

SUISSE ET YOUGOSLAVIE

Protocole relatif au trafic réciproque des marchandises et au règlement des paiements y afférents, arrangement commercial et protocole final, signés à Berne, le 27 juin 1938, et protocoles additionnels, signés à Belgrade, le 21 septembre 1938 et le 5 avril 1939, respectivement.

Texte officiel français communiqué par le chargé d'Affaires de la délégation permanente du Royaume de Yougoslavie près la Société des Nations.
L'enregistrement du protocole, de l'arrangement commercial et du protocole final a eu lieu le 15 mai 1939. Les protocoles additionnels ont été enregistrés le 15 mai et le 9 novembre 1939, respectivement.

SWITZERLAND AND YUGOSLAVIA

Protocol regarding Goods Transactions between the Two Countries and Payments in connection therewith, Commercial Arrangement and Final Protocol, signed at Berne, June 27th, 1938, and Additional Protocols, signed at Belgrade, September 21st, 1938, and April 5th, 1939, respectively.

French official text communicated by the Chargé d'Affaires of the Permanent Delegation of the Kingdom of Yugoslavia to the League of Nations.
The registration of the Protocol, Commercial Arrangement and Final Protocol took place May 15th, 1939. The registration of the Additional Protocols took place May 15th and November 9th, 1939, respectively.

TRADUCTION. — TRANSLATION.

No. 4568. — PROTOCOL¹ BETWEEN THE SWISS CONFEDERATION AND THE KINGDOM OF YUGOSLAVIA REGARDING GOODS TRANSACTIONS BETWEEN THE TWO COUNTRIES AND PAYMENTS IN CONNECTION THEREWITH. SIGNED AT BERNE, JUNE 27TH, 1938.

THE GOVERNMENT OF THE KINGDOM OF YUGOSLAVIA and THE GOVERNMENT OF THE SWISS CONFEDERATION, desirous of promoting commercial exchanges and facilitating payments between their two countries, have concluded the following Protocol :

Article I.

Payments arising out of goods transactions between the two countries shall be effected in the following manner :

Payment for Yugoslav goods imported into Switzerland shall in all cases be made by delivery of the equivalent in Swiss francs to the Swiss National Bank to the account of the creditor domiciled in Yugoslavia. Payment for Swiss goods imported into Yugoslavia shall also in all cases be made through the Swiss National Bank.

Article II.

1. For the purpose of the present Protocol :

(a) "Swiss goods" shall be deemed to mean goods produced in Switzerland or goods which have been transformed or processed in Switzerland in a manner sufficient to confer Swiss origin within the meaning of the current Swiss regulations.

Swiss origin of goods must be attested by a declaration by one of the Swiss offices entitled to issue certificates of origin.

(b) "Yugoslav goods" shall be deemed to mean goods produced in Yugoslavia or goods which have been transformed or processed in Yugoslavia in a manner sufficient to confer Yugoslav origin.

2. The present Protocol shall not apply to goods in transit through the territory of one or other of the contracting States or to goods which do not comply with the provisions of the preceding paragraph in regard to the acquisition of Swiss and Yugoslav origin respectively.

Article III.

The applicability of the provisions of the present Protocol shall not be confined to the case of import into one of the two countries of goods originating in the other country, but shall further extend to accessory costs in connection with such imports as well as to services (commissions, percentage charges, fees and the like), as also to payments in connection with transactions

¹ *Ratifications :*

The Ministry of Foreign Affairs of Yugoslavia informed the Swiss Legation at Belgrade, by a note dated July 30th, 1938, that this Protocol was ratified on behalf of the Kingdom of Yugoslavia.

The Swiss Legation at Belgrade, by a note dated July 30th, 1938, informed the Ministry of Foreign Affairs of the Kingdom of Yugoslavia that this Protocol was ratified on behalf of the Swiss Confederation. Came into force August 1st, 1938.

relating to intellectual property, such as payments for licences, patents and the like, and to charges and profits derived from commercial transactions in either country by firms domiciled in the other country.

Article IV.

The Yugoslav Government undertakes, for such time as the position of commercial payments between the two countries is satisfactory, to grant without delays or restrictions the permits required for the import of products originating in the Swiss Confederation the entry of which into Yugoslavia is at present subject to restrictions.

In the event of the position of commercial payments between the two countries ceasing to be satisfactory, the Yugoslav Government shall be entitled to apply the measures of control for which provision was made by the Yugoslav Ordinance of April 6th, 1936, and subsequent ordinances, to goods of Swiss origin imported into Yugoslavia during the second quarter following the quarter in question.

Article V.

The position of commercial payments between the two countries shall be deemed to be satisfactory within the meaning of the present Protocol when the amount of payments by debtors domiciled in Yugoslavia in favour of creditors domiciled in Switzerland does not exceed 73 per cent of the amount of the payments made by debtors domiciled in Switzerland in favour of creditors domiciled in Yugoslavia.

The position of commercial payments by the two countries to one another shall be reviewed quarterly, that is to say, for the first time during the month of October 1938, and thereafter during the month following on the end of each quarter.

The payments made to the Swiss National Bank by debtors domiciled in Switzerland and the payments made by the Swiss National Bank to creditors domiciled in Switzerland in accordance with Article I of the present Protocol shall form the basis of such review.

Article VI.

Orders to pay issued by the National Bank of the Kingdom of Yugoslavia to the Swiss National Bank, on which no action has been taken at the date of the entry into force of the present Protocol by reason of the lack of sufficient funds in the pooled clearing account of the National Bank of the Kingdom of Yugoslavia at the Swiss National Bank, shall be dealt with in accordance with the Clearing Agreement concluded between the two countries on July 3rd, 1937.

Article VII.

In conformity with the Customs Union Treaty¹ concluded on March 29th, 1923, between the Swiss Confederation and the Principality of Liechtenstein, the present Protocol shall be applicable equally to the territory of the Principality of Liechtenstein.

Article VIII.

The present Protocol shall come into force on August 1st, 1938, subject to ratification by the two Governments, and shall remain in force until July 31st, 1939, and may thereafter be renewed for periods of six months by tacit consent.

In the event of either of the High Contracting Parties desiring to terminate the present Protocol, it must notify the other High Contracting Party not less than two months before July 31st, 1939, or two months before the expiry of one of the six-monthly periods.

Done at Berne, in duplicate, the 27th day of June, 1938.

EBRARD, *m. p.*

M. PILJA, *m. p.*

¹ Vol. XXI, page 231, of this Series.

COMMERCIAL ARRANGEMENT

BETWEEN THE SWISS CONFEDERATION AND THE KINGDOM OF YUGOSLAVIA.

Without prejudice to the provisions of the Commercial Treaty¹ of February 28th, 1907, the Royal Government of Yugoslavia and the Swiss Government, desirous of promoting commercial exchanges between the two countries, and for that purpose of regulating certain points in connection with their commercial relations one with the other, have agreed as follows :

Article 1.

The Swiss Government shall issue the permits required for the import into Switzerland of Yugoslav products up to the annual quantities hereinunder specified :

A.

Item of Swiss Customs Tariff	Designation	Annual quantities in quintals	Observations
1	— Wheat	300,000	—
4	— Barley	100,000	—
7	— Maize	400,000	—
8	Beans	3,000	—
23 a/b	Fruit and edible berries : — Others, only for plums and prunes	20,000	The question of a quota for pears is reserved for subsequent agreement. Permits for the import of apples cannot be accorded at the present time.
24 a ^a	— Apricots	500	The question of what quotas should be fixed for each new period under the present Arrangement is explicitly reserved and will depend on the annual requirements of Switzerland.
24 b	Fruit and edible berries : — Others	1,000	ditto
25 a ^{1/a} ^a	Fruit, dried or drained : — Plums and prunes, with the stones	5,000	ditto
ex 40 a	Vegetables, fresh, — Onions	1,000	—
ex 40 b	Vegetables, fresh, — Others	1,000	—
84	Poultry, dead	12,000	Applications for additional quotas will be favourably considered.
86	Eggs	35,000	ditto
117 a	Natural red wines, up to 13° of alcohol inclusive	10,000 hl.	The question of what quotas should be fixed for each new period under the present Arrangement is explicitly reserved and will depend on the annual requirements of Switzerland.

¹ *British and Foreign State Papers*, Vol. 100, page 561.

Item of Swiss Customs Tariff	Designation	Annual quantities in quintals	Observations
132 b	Horses, others	1,500 units	The import of horses from Yugoslavia shall be allowed in so far as it is carried out under the customary conditions and provided that the condition of health of the horses is such as to meet the requirements of the Swiss veterinary regulations.
ex 213	Oil-cake	20,000 q.	—
216 a	Meal for cattle food, denatured	5,000	—
235	Wood for building and cabinet-makers' wood : — Sawn lengthwise or split, even if completely square		
	— Others of all kinds		
	— Of oak	50,000	—
236	— Of other non-resinous woods	50,000	—
237	— Of resinous woods	50,000	—
306 e ¹	Paper and cardboard with impressed designs or with coloured designs — Crêpe tissue-paper, of one single colour	150	—
776	Nails : — Cut out, pressed, cast, wrought — Others	65	—
B.			
31 b/d	Table grapes, charges of the Swiss Customs Tariff 31 b and 31 d	No restrictions on import.	Should import restrictions be extended to items of the Swiss Customs Tariff referred to in the opposite column, which at present are not subject to such restrictions, imports from Yugoslavia shall be permitted up to the amount of the year 1937, subject to reservations in quite exceptional cases.
41	Vegetables, preserved — Dried mushrooms coming under No. 41 of the Swiss Customs Tariff.	No restrictions on import.	ditto
44 a	Vegetables, preserved — Tomato preserves, coming under No. 44 a of the Swiss Customs Tariff	No restrictions on import.	ditto
710 b	Siliceous crude iron	No restrictions on import.	ditto

C.

The quotas shall be annual quotas split up *pro rata* over the periods of validity of the present Arrangement.

Import permits shall be issued at the beginning of each quarter within the limits of the quotas so split up. Quarterly quotas which are not used during any given quarter shall be carried over to the following quarters.

Exceptions shall, nevertheless, be made in the case of particular articles of a seasonal nature. The Swiss Government shall give favourable consideration to applications in respect of such articles.

Article 2.

The Swiss Government shall give favourable consideration to applications by Swiss importers for supplementary quotas. The Swiss Government shall fix supplementary quotas for the articles concerned in so far as Swiss market conditions allow.

Article 3.

In the event of Switzerland importing large cattle for slaughter or swine, the Swiss Federal Veterinary Office and the Yugoslav Export Institute shall concert together as to the possibility of compensatory exports of Swiss cattle.

Should the import into Switzerland of large cattle for slaughter be allowed, a proportional quota of not less than the amount for the year 1937 shall be accorded to Yugoslavia, subject always to the condition of satisfactory prices and quality. Should the import into Switzerland of swine be allowed, the question of a quota for Yugoslavia shall receive favourable consideration on the basis of common accord between the competent authorities in the two countries.

Article 4.

Salami and mortadella sausages from Yugoslavia may be imported into Switzerland within the general limits for the import of such products, provided they comply with the current Swiss sanitary and veterinary regulations.

Article 5.

Under the second paragraph of Article IV of the Protocol between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, the Government of Yugoslavia is entitled to apply the Ordinance of April 6th, 1936, and subsequent ordinances of the Minister of Finance to the import of Swiss goods.

The Yugoslav Government hereby undertakes in relation to the Swiss Government to make its application in such case of the control of imports of the goods to which the Ordinances of the Finance Minister of June 11th and July 5th, 1937, relate, conform to the following provisions :

1. Without prejudice to the provisions of Article V of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, import permits for the goods of Swiss origin to which the ordinances aforesaid relate shall be issued during the period August 1st - December 31st, 1938, to a minimum monthly value of 400,000 francs.

2. The percentage of the goods specified in the ordinances aforesaid under the items of the Customs tariff relating thereto shall be determined on the basis of the average actual value of the imports thereof in the years 1935 - 1937 as recorded in the Yugoslav commercial statistics.

3. Imports shall be restricted at the same time and to the same extent in the case of all items of the Customs tariff, as also in the case of the individual quotas of Yugoslav importers. Individual quotas which are not used, or are only in part used, in any given year to which the present Arrangement relates shall be carried over automatically and without restriction to subsequent quarters of the year in question, beginning with the year ending July 31st, 1939, and shall be split up for each quarter for the purpose.

4. Quotas which are not used, or are only in part used, in any given year to which the present Arrangement relates may be carried over automatically and without restriction from quarter to quarter of the year in question.

5. If so requested by the Swiss Government, the National Bank of the Kingdom of Yugoslavia shall take seasonal requirements into account in connection with the import of particular classes of goods within the limits of the quotas.

6. The value of imports under the different items of the Customs tariff, as determined for any given quarter, shall be notified to the Swiss Clearing Office by the National Bank of the Kingdom of Yugoslavia within the first few days of the preceding quarter. If, in application of the present provision, the quota determined for any given class of goods has been exceeded during any given quarter, the quota of such goods shall be reduced in the same extent in subsequent quarters of the periods to which the present Arrangement relates, beginning with the period ending July 31st, 1939. In like manner, the National Bank of the Kingdom of Yugoslavia shall notify at the beginning of each quarter the amount of the permits issued during the preceding quarter for each of the classes of goods to which sub-paragraph 1 above relates.

7. The volume of commercial transactions shall be dependent entirely on the amount of payments made for goods of Swiss origin.

Article 6.

The High Contracting Parties hereby agree to set up a Joint Committee to supervise the effective operation of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, and the annexes thereto, and to seek means to promote commercial exchanges between the two countries.

The Joint Committee shall meet at the request of either of the two Governments. Its decisions must be approved by both Governments.

Article 7.

The present Arrangement shall come into force on August 1st, 1938, subject to ratification by the two Governments. It is an integral part of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith.

EBRARD, *m. p.*

M. PILJA, *m. p.*

FINAL PROTOCOL.

Article 1.

Under the current legal regulations in Yugoslavia, a percentage of the proceeds of Yugoslav exports to countries, where payments arising out of goods transactions between such countries and Yugoslavia are made in free currency, has to be handed over by the exporter to the National Bank of the Kingdom of Yugoslavia at the official legal rate of exchange. The said percentage (amounting at the present time to 25 per cent) is applicable to all countries where payments arising out of goods transactions between such countries and Yugoslavia are made in free currency.

The Yugoslav Government hereby undertakes, in the event of a percentage of less than 25 % being accorded in whole or in part in the case of any country, to extend the same favoured treatment to Switzerland as from the same date without any countervailing concession on Switzerland's part.

Conversely, the percentage may not be increased without the consent of the Swiss Government, unless such increase is made applicable at the same time, to the same extent and in the same manner to all other countries.

Article 2.

Subject always to the provisions of Article VI of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, the Yugoslav Government hereby undertakes to make available without delays or restrictions the free currency required for payment for all goods imported from Switzerland into Yugoslavia.

The said undertaking shall be applicable both to goods imported from Switzerland into Yugoslavia during the period of validity of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, and to goods imported from Switzerland into Yugoslavia before the entry into force of the said Protocol, where the dinar equivalent of such goods had not on July 31st, 1938, been paid in to the clearing account at the National Bank of the Kingdom of Yugoslavia.

Article 3.

In the event of the volume of commercial transactions in favour of Yugoslavia, as anticipated in Article V of the Protocol between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, being exceeded, the resulting balance shall be carried over to subsequent quarters in which the volume of commercial transactions is less than was anticipated.

Such balances may be carried over in any year covered by the present Protocol, beginning with the year ending July 31st, 1939.

Article 4.

The Yugoslav Government shall make available the foreign exchange required for persons domiciled in Yugoslavia who desire to proceed to Switzerland for reasons of health, study or travel, to the extent to which such foreign exchange is available for nationals of the nation most favoured in this respect.

Article 5.

The Yugoslav Government hereby declares that it is prepared to give the most favourable consideration, as well as most-favoured-nation treatment, to claims of Swiss insurance and reinsurance companies doing direct insurance business or reinsurance business in Yugoslavia.

More particularly, the Yugoslav Government will give the most favourable consideration to applications for the debit of "internal dinar" accounts for the purpose of payments to physical or moral persons domiciled in Yugoslavia, as also to applications for the credit of the said accounts in favour of non-Yugoslav insurance or reinsurance companies.

Furthermore, the Yugoslav Government will give the most favourable consideration to applications by the said companies for foreign exchange against sums credited to their "internal dinar" accounts in respect of premiums or accessory charges, that is to say, to :

(1) Applications by Swiss insurance companies doing direct insurance business in Yugoslavia for foreign exchange to cover overhead expenditure of their headquarters in Switzerland incurred in connection with their insurance business in Yugoslavia ;

(2) Applications by Swiss insurance and reinsurance companies doing reinsurance business in Yugoslavia for foreign exchange to cover overhead expenditure of their headquarters in Switzerland, or payments due by them to assignees in connection with their business in Yugoslavia.

Article 6.

The Yugoslav Government hereby declares that, in the event of the stock-breeding station at Suplja Lipa being for sale, it is prepared to give the most favourable consideration to any application by the Swiss vendors for the free currency required for the transfer of the sale price of the said station.

Article 7.

The Yugoslav Government will arrange in the case of the Yugoslav importers of breeding stock, who are still indebted in respect of clearing transactions in connection with maize and wheat effected in the autumn of 1936 to the (approximate) aggregate amount of Frs. 58,000.— at to-day's rate of exchange, that is to say :

To the Genossenschaft zur Förderung des Simmenthaler Zuchtviehexportes to the amount of	Frs. 45,000.—
To Herr Hofer, Stock-breeder, Erlenbach, to the (approximate) amount of	Frs. 13,000.—
Total	<u>Frs. 58,000.—</u>

to make available the foreign exchange required under Section I of the Confidential Protocol of June 27th, 1938, concerning payments in connection with goods transactions, provided the debtors concerned make payment of the dinar equivalent to the National Bank of the Kingdom of Yugoslavia after July 31st, 1938 ; and the foreign exchange made available in this connection shall not be taken into account for the purposes of the review for which provision is made in Article V of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith.

In the event of payment to the National Bank of the Kingdom of Yugoslavia in favour of the Swiss creditors concerned being made by the Yugoslav debtors concerned before August 1st, 1938, the sums concerned shall be dealt with in the manner provided in Section II of the Confidential Protocol of June 27th, 1938, concerning payments in connection with goods transactions.

Article 8.

The Yugoslav Government hereby explicitly declares that the system of payments for which provision is made in the Clearing Agreement of July 3rd, 1937, shall be reintroduced, at the request of the Swiss Government, in the event of the system of payments for which provision is made in the Protocol between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith failing to safeguard Swiss interests to at least the same extent as the system of payments for which provision is made in the Clearing Agreement.

Notwithstanding anything to the contrary contained in Article VIII of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, the period of notice to be given by the Swiss Government in the event of a request by the latter for the reintroduction of the system of payments for which provision is made in the Clearing Agreement of July 3rd, 1937, shall be one month before the beginning of the quarter in which such reintroduction is to take effect.

Article 9.

In the event of the lapse of the Protocol between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, the Yugoslav Government will instruct the National Bank of the Kingdom of Yugoslavia to make available without restrictions on the due date the foreign exchange required for the settlement in full of all commercial claims of creditors domiciled in Switzerland against debtors domiciled in Yugoslavia, without regard to the eventuality of new agreements being concluded in future concerning goods transactions between the two countries or payments in connection therewith, in lieu of the present arrangements, and without regard to the nature of such agreements.

The Swiss Government for its part will in such case accord equivalent treatment to all commercial claims of creditors domiciled in Yugoslavia against debtors domiciled in Switzerland.

Article 10.

The present Protocol is an integral part of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith.

EBRARD, *m. p.*

M. PILJA, *m. p.*

ADDITIONAL PROTOCOL¹

TO THE PROTOCOL OF JUNE 27TH, 1938, BETWEEN THE SWISS CONFEDERATION AND THE KINGDOM OF YUGOSLAVIA CONCERNING GOODS TRANSACTIONS BETWEEN THE TWO COUNTRIES AND PAYMENTS IN CONNECTION THEREWITH. SIGNED AT BELGRADE, SEPTEMBER 21ST, 1938.

The Joint Committee set up under Article 6 of the Commercial Arrangement of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation for the purpose of promoting commercial exchanges between the two countries and facilitating the operation of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, at its first session held at Belgrade, September 7th—21st, 1938, took the following decisions, subject to the approval of the Governments of the two countries :

Article 1.

Paragraph 1 of Article 5 of the Commercial Arrangement of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation shall be replaced by the following provision :

During the period October 1st—December 31st, 1938, import permits for the goods of Swiss origin to which the Ordinances of the Finance Minister of June 11th and July 5th, 1937, relate shall be issued up to a fixed value of Frs. 1,200,000.—

Article 2.

The competent authorities of the two countries may arrange by common accord to issue import permits to a value exceeding the Frs. 1,200,000.— fixed in Article 1 above.

Article 3.

During the period October 1st—December 31st, 1938, and after January 1st, 1939, should restrictions under Article IV of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two

¹ *Ratifications :*

The Ministry of Foreign Affairs of Yugoslavia informed the Swiss Legation at Belgrade, by a note dated October 26th, 1938, that this Additional Protocol was ratified on behalf of the Kingdom of Yugoslavia.

The Swiss Legation at Belgrade, by a note dated October 28th, 1938, informed the Ministry of Foreign Affairs of the Kingdom of Yugoslavia that this Additional Protocol was ratified on behalf of the Swiss Confederation.

Came into force September 26th, 1938.

countries and payments in connection therewith be imposed during such latter period on the import of Swiss goods into Yugoslavia, the import permits for the Swiss goods to which the Ordinances of the Finance Minister of June 11th and July 5th, 1937, relate shall be issued in accordance with the system of allocation for which Article 5, paragraph 2, of the Commercial Arrangement of June 27th, 1938, provides. The said allocation shall be notified to the competent Swiss authorities; the competent Yugoslav authorities will give favourable consideration to any counter-proposals which the competent Swiss authorities may submit.

The Swiss Government shall further be entitled as from October 1st, 1938, to introduce a system of control of exports to Yugoslavia of Swiss goods other than those to which the aforesaid Ordinances of the Finance Minister relate.

The issue of export permits under the said control shall be based on the average exports in previous years.

Article 4.

To facilitate the liquidation of the sums paid up to July 31st, 1938, into the clearing account of the Swiss National Bank with the National Bank of the Kingdom of Yugoslavia, the Governments of the two countries agree to earmark for the purpose the equivalent import value of the following goods:

Item of Swiss Customs Tariff	Designation
86	Eggs.
ex 23 a/b	Plums, fresh, packed.
ex 24 a 1	Apples, for table, packed.

The whole equivalent import value of the goods aforesaid, as cleared from Customs on import into Switzerland during the period September 26th—December 31st, 1938, shall be credited to the liquidation account at the Swiss National Bank to which Chapter II, Section 2, of the Confidential Protocol of June 27th, 1938, concerning payments in connection with goods transactions relates, whether the said goods are imported on ordinary or supplementary quota.

Payments in by Swiss importers and payments out to Swiss creditors in connection with the transactions aforesaid, being in the form of credit or debit entries in the liquidation account at the Swiss National Bank, shall not be taken into consideration for the purposes of the review of the position of commercial payments for which provision is made in Article V of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith.

Article 5.

The present Protocol shall come provisionally into force on September 26th, 1938, subject to ratification by the two Governments.

The provisions of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, and its annexes, in regard to the denunciation of the said Protocol shall be applicable equally to the present Protocol.

Done at Belgrade, in duplicate, this 21st day of September, 1938.

M. PILJA, *m. p.*

EBRARD, *m. p.*

ADDITIONAL PROTOCOL

TO THE PROTOCOL CONCLUDED ON JUNE 27TH, 1938, BETWEEN THE SWISS CONFEDERATION AND THE KINGDOM OF YUGOSLAVIA REGARDING GOODS TRANSACTIONS BETWEEN THE TWO COUNTRIES AND PAYMENTS IN CONNECTION THEREWITH. SIGNED AT BELGRADE, APRIL 5TH, 1939.

The Joint Committee set up under Article 6 of the Commercial Arrangement of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation, having met at Belgrade for the purpose of examining the operation of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith, and supplemented by the Additional Protocol of September 21st, 1938, found that various provisions of those Protocols, and the way in which they were applied, would not appear to be of such a nature as would ensure the normal and satisfactory progress of goods transactions between the two countries and payments in connection therewith.

In view of the fact that an amendment of the existing agreements has accordingly become indispensable, the Governmental Committees of the two countries forming the Joint Committee constituted themselves as delegations and, in that capacity and subject to the approval of their Governments, took the following decisions :

Article 1.

The Additional Protocol of September 21st, 1938, to the Protocol between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith shall be abrogated and replaced by the present Additional Protocol amending and supplementing the Protocol of June 27th, 1938.

Article 2.

Article IV of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith shall be abrogated and replaced by the following provision :

Article IV. The measures for which provision was made by the Yugoslav Ordinance of April 6th, 1936, and subsequent ordinances, for the purpose of exercising control over the importation of goods shall, in future, be applied permanently, regardless of whether the satisfactory position mentioned in the former Articles IV and V of the Protocol of June 27th, 1938, is attained or not.

The said control shall be exercised in respect of goods of Swiss origin that are at present subject or may hereafter be subject to Yugoslav control over importation.

The application of this control shall take place in accordance with the items of the Yugoslav Customs Tariff.

Such application shall be subject to the consent of the Swiss Government in accordance with the rules laid down in the present Protocol and the Annexes thereto.

Article 3.

Article V of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith shall be abrogated and replaced by the following provision :

Article V. The total value of Swiss goods of the categories referred to in the ordinances mentioned in Article 2 above shall be determined in accordance with the amount of the payments made by debtors domiciled in Switzerland in favour of creditors domiciled in Yugoslavia, after deduction of a proportion equivalent to 27% as representing the extent of the favourable balance of payments accorded by Switzerland to Yugoslavia ; from the amount obtained, there shall be deducted a sum corresponding to the percentage

of goods not enumerated in the said ordinances, as determined from the average imports of the said goods in the years 1936/1938 according to the Yugoslav commercial statistics.

The payments made by Swiss debtors mentioned in the foregoing paragraph shall be reviewed quarterly, that is to say, in the early part of the last month of each quarter of the calendar year. The review shall relate to payments made during the period of three months preceding the said last month of the quarter of the calendar year.

Article 4.

(1) Import permits for goods of Swiss origin of the categories referred to in the Ordinances of the Ministry of Finance of June 11th and July 5th, 1937, and in subsequent ordinances shall be issued by the competent Yugoslav authorities in accordance with the plan of allocation provided for in Article 5 (2) of the Commercial Arrangement of June 27th, 1938.

This plan of allocation shall be drawn up by the competent Yugoslav authorities in such a way that the allocation of imports into Yugoslavia of goods of Swiss origin as between the various items of the Yugoslav Customs Tariff shall be effected in proportion to the average amount of Swiss imports into Yugoslavia in the years 1936/1938.

Such quarterly plan of allocation shall not be applied except with the consent of the competent Swiss authorities.

(2) The Swiss Government, for its part, shall be entitled to subject to control the exportation to Yugoslavia of goods of all categories.

Article 5.

Article VIII of the Protocol of June 27th, 1938, between the Kingdom of Yugoslavia and the Swiss Confederation concerning goods transactions between the two countries and payments in connection therewith shall be abrogated and replaced by the following provision :

Article VIII. The present Protocol shall come into force with retrospective effect as from April 1st, 1939, subject to ratification by the two Governments, and shall remain in force until December 31st, 1939, and may thereafter be renewed for periods of six months by tacit consent.

In the event of either of the High Contracting Parties desiring to terminate the present Protocol, it must notify the other High Contracting Party not less than two months before December 31st, 1939, or two months before the expiry of one of the six-monthly periods.

Done in duplicate at Belgrade, this 5th day of April, 1939.

EBRARD, *m. p.*

M. PILJA, *m. p.*