

**No. 13461**

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**SWEDEN, DENMARK and NORWAY**

**Agreement on financial guarantees to certain airlines. Signed at  
Stockholm on 30 December 1970**

*Authentic texts: Swedish, Danish and Norwegian.*

*Registered by the International Civil Aviation Organization on 5 August 1974.*

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**SUÈDE, DANEMARK et NORVÈGE**

**Accord concernant l'octroi de garanties financières à certaines  
entreprises de transport aérien. Signé à Stockholm le  
30 décembre 1970**

*Textes authentiques: suédois, danois et norvégien.*

*Enregistré par l'Organisation de l'aviation civile internationale le 5 août 1974.*

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]AGREEMENT<sup>3</sup> BETWEEN SWEDEN, DENMARK AND NORWAY ON  
FINANCIAL GUARANTEES TO CERTAIN AIRLINES

Sweden, Denmark and Norway, having deemed it desirable to renew and increase the financial guarantees to the three constituent companies of the Consortium Scandinavian Airlines System (SAS), i.e. AB Aerotransport (ABA), Det Danske Luftfartselskab A/S (DDL) and Det Norske Luftfartselskap A/S (DNL), provided by Agreement of 20 August 1959<sup>4</sup> and supplementary Agreement of 18 June 1963,<sup>5</sup> the validity of both extended up to and including 30 September 1970 by a new Agreement of 31 August 1966,<sup>6</sup> have agreed on the following:

*Article 1.* The States grant the companies guarantees in the following amounts:

<i>Fiscal year</i>	<i>The State of Denmark guarantees DDL million kr.</i>
1 Oct. 1970 — 30 Sept. 1971.....	14.5
1 Oct. 1971 — 30 Sept. 1972.....	14.5
1 Oct. 1972 — 30 Sept. 1973.....	14.5
1 Oct. 1973 — 30 Sept. 1974.....	14.5
1 Oct. 1974 — 30 Sept. 1975.....	14.5
	<u>72.5</u>
<i>Fiscal year</i>	<i>The State of Norway guarantees DNL million kr.</i>
1 Oct. 1970 — 30 Sept. 1971.....	13.5
1 Oct. 1971 — 30 Sept. 1972.....	13.5
1 Oct. 1972 — 30 Sept. 1973.....	13.5
1 Oct. 1973 — 30 Sept. 1974.....	13.5
1 Oct. 1974 — 30 Sept. 1975.....	13.5
	<u>67.5</u>
<i>Fiscal year</i>	<i>The State of Sweden guarantees ABA million kr.</i>
1 Oct. 1970 — 30 Sept. 1971.....	15.0
1 Oct. 1971 — 30 Sept. 1972.....	15.0
1 Oct. 1972 — 30 Sept. 1973.....	15.0
1 Oct. 1973 — 30 Sept. 1974.....	15.0
1 Oct. 1974 — 30 Sept. 1975.....	15.0
	<u>75.0</u>

<sup>1</sup> Translation supplied by the International Civil Aviation Organization.

<sup>2</sup> Traduction fournie par l'Organisation de l'aviation civile internationale.

<sup>3</sup> Came into force on 30 December 1970 by signature, with retroactive effect from 1 October 1970, in accordance with article 5.

<sup>4</sup> United Nations, *Treaty Series*, vol. 376, p. 99.

<sup>5</sup> *Ibid.*, vol. 473, p. 362.

<sup>6</sup> *Ibid.*, vol. 646, p. 388.

In the event of a devaluation or appreciation of any of the Scandinavian currencies, the Governments shall negotiate regarding such adjustment of the guaranteed amounts as is required to re-establish in principle the present comparative values of the guaranteed amounts and which may otherwise be considered motivated with due regard to the circumstances on which this Agreement is based.

*Article 2.* Should a deficit arise from the operations of one of the companies during any of the fiscal years stated in article 1, the said company shall be able to receive compensation for the deficit out of funds made available by the respective State, up to a maximum amount corresponding to the guarantee stated for the year in question. The payment of guarantee amounts by Denmark and Norway to DDL and DNL, respectively, may be required only to the extent the deficit causes the capital of DDL and DNL in the Consortium SAS to fall below 65 million Danish Crowns and 62 million Norwegian Crowns, respectively, or brings about a default by SAS in the performance of the covenants regarding equity and working capital, agreed upon in connection with the American loans of the Consortium.

The amounts thus made available shall, in the first place, be used to cover deficits in the operations conducted by the Consortium.

In the event that the company's deficit is greater than the amount of the guarantee, the company shall be able to receive compensation for the difference during the following years of the period of guarantee from the amounts guaranteed in respect of these years, providing this is feasible.

On application to the Government in question, the company may receive advances on the amounts stated in the first paragraph.

The company shall pay a guarantee fee of 1 per cent per annum to the Government in question on all guaranteed amounts called up any time and not yet repaid.

*Article 3.* It is the duty of the company in question to repay guaranteed amounts called up out of surpluses or other funds which the Consortium has made available for this purpose.

As long as guaranteed amounts called up have not been repaid *in toto* the company may not declare a dividend without the consent of the competent Government authority, nor shall the dividend exceed 5 per cent of the share capital.

More precise rules regarding repayment shall be established by agreement between the respective State and the company.

*Article 4.* Amounts not repaid by 1 October 1985 may be remitted providing the financial position of the Consortium and the national company warrant such a step.

*Article 5.* This Agreement shall come into force on 1 October 1970.

IN CONFIRMATION WHEREOF the undersigned representatives plenipotentiary have signed this Agreement.

EXECUTED in Stockholm on 30 December 1970 in triplicate in the Swedish, Danish and Norwegian languages, all three texts being of equal validity.

TORSTEN NILSSON

AAGE HESSELLUND-JENSEN

B. M. RIISE