



Treaty Series No. 9 (1945)

Agreement

between His Majesty's Government in the United Kingdom
and the Government of the Czechoslovak Republic

relating to

Money and Property situated in Czechoslovakia and
the United Kingdom which have been subjected
to Special Measures in consequence of the
Enemy Occupation of Czechoslovakia

London, 1st November, 1945

*Presented by the Secretary of State for Foreign Affairs
to Parliament by Command of His Majesty*

LONDON

HIS MAJESTY'S STATIONERY OFFICE

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AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE GOVERNMENT OF CZECHOSLOVAKIA RELATING TO MONEY AND PROPERTY SITUATED IN CZECHOSLOVAKIA AND THE UNITED KINGDOM WHICH HAVE BEEN SUBJECTED TO SPECIAL MEASURES IN CONSEQUENCE OF THE ENEMY OCCUPATION OF CZECHOSLOVAKIA.

London, 1st November, 1945.

THE Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Czechoslovak Republic, desiring to conclude an Agreement to facilitate the restoration of money and property situated in Czechoslovakia and the United Kingdom and belonging to persons who are and have been resident in the United Kingdom and Czechoslovakia respectively and which have been subjected to special measures in consequence of the enemy occupation of Czechoslovakia, have agreed as follows:—

SECTION 1.—*Object and Scope.*

1. The present Agreement shall apply as regards the United Kingdom to money and property of Czechoslovak persons which have been dealt with under the Trading with the Enemy (Custodian) Order, 1939, as amended (hereinafter called the "Custodian Order") and the Czechoslovakia (Restriction on Banking Accounts, &c.) Act, 1939 (hereinafter called the "Restriction Act"). It shall apply as regards Czechoslovakia to money and property of United Kingdom persons which have been subject to special régimes since the 3rd September, 1939.

For the purpose of this Agreement the phrase "Czechoslovak persons" is defined as meaning persons whose money and property has been subject to the Custodian Order solely because they are and have been resident or carrying on business in Czechoslovakia, or coming within the descriptions in Section 1 (i) (a) of the Restriction Act so far as concerns money or property dealt with under that Act. The phrase "United Kingdom persons" is defined as meaning persons whose money and property has been subject to special régimes solely because they are and have been resident or carrying on business in the United Kingdom.

2. This Agreement does not purport to deal with the position of the money and property of Czechoslovak and United Kingdom persons under Revenue or Foreign Exchange Control legislation in force in the United Kingdom or Czechoslovakia.

3. Money and property in the United Kingdom of British subjects resident in Czechoslovakia which have been subject to the Custodian Order or Restriction Act shall be dealt with outside the terms of this Agreement.

SECTION 2.—*Moneys.*

4. *Bank Balances.*—Bank balances belonging to Czechoslovak and United Kingdom persons shall be placed at the disposal of the original account holders.

5. *Commercial Debts, Interest and other Moneys of a like nature due under Contracts—*

- (a) Sterling and other sums at present held by the Custodian of Enemy Property in respect of commercial debts, interest and other moneys of a like nature due to Czechoslovak persons will be transferred to the Czechoslovak Government with a view to the satisfaction of the claims of the creditors.

Provided that nothing in the foregoing shall prevent the British Government, in cases which in its opinion justify this action, from agreeing with the Czechoslovak Government to the reversal to the person by whom payment was made of moneys now held by the Custodian.

- (b) The Government of Czechoslovakia recognises that Czechoslovak persons who are debtors to United Kingdom persons in respect of moneys of the kinds dealt with in this Article remain liable to their creditors until the debts are fully discharged in accordance with the terms of the appropriate contracts. In this connection the Government of Czechoslovakia will assist United Kingdom creditors to trace and identify their debtors and facilitate the enforcement of the claims of the creditors against the original debtors, their heirs or successors.

6. *Other Moneys.*—Other moneys such as those arising from the sale of goods, by way of legacies or under trusts or settlements or from other causes shall be dealt with in accordance with the provisions of Article 5.

SECTION 3.—*Property.*

7. *Securities.*—Securities belonging to Czechoslovak and United Kingdom persons shall be placed at the disposal of the original holders.

Nevertheless it is recognised that securities held in either country for banks in the other country will only be released on proof that they are not beneficially owned by persons resident or carrying on business in a country with which the Government of the United Kingdom is at war or incorporated under the laws of such a country.

8. *Immovable Property.*—Czechoslovak and United Kingdom persons shall be free to resume ownership and management of their property.

9. *Movable Property.*—The two Governments will use their best endeavours to assist in tracing and returning the movable property of Czechoslovak and United Kingdom persons.

10. *Industrial, Literary and Artistic Property.*—This Agreement does not purport to deal with the disposition of industrial, literary and artistic property, which will be the subject of a special Agreement.

11. *Commercial, Financial and Industrial Undertakings.*—Any restrictions (other than those which are common to all persons resident in Czechoslovakia or the United Kingdom) which at present prevent persons in Czechoslovakia from resuming the management or direction of such undertakings in the United Kingdom shall be removed and any restrictions in Czechoslovakia which may prevent persons in the United Kingdom from resuming management or direction of their undertakings shall be removed likewise.

SECTION 4.—*General.*12. *Transfer Guarantee*—

- (a) In so far as it may be necessary to prevent any exchange difficulties which might otherwise impede the transfer of moneys owing to United Kingdom persons by Czechoslovak persons, the Czechoslovak Government undertakes to arrange for the retention in sterling of an amount sufficient to allow of the transfer of commercial debts, interest and other commercial and financial payments of a like nature due from time to time to United Kingdom persons.
- (b) The amount of sterling to be retained and the period for which it shall be retained shall be fixed by agreement between the Government of the United Kingdom and the Government of Czechoslovakia.

13. *Acts of Dispossession*.—The Government of Czechoslovakia will give no less favourable treatment to British subjects than they do to Czechoslovak citizens in regard to property situated in Czechoslovakia which has been the subject of acts of dispossession of the kinds covered by the Inter-Allied Declaration of the 5th January, 1943,⁽¹⁾ or of discriminatory legislation and they will take the action necessary to restore any British rights or interests which have been prejudiced.

14. *Removal of Legal Obstacles*.—The two contracting Governments agree to consider action for the removal of legal obstacles (including periods of prescription) arising from the war which may prevent an equitable settlement of outstanding indebtedness.

15. *Liquidations in Progress*.—The two contracting Governments will consult together on outstanding questions arising out of liquidations or similar proceedings undertaken on account of Custodian legislation and in the meantime will not, except in agreement, take action to complete proceedings at present pending.

16. *Estates of Deceased Persons*.—In dealing with the estates in the United Kingdom of Czechoslovak persons who have died since their money and property became subject to the Custodian Order, it is agreed that the terms of the Agreement shall not be applied until a legal personal representative has been appointed.

17. *British Colonial Empire*.—His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland undertake to ask the Governments of the British Colonial Dependencies to make analogous arrangements.

18. *Implementation*.—The contracting Governments shall consult together in order to decide the details of the procedure for giving effect to this Agreement, which shall come into force on the date of signature.

In witness whereof, the undersigned, being duly authorised by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

Done in London in duplicate on the 1st day of November, 1945.

For the Government of Great Britain and Northern Ireland:

(L.S.) ERNEST BEVIN.

For the Government of the Czechoslovak Republic:

(L.S.) DR. RUDOLF KURAŽ.

⁽¹⁾ "Miscellaneous No. 1 (1943)," Cmd. 6418.