

No. 22846

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**SPAIN  
and  
MOROCCO**

**Agreement on the withdrawal of the peseta. Signed at  
Madrid on 7 July 1957**

**Additional Protocol to the above-mentioned Agreement  
(with annexes). Signed at Madrid on 7 July 1970**

*Authentic texts of the Agreement and the Additional Protocol: Spanish and  
French.*

*Authentic text of the annexes: Spanish.*

*Registered by Spain on 1 April 1984.*

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**ESPAGNE  
et  
MAROC**

**Accord sur le retrait de la peseta. Signé à Madrid le 7 juillet  
1957**

**Protocole additionnel à l'Accord susmentionné (avec an-  
nexes). Signé à Madrid le 7 juillet 1970**

*Textes authentiques de l'Accord et du Protocole additionnel : espagnol et  
français.*

*Texte authentique des annexes : espagnol.*

*Enregistrés par l'Espagne le 1<sup>er</sup> avril 1984.*

[TRANSLATION — TRADUCTION]

## AGREEMENT<sup>1</sup> BETWEEN SPAIN AND MOROCCO ON THE WITHDRAWAL OF THE PESETA

His Excellency Generalissimo Francisco Franco Bahamonde, Head of the Spanish State and Commander-in-Chief of the Armed Forces, and His Majesty Mohammed V, Sultan of Morocco, wishing, in the monetary, financial and economic fields, to take the measures appropriate to the independence of Morocco, which was recognized by the Declaration of Madrid of 7 April 1956;<sup>2</sup> to conclude in these fields the Agreements envisaged in that Declaration; and to complete the transfer of powers effected at Tétouan in July 1956, have decided to conclude this Agreement. For that purpose, the High Contracting Parties have appointed as their Plenipotentiaries:

His Excellency Generalissimo Francisco Franco Bahamonde, Head of the Spanish State: His Excellency Mr. Fernando María de Castiella y Maíz, Minister for Foreign Affairs of the Spanish Government;

His Majesty Mohammed V, Sultan of Morocco: His Excellency Mr. Ahmed Balafrej, Minister for Foreign Affairs of the Moroccan Government, who, having exchanged their full powers, found in good and due form, have agreed as follows:

### AGREEMENT BETWEEN SPAIN AND MOROCCO, ON (A) WITHDRAWAL OF THE PESETA AS LEGAL CURRENCY IN PART OF MOROCCO; (B) CANCELLATION OF THE DEBTS BETWEEN SPAIN AND MOROCCO

#### A. WITHDRAWAL OF THE PESETA

##### I

Starting on the date to be set on the initiative of the Moroccan Government and following consultations and agreement with the Spanish Government, and within a period of one week, peseta banknotes and coins which are in circulation in the zone of the former Spanish protectorate in Morocco shall be withdrawn from circulation and exchanged for Moroccan franc banknotes and coins.

All bank accounts and all debts and credits in pesetas to be settled in the former zone of the Spanish protectorate in Morocco shall be automatically converted into Moroccan francs on the date specified in the preceding paragraph. During the first five days of the week specified in the previous paragraph, however, all payments of private debts which have become due may be made physically in pesetas.

##### II

The peseta withdrawal operation shall be carried out by a Commission consisting of representatives of the Spanish Government and of the Moroccan Government.

<sup>1</sup> Came into force on 7 July 1957 by signature, in accordance with article III.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1339, p. 137.

The representatives of the Moroccan Government shall provide all the Moroccan franc banknotes and coins which are necessary for the operation. The representatives of the Spanish Government shall withdraw the pesetas presented for exchange. At each office the representatives of the two Governments, at the end of each day, shall draw up and jointly sign a list, in duplicate, specifying the number and denomination of the banknotes and coins which have been exchanged and the names of holders of pesetas, and at the end of the withdrawal operations they shall carry out an overall verification.

After the signing of this Agreement, the Commission responsible for the withdrawal operation shall meet at Rabat to decide on the technical details for carrying out the operation.

### III

The exchange rate to be applied between the peseta and the Moroccan franc shall be set by agreement between the Spanish Government and the Moroccan Government before the beginning of the withdrawal operation. It shall be made public on the first day of that operation.

### IV

Starting on the first day of the withdrawal operation, it shall be forbidden to bring any pesetas into, or take any pesetas out of, the zone of the former Spanish protectorate in Morocco, and the foreign trade régime currently in force in that zone shall be suspended. However, operations authorized before that date shall remain valid.

Starting on the day on which the withdrawal operation is completed, the foreign trade, currency and customs restrictions outlined in the document of transfer of powers concerning the zone of the former Spanish protectorate in Morocco, signed at Tétouan in July 1956, shall be considered to have expired.

## B. CANCELLATION OF DEBTS

### V

In the spirit of mutual understanding which has prevailed in the settlement of accounts, the two Governments have agreed on the sum of one thousand seven hundred fifty million pesetas (1,750,000,000 pesetas) as the total and final amount owed by the Moroccan State to the Spanish State, as a result of the financial facilities provided by Spain to the former Jalifian administration up to 31 December 1955, after deducting all the expenses of that administration which were chargeable to Spain.

Moreover, the sums advanced by the Spanish Government to the Moroccan Government from 1 January 1956 to 30 June 1957, after making the agreed deductions, amount to the figure of five hundred forty-eight million nine hundred thirty-seven thousand two hundred fifty-seven pesetas (548,937,257 pesetas).

With regard to loans issued up to the present by the former Jalifian administration which are not included in the cancellation procedure referred to in the two preceding paragraphs, they shall continue to be subject to the régime that was established at the time they were issued.

## VI

The sum of the two amounts indicated in the first two paragraphs of article V, that is to say, the amount of two thousand two hundred ninety-eight million nine hundred thirty-seven thousand two hundred fifty-seven pesetas (2,298,937,257 pesetas) shall be reimbursed by Morocco to Spain in the following manner:

(a) Receipt, by the representatives of the Spanish Government taking part in the peseta withdrawal operation provided for in article I of this Agreement, of the pesetas presented for exchange; these shall be withdrawn as and when they are presented. The Spanish delegation estimates that the amount of money currently in circulation in the zone which will be presented for exchange is at least one thousand million pesetas.

(b) Delivery by the Moroccan Government to the Spanish Government in the form of bearer bonds issued in pesetas, of a redeemable loan that the Moroccan Government shall issue immediately after the withdrawal of the peseta for an amount equal to the difference between the amount of pesetas withdrawn from circulation and the above-mentioned sum of two thousand two hundred ninety-eight million nine hundred thirty-seven thousand two hundred fifty-seven pesetas (2,298,937,257 pesetas).

These bonds must not leave the Spanish territory nor be used as a means of payment or guarantee in favour of the Spanish State to any third country or international body or foreign establishments.

The Moroccan State reserves the right to prepay all or part of that debt at any time, in which case it shall not be obliged to pay the agreed interest which has not become due.

If only one partial prepayment is made, repayment of the balance and payment of the corresponding interest shall be effected starting on the date on which they would have been due if there had been no prepayment.

## VII

The loan envisaged in article VI shall be issued at an annual interest rate of 3 per cent, exempt from existing and future Moroccan taxes, payable in equal instalments on 1 January and 1 July of each year.

The first interest payment shall be made on 1 January 1959 and shall correspond to the interest due for the second half of 1958.

Repayment of the loan shall begin on 1 January 1963 and shall be effected in 20 annual instalments starting on that date. Payments shall be made by lot so that the amounts to be paid on the first day of each six-month calendar period according to the value of the bonds to be redeemed and the interest corresponding to each redemption date shall remain roughly constant between 1 January 1963 and the final redemption date shall be effected at par and shall be exempt from any existing or future Moroccan taxes.

## VIII

Interest, redemption payments and service charges on the bonds of all loans issued, and of the loan envisaged in article VI of this Agreement, payable in pesetas by the Moroccan Government or its representative in the zone of the former Spanish protectorate in Morocco, shall be paid by means of whatever payment agreement is in force between the two countries on the date on which the payment concerned is

due. The Moroccan Government shall make all necessary arrangements sufficiently in advance so that each payment may be made on time.

### IX

In the event that the amount of pesetas withdrawn from circulation is found to be greater than the amount of the debt specified in the first paragraph of article VI of this Agreement, the difference shall be refunded by the Spanish Government to the Moroccan Government in bonds payable in Moroccan francs under the same conditions and in the same manner as those specified earlier for the above-mentioned debt.

### X

Pending the conclusion of a Convention on establishment regarding their respective nationals, the two Governments have agreed on the following:

(a) Individuals or legal entities of Spanish nationality established in Morocco, and those of Moroccan nationality established in Spain, shall, in the exercise of their economic activities in accordance with the legislation in force, enjoy the same rights and facilities as legal entities or individuals of any other country, without any exception.

Economic activities mean especially those concerned with financial, commercial or industrial activities; the régime to be applied to the acquisition of mining concessions, forestry, transportation, farming and other operations, authorizations for such activities as research, development or manufacture, and also possibilities of rural and urban rentals, with or without right of access to the property.

(b) Rights which have been legitimately and properly acquired up to the present by individuals or legal entities of Spanish nationality or by legal entities of Moroccan nationality with a predominance or majority of Spanish interests shall be fully respected and shall continue to have all the effects specified in the provisions of domestic legislation.

(c) Taking into account the significant role that Spanish capital has played in the economic development of the zone of the former Spanish protectorate in Morocco, the Moroccan authorities shall give very favourable consideration to requests for the transfer to Spain of Spanish capital invested up to now in that zone.

(d) After the date of the withdrawal of the peseta, holders of industrial property rights registered with the Office of Industrial Property at Madrid and used up to now in the zone of the former Spanish protectorate in Morocco shall be automatically entitled to register them with the Office of Industrial Property of Morocco within a period of one year.

During that time holders of the above-mentioned rights shall continue to have the same protection that they have enjoyed up to the present.

On the expiration of that period, and in the event of litigation resulting from competition between two industrial property rights, the two Governments shall initiate negotiations to find a solution satisfactory to the two parties to the dispute.

For the purposes envisaged in the preceding paragraphs, the industrial property rights registered in the Register of Industrial Property of Madrid before the withdrawal of the peseta and in use in the northern zone of Morocco shall be considered to be legitimate rights in accordance with the Jalifian Dahir of 19 February 1919.

(e) After the peseta withdrawal operation, insurance companies currently established in the zone of the former Spanish protectorate in Morocco may continue

their activities throughout Morocco under the same conditions as those effectively enjoyed by insurance companies of any other nationality, without exception. Considering that they will need a certain amount of time in order to adapt to Moroccan regulations on the subject, it is agreed that they shall be granted such time and that they shall have two years starting from the date of monetary unification in order to establish the guarantees prescribed by Moroccan regulations. However, they may not reduce existing guarantees except to the extent that the guarantees and reserves provided for under Moroccan legislation have already been met.

(f) After the date of the withdrawal of the peseta, banks established in the zone of the former Spanish protectorate in Morocco shall have the same status as banks of any other country, without exception.

On a reciprocal basis, Moroccan banks established in Spain shall have the same status as banks of any other country, without exception.

The banks referred to in the first subparagraph of this paragraph may continue to carry out their banking activities with their existing structure and régime, either individually or by getting together to constitute new legal entities. These banks may also increase or decrease their registered capital.

Within one year at most of the final date of the withdrawal of the peseta, they must adapt to the legislative provisions and regulations in force throughout Moroccan territory.

(g) Insurance companies and banks must, following the date of the withdrawal of the peseta, provide all the data and information required under the legislation or administrative regulations in force in Morocco and must comply with the instructions given in the context of professional regulations.

(h) The banks referred to in paragraph (f) of this article shall be exempt for a period of one year following the final date of the withdrawal of the peseta from payment of any taxes or duties relating to the increase or reduction of capital, the transfer of their head offices within Moroccan territory and name changes or other statutory modifications.

## FINAL PROVISIONS

### XI

In accordance with the provisions of the instruments of transfer of power in the zone of the former Spanish protectorate in Morocco, signed at Tétouan in July 1956, the two Governments reiterate their intention to conclude as soon as possible an agreement on industrial property and agreements to regulate matters which, in the above-mentioned instruments, were listed under the following headings:

- Railways,
- Postal régime and telegraph rates,
- Establishment of title deeds for the Spanish State or the Maghzen for property belonging to them,
- Pension fund,
- General credit fund,
- Disability pensions, military pensions and pensions in general,
- Final status of officials of Spanish nationality employed by the Moroccan State.

## XII

This Agreement between Spain and Morocco shall enter into force on the date of its signature. In witness whereof the plenipotentiaries have affixed their seals to this Agreement and signed it, in duplicate, in the Spanish and French languages, both texts being equally authentic, at the Palacio de Santa Cruz, on 7 July 1957.

For Spain:

[*Signed*]

FERNANDO MARÍA CASTIELLA

For Morocco:

[*Signed*]

AHMED BALAFREJ

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[TRANSLATION — TRADUCTION]

ADDITIONAL PROTOCOL<sup>1</sup> TO THE HISPANO-MOROCCAN AGREEMENT ON THE WITHDRAWAL OF THE PESETA, SIGNED AT MADRID ON 7 JULY 1957<sup>2</sup>

His Excellency Generalissimo Francisco Franco Bahamonde, Head of the Spanish State and Commander-in-Chief of the Armed Forces, and His Majesty Hassan II, King of Morocco, inspired by a spirit of great understanding, after considering the application of the Hispano-Moroccan Agreement on the Withdrawal of the Peseta, of 7 July 1957,<sup>2</sup> wishing to establish a procedure to facilitate the final fulfilment of the commitments initially undertaken, have agreed to conclude an Additional Protocol to that Agreement, modifying some of its provisions. To that end, they have decided to appoint as their plenipotentiaries: His Excellency Mr. Gregorio López Bravo, Minister for Foreign Affairs of Spain and His Excellency Mr. Abdelkrim Lazrak, Minister of Finance of the Kingdom of Morocco, who, having exchanged their full powers, found in good and due form, have agreed as follows:

*Article I.* The debt of the Moroccan State to the Spanish State, which was set at two thousand two hundred ninety-eight million nine hundred thirty-seven thousand two hundred fifty-seven pesetas (2,298,937,257) under article VI of the Agreement of 7 July 1957, was later increased by an amount of two hundred twenty-five million eight hundred seventy-nine thousand six hundred twenty-six pesetas (225,879,626) because of sums advanced by the Spanish Government to the Moroccan Government for the second half of 1957 and the month of January 1958.

The resulting total debt of two thousand five hundred twenty-four million eight hundred sixteen thousand eight hundred eighty-three pesetas (2,524,816,883) was partially cancelled by the Moroccan Government through the payment, in implementation of article VI, paragraph (a), of the above-mentioned Agreement, of one thousand million five hundred forty-six thousand six hundred sixty pesetas and thirty-seven centimos (1,000,546,660.37) resulting from the withdrawal of the peseta in the former northern zone of Morocco. Although the total amount of pesetas withdrawn was one thousand twenty-two million nine hundred thirty-three thousand six hundred twenty-nine pesetas and seventy-five centimos (1,022,933,629.75), an amount of twenty-two million three hundred eighty-six thousand nine hundred sixty-nine pesetas and thirty-eight centimos (22,386,969.38) was paid to the Moroccan Government in the form of bonuses for foreign trade.

The resulting net balance of the Moroccan debt is therefore one thousand five hundred twenty-four million two hundred seventy thousand two hundred twenty-two pesetas and sixty-three centimos (1,524,270,222.63).

*Article II.* The Spanish Government agrees that the repayment of this balance of one thousand five hundred twenty-four million two hundred seventy thousand two hundred twenty-two pesetas and sixty-three centimos (1,524,270,222.63) shall be made by the Moroccan State in pesetas at an annual interest rate of 3 per cent,

<sup>1</sup> Came into force on 7 July 1970 by signature.

<sup>2</sup> See p. 288 of this volume.

exempt from existing or future Moroccan taxes, in 40 annual instalments in accordance with the attached schedule of payments and due dates.

*Article III.* The Moroccan State may prepay all or part of that debt at any time, in which case it shall not be obliged to pay the agreed interest which has not become due.

In the case of partial prepayment, repayment of the balance and payment of the corresponding interest shall be effected starting on the date they would have been due if there had been no prepayment.

*Article IV.* Loans issued by the former Jalifian administration, which are not included in the cancellation procedure referred to in the preceding articles, shall continue to be subject to the régime established at the time they were issued.

*Article V.* This Protocol, which modifies in the above-mentioned terms the Hispano-Moroccan Agreement of 7 July 1957, shall form an integral part of that Agreement.

IN WITNESS WHEREOF the Plenipotentiaries have affixed their seals to this Protocol and signed it in duplicate, in the Spanish and French languages, both texts being equally authentic, at Madrid on 7 July 1970.

For Spain:

[Signed]

GREGORIO LÓPEZ BRAVO  
Minister for Foreign Affairs

For the Kingdom of Morocco:

[Signed]

ABDELKRIM LAZRAK  
Minister of Finance

#### FORTY ANNUAL INSTALMENTS

##### *Bases used*

##### 1. *Data*

Initial loan amount .....	1,524,270,223 pesetas
Annual interest .....	3 per cent
Interest calculated as from .....	1 July 1970
First annual instalment due on .....	1 July 1971
Term of loan .....	40 years with annual due dates

##### 2. *Payment schedule formula*

1-7-71/1-7-2010

$$1,525,270,223 \times \frac{0.03 \times 1.03^{40}}{1.03^{40} - 1} = 1,524,270,223 \times 0.04326238 = 65,943,557.61 \text{ pesetas.}$$

## PAYMENT SCHEDULE

<i>Date due</i>	<i>Principal balance</i>	<i>Interest</i>	<i>Principal payment</i>
7-1-71	1,524,270,223.00	45,728,108.69	20,215,450.92
7-1-72	1,504,054,772.08	45,121,643.16	20,821,914.45
7-1-73	1,483,232,857.63	44,436,925.73	21,446,571.88
7-1-74	1,461,786,285.75	43,853,588.57	22,089,969.04
7-1-75	1,439,696,316.71	43,190,889.50	22,752,668.11
7-1-76	1,416,943,648.60	42,508,309.46	23,435,248.15
7-1-77	1,393,508,400.45	41,805,252.01	24,138,305.60
7-1-78	1,369,370,094.85	41,081,102.85	24,862,454.76
7-1-79	1,344,507,640.09	40,335,229.20	25,608,328.41
7-1-80	1,318,899,311.68	39,566,979.35	26,376,578.26
7-1-81	1,292,522,733.42	38,775,682.00	27,167,875.61
7-1-82	1,265,354,857.81	37,960,645.73	27,982,911.88
7-1-83	1,237,371,966.93	37,121,158.38	28,822,399.23
7-1-84	1,208,549,546.70	36,256,486.40	29,687,071.21
7-1-85	1,178,862,475.49	35,365,874.26	30,577,683.35
7-1-86	1,148,284,792.14	34,448,543.76	31,495,013.85
7-1-87	1,116,789,778.29	33,503,693.35	32,439,864.26
7-1-88	1,084,349,914.03	32,530,497.42	33,413,060.19
7-1-89	1,050,936,858.84	31,528,105.62	34,415,451.99
7-1-90	1,016,521,401.85	30,495,642.06	35,447,915.55
7-1-91	981,073,486.30	29,432,204.59	36,511,353.02
7-1-92	944,562,133.28	28,336,864.00	37,606,693.61
7-1-93	906,955,439.67	27,208,663.19	38,734,894.42
7-1-94	868,220,545.25	26,046,616.36	39,896,941.25
7-1-95	828,323,604.09	24,849,708.12	41,093,849.49
7-1-96	787,229,754.51	23,616,892.64	42,326,664.97
7-1-97	744,903,089.54	22,347,092.69	43,596,464.92
7-1-98	701,306,624.62	21,039,198.74	44,904,358.87
7-1-99	656,402,265.75	19,692,067.97	46,251,489.64
7-1-2000	610,150,776.11	18,304,523.28	47,639,034.33
7-1-2001	562,511,741.78	16,875,352.25	49,068,205.36
7-1-2002	513,443,536.42	15,403,306.09	50,540,251.52
7-1-2003	462,903,284.90	13,887,098.55	52,056,459.06
7-1-2004	410,846,825.84	12,325,404.78	53,618,152.83
7-1-2005	357,228,673.01	10,716,860.19	55,226,697.42
7-1-2006	302,001,975.59	9,060,059.27	56,883,494.34
7-1-2007	245,118,477.25	7,353,554.32	58,590,003.29
7-1-2008	186,528,473.96	5,595,854.22	60,347,703.39
7-1-2009	126,180,770.57	3,785,423.12	62,158,134.49
7-1-2010	64,033,636.08	1,920,679.08 <sup>(1)</sup>	64,022,878.53

(1) Normal calculating error is 242.5 pesetas per decimal application.