

No. 10720

**FRANCE
and
MONACO**

Exchange of letters constituting an agreement on the supervision of insurance and capital redemption enterprises in Monaco. Paris, 26 September 1968

Authentic text: French.

Registered by France on 3 September 1970.

**FRANCE
et
MONACO**

Échange de lettres constituant un accord sur le contrôle des entreprises d'assurances et de capitalisation à Monaco. Paris, 26 septembre 1968

Texte authentique: français.

Enregistré par la France le 3 septembre 1970.

[TRANSLATION — TRADUCTION]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN FRANCE AND MONACO ON THE SUPERVISION OF INSURANCE AND CAPITAL REDEMPTION ENTERPRISES IN MONACO

I

MINISTRY OF FOREIGN AFFAIRS

Paris, 26 September 1968

Sir,

Your Government has forwarded to me the text of the Sovereign Ordinance which it intends to issue with a view to introducing a set of regulations governing the supervision of insurance and capital redemption enterprises, in accordance with article 1 of the Convention on insurance concluded by our two Governments on 18 May 1963.²

As regards the application of these regulations, the French Government proposes that the Convention and exchange of letters of 18 May 1963 should be completed as follows:

1. In all cases not covered by the aforementioned Convention and exchange of letters, decisions falling within the competence of the Minister of State shall be subject to the concurrence of the Minister of Economy and Finance of the French Republic.

It is agreed that no authorization may be granted, in application of article 2 of the Sovereign Ordinance, for the execution of a contract with an enterprise that has been licensed neither in Monaco nor in France, unless the persons concerned can demonstrate that the insurance could not be obtained from enterprises licensed in those countries.

2. Decisions relating to the application of exchange control regulations to insurance, reinsurance and capital redemption shall be taken by the Minister of Economy and Finance of the French Republic: this shall apply specifically to cases covered by the Act of 17 April 1942.

¹ Came into force on 12 December 1968, date of the promulgation of the Ordinance referred to in the penultimate paragraph of the letter from the French Government, in accordance with the provisions of the said letters.

² See p. 143 of this volume.

3. The Monegasque administrative authorities undertake, in accordance with the provisions of article 7 of the Sovereign Ordinance, to accept as a representative responsible for insurance operations effected in Monaco any person recognized by the French administrative authorities as responsible for the same operations effected in France.

4. In accordance with article 3 of the Convention, the operations effected in Monegasque territory by insurance enterprises operating both in French territory and in Monegasque territory shall be treated in the same way as operations effected in France in respect of the application of the provisions of French legislation relating to compulsory reinsurance.

5. Notwithstanding article 3 of the Convention, premiums payable in respect of insurance policies covering the risk of industrial accidents governed by the Act of 11 January 1958 shall be covered by a separate set of accounts, so as to permit calculation of the tax to be paid into the Monegasque supplementary annuity fund.

6. Enterprises operating both in French territory and in Monegasque territory shall allocate assets to cover their technical reserves in accordance with the conditions laid down in the French regulations; however, assets acceptable in respect of such reserves may include investments in movable or immovable property in Monaco not exceeding 5 per cent of those reserves, subject to the joint authorization, for each company or in each case, of the Minister of Economy and Finance of the French Republic and the Minister of State of the Principality of Monaco.

7. The French administrative authorities shall inform the Monegasque administrative authorities, prior to their implementation, of any measures taken in respect of an insurance or capital redemption enterprise operating both in French territory and in Monegasque territory, in order to protect the interests of policy-holders and third parties, particularly in the cases referred to in articles 10, 12, 13, 19, 28 (paragraph 2), 29 and 30 of the aforementioned Sovereign Ordinance; if requested to do so, the Monegasque administrative authorities shall adopt identical measures in respect of the company concerned.

8. The measures designed to protect the interests of policy-holders referred to in articles 14 (last paragraph), 15 (last paragraph) and 18 of the Sovereign Ordinance shall, where necessary, be taken on the application of the Minister of Economy and Finance of the French Republic.

9. Notwithstanding the provisions of article 20 of the Sovereign Ordinance, the judicial officer in charge of the winding up of a company from which all licenses have been withdrawn in France and in the Principality shall, on the application of the Minister of Economy and Finance of the French Republic, be appointed by the president of the court of first instance or by the president of the commercial court of the place where the company has its head office, if in France, or, otherwise, of the place where the company has its principal establishment in France.

10. As regards the application of article 3 of the Convention, the movable assets of insurance enterprises operating both in French territory and in Monegasque territory shall be subject to:

— The general preferential lien provided for in the French regulations and the Monegasque regulations in the case of companies whose head office is situated in France or in the Principality;

— The special preferential lien provided for in the said regulations in the case of companies whose head office is situated in another country.

I would suggest that the foregoing provisions should enter into force upon the promulgation of the Sovereign Ordinance instituting State supervision of insurance and capital redemption enterprises.

I should be grateful if you would inform me whether these proposals meet with the agreement of your Government. If so, this letter and your reply will constitute an agreement between our two Governments on this point.

Accept, etc.

Gilbert DE CHAMBRUN

Mr. Maurice Delavenne
Minister of Monaco, Delegation of Monaco
Paris

II

LEGATION OF MONACO

Paris, 26 September 1968

Sir,

In your letter of today's date you state the following:

[*See letter I*]

I have the honour to inform you that the Government of the Principality agrees to the foregoing proposals.

Accept, etc.

Maurice DELAVENNE
Minister

Mr. Gilbert de Chambrun
Minister Plenipotentiary
Director for Administrative Agreements
and Consular Affairs
Paris