

**No. 11868**

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**NETHERLANDS  
and  
EGYPT**

**Agreement concerning the compensation of Netherlands interests  
(with detailed protocol). Signed at Cairo on 25 February 1971**

*Authentic text : French.*

*Registered by the Netherlands on 12 July 1972.*

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**PAYS-BAS  
et  
ÉGYPTE**

**Accord concernant l'indemnisation des intérêts néerlandais (avec  
protocole d'application). Signé au Caire le 25 février 1971**

*Texte authentique : français.*

*Enregistré par les Pays-Bas le 12 juillet 1972.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE UNITED ARAB REPUBLIC CONCERNING THE COMPENSATION OF NETHERLANDS INTERESTS

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The Government of the Kingdom of the Netherlands and  
The Government of the United Arab Republic,

Desiring to reach an over-all, final settlement concerning the compensation of Netherlands interests affected by the measures of nationalization and other restrictive measures enacted in the United Arab Republic which are indicated in this Agreement,

Have agreed on the following provisions :

*Article 1*

1. For the purposes of this Agreement, Netherlands property, rights and interests shall be deemed to be any property, rights and interests belonging to individuals of Netherlands nationality and to Netherlands bodies corporate.

2. For the purposes of this Agreement, individuals and bodies corporate must have possessed Netherlands nationality from the date of the measures affecting their property, rights and interests to the date of the conclusion of the Agreement.

3. Individuals having Netherlands-Egyptian dual nationality shall be wholly excluded from the application of this Agreement.

4. Individuals having Netherlands nationality and a nationality other than Egyptian shall be deemed to be of Netherlands nationality within the meaning of this Agreement only where Netherlands nationality can be said to be their predominant or actual nationality.

5. Any dispute regarding the status of individuals or bodies corporate referred to in the preceding paragraphs which cannot be settled through the diplomatic channel shall be submitted to the Mixed Commission provided for in article 8 of this Agreement.

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<sup>1</sup> Came into force on 21 March 1972, the date of the exchange of diplomatic notes indicating that the constitutionally prescribed formalities had been complied with, in accordance with article 11.

*Article 2*

1. The Government of the United Arab Republic shall pay compensation for Netherlands property, rights and interests affected by the following measures adopted in the United Arab Republic :

- (a) In the case of nationalization, by the laws promulgated since 1960.
- (b) In the case of land reform, by Act No. 127 of 1961 and Act No. 15 of 1963.
- (c) In the case of sequestration, by the Proclamations issued pursuant to Act No. 162 of 1958, ownership having been transferred to the State under Act No. 150 of 1964.

2. This compensation (hereinafter referred to as “ the compensation ”) shall not be subject to the ceilings specified by Acts Nos. 134 and 150 of 1964.

*Article 3*

1. The amounts payable as compensation shall be determined in conformity with the laws referred to in article 2 above.

2. According to estimates made by both parties, the total amount of the compensation will be approximately 12 million Netherlands guilders.

It is therefore understood that the amount in question is not final and that it will be established within the framework of this Agreement on the basis of instruments representing the property, rights and interests to be compensated or on the basis of any documentary or other appropriate evidence which is to be produced by the claimants.

*Article 4*

1. For purposes of transfer to the Netherlands, the compensation shall be paid only up to 50 per cent and shall be effected by means of payments to the credit of a special non-interest-bearing account. The said account shall be opened in Netherlands guilders at the Central Bank of Egypt in the name of the *Nederlandsche Bank N.V.*

The amounts payable as compensation to each Netherlands individual or body corporate within the meaning of article 1 of this Agreement shall be calculated on the basis of a conversion rate of one Egyptian pound to 8.326 Netherlands guilders.

2. The account referred to in paragraph 1 of this article shall be used for payment, at 50 per cent of their value, for all goods originating in the United Arab Republic, with the exception of raw cotton, rice and petroleum, which are imported directly into the Netherlands for the needs of its market.

*Article 5*

1. Compensation shall be paid in the manner indicated in article 4, at their request, to Netherlands bodies corporate which, and to individuals of Netherlands nationality who, are not, or are no longer, resident in the United Arab Republic on the date of the entry into force of this Agreement.

Claims for compensation must be submitted, upon penalty of estoppel, within a period of 18 months from the date of the entry into force of this Agreement.

2. Individuals of Netherlands nationality resident in the United Arab Republic on the date of the entry into force of this agreement who have submitted a valid claim for compensation may benefit from the arrangements relating to transfer provided for in this Agreement upon acquiring non-resident status.

3. Application for non-resident status must be submitted not later than two years after the entry into force of this Agreement.

*Article 6*

Transactions affecting the special account referred to in article 4 shall be exempt from all taxes, duties or transfer charges. They shall be subject to the normal bank charges.

*Article 7*

Any agreement which the United Arab Republic may conclude with third countries for compensation in respect of property, rights and interests affected by the measures referred to in this Agreement shall be automatically extended to Netherlands nationals where their provisions are more favourable than those of this Agreement.

*Article 8*

A Mixed Commission composed of representatives of the two Governments shall be established to supervise the implementation of this Agreement, discuss any difficulties that arise and take any necessary measures to ensure the proper operation of the Agreement.

It shall meet at the request of either Government.

*Article 9*

After payment in full of the compensation referred to in articles 2, 3, 4 and 5 of this Agreement, the Government of the Kingdom of the Netherlands shall, on its own behalf and on behalf of the beneficiaries, regard all claims arising

from the measures referred to in article 2 of this Agreement as having been finally and fully settled.

The Government of the Kingdom of the Netherlands pledges, subject to fulfilment by the United Arab Republic of its obligations under this Agreement, that it will no longer submit or support claims which have given rise to the payment of compensation.

#### *Article 10*

The Government of the United Arab Republic shall regard as finally settled, in respect of Netherlands claimants benefiting from the compensation provided for in this Agreement, all claims arising from the application of the measures referred to in article 2 or based on those measures.

Once paid into the special account, the compensation made by the Government of the United Arab Republic shall no longer be subject to taxes or duties.

#### *Article 11*

This Agreement shall enter into force on the date of the exchange of diplomatic notes indicating that the constitutionally prescribed formalities have been complied with.

IN WITNESS WHEREOF the undersigned, being duly authorized for the purpose, have signed this Agreement.

DONE at Cairo on 25 February 1971, in duplicate in the French language.

For the Government of the Kingdom of the Netherlands :

[Signed]

TH. P. BERGSMAN

For the Government of the United Arab Republic :

[Signed]

MOHAMED ABDALLAH MERZBAN

#### PROTOCOL FOR IMPLEMENTATION

OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE UNITED ARAB REPUBLIC CONCERNING THE COMPENSATION OF NETHERLANDS INTERESTS

In order to facilitate the implementation of the Agreement between the Government of the Kingdom of the Netherlands and the Government of the United Arab Republic concerning the compensation of Netherlands interests, signed at Cairo on 25 February 1971 and hereinafter referred to as " the Agreement ", the Government of the Kingdom of the Netherlands and the Government of the United Arab Republic have agreed on the following provisions :

*Article 1*

Netherlands individuals and bodies corporate intending to have transferred under article 4 of the Agreement the compensation to be awarded to them shall for that purpose submit an application to a commercial bank of their choosing in the United Arab Republic within a period of 18 months from the entry into force of the Agreement.

*Article 2*

The application referred to in article 1 must be drawn up in five copies : an original for the Egyptian commercial bank referred to in article 1, a copy for the Central Bank of Egypt, a copy for the Department for Exchange Control in the United Arab Republic, a copy for the Ministry of Foreign Affairs of the Kingdom of the Netherlands, and a copy for the applicant.

The application shall be accompanied by a certificate from the Netherlands authorities stating that the applicants fulfil the requirements of nationality specified in article 1 of the Agreement.

*Article 3*

The submission and consideration of applications shall take place in the following manner :

1. The original of the application and the shares or bonds, and in general all instruments representing the property, rights and interests to be compensated, shall be deposited with the Egyptian commercial bank designated by the applicants.

The application shall be accompanied, where appropriate, by all documents normally required in banking procedures, for the purpose of establishing ownership on the part of the beneficiary.

If the applicant is not able to submit forthwith all or part of the required documents, he shall be entitled to produce them even after the date specified in article 5, paragraph 1, of the Agreement.

2. The Egyptian commercial bank shall enter on each application transmitted to it the amount of compensation payable.

3. Each application shall be transmitted by the aforesaid Egyptian commercial bank to the Department for Exchange Control in the United Arab Republic. After examining and approving the application, the said Department shall return it to the Egyptian commercial bank.

4. The Egyptian commercial bank shall forward the application certified by the Department for Exchange Control in the United Arab Republic as well as the instruments referred to in paragraph 1 of this article to the Central Bank of Egypt.

*Article 4*

1. The Central Bank of Egypt shall open in the name of the Nederlandsche Bank N.V. the special account in Netherlands guilders provided for in the first part of article 4, paragraph 1, of the Agreement.

The equivalent in Netherlands guilders of 50 per cent of the compensation payable to the beneficiaries of the Agreement shall be paid to the credit of the said account as soon as the amount of the compensation has been determined.

The Central Bank of Egypt shall immediately notify the Nederlandsche Bank N.V. of the said payments and shall at the same time transmit to the latter Bank a statement in duplicate specifying the nature of the property, rights and interests which have been compensated.

2. Netherlands guilders drawn from the special account provided for in the first part of article 4, paragraph 1, of the Agreement to pay for goods pursuant to paragraph 2 of that article shall be converted for the Egyptian exporters at a rate which shall not differ from that applied, on the day of the operation, to the conversion of freely convertible Netherlands guilders.

3. In cases where the special account provided for in the first part of article 4, paragraph 1, of the Agreement does not contain sufficient funds to permit payment for the goods specified in paragraph 2 of that article, such payment may be effected in freely convertible Netherlands guilders.

4. The Government of the Kingdom of the Netherlands shall arrange with the Nederlandsche Bank N.V. to make available to the recipients of compensation the amounts awarded to them.

#### *Article 5*

The Nederlandsche Bank N.V. and the Central Bank of Egypt shall agree on the technical arrangements for applying the financial provisions of the Agreement and of this Protocol.

#### *Article 6*

This Protocol shall enter into force on the same date as the Agreement.

IN WITNESS WHEREOF the undersigned have signed this Protocol.

DONE at Cairo on 25 February 1971, in duplicate in the French language.

For the Government of the Kingdom of the Netherlands :

[*Signed*]

TH. P. BERGSMAN

For the Government of the United Arab Republic :

[*Signed*]

MOHAMED ABDALLAH MERZBAN