

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, February 7, 1941

**BELGIAN DECREE-LAWS OF FEBRUARY 2,
JUNE 8, AND OCTOBER 31, 1940**

**To all Banking Institutions, and Others Concerned,
in the Eleventh Federal Reserve District:**

At the request of the Secretary of the Treasury, we enclose, printed in a separate pamphlet, copies of the following:

Letter dated January 22, 1941, from the Secretary of State to the Secretary of the Treasury, enclosing copies of a note dated January 18, 1941, from the Belgian Ambassador and its enclosures.

The note dated January 18, 1941, from the Belgian Ambassador to the Secretary of State, relating to and enclosing English translations, certified by the Belgian Ambassador, of Belgian Decree-laws of February 2, June 8, and October 31, 1940, relating to the administration in time of war of commercial companies or entities having a commercial form of organization, a copy of which note was enclosed with the letter from the Secretary of State.

The English translations, certified by the Belgian Ambassador, of the Belgian Decree-laws of February 2, June 8, and October 31, 1940, which were enclosed with the foregoing communications.

Additional copies of the enclosed pamphlet will be furnished upon request.

Yours very truly,

R. R. GILBERT

President

**Belgian Decree-laws of February 2, June 8,
and October 31, 1940.**

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The note dated January 18, 1941, from the Belgian Ambassador to the Secretary of State, relating to and enclosing English translations, certified by the Belgian Ambassador, of Belgian Decree-laws of February 2, June 8, and October 31, 1940, relating to the administration in time of war of commercial companies or entities having a commercial form of organization, a copy of which note was enclosed with the letter from the Secretary of State.

The English translations, certified by the Belgian Ambassador, of the Belgian Decree-laws of February 2, June 8, and October 31, 1940, which were enclosed with the foregoing communications.

Copy of Letter to the Secretary of the Treasury.

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

January 22, 1941

My dear Mr. Secretary:

Reference is made to the Department's letter, dated May 10, 1940, with which there was transmitted a copy of a note (No. 1295) dated April 29, 1940, from the Belgian Ambassador in Washington, and its enclosure, the text of the Belgian Arrete-loi of February 2, 1940.

There are enclosed herewith copies of a note (No. 334) dated January 18, 1941, from the Belgian Ambassador, and its enclosures, copies in translation of the Belgian Decree-laws of February 2, June 8 and October 31, 1940, respectively.

The Government of the United States continues to recognize as the Government of the Kingdom of Belgium, the Belgian Government which is temporarily residing and exercising its functions in London, and continues to recognize Count van der Straten Ponthoz as the duly accredited Ambassador Extraordinary and Plenipotentiary of Belgium to the United States.

The Department of State has taken official cognizance of the aforesaid Decree-laws which have been notified to it by the duly accredited Belgian Ambassador.

The Belgian Ambassador would be grateful if copies of this letter and enclosures could be transmitted to the Federal Reserve Banks with the request that such documents in appropriate form be brought to the attention of interested persons and institutions in the United States.

Sincerely yours,

For the Secretary of State:

(Signed) A. A. BERLE, JR.

Adolf A. Berle, Jr.
Assistant Secretary

The Honorable
Henry Morgenthau, Jr.,
Secretary of the Treasury.

Enclosures:
Copy of note No. 334
of January 18, 1941
from Belgian Ambassa-
dor, with enclosures.

Copy of Note from the Belgian Ambassador to the Secretary of State.

D. 8280
No. 334

Washington, January 18th, 1941.

Sir,

I have the honor to refer to my notes No. 1295 of April 29 1940, No. 4087 of October 11 1940 and No. 70 of January 6 1941, by which I transmitted to the Department of State the text of the Belgian Decree-laws of February 2, October 31 and June 8 respectively, relating to the administration in time of war of commercial companies or entities having a commercial form of organization. Copies of an English translation of these three legislative acts are transmitted herewith to the Department of State.

Under instruction of my Government, I now have the honor to certify to Your Excellency:

1) That the foregoing Decree-laws of February 2, June 8 and October 31 were and are the valid and binding acts of the Government of Belgium; that such Decree-laws were duly published in the "Moniteur Belge", the official publication of the Belgian Government on February 7, June 8 and November 22 1940 respectively; that no day has been set by Royal Decree for demobilization; and that, accordingly, pursuant to the provisions of Article 9 of the Decree-law of February 2 1940 and of Article 5 of the Decree-law of June 8, such Decree-laws have been since February 7, June 8 and November 22 1940, respectively and are now, in full force and effect as the law of Belgium.

2) That the Decree-laws of February 2, June 8 and October 31 1940 have the following legal consequences, among others:

(a) The powers of all officers and directors of Belgian companies who are residing in Belgium are suspended with respect to all property, affairs and officers of such companies outside of Belgium. Under the law of Belgium all orders and instructions emanating from such persons with respect to the property, affairs and officers of such companies outside of Belgium are null and void. The foregoing suspension of powers is also applicable to officers and directors residing in Belgium, who temporarily leave Belgium for the purpose of issuing orders and instructions, and also to officers and directors residing in a territory, the communications of which are controlled by an enemy power. In this connection, particular attention is invited to the provisions of Articles 7, 7b and 7c of the Decree-law of February 2 1940 as amended by the Decree-law of October 31 1940.

(b) The directors or managers of Belgian companies who are residing outside of territories occupied or controlled by enemy powers or other persons so residing whose signatures have the same value or may be affixed under the same circumstances as those of directors or managers of such companies can exercise, even though the quorum required by the by-laws is not present, the powers attributed by the law or the by-laws of such companies to the administrative agencies of such companies. The authority of such directors, managers or other persons cannot be affected in any way by directors or stockholders residing in territories occupied or controlled by enemy powers. In this connection, particular attention is invited to the provisions of Articles 7a and 7b of the Decree-law of February 2 1940 as amended by the Decree-law of October 31 1940.

Following the invasion of Belgium, it was found necessary to modify by legislative act, the second paragraph of Article 1 of the Decree-law of February 2 1940, which stipulates that the decision regarding the transfer of the registered office shall be entered in the "Registre du Commerce" and published at the earliest possible moment in the "Moniteur Belge". The Decree-law of June 8 1940 promulgated for that purpose provides for certain measures regarding the registration and publication under present prevailing circumstances.

I shall be grateful if Your Excellency will furnish a copy of this note to the appropriate authorities of the United States Government and if they will take any steps deemed necessary to bring the contents of the Decree-laws of February 2, June 8 and October 31 1940 to the attention of interested persons and institutions in the United States.

I avail myself, Sir, of this occasion, to renew to Your Excellency, the assurances of my highest consideration.

The Honorable

The Secretary of State
Department of State
WASHINGTON.

February 2, 1940 — Decree-Law Relating to the Administration, in Time of War, of Commercial Companies or Entities Having a Commercial Form of Organization.

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LEOPOLD III, King of the Belgians
To all, now and hereafter, greetings.

In view of Article first, 3, of the law of September 7, 1939, conferring extraordinary powers on the King:

Considering that it is urgent to make provision for the necessities of the administration of companies, in time of war;

On the proposal of Our Ministers, who have deliberated on the subject in Council,
We have decreed and do decree

Article 1. The registered office of all Belgian companies, whether commercial companies or entities having a commercial form of organization may, without the company's losing its nationality, be transferred provisionally to any other place than the one determined in the company charter, even to a foreign country, merely by a decision of the organ charged with the administration of the company, board of directors, manager or board of managers.

The decision must be declared in the Register of Commerce and be published, as soon as possible, in the annexes of the *Moniteur belge*.

Article 2. In case of necessity it is permissible to waive all the provisions determining the manner of convocation of the board of directors, of the board of managers, of the board of receivers and the board of auditors, and also the place of the meeting.

Article 3. The King may, in case of necessity, waive the provisions of the law or the by-laws relating to the manner of convocation of the general assembly (of stockholders) and the place of its meeting.

Article 4. In case that, by reason of circumstances, the assembly of the partners or stockholders cannot be held at the time set in the by-laws, the mandates of the directors, managers and auditors which have expired are automatically extended until such time as the said assembly can be held.

Article 5. The general assembly may, at any time, delegate its powers to the board of directors or to the managers, except in so far as relates to amendments of the by-laws.

If the assembly cannot be convoked because of circumstances of *force majeure*, the board may *ex officio* exercise the powers mentioned in the first paragraph of the present article.

All this is subject to the general assembly's approving the action of the directors, managers and auditors as soon as circumstances permit it to assemble again in a normal manner.

Article 6. The board of directors, the managers and the board of receivers may, for the contingency of evacuation or occupation of a part of the territory delegate to one or several persons chosen from their membership or otherwise, powers going beyond the current management of the affairs of the company.

Article 7. The powers of the general assembly, of the directors and, in general, of all those who by any title have the right to dispose of the property or the rights of the company, are suspended whenever such assembly meets or such persons reside in a part of the territory occupied by an enemy power and when property or rights outside this part of the territory are concerned.

Article 8. Companies, the term of which expires in time of war, shall be automatically continued for a duration terminating six months after the present decree-law has ceased to be in force. However, if prior to the expiration of the period so continued, the general assembly should decide upon a new extension of the term of the company, the latter may not exceed 30 years counting from the day when the extension provided for in the present article shall have begun.

Fees due in connection with the extension shall be based on the taxable elements existing at the time of the decision of the assembly and collected as is said in Articles 8 to 11 of the Royal Decree of August 22, 1934, and, from February 1, 1940, in Article 119 of Royal Decree No. 64 of November 30, 1939.

Article 9. The provisions of this decree-law shall become effective on the date of its publication and shall remain in force until the day fixed by a Royal Decree for replacing the army on a peace time footing.

Our Minister of Justice is charged with the execution of this decree.

Given at Brussels, February 2, 1940

LEOPOLD

The Signatures of all the Ministers follow.

I, the undersigned, Count van der Straten-Ponthoz, Belgian Ambassador at Washington, hereby certify that the above is a true translation of the official text in the French and Flemish languages of the Belgian Decree-law of February 2, 1940, published in the "Moniteur Belge" of February 7, 1940.

WASHINGTON, January 17, 1941



(Signed) CTE. V.D. STRATEN

June 8, 1940—Decree-Law Setting Up a Registrar's Office, and Modifying the Provisions Relative to the Administration, in Time of War, of Belgian Commercial Companies or Entities Having a Commercial Form of Organization.

In the name of the Belgian people,
We, Ministers meeting in council,
In view of the decree dated May 28, 1940, stating that the King is unable to reign;
In view of the impossibility of calling the Legislative Chambers into session;
In view of articles 82 and 26 of the Constitution:
Have decreed and do decree:

Article 1. A registrar's office is established in the Ministry of Justice, which is charged with receiving the instruments or extracts of instruments of Belgian commercial companies or of entities having a commercial form of organization which have provisionally transferred or shall transfer their registered office through application of the decree-law of February 2, 1940.

Article 2. The companies mentioned in Article 1 are released from the obligation of declaring in the Register of Commerce both the provisional transfer of their registered office and any change relative to the facts declaration of which is prescribed by the law of May 30, 1924, as amended by the law of March 9, 1929.

Article 3. Beginning July 1, 1940, the decisions by which the companies mentioned in Article 1 provisionally transferred or shall transfer their registered office may not be pleaded against third parties, who however may avail themselves thereof, unless they have been published in the annexes to the MONITEUR, in accordance with articles 10 and 12 of the coordinated laws on commercial companies.

Article 4. The second paragraph of article 1 of the decree-law of February 2, 1940, is abrogated.

Article 5. The present decree-law shall become effective on the date of its publication and shall remain in force until the day which shall be fixed for replacing the army on a peace-time footing.

The Minister of Justice is charged with the execution of the present decree-law.

We promulgate the present decree-law, order that it be sealed with the State seal and published in the MONITEUR.

Given June 8, 1940.

The Prime Minister: HUBERT PIERLOT

The Minister of Justice: P. E. JANSON

The Minister of Foreign Affairs and Foreign Trade: P. H. SPAAK

The Minister of the Interior: ARTHUR VANDERPOORTEN

The Minister of Public Instruction: E. SOUDAN

The Minister of Finance: GUTT

The Minister of National Defense: H. DENIS

I, the undersigned, Count van der Straten-Ponthoz, Belgian Ambassador at Washington, hereby certify that the above is a true translation of the official text in the French and Flemish languages of the Belgian Decree-law of June 8, 1940, published in the "Moniteur Belge" of June 8, 1940, No. 160.



WASHINGTON, January 17, 1941.

(Signed) CTE. V.D. STRATEN

October 31, 1940 — Decree-law Completing the Decree-law of February 2, 1940, Relative to the Administration, in Time of War, of Commercial Companies or Entities Having a Commercial Form of Organization.

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In the name of the Belgian people,
In view of the decree dated May 28, 1940,
In view of Article 82 of the Constitution,
In view of the impossibility of calling the Legislative Chambers in session,

In view of Article 1, Section 3 of the law of September 7, 1939, giving the King extraordinary powers,

Having reviewed the decree-law of February 2, 1940, relative to the administration, in time of war, of commercial companies or entities having a commercial form of organization,

Considering that it is urgent and necessary to complete the decree-law of February 2, 1940 in order to provide for the management of the interests of Belgian companies abroad,

We, Ministers meeting in Council,
have decreed and do decree:

Article 1. Article 7 of the decree-law of February 2, 1940 is replaced by the following text:

Article 7. The powers of the general assembly, of the directors and, in general, of all those who, by any title, have the right to dispose of the property or the rights of the company are suspended whenever such assembly meets or such persons reside in a part of the territory occupied by an enemy power and when property, rights or persons outside this part of the territory are concerned.

Article 2. The decree-law of February 2, 1940 is completed by the following provisions which constitute articles 7a, 7b and 7c.

Article 7a. Directors, managers or any other persons whose signature, in the name of the Company, has the same authority and may be affixed in the same cases as that of directors or managers, residing outside territories occupied by an enemy power may exercise the powers attributed by the law or the by-laws to the administrative organ of the company, with a view to providing for the management of the property and rights thereof and, when circumstances require, the firm's activity outside the said territories.

These powers may be exercised even if the quorums required by the by-laws are not secured.

Article 7b. These persons are considered as residing outside territories occupied by an enemy power, who have lived outside such territories for at least six months.

This period is two months for any persons living outside of the said territories at the date of publication of the present decree-law.

Residence must be actual and continuous.

The periods required above may be reduced by the Minister having economic affairs in his province.

The fulfillment of the said conditions of residence may be validly certified by all Belgian diplomatic or consular representatives abroad, on presentation of probatory attestations issuing from competent foreign authorities, where necessary.

Article 7c. For the application of the present decree-law, there are considered as territories occupied by an enemy power the countries whose communications are controlled by it and which are designated by the Minister having economic affairs in his province.

Article 3. The present decree shall enter into force the day of its publication in the "MONITEUR".

We promulgate the present decree-law, order that it be sealed with the State seal and published in the "MONITEUR".

London, October 31, 1940.

Members of the Council of Ministers:

(s.) H. PIERLOT
P. H. SPAAK
C. GUTT
A. DE VLEESCHAUWER.

I, the undersigned, Count van der Straten-Ponthoz, Belgian Ambassador at Washington, hereby certify that the above is a true translation of the official text in the French and Flemish languages of the Belgian Decree-law of October 31, 1940, published in the "Moniteur Belge" of November 22, 1940.

WASHINGTON, January 17, 1941.



(Signed) Cte. v.d. STRATEN