

N° 470.

ALLEMAGNE ET SUISSE

Convention additionnelle à la Convention conclue le 6 décembre 1920, concernant les hypothèques suisses avec clause d'or en Allemagne et certaines catégories de créances en francs contre des débiteurs allemands, signée à Munich le 25 mars 1923.

GERMANY AND SWITZERLAND

Additional Convention to the Convention concluded December 6, 1920, dealing with Swiss mortgages in Germany containing the gold clause and with certain classes of francs credits from German debtors signed at Munich, March 25, 1923.

TEXTE ALLEMAND. — GERMAN TEXT.

No. 470. — ZUSATZABKOMMEN ¹ ZUM ABKOMMEN VOM 6. DEZEMBER 1920 ² ZWISCHEN DER SCHWEIZERISCHEN EIDGENOSSENSCHAFT UND DEM DEUTSCHEN REICHE BETREFFEND SCHWEIZERISCHE GOLDHYPOTHEKEN IN DEUTSCHLAND UND GEWISSE ARTEN VON FRANKENFORDERUNGEN AN DEUTSCHE SCHULDNER, GEZEICHNET IN MÜNCHEN DEN 25. MÄRZ 1923.

Texte officiel allemand communiqué par le Conseil Fédéral Suisse. L'enregistrement de cette Convention a eu lieu le 1^{er} septembre 1923.

German official text communicated by the Swiss Federal Council. The registration of this Convention took place September 1, 1923.

DIE SCHWEIZERISCHE EIDGENOSSENSCHAFT UND DAS DEUTSCHE REICH vom Wunsche geleitet, die Schwierigkeiten, die sich bei der Durchführung des Abkommens vom 6. Dezember 1920 hinsichtlich der schweizerischen Goldhypothecken in Deutschland ergeben haben, zu beheben, sind übereingekommen, das nachstehende Zusatzabkommen zu treffen, und haben zu diesem Zwecke zu ihren Bevollmächtigten ernannt :

DER SCHWEIZERISCHE BUNDESRAT :

Herrn Professor Dr. G. Sauser-Hall, Chef des Rechtsbureaus des eidgenössischen Politischen Departements,
Herrn Professor Dr. G. BACHMANN, Mitglied des Direktoriums der Schweizerischen Nationalbank,
Herrn Dr. H. KÖNIG,
Herrn Dr. H. DIETLER,
Herrn Dr. H. MÜLLER.

DIE DEUTSCHE REGIERUNG :

Herrn Dr. Joseph RHEINBOLDT, Finanzminister a. D. und Leiter des deutschen Generalkonsulats in Zürich.

Die Bevollmächtigten haben, nachdem sie einander ihre Vollmachten mitgeteilt und diese in guter und gehöriger Form befunden haben, über folgende Bestimmungen sich geeinigt :

Artikel 1.

Dieses Abkommen (Zusatzabkommen) findet auf die in Artikel 1 des Abkommens vom 6. Dezember 1920 (Hauptabkommen) bezeichneten Goldhypothecken Anwendung, sofern der Gläubiger dem Schuldner die in Artikel 2 lit. c des Hauptabkommens vorgesehene Erklärung übermittelt hat.

¹ L'échange des ratifications a eu lieu à Berne le 2 juillet 1923.

² Vol. II, page 344, de ce Recueil.

¹ The exchange of ratifications took place at Berne, July 2, 1923.

² Vol. II, page 344, of this Series.

hypotheken und Gläubigergrundschulden frei von allen Sondersteuern auf die Anlage von ausländischem Kapital im Deutschen Reich.

Die Befreiungen erstrecken sich nicht auf die allgemeinen Personalsteuern, die im Deutschen Reich erhoben werden, insbesondere nicht auf die Einkommensteuer und die Körperschaftssteuer.

Artikel 28.

Die Vertrauensstelle (Art. 5 Abs. 2 und Art. 21) besteht aus zwei Mitgliedern, von denen jede der beiden Regierungen eines ernannt.

Der Gläubiger und der Grundstückseigentümer sind verpflichtet, der Vertrauensstelle jede gewünschte Auskunft wahrheitsgetreu zu erteilen, sowie auf Verlangen sämtliche auf das Grundstück bezügliche Geschäftsbücher und Akten vorzulegen. Im Falle des Zuwiderhandelns kann die Vertrauensstelle auf Grund des einseitigen Vorbringens der nichtsäumigen Partei entscheiden. Die Behörden der vertragschliessenden Staaten sind gehalten, der Vertrauensstelle jede für die Erfüllung ihrer Aufgaben notwendige Auskunft zu erteilen.

Die Vertrauensstelle erlässt mit Genehmigung der beiden Regierungen die erforderlichen allgemeinen Geschäfts- und Verfahrensvorschriften.

Die Entscheidungen der Vertrauensstelle sind endgültig ; sie sind kurz zu begründen.

Artikel 29.

Streitigkeiten zwischen den vertragschliessenden Staaten über die Auslegung des Hauptabkommens oder des Zusatzabkommens sind nach dem Schieds- und Vergleichsvertrag¹ vom 3. Dezember 1921 zu erledigen.

Artikel 30.

Dieses Zusatzabkommen soll ratifiziert werden. Die Ratifikationsurkunden sollen so bald als möglich in Bern ausgetauscht werden.

Das Zusatzabkommen tritt mit Wirkung vom 1. Januar 1923 ab in Kraft. Für die Anwendung der Artikel 1 Abs. 2, 8 Abs. 2, 11 Abs. 2, 23 Abs. 3 und 24, gilt als Tag des Inkrafttretens des Zusatzabkommens der Tag des Austausches der Ratifikationsurkunden.

Zahlungen, die auf Grund des Hauptabkommens nach dem 1. Januar 1923 auf die seit diesem Tage fällig gewordenen Zinsen geleistet worden sind, werden, soweit sie die nach dem Zusatzabkommen zu leistenden Zinsen übersteigen, auf die nächstfälligen Zinsen angerechnet.

Zu Urkund dessen haben die Bevollmächtigten dieses Abkommen unterzeichnet und mit Siegel versehen.

Ausgefertigt in doppelter Urschrift in München am fünfundzwanzigsten März tausendneuhundertdreiundzwanzig (25. März 1923).

(L. S.) (gez.) RHEINBOLDT.

(L. S.) (gez.) SAUSER-HALL.

(L. S.) (gez.) G. BACHMANN.

(L. S.) (gez.) KOENIG.

(L. S.) (gez.) DIETLER.

(L. S.) (gez.) Dr. H. MÜLLER.

Pour copie conforme :
Berne, le 31 août 1923.

Le Chancelier de la Confédération :
STEIGER.

¹ Vol. XII, page 271 de ce Recueil.

¹ Vol XII, page 271 of this Series.

¹ TRADUCTION.

No. 470. — CONVENTION ADDITIONNELLE A LA CONVENTION DU 6 DÉCEMBRE 1920 ENTRE LA CONFÉDÉRATION SUISSE ET L'EMPIRE ALLEMAND, CONCERNANT LES HYPOTHÈQUES SUISSES AVEC CLAUSE D'OR EN ALLEMAGNE ET CERTAINES CATÉGORIES DE CRÉANCES EN FRANCS CONTRE DES DÉBITEURS ALLEMANDS, SIGNÉE A MUNICH LE 25 MARS 1923.

LA CONFÉDÉRATION SUISSE et L'EMPIRE ALLEMAND, animés du désir de mettre fin aux difficultés survenues dans l'exécution de la Convention du 6 décembre 1920 concernant les hypothèques avec clause d'or en Allemagne, ont résolu de conclure la Convention additionnelle suivante et ont nommé à cet effet pour leurs plénipotentiaires :

LE CONSEIL FÉDÉRAL SUISSE :

M. G. SAUSER-HALL, chef du Bureau du Contentieux du Département politique fédéral,
M. G. BACHMANN, membre de la Direction de la Banque Nationale Suisse,
M. H. KÖNIG, docteur en droit,
M. H. DIETLER, docteur en droit,
M. H. MÜLLER, docteur en droit ;

LE GOUVERNEMENT ALLEMAND :

M. le Dr Joseph RHEINOLDT, ministre des Finances en retraite et consul général d'Allemagne à Zurich.

Après s'être communiqué leurs pleins pouvoirs, reconnus en bonne et due forme, les plénipotentiaires sont convenus des dispositions suivantes :

Article 1.

La présente Convention (Convention additionnelle) s'applique aux hypothèques avec clause d'or mentionnées à l'article 1^{er} de la Convention du 6 décembre 1920 (Convention principale), pour autant que le créancier a remis à son débiteur la déclaration prévue à l'article 2, lit. c, de la Convention principale.

La remise de la déclaration prévue à l'article 2, lit. c, de la Convention principale peut encore intervenir pendant un délai de trois mois dès l'entrée en vigueur de la Convention additionnelle. Elle n'aura alors d'effet que si le créancier formule simultanément une demande d'inscription, au sens de l'article 11, alinéa 1.

La validité de la déclaration remise après l'entrée en vigueur de la Convention additionnelle ne dépend pas de l'observation de ce délai de trois mois, lorsqu'il s'agit d'hypothèques avec clause d'or grevant des immeubles destinés à l'agriculture et situés dans des arrondissements communaux attenants à la frontière suisse ; les deux Gouvernements s'entendront pour désigner chacun de ces arrondissements.

¹ Communiquée par le Conseil Fédéral Suisse.

¹ Communicated by the Swiss Federal Council.

¹ TRANSLATION.

No. 470. — ADDITIONAL CONVENTION TO THE CONVENTION CONCLUDED DECEMBER 6, 1920, BETWEEN THE SWISS CONFEDERATION AND THE GERMAN REICH DEALING WITH SWISS MORTGAGES IN GERMANY CONTAINING THE GOLD CLAUSE AND WITH CERTAIN CLASSES OF FRANCS CREDITS FROM GERMAN DEBTORS, SIGNED AT MUNICH, MARCH 25, 1923.

The SWISS CONFEDERATION and the GERMAN EMPIRE, being desirous of putting an end to the difficulties which have arisen in applying the Convention dated December 6, 1920 concerning mortgages in Germany containing the gold clause, have decided to draw up the following supplementary Convention, and have appointed as their plenipotentiaries for this purpose :

The SWISS FEDERAL COUNCIL :

M. G. SAUSER-HALL, Head of the Litigation Section, Political Federal Departement.
M. G. BACHMANN, Member of the Board of the Swiss National Bank.
M. H. KOENIG, Doctor of Law.
M. H. DIETLER, Doctor of Law.
M. H. MÜLLER, Doctor of Law.

The GERMAN GOVERNMENT :

Dr. Joseph RHEINBOLDT, Minister of Finance (retired) and German Consul General at Zurich,

Having communicated their full powers which were found in good and due form, the plenipotentiaries have agreed upon the following regulations :

Article 1.

The present Convention (supplementary Convention) shall be applied to those mortgages containing the gold clause, which are mentioned in Article 1 of the Convention dated December 6, 1920 (Principal Convention), in so far as they relate to cases in which the creditor has given to the debtor the written statement referred to in Article 2 *lit. c* of the principal Convention.

A time limit of three months from the coming into force of the Supplementary Convention shall be allowed for the transmission of the written statement referred to in Article 2, *lit. c*, of the principal Convention. This statement shall be valid only in cases where the creditor has simultaneously formulated a request for registration of his claim in accordance with Article 11, paragraph 1.

The validity of a written statement transmitted after the coming into force of the Supplementary Convention shall not depend on adherence to the time limit of three months referred to above, in cases where mortgages containing the gold clause have been raised on agricultural land, situated in *arrondissements communaux* adjoining the Swiss frontier ; the two Governments shall agree in determining the boundaries of such parishes.

¹ Traduit par le Secrétariat de la Société des Nations.

¹ Translated by the Secretariat of the League of Nations.

Written statements already transmitted, or to be transmitted, shall not be invalidated by the fact that the signatures affixed thereto have not been executed in due legal form.

Article 2.

Shall be considered as mortgages containing the gold clause within the terms of Article 1 of the principal Convention, only, those mortgages containing the gold clause which belonged to a creditor of Swiss nationality domiciled in Switzerland on July 31, 1914, or to a legal person with headquarters in Switzerland at that date, there being no need to establish the identity of the first holder of the mortgage.

With regard to the application of the principal Convention and of the supplementary Convention, no distinction shall be drawn between cases in which the owner of the encumbered estate is personally liable for the payment of the mortgage debt, and cases in which he is not so liable.

Article 3.

The principal and supplementary Conventions shall be applicable to those mortgages containing the gold clause which have been extended since July 31, 1914, unless it can be indubitably established that the parties to it had agreed to suppress the gold clause at the time of such extension.

In particular the gold clause shall not be regarded as suppressed, when the mortgage has been extended without mention of the gold clause whether reference has been made to "anterior conditions" or not.

Article 4.

Shall also be considered as mortgages containing the gold clause within the terms of the principal and supplementary Conventions, those mortgages in which the gold clause and a clause relating to rate of exchange guarantee have been simultaneously agreed upon in the loan contract, providing that should the German mark rate on the date set for the repayment of the sum due be lower at the place named for the payment than the rate ruling on the day on which the loan was contracted, the debtor shall refund to the creditor the total losses due to the difference in the rates of exchange up to a certain fixed maximum (guarantee clause of limited exchange liability).

The principal and the supplementary Conventions shall be equally applicable to mortgages in which the gold clause is appended to a clause guaranteeing unlimited rate of exchange in cases where such mortgages are the property of creditors expressly indicated to the German Government by the Swiss Government.

The written statement referred to in Article 2, *lit. c*, of the principal Convention shall be regarded as having been made in the form prescribed for mortgages containing the gold clause, mentioned in paragraph 2.

With regard to mortgages containing the gold clause and a clause guaranteeing a limited rate of exchange liability the creditor shall have the right to one-half only of the interest fixed in Articles 18 and 19.

In cases in which the applicability of the principal Convention is disputed owing to the existence of a gold clause together with a clause guaranteeing limited exchange liability, legal action shall be considered withdrawn by consent of the defendant. Costs shall be regulated in accordance with the provisions of Article 24.

Article 5.

If the legal action between the creditor and the ground landlord, or between the creditor and the actual debtor, shall have formed the subject of special agreements on essential points, either independently of or in co-relation to the principal Convention, agreements of this nature shall

continue in force; the supplementary Convention, with reservation of all stipulations to the contrary made by the parties concerned, shall not be applicable in such cases, with the exception of the provisions laid down in Articles 13 and 14 concerning the consent of the authorities to registration and the costs of this last.

In the case of disputes arising between parties interested, as to whether legal actions have formed the subject of agreements on essential points, the Fiduciary Office shall, upon the request of both parties, settle the dispute, acting as an Arbitration Court. The decision of the Fiduciary Office shall be final. If the two parties are unable to agree to submit their dispute to an arbitration court, they may appeal to the Ordinary Courts.

Article 6.

A land debt in the name of the creditor holding a mortgage containing the gold clause shall be inscribed in the Land Register in Swiss francs (land debt in the name of the creditor). The amount of such debt shall be calculated by converting into Swiss francs the value of the mortgage containing the gold clause reckoned in German marks at the rate of 100 marks = 123.45 francs. The amount of the land debt in the name of the creditor shall be registered at the rate of the value in marks of the mortgage containing the gold clause, and such registration shall give priority over all subsequent claims on the mortgage.

The land debt in the name of the creditor shall bear interest in accordance with Articles 18 and 19; the interest shall not, however, exceed the rate laid down for mortgages containing the gold clause.

A mortgage containing the gold clause shall be cancelled when registration of the land debt in the name of the creditor takes place. This cancellation with reservation of the provision laid down in Article 23, implies the extinction of the individual debt guaranteed by the mortgage containing the gold clause, whether liability shall have been acknowledged by the ground landlord or by third parties. Guarantees shall terminate, securities shall be released, and other mortgages raised for the purpose of guaranteeing the debt shall be cancelled at the sole request of the owner of the encumbered property.

Article 7.

A land debt in the name of the ground landlord shall be inscribed in the Land Register in Swiss francs (land debt in the name of the landlord); a debt of this nature shall bear no interest and shall rank equally with a land debt in the name of the creditor.

A land debt entered in the name of the landlord shall amount to :

- (a) 10% of the amount of the land debt in the name of the creditor, in the case of mortgages containing the gold clause of 700,000 marks and over, raised on landed property chiefly used for industrial purposes, to be indicated by common agreement between the two Governments, and also on agricultural landed property mentioned in Article 1, paragraph 3;
- (b) 20% of the amount of the land debt entered in the name of the creditor, when it is a case of other mortgages containing the gold clause.

Article 8.

If another mortgage has claims equal to a mortgage containing the gold clause, a portion of the land debt in the name of the landlord shall be registered second to that in the name of the creditor. This sum shall be in proportion to the ratio existing between the value of the mortgage with equal claim on the one hand, and the added totals of the mortgage containing the gold clause and that with equal claim on the other.

The time limit for a mortgage having equal claims cannot be extended. When the refunding of a mortgage of this nature is dependent upon notice of termination, the expiration of the time limit shall be fixed at the earliest date upon which notice of termination can be served, whether such notice shall have actually been served or not.

If a mortgage with equal claims be cancelled, the ground landlord shall be entitled, at his sole request, to have it recorded on the Land Register that the land debt in his name is equal in amount to that in the name of the creditor.

Article 9.

Land debts entered in the names of both creditor and landlord shall have equal claims when they accrue from several mortgages containing the gold clause within the terms of the principal and supplementary Conventions, and when they have been raised on one and the same landed property.

Article 10.

The ground landlord shall, within a period of six months dating from the registration of the land debt in the name of the creditor and of that in the name of the landlord, invoke the cancellation of those land charges, mortgages, land debts and ground rents, which rank after the original mortgage containing the gold clause, or he shall prove that the parties interested agree that the land debt entered in the name of the creditor shall rank as regards the total amount before the rights mentioned above; he shall then obtain all the documents necessary for registration in the Land Register.

If the ground landlord fails to fulfil this obligation the land debt due entered in his name shall be cancelled at the request of the creditor.

Article 11.

The registration of land debt in the name of the creditor and the cancellation of the mortgage containing the gold clause, as well as the registration of the land debt, in the name of the landlord may take place at the sole request of the creditor or of the ground landlord.

The creditor shall not demand registration of the land debt entered in his name unless simultaneous registration of the land debt entered in the name of the landlord be carried out, as well as cancellation of the mortgage containing the gold clause; the landlord shall not request registration of the land debt entered in his name unless simultaneous registration of the land debt entered in the name of the creditor be carried out.

If the request for registration of the land debt has not been formulated within a period of three months from the coming into force of the Supplementary Convention, the individual creditor who is not also the ground landlord of the encumbered property may insist that the creditor formulate his request for registration within a further period of three months.

Article 12.

A deed of land debt shall be delivered to the creditor. The creditor shall acquire the land debt immediately on its registration in the Land Register.

No land debt deed shall be delivered as regards the land debt in the name of the landlord.

The land debt entered in the name of the landlord shall not be transformed into a mortgage. In the case of transfer of property, the land debt entered in the name of the landlord shall be transferred in full to the new ground landlord. The consent of the Imperial Government or of some other authority to be indicated by the said Government, shall be required for the transference of the land debt entered in the name of the landlord without simultaneous transference of property.

The same regulation holds good in cases where the land debt is treated as a guarantee. The restrictions thus imposed on the free disposal of the land debt entered in the name of the landlord shall be noted in the Landed Register.

Article 13.

The consent of the central authorities in individual States, provided for in paragraphs 1 and 3 of the German regulations concerning the registration of mortgages in foreign currencies, dated February 13, 1920, as well as that of the claimants in equal or secondary degrees shall not be necessary for the registration of land debts entered in the name of the creditor and the landlord; neither shall an official authorisation be necessary at such time as the creditor shall acquire landed property in the course of compulsory execution.

Article 14.

The costs for the registration of the land debt entered in the name of the creditor, for the cancellation of the mortgage containing the gold clause, and for the registration of the land debt entered in the name of the landlord, as well as those due for any legal action rendered necessary shall not exceed 1/10th of the scale after subtraction of outlay. For the purpose of fixing the scale of costs the Swiss franc shall be calculated at the rate of 100 frs. = 81 marks.

The expenditure incurred by the authorities entrusted with keeping the Land Register shall be divided between the creditor and the landlord in proportion to the amount of the land debt due to each. The two parties interested shall also bear all other costs.

Article 15.

The creditor cannot cancel the land debt entered in his name before the expiration of the period laid down in Article 3, *lit.* 2, of the Principal Convention. The land debt entered in the name of the creditor shall be refunded at the expiration of this period, and cancellation shall not be deemed necessary.

In cases where the total sum has not been refunded to the creditor within the limits of this period, he shall have the right to prolong such period by means of an unilateral statement to be sent to the landlord. He shall have the same right when subsequent payments fall due.

The landlord shall at all times have the right of refunding partially or totally the land debt entered in the name of the creditor.

Article 16.

The land debt entered in the name of the landlord shall not fall due for payment in so far as, and for as long as a time limit be granted for the refunding of the land debt entered in the name of the creditor.

Article 17.

The beneficiary under a land charge, a mortgage, land debt, or ground rent of secondary claim to a mortgage containing the gold clause shall not insist upon measures of compulsory execution on property so long as the land debt entered in the name of the creditor shall not have superseded these rights, in conformity with Article 10, paragraph 1.

The creditor of a land debt entered in the name of the landlord cannot invoke compulsory execution on real estate so long as the land debt entered in the name of the creditor has not been refunded. The same regulation holds good in the case of those possessing guarantee or usufruct rights on the land debt entered in the name of the landlord, or those who for any reason would be justified in asserting rights accruing from a land debt entered in the name of the landlord.

Article 18.

The interest on a land debt entered in the name of the creditor shall amount at least :

- (a) to $\frac{1}{3}$ rd % in Swiss francs on land debts entered in the name of the creditor as indicated in Article 7, paragraph 2, *lit. a.* Dating from January 1, 1928 this right shall be increased to $\frac{1}{2}$ % in Swiss francs, the interest may be paid in paper marks. The rate of exchange shall be calculated on the basis of the currency rate of the mark in Switzerland and shall follow the quotation of the Swiss National Bank ruling on the day preceding that on which repayment is due ;
- (b) To four times the amount in paper marks of simple interest on a mortgage containing the gold clause for all other land debts entered in the name of the creditor (Article 7, paragraph 2, *lit. b.*). The creditor's right to demand indemnity for rate of exchange losses incurred in the event of delay in the payment of interest shall be reserved.

The maximum total of interest is given in Article 6, paragraph 2.

Article 19.

The normal rate of interest on the land debt entered in the name of the creditor shall amount to :

- (a) 90% of the net returns from real estate for the land debts entered in the name of the creditor, which are mentioned in Article 7, paragraph 2, *lit. a.*
- (b) 80% of the returns from real estate for all other land debts entered in the name of the creditor (Article 7, paragraph 2, *lit. b.*)

Article 20.

The net returns from immovable property shall be calculated on the basis of its normal yield.

The gross house rental or the gross farm rental shall serve as a basis for the calculation of the net yield from inhabited premises or from agricultural land. If the house rental or farm rental be less than the house rental or farm rental which might accrue from careful development, these latter shall serve as the basis for calculation. Duties and other general taxes levied on real estate, the outlay required for upkeep and repairs, as well as the interest on the land charges possessing prior claims, shall be deducted from the gross house rental or from the farm rental.

If the landlord utilises the property himself either partially or as a whole, the net return yielded by it shall be calculated on the basis of the house rental or farm rental which might be obtained from a third party as the result of a house lease or farm lease carefully drawn up.

In the case of immovable property organised with a view to special industrial development (as for instance, factories, hotels, large shops, agricultural estates) the net return shall be calculated specifically in each case on the basis of the principles in force on such properties.

The net yield must not in any case be assessed at less than the sum which might accrue from a lease or farm lease carefully drawn up, with a view to its specific utilisation for a longer period, and for some other similar industrial purpose.

Article 21.

The fiduciary office shall assess the amount of the net return yielded by the property in cases where the parties interested are unable to come to an agreement on this point. The office may have recourse to conscientious and impartial experts ; each of the contracting countries shall bear half of the costs of such expert advice.

Assessment of the net return shall take place annually. The return from properties mentioned in Article 7, paragraph 2, *lit. a*, shall always be calculated by a special assessment.

In the case of properties referred to in Article 7, paragraph 2, *lit. b*, the assessment of the net returns shall be carried out in a general way for certain classes of properties of the same character, unless the creditor or the landlord request the fiduciary office to assess the net return of the property, such request to be formulated prior to January 31 of each year.

For the year 1923 the assessment of returns shall only be carried out in cases when the creditor specially so requests.

Article 22.

Each proprietor of immovable property encumbered with land debt in the name of the creditor shall be personally held liable for the interest due during his tenure of proprietary rights.

The amount of interest due must be ultimately settled by payment to be made in accordance with Articles 18 and 19.

Article 23.

Arrears of interest and additional interest on a mortgage containing the gold clause, due on December 31, 1922 on the basis of the principal Convention, shall be paid in those cases referred to in Article 7, paragraph 2, *lit. a*, in accordance with the provisions of Annex I, Article 1, of the Principal Convention, and in those cases referred to in Article 7, paragraph 2, *lit. b*, payment shall be made in paper marks to the amount of four times the value of simple interest on a mortgage containing the gold clause, and without taking into account the rate of exchange of the mark as compared with Swiss francs. The payment of these sums shall definitely cancel the debt accruing from arrears of interest. The debtor who may be in arrears before the coming into force of the Supplementary Convention shall not be liable for interest damages on this count.

The payment of interest and additional interest paid with, or without reservation, either voluntarily, or as a result of compulsory execution, cannot be demanded. This shall also hold good in the case of compulsory execution based on a provisional writ of execution.

Arrears of interest and additional interest which, in accordance with paragraphs 1 and 2 still remain to be paid, shall be repaid, one-half within a period of three months at latest after the coming into force of the Supplementary Convention, and the other half at the termination of a period of six months at latest after the coming into force of this same Convention. If the payment of the first half has not been made within the limits of the period fixed, the total sum shall be due with an increase of 25% on the total of the deferred debt. If the first half of the debt, but not the second, be paid within the prescribed period, the latter shall be augmented by an addition of 50% on the arrears. All rights accruing from interest damages on account of arrears shall be reserved.

Article 24.

With regard to the assessment of costs in legal actions concerning mortgages containing the gold clause, pending before the courts but liquidated by the Supplementary Convention, such costs shall be assessed on the basis of the nominal value of the mark. In cases of this nature Swiss francs shall be calculated at the rate of 100 frs. = 81 marks. Legal expenses and costs shall not be deducted. Each party shall bear its own extra-judicial costs; any fees paid in advance to lawyers at the usual rate of their emoluments shall not be refunded.

All measures of compulsory execution in course of being carried out shall be withdrawn, legal expenses and costs shall not be deducted. Each party shall bear its own extra-judicial costs.

If litigation come before the courts subsequently to the coming into force of the Supplementary Convention, legal costs shall be assessed in accordance with the prescriptions in force. Costs of this nature shall not, however, exceed the amount of the demand before the courts as calculated at the time of such assessment, and shall not exceed $\frac{5}{6}$ nor, in the cases provided for in Article 7, paragraph 2, *lit. a*, $\frac{10}{11}$ of the taxable value of the immovable property.

Article 25.

In the case of compulsory execution, the provisions of paragraphs 5 and 11 of the German Regulations concerning the registration of mortgages in foreign currencies, dated February 13, 1920, shall be applied to land debts entered in the name of the creditor as well as to land debts entered in the name of the landlord. These provisions shall form an integral part of the Supplementary Convention.

Article 26.

The landlord shall be obliged to see that the immovable property and all appurtenances thereto shall be duly insured against fire, and he shall furnish proof of this to the creditor if so required.

Paragraph 1134 of the German Civil Code shall be applicable to any landlord failing to carry out this obligation.

Article 27.

The repayment of capital, of arrears of interest, as well as of future interest on all mortgages containing the gold clause, or on land debts entered in the name of the creditor, included in the Principal and Supplementary Conventions, shall not be liable to any taxes or charges present or future collected in the German Empire, in individual provinces, or in districts so long as the creditor lives (general domicile or headquarters) in Switzerland. Moreover, mortgages containing the gold clause and land debts entered in the name of the creditor shall not be liable to any special taxes levied on investments of foreign capital in Germany.

Exemptions of this nature shall not be extended to general individual taxes, for instance, to taxes on revenue or on corporations levied in Germany.

Article 28.

The Fiduciary Office (Article 5, paragraph 2, and Article 21) shall be composed of two members, one to be appointed by each Government.

The creditor, and the landlord of immovable property shall be obliged, at the request of the Fiduciary Office, to furnish information in accordance with the facts, as well as to lay before it all records and title deeds concerning the property. In case of refusal the Fiduciary Office shall be entitled to make a decision founded on the documents and unilateral statements furnished by the party which conforms to his regulation. The authorities of the Contracting States shall be obliged to furnish the Fiduciary Office with all the information necessary for accomplishing its task.

The Fiduciary Office shall, with the approval of both Governments, draw up the regulations required for the liquidation of the business entrusted to it, and for the procedure to be observed.

The decisions taken by the Fiduciary Office shall be final; they shall be briefly set out.

Article 29.

Disputes between the Contracting Countries on the interpretation of the Principal and Supplementary Conventions shall be settled in accordance with the Arbitration and Conciliation Treaty dated December 3, 1921.

Article 30.

This Supplementary Convention shall be ratified. The instruments of ratification shall be exchanged at Berne as soon as possible.

The Supplementary Convention shall come into force with retrospective effect on January 1, 1923. With regard to the application of Articles 1, paragraph 2; 8, paragraph 2; 11, paragraph 2; 23, paragraphs 3 and 24, however, the Supplementary Convention shall come into force on the day upon which the exchange of ratifications takes place.

Payments which, on the basis of the principal Convention, have been made subsequent to January 1, at the rate of interest due after that date shall, in so far as they exceed the rate of interest inviable in conformity with the Supplementary Convention be reckoned at the rate of the next leterest falling due.

In testimony whereof the Plenipotentiaries have signed this Convention and have affixed their seals thereto.

Done in duplicate in Munich this 25th day of March, nineteen hundred and twenty-three (March 25, 1923).

(L. S.) (Signed) RHEINBOLDT.

(L. S.) (Signed) SAUSER-HALL.

(L. S.) (Signed) G. BACHMANN.

(L. S.) (Signed) KOENIG.

(L. S.) (Signed) DIETLER.

(L. S.) (Signed) Dr. H. MÜLLER.