

No. 9779

**NETHERLANDS
and
INDONESIA**

**Agreement concerning the financial problems still outstanding
between the two countries. Signed at The Hague on 7 Sep-
tember 1966**

Authentic text: English.

Registered by the Netherlands on 7 August 1969.

**PAYS-BAS
et
INDONÉSIE**

**Accord concernant les problèmes financiers en suspens entre les
deux pays. Signé à La Haye le 7 septembre 1966**

Texte authentique : anglais.

Enregistré par les Pays-Bas le 7 août 1969.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE
KINGDOM OF THE NETHERLANDS AND THE
GOVERNMENT OF THE REPUBLIC OF INDONESIA
CONCERNING THE FINANCIAL PROBLEMS STILL
OUTSTANDING BETWEEN THE TWO COUNTRIES

The Government of the Kingdom of the Netherlands and the Government of the Republic of Indonesia;

desirous of settling the outstanding financial problems between the two countries;

considering that this end should be accomplished in a single, all-inclusive agreement, which shall include the payment of a lump sum;

considering that such an agreement should be based on principles of justice, humanity and equity;

have agreed as follows:

Article 1

1. In the present Agreement the term “outstanding financial problems” shall include all financial claims of either of the Contracting Parties and of its nationals against the other Contracting Party and its nationals, either based on bilateral agreements or resulting from other causes, pension-rights included, as far as these claims originated before August 15, 1962.

2. The term “outstanding financial problems” shall not comprise any rights and obligations deriving from (normal) trade relations between the two countries and from the existing bilateral payments agreement, nor does the term comprise the obligations which either of the Parties has towards nationals of the other Party as a consequence of contractual relations or decisions of the national courts of either country.

3. The present Agreement shall also cover the losses sustained by Netherlands nationals as a consequence of the factual impossibility of exercising their

¹ Came into force on 21 May 1969, the date on which both Governments had informed each other in writing that the formalities constitutionally required in their respective countries had been complied with, in accordance with article 7.

property rights in West-Irian, as mentioned in article XXII, paragraph 3, of the Agreement between the Kingdom of the Netherlands and the Republic of Indonesia concerning West New Guinea (West-Irian).¹

Article 2

The two Contracting Parties shall refrain both from itemizing their respective claims and from evaluating or acknowledging the claims of the other Party.

Article 3

1. The Contracting Parties agree that the payment by the Indonesian Government of six hundred million Dutch guilders to the Netherlands Government will constitute a full and final settlement of all outstanding financial problems.

2. The Indonesian Government shall pay the amount of six hundred million Dutch guilders reduced by the amount of 36 million guilders, which was set aside as an initial payment on a special account in the name of "De Nederlandsche Bank N.V." on the books of "De Indonesische Overzeese Bank N.V." in 1965, in instalments as specified in Article 4 of the present Agreement.

Article 4

1. In view of the present circumstances the remaining amount of five hundred and sixty four million Dutch guilders shall be paid as follows.

2. Beginning on 31st December 1973 the Republic of Indonesia shall pay the amount mentioned in paragraph 1 in thirty equal annual instalments. The outstanding amounts will bear interest at a rate of 1 percent a year as from 1st January 1974 onwards, the first payment of interest to be made on 31st December 1974.

3. All payments shall be made into the account of the Netherlands Government with "De Nederlandsche Bank N.V.".

Article 5

1. The implementation of the present Agreement will relieve the Contracting Parties and their nationals from any and all obligations towards

¹ United Nations, *Treaty Series*, vol. 437, p. 273.

each other, as far as these obligations result directly or indirectly from the implementation by the Republic of Indonesia of legislative and/or administrative measures, affecting Netherlands interests and taken before August 15, 1962.

2. The provision of paragraph 1 of this Article does not apply to rights and obligations as defined in paragraph 2 of Article 1.

Article 6

The Netherlands Government shall decide at its discretion what natural and corporate bodies shall be entitled to the funds made available by the Republic of Indonesia and what amounts shall be received by each of them.

Article 7

The present Agreement shall come into force on the date on which both Governments have informed each other in writing that the formalities constitutionally required in their respective countries have been complied with.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

DONE at The Hague, this seventh day of September 1966, in duplicate in the English language.

For the Government
of the Kingdom of the Netherlands :
J. LUNS

For the Government
of the Republic of Indonesia :
Hamengku BUWONO