

N° 4237.

HONGRIE ET LETTONIE

Accord relatif aux règlements des échanges commerciaux entre les deux pays. Signé à Riga, le 16 novembre 1937.

HUNGARY AND LATVIA

Agreement concerning Payments in respect of Commercial Transactions between the Two Countries. Signed at Riga, November 16th, 1937.

¹ TRADUCTION. — TRANSLATION.

No. 4237. — AGREEMENT ² CONCERNING PAYMENTS IN RESPECT OF COMMERCIAL TRANSACTIONS BETWEEN THE KINGDOM OF HUNGARY AND THE REPUBLIC OF LATVIA. SIGNED AT RIGA, NOVEMBER 16TH, 1937.

French official text communicated by the Head of the Royal Hungarian Delegation to the League of Nations. The registration of this Agreement took place December 27th, 1937.

THE GOVERNMENT OF THE KINGDOM OF HUNGARY and THE GOVERNMENT OF THE REPUBLIC OF LATVIA, desirous of facilitating and developing commercial transactions between the two countries, have agreed as follows :

Article 1.

Goods of Hungarian origin shall be admitted to free import into Latvia, with the exception of articles the import of which into Latvia is subject to special treatment generally applicable to all countries.

Goods of Latvian origin shall be admitted to free import into the Kingdom of Hungary, with the exception of articles the import of which into the Kingdom of Hungary is subject to special treatment generally applicable to all countries.

Article 2.

Payments in respect of commercial transactions between the two countries must balance. The accounts of all such transactions shall be made up accordingly at the end of each half-year by the Hungarian Minister accredited to the Latvian Government and the Latvian Finance Ministry.

Should, however, a balance be shown in favour of either contracting country, the country with the balance in its favour shall be bound to take all necessary steps to work off the amount of the balance in the course of the next half-year by the import of goods to that amount from the country with the balance against it, provided always that no such balance shall at any time exceed the sum of £10,000 sterling either way.

Should the country with the balance in its favour fail to work off the amount of the balance within the next half-year, the country with the balance against it shall be free to take steps to restrict imports from the country with the balance in its favour.

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 Came into force December 1st, 1937.

Article 3.

Payment in respect of imports of Latvian goods into Hungary, and of Hungarian goods into Latvia, shall be made by special permission of the competent authority through the central institutions, that is to say, in Latvia through the Latvijas Banka, and in Hungary through the Hungarian Compensation Institution for Commercial Exchanges Limited.

Article 4.

Latvian purchasers of Hungarian goods shall make payment in respect of their purchases in lats to a special account to be opened at the Latvijas Banka in favour of the Hungarian Compensation Institution for Commercial Exchanges Limited. The Latvijas Banka shall credit the sums received to the account of the Hungarian Compensation Institution for Commercial Exchanges Limited, converted into pounds sterling at the middle rate quoted on the Riga Stock Exchange on the previous day, whatever the currency in which the contract of sale or invoices may be made out.

Hungarian purchasers of Latvian goods shall make payment in respect of their purchases in pengő to a special account to be opened at the Hungarian Compensation Institution for Commercial Exchanges Limited in favour of the Latvijas Banka. The Hungarian Compensation Institution for Commercial Exchanges Limited shall credit the sums received in pengő to the account of the Latvijas Banka converted into pounds sterling at the middle official rate of the National Bank of Hungary on the previous day, plus the current Hungarian premium, whatever the currency in which the contract of sale or invoices may be made out.

Article 5.

Payments out to creditors shall be made at the Latvijas Banka in lats, and at the Hungarian Compensation Institution for Commercial Exchanges Limited in pengő, at the rates of the pound sterling on the day preceding the date of payment. Payments out to exporters shall not be made unless the institution making the payment has been advised by the institution of the other country of the receipt of the amount from the purchaser.

Article 6.

The system of payments for which the present Agreement provides shall be applicable to all payments arising out of goods transactions between Latvia and Hungary, as also to all payments accessory to such transactions.

It may be decided by special agreement to include payments arising out of the tourist traffic between the two countries in the accounts for which Article 4 provides.

Article 7.

The two institutions charged with the execution of the present Agreement shall do everything in their power to enable goods transactions to take place without hindrance on the part of the authorities of their respective countries.

Article 8.

Debtors shall be discharged of their obligations as from the time of their creditors' receipt of the full value of their claims, and not before.

Exchange differences shall be settled as they arise between debtors and creditors in accordance with the provisions of the present Agreement, provided always that no responsibility in this connection shall rest with the two High Contracting Parties or with the two institutions charged with the execution of the present Agreement.

Article 9.

Each of the two institutions shall make a charge, to be determined by common consent, on all payments in and out, to cover the cost of the operations involved.

Article 10.

The present Agreement is concluded for one year. It shall come into force on the fifteenth day after its signature. If not denounced two months before its expiry, it shall be deemed to be prolonged by tacit assent, each of the two Governments retaining the right to denounce it at any moment for the end of the next treaty year.

It is understood that, in the event of denunciation, the country with a balance in its favour shall be bound to take all necessary steps to work off the amount of the balance by the import of goods having their origin in the country with a balance against it.

Done at Riga in duplicate, this 16th day of November, 1937.

B. DE TÖRÖK, *m. p.*

L. EKIS, *m. p.*