No. 7623

AUSTRIA, BELGIUM, DENMARK, FEDERAL REPUBLIC OF GERMANY, FRANCE, etc.

Agreement (with annex) on commercial debts owed by residents of Turkey, and

Protocol of provisional application of the above-mentioned Agreement. Both signed at Paris, on 11 May 1959

Official texts: French and English.

Registered by the Netherlands on 1 March 1965.

AUTRICHE, BELGIQUE, DANEMARK, RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE, FRANCE, etc.

Accord (avec annexe) sur les dettes commerciales de personnes résidant en Turquie, et

Protocole d'application provisoire de l'Accord susmentionné. Signés tous deux à Paris, le 11 mai 1959

Textes officiels français et anglais.

Enregistré par les Pays-Bas le 1er mars 1965.

No. 7623. AGREEMENT[1] ON COMMERCIAL DEBTS OWED BY RESIDENTS OF TURKEY. SIGNED AT PARIS, ON 11 MAY 1959

The Governments of the Federal Republic of Germany, the Republic of Austria, the Kingdom of Belgium, the Kingdom of Denmark, the French Republic, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of Norway, the Kingdom of the Netherlands, the Portuguese Republic, the United Kingdom of Great Britain and Northern Ireland, the Kingdom of Sweden, the Swiss Confederation, and the Turkish Republic (hereinafter called the "Turkish Government") ;

Considering that they are Members of the Organisation for European Economic Co-operation (hereinafter called the "Organisation") ;

Considering that on 29th July, 1958, the Council of the Organisation adopted a Resolution concerning the Turkish Stabilisation Programme (hereinafter called the "Resolution") by which it took note of a declaration by the Turkish Government that the terms of servicing debts owed by residents of Turkey to residents of the countries of the other Contracting Parties must be revised ;

Noting that after the expiration of the standstill on transfers of which the Organisation took note by the Resolution, the Turkish Government will be able, within the framework of the present Agreement, to resume, on the dates provided therein, the transfer of payments in respect of certain categories of such debts ;

[1] In accordance with the provisions of paragraphs 1 and 3 respectively of the Protocol, the Agreement was applied provisionally from 11 May 1959, the date of signature, and the Protocol came into force on the same date with respect to all the signatory States, with the exception of the Netherlands and Belgium (~~see footnote 1, p. 178 of this volume~~). The provisions of the Agreement came into force provisionally for the Netherlands on 26 November 1959 and for Belgium on 8 July 1960, the date of deposit of their instruments of ratification of the Agreement, with retroactive effect to 11 May 1959, in accordance with paragraph 4 (ii) of the Protocol. The Protocol also entered into force on 26 November 1959 for the Netherlands and on 8 July 1960 for Belgium, in accordance with paragraph 4 (i) of the Protocol. Pursuant to article 16 (*c*) of the Agreement, the latter came into force definitively on 16 November 1962 for all the signatory States, their instruments of ratification having been deposited with the Secretary-General of the Organization for European Economic Co-operation and the Secretary-General of the Organization for Economic Co-operation and Development, respectively, on the dates indicated :

France	10 August	1959	Italy	11 April	1960
Denmark	6 October	1959	Federal Republic of Germany	21 April	1960
Norway	24 November	1959	United Kingdom of Great Britain and Northern Ireland	6 May	1960
Netherlands (for the Kingdom in Europe, Surinam, the Netherlands Antilles and Netherlands New Guinea)	26 November	1959	Belgium	8 July	1960
Austria	2 December	1959	Luxembourg	16 August	1961
Switzerland	7 December	1959	Portugal	3 April	1962
Sweden	17 March	1960	Turkey	16 November	1962

Recognising that, to this end, a common effort appears necessary ;

Considering that the Organisation requested, in its Resolution, the Governments concerned to agree upon arrangements for the repayment of such debts due or falling due within the next years, and the spreading of their repayment over a period, taking into account the ability of Turkey to pay, given the requirements and the expected results of the Turkish Stabilisation Programme ;

Desirous of giving effect to these principles in the provisions of the present Agreement ;

Considering that, on 30th January, 1959, the Council of the Organisation adopted a Decision concerning the Execution and Development of the Turkish Stabilisation Programme and the Granting by the European Fund of Credit to Turkey in which it recommended its Member Governments to urge the residents of their respective countries who have concluded with residents of Turkey contracts, the execution of which began before 5th August, 1958, to negotiate with the latter the necessary changes in that part of the contracts which had not been carried out before 5th August, 1958, and for which payment will be due before 1st January, 1964, so that the terms will be more favourable, taking account of the Stabilisation Programme, to the residents of Turkey, it being understood that these terms will not be more favourable to the debtor than the terms provided for the spreading of the repayment of certain categories of debts in the present Agreement ;

Considering that a Conference which dealt with financial aid to Turkey and the commercial debts owed by residents of Turkey was held under the auspices of the Organisation from 22nd September, 1958, to 6th May, 1959, in which the Contracting Parties and the Government of the United States of America took part and at which the present Agreement was elaborated ;

Noting that, at that Conference, the Turkish Government and the Government of the United States of America expressed their intention to exchange Notes in respect of commercial debts owed by residents of Turkey to United States creditors ; and

Considering that the principle of approximate equality of treatment between the various States whose Governments, together with the Turkish Government, have taken part in the said Conference should inspire that Exchange of Notes as well as the various bilateral Agreements which will be concluded by those Governments with the Turkish Government in order to agree on certain technical arrangements for the spreading of the repayment of such debts ;

Have agreed as follows :

Article 1

SCOPE OF THE AGREEMENT

(*a*) The Contracting Parties recognise that the establishment, by virtue of the present Agreement, of the instalment scheme for the repayment of debts owed by residents of Turkey to residents of countries of the other Contracting Parties and its implementation will not affect the rights and obligations of the individual creditors, debtors or guarantors concerned.

(*b*) Equally, the Contracting Parties recognise that the only obligations which will be undertaken by the Turkish Government in order to ensure the settlement of debts owed by residents of Turkey, belonging to categories for which the present Agreement provides, shall be the obligations defined therein and in the bilateral Agreements concluded in pursuance of Article 13.

Article 2

DEFINITIONS

For the purposes of the present Agreement and of Annex I[1] thereto :

1. "*bilateral Agreement*" shall hereinafter mean an Agreement entered into in pursuance of Article 13 ;
2. "*annual transfer*" shall have the meaning defined in paragraph (*a*) of Article 7 ;
3. "*creditor*" shall have the meaning defined in paragraph (*a*) of Article 3 ;
4. "*debtor*" shall have the meaning defined in paragraph (*a*) of Article 3 ;
5. "*debt*" shall mean any debt, as qualified in Article 3, which will be settled under the present Agreement ;
6. "*debt to United States creditors*" shall mean a debt of any of the categories defined in Article 3 which, however, is owed to a person resident in the United States of America ;
7. "*duly authorised by the Turkish authorities*" shall mean authorised by the competent Turkish authorities in conformity with the Turkish laws, rules and regulations as interpreted by them when the corresponding authorisation or licence was granted ;
8. "*appropriate institution*" of a Contracting Party shall mean the Central Bank or other institution designated for the purposes of the present Agreement in a bilateral Agreement ;
9. "*moratorium interest*" shall have the meaning defined in paragraph (*a*) of Article 10 ;
10. "*contractual moratorium interest*" shall have the meaning defined in paragraph (*b*) of Article 10 ;

[1] See p. 175 of this volume.

11. *"appropriate currency"* shall have the meaning defined in paragraph (*d*) of Article 5 ;
12. *"total amount of annual transfers"* shall have the meaning defined in paragraph (*b*) of Article 7 ;
13. *"parity"* shall have the meaning defined in paragraph (*d*) of Article 7 ;
14. *"creditor country"* shall mean a country, other than the Republic of Turkey, the Government of which is a Contracting Party to the present Agreement and shall include any territory for the international relations of which the Contracting Party concerned is responsible ; *"all the creditor countries"* shall refer to the countries of all the Contracting Parties other than the Turkish Government, but shall also include the United States of America ;
15. *"instalment scheme"* shall mean the arrangements which are established by the present Agreement ;
16. *"payment in the process of transfer"* shall mean a payment, in appropriate currency, of which the Turkish Government shall ensure the transfer in accordance with Article 6 to the extent that its transfer has not taken place ; it shall, however, include, until they should have been transferred in accordance with Article 8, any payments the counterpart of which has been used in Turkey by virtue of Article 9 ;
17. *"31st December"* of any year, used as a reference date, shall refer to the position of accounts as at close of business on that date.

Article 3

The Debts

(*a*) Subject to Article 4, the provisions of the present Agreement shall apply to any debt owed by a person resident in Turkey, as original debtor or guarantor, to a person resident in a creditor country (which persons are hereinafter called, respectively, "debtor" and "creditor") *provided* that :

(i) the debt arises in respect of a contract relating to the import of goods or a transaction relating to services, duly authorised by the Turkish authorities ;

(ii) the goods were delivered or the services rendered before 5th August, 1958 ; and

(iii) payment in respect of the debt is due or falls due before 1st January, 1964.

(*b*) The term "debt" shall equally include any contractual interest thereon due or falling due before 1st January, 1964, as well as contractual moratorium interest which has fallen due before the date of the signature of the present Agreement.