

No. 707.

---

**EMPIRE BRITANNIQUE, FRANCE, ITALIE,  
GRÈCE, ROUMANIE, &c., ET TURQUIE.**

**Protocole relatif à certaines Concessions accordées dans  
l'Empire ottoman et Déclaration, signés à Lausanne  
le 24 Juillet 1923.**

---

**BRITISH EMPIRE, FRANCE, ITALY, GREECE,  
ROUMANIA, &c., AND TURKEY.**

**Protocol relating to certain Concessions granted in the  
Ottoman Empire and Declaration, signed at Lausanne,  
July 24, 1923.**

Traduction.—Translation.\*

**No. 707.—Protocol<sup>(1)</sup> relating to certain Concessions granted in the Ottoman Empire, signed at Lausanne, July 24, 1923.**

*Official French text communicated by the French Delegation at the Fifth Assembly of the League of Nations. The registration of this Protocol took place September 5, 1924.*

THE BRITISH EMPIRE, FRANCE, ITALY, GREECE, ROUMANIA, THE SERB-CROAT-SLOVENE STATE AND TURKEY, being desirous of settling by agreement questions relating to certain concessions granted in the Ottoman Empire,

The Undersigned, duly authorised, agree as follows :—

SECTION I.

*Article 1.*

Concessionary contracts and subsequent agreements relating thereto, duly entered into before the 29th October, 1914, between the Ottoman Government or any local authority, on the one hand, and nationals (including Companies) of the Contracting Powers, other than Turkey, on the other hand, are maintained.

*Article 2.*

(i.) On the request of the Turkish Government, the operations contemplated in the agreements entered into between the Ottoman Government and Sir W. G. Armstrong, Whitworth and Company, Limited, and Vickers, Limited, during the years 1913 and 1914, relating to the constitution and the concession of the Société Impériale Ottomane Cointéressée des Docks, Arsenaux et Constructions Navales will be suspended.

Negotiations shall be entered into between the two parties with a view to the modification of the provisions of these agreements or the grant of a new concession for an undertaking of equal importance.

If, within six months from the coming into force of the Treaty of Peace signed this day, an agreement shall not have been come to between the Turkish Government and the said companies, either for the modification of the provisions of the said agreements or for the grant of a new concession, the companies mentioned above shall have the right to submit to experts, appointed in accordance with the provisions of Article 5, the settlement of the conditions of the new concession to be granted as compensation for the cancellation of the old agreements.

\* Communiquée par le Ministère des Affaires étrangères de Sa Majesté britannique.

\* Communicated by His Britannic Majesty's Foreign Office.

(1) The deposit of the instruments of ratification took place: by Greece, February 11, 1924; by Turkey, March 31, 1924; by the British Empire and Italy, August 6, 1924.

It is nevertheless understood that, if the conditions settled by the experts for the new concession are not acceptable to one or other of the parties, the Turkish Government undertakes to pay to the said companies such indemnity for the loss actually suffered for the cancellation of their old concession as the experts determine to be equitable.

(ii.) If, within six months from the coming into force of the Treaty of Peace signed this day, the Régie Générale des Chemins de fer shall not, for any reason, have been restored to the possession of the concession which was given to it in 1914 for the construction and exploitation of the Samsun-Sivas Railway, the Turkish Government undertakes to grant to this company, at its request, a new concession by way of compensation. In default of agreement as to the equivalence of this compensation, the extent and conditions of exploitation of this new concession necessary to give compensation will be determined by experts appointed in accordance with Article 5.

It is understood that, if the Régie Générale is restored to the possession of the Samsun-Sivas Concession, it will be re-adapted in accordance with the procedure for settlement by experts provided for by Article 5. In case of compensation by a new concession due regard will also be had to the power of re-adaptation.

If the conditions of the new concession, as determined by the experts, are not acceptable to one or other of the parties, the Turkish Government undertakes to pay to the company such indemnity as the experts determine to be equitable for the loss actually suffered from the cancellation of the concession for the Samsun-Sivas Railway and for the expenses to which the company has been put for the survey and investigation work on the spot in respect of the other sections of the Black Sea Railway system.

Turkey will be entirely freed from all liability to the company, either by the restoration of the company to possession of the Samsun-Sivas Concession, or by the grant of the new concession, or, lastly, by the payment of an indemnity in accordance with the provisions set out above.

#### *Article 3.*

The amount due, after settlement of accounts, to the State or to beneficiaries under contracts and agreements referred to in Articles 1 and 2, in respect of the use by the State, on the territory which it now possesses, of the property or the services of the said beneficiaries shall be paid in accordance with existing contracts or agreements or, in default of contracts or agreements, in accordance with the procedure of settlement by experts provided for by the present Protocol.

#### *Article 4.*

Subject to the provisions of Article 6, the provisions of the contracts and subsequent agreements referred to in Article 1 shall, by agreement, and as regards both parties, be put into conformity with the new economic conditions.

*Article 5.*

In the absence of agreement within one year from the coming into force of the Treaty of Peace signed this day, the parties will adopt the provisions regarding both the settlement of accounts and the re-adaptation of concessions, which are considered suitable and equitable by two experts, to be nominated by the parties within two months from the expiration of the period of one year mentioned above. In case of disagreement, these experts will refer the question to a third expert selected within two months by the Turkish Government from a list of three persons, nationals of countries not having participated in the war of 1914-1918, prepared by the head of the Swiss Federal Department of Public Works.

*Article 6.*

Beneficiaries under concessionary contracts referred to in Article 1, which have not, on the date of this Protocol, begun to be put into operation, cannot avail themselves of the provisions of this Protocol relating to re-adaptation. These contracts may be dissolved on the request of the concessionaire made within six months from the coming into force of the Treaty of Peace signed this day. In such case the concessionaire will be entitled, if there is ground for it, to such indemnity in respect of the survey and investigation work as, in default of agreement between the parties, shall be considered equitable by the experts provided for in this Protocol.

*Article 7.*

Agreements entered into between the 30th October, 1918, and the 1st November, 1922, between the Ottoman Government and beneficiaries under contracts and concessions referred to in Article 1, as well as contracts between individuals involving the transfer of a concession entered into during this period, shall remain in force until they have received the approval of the Turkish Government. If this approval should not be granted, compensation shall, if there is ground for it, be paid to the concessionaires in respect of the loss actually suffered, the amount being fixed by experts appointed as provided in Article 5. This provision shall not prejudice, as regards contracts previous to the 24th October, 1914, the right of readaptation provided for by this Protocol.

*Article 8.*

The provisions of this Protocol do not apply to agreements entered into since the 25th April, 1920, between the Government of the Grand National Assembly of Turkey and concessionaires.

## SECTION II.

*Article 9.*

In territories detached from Turkey under the Treaty of Peace signed this day, the State which acquires the territory is fully subrogated as regards the rights and obligations of Turkey towards the nationals of the other Contracting Powers, and companies in

which the capital of the nationals of the said Powers is preponderant, who are beneficiaries under concessionary contracts entered into before the 29th October, 1914, with the Ottoman Government or any local Ottoman authority. The same provision will apply in territories detached from Turkey after the Balkan Wars so far as regards concessionary contracts entered into with the Ottoman Government or any Ottoman local authority before the coming into force of the Treaty providing for the transfer of the territory. This subrogation will have effect as from the coming into force of the treaty by which the transfer of territory was effected except as regards territories detached by the Treaty of Peace signed this day, in respect of which the subrogation will have effect as from the 30th October, 1918

*Article 10.*

The provisions of Section I of this Protocol, except Articles 7 and 8, will be applied to the contracts referred to in Article 9. Article 3 will only have effect in detached territories where the property or the services of the concessionnaires were utilised by the State exercising authority in such territory.

*Article 11.*

Any company formed in accordance with Ottoman law and carrying on its business in territory detached from Turkey, either after the Balkan Wars or under the Treaty of Peace signed this day, in which the interests of nationals of the Contracting Powers other than Turkey are preponderant, will have, within five years from the coming into force of the said Treaty, the right to transfer its property, rights and interests to any other company formed in accordance with the law, either of the State exercising authority on the territory in question, or of one of the Contracting Powers other than Turkey whose nationals control the first-named company. The company to which the property, rights and interests shall have been transferred will be entitled to the same rights and privileges as those to which the first-named company was entitled, including those conferred upon it by the provisions of this Protocol.

*Article 12.*

The provisions of Article 11 do not apply to companies holding concessions for public utility services, part of the exploitation of which remains in Turkish territory.

Nevertheless such companies will be entitled to the benefit of the provisions of Articles 11 and 13 as regards those parts of their undertaking which are exploited outside Turkey, and to transfer such parts to a new company.

*Article 13.*

Companies to which, in accordance with Article 11, property, rights and interests of Ottoman companies shall have been transferred will not be subjected in territories detached from Turkey to any special tax on account of such transfer or on account of their formation with a view to this transfer, except in so far as this pro-

vision may be inconsistent with international conventions in force. The same provision shall apply in the territory of the contracting Power, the nationality of which is taken by such companies, unless this Power raises objection to such exemption on account of its own legislation.

Done at Lausanne, the 24th July, 1923.

HORACE RUMBOLD.  
PELLÉ.  
GARRONI.  
G. C. MONTAGNA.  
E. K. VENISELOS.  
D. CACLAMANOS.  
CONST. DIAMANDY.  
CONST. CONTZESCO.  
M. ISMET.  
DR. RIZA NOUR.  
HASSAN.

### Declaration.

The Undersigned, duly authorised, declare that the Turkish Government undertakes to apply the provisions of Section I of the Protocol of to-day's date with respect to certain concessions granted in the Ottoman Empire, to Ottoman companies in which on the 1st August, 1914, the capital of nationals of the other Powers party to that Protocol was preponderant.

Done at Lausanne, the 24th July, 1923.

M. ISMET.  
DR. RIZA NOUR.  
HASSAN.