

N° 904.

HONGRIE
ET TCHÉCOSLOVAQUIE

Convention concernant la libération du patrimoine des pupilles et des caisses tutélaires (caisses des orphelins), de même que la répartition du patrimoine des caisses tutélaires dont le rayon d'activité a été divisé par la frontière d'Etat, avec Protocole final, signée à Prague, le 8 mars 1924.

HUNGARY
AND CZECHOSLOVAKIA

Convention concerning the Release of the Property of Wards and of Guardians' Funds (Orphans' Funds) and concerning the Apportionment of the Property of Guardians' Funds whose Sphere of Action has been divided up by the State Frontier, with Final Protocol, signed at Prague, March 8, 1924.

¹ TRADUCTION. — TRANSLATION.

No. 904. — CONVENTION² BETWEEN HUNGARY AND CZECHOSLOVAKIA, CONCERNING THE RELEASE OF THE PROPERTY OF WARDS AND OF GUARDIANS' FUNDS (ORPHANS' FUNDS) AND CONCERNING THE APPORTIONMENT OF THE PROPERTY OF GUARDIANS' FUNDS WHOSE SPHERE OF ACTION HAS BEEN DIVIDED UP BY THE STATE FRONTIER, SIGNED AT PRAGUE, MARCH 8, 1924.

French official text communicated by the Director of the Royal Hungarian Secretariat accredited to the League of Nations. The registration of this Convention took place June 15, 1925.

The CZECHOSLOVAK REPUBLIC and the KINGDOM OF HUNGARY, being desirous of settling the questions relating to guardians' funds and of concluding a Convention thereon, have appointed as their Plenipotentiaries :

HIS HIGHNESS THE GOVERNOR OF THE KINGDOM OF HUNGARY :

Dr. Pierre MATUSKA DE TVAROZSNA ET FELSŐ RÁSZTÓKA, Councillor of Legation and Acting Chargé d'Affaires ;

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC :

Dr. Bohumil VLASÁK, First Chief of Section in the Ministry of Finance ;

Who, having exchanged their full powers, found in good and due form, have, in execution of paragraph 2 of Section 2 of Articles I and II of the Convention³ of July 13, 1923, regarding the release of deposits, and concerning the apportionment of the property of guardians' funds whose sphere of action has been divided up by the State frontier, agreed upon the following provisions :

Article 1.

1. The Government of the Kingdom of Hungary undertakes to deliver to the Government of the Czechoslovak Republic, within 60 days following the date on which this Convention comes into force and without special requisition, all securities mentioned in Article 1, Section 1 of the Convention on the release of deposits concluded on July 13, 1923, between the Czechoslovak Republic and the Kingdom of Hungary, if such securities are deposited at the places mentioned in the said Convention or are in the hands of the legal representatives of wards, provided :

- (a) That such securities are the property of guardians' funds formerly Hungarian, whose sphere of action has been transferred in its entirety to the Czechoslovak Republic, or
- (b) That such securities are the property of wards who have *ipso facto* become Czechoslovak nationals in virtue of the Treaty of Trianon or the Treaty of St. Germain

¹ Traduit par le Secrétariat de la Société des Nations.

¹ Translated by the Secretariat of the League of Nations.

² The exchange of ratifications took place at Budapest, October 30, 1924. See Vol. XXXV, page 248 of this Series.

³ Vol. XXXV, page 271 of this Series.

or in virtue of conventions which have been or may be concluded on the basis of those Treaties, or in virtue of official authorisation in accordance with Article 62 of the Treaty of Trianon or Article 76 of the Treaty of St. Germain, or by option.

2. If a deposit is kept in the name of one of the guardians' funds defined in Section 1 a), or in the name of a ward whose property was administered by such a fund, such deposit shall be presumed to be the property of the fund in question or of a Czechoslovak ward, as the case may be. The Government of the Kingdom of Hungary shall, however, have right to adduce evidence against this presumption.

3. The actual delivery (Article I, Section 8 of the General Convention on deposits) of securities to be delivered under the terms of this article shall be carried out at the place of deposit, and shall be made to a representative of the Government of the Czechoslovak Republic. Any evidence which may be required under the terms of Section 2 may also be furnished through the agency of the said representative.

Article 2.

1. The Government of the Czechoslovak Republic undertakes to deliver to the Government of the Kingdom of Hungary, within 60 days following upon the date on which this Convention comes into force and without special requisition, all securities mentioned in Article II, Section 1 of the Convention on the release of deposits concluded on July 13, 1923, between the Czechoslovak Republic and the Kingdom of Hungary, if such securities are deposited at the places mentioned in the said Convention or are in the hands of the legal representatives of wards, provided :

- (a) That such securities are the property of guardians' funds whose entire sphere of action is situated within Hungarian territory, or
- (b) That such securities are the property of wards who are Hungarian nationals, even if such persons possessed Hungarian nationality before the entry into force of the Treaty of Trianon or have acquired it by option under the terms of the Treaty of Trianon or of conventions which have been or may be concluded on the basis of that Treaty.

2. If a deposit is kept in the name of one of the guardian's funds defined in Section 1 a), or in the name of a ward whose property was administered by such a fund, such deposit shall be presumed to belong to the fund in question or to a Hungarian ward. The Government of the Czechoslovak Republic shall, however, have the right to adduce evidence against this presumption.

3. The actual delivery (Article II, Section 8 of the General Convention on deposits) of securities to be delivered under the terms of this article shall be effected at the place of deposit, and shall be made to a representative of the Government of the Kingdom of Hungary. Any evidence which may be required under the terms of Section 2 may also be furnished through the agency of the said representative.

Article 3.

As regards the allocation and the financial adjustment of the property of such a guardians' fund, or the property legally administered by such guardians' fund, whose former sphere of action is situated in the State territory (Article IX of the Convention of July 13th, 1923, on the release of deposits) of both Contracting Parties, the following is agreed upon :

- (a) All securities mentioned in Articles I and II which are administered on behalf of wards under the system of individual administration of funds shall, within 60 days following upon the entry into force of this Convention, be delivered to the Government of that Contracting Party of which the ward concerned is a national.

These provisions shall apply to the aforesaid securities even if they are administered in the names of different wards under the system of administration of funds (securities administered individually).

Section 3 of Article I (or II as the case may be) of this Convention shall apply by analogy to the above-mentioned securities.

The presumption of nationality shall be based upon the ward's last domicile as entered in the general account-book of the guardians' fund. Evidence may, however, be adduced against this presumption.

(b) In the case of property belonging to the guardians' funds mentioned in paragraph 1 and administered collectively the assets shall, as a general rule, be divided between the two Contracting Parties in accordance with a definite scale of allocation.

For this purpose the assets possessed by wards in all such guardians' funds shall be ascertained as at December 31, 1918, and shall be divided into two groups in accordance with the nationality (Czechoslovak or Hungarian) of the ward to whom they belong.

Such nationality shall be established as laid down in the final paragraph of Section (a) of this article.

The ratio between the groups thus established shall be taken as the scale of allocation for the assets.

The assets of guardians' funds to be allocated shall be deemed to include all securities, public debt bonds and other paper securities, mortgage debts, invested capital and current account claims (cash, etc.), including reserve funds, legally administered by a guardians' fund, except the securities mentioned in Section (a).

These assets shall be ascertained as at December 31, 1918, but interest due up to the day on which the account is drawn up shall be added.

Each of the two Contracting Parties shall receive its proportion of these assets calculated according to the above-mentioned scale. In return each of the two States undertakes to satisfy the claims of those wards who are to be regarded as its nationals under the terms of paragraph 3 of this Section.

The actual allocation shall be effected within with the limits fixed under the scale as follows :

1. Mortgages and capital invested in financial establishments (deposit books and current account claims) shall be assigned to the State in whose territory the mortgage or financial establishment is situated.

In the case of simultaneous mortgages, the situation of the principal mortgage shall decide the allocation.

The provisions of the decrees agreed upon between the Czechoslovak Republic and the Kingdom of Hungary, concerning the registration of claims and mutual obligations as between the two countries, expressed in the old Austrian and Hungarian currency, shall apply in respect of the branches of financial establishments.

2. Cash balances, *i.e.*, claims of guardians' funds against the public funds, shall be assigned to the Contracting Party in whose present territory the headquarters of the public fund concerned was situated on November 3, 1918.

3. Securities, with the exception of State bonds, shall be assigned to the Contracting Party in whose present territory the place of issue is situated.

4. Pre-war debt bonds shall be assigned to the Contracting Party in whose territory are situated the headquarters of the guardians' fund which has such pre-war bonds entered in its books as its property : any such bonds assigned to the Czechoslovak Republic shall be delivered without the Hungarian stamp and shall be withdrawn from the Hungarian territorial block.

5. The remainder of the property due to the two Parties and not covered by the above provisions shall be divided in the same ratio as the rest of the assets.

Any surplus property shall be divided in accordance with the general scale of allocation.

War bonds assigned to the Czechoslovak Republic under the terms of this section shall be delivered without the Hungarian stamp.

Should the Government of the Kingdom of Hungary have paid the interest falling due after the entry into force of the Treaty of Trianon on pre-war bonds to be delivered by it, the Government of the Czechoslovak Republic shall refund such interest in Hungarian currency, and the Hungarian Government shall return the coupons paid.

Should one of the two States, subsequent to December 31, 1918, have settled unreservedly, with the consent of the rightful owner, a debt due to a guardians' fund but not payable by that State under the terms of Section (b), seventh sub-paragraph, the other State shall refund to the State which made the said payment a proportionate part of the capital allocated to it in accordance with paragraph 5.

The accounts shall be drawn up and the allocations shall be made in each and every case on the basis of a crown for a crown.

The accounts and the allocations referred to in this section shall be determined by a mixed commission composed of two delegates, one to be appointed by each Contracting Party. Should the members of the commission be unable to agree, they shall jointly elect a chairman, and the commission shall then decide by a majority vote. Should the members of the commission be unable to agree upon the selection of the chairman, the office of chairman shall be filled alternately by an official of the Netherlands Legation at Prague and by an official of the Netherlands Legation accredited to the Government of the Kingdom of Hungary to represent the interests of the Netherlands.

Article IV.

The two Governments agree that the following Guardians' Funds only shall be dealt with as provided in Article III :

- County of Győr (Ráb).
- „ Esztergom (Ostřihom).
- „ Nógrád (Novohrad).
- „ Zemplén (Zemplín).
- „ Szabolcs.
- Town of Sátoraljaujhely (Nové Město pod Šiatorom).
- County of Hont.
- „ and town of Komárno (Komárom).
- „ Gemer and Malohont (Gömör és Kishont).
- „ Abauj Turňa (Abaujtorňa).
- „ Užhorod (Ung).
- „ Berehovo (Bereg).

Article V.

If the circumstances are those defined in Sections 1 and 3 of Annex A, or Sections 1 and 3 of Annex B, to the Protocol¹ concluded July 13, 1923, between the Czechoslovak Republic and the Kingdom of Hungary concerning the registration of claims and obligations contracted in former Austrian and Hungarian crowns, as between the two countries, the claims of guardians' funds not mentioned in Article IV against financial establishments or other parties shall be registered as provided in the aforesaid Annexes.

Claims dating from before February 26, 1919, in the old Austrian and Hungarian crowns of wards against guardians' funds not mentioned in Article IV situated in the territory of the other State shall be dealt with as provided in the preceding paragraph.

Article VI.

Should any of the securities mentioned in Articles I and II, forming part of the property administered by a guardians' fund, have been delivered to their rightful owners before the entry into

¹ See page 13 of this Volume.

force of this Convention, in accordance with the legislation of the State to whose Government the said securities should be delivered under the terms of this Convention, the Government of the Contracting Party concerned shall not be required to restore to the other State the securities so delivered.

Any pecuniary claim by a ward of a national of the other Contracting Party which has been settled, with the consent of the person concerned, not later than July 31, 1923, by a guardians' fund not mentioned in Article IV shall be deemed to be extinguished.

Article VII.

Those provisions of the present Convention which affect wards shall also apply to any persons not in tutelage whose property is being administered by a guardians' fund on the date on which the present Convention comes into force.

Article VIII.

Except as otherwise explicitly provided by Articles I, II, III *a*), VI and VII of the present Convention, it is agreed that the provisions of the Convention concluded on July 13, 1923, between the Czechoslovak Republic and the Kingdom of Hungary concerning the release of deposits shall hold good in so far as they apply.

Article IX.

The present Convention shall be ratified, and the instruments of ratification shall be exchanged at Budapest as soon as possible. The present Convention shall come into force on the date of ratification.

Done in French in duplicate originals, one of which has been consigned to each of the two Governments.

PRAGUE, *March 8, 1924.*

For the Kingdom of Hungary :

(Signed) Dr. PIERRE MATUSKA DE TVAROZSNA
et FELSŐ RÁSZTÓKA.

For the Czechoslovak Republic :

(Signed) Dr. BOHUMIL VLASÁK.

FINAL PROTOCOL

Relative to the Convention concluded at Prague on March 8, 1924, between the Kingdom of Hungary and the Czechoslovak Republic concerning the release of the property of wards and of guardians' funds and concerning the apportionment of the property of guardians' funds whose sphere of action has been divided up by the State frontier.

At the moment of signing the Convention concluded on this day's date, the undersigned Plenipotentiaries of the Czechoslovak Republic and the Kingdom of Hungary have declared and stipulated as follows :

1. With reference to Article III, Section (b) 1, it is agreed that no argument as to the manner of the general settlement of claims and debts can be drawn from the provisions of the above-mentioned paragraph concerning the treatment of branches of Hungarian financial establishments situated in the territory of the Czechoslovak Republic and of claims secured by mortgages on immovable property situated in the territory of the Czechoslovak Republic.

2. In the event of the territorial spheres of action of any guardians' funds other than those enumerated in Article IV having been divided up by the frontier between Czechoslovakia and Hungary, the provisions of Article III shall not apply to these funds: in such cases the legal position shall be determined in accordance with the provisions relating to guardians' funds whose sphere of action has not been divided up by the State frontier.

PRAGUE, *March 8, 1924.*

For the Kingdom of Hungary:

(Signed) DR. PIERRE MATUSKA DE TVAROZSNA
et FELSŐ RÁSZTÓKA.

For the Czechoslovak Republic:

(Signed) DR. BOHUMIL VLASÁK.