

No. 23579

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**BELGIUM**  
and  
**LUXEMBOURG**

**Protocol relating to the monetary association (with protocol of application and protocol of signature). Signed at Brussels on 9 March 1981**

**Amendment to the Protocol of Application and to the Protocol of Signature annexed to the above-mentioned Protocol of 9 March 1981. Signed at Brussels on 6 September 1983**

*Authentic texts: French and Dutch.*

*Registered by Belgium on 2 October 1985.*

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**BELGIQUE**  
et  
**LUXEMBOURG**

**Protocole relatif à l'association monétaire (avec protocole d'exécution et protocole de signature). Signé à Bruxelles le 9 mars 1981**

**Amendement au Protocole d'exécution et au Protocole de signature annexés au Protocole susmentionné du 9 mars 1981. Signé à Bruxelles le 6 septembre 1983**

*Textes authentiques : français et néerlandais.*

*Enregistrés par la Belgique le 2 octobre 1985.*

## [TRANSLATION — TRADUCTION]

PROTOCOL<sup>1</sup> BETWEEN THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG RELATING TO THE MONETARY ASSOCIATION

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

Desiring to maintain a system of monetary association within the framework of the economic union between their countries,

Have agreed as follows:

*Article 1.* 1. Notes of the Banque Nationale de Belgique and notes of the Belgian State shall be legal tender for payments up to any amount in the Grand Duchy of Luxembourg.

Coins of every kind minted by the Belgian State shall also be legal tender in the Grand Duchy of Luxembourg for payments within the same limits as in Belgium.

2. The upper limit on the issue of notes and coins by the Luxembourg State and the maximum face value shall be determined by agreement between the two Governments.

*Article 2.* The rate of exchange between the Belgian and Luxembourg currencies and the exchange rates in relation to the currencies of third countries shall be determined in accordance with article 12 of the Treaty instituting the Benelux Economic Union, signed at The Hague, on 3 February 1958,<sup>2</sup> and in accordance with the procedure adopted for the implementation of that article.

If the Benelux Treaty should expire before this Protocol or should cease to contain any provisions relating to the rate of exchange between the Belgian and Luxembourg currencies and the exchange rates in relation to the currencies of third countries, the provisions referred to in the preceding paragraph shall continue to apply as between the Parties to this Protocol.

*Article 3.* The two Governments shall ensure that their respective monetary policies are compatible with one another, as required by the system of monetary association. In addition, when in one of the two States, monetary policy measures are put into effect which could be circumvented by operations carried out in the territory of the other State, the latter State shall adopt provisions designed to prevent such operations.

The two States shall communicate to each other any provisions adopted in that field.

*Article 4.* The two States shall introduce and apply the same legislation with respect to exchange control.

Such control shall be entrusted to a single body whose decisions shall be binding throughout the territory of the Economic Union.

The two States shall be represented in the governing body of that single body, which shall also have an office in each of the two States.

<sup>1</sup> Came into force on 1 July 1984, i.e., the first day of the second month following the exchange of the instruments of ratification, which took place at Luxembourg on 2 May 1984, in accordance with article 8.

<sup>2</sup> United Nations, *Treaty Series*, vol. 381, p. 165.

*Article 5.* 1. The Luxembourg State shall share, in a proportion to be determined by agreement between the two Governments, the various advantages and profits which the Belgian State, in its capacity as a sovereign State, derives from the operations of the Banque Nationale de Belgique and which are owing to it from the latter.

It shall share, in the same proportion, such income and disbursements as may be receivable or payable by the Belgian State as a result of a change in the book value of the gold and foreign currency holdings of the Banque Nationale de Belgique caused by a change in the gold parity of the Belgian monetary unit or in the prevailing rates of exchange.

2. The two Governments shall determine by agreement the amounts receivable or payable in accordance with the principles set forth in this article.

*Article 6.* 1. The Belgian State shall establish the necessary contacts and agreements with the Banque Nationale de Belgique with a view to facilitating access by the Luxembourg State and the Luxembourg economy to such credits as can be granted by the Banque Nationale de Belgique and, in particular, with a view to the maintenance at Luxembourg of an office of the Banque Nationale de Belgique.

2. The necessary agreements shall be established between the Belgian State and the Banque Nationale de Belgique with a view to enabling Luxembourg notes to be changed for Belgian notes, free of charges or commissions to the holder, at all the offices and agencies of the Banque Nationale de Belgique, both in Belgium and in the Grand Duchy of Luxembourg.

*Article 7.* The Special Protocol between Belgium and the Grand Duchy of Luxembourg relating to the system of monetary association, signed at Brussels on 29 January 1963,<sup>1</sup> shall be abrogated.

*Article 8.* This Protocol shall form an integral part of the Consolidated Convention instituting the Belgo-Luxembourg Economic Union, established in accordance with article XXIII of the Protocol of Amendment signed at Brussels on 29 January 1963.<sup>1</sup>

It shall be ratified and shall enter into force on the first day of the second month following the exchange of the instruments of ratification, which shall take place at Luxembourg.

DONE at Brussels, on 9 March 1981, in duplicate, in French and Dutch, both texts being equally authentic.

For the Government  
of the Kingdom of Belgium:

[Signed]

W. MARTENS

[Signed]

CH. F. NOTHOMB

For the Government  
of the Grand Duchy of Luxembourg:

[Signed]

P. WERNER

[Signed]

C. FLESCH

<sup>1</sup> United Nations, *Treaty Series*, vol. 547, p. 39.

PROTOCOL OF APPLICATION OF THE PROTOCOL BETWEEN THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG RELATING TO THE MONETARY ASSOCIATION

The Government of the Kingdom of Belgium and

The Government of the Grand Duchy of Luxembourg,

Considering the Protocol signed on this date between the Kingdom of Belgium and the Grand Duchy of Luxembourg relating to the monetary association,

Have agreed as follows:

*Article 1.* 1. (a) The upper limit of the amount of notes and coins issued under the authority of the Luxembourg State shall be equal to one tenth of the amount resulting from the application of the relation between the respective populations of the two countries to the amount of Belgian notes and coins issued at the end of the previous year.

(b) The notes and coins issued under the authority of the Luxembourg State may not exceed the upper limit defined in subparagraph (a) for more than two consecutive months.

(c) The relation between the populations shall be determined in accordance with the rules laid down in article 8, paragraph 2, of the Consolidated Convention instituting the Belgo-Luxembourg Economic Union.

The amount of Belgian notes and coins issued at the end of the year shall be the amount specified in the balance sheets of the Banque Nationale de Belgique and of the Monetary Fund.

(d) The two Governments, or other competent authorities in each State, shall communicate to each other each month information concerning the amount of notes and coins issued.

2. The maximum face value of the notes and coins issued under the authority of the Luxembourg State shall be the same as that of the notes and coins issued in Belgium.

*Article 2.* 1. The following shall be calculated according to the relation between the respective populations of the two countries, referred to in article 1 of this Protocol:

(a) The Luxembourg State's share of the various advantages and profits which the Belgian State, in its capacity as sovereign State, derives from the operations of the Banque Nationale de Belgique.

(b) The Luxembourg State's share of such income and disbursements as may be receivable or payable by the Belgian State as a result of a change in the book value of the gold and foreign currency holdings of the Banque Nationale de Belgique, caused by a change in the gold parity of the Belgian monetary unit or in the prevailing rates of exchange.

2. The schedule of items which, in the present circumstances, are to be shared between the two countries in accordance with paragraph 1 (a) of this article is as follows:

(a) One fifth of the reserve fund which would revert to the Belgian State upon expiration of the right of issue of the Banque Nationale de Belgique in accordance with article 6 of the Statutes of the Banque (Royal Decree No. 29 of 24 August 1939, as amended by Legislative Decree No. 5 of 1 May 1944, by Legislative Decree of 5 September 1944, and by Acts of 28 July 1948, 12 April 1957 and 19 June 1959).

(b) The amounts payable to the Belgian State after a specified period of time whenever the Banque Nationale replaces or withdraws a type of note (article 9, first paragraph, of the Statutes).

The Grand Duchy of Luxembourg shall, however, share the liability of the Belgian State resulting from the subsequent reimbursement of holders of notes the equivalent value of which has been paid to it (article 9, second paragraph, of the Statutes).

- (c) The profit payable to the Belgian State as a result of the difference between interest of 3 per cent and the rate of interest charged by the Banque on operations relating to discounts, advances and loans (article 20 of the Statutes).
- (d) One fifth of the surplus annual profits of the Banque, which is paid to the State after the allocation of an initial dividend to shareholders and of a part of the remainder to reserves and to staff (article 21, 3(a) of the Statutes).

*Article 3.* The Protocol of Application of the Special Protocol relating to the system of monetary association between the Kingdom of Belgium and the Grand Duchy of Luxembourg, signed at Brussels on 21 May 1965,<sup>1</sup> shall be abrogated.

*Article 4.* This Protocol shall enter into force at the same time as the Protocol between the Kingdom of Belgium and the Grand Duchy of Luxembourg relating to the monetary association, signed on this date at Brussels.

DONE at Brussels on 9 March 1981, in duplicate, in French and Dutch, both texts being equally authentic.

For the Government  
of the Kingdom of Belgium:

[Signed]

W. MARTENS

[Signed]

CH. F. NOTHOMB

For the Government  
of the Grand Duchy of Luxembourg:

[Signed]

P. WERNER

[Signed]

C. FLESCHE

<sup>1</sup> United Nations, *Treaty Series*, vol. 547, p. 39.

## PROTOCOL OF SIGNATURE

Having signed on this date a Protocol relating to the monetary association and a Protocol of Application of the aforementioned Protocol,

The Contracting Parties to the aforementioned Protocols declare that:

1. They wish to put on record that in the event that the Grand Duchy of Luxembourg establishes a monetary institution responsible for issuing bank notes, that function must be carried out in a manner compatible with the conditions of the monetary association as set forth in the present Protocols;

When a new Belgian law relating to the monetary system is adopted, article 5 of the Protocol relating to the monetary association and article 2 of the Protocol of Application shall be re-examined in the spirit of the aforementioned Protocols;

2. They agree to carry out an evaluation of the functioning of the new system of monetary association after a period of five years.

DONE at Brussels on 9 March 1981, in duplicate, in French and Dutch, both texts being equally authentic.

For the Government  
of the Kingdom of Belgium:

[Signed]

W. MARTENS

[Signed]

CH. F. NOTHOMB

For the Government  
of the Grand Duchy of Luxembourg:

[Signed]

P. WERNER

[Signed]

C. FLESCH

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## [TRANSLATION — TRADUCTION]

AMENDMENT<sup>1</sup> TO THE PROTOCOL OF APPLICATION<sup>2</sup> AND TO THE PROTOCOL OF SIGNATURE<sup>3</sup> ANNEXED TO THE PROTOCOL BETWEEN THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG RELATING TO THE MONETARY ASSOCIATION OF 9 MARCH 1981<sup>4</sup>

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

Noting the desirability of making certain amendments to the Protocol of Application<sup>2</sup> and to the Protocol of Signature<sup>3</sup> annexed to the Protocol between the Kingdom of Belgium and the Grand Duchy of Luxembourg relating to the monetary association of 9 March 1981,<sup>4</sup>

Have agreed as follows:

*Article 1.* The words “one tenth” in article 1, paragraph 1 (a), of the Protocol of Application shall be replaced by the words “one fifth”.

*Article 2.* The following paragraph shall be added to article 1, paragraph 1 (b), of the Protocol of Application:

“They shall be backed by obligations denominated in Belgian francs payable by Belgian residents, including the Belgian authorities, for the part which exceeds one tenth of the amount resulting from the application of the relation referred to in subparagraph (a)”.

*Article 3.* Paragraph 2 of the Protocol of Signature shall be replaced by the following provision:

“They agree to carry out, after a trial period of three years, a bilateral evaluation of the functioning of the new system in all its aspects in order to make any modifications deemed necessary, as appropriate, by mutual agreement”.

*Article 4.* This Amendment shall enter into force at the same time as the Protocol between the Kingdom of Belgium and the Grand Duchy of Luxembourg relating to the monetary association, signed at Brussels on 9 March 1981.

<sup>1</sup> Came into force on 1 July 1984, the date of entry into force of the Protocol of 9 March 1981, in accordance with article 4.

<sup>2</sup> See p. 206 of this volume.

<sup>3</sup> See p. 207 of this volume.

<sup>4</sup> See p. 204 of this volume.

DONE at Brussels on 6 September 1983, in duplicate, in French and Dutch, both texts being equally authentic.

For the Government of the Kingdom of Belgium:

[*Signed*]

L. TINDEMANS

For the Government of the Grand Duchy of Luxembourg:

[*Signed*]

P. WURTH

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