

No. 5376

DENMARK, NORWAY and SWEDEN

**Agreement regarding financial guarantees to certain airlines.
Signed at Oslo, on 20 August 1959**

Official texts: Danish, Norwegian and Swedish.

Registered by Denmark on 1 October 1960.

DANEMARK, NORVÈGE et SUÈDE

Accord concernant l'octroi de garanties financières à certaines entreprises de transports aériens. Signé à Oslo, le 20 août 1959

Textes officiels danois, norvégien et suédois.

Enregistré par le Danemark le 1^{er} octobre 1960.

[TRANSLATION — TRADUCTION]

No. 5376. AGREEMENT¹ BETWEEN DENMARK, NORWAY AND SWEDEN REGARDING FINANCIAL GUARANTEES TO CERTAIN AIRLINES. SIGNED AT OSLO, ON 20 AUGUST 1959

Denmark, Norway and Sweden,

Having considered it appropriate to renew the Agreement concluded at Copenhagen on 29 September 1955² regarding financial guarantees to the three parent companies in the Scandinavian Airlines System (SAS) consortium, namely, Det Danske Luftfartselskab A/S (DDL), Det Norske Luftfartselskap A/S (DNL) and A/B Aerotransport (ABA),

Have agreed as follows :

Article 1

The States concerned shall grant the airlines guarantees in the following amounts :

<i>Financial year</i>	<i>Denmark shall guarantee to DDL</i>	<i>Norway shall guarantee to DNL</i>	<i>Sweden shall guarantee to ABA</i>
	<i>(million Danish kroner)</i>	<i>(million Norwegian kroner)</i>	<i>(million Swedish kronor)</i>
1 October 1960 - 30 September 1961 . . .	6.75	6.75	7.5
1 October 1961 - 30 September 1962 . . .	6.75	6.75	7.5
1 October 1962 - 30 September 1963 . . .	6.75	6.75	7.5
1 October 1963 - 30 September 1964 . . .	6.75	6.75	7.5
1 October 1964 - 30 September 1965 . . .	6.75	6.75	7.5
	33.75	33.75	37.5

If any of the Scandinavian currencies is devalued or appreciated, the Governments shall enter into conversations for the purpose of making such adjustment in the amounts of the guarantees as may be required to restore generally the present value relationship between the said amounts and as may otherwise appear reasonable in view of the circumstances on which this Agreement is based.

¹ Came into force on 1 October 1960, in accordance with article 5,

² United Nations, *Treaty Series*, Vol. 222, p. 313,

Article 2

If the operations of an airline for any of the financial years mentioned in article 1 result in a deficit, the airline may make up the deficit from the funds made available by the State concerned up to an amount not exceeding the guarantee for that year.

The funds made available shall be used primarily to make up any deficit in the operations of the consortium.

If the deficit of the airline exceeds the amount of the guarantee, the airline may in the following years of the guarantee period, make up the difference from the guarantees for those years, if to do so is possible.

The airline may upon application to the Government concerned obtain advance payment of the amounts referred to in the first paragraph.

The airline shall pay to the State concerned a charge of 1 per cent per annum on the amount of guarantee which at any time has been drawn upon and not yet repaid.

Article 3

Any amount of guarantee which has been drawn upon shall be repaid by the airline out of its surplus or out of other funds made available by the consortium for that purpose.

Dividends, which shall in no case exceed 5 per cent of the share capital, may not, without the consent of the State authority concerned, be paid by the airline during such time as a guarantee drawn upon has not been entirely repaid.

Rules for such repayment shall be made by agreement between the respective State and airline.

Article 4

Amounts which have not been repaid by 1 October 1985 may be written off if to do so is reasonable in view of the financial condition of the consortium and the national airline.

Article 5

This Agreement shall enter into force on 1 October 1960.

IN WITNESS WHEREOF the undersigned plenipotentiaries have signed this Agreement.

DONE at Oslo, on 20 August 1959, in three copies in the Danish, Norwegian and Swedish languages, the three texts being equally authentic.

Sven EBBESEN
Halvard LANGE
Rolf EDBERG