



Treaty Series No. 3 (1949)

Agreement

between the Government of the United Kingdom
of Great Britain and Northern Ireland and
the Government of Yugoslavia

regarding Money and Property subjected to
Special Measures in consequence of the
Enemy Occupation of Yugoslavia

[With Exchanges of Notes]

London, 23rd December, 1948

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

LONDON
HIS MAJESTY'S STATIONERY OFFICE

TWOPENCE NET

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF YUGOSLAVIA REGARDING MONEY AND PROPERTY SUBJECTED TO SPECIAL MEASURES IN CONSEQUENCE OF THE ENEMY OCCUPATION OF YUGOSLAVIA

London, 23rd December, 1948

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Federative People's Republic of Yugoslavia respectively (hereinafter referred to as the Government of the United Kingdom and the Government of Yugoslavia respectively), desiring to conclude an Agreement to facilitate the restoration of money and property situated in Yugoslavia and the United Kingdom belonging to persons who are and have been resident in or carrying on business in the United Kingdom and Yugoslavia respectively and which have been subjected to special measures in consequence of the enemy occupation of Yugoslavia, have agreed as follows:—

PART I.—SCOPE AND OBJECT

ARTICLE 1

(a) In the case of money and property in the United Kingdom this Agreement shall apply to money and property of Yugoslav persons which have been dealt with under the Trading with the Enemy (Custodian) Order, 1939, as subsequently amended (hereinafter called the Custodian Order). In the case of money and property in Yugoslavia it shall apply to money and property of United Kingdom persons which have been subject to special measures in Yugoslavia since 18th April, 1941, by reason of the occupation of Yugoslavia by the enemy, other than money or property which come within the scope of the Agreement regarding the compensation for British property, rights and interests affected by Yugoslav measures of nationalisation, expropriation, dispossession and liquidation, dated 23rd December, 1948.⁽¹⁾ It shall not apply to money and property for the release of which provision is made in the Anglo-Yugoslav Shipping Agreement, dated 31st July, 1947.

(b) For the purpose of this Agreement the phrase "Yugoslav persons" shall mean persons (including juridical persons); being Yugoslav nationals, whose money and property in the United Kingdom have been subject to the Custodian Order solely because they are and have been resident or carrying on business in Yugoslavia. The phrase "United Kingdom persons" shall mean persons (including juridical persons), being British nationals, whose money and property have been subject to special measures in Yugoslavia solely because they are and have been resident or carrying on business in the United Kingdom.

ARTICLE 2

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

(¹) "Treaty Series No. 2 (1949)," Cmd. 7600.

PART II.—MONEYS

ARTICLE 3

Bank Balances

Bank balances belonging to Yugoslav and United Kingdom persons shall be placed at the disposal of the original account holders in accordance with procedures to be settled between the contracting Governments.

ARTICLE 4

Commercial Debts, Interest and other Moneys of a Like Nature

(a) Sterling and other sums at present held in the United Kingdom by the Custodian of Enemy Property in respect of commercial debts, interest and other moneys of a like nature due to Yugoslav persons will be transferred to the Yugoslav Government, or to the agency which it authorises for this purpose, with a view to the satisfaction of the claims of the creditors, but the Government of the United Kingdom may, with the agreement of the Yugoslav Government, repay moneys now held by the Custodian to the persons from whom the Custodian received such moneys in cases which are held to justify this action.

(b) The Yugoslav Government will, in accordance with Yugoslav legislation, assist United Kingdom persons who are creditors of persons in Yugoslavia to trace and identify their debtors and will, similarly, facilitate the enforcement of the claims of such creditors against such debtors, their heirs or successors.

ARTICLE 5

Other Moneys

(a) The provisions of (a) of Article 4 also apply to sterling and other sums at present held in the United Kingdom by the Custodian in respect of moneys due to Yugoslav persons as the result of the sale of goods, legacies or trusts or other causes.

(b) The provisions of (b) of Article 4 also apply to moneys situate in Yugoslavia due to United Kingdom persons as the result of the sale of goods, legacies, or trusts or other causes.

PART III.—PROPERTY

ARTICLE 6

Securities

Securities belonging to Yugoslav or United Kingdom persons shall be placed at the disposal of the original holders. Nevertheless, it is recognised that securities held in one country for banks or other persons 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 making the release is or has been at war since 3rd September, 1939, or incorporated under the laws of such a country.

ARTICLE 7

Property

Property in the United Kingdom of Yugoslav persons and property in Yugoslavia of United Kingdom persons which has been subjected to special measures solely because of the occupation of Yugoslavia by the enemy shall be released from any restrictions imposed by such measures.

ARTICLE 8.

Industrial, Literary and Artistic Property

This Agreement does not apply to rights in industrial, literary and artistic property.

PART IV.—GENERAL

ARTICLE 9.

Acts of Dispossession

The Government of Yugoslavia will give no less favourable treatment to individuals resident in the United Kingdom than they do to Yugoslav nationals in regard to property situated in Yugoslavia which has been the subject of acts of dispossession of the kinds covered by the Inter-Allied Declaration of 5th January, 1943,⁽²⁾ or of discriminatory legislation during the occupation.

ARTICLE 10

Estates of Deceased Persons

Where Yugoslav persons have died since their money and property in the United Kingdom became subject to the Custodian Order, their estates in the United Kingdom shall not be dealt with until a legal personal representative has been appointed in the United Kingdom.

ARTICLE 11

Fees

No fees will be charged in the United Kingdom or in Yugoslavia in respect of the release or restoration of property as provided in this Agreement.

ARTICLE 12

Implementation

This Agreement shall come into force on signature. The contracting Governments shall consult together with a view to settling methods for giving effect to the provisions of this Agreement.

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

Done in duplicate in London this 23rd day of December, 1948.

(L.S.)

ERNEST BEVIN.

(L.S.)

A. G. BOTTOMLEY.

(L.S.)

O. M. CICMIL.

S. KOPČOK.

(²) "Miscellaneous No. 1 (1943)," Cmd. 6418.

33

EXCHANGE OF NOTES

No. 1

Mr. Ernest Bevin to M. Stanislav Kopčok

Foreign Office,

23rd December, 1948.

Sir,

With reference to the Agreement signed to-day between our two Governments relating to money and property situated in Yugoslavia and the United Kingdom which have been subjected to special measures in consequence of the enemy occupation of Yugoslavia, I have the honour to inform you that, in the course of the discussions which have preceded the conclusion of the Agreement, the following understandings have been reached in some matters which it has been agreed should not be included in the agreement itself, but should nevertheless be placed on record:—

2. So far as concerns the United Kingdom, the Agreement is drafted to have effect within the existing framework of Trading with the Enemy and Custodian legislation and practice, which at this date it would be impracticable to amend.

3. The money and property of Yugoslav persons who qualify under Article 1 (b) but whose names were included in the Statutory List will be treated as coming within the scope of the Agreement.

4. It is understood that the only method by which the release of Yugoslav bank balances with United Kingdom banks can be effected is by the reinstatement of the names of the original owners in the accounts. Until the receipt of an application in the Administration of Enemy Property Department, duly made through and approved by the Office for the Protection of Yugoslav Property Abroad, banks in the United Kingdom will not be notified that they can hold the balances at the disposal of the original account holders.

5. Release of securities belonging to Yugoslav persons will not be made until the receipt of an application in the Administration of Enemy Property Department duly made through and approved by the Office for the Protection of Yugoslav Property Abroad. The release which is required under the United Kingdom law in respect of securities normally takes the form of a consent by the Board of Trade (Administration of Enemy Property Department) to the person reporting the securities and to other persons to transfer, to part with or otherwise deal with the securities freely.

6. Our two Governments will exchange such information as may be necessary to carry out the Agreement. Specifically, the United Kingdom Government will provide lists of Yugoslav bank balances and schedules, with the names of creditors when commercial debts, &c., are paid over. The Custodian will provide details of property actually vested in him and will also endeavour to expedite provision of information relating to other property reported to him.

7. The foregoing information will be provided to the Ministry of Finance for the Office for the Protection of Yugoslav Property Abroad.

8. The Government of the United Kingdom have approved the understandings set forth above and if they are likewise approved by the Government of the Federative People's Republic of Yugoslavia I have the honour to suggest that the present note and your reply to that effect shall be regarded as placing on record the understanding of the two Governments in this matter.

I have, &c.

(Sd.) ERNEST BEVIN.

№. 2

M. Stanislav Kopčok to Mr. Ernest Bevin

Trade Delegation in London
of the Federative People's Republic
of Yugoslavia,

Sir,

23rd December, 1948.

I have the honour to acknowledge the receipt of your note of 23rd December of which the text follows:—

[As in No. 1]

2. I have the honour to confirm that the understandings set out in your note are approved by the Government of the Federative People's Republic of Yugoslavia and that they agree that that note and the present reply shall be regarded as placing on record the understanding of the two Governments in this matter.

I have, &c.
(Sd.) S. KOPČOK.

No. 3

Mr. Ernest Bevin to M. Stanislav Kopčok

Foreign Office,

Sir,

23rd December, 1948.

In connexion with the Agreement signed to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Federative People's Republic of Yugoslavia concerning money and property situated in Yugoslavia and the United Kingdom which have been subjected to special measures in consequence of the enemy occupation of Yugoslavia (hereinafter referred to as "the Money and Property Agreement"), I have the honour to confirm on behalf of the Government of the United Kingdom the supplementary provisions set out below:—

1. From time to time and on the first occasion not less than six months from the date of signature of the Money and Property Agreement the progress of the release of assets under the Money and Property Agreement shall be reviewed, with a view to revising the procedure for implementation in order to expedite achievement of the objects of the Agreement.

2. The contracting Governments will consider together in due course what measures shall be taken to deal with such assets as may appear, *prima facie*, to be the money and property of Yugoslav persons which may continue to remain under Custodian control because no claim for their release has been made according to the procedure provided by the Money and Property Agreement.

3. It is expressly understood that the Money and Property Agreement does not apply to any settlements effected between the contracting Governments, or between one or more Departments thereof, except by mutual agreement.

4. Since the definition of Yugoslav persons in Article 1 (b) of the Money and Property Agreement refers to money and property subjected in the United Kingdom to special measures solely by reason of the owner being resident or carrying on business in Yugoslavia, the Agreement does not apply to money and property for which there exists another reason for their subjection to special measures, *e.g.*, where the owner is a national of or controlled by a concern carrying on business in a State which was at war with the United Kingdom, &c.

5. With reference to Articles 4 and 5 of the Money and Property Agreement, it is understood that moneys, transferred to the Yugoslav Government by the Custodian of Enemy Property as being due to Yugoslav persons, will be repaid to the Custodian by the Yugoslav Government in all cases where the money is found not to have been due to Yugoslav persons.

6. The Money and Property Agreement does not purport to deal with monetary and currency legislation in either country.

7. If any Yugoslav commercial debt or other moneys of the kind referred to in Articles 4 and 5 of the Money and Property Agreement has been reported to the Custodian but has not been paid to him, he will apply for payment thereof. Nevertheless, the Custodian, at his discretion, may refrain from pressing his demands in any particular case; if so, he will then inform the Yugoslav Government, advising them of the circumstances of the case. Moneys so collected will be transferred in accordance with the provisions of Articles 4 and 5 of the Money and Property Agreement.

8. The Government of the United Kingdom will communicate to the Governments of the territories, for whose international relations they are responsible, copies of the Money and Property Agreement (including the present note), and will request those Governments, if they see no objection, to make analogous arrangements with regard to the release of the money and property of Yugoslav persons. It is understood that, in so far as any of those Governments do so, the Yugoslav Government will give reciprocal treatment to persons whose money and property has been subject to special measures in Yugoslavia solely because they are and have been resident or have been carrying on business in the territory in question.

If the Yugoslav Government accept the foregoing provisions, I have the honour to suggest that the present note and your reply in that sense should constitute a formal understanding between our two Governments and should be regarded as an integral part of the Money and Property Agreement with immediate effect.

I have, &c.
(Sd.) ERNEST BEVIN.

No. 4

M. Stanislav Kopčok to Mr. Ernest Bevin

*Trade Delegation in London
of the Federative People's Republic
of Yugoslavia,*

23rd December, 1948.

Sir,
I have the honour to acknowledge the receipt of your note of 23rd December of which the text follows:—

[As in No. 3].

I have the honour to confirm that the provisions set out in your note are acceptable to the Government of the Federative People's Republic of Yugoslavia and that they agree that that note and the present reply shall constitute a formal understanding between our two Governments and should be regarded as an integral part of the Money and Property Agreement with immediate effect.

I have, &c.
(Sd.) S. KOPČOK.

LONDON

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

To be purchased directly from H.M. Stationery Office at the following addresses:

York House, Kingsway, London, W.C.2; 13a Castle Street, Edinburgh, 2;

39 King Street, Manchester, 2; 2 Edmund Street, Birmingham, 3;

1 St. Andrew's Crescent, Cardiff; Tower Lane, Bristol, 1;

80 Chichester Street, Belfast

OR THROUGH ANY BOOKSELLER

1949

Price 2*d.* net