

3. Following agreement between the two countries on the subject, cheques or drafts may also be drawn in the currency of the creditor country, even if this currency does not fulfil the conditions prescribed by § 2. In that case, the balance is converted at the gold par rate into the currency of a country fulfilling the conditions prescribed by § 2. The result arrived at is then converted into the currency of the debtor country and from this into the currency of the creditor country at the official rates for sale and purchase respectively in the debtor country, on the day of, or the day before, the purchase of the cheque or draft. The creditor country may also specify that the conversion of the balance expressed in gold shall be effected at the gold value of its currency as determined by the International Monetary Fund. When there is an appreciable variation from par or in the rates used as the bases of the conversion, the provisions laid down in § 2, third and following sentences, are applied, except in the case of a rise or fall resulting from a revaluation or devaluation of the currency of the creditor country.

4. When the amount of the balance exceeds 5,000 francs, the date of despatch of a cheque or of a draft, the date of its purchase and its amount must, if the creditor Administration so requires, be notified to it by telegram and at its expense.

5. The costs of the payment are borne by the debtor Administration, with the exception of unusual costs, such as clearing costs, imposed by the creditor country.

6. The above-mentioned payment must be made with as little delay as possible, and, at the latest, before the end of a period of four months from the date of despatch of the liquidation account by the International Bureau, or of the request for payment, addressed by the creditor Administration to the debtor Administration, in the case of an account settled separately. This period may be extended to five months in relations with distant countries. If these periods are exceeded, the sums due are chargeable with interest, at the rate of 5 per cent. per annum, from the date of their expiration.

7. If payment is not effected within one year after the expiration of the periods fixed in § 6, it is permissible for the creditor Administration, in the case of the sums included in the liquidation account prepared by the International Bureau, to inform the Bureau, which invites the debtor Administration to pay within a period not exceeding four months.

8. If the payment of the sums referred to in § 7 is not effected at the expiration of this fresh period, the International Bureau shows them in the next general annual liquidation account to the credit of the creditor Administration. In this case, compound interest is due, that is to say that the interest is added to the principal at the end of each year until payment is made.

9. In the event of the application of the provisions of § 8, the general liquidation account in question and those of the four following years must, as far as possible, not show, in the table of amounts to be paid under the clearing arrangement, sums due by the defaulting Administration to the creditor Administration concerned.