

N° 3974.

ITALIE ET NORVÈGE

Modus vivendi pour régler les échanges commerciaux et les paiements y afférents entre les deux pays. Signé à Rome, le 25 août 1936.

ITALY AND NORWAY

Modus vivendi regulating Commercial Exchanges and Payments in respect thereof between the Two Countries. Signed at Rome, August 25th, 1936.

¹ TRADUCTION. — TRANSLATION.

No. 3974. — *MODUS VIVENDI*² BETWEEN THE KINGDOM OF ITALY AND THE KINGDOM OF NORWAY REGULATING COMMERCIAL EXCHANGES AND PAYMENTS IN RESPECT THEREOF BETWEEN THE TWO COUNTRIES. SIGNED AT ROME, AUGUST 25TH, 1936.

French official text communicated by the Permanent Delegate of Norway to the League of Nations. The registration of this Modus Vivendi took place September 28th, 1936.

THE NORWEGIAN GOVERNMENT and THE ITALIAN GOVERNMENT, being desirous, pending the conclusion of a subsequent agreement, of regulating commercial exchanges and payments in respect thereof between the Kingdom of Norway and the Kingdom of Italy, have agreed upon the following provisions :

Article 1.

Each of the two countries declares that it agrees to allow, to the fullest possible extent, the importation of goods originating in the other country.

Article 2.

As from the date of the entry into force of the present *modus vivendi*, all payments for Norwegian goods imported into Italy on or after July 15th, 1936, shall be effected by the payment of their exchange value in lire into the Bank of Italy for the account of the Istituto Nazionale per i Cambi con l'Estero.

The Istituto Nazionale per i Cambi con l'Estero shall place the sums received to the credit, in Italian lire, of a non-interest-bearing pooled account, to be opened in its books in the name of the Norges Bank.

As from the date of the entry into force of the present *modus vivendi*, all payments for Italian goods imported into Norway on or after July 15th, 1936, shall be effected by the payment of their exchange value in Norwegian crowns into the Norges Bank at Oslo.

The Norges Bank shall place the sums received to the credit, in Norwegian crowns :

(a) As to 90 %, of a non-interest-bearing pooled account to be opened in its books in the name of the Istituto Nazionale per i Cambi con l'Estero ;

(b) As to the remaining 10 %, of the Italo-Norwegian clearing account of July 2nd, 1935.

All advance payments for the purchase of goods of Italian or of Norwegian origin to be imported into Norway or into Italy, as the case may be, shall be dealt with in accordance with the provisions of the present *modus vivendi*.

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 Came into force August 25th, 1936.

To be payable in Italy, such advance sums must have reference to an import licence already issued by the competent authorities ; they must also be provided for in the contract for the purchase of the goods and must be in keeping with commercial usages.

The two Governments shall, each in so far as concerns itself, take such steps as may be necessary to compel importers to make use of the clearing system.

Article 3.

The Istituto Nazionale per i Cambi con l'Estero and the Norges Bank shall notify each other daily of the amounts paid in, together with particulars of the dates of each of such payments, thus authorising the payment, in chronological order, of the corresponding amounts to the creditors concerned, in accordance with the provisions of the present *modus vivendi*.

The Norges Bank shall debit each payment to the pooled account opened in the name of the Istituto Nazionale per i Cambi con l'Estero.

Similarly, the Istituto Nazionale per i Cambi con l'Estero shall debit each payment to the pooled account opened in the name of the Norges Bank.

Article 4.

Payments to creditors shall be effected in the currency of their own country, within the limits of the funds available, and in the chronological order of the payments by debtors referred to in Articles 2 and 3.

Article 5.

The Istituto Nazionale per i Cambi con l'Estero and the Norges Bank shall agree upon the rate of exchange to be applied as between the Norwegian crown and the Italian lira. The said rate shall be applied for the conversion of lire into crowns and of crowns into lire, in accordance with Article 3.

Debts expressed in a currency other than Norwegian crowns or Italian lire shall be converted into crowns in Norway or into lire in Italy at the official rates on the Oslo and the Rome Stock Exchanges respectively on the date preceding the date of the payment.

Such exchange operations shall be merely provisional in character, the debtor not being deemed to have discharged his debt until the creditor shall have received the full amount of his claim. Any supplementary payments which the debtor may be required to make shall likewise be effected through the clearing system.

Article 6.

Private compensation transactions shall be permitted only with the consent of both clearing authorities.

Article 7.

The present *modus vivendi* shall apply only to goods which, under the laws and regulations in force in the importing country, are deemed to be goods originating in the other country.

For the purpose of the present *modus vivendi*, the terms " Italian goods " and " Norwegian goods " shall not include vessels for navigation.

In certain cases, however, the two Governments may agree to authorise the use of the clearing system for payments in respect of the purchase of vessels.

Expenses and commissions due from Norwegian exporters to their representatives in Italy, and expenses and commissions due from Italian exporters to their representatives in Norway, in respect of commercial exchanges between the two countries, shall be paid through the clearing system.

The payment of expenses and commissions may also be effected by deducting the necessary amounts from the sums to be paid into the clearing accounts by the importers of the two countries.

The two clearing authorities nevertheless reserve the right to ascertain and verify the nature and purpose of such payments, and to satisfy themselves that they genuinely represent the exchange value of the above-mentioned expenses and commissions.

The present *modus vivendi* shall not apply to goods traffic in transit.

Article 8.

Prior to the expiry of the present *modus vivendi*, the two Governments shall agree upon the rules to govern the use to be made of any balance remaining in the account mentioned under (a) in the fourth paragraph of Article 2.

Any such balance shall be used exclusively for the settlement, immediately on the expiry of the present *modus vivendi*, of Norwegian commercial claims.

Article 9.

The Istituto Nazionale per i Cambi con l'Estero and the Norges Bank shall agree upon such technical arrangements as may be necessary to ensure the regular working of the present *modus vivendi*.

Article 10.

The present *modus vivendi* shall apply to the settlement of debts in respect of all goods imported into Italy and Norway on or after July 15th, 1936.

It shall come into force this day and shall continue in application until March 31st, 1937.

In faith whereof the present *modus vivendi* has been duly signed.

Done at Rome, in duplicate, this 25th day of August, 1936.

On behalf of Norway :

Ove C. L. VANGENSTEN.
P. PREBENSEN.

On behalf of Italy :

CIANO.