

**ROYAUME DES SERBES,
CROATES ET SLOVÈNES
ET TCHÉCOSLOVAQUIE**

Convention concernant le règlement des créances et dettes mutuelles, nées avant le 26 février 1919, en anciennes couronnes austro-hongroises, entre les créanciers ou les débiteurs serbes, croates et slovènes et tchécoslovaques, avec protocole final. Signés à Praha, le 7 novembre 1928.

**KINGDOM OF THE SERBS,
CROATS AND SLOVENES
AND CZECHOSLOVAKIA**

Convention regarding the Settlement of reciprocal Claims and Debts contracted before February 26, 1919, in former Austro-Hungarian Crowns, between Serb, Croat and Slovene and Czechoslovak Creditors or Debtors, with Final Protocol. Signed at Prague, November 7, 1928.

¹ TRADUCTION. — TRANSLATION.

No. 2169. — CONVENTION ² BETWEEN THE KINGDOM OF THE SERBS, CROATS AND SLOVENES AND THE CZECHOSLOVAK REPUBLIC REGARDING THE SETTLEMENT OF RECIPROCAL CLAIMS AND DEBTS CONTRACTED BEFORE FEBRUARY 26, 1919, IN FORMER AUSTRO-HUNGARIAN CROWNS, BETWEEN SERB-CROAT-SLOVENE AND CZECHOSLOVAK CREDITORS OR DEBTORS. SIGNED AT PRAGUE, NOVEMBER 7, 1928.

French official text communicated by the Permanent Delegates of the Kingdom of Yugoslavia and of the Czechoslovak Republic accredited to the League of Nations. The registration of this Convention took place October 8, 1929.

HIS MAJESTY THE KING OF THE SERBS, CROATS AND SLOVENES and THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC, being desirous of concluding a Convention regarding the settlement of reciprocal claims and debts contracted before February 26, 1919, in former Austro-Hungarian crowns between Serb-Croat-Slovene and Czechoslovak creditors or debtors, have appointed as their Plenipotentiaries :

HIS MAJESTY THE KING OF THE SERBS, CROATS AND SLOVENES :

H. E. Monsieur Branko LAZAREVITCH, Envoy Extraordinary and Minister Plenipotentiary ;

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC :

Dr. Bohumil VLÁŠÁK, Minister Plenipotentiary, Head of Department in the Czechoslovak Ministry of Finance.

Who, having communicated their full powers, found in good and due form, have agreed upon the following provisions :

Article I.

1. Money obligations, expressed in former Austro-Hungarian crowns and based upon a private legal title, which were contracted before February 26, 1919, between natural or juridical persons, or which are based on contracts or other deeds prior to that date, shall be settled as follows, provided always that one of the parties had his domicile (seat) on February 26, 1919, in the territory of the Czechoslovak Republic (Czechoslovak creditors or debtors) and the other within the territory of the Kingdom of the Serbs, Croats and Slovenes (Serb-Croat-Slovene creditors or debtors): Serb-Croat-Slovene debtors shall pay for each former Austro-Hungarian crown half a dinar, and

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² The exchange of ratifications took place at Belgrade, August 24, 1929.

Czechoslovak debtors shall pay for each former Austro-Hungarian crown half a Czechoslovak crown.

2. The provisions of the present Convention shall not apply to debts and claims in former Austro-Hungarian crowns which were already in existence on October 3, 1928. Debts and claims in former Austro-Hungarian crowns which, prior to the said date, were converted by agreement between the interested parties into debts and claims expressed in another currency shall not come under the present Convention. Payment into court made without the consent of the creditor shall not imply discharge of the debt.

3. Except as otherwise provided in the following Articles, any interest due shall be paid at the rate of 5 % or, if the rate agreed is lower, at such agreed rate. Until the present Convention comes into force, interest on arrears may not in any case be demanded.

Article 2.

1. Payment of the amounts mentioned in Article 1 shall constitute complete discharge of the claims and debts of Czechoslovak and Serb-Croat-Slovene creditors and debtors respectively, with the exception, however, that Czechoslovak financial institutions shall pay to the Czechoslovak Clearing Office (*Československý zúčtovací ústav v Praze*) an additional amount of half a Czechoslovak crown for each former Austro-Hungarian crown owed by them. Where necessary the Czechoslovak Clearing Office may demand judgments for such amounts in the courts.

2. Amounts thus collected by the Czechoslovak Clearing Office shall be allocated, with a view to the following increases : To the Ústřední banka českých spořitelén and to the Živnostenská banka, Prague, on account of their capital claims, up to a limit of 80 %, expressed henceforth in Czechoslovak crowns and arising, in the case of the former bank, from the contract with the former Province of Carniola and with Dalmatian communes, and in the case of the latter bank, from contracts with Dalmatian communes and with the firm of H. Moster i sin of St. Ivan-Žabno. Should the amounts thus paid to the Czechoslovak Clearing Office not be sufficient, the payments to be effected shall be divided proportionately between the two banks. Any surplus over and above these amounts shall be divided proportionately between the two banks to compensate for the losses they may have incurred through arrears of interest on the claims in question.

3. The following special provisions shall be applied in the case of the claims referred to in paragraph 2 :

(a) Sinking fund payments shall be effected according to the redemption scheme, in the manner indicated in Article 1. The first due date shall be the next payment day, under the aforesaid scheme, immediately following September 30, 1928 ;

(b) Sinking fund payments, included in annuities, which have fallen into arrears under the terms of the redemption scheme shall be regarded as not having fallen due and shall be discharged as follows : equal instalments of the arrears in question shall be paid simultaneously with each annuity falling due, the said instalments being calculated in such manner that, when the last payment due under the redemption scheme has been made, the arrears of sinking fund payments referred to above shall therewith be entirely paid off ;

(c) During the period between the last payment and the first due date, as in paragraph (a), creditors shall receive for three years the interest agreed upon, assessed on the capital amount of the debt as it existed on the day of the last payment. Other arrears of interest as well as administration fees for the period between the day of last payment and that of the first payment of the annuity — resumed according to the scheme as indicated in paragraph (a) — shall be considered as discharged.

Article 3.

1. Debts and claims of persons who, on February 26, 1919, had two domiciles, one in the Czechoslovak Republic and the other in the Kingdom of the Serbs, Croats and Slovenes, shall not be settled according to the provisions of Article 1, but shall be dealt with, as regards the Czechoslovak creditors (debtors), as debts between a Czechoslovak creditor and a Czechoslovak debtor, and, as regards Serb-Croat-Slovene creditors (debtors), as debts between a Serb-Croat-Slovene creditor and a Serb-Croat-Slovene debtor.

2. The provisions of Article 1 shall, moreover, not apply to the debts and claims of persons, one or the other of whom (the debtor or the creditor), had transferred his domicile to the territory of a third State, in the period between February 26, 1919, and the date on which the present Convention comes into force, without having re-established himself in the territory of either Contracting Party before the day on which the present Convention comes into force.

Article 4.

The provisions of the present Convention shall not apply to claims and debts dealt with in conventions concluded by the Contracting States with other States for the settlement of claims and debts in former Austro-Hungarian crowns.

Article 5.

Should the debtor or creditor have died before February 26, 1919, and should the procedure in regard to succession not have been concluded before the said date, the domicile of the deceased shall be the decisive factor.

Article 6.

In the case of private firms, limited partnerships, and juridical persons, their seat shall be considered as their place of domicile. If the bodies referred to are entered in the Trade Register, the seat of the main establishment entered in the Register shall be the decisive factor.

Article 7.

1. In the case of debts and claims of branches of credit institutions or insurance undertakings, the seat of such branches and not that of the main establishment shall be the decisive factor.

2. Debts and claims based on deeds originating in the main establishment of the insurance undertaking shall only be regarded as debts and claims of the branches so far as this is proved conclusively by the deed itself or by other agreements in writing between the parties interested.

3. The provisions of the present Convention shall not apply to the juridical relations existing between the main establishment and its branches.

Article 8.

1. In the case of a change, after February 26, 1919, in the personality of the creditor or debtor, so far as one of the debts or claims referred to in Article 1 is concerned, this fact shall not affect the method of settlement.

2. The provisions of the present Convention shall not apply to claims ceded after October 3, 1928, to the persons mentioned in Article 1 by creditors who, on the decisive day, had their domicile (seat) elsewhere than in the territory of the Czechoslovak Republic or the Kingdom of the Serbs, Croats and Slovenes.

Article 9.

The provisions of the present Convention shall not apply to the following debts and claims :

- (a) To debts and claims (repayments of capital, interest, dividends) arising out of securities, such as bonds, shares, co-operative society rights and other similar securities ;
- (b) To debts and claims arising out of social insurance ;
- (c) To debts and claims arising out of private insurance, these forming the subject of a special Convention.

Article 10.

The date of prescription for claims and debts in former Austro-Hungarian crowns, settled by the present Convention, shall be regarded as fixed at October 28, 1918, and, if the said claims and debts matured after such date, as from the day of maturity until the ninetieth day after the present Convention comes into force, but terminating only one year after such date.

Article 11.

Any disputes between the High Contracting Parties regarding the interpretation and application of the present Convention shall be submitted to the Permanent Court of International Justice at The Hague.

The present Convention shall be ratified and the instruments of ratification shall be exchanged as soon as possible at Belgrade.

In faith whereof the undersigned Plenipotentiaries have signed the present Convention.

Done at Prague on the seventh of November, one thousand nine hundred and twenty-eight, in French, in two original copies, one of which has been transmitted to each of the High Contracting Parties.

(L. S.) (*Signed*) Branko LAZAREVITCH. (L. S.) (*Signed*) Dr. Bohumil VLASÁK.

FINAL PROTOCOL.

On proceeding to sign the Convention between the Kingdom of the Serbs, Croats and Slovenes and the Czechoslovak Republic regarding the mutual settlement of claims and debts contracted before February 26, 1919, in former Austro-Hungarian crowns between Serb-Croat-Slovene and Czechoslovak creditors or debtors, the Contracting Parties have made the following declaration

- (1) Domestic servants, industrial workers, clerks or apprentices, students or scholars who on February 26, 1919, were resident in the territory of either State and who, prior to the signature of the above-mentioned Convention, settled in their country of origin, shall be regarded as having been domiciled on February 26, 1919, in their country of origin ;

(2) Public officials on the active or retired list who, prior to the signature of the above-mentioned Convention, transferred their domicile from the territory of either State to that of the other, shall be regarded as having been already domiciled in the latter territory on February 26, 1919 ;

(3) When discharging the claims settled by the present Convention, both Governments agree to make no difficulties regarding repayment of the amount due, even should it have to be effected beyond the national frontiers.

The present Protocol shall be ratified at the same time as to-day's Convention and shall come into force simultaneously therewith.

In faith whereof the Plenipotentiaries have signed the present Protocol and have thereto affixed their seals.

Done at Prague, on November 7, 1928, in French, in two original copies, one of which has been transmitted to each Government.

(L. S.) (*Signed*) Branko LAZAREVITCH. (L. S.) (*Signed*) Dr. Bohumil VLASÁK.