

N° 3909.

**ESPAGNE ET
UNION ÉCONOMIQUE
BELGO-LUXEMBOURGEOISE**

**Convention générale de paiements.
Signée à Madrid, le 4 avril 1936.**

**SPAIN AND
ECONOMIC UNION OF
BELGIUM AND LUXEMBURG**

**General Convention on Payments.
Signed at Madrid, April 4th, 1936.**

TEXTE ESPAGNOL. — SPANISH TEXT.

N  3909. — CONVENIO GENERAL DE PAGOS ENTRE LA REPUBLICA ESPA OLA Y LA UNION ECONOMICA BELGO-LUXEMBURGUESA. FIRMADO EN MADRID, EL 4 DE ABRIL DE 1936.

Spanish and French official texts communicated by the Spanish Envoy Extraordinary and Minister Plenipotentiary at Berne. The registration of this Convention took place June 1st, 1936.

SU EXCELENCIA EL PRESIDENTE DE LA REP BLICA ESPA OLA

y

SU MAJESTAD EL REY DE LOS BELGAS

deseosos de facilitar los pagos rec procos entre la Rep blica espa ola y la Uni n econ mica belgo-luxemburguesa, han resuelto concluir a este efecto un Convenio y han designado como Plenipotenciarios :

SU EXCELENCIA EL PRESIDENTE DE LA REP BLICA ESPA OLA :

Al Excmo. Sr. D. Augusto BARCIA TRELLES, Ministro de Estado ;

SU MAJESTAD EL REY DE LOS BELGAS :

Al Excmo. Sr. Robert Everts, su Embajador Extraordinario y Plenipotenciario en Espa a,

Los cuales, despu s de haberse comunicado sus Plenos Poderes respectivos y habi ndolos encontrado en buena y debida forma, han convenido las disposiciones siguientes :

Art culo 1.

1) Los pagos entre Espa a y la Uni n econ mica belgo-luxemburguesa se efectuar n dentro del cuadro de estipulaciones del presente Convenio.

2) Por la designaci n « Espa a » las Altas Partes contratantes entienden : el territorio peninsular espa ol, las islas Baleares y las islas Canarias, as  como las ciudades de Melilla y Ceuta.

Art culo 2.

1) A los fines del presente Convenio son consideradas :

a) como mercanc as espa olas, aquellas que est n producidas en Espa a o en las que haya reca do una transformaci n o un trabajo suficientes para conferirles la nacionalidad espa ola ;

b) como mercanc as belgas o luxemburguesas, aquellas que est n producidas en Belgica o en Luxemburgo o en las que haya reca do una transformaci n o trabajo suficientes para conferirles la nacionalidad belga o luxemburguesa.

2) El presente Convenio no se aplica a las mercanc as que no hacen m s que transitar a trav s del territorio de uno u otro de los Estados contratantes ni a aquellas en las que no haya reca do

¹ TRADUCTION. — TRANSLATION.

No. 3909. — GENERAL CONVENTION ON PAYMENTS BETWEEN THE SPANISH REPUBLIC AND THE ECONOMIC UNION OF BELGIUM AND LUXEMBURG. SIGNED AT MADRID, APRIL 4TH, 1936.

HIS EXCELLENCY THE PRESIDENT OF THE SPANISH REPUBLIC
and

HIS MAJESTY THE KING OF THE BELGIANS,

Being desirous of facilitating payments between the Spanish Republic and the Economic Union of Belgium and Luxemburg, have resolved to conclude a Convention for that purpose and have appointed as their Plenipotentiaries :

HIS EXCELLENCY THE PRESIDENT OF THE SPANISH REPUBLIC :

His Excellency Monsieur Augusto BARCIA TRELLES, Minister for Foreign Affairs ;

HIS MAJESTY THE KING OF THE BELGIANS :

His Excellency Monsieur Robert EVERTS, His Ambassador Extraordinary and Plenipotentiary in Spain ;

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

Article 1.

1. Payments between Spain and the Economic Union of Belgium and Luxemburg shall be governed by the provisions of the present Convention.

2. By "Spain" the High Contracting Parties mean : the Peninsular territory of Spain, the Balearic Islands and Canary Islands, together with the cities of Melilla and Ceuta.

Article 2.

1. For the purposes of the present Convention :

(a) "Spanish goods" shall be deemed to mean those produced in Spain or having there undergone some transformation or process sufficient to entitle them to Spanish nationality ;

(b) "Belgian or Luxemburg goods" shall be deemed to mean those produced in Belgium or Luxemburg or having there undergone some transformation or process sufficient to entitle them to Belgian or Luxemburg nationality.

2. The present Convention shall not apply to goods merely passing in transit through the territory of either of the contracting States, nor to those not having there undergone a process sufficient to entitle them to Spanish or Belgian or Luxemburg nationality as the case may be.

Article 3.

1. Sums owing in respect of the purchase of Spanish goods imported into the Economic Union of Belgium and Luxemburg shall, when due, be paid in full, in belgas, into the account of

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.

the Centro Oficial de Contratación de Moneda (hereinafter called the "Centro") at the National Bank of Belgium. The Centro shall be bound to pay out the corresponding sums, in pesetas, to the payees in Spain, immediately on receipt of the advice of payment from the National Bank of Belgium.

2. When the sum owing is expressed in a currency other than the belga it shall be paid in, in belgas, on the basis of the middle rate for the currency in question at the Brussels Bourse on the last business day preceding the date of payment.

3. Save in cases in which the invoice is made out in pesetas, the payments into the Centro's account made by debtors in the Economic Union of Belgium and Luxemburg shall be accepted in full discharge of the debts to which they relate; agreements to the contrary between the interested parties shall, nevertheless, be respected.

4. The sums standing to the credit of that account shall not bear interest.

5. The National Bank of Belgium shall each day notify the Centro of the sums paid in. The advice of payment shall mention the names and addresses of the payers in the Economic Union of Belgium and Luxemburg, and the names and addresses of the payees in Spain for whose account the Centro is credited; wherever possible, the advice shall also mention the Bank to be responsible for collection.

Article 4.

Spanish goods imported into the Economic Union of Belgium and Luxemburg shall be accompanied, on clearance through the Customs, by a duplicate of the invoice requiring the debtor to pay the amount due into the Centro's account at the National Bank of Belgium.

Article 5.

The Spanish and Belgian Governments agree to allocate the belga amounts paid under Article 3 into the Centro's account at the National Bank of Belgium in the following manner:

- 55 per cent to a special Account A,
- 45 per cent to a special Account B.

Article 6.

1. The Centro will use the belga amounts credited to its special Account A at the National Bank of Belgium for the payment, as and when they fall due, of so-called new commercial debts, by which are meant those falling due after the date of the entry into force of the present Convention.

2. On and after the date of the entry into force of the present Convention, the export of Belgian or Luxemburg goods shall be subject to a visa to be previously obtained from the Belgo-Luxemburg Compensation Office (hereinafter called the "Office"); the visa shall be endorsed on a certified copy of the invoice. The payments provided for in paragraph 1 above shall only be made on presentation of the duplicate invoices endorsed in the manner prescribed.

3. To avoid the accumulation of arrears, the Office shall not issue visas under paragraph 2 above in excess of the total which, it is estimated, will be available in the Centro's special Account A at the National Bank of Belgium. The said total shall be estimated on the basis of the Spanish goods imported into the Belgo-Luxemburg Economic Union.

Article 7.

The Centro shall settle in belgas, as far as the available funds allow, all debts governed by the present Convention and paid by the debtors in pesetas.

1. When the sum due is stated in pesetas, it shall be converted into belgas on the basis of the last official rate of the belga at the Madrid Bourse on the day preceding the date of the sale of belgas to the applicant.

2. When the sum due is expressed in a currency other than the belga or the peseta, it shall be paid in belgas in accordance with the last official rates quoted at the Madrid Bourse on the day preceding the date of the sale of belgas to the applicant, on the basis of the peseta rate of the other currency and of the belga respectively.

Article 8.

1. The Centro shall only provide importers in Spain with belgas for new commercial debts on production of a duplicate invoice endorsed by the Office. The said endorsed invoice shall be handed over by the importer in Spain to the Centro, which shall attach it, duly stamped, to the orders for payment on its account at the National Bank of Belgium.

2. The Centro shall each day communicate to the National Bank of Belgium a list, to be drawn up on a special form, of sales of belgas for the benefit of creditors ; a duplicate shall be sent to the Office.

Article 9.

1. Should, at any time, the sum standing to the credit of the Centro's special Account A at the National Bank of Belgium prove insufficient to meet applications for belgas on the required dates, the debtor in Spain shall pay into the Centro's account at the Bank of Spain the exchange value of his debt in pesetas. Should the sum due be expressed in a currency other than the peseta, conversion into pesetas shall take place on the basis of the latest official rates at the Madrid Bourse on the day preceding the date of the payment.

2. Such deferred applications for belgas shall be duly noted by the Centro which shall satisfy them in chronological order as and when the necessary funds become available.

Article 10.

1. The belga amounts credited to the Centro's special Account B at the National Bank of Belgium shall be used by the Office for the gradual *pro rata* settlement of so-called outstanding commercial debts, by which are meant those falling due prior to the date of the entry into force of the present Convention.

2. As from the entry into force of the present Convention, debtors in Spain shall pay into the Centro (Bank of Spain) for the account of the National Bank of Belgium, acting as treasurer to the Office, the exchange value, in pesetas, of their outstanding commercial debts to creditors in the Economic Union of Belgium and Luxemburg ; should the amount due be expressed in a currency other than the peseta, it shall be converted into pesetas at the last official rate at the Madrid Bourse on the day preceding the date of payment.

The Centro shall each day notify the National Bank of Belgium of all such payments.

3. The Centro and the Office shall, subject to their Governments' approval, agree upon the procedure to be followed in respect of the listing and gradual *pro rata* settlement of outstanding commercial debts.

Article 11.

1. The sums — apart from those mentioned in Article 3 — owing in Spain, on any account whatsoever, from natural or legal persons domiciled in the Belgo-Luxemburg Economic Union shall be paid in full in belgas, as and when they fall due, into an Account C to be opened in the name of the Centro at the National Bank of Belgium. The Centro shall be bound to pay out an equivalent amount in pesetas to the payee in Spain, immediately on receipt of the advice of payment from the National Bank of Belgium.

2. The provisions of paragraphs 2 to 5 of Article 3 shall also apply to the payments mentioned in paragraph 1 above.

Article 12.

1. The Centro shall use the belga amounts credited to its Account C at the National Bank of Belgium to meet applications for exchange in respect of the debts hereinafter enumerated :

(a) Financial commercial debts, that is to say, those arising out of the activities of Belgian or Luxemburg undertakings established in Spain ; they shall comprise, more particularly, interest payable abroad on securities or on debts of all kinds, profits and dividends, together with sums owing abroad for overhead expenses incurred outside Spain, the repayment of capital being nevertheless excluded.

(b) Financial debts owing to Belgian and Luxemburg creditors, that is to say, those relating to Belgian or Luxemburg capital invested in Spain in undertakings not of Belgian or Luxemburg nationality and corresponding to the amount of capital invested ; they shall, more particularly, include the interest payable in the Economic Union of Belgium and Luxemburg on securities or debts of all kinds.

Payments under sub-paragraphs (a) and (b) above shall be effected through the National Bank of Belgium.

2. Transfer of capital shall in all cases be excluded.

3. The term " Belgian and Luxemburg creditors " within the meaning of sub-paragraph 1 (b) above shall be held to mean :

(a) Natural and legal persons of Belgian or Luxemburg nationality domiciled in the Belgo-Luxemburg Economic Union ;

(b) Natural persons, not of Belgian or Luxemburg nationality, domiciled prior to the date of the entry into force of the present Convention in the Economic Union of Belgium and Luxemburg,

provided always that such persons were the owners of the securities or claims on June 13th, 1935, or that since that date they have purchased other securities or claims from the proceeds of the sale of those previously in their possession.

Persons to whom coupons, titles to a share in profits or interest have only been entrusted for cashing or as a security or pledge shall not be deemed to be owners of securities or claims for the purposes of the present Article.

4. The Spanish and Belgian Governments shall closely supervise the application of the provisions of the present Article and shall keep each other informed of any cases in which there is a fraudulent attempt to evade the provisions of the foregoing paragraphs.

5. The Centro and the Office shall, subject to their Governments' approval, agree upon the most appropriate procedure for the application of the present Article.

Article 13.

Private compensation transactions shall be permitted provided that authority is in each case first obtained from the Centro and the Office. These two organisations, acting upon the instructions of their respective Governments, shall agree upon the general procedure to be applied in respect of such private compensation transactions.

Article 14.

Each Government agrees to take, in so far as concerns itself, all necessary steps to ensure the observance of the provisions of the present Convention.

Article 15.

Difficulties in respect of the application of the present Convention shall be settled by agreement between the Centro and the Office, save in cases with which the contracting Governments deem it necessary to deal themselves.

Article 16.

Any balance standing to the credit of the Centro's accounts at the National Bank of Belgium on the expiry of the present Convention shall be employed in accordance with the foregoing provisions.

Article 17.

The present Convention shall come into force on April 13th, 1936, for a period of three months. Unless denounced one month before the expiry of that period, it shall be extended by tacit agreement for successive periods of three months until such time as either of the High Contracting Parties shall give thirty days' notice of its desire to terminate it.

Done at Madrid, in duplicate, this 4th day of April, 1936.

(L. S.) Augusto BARCIA.

(L. S.) Robert EVERTS.