

N° 3139.

UNION ÉCONOMIQUE
BELGO-LUXEMBOURGEOISE
ET HONGRIE

Convention pour le règlement par
voie de compensation des créances
commerciales entre l'Union écono-
mique belgo-luxembourgeoise et la
Hongrie. Signée à Budapest, le
26 mars 1932.

ECONOMIC UNION OF
BELGIUM AND LUXEMBURG
AND HUNGARY

Convention for the Settlement by
Clearance of Commercial Debts
between the Economic Union of
Belgium and Luxemburg and
Hungary. Signed at Budapest,
March 26, 1932.

¹ TRADUCTION. — TRANSLATION.No. 3139. — CONVENTION ² FOR THE SETTLEMENT BY CLEARANCE OF COMMERCIAL DEBTS BETWEEN THE ECONOMIC UNION OF BELGIUM AND LUXEMBURG AND HUNGARY. SIGNED AT BUDAPEST, MARCH 26, 1932.

French official text communicated by the Belgian Minister for Foreign Affairs and by the Minister Plenipotentiary, Head of the Hungarian Delegation accredited to the League of Nations. The registration of this Convention took place February 3, 1933.

HIS SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY and HIS MAJESTY THE KING OF THE BELGIANS, acting in his own name as also in the name of HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG, in virtue of existing agreements;

Desirous of settling by clearance commercial debts resulting from exchanges of goods between Hungary and the Economic Union of Belgium and Luxemburg,

Have resolved to conclude a convention to this effect and have appointed as their Plenipotentiaries :

HIS ROYAL HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY :

Monsieur Louis WALKO, Hungarian Minister for Foreign Affairs ;

HIS MAJESTY THE KING OF THE BELGIANS :

Viscount Jacques DAVIGNON, His Envoy Extraordinary and Minister Plenipotentiary at Budapest ;

Who, having communicated their full powers, found in good and due form, have agreed on the following provisions :

Article I.

Payments relating solely to the exchange of goods between Hungary and the Economic Union of Belgium and Luxemburg shall be effected by clearance operations, in the case of Hungary, with the National Bank of Hungary and in the case of the Belgo-Luxemburg Economic Union, with the National Bank of Belgium acting on behalf of the Belgo-Luxemburg clearing office, in the manner set forth in the following Articles :

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² The exchange of ratifications took place at Budapest, July 12, 1932.

Article 2.

Debts due for the purchase of Hungarian goods imported into the territory of the Economic Union of Belgium and Luxemburg shall be settled by payment of the purchase price in belgas to the National Bank of Belgium as treasurer for the Belgo-Luxemburg clearing office. The National Bank of Belgium, acting on behalf of the Belgo-Luxemburg clearing office, shall place the sums so received in a common account, without interest, which it will open in its books in the name of the National Bank of Hungary.

Article 3.

Debts due for the purchase of Belgian or Luxemburg goods imported into Hungary shall be settled by payment of the purchase price in pengö to the National Bank of Hungary.

The National Bank of Hungary shall credit the sums so received to a common account, without interest, which it will open in its books in the name of the National Bank of Belgium acting on behalf of the Belgo-Luxemburg clearing office.

Article 4.

Each Government shall, in so far as it is concerned, take such steps as it considers necessary to compel its importers to make use of the clearance system.

Article 5.

The national Bank of Hungary, and the National Bank of Belgium, acting on behalf of the Belgo-Luxemburg clearing office, shall exchange information as to sums paid in and the date of each payment, thus authorising payment to the vendor in accordance with the provisions of Articles 6 and 8.

This payment will be made on the basis of the legal currency parity, *i. e.* :

100 belgas equal 79.50 pengö
100 pengö equal 125.786 belgas.

In Hungary sums due in other currencies than belgas shall be converted into belgas at the current rate for the currency concerned, as quoted by the National Bank of Hungary on the day preceding payment of the debt in pengö to that institution.

Article 6.

Vendors shall receive the sums due to them in the chronological order of the payments mentioned in Article 5 and, as regards debts due to Belgians, under the conditions laid down in Article 8 and within the limits of the funds respectively available in the common accounts at the National Bank of Hungary for exporters of Hungarian goods and at the National Bank of Belgium, in accordance with the instructions of the Belgo-Luxemburg clearing office, for exporters of Belgian and Luxemburg goods.

Article 7.

Debts already due in respect of exchanges of goods and remaining unpaid at the time of the coming into force of the present Convention shall be settled in accordance with the provisions contained therein.

If in the country of the purchaser sums due in respect of the exchange of goods have been paid in, in favour of a foreign vendor, to a blocked account standing in the vendor's own name, or into the account of a third party, the two institutions declare that, on presentation of the relevant documents, they will give the necessary authorisations for the transfer of such amounts to the common account in the country of the purchaser, and will use the amounts in question in the same way as if they had been paid direct by the purchaser himself in accordance with the provisions of Articles 2 and 3.

Article 8.

Until the debts mentioned in Article 7 have been liquidated, sums paid to the National Bank of Belgium by importers of Hungarian goods in the territory of the Economic Union of Belgium and Luxemburg will be employed as follows : 65 % will be devoted to payment of debts due to Belgian and Luxemburg exporters, 35 % will be held at the free disposal of the National Bank of Hungary.

After the above debts have been liquidated, the percentage left at the disposal of the National Bank of Hungary will be raised to 45 % of the receipts.

The Belgo-Luxemburg clearing office will employ the 65 % placed at its disposal as follows : 20 % for the liquidation of debts subsequent to the coming into force of the present Agreement, 45 % for the liquidation pro rata of the debts mentioned in Article 7. The clearing office, however, reserves the right to modify this proportion in favour of old debts in so far as sums are available which are not required for the settlement of new debts.

Article 9.

In the commercial relations between a firm exporting Hungarian goods and a firm exporting Belgian or Luxemburg goods, should there arise a possibility of settling by clearance a purchase and sale transaction, the National Bank of Hungary and the Belgo-Luxemburg clearing office will so far as possible authorise such clearance, considering each case separately.

Article 10.

The Economic Union of Belgium and Luxemburg will endeavour as far as possible to increase its purchases in Hungary in order to accelerate the liquidation of old debts due from Hungary, and also in order to secure payment for new deliveries to Hungary as far as possible by clearance.

Article 11.

The present Convention shall come into force ten days after the date of the exchange of ratifications. It shall remain in force for a period of three months. It may be denounced one month before its expiry. It shall be renewed for a further period of three months by tacit agreement so long as one of the High Contracting Parties has not, by giving the above notice, intimated its desire to terminate the Convention.

If during the term of the present Convention changes are made in the legal currency parity as defined in Article 5, the Convention will cease to be in force as from the date of such changes.

In this case and also should the Convention be denounced by one of the Parties, if the National Bank of Hungary then hold in the common account a sum in pengő in favour of Belgian or Luxemburg exporters, such sum (in so far as not set off, in the common account held by the Belgo-Luxemburg clearing office, by a sum in belgas in favour of Hungarian exporters) will be transferred by the National Bank of Hungary to a blocked account in gold pengő in one or more Hungarian banks to be named by the Belgo-Luxemburg exporters.

Negotiations would immediately be entered upon between the High Contracting Parties with regard to this account.

It is further understood that in the case of the compulsory termination of the Convention owing to a change in the legal gold monetary parity, such immediate negotiations would relate not only to the special point mentioned in the previous paragraph but also to the conclusion of a new Clearance Convention.

BUDAPEST, *March 26, 1932.*

(s) Jacques DAVIGNON, *m. p.*

(s) L. WALKO, *m. p.*