

No. 14599

**BELGIUM and LUXEMBOURG
and
EGYPT**

**Agreement concerning the compensation of Belgian and
Luxembourg interests (with protocol and exchanges of
letters). Signed at Cairo on 16 June 1971**

Authentic text: French.

Registered by Belgium on 23 February 1976.

**BELGIQUE et LUXEMBOURG
et
ÉGYPTE**

**Accord concernant l'indemnisation des intérêts belges et
luxembourgeois (avec protocole et échanges de lettres).
Signé au Caire le 16 juin 1971**

Texte authentique : français.

Enregistré par la Belgique le 23 février 1976.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG, ON THE ONE HAND, AND THE UNITED ARAB REPUBLIC, ON THE OTHER HAND, CONCERNING THE COMPENSATION OF BELGIAN AND LUXEMBOURG INTERESTS

The Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg, on the one hand, and the Government of the United Arab Republic, on the other hand,

Desiring to reach an over-all final settlement concerning the compensation of Belgian and Luxembourg 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, Belgian or Luxembourg property, rights and interests shall be deemed to be any property, rights and interests belonging to individuals of Belgian or Luxembourg nationality and to Belgian or Luxembourg bodies corporate.

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

Article 2. 1. The Government of the United Arab Republic shall pay compensation for Belgian or Luxembourg 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, including: Acts Nos. 39, 40, 285 and 288 of 1960; Act No. 71, amended by Act No. 120, and Acts Nos. 110, 117, 118, 119 and 180 of 1961; Acts Nos. 38, 51, 67, 72, 78, 148 and 157 of 1963;
- (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 Proclamation issued pursuant to Act No. 162 of 1958, ownership having been transferred to the State under Act No. 150 of 1964.

2. This compensation shall not be subject to the ceilings specified by Acts Nos. 134 and 150 of 1964.

Article 3. 1. The compensation referred to in article 2 shall be determined as follows for each Belgian or Luxembourg beneficiary of this Agreement:

¹ Came into force on 14 December 1973, the date of the last of the diplomatic notes (United Arab Republic: 22 March 1973; Belgium and Luxembourg: 14 December 1973) by which the Parties informed each other of the completion of their constitutional formalities, in accordance with article 12.

- (a) in the case of nationalized joint-stock companies whose shares were quoted on the stock exchange, on the basis of their stock exchange quotation on the day preceding nationalization, provided that such shares were the subject of stock exchange transactions during the six months preceding nationalization;
- (b) in the case of nationalized property, rights and interests not represented by stocks and shares quoted on the stock exchange, and in the case of the shares of nationalized companies which were not the subject of stock exchange transactions during the six months preceding nationalization, compensation shall be fixed by the Egyptian Commissions established for that purpose;
- (c) in the case of agricultural land affected by land reform, on the basis of their land-tax value.

2. The amount of the compensation referred to in paragraph 1 of this article shall 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 Belgium, the compensation provided for in article 3 of this Agreement shall be paid only up to 50 per cent, by means of payments to the credit of a special non-interest-bearing account. The said account shall be opened in Belgian francs at the Central Bank of Egypt in the name of the Banque Nationale de Belgique.

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 Belgo-Luxembourg Economic Union for the needs of its market.

Article 5. 1. The compensation referred to in articles 2, 3 and 4 shall be paid, at their request, to Belgian or Luxembourg individuals who, and to Belgian and Luxembourg bodies corporate which, 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 Belgian or Luxembourg 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. For purposes of calculating the amount of compensation provided for in articles 2, 3, 4 and 5 of this Agreement, the Contracting Parties have agreed that the value of one Egyptian pound shall be equal to 115 Belgian francs.

Article 7. 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 8. 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 Belgian or Luxembourg nationals where their provisions are more favourable than those of this Agreement.

Article 9. A Mixed Commission 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 Party.

Article 10. After payment, in accordance with articles 4 and 5 of this Agreement, of 50 per cent of the compensation referred to in articles 2 and 3 of this Agreement, the Government of the Kingdom of Belgium and the Government of the Grand Duchy of Luxembourg shall, on their 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 Belgium and the Government of the Grand Duchy of Luxembourg pledge, subject to fulfilment by the United Arab Republic of its obligations under this Agreement, that they will no longer submit or support claims which have given rise to the payment of compensation.

Article 11. The Government of the United Arab Republic shall regard as finally settled, in respect of Belgian or Luxembourg 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 12. This Agreement, the Protocol and the letters annexed thereto, which form an integral part of the Agreement, shall enter into force on the date of the exchange of diplomatic notes indicating that the constitutionally prescribed formalities have been complied with.

DONE at Cairo, on 16 June 1971, in triplicate in the French language.

For the Government of the Kingdom of Belgium:

G. CARLIER

For the Government of the Grand Duchy of Luxembourg:

G. CARLIER

For the Government of the United Arab Republic:

SHERIF LOTFY MOHAMED

PROTOCOL FOR IMPLEMENTATION OF THE AGREEMENT BETWEEN THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG, ON THE ONE HAND, AND THE UNITED ARAB REPUBLIC, ON THE OTHER HAND, CONCERNING THE COMPENSATION OF BELGIAN AND LUXEMBOURG INTERESTS SIGNED AT CAIRO ON 16 JUNE 1971

In order to facilitate the implementation of the Agreement between the Kingdom of Belgium and the Grand Duchy of Luxembourg, on the one hand, and the United Arab Republic, on the other hand, concerning the compensation of Belgian and Luxembourg interests, hereinafter referred to as "the Agreement", the Governments of the Kingdom of Belgium and the Grand Duchy of Luxembourg and the Government of the United Arab Republic have agreed on the following provisions:

Article 1. Belgian or Luxembourg 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, in accordance with the model annexed to this Protocol, 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 by the applicant or his agent: 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 Belgium or of the Grand Duchy of Luxembourg, and a copy for the applicant.

The original of the application shall be accompanied by a certificate issued by the Belgian or Luxembourg 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 two accompanying copies, together with all instruments representing the property, rights and interests enumerated in the application, shall be deposited with the Egyptian commercial bank designated by the applicant. In the absence of such instruments, the applicant shall transmit all documents normally required in banking procedures, for the purpose of establishing ownership on behalf 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 expiry of the time-limit 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, in accordance with the provisions of the Agreement.

3. Each application shall be submitted by the 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, 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 Banque Nationale de Belgique the special account in Belgian francs provided for in article 4, paragraph 1, of the Agreement.

As soon as the amount of the compensation payable to the beneficiaries of the Agreement has been determined, the equivalent in Belgian francs of 50 per cent of such compensation shall be paid to the credit of the said special account.

The Central Bank of Egypt shall immediately notify the Banque Nationale de Belgique 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. Belgian francs drawn from the special account provided for in 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 Belgian francs.

3. In cases where the special account provided for in 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 Belgian francs.

4. The Government of the Kingdom of Belgium shall arrange with the Banque Nationale de Belgique to make available to the recipients of compensation the amounts awarded to them.

Article 5. The Banque Nationale de Belgique 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 between the Kingdom of Belgium and the Grand Duchy of Luxembourg, on the one hand, and the United Arab Republic, on the other hand, concerning the compensation of Belgian and Luxembourg interests, of which it forms an integral part.

DONE at Cairo on 16 June 1971, in triplicate in the French language.

For the Government of the Kingdom of Belgium:

G. CARLIER

For the Government of the Grand Duchy of Luxembourg:

G. CARLIER

For the Government of the United Arab Republic:

SHERIF LOTFY MOHAMED

ANNEX TO THE PROTOCOL FOR IMPLEMENTATION OF THE AGREEMENT BETWEEN THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG, ON THE ONE HAND, AND THE UNITED ARAB REPUBLIC, ON THE OTHER HAND, CONCERNING THE COMPENSATION OF BELGIAN AND LUXEMBOURG INTERESTS

I. The Ministry of Foreign Affairs of the Kingdom of Belgium certifies that Mr./Mrs./Miss/Company domiciled at fulfils the requirements of article 1 of the Agreement. The aforementioned has declared to the Ministry of Foreign Affairs that he/she/it is the owner of the property, rights and interests, indicated below, affected by the measures referred to in article 2 of the Agreement.

| <i>Number</i> | <i>Category of property, rights and interests</i> | <i>Amount of compensation (to be completed by the commercial bank in the United Arab Republic)</i> |
|---------------|---|--|
|---------------|---|--|

TOTAL

Brussels, 19

(Seal of the Ministry of Foreign Affairs)

(Seal and signature of the commercial bank)
..... 19

II. Mr./Mrs./Miss/Company, the owner of the property, rights and interests enumerated above, hereby applies, in accordance with the Agreement between the Kingdom of Belgium and the Grand Duchy of Luxembourg, on the one hand, and the United Arab Republic, on the other hand, concerning the compensation of Belgian and Luxembourg interests, of 19, for payment to the special account of the 50 per cent compensation payable for his/her/its property, rights and interests, in accordance with article 2 of the Agreement.

(Signature)

..... 19

EXCHANGES OF LETTERS

Ia

Cairo, 16 June 1971

Sir,

With reference to the Agreement signed today between the Kingdom of Belgium and the Grand Duchy of Luxembourg, on the one hand, and the United Arab Republic, on the other hand, concerning the compensation of Belgian and Luxembourg interests, and, in particular, to article 1 of that Agreement, I have the honour to inform you of the following:

If disputes arise regarding the status of individuals, and if such disputes cannot be settled through the diplomatic channel, they shall be submitted to the Mixed Commission provided for in article 9 of the Agreement.

It shall be understood that individuals having dual Belgian and Egyptian nationality shall be excluded from the application of the Agreement. In the case of individuals having Belgian nationality and a nationality other than Egyptian, only those individuals whose Belgian nationality can be said to be their predominant or actual nationality shall be deemed to be of Belgian nationality within the meaning of the Agreement. In cases of application of the Agreement, the Belgian Government is inclined to recognize the foreign nationality as predominant when a Belgian national has acquired foreign nationality at his express request.

The aforementioned provisions shall also apply to the status of individuals of Luxembourg nationality.

I should be grateful if you would kindly confirm that your Government agrees to the foregoing.

Accept, Sir, etc.

G. CARLIER

Ambassador of Belgium

Mr. Sherif Lotfy Mohamed
Under-Secretary of State
Ministry of the Economy and Foreign Trade
Cairo

IIa

Cairo, 16 June 1971

Sir,

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

[See letter Ia]

I have the honour to confirm that my Government agrees to the foregoing.

Accept, Sir, etc.

SHERIF LOTFY MOHAMED
Under-Secretary of State

Mr. Georges Carlier
Ambassador of Belgium
Cairo

lb

Cairo, 16 June 1971

Sir,

With reference to article 5 of the Agreement signed today between the United Arab Republic, on the one hand, and the Kingdom of Belgium and the Grand Duchy of Luxembourg, on the other hand, concerning the compensation of Belgian and Luxembourg interests, I have the honour to inform you of the following:

The authorities of the United Arab Republic will give prompt attention to applications for non-resident status submitted to them by Belgian or Luxembourg nationals or their agents.

The taxation authorities will reply within two months of the submission of a request for tax clearance, either by granting such clearance or by indicating what additional information they require. In the latter case, they will decide within 30 days from the date on which the applicant transmits the information requested, either by granting tax clearance or by specifying their claims. The over-all time-limit for the tax clearance procedure shall not exceed four months.

If the taxpayer disputes the claims of the taxation authorities, he will be granted non-resident status subject to the withholding of the amount claimed by the taxation authorities pending a decision on the case. If the taxation authorities order the seizure of property to guarantee their rights, the amount affected by such a measure shall, in all cases, involve only the amount necessary for payment of the taxes claimed.

The competent department of the Ministry of the Interior shall, within 30 days of the submission of the application, issue the non-resident certificate requested by a Belgian or Luxembourg national or by his agent. The same shall apply in the case of an applicant who, having left the territory of the United Arab Republic without a final exist visa, has announced his intention of relinquishing his residence in that country and has applied for a non-resident certificate, even before the expiry of the six-month time-limit at the end of which his resident status would automatically be terminated.

On presentation of a tax clearance certificate and non-resident certificate, the Department for Exchange Control shall recognize the non-resident status of the applicant.

I should be grateful if you would kindly confirm that you agree to the foregoing.

Accept, Sir, etc.

SHERIF LOTFY MOHAMED
Under-Secretary of State

Mr. Georges Carlier
Ambassador of Belgium
Cairo

IIb

Cairo, 16 June 1971

Sir,

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

[*See letter Ib*]

I have the honour to confirm that the Belgian and Luxembourg Governments agree to the foregoing.

Accept, Sir, etc.

G. CARLIER
Ambassador of Belgium

Mr. Sherif Lotfy Mohamed
Under-Secretary of State
Ministry of the Economy and Foreign Trade
Cairo
