Parties shall request the Organisation to communicate the said texts and statements to the other Contracting Parties and to the Government of the United States of America.

Article 15

CONVENING OF A CONFERENCE

A Conference at which the Contracting Parties and the Government of the United States of America shall be invited to be represented, may be convened by any of

these Governments. The Government which convenes the Conference shall, in its invitation, state the purpose and reasons for which the Conference is convened.

Article 16

RATIFICATION, COMING INTO FORCE, TERMINATION

(a) The present Agreement shall be ratified. The Contracting Parties shall initiate, within a period of six months, the constitutional procedures required for the purpose of its ratification.

(b) Instruments of ratification shall be deposited with the Secretary-General of the Organisation who shall notify all the Signatories of their deposit.

(c) The present Agreement shall come into force upon the deposit of instruments of ratification by all the Signatories.

(d) The present Agreement shall terminate with regard to a Contracting Party as soon as there remains no payment in the process of transfer to a creditor resident in its country nor any debt to such a creditor which may be settled under the present Agreement.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have appended their signatures to the present Agreement.

DONE in Paris, this eleventh day of May, Nineteen Hundred and Fifty-Nine, in the English and French languages, both texts being equally authentic, in two copies, one of which shall remain deposited with the Turkish Government and the other with the Secretary-General of the Organisation for European Economic Co-operation, by whom certified copies shall be communicated to all the other Signatories.

Pour la République Fédérale d'Allemagne :
For the Federal Republic of Germany :

Karl WERKMEISTER
Dr. Kurt DANIEL

Pour la République d'Autriche :
For the Republic of Austria :

Hans KLOSS

Pour le Royaume de Belgique :
For the Kingdom of Belgium :

R. OCKRENT

Pour le Royaume de Danemark :
For the Kingdom of Denmark :

E. BARTELS

Pour la République Française :
For the French Republic :

François VALÉRY

Pour la République Italienne :
For the Italian Republic :

G. COSMELLI

Pour le Grand-Duché de Luxembourg :
For the Grand Duchy of Luxembourg :

Paul REUTER

Pour le Royaume de Norvège :

For the Kingdom of Norway :

Jens BOYESEN

Pour le Royaume des Pays-Bas :

For the Kingdom of the Netherlands :

STRENGERS

Pour la République Portugaise :

For the Portuguese Republic :

J. CALVET DE MAGALHÃES

Pour le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord :

For the United Kingdom of Great Britain and Northern Ireland :

Hugh ELLIS-REES

Pour le Royaume de Suède :

For the Kingdom of Sweden :

Ingemar HÄGGLÖF

Pour la Confédération Suisse :

For the Swiss Confederation :

Agostino SOLDATI

Pour la République de Turquie :

For the Republic of Turkey :

O. GÖKMEN

ANNEX I

DISTRIBUTION OF THE FIRST TWO ANNUAL TRANSFERS

(In thousands of United States dollars)

	<i>1st year</i>	<i>2nd year</i>
<i>Annual Transfers</i>	15,000	20,000
Creditor countries with regard to which settlement is effected in accordance with paragraph (e) of Article 7*:		
Luxembourg	125	194
Norway	43	—
Portugal	132	206
	300	400
Remainder	14,700	19,600

<i>Other creditor countries</i>	<i>Per cent of the annual transfer</i>	<i>Amounts to be distributed</i>	<i>Amounts to be distributed</i>
Germany	22.635	3,327	4,436
Austria	2.077	305	407
Belgium	5.373	791	1,054
France	8.732	1,284	1,711
Italy	7.175	1,055	1,406
Netherlands	4.321	635	847
United Kingdom	28.294	4,159	5,546
Sweden	2.111	310	414
Switzerland	1.261	185	247
United States of America	18.021	2,649	3,532
	100.000	14,700	19,600

* Denmark will be included in the distribution of the third Annual Transfer.

PROTOCOL OF PROVISIONAL APPLICATION¹ OF THE
AGREEMENT ON COMMERCIAL DEBTS OWED BY RESI-
DENTS OF TURKEY. SIGNED AT PARIS, ON 11 MAY
1959

The Signatories of the Agreement on Commercial Debts Owed by Residents of Turkey (hereinafter called the "Debts Agreement"), signed this day ;

Desirous of giving effect to the Debts Agreement without delay ;

Have agreed as follows :

1. Subject to the provisions of paragraph 4, the Parties to the present Protocol shall apply the Debts Agreement provisionally as if the said Agreement had come into force as from the date of its signature.

2. Subject to the provisions of paragraph 4, the Turkish Government and any other Party to the present Protocol shall provisionally cease to apply any bilateral Agreement, previously concluded between these Parties, relating to the amortisation of Turkish external commercial debts as well as provisions in other Agreements between them relating thereto as if the bilateral Agreement or provision concerned had been abrogated as from the signature of the Debts Agreement with the effects provided in paragraph (b) of Article 11 of the said Agreement.

3. Subject to the provisions of paragraph 4, the present Protocol shall come into force on this day's date and shall continue in force until the Debts Agreement comes into force.

4. If at the time of its signature, a Party to the present Protocol declares that the Debts Agreement can, as far as that Party is concerned, be applied subject only to the condition that it be ratified in accordance with its constitutional processes,

- (i) the present Protocol shall come into force, in so far as the said Party is concerned, on the date when its instrument of ratification is deposited in accordance with the provisions of Article 16 of the Debts Agreement ; and
- (ii) the Debts Agreement shall then be applied provisionally, in so far as that Party is concerned, as if it had come into force as from the date provided for in paragraph 1.

IN WITNESS WHEREOF the undersigned, duly authorised thereto have appended their signatures to the present Protocol.

DONE in Paris this eleventh day of May, Nineteen Hundred and Fifty-Nine, in the English and French languages, both texts being equally authentic, in two copies, one of which shall remain deposited with the Turkish Government, and the other with the Secretary-General of the Organisation for European Economic Co-operation, by whom certified copies will be communicated to all the other Signatories of the present Protocol.

¹ For the entry into force of this Protocol, see footnote 1, p. 147 of this volume.

Pour la République Fédérale d'Allemagne :
For the Federal Republic of Germany :

Karl WERKMEISTER
Dr. Kurt DANIEL

Pour la République d'Autriche :
For the Republic of Austria :

Hans KLOSS

Pour le Royaume de Belgique :
For the Kingdom of Belgium :

R. OCKRENT¹

Pour le Royaume de Danemark :
For the Kingdom of Denmark :

E. BARTELS

Pour la République Française :
For the French Republic :

François VALÉRY

Pour la République Italienne :
For the Italian Republic :

G. COSMELLI

Pour le Grand-Duché de Luxembourg :
For the Grand Duchy of Luxembourg :

Paul REUTER

Pour le Royaume de Norvège :
For the Kingdom of Norway :

Jens BOYESEN

Pour le Royaume des Pays-Bas :
For the Kingdom of the Netherlands :

STRENGERS¹

¹ At the final session of the Conference which adopted the Agreement on commercial debts owed by residents of Turkey, the Heads of the Belgian and Netherlands delegations declared with regard to paragraph 4 of the Protocol of provisional application of the Agreement that the Agree-

Pour la République Portugaise :
For the Portuguese Republic :

J. CALVET DE MAGALHÃES

Pour le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord :
For the United Kingdom of Great Britain and Northern Ireland :

Hugh ELLIS-REES

Pour le Royaume de Suède :
For the Kingdom of Sweden :

Ingemar HÄGGLÖF

Pour la Confédération Suisse :
For the Swiss Confederation :

Agostino SOLDATI

Pour la République de Turquie :
For the Republic of Turkey :

O. GÖKMEN

ment could, as far as the Government of either one of them was concerned, be applied subject only to the condition that it be ratified in accordance with the constitutional processes in the country concerned.

A la dernière séance de la Conférence qui a adopté l'Accord sur les dettes commerciales de personnes résidant en Turquie, les Chefs des délégations de la Belgique et des Pays-Bas ont déclaré, au sujet du paragraphe 4 du Protocole d'application provisoire de l'Accord, que l'Accord ne pourra être mis en application, en ce qui concerne les Gouvernements belge et néerlandais, qu'à la condition qu'il soit ratifié conformément aux procédures constitutionnelles respectives de leurs pays.