

No. 11413

**BELGIUM and LUXEMBOURG,
and
ROMANIA**

Agreement concerning the settlement of outstanding financial problems (with protocol of implementation, arrangement and exchange of letters). Signed at Brussels on 13 November 1970

Distribution Agreement between Belgium and Luxembourg relating to the above-mentioned Agreement. Signed at Luxembourg on 7 December 1970

Authentic texts: French.

Registered by Belgium on 24 November 1971.

**BELGIQUE et LUXEMBOURG,
et
ROUMANIE**

Accord concernant le règlement des problèmes financiers en suspens (avec protocole d'exécution, arrangement et échange de lettres). Signé à Bruxelles le 13 novembre 1970

Accord de répartition entre la Belgique et le Luxembourg relatif à l'Accord susmentionné. Signé à Luxembourg le 7 décembre 1970

Textes authentiques: français.

Enregistré par la Belgique le 24 novembre 1971.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE GRAND DUCHY OF LUXEMBOURG, OF THE ONE PART, AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA, OF THE OTHER PART, CONCERNING THE SETTLEMENT OF OUTSTANDING FINANCIAL PROBLEMS

The Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the one part, and

The Government of the Socialist Republic of Romania, of the other part,

Desiring to promote relations between their countries and to further the development of their economic relations,

Have agreed on the final settlement of their outstanding financial problems, as follows:

Article 1

The Government of the Socialist Republic of Romania shall pay to the Governments of the Kingdom of Belgium and the Grand Duchy of Luxembourg the lump sum of 157,219,971 (one hundred and fifty-seven million two hundred and nineteen thousand nine hundred and seventy-one) Belgian francs as a final global settlement.

This sum shall cover all claims, of whatever kind, of the Kingdom of Belgium and the Grand Duchy of Luxembourg and of Belgian and Luxembourg individuals and bodies corporate against the Socialist Republic of Romania and Romanian individuals and bodies corporate in respect of:

- (a) Belgian and Luxembourg property, rights and interests affected by Romanian measures of nationalization, expropriation, taking over in administration and all other similar legislative or administrative measures adopted prior to the date of signature of this Agreement, and Belgian and Luxembourg financial and commercial debt-claims arising prior to the adoption of such measures;

¹ Came into force on 9 September 1971, the date on which the Contracting Parties notified each other of the completion of the formalities required by their legislations, in accordance with article 10.

- (b) Bonds pertaining to the Romanian foreign public debt, including bonds issued by Romanian public corporations.

Article 2

Belgian and Luxembourg property, rights, interests and debt-claims within the meaning of article 1 shall be property, rights, interests and debt-claims belonging fully or partially, directly or indirectly, to the Belgian State or the Luxembourg State or to individuals or bodies corporate possessing Belgian or Luxembourg nationality both on the date of adoption of the Romanian measures referred to in article 1 and on the date of signature of this Agreement.

Article 3

Payment of the lump sum provided for in article 1 shall be effected in accordance with the provisions of the Protocol of Implementation, which shall form an integral part of this Agreement.

Article 4

By payment in full of the lump sum mentioned in article 1, the Belgian and Luxembourg Governments shall consider all the claims specified in this Agreement to be finally and fully settled.

Such settlement shall release the Romanian State and Romanian individuals and bodies corporate from liability towards the Belgian State and the Luxembourg State and towards Belgian and Luxembourg individuals and bodies corporate.

The Belgian and Luxembourg Governments undertake henceforth not to present or support in any manner against the Romanian Government or Romanian individuals or bodies corporate the claims specified in article 1.

Belgian and Luxembourg nationals who are beneficiaries under this Agreement shall not be subject to any fiscal charge or financial obligation resulting from Romanian provisions and relating to the property, rights, interests, debt-claims and bonds mentioned in article 1.

Article 5

The Belgian Government and the Luxembourg Government shall authorize the transfer to Romania of all Romanian funds on deposit in Belgium and the Grand Duchy of Luxembourg.

Article 6

The distribution to Belgian and Luxembourg claimants of the compensation provided for in article 1 shall fall within the exclusive competence and be the exclusive responsibility of the Belgian and Luxembourg Governments, without any responsibility arising for the Romanian Government.

For the purpose of facilitating the distribution of this compensation, the Romanian Government shall provide, at the request of the Belgian or Luxembourg Government and so far as possible, such information as may be necessary regarding the property, rights, interests and debt-claims covered by this Agreement.

Article 7

Within a maximum period of three years after payment in full of the compensation mentioned in article 1, the Belgian and Luxembourg Governments shall deliver to the Romanian Government the instruments of ownership of the property, rights, interests and debt-claims specified in article 1, paragraph (a), on the basis of which the beneficiaries have been compensated pursuant to this Agreement, as well as all bonds pertaining to the Romanian foreign public debt the settlement of which is provided for in article 1, paragraph (b).

If the Belgian Government or the Luxembourg Government is unable to deliver the instruments mentioned in the preceding paragraph, relating to the interests specified in article 1, paragraph (a), the Romanian Government shall receive appropriate documents of release signed by the beneficiaries.

Article 8

In the event of any dispute concerning the implementation of this Agreement, the Governments concerned shall endeavour to reach an amicable settlement in an Intergovernmental Commission composed of an equal number of Romanian members, on the one hand, and of Belgian and Luxembourg members, on the other hand.

The Commission shall meet, at the request of either Party, within six weeks from the date of receipt of notification of the dispute.

Article 9

The Financial Protocol signed at Bucharest on 30 September 1960 between the Kingdom of Belgium and the Grand Duchy of Luxembourg, of the one part, and the Romanian People's Republic, of the other part, shall be abrogated on the date of the entry into force of this Agreement.

The payments provided for in article 1 of this Financial Protocol shall be discontinued as soon as the " 1960 Financial Protocol Fund " account reaches the amount of 83,962,648 (eighty-three million nine hundred and sixty-two thousand six hundred and forty-eight) Belgian francs.

Article 10

This Agreement shall enter into force on the date on which the Contracting Parties notify each other of the completion of the formalities required by their legislation.

DONE at Brussels, on 13 November 1970, in triplicate, in the French language.

For the Government
of the Kingdom
of Belgium:

[Signed]

H. FAYAT

[SEAL]

For the Government
of the Grand Duchy
of Luxembourg:

[Signed]

L. SCHAUS

[SEAL]

For the Government
of the Socialist
Republic of Romania:

[Signed]

V. VOLOSENIUC

[SEAL]

PROTOCOL OF IMPLEMENTATION OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE GRAND DUCHY OF LUXEMBOURG, OF THE ONE PART, AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA, OF THE OTHER PART, CONCERNING THE SETTLEMENT OF OUTSTANDING FINANCIAL PROBLEMS, SIGNED AT BRUSSELS ON 13 NOVEMBER 1970

The Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the one part, and

The Government of the Socialist Republic of Romania, of the other part,
Have agreed as follows:

Article 1

Payment of the lump-sum global compensation of 157,219,971 (one hundred and fifty-seven million two hundred and nineteen thousand nine

hundred and seventy-one) Belgian francs provided for in article 1 of the Agreement signed this day (hereinafter referred to as “the Agreement”) shall be effected in accordance with the procedures set forth in this Protocol.

Article 2

An account entitled “Compensation—Romania” shall be opened, in the name of the Belgian Treasury, with the National Bank of Belgium; it shall be financed in the following manner:

- (a) By transfer of the sum total of the quarterly payments made by the Romanian Government pursuant to the Financial Protocol of 30 September 1960 between the Kingdom of Belgium and the Grand Duchy of Luxembourg, of the one part, and the Romanian People’s Republic, of the other part;
- (b) By transfer of the funds kept on deposit by the former National Bank of Romania with the National Bank of Belgium;
- (c) By transfer of the amount of the debt-claim of the former Banca Romaneasca against the former Winter Relief Fund (Secours d’Hiver) of Belgium.

Article 3

As at the date of the entry into force of the Agreement, the credit balance of 83,962,648 (eighty-three million nine hundred and sixty-two thousand six hundred and forty-eight) Belgian francs in the “1960 Financial Protocol Fund” account opened at the National Bank of Belgium in the name of the Romanian Foreign Trade Bank, on behalf of the Romanian Government, shall be automatically transferred to the “Compensation—Romania” account provided for in article 2.

Article 4

As at the date of the entry into force of the Agreement, the sum of 1,819,823 (one million eight hundred and nineteen thousand eight hundred and twenty-three) Belgian francs standing to the credit of the special accounts of the former National Bank of Romania at the National Bank of Belgium shall be automatically transferred to the “Compensation—Romania” account.

Article 5

As at the date of the entry into force of the Agreement, the Belgian Government shall pay into the “Compensation—Romania” account the sum of 71,437,500 (seventy-one million four hundred and thirty-seven thousand

five hundred) Belgian francs in settlement of the debt-claim of the former Banca Romaneasca against the former Winter Relief Fund of Belgium, which is the subject of the Arrangement annexed to this Protocol.

Article 6

This Protocol shall enter into force at the same time as the Agreement between the Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the one part, and the Government of the Socialist Republic of Romania, of the other part, concerning the settlement of outstanding financial problems, of which it shall form an integral part.

DONE at Brussels, on 13 November 1970, in triplicate, in the French language.

For the Government
of the Kingdom
of Belgium:

[Signed]

H. FAYAT

For the Government
of the Grand Duchy
of Luxembourg:

[Signed]

L. SCHAUS

For the Government
of the Socialist
Republic of Romania:

[Signed]

V. VOLOSENIUC

ARRANGEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA CONCERNING THE SETTLEMENT OF THE DEBT-CLAIM OF THE FORMER BANCA ROMANEASCA AGAINST THE FORMER WINTER RELIEF FUND OF BELGIUM

In the course of the negotiations which resulted in the conclusion of the Agreement between the Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the one part, and the Government of the Socialist Republic of Romania, of the other part, concerning the settlement of outstanding financial problems, signed this day, the Belgian Government and the Romanian Government agreed as follows:

- (a) The amount of the debt-claim of the former Banca Romaneasca against the former Winter Relief Fund of Belgium, arising out of the loan granted by the said Romanian bank to the aforementioned Belgian agency for the purchase of food-stuffs in Romania under the terms of the exchange of letters of 11 and 30 November 1943 is definitively set at 71,437,500 (seventy-one million four hundred and thirty-seven thousand five hundred) Belgian francs;

(b) Payment of the sum of 71,437,500 (seventy-one million four hundred and thirty-seven thousand five hundred) Belgian francs shall be effected by the Belgian Government in accordance with the provisions of article 2, paragraph (c), and article 5 of the Protocol of Implementation of the Agreement between the Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the one part, and the Government of the Socialist Republic of Romania, of the other part, concerning the settlement of outstanding financial problems.

Upon execution of the payment provided for in paragraph (b), the Belgian Government, the Committee for Liquidation of the former Winter Relief Fund of Belgium and the Belgian private banks serving as co-guarantors for repayment of the loan in question shall be released from all obligations devolving upon them under the loan agreement which was the subject of the exchange of letters of 11 and 30 November 1943 and under all other instruments pertaining thereto.

By signature of this Arrangement, the settlement of the loan mentioned in paragraph (a) above shall be deemed to be final.

DONE at Brussels, on 13 November 1970, in duplicate, in the French language.

For the Government
of the Kingdom of Belgium:

For the Government
of the Socialist Republic
of Romania:

H. FAYAT

V. VOLOSENIUC

EXCHANGE OF LETTERS

I

Brussels, 13 November 1970

Sir,

With reference to the negotiations which resulted in the conclusion this day of the Agreement between the Government of the Socialist Republic of Romania, of the one part, and the Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the other part,

concerning the settlement of outstanding financial problems, I have the honour, with regard to bonds pertaining to the Romanian foreign public debt, to inform you of the following:

(1) The bonds pertaining to Romanian foreign public loans for which compensation is to be paid under article 1, paragraphe (b), of the aforementioned Agreement are listed below:

1. Paris Agreement 4% Consolidated Stock
2. Paris Agreement 5% Consolidated Stock
3. Berlin Agreement 4% Consolidated Stock
4. Berlin Agreement 4½% Consolidated Stock
5. Berlin Agreement 5% Consolidated Stock
6. 1929 7% Stabilization Loan—dollar, sterling and French franc issue
7. 1922 4% Consolidation Stock—dollar and sterling issue
8. 1934 4½% Funding Stock
9. 1913 Paris and London Agreement 4½% Stock
10. 1931 7½% Development Loan
11. 1926 5% Private Railways Stock
12. 1922 4% External Stock
13. Miscellaneous bonds issued by the Romanian State or Romanian public corporations.

(2) Pursuant to the provisions of article 7 of the Agreement, the Belgian and Luxembourg Governments will deliver to the Romanian Government, within the period specified, all bonds pertaining to Romanian public loans as mentioned in paragraph (1) for which compensation has been paid as provided for in the Agreement.

(3) By payment in full of the global lump sum mentioned in article 1 of the Agreement, all claims relating to bonds pertaining to the Romanian foreign public debt which are held on the date of signature of this Agreement by the Belgian State and the Luxembourg State and by Belgian and Luxembourg individuals and bodies corporate will be considered finally settled.

(4) The Belgian and Luxembourg Governments undertake henceforth not to present or support in any manner against the Romanian Government or Romanian bodies corporate the claims mentioned in paragraphs (1) and (3).

I should be grateful if you would signify your agreement to the foregoing.
Accept, Sir, etc.

[Signed]

V. VOLOSENIUC

Deputy Minister of Finance
of the Socialist Republic of Romania

His Excellency Mr. H. Fayat
Minister of External Trade of Belgium

II

Brussels, 13 November 1970

Sir,

I have the honour to refer to your letter of today's date, which reads as follows:

[*See letter I*]

I hereby confirm that the Belgian Government signifies its agreement to the foregoing.

Accept, Sir, etc.

[*Signed*]

H. FAYAT

Minister of External Trade of Belgium

His Excellency Mr. V. Voloseniuc
Deputy Minister of Finance
of the Socialist Republic of Romania

DISTRIBUTION AGREEMENT¹ BETWEEN BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG FOR THE IMPLEMENTATION OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE GRAND DUCHY OF LUXEMBOURG, OF THE ONE PART, AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA, OF THE OTHER PART, CONCERNING THE SETTLEMENT OF OUTSTANDING FINANCIAL PROBLEMS, SIGNED AT BRUSSELS ON 13 NOVEMBER 1970²

The Belgian Government and the Luxembourg Government,

Desiring to arrange the implementation of the Agreement between the Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the one part, and the Government of the Socialist Republic of Romania, of the other part, signed at Brussels on 13 November 1970,²

Have agreed as follows:

CHAPTER I

DISTRIBUTION OF THE LUMP-SUM GLOBAL COMPENSATION

Article 1

The lump-sum global compensation of 157,219,971 (one hundred and fifty-seven million two hundred and nineteen thousand nine hundred and seventy-one) Belgian francs provided for in article 1 of the Agreement of 13 November 1970 between the Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, of the one part, and the Government of the Socialist Republic of Romania, of the other part, concerning the settlement of outstanding financial problems (hereinafter referred to as “the basic Agreement”) shall be distributed as follows:

¹ Came into force on 29 October 1971, one month after the exchange of the instruments of ratification, which took place at Brussels on 29 September 1971, in accordance with article 16.

² See p. 227 of this volume.

- (a) 136,219,971 (one hundred and thirty-six million two hundred and nineteen thousand nine hundred and seventy-one) Belgian francs for Belgian and Luxembourg property, rights, interests and debt-claims, as defined in article 1, paragraph (a), of the basic Agreement.
- (b) 21,000,000 (twenty-one million) Belgian francs for the redemption of bonds pertaining to Romanian foreign public loans, including bonds pertaining to foreign loan issues by Romanian public corporations, as referred to in article 1, paragraph (b), of the basic Agreement.

CHAPTER II

COMPENSATION FOR BELGIAN AND LUXEMBOURG PROPERTY, RIGHTS, INTERESTS AND DEBT-CLAIMS, AS DEFINED IN ARTICLE 1, PARAGRAPH (a), OF THE BASIC AGREEMENT

Article 2

A Belgo-Luxembourg Special Commission shall be established for the purpose of distributing among eligible Belgian and Luxembourg claimants the compensation of 136,219,971 (one hundred and thirty-six million two hundred and nineteen thousand nine hundred and seventy-one) Belgian francs prescribed in article 1, paragraph (a), above.

The said distribution shall be on a *pro rata* basis.

Article 3

The Belgo-Luxembourg Special Commission shall have its headquarters at Brussels.

It shall be composed of a Chairman and four members.

The Chairman and three members shall be appointed by the Belgian Government and the remaining member by the Luxembourg Government.

Article 4

The persons entitled to the compensation provided for in respect of the property, rights, interests and debt-claims defined in articles 1 and 2 of the basic Agreement shall submit their applications to the Belgo-Luxembourg Special Commission within six months reckoned from the date to be determined by the Commission and published in the *Moniteur belge* and in the *Mémorial du Grand-Duché de Luxembourg*, respectively, failing which the claim shall be forfeited.

Article 5

The Belgo-Luxembourg Special Commission shall:

- Rule on the eligibility and value of the claims;
- Determine the share of each eligible applicant in the distribution of the compensation; and
- Draw up the definitive list of eligible applicants.

The decisions of the Belgo-Luxembourg Special Commission shall be final.

Article 6

The Commission shall lay down the rules for distributing the compensation, in accordance with the basic Agreement:

- It shall establish its own rules of procedure;
- It shall be obliged to hear, at his or her request, any person who claims to be entitled to compensation.

Article 7

The Commission shall, if it deems it appropriate, consult the Ministry of Foreign Affairs and External Trade of Belgium or the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg, according as Belgian or Luxembourg interests are affected.

Article 8

The operating costs of the Special Commission and of its secretariat shall be deducted from the compensation of 136,219,971 (one hundred and thirty-six million two hundred and nineteen thousand nine hundred and seventy-one) Belgian francs.

Article 9

The Commission must complete its examination of the applications and take the relevant decisions within a period of one year reckoned from the end of the period prescribed in article 4 above.

Article 10

The Belgian Government and the Luxembourg Government shall determine measures necessary for implementing the basic Agreement and this

Distribution Agreement and shall prescribe the manner in which the payment of compensation entitlements is to be effected.

CHAPTER III

REDEMPTION OF BONDS PERTAINING TO ROMANIAN FOREIGN PUBLIC LOANS, INCLUDING BONDS PERTAINING TO FOREIGN LOAN ISSUES BY ROMANIAN PUBLIC CORPORATIONS

Article 11

The share accruing to Belgian and Luxembourg holders of Romanian bonds, as prescribed in article 1, paragraph (b), of this Distribution Agreement, shall be used for the redemption of bonds pertaining to Romanian foreign public loans, including bonds pertaining to foreign loan issues by Romanian public corporations.

Article 12

Individuals who or bodies corporate which were of Belgium or Luxembourg nationality on the date of signature of the basic Agreement and, on the said date, owned bonds coming within the scope of this Agreement may obtain redemption thereof, on condition that they deposit their bonds or have them deposited with the National Bank of Belgium, at Brussels, or the State Savings Bank of the Grand Duchy of Luxembourg, at Luxembourg.

The said deposit shall take place within six months following the date of the entry into force of this Agreement, failing which the claim shall be forfeited.

The bonds shall be held on deposit until the date of their transmission to the Romanian authorities in accordance with article 7 of the basic Agreement.

Deposit of the bonds shall imply, on the part of the depositors, acceptance of all the provisions of the basic Agreement and of this Distribution Agreement.

Article 13

Bonds deposited in accordance with article 12 of this Distribution Agreement shall be redeemed on the basis of gross percentages of their face value, such value being calculated for the various loan categories on the basis of the following conversion rates:

— 1 Germinal gold French franc	=	16.334 Belgian francs
— 1 gold Romanian leu	=	16.334 Belgian francs
— 1 Poincaré gold French franc	=	3.316 Belgian francs
— 1 pound sterling	=	120.00 Belgian francs
— 1 United States dollar	=	50.00 Belgian francs

The said gross percentages for redemption, which may differ according to the loan category, shall be fixed by the Ministry of Foreign Affairs and External Trade of Belgium and the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg.

Article 14

The expenses incurred by the National Bank of Belgium and the State Savings Bank of the Grand Duchy of Luxembourg, at Luxembourg, in the implementation of the present chapter III shall be borne by the depositors.

To recover these expenses, the National Bank of Belgium and the State Savings Bank of the Grand Duchy of Luxembourg shall, on paying redemption compensation, deduct a sum at a rate per bond, in each loan category, to be fixed by the Ministry of Foreign Affairs and External Trade of Belgium and the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg.

Article 15

Payment of the redemption compensation shall be effected simultaneously by the National Bank of Belgium and the State Savings Bank of the Grand Duchy of Luxembourg on a date to be set by the Ministry of Foreign Affairs and External Trade of Belgium and the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg.

CHAPTER IV

ENTRY INTO FORCE OF THE AGREEMENT

Article 16

This Agreement shall be ratified and the instruments of ratification shall be exchanged at Brussels as soon as possible.

It shall enter into force one month after the date of the exchange of the instruments of ratification.

IN WITNESS WHEREOF the respective Plenipotentiaries have signed this Agreement and have thereto affixed their seals.

DONE at Luxembourg, on 7 December 1970, in duplicate, in the French language.

For the Belgian Government:

For the Luxembourg Government:

[Signed]

P. HARMEL

[SEAL]

[Signed]

G. THORN

[SEAL]