

N° 1198.

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**AUTRICHE  
ET TCHÉCOSLOVAQUIE**

Arrangement concernant le règlement des dettes contractées en couronnes austro-hongroises, avec protocole final, signés à Prague, le 18 juin 1924, et protocole additionnel, signé à Prague, le 14 mai 1925.

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**AUSTRIA  
AND CZECHOSLOVAKIA**

Agreement regarding the Settlement of Debts contracted in Austro-Hungarian Crowns, with Final Protocol, signed at Prague, June 18, 1924, and Additional Protocol, signed at Prague, May 14, 1925.

## TEXTE ALLEMAND. — GERMAN TEXT.

No. 1198. — ÜBEREINKOMMEN<sup>1</sup> ZWISCHEN DER REPUBLIK ÖSTERREICH UND DER TSCHECHOSLOVAKISCHEN REPUBLIK, BETREFFEND DIE REGELUNG DER IN ÖSTERREICHISCH-UNGARISCHEN KRONEN ENTSTANDENEN VERBINDLICHKEITEN, GEZEICHNET IN PRAG, AM 18. JUNI 1924.

*Official texts in German and in Czechoslovak communicated by the Permanent Delegate of the Czechoslovak Republic accredited to the League of Nations. The registration of this Agreement took place June 9, 1926.*

Von dem Wunsche beseelt, ein Übereinkommen zur Ausführung der Bestimmungen des Artikels 248, lit. d), Absatz 4 in Verbindung mit Artikel 215 des Staatsvertrages von Saint-Germain zu schliessen, haben die Hohen Vertragschliessenden Teile zu ihren Bevollmächtigten ernannt, und zwar :

DER BUNDESPRÄSIDENT DER REPUBLIK ÖSTERREICH :

Herrn Dr. Karl SCHÖNBERGER, Ministerialrat im Bundesministerium für Finanzen,

DER PRÄSIDENT DER TSCHECHOSLOVAKISCHEN REPUBLIK :

Herrn Dr. Bohumil VLASÁK, bevollmächtigten Minister, Sektionschef im Finanzministerium,

welche nach Austausch ihrer in guter und gehöriger Form befundenen Vollmachten folgendes vereinbart haben :

## ABSCHNITT I.

*Artikel 1.*

1. Alle in österreichisch-ungarischen Kronen entstandenen, auf einem privaten Rechtstitel beruhenden Geldverbindlichkeiten, die vor dem 26. Februar 1919 entstanden sind oder sich auf Verträge oder Rechtshandlungen aus der Zeit vor diesem Tage gründen, zwischen :

- a) der Republik Österreich und der Tschechoslovakischen Republik,
- b) einem dieser Staaten und physischen oder juristischen Personen, die am 26. Februar 1919 ihren ordentlichen Wohnsitz (Sitz) im Gebiete des anderen Staates hatten,
- c) physischen oder juristischen Personen, von denen am 26. Februar 1919 die eine ihren ordentlichen Wohnsitz (Sitz) im Gebiete des einen, die andere im Gebiete des anderen Staates hatté,

werden, insoweit nicht in diesem oder in einem sonstigen, auf Grund des Staatsvertrages von Saint-Germain abgeschlossenen Übereinkommen etwas anderes bestimmt ist, in der im Abschnitt V festgesetzten Weise beglichen.

<sup>1</sup> The exchange of ratifications took place at Vienna, March 22, 1926.

<sup>1</sup> TRANSLATION.

No. 1198. — AGREEMENT BETWEEN AUSTRIA AND CZECHOSLOVAKIA  
REGARDING THE SETTLEMENT OF DEBTS CONTRACTED IN  
AUSTRO-HUNGARIAN CROWNS, SIGNED AT PRAGUE, JUNE 18,  
1924.

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THE HIGH CONTRACTING PARTIES, desirous of concluding an agreement with a view to the execution of the provisions of Article 248, (*d*) paragraph 4, in conjunction with Article 215 of the Treaty of Saint-Germain, have appointed the following as their Plenipotentiaries, namely:

THE PRESIDENT OF THE AUSTRIAN REPUBLIC :

Dr. Karl SCHÖNBERGER, Ministerial Counsellor in the Federal Ministry of Finance ;

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC :

Dr. Bohumil VLASÁK, Minister Plenipotentiary, Head of Department in the Ministry of Finance ;

Who, having communicated their full powers, found in good and due form, have agreed as follows :

SECTION I.

*Article 1.*

1. All money debts in Austro-Hungarian crowns based upon a private legal title which were contracted before February 26, 1919, or which arise out of contracts or legal acts prior to that date, between :

(*a*) The Austrian Republic and the Czechoslovak Republic,

(*b*) One of the aforesaid States and individuals or juridical persons who on February 26, 1919, had their regular domicile (headquarters) within the territory of the other State,

(*c*) Individuals or juridical persons, of whom one had his regular domicile (headquarters) within the territory of the one State and the other within the territory of the other State on February 26, 1919,

Shall, unless otherwise provided in this or any other Agreement concluded in virtue of the Treaty of Saint-Germain, be settled as laid down in Section V.

2. Hereinafter, the Austrian Republic or the individual or juridical person who, on February 26, 1919, had his regular domicile (headquarters) within the territory of the Austrian Republic will be described as the "Austrian creditor" or "Austrian debtor", while the Czechoslovak Republic or the individual or juridical person who, on February 26, 1919, had his regular domicile (headquarters) within the territory of the Czechoslovak Republic, will be described as the "Czechoslovak creditor" or "Czechoslovak debtor".

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<sup>1</sup> Translated by the Secretariat of the League of Nations.

*Article 2.*

Debts and claims of persons who, on February 26, 1919, had a regular domicile (headquarters) both within the territory of the Austrian Republic and within that of the Czechoslovak Republic shall be dealt with, in relation to an Austrian creditor (debtor), as debts between an Austrian debtor and an Austrian creditor, and, in relation to a Czechoslovak creditor (debtor), as debts between a Czechoslovak debtor and a Czechoslovak creditor.

*Article 3.*

In the case of debts and claims arising out of the estate of a deceased person, the last domicile of the deceased shall, prior to the giving of possession, be regarded as the domicile (headquarters) of the debtor or creditor, and after that date, the domicile (headquarters) of the heir.

*Article 4.*

1. In the case of private firms or limited partnerships and of all juridical persons, the domicile (headquarters) shall, subject to the provisions of the following paragraph, be the place entered in the Trade Register as the headquarters of the main establishment.

2. Undertakings which, in virtue of the Agreement between the Austrian Republic and the Czechoslovak Republic regarding the legal status of producers' and transport undertakings, of August 2, 1920 (Österr. St. G. Bl. No. 442, Čechosl. S. d. G. u. V. No. 580) have applied on or before May 19, 1924, for the registration of their proposed change of office in the trade register and have obtained the registration of their new office and the cancellation of their previous office within six months after the entry into force of the present Agreement, shall be treated as if they had already had their headquarters on February 26, 1919, in the territory of that State in which the new headquarters are situated. This exceptional provision shall not apply, however, to undertakings which, in virtue of Article III of the aforementioned Agreement, have simply been divided.

*Article 5.*

1. In the case of claims and debts of branches of banking and credit institutions and of insurance institutions, the headquarters of such branches and not the headquarters of the main establishment shall be taken into account.

2. Obligations arising out of insurance documents (policies) drawn up by the main establishments of insurance undertakings or out of other documents shall be regarded as liabilities of branches of these insurance institutions only in so far as this is proved conclusively by the contents of such policies or documents or by other agreements in writing between the parties to the contract.

3. The provisions of this Agreement shall not be applicable to the legal relations between the head undertaking on the one hand and its branches on the other.

*Article 6.*

For the purposes of this Agreement the territories acquired after February 26, 1919, by the Austrian Republic in execution of the Treaties of Saint-Germain and Trianon, and by the Czechoslovak Republic in execution of the Treaties of Saint-Germain, Trianon and Versailles shall be regarded as having formed part of the present territory of these States on February 26, 1919.

## SECTION II.

*Article 7.*

Without prejudice to any provisions of the present Agreement which may refer explicitly to such obligations, this Agreement shall not apply to the following, forming the subject of special agreements already concluded or to be concluded in the future :

(a) Obligations arising out of securities (interest, dividends and repayment of capital) dealt with in the Agreement regarding the release of sequestrated deposits and the mutual recognition of the stamping of securities, which came into force on August 10, 1920 (Österr. St. G. Bl. No. 391. Čechosl. S. d. G. u. V. No. 513).

(b) Claims and debts of the Imperial-Royal Post Office Savings Bank at Vienna which were settled by the Agreement concluded in Rome on April 6, 1922, regarding the withdrawal of effects and deposits from the administration of the Post Office Savings Bank at Vienna.

(c) Liabilities arising out of social insurance relations (See, however, Article 45).

(d) Liabilities arising out of private insurance, including re-insurance contracts, provided that the insurance contingency did not arise before February 26, 1919.

Liabilities arising out of so-called investment policies, under which an insurance company has undertaken, on receipt of a single payment to pay out a fixed capital on a date agreed upon, so that the risk connected with the death or survival of the person is excluded, shall not be regarded as liabilities arising out of private insurance, but as liabilities within the meaning of Section I.

(e) Claims and debts of former Austrian economic organisations created during the war (without prejudice to the provisions of Article 42).

(f) Mortgage claims which belonged on February 26, 1919, to Austrian insurance companies and which are accepted by the Czechoslovak Government as cover for the premium reserves for the corresponding Czechoslovak insurance stock (without prejudice to the provisions of Article 42).

(g) Claims and debts of the Austro-Hungarian Bank.

## SECTION III.

*Article 8.*

1. Liabilities covered by this Agreement which have been unreservedly settled by agreement between the two Parties before September 15, 1922, shall be regarded as having been legally discharged.

2. In the case of the producers' and transport undertakings mentioned in the first sentence of paragraph 2, Article 4, the same principle shall apply to all payments effected prior to the publication of the present Agreement.

3. Payments into court after February 25, 1919, shall not be regarded *ipso facto* as discharging a liability.

*Article 9.*

Any change occurring after February 26, 1919, in the personality of the creditor or debtor, in the case of liabilities mentioned in Section I, shall not affect the nature and method of payment or the extent of the liability.

## SECTION IV.

*Article 10.*

1. Periodical payments due under a contract shall be effected by the debtor to the creditor of the other State in the same manner as to a creditor of the State of which he is a national.

2. The same shall apply, unless otherwise laid down in this or any other Agreement provided for in the Treaty of Saint-Germain, to the liabilities named in Article 1, (b) and (c), if one of the two parties has, between February 26, 1919, and September 15, 1922, transferred his domicile (headquarters) from the territory of one of the High Contracting Parties and on September 15, 1922, had his regular domicile (headquarters) neither in the territory of the Austrian Republic nor in that of the Czechoslovak Republic.

## SECTION V.

*Article 11.*

In discharging liabilities covered by Section I of this Agreement, the Austrian debtors shall pay the following amounts and the Austrian creditors shall receive the same amounts :

(a) In the case of debts resulting from advances on securities given in connection with the acquisition of War Loan bonds in the form of advances on these bonds or on other securities bearing fixed interest now payable in Austrian crowns : for one old Austro-Hungarian crown, one Austrian crown ;

(b) In the case of mortgage debts : for one old Austro-Hungarian crown, 10 Czechoslovak heller, payable in three instalments, the first of which, amounting to 4 heller, shall be paid within thirty days after the presentation of the order for payment, and the remaining two instalments, each amounting to 3 heller, at intervals of one year. If, however, the debtor has paid the interest and annuities in Czechoslovak crowns, without entering a single protest before September 15, 1922, the rate shall be : for one old Austro-Hungarian crown, 30 Czechoslovak heller, payable in five equal instalments, the first being due within thirty days after the presentation of the order for payment and the remaining four at intervals of one year ;

(c) In the case of liabilities of joint stock banks due to any party whatsoever, unless covered by the provisions of (a) or (b) : for one old Austro-Hungarian crown, 5 Czechoslovak heller ;

(d) In the case of all other liabilities : 3.5 Czechoslovak heller for one old Austro-Hungarian crown.

*Article 12.*

Should advances have been granted both on the securities named in Article 11 (a) and on other securities, the part of the advances or securities corresponding to the maximum fixed in the War Loan prospectus shall be regarded as advances on the securities named in Article 11 (a). Changes in the conditions for the guaranteeing of advances occurring after subscription shall not be taken into account.

*Article 13.*

1. The amounts named in Article 11 (*b*), (*c*), (*d*) shall be collected and paid in Austrian crowns at the average rate fixed on the first day of each month by agreement between the two Clearing Offices. In determining this average rate, the quotations for the Austrian crown and the Czechoslovak crown on the New York Stock Exchange on the 5th, 15th and 25th of the previous month shall be taken as a basis.

2. The amount obtained on conversion shall be reduced or increased to bring it to the nearest round number in thousands of Austrian crowns.

3. The amount in Austrian crowns thus obtained and the amount fixed in Article 11 (*a*) shall hereinafter be called the "multiplum".

*Article 14.*

1. Austrian debtors shall pay the "multiplum", on receipt of a demand for payment, into the account of the Czechoslovak Clearing Office ("Československý zúčtovací ústav v Praze") at the Post Office Savings Bank at Vienna.

2. Austrian creditors shall receive the "multiplum" through the Post Office Savings Bank at Vienna out of the account of the Czechoslovak Clearing Office, in accordance with the provisions concerning the so-called revised system of payment.

3. Austrian debtors shall not be required to pay debts under 100 old Austro-Hungarian crowns; similarly, Austrian creditors shall not be entitled to claim payment of sums under 100 old Austro-Hungarian crowns. The same shall apply, in the case of the liabilities named in Article 11 (*a*), to amounts under 5,000 old Austro-Hungarian crowns.

*Article 15.*

1. For the purposes of the payments (incoming and outgoing) named in Article 14, the Post Office Savings Bank at Vienna shall open a cheque account for the "Československý zúčtovací ústav" at Prague, and in agreement with the latter shall fix the conditions to be applied; these shall be as favourable as possible.

2. The Czechoslovak Clearing Office shall have complete freedom of control over this account

*Article 16.*

The Czechoslovak debtor shall pay to the Czechoslovak Clearing Office one Czechoslovak crown for every old Austro-Hungarian crown, and the Czechoslovak creditor shall receive from that Office the amount (described hereinafter as the "quota") established in accordance with the internal regulations to be laid down by the Czechoslovak Republic.

*Article 17.*

The debtor's liability shall be extinguished on payment of the amount to the Czechoslovak Clearing Office, and the creditor's claim shall be fully satisfied on the payment of the amount by that Office. The obligations referred to in Article 14, paragraph 3, shall be regarded as being extinguished on the entry into force of this Agreement.

*Article 18.*

1. All claims covered by Section I shall be due at latest on the entry into force of this Agreement, irrespective of any agreements to the contrary between the parties. Claims not bearing interest which are due shall be submitted for an amount which, with the addition of interest (Article 20) for the time between the due-day resulting from the order for payment and the original due-day, equal to the full amount of the claim.

2. Any unpaid claim contracted in old Austro-Hungarian crowns and guaranteed by an entry in the land register shall be replaced by the amount to be paid by the debtor in Czechoslovak crowns as provided in this Agreement; on the demand of the two Clearing Offices, the corresponding entry shall be made in the land register.

3. The two Clearing Offices may agree to regard any given claim as if it had not fallen due.

*Article 19.*

Claims and debts under this procedure shall not be set off unless counter-claims existed between the same two parties on February 26, 1919, and this circumstance had been notified to the Clearing Offices on the occasion of the declaration or at latest on May 19, 1924.

*Article 20.*

1. In the case of debts due under this Section, except as provided in the next paragraph, 4 % interest shall be paid from March 1, 1919, or from a later due-date as provided under the original agreements or the provisions of Article 18, and this shall apply even if, under the original agreements, it was provided that a different rate of interest or that no interest was to be paid.

2. In the case of claims arising out of depositors' books or mortgage loans, the interest payable shall be that agreed upon, and in the case of claims against the Postal Cheque Office at Prague, the statutory interest.

*Article 21.*

1. The creditor shall be entitled to receive payment only in so far as his debtor has actually made payment.

2. He shall be entitled to submit to his Clearing Office (Clearing Office at Vienna for Austrian creditors and "Československý zúčtovací ústav" at Prague for Czechoslovak creditors) petitions which will enable it to intervene appropriately through the Clearing Office competent to enforce execution (Clearing Office at Vienna for Austrian debtors, "Československý zúčtovací ústav" at Prague for Czechoslovak debtors).

3. Detailed provisions concerning procedure in the matter of intervention shall be agreed upon by the two Clearing Offices in a spirit of conciliation.

*Article 22.*

1. Creditors who, at latest within one year after the entry into force of the present Agreement, have not notified their claims arising out of depositors' books either according to the procedure



laid down in the regulations concerning declaration or after presentation of orders for payment, shall receive for one Austro-Hungarian crown only one Austrian crown.

2. After the expiry of this period, Czechoslovak creditors can submit their claims direct against the issuer of the depositor's book, Austrian creditors, only through the intermediary of the Czechoslovak Clearing Office.

3. This provision shall not, however, be interpreted to mean that no prejudice shall be suffered by a person who has omitted to make at the proper time a declaration as provided in this Agreement or in the legislation concerning the capital levy. Claims to the "multipulum" or "quota", and likewise claims to the amount under paragraph 1, shall be conditional on the debtor at least having made a declaration within the appointed time. Similarly, claims arising out of depositors' books shall henceforth be cancelled if the owner was bound to make a declaration in accordance with the legal provisions concerning the capital levy and omitted to do so without sufficient excuse.

#### Article 23.

1. Austrian debtors who do not effect payment within the period, which, without prejudice to any provisions to the contrary contained in Article 11 (*b*), shall be fixed at not less than thirty days after the presentation of the order, shall pay 10 % on the outstanding amount in Austrian crowns to the Czechoslovak Clearing Office, as moratorium interest for every month or part of a month. The serving of the order for payment shall be effected in accordance with the provisions concerning the service of legal documents.

2. As regards the amounts paid only after the institution of the proceedings for execution, the Austrian debtor shall pay to the Czechoslovak Clearing Office, apart from the costs of execution, which must be refunded, a further sum amounting to 20 % and, within thirty days after the presentation of an order for payment, a supplementary amount which shall be equivalent to the difference between the amount in Austrian crowns corresponding to the "multipulum" fixed for the month of actual payment and the amount payable in Austrian crowns as laid down in the original claim for payment.

#### Article 24.

In assessing the Czechoslovak capital levy (Law of April 8, 1920, S. d. G. u. V. No. 309) on Austrian claims, the basis taken shall be modified and shall consist of the amounts in Czechoslovak crowns which are to be paid to Austrian creditors under this Agreement. On the other hand, in the case of Czechoslovak claims, the basis for assessment laid down in the Austrian Law of July 21, 1920, St. G. Bl. No. 371, concerning the single great capital levy shall not be affected.

### SECTION VI.

#### Article 25.

Declarations made in virtue of the decrees on this subject issued by either Party (Austrian Decree of September 7, 1922, B. G. Bl. No. 675 and Czechoslovak Decree of August 7, 1922, S. d. G. u. V. No. 265) shall remain applicable to the procedure laid down in Section V.

*Article 26.*

1. Declarations which were received by one of the Clearing Offices after May 19, 1924 shall only be deemed to have been received in time if the delay in making the declaration is regarded by both Clearing Offices as excusable or if the declaration was made in answer to an official request.

2. Nevertheless, if liabilities outstanding under the present Agreement, which are to be settled as provided in Section V, were not previously notifiable, the declarations can be made with retroactive effect and without any restriction up to the end of the third month after the entry into force of the present Agreement. Both the High Contracting Parties shall be at liberty to impose penalties in the event of failure to make a declaration within the time laid down.

3. Reservations (§ 5, paragraph 4 of the Austrian Decree of September 7, 1922, B. G. Bl. No. 675 and § 5 of the last paragraph of the Czechoslovak Decree of August 7, 1922, S. d. G. u. V. No. 265) which were made after the declaration shall only be taken into account if they were received by one of the two Clearing Offices on or before May 19, 1924.

*Article 27.*

1. In the case of declarations either or both of which give the debt, exclusive of the extra charges due after February 26, 1919, as not more than 2,000 old Austro-Hungarian crowns, differences of less than 100 old Austro-Hungarian crowns shall be disregarded and the lower of the two amounts declared shall be taken as a basis for the claim for payment and the order for payment.

2. On the other hand, if, according to both declarations, the debt exceeds the amount of 2,000 old Austro-Hungarian crowns, differences up to 500 old Austro-Hungarian crowns shall be disregarded in the same way.

*Article 28.*

1. Should the creditor and debtor have made declarations which are identical and without reservations, the debtor can be summoned to pay by a decision of the competent Clearing Office without further procedure, if the two Clearing Offices agree thereto.

2. In the absence of identical declarations, the Clearing Office shall endeavour to obtain the missing counter-declaration and to remove the discrepancy between the two declarations by bringing about a friendly agreement between the two parties.

3. If the attempt to remove the discrepancies between the two declarations proves unsuccessful, but if the position of affairs appears to the two Clearing Offices to be sufficiently clear, the competent Clearing Office, by agreement with the other Clearing Office, shall take a decision which may be in the form of an order for payment. Should the two Clearing Offices consider that the position of affairs is not sufficiently clear, or should they be unable to come to an agreement, they shall refer the case to the Court of Arbitration provided for in Section VII.

4. If, within thirty days after the serving of the order, one of the parties fails to submit a counter-declaration, the competent Clearing Office shall be entitled, by agreement with the other Clearing Office, to issue the order for payment in virtue of the notification of the other party, with due reference to any other statements advanced by the two parties.

5. Should one of the parties declare to his competent Clearing Office that a case should not be pursued and should the Clearing Office itself so declare, the other Clearing Office shall be

entitled, by reference to this declaration, to take a decision, adding that this decision shall assume the force of law, unless an appeal be lodged with the Mixed Court of Arbitration within thirty days after the serving of the order.

*Article 29.*

Appeals may be lodged with the Mixed Court of Arbitration provided for in Section VII, within thirty days after the serving of the order, against the decision of a Clearing Office which has been taken by agreement between the two Clearing Offices or against decisions under Article 28, paragraph 5.

*Article 30.*

1. Decisions valid in law which have been taken by the competent Clearing Office in agreement with the other Office, valid decisions taken by the competent Clearing Office in virtue of Article 28, paragraph 5, and decisions of the Mixed Court of Arbitration shall be regarded as execution titles within the country.

2. The provisions concerning the levying and collection of taxes applicable in the territory of the State in question shall apply to the collection of the claims of the competent Clearing Offices. As regards provisional regulations, the Clearing Office shall be placed in the same position as the tax administration authorities.

3. Any liability legally established in virtue of this Agreement shall not be modified as regards the debtor by any compulsory or legal settlement.

4. The costs of administration of the Clearing Offices shall be duties chargeable to the bankrupt's estate within the meaning of paragraph 46 (1) of the Bankruptcy Regulations, and, in proceedings for settlement, shall be privileged claims within the meaning of paragraph 23 of the Regulations concerning settlement.

5. The competent Clearing Office can notify, in bankruptcy or legal settlement proceedings, liabilities which have been declared even by only one of the parties or which have been legally established. The Clearing Office competent in regard to the debtor can at any time intervene in the proceedings instead of a creditor, with the result that it alone is authorised from that time onwards to conduct legal proceedings regarding such claims. The Clearing Office shall have the same legal position as the creditor whose place it has taken. It shall have one vote for each creditor whose place it has taken. The provisions of paragraph 94 of the Bankruptcy Regulations shall not be applicable.

6. Should the validity of a claim put forward by a Clearing Office, as laid down in the foregoing paragraph, be disputed in bankruptcy proceedings, the onus of proving the objection shall in every case be upon the party objecting. The only effect of the objection shall be that the objector (bankrupt, administrator of the estate, creditor of the bankrupt) shall have before the Clearing Offices and the Mixed Court of Arbitration the status which the debtor would have had if the bankruptcy proceedings had not been opened.

7. On application by the Clearing House competent in regard to the debtor, the Commissioner for settlement (*Ausgleichskommissär*) can extend to one year the ninety day period laid down in § 56, paragraph 1 (1), even without an order from the Office of the Austrian Chancellor (Justice) or the Czechoslovak Ministry of Justice. In this, he shall have regard to the interests represented by the Clearing Office and likewise the interests of all the other parties concerned.

8. Orders for payment and other decisions of the Clearing Offices shall be dealt with in accordance with § 110, paragraph 2 of the Bankruptcy Regulations.

9. Within the sphere of application of Law XVII/1881 and the Hungarian Ministerial Decree No. 4070/1915 M. E., the appropriate provisions of these prescriptions shall be applied instead of the provisions of the Bankruptcy and Settlement Regulations referred to above.

*Article 31.*

A party may be required by the Clearing Office competent in regard to him to give information and hand over any contracts, receipts, documents or other titles to property in his possession which refer to a liability declared by him.

*Article 32.*

The two Clearing Offices shall at every stage of the proceedings assist one another in every possible way so far as lies within their power, and more particularly, by friendly arrangement, on their own initiative institute execution proceedings for the collection of claims, intervene in bankruptcy and settlement proceedings and give one another all other legal assistance.

*Article 33.*

Each State shall bear the costs of the Office entrusted by it with the duties of a Clearing Office. The Czechoslovak Clearing Office shall at its own cost draw up the claims for payment addressed to Austrian debtors and orders for payment in favour of Austrian creditors, and the Austrian Clearing Office shall despatch claims for payment to Austrian debtors. No Clearing Office can demand repayment of costs not collected from the debtor in connection with the execution proceedings carried out on its own initiative in individual cases; repayment may only be claimed if measures of execution have been taken at the special request of the other Clearing Office as provided in Article 21, paragraph 2.

*Article 34.*

In the case of the periods allowed to a party under this Agreement for the submission of statements, lodging of petitions, delivery of documents or performance of other acts concerning these proceedings, and more particularly payments, the days required for postal communication shall not be included in the period.

*Article 35.*

Requests made to the Clearing Offices, acknowledgments of payments and legal contracts and documents drawn up or concluded between the two Clearing Offices, or between one of the Clearing Offices and a third party in execution of this Agreement, and book entries made either on the application of one of the Clearing Offices or in execution of Article 18, paragraph 2, shall be exempt from stamp duty and direct taxes.

## SECTION VII.

*Article 36.*

A Mixed court of Arbitration shall have power to give a final decision, to the exclusion of the regular courts and other domestic courts and authorities, concerning :

(a) Differences of opinion between the parties, unless these are settled by a decision taken by one Clearing Office in agreement with the other Office (Article 28, paragraph 3) ;

(b) Differences of opinion between the Clearing Offices as to whether a liability actually exists, or whether it comes under the provisions of the present Agreement ;

(c) Appeals of the parties against a decision of the competent Clearing Office taken in agreement with the other Clearing Office. In such cases, each of the two Clearing Offices shall have the right to appear as a party to the case ;

(d) Appeals against decisions given under Article 28, paragraph 5 ;

(e) Differences of opinion between the Clearing Offices concerning the interpretation of the present Agreement.

*Article 37.*

1. Decisions of the Court of Arbitration shall be taken by Chambers, each of which shall consist of a President and an Austrian and Czechoslovak arbitrator. One Chamber shall be set up at Vienna and another at Prague.

2. A President, the necessary number of deputies and a secretary or secretaries shall be appointed for each Chamber ; they shall be appointed by the Austrian Government for the Chamber sitting at Vienna and by the Czechoslovak Government for the Chamber sitting at Prague. Further, each Government shall appoint for each of the two Chambers an arbitrator and the necessary number of deputies.

3. The procedure shall be settled by agreement between the two Presidents by means of rules of procedure for the Court of Arbitration. In these, provision shall be made for both Chambers to deal with the same number of cases. In this connection it shall be provided that the allocation of cases to the two Chambers shall be decided by lot.

4. Further, the rules of procedure for the Court of Arbitration shall include provisions concerning Court dues and costs, regard being had to the varying value of the subject of dispute to the two parties.

5. Each Clearing Office shall appoint one representative ; this representative shall also be responsible for the general supervision of the authorised agents or counsel of the parties coming under his Clearing Office.

6. The Office for the receipt of documents and for records shall be established at Prague. Petitions to the Court may also be submitted to the Clearing Office at Vienna and this procedure shall be valid as regards the observance of the time-limit.

*Article 38.*

In so far as the dues collected from the parties are not sufficient to defray the expenses of the Court of Arbitration, the Austrian Government shall bear the actual expenses of the Chamber sitting at Vienna, and the Czechoslovak Government those of the Chamber sitting at Prague. The costs of the Office for the receipt of documents and for records at Prague shall be borne by the Czechoslovak Clearing Office.

## SECTION VIII.

*Article 39.*

1. Differences of opinion between the Clearing Offices involving questions of principle may be submitted by either of the two Clearing Offices, for decision, to the two Presidents.
2. Should the latter fail to agree, they shall appoint by common consent a third arbitrator, who shall act as President of this Board of Arbitrators. In the event of failure to agree on this third arbitrator, the President of the Swiss Confederation shall be requested to appoint the President.
3. This Board of Arbitrators shall meet as may be necessary in a place fixed by agreement or appointed by the President.
4. Decisions of this Board of Arbitrators shall be binding upon the Mixed Court of Arbitration.
5. The costs arising out of the appointment of a third arbitrator shall be borne by the two parties in equal moieties.

## SECTION IX.

*Article 40.*

In the case of mortgage claims of the Austro-Hungarian Bank for which immovable property in the Czechoslovak Republic constitutes security and which have been transferred to the Czechoslovak Republic by the liquidators of the Austro-Hungarian Bank, the Czechoslovak mortgage debtors shall pay their debts to the Czechoslovak Clearing Office at the rate of one Czechoslovak crown for one old Austro-Hungarian crown; notwithstanding, if on February 26, 1919, the mortgage debtor had his domicile (place of business) in Austria (See provisions of Articles 2-6, which are applicable when appropriate) the debt shall be adjusted in accordance with the provisions of Article 11 (*b*).

*Article 41.*

1. (1) The Austrian Government shall make over to the Czechoslovak Government the claims in respect of loans on collateral security advanced by the Loans and Deposit Sections of the Austro-Hungarian Bank, which were transferred to the Austrian Government during the liquidation of the Austro-Hungarian Bank, against persons who, on February 26, 1919, had their domicile (headquarters) in the Czechoslovak Republic, in so far as such claims were still unsettled on June 1st, 1924.
- (2) Further, claims of this nature in respect of loans on collateral security, which were paid by the debtor to the Postal Cheque Office at Prague, but payment of which was accepted by the latter only subject to reservations, shall also be transferred, but only in so far as they are still unsettled, when the payments, previously effected by the debtor in Austrian crowns converted into Czechoslovak crowns at the average rate for the half year in which payment is effected, are taken into account.
- (3) Subject to the exception named in the foregoing paragraph, claims of the nature mentioned in paragraph 1, if they were paid by the debtor (e. g., to the Austro-Hungarian Bank, the liquidators of the Austro-Hungarian Bank or the Austrian National Bank), but payment of which was accepted only with reservations, shall not be transferred.

(4) The Austrian Government shall assume no responsibility for the accuracy or recoverability of the claims transferred in accordance with the foregoing provision.

(5) The Czechoslovak Government shall be entitled to recover from Czechoslovak debtors the claims transferred to it, at the rate of one Czechoslovak crown for one old Austro-Hungarian crown.

2. (1) The Czechoslovak Government shall make over to the Austrian Government the claims in respect of loans on collateral security advanced by the Loans and Deposit Sections of the Austro-Hungarian Bank which were transferred to the Czechoslovak Government during the liquidation of the Austro-Hungarian Bank, against persons who, on February 26, 1919, had their domicile (headquarters) in the Austrian Republic, in so far as such claims were still unsettled on June 1, 1924.

(2) The Czechoslovak Government shall assume no responsibility for the accuracy or recoverability of the claims transferred in accordance with the foregoing provision.

(3) The Austrian Government shall be entitled to recover from the Austrian debtors in the manner provided in Austrian internal legislation the claims transferred to it.

3. (1) The provisions of Articles 3-6 concerning domicile (headquarters) shall also govern the application of Nos. 1 and 2 above.

(2) Claims against persons who have a double domicile within the meaning of Article 2 shall not be transferred.

4. The two Governments shall deliver to each other acknowledgments of debt, other documents and any securities referring to claims which have been transferred.

5. Claims transferred to or by either party under Nos. 1 and 2 shall not form the subject of any arrangement between the two Governments with a view to a set-off.

## SECTION X.

### *Article 42.*

1. If and so far as in virtue of a special agreement concluded in execution of the Treaty of Saint-Germain (Articles 273, 275, 215, etc.) claims expressed in terms of old Austro-Hungarian crowns are transferred formally to the Czechoslovak Republic or to a person appointed by it, the debt shall be discharged by the Czechoslovak debtor at the rate of one Czechoslovak crown for one old Austro-Hungarian crown. This shall be without prejudice to the application of the amount thus collected as provided in the special agreement.

2. The same shall apply to the mortgage claims mentioned in Article 7 (*f*).

## SECTION XI.

### *Article 43.*

1. Since, in consequence of the fixing of the frontiers in virtue of Article 27 of the Treaty of Saint-Germain, the care of those wards who, under this delimitation, are subject to the jurisdiction of the Czechoslovak courts and whose property was formerly administered by the Orphan Funds of Gmünd, Schrems and Feldsberg (Poysdorf) has been transferred to the courts of the Czechoslovak Republic, the Austrian Republic undertakes to make over to the Czechoslovak Republic part of the cumulatively administered property of the Orphan Funds of Gmünd, Schrems and Feldsberg (Poysdorf), i.e., all the mortgage claims of the said Orphan Funds against Czechoslovak debtors and

claims arising out of investments in financial institutions which are to be regarded as Czechoslovak debtors, both classes of claims being determined in accordance with the position on September 15, 1922, together with interest and annuities up to the date of transfer.

2. By the transfer of the above-mentioned assets to the Czechoslovak Republic, these Orphan Funds shall be released from all liabilities arising out of the custody of the property of the aforesaid wards.

3. The Austrian Republic undertakes itself to supply to the Czechoslovak Republic all documents and evidence that may be necessary to prove the claims of the Orphan Funds as named in paragraph 1. It shall forward these in the original, or, if this is impossible owing to their forming part of other documents, in certified copies. These documents shall be transmitted within two months after the coming into force of this Agreement to a commission to be set up by the Presidents of the Courts of Appeal of Prague and Brun (*Oberlandesgerichtspräsidium*). This commission shall also be entitled to examine all books, deeds and documents which contain entries relating to the properties to be transferred.

#### Article 44.

1. Except in the case of the wards of the divided district court jurisdictions mentioned in paragraph 1 of the foregoing Article whose affairs are still to be settled on the entry into force of this Agreement, claims of Austrian creditors against Czechoslovak Orphan Funds and claims of Czechoslovak creditors against Austrian Orphan Funds shall be dealt with as follows :

2. There shall be established at the "Československý zúčtovací ústav" a Special Fund into which the Austrian Orphan Funds shall pay their debts to wards who, for the purposes of this Agreement, are to be regarded as Czechoslovak creditors (described hereinafter as Czechoslovak wards), at the rate of one Austrian crown for one old Austro-Hungarian crown, and the Czechoslovak Orphan Funds shall pay their debts to wards who, for the purposes of this Agreement, are to be regarded as Austrian creditors (hereinafter described as Austrian wards), at the rate of one Czechoslovak crown for one old Austro-Hungarian crown. The Fund thus constituted shall be divided among all these Austrian and Czechoslovak wards at the nominal value of the claims, on the basis of the position on July 1, 1924, so that, subject to the reservations named below every Austrian and Czechoslovak ward shall receive the same amount for every old Austro-Hungarian crown of his claim. Should it result, however, from the position of the claims of both parties, that the amount accruing to the wards would be less than 30 Czechoslovak heller for one old Austro-Hungarian crown, the Czechoslovak wards shall notwithstanding receive 30 Czechoslovak heller for one Austro-Hungarian crown, while the amount to be paid to the Austrian wards shall be correspondingly reduced. If, however, as the result of this reduction, the Austrian wards do not receive at least 10 Czechoslovak heller for one old Austro-Hungarian crown, the constitution of a Special Fund shall be abandoned. In this event, the claims of the wards on both sides shall be settled in accordance with the provisions of Section V, so that the aforementioned method of payment, that is, one Austrian crown for one old Austro-Hungarian crown, for the Austrian Orphan Funds, and one Czechoslovak crown for one old Austro-Hungarian crown, for the Czechoslovak Orphan Funds, shall also apply to such cases, and the amount to be paid to the Austrian wards shall bring the rate up to 10 Czechoslovak heller for one Austro-Hungarian crown.

3. The Austrian Orphan Fund shall remit the amounts to be paid to the "Československý zúčtovací ústav" at Prague through the Clearing Office at Vienna, and the "Československý zúčtovací ústav" shall pay over the amounts to be paid to the Austrian wards, under the foregoing paragraph, to the Clearing Office at Vienna.



4. Both Governments shall issue proclamations providing that the claims mentioned in this paragraph shall be notified by the legal representatives of the wards or by the wards themselves if they have in the meantime become qualified, within six months after the issuing of the proclamation, to the competent Courts of Wards (Trustees). The Courts of Wards (Trustees) shall in virtue of those declarations and of the documents of the Court, draw up detailed returns of the liabilities, and shall transmit them to the "Československý zúčtovací ústav", while the Austrian Courts shall transmit them through the Clearing Office at Vienna.

## SECTION XII.

### Article 45.

Mutual claims arising out of settlements of accounts of pension insurances, organs which, before the separation of the States, had insured persons in the Austrian Republic and in the Czechoslovak Republic but which do not come under the provisions of Article 275 of the Treaty of Saint-Germain, shall be settled by means of a special clearing arrangement as provided in a special agreement.

## SECTION XIII.

### Article 46.

1. As regards the liabilities named in Section I, apart from the method of payment laid down in the foregoing Sections, payment and acceptance of, payment and all arrangements relating to the discharge of liabilities, shall be prohibited. Legal transactions which constitute a violation of this prohibition shall be null.

2. Similarly these claims may not be pursued by means of suits, execution procedure or provisional orders.

3. Suits and petitions for execution shall be dismissed *ex officio* or on application, suspended legal proceedings shall be brought to a conclusion with the rejection of the suit on the grounds of the inadmissibility of the proceedings, and suspended executive proceedings shall be discontinued. The Court shall decide the question of costs as it may think fit in its discretion.

### Article 47.

1. As regards the liabilities named in Section II, the prohibitions concerning payment, law suits and execution already issued by the two High Contracting Parties shall remain in force even after the expiry of the periods laid down therein, until the entry into force of the special Agreement mentioned in Section II.

2. In this connection it shall be laid down by agreement, that the Austrian Decree of November 30, 1923, B. G. Bl. No. 605 and the Czechoslovak Decree of December 13, 1923, S. d. G. u. V. No. 236, shall also apply to the obligations mentioned in Section II, Article 7 (b)-(g).

3. The High Contracting Parties shall be at liberty by mutual agreement to amend or repeal the existing prohibitions or to issue new prohibitions.

*Article 48.*

On the entry into force of this Agreement, the prohibitions concerning payment, lawsuits and execution hitherto applicable shall no longer apply to the obligations mentioned in Section IV.

*Article 49.*

The time during which an obligation cannot be legally urged and more particularly the time pending the establishment of the fact that no obligation covered by Section I or II of this Agreement exists, shall not be included in reckoning the period of prescription, the legal period for the bringing of a suit, or any other periods the expiry of which without effect is attended under the law by prejudicial consequences.

This Agreement shall be ratified at the earliest possible date and shall enter into force after the exchange of the instruments of ratification.

The exchange of the instruments of ratification shall take place at Vienna.

In faith whereof the above-mentioned Plenipotentiaries have signed this Agreement.

Done at Prague on June 18, 1924, in German and Czechoslovak, both texts being authentic, in two original copies, one of which shall be transmitted to the Austrian and the other to the Czechoslovak Government.

*For the Czechoslovak Republic :*  
(Signed) Dr. Bohumil VLASÁK.

*For the Austrian Republic :*  
(Signed) SCHÖNBERGER.

## FINAL PROTOCOL

TO THE AGREEMENT BETWEEN THE REPUBLIC OF AUSTRIA AND THE REPUBLIC OF CZECHOSLOVAKIA  
REGARDING THE SETTLEMENT OF DEBTS CONTRACTED IN AUSTRO-HUNGARIAN CROWNS.

On the occasion of the signature of the Agreement concluded under to-day's date regarding the settlement of debts contracted in Austro-Hungarian crowns, it is hereby noted that complete agreement exists on the following points :

1. Private legal claims upon the former Imperial-Royal (K. K.) or Imperial and Royal (K. u. K.) Treasury, arising out of administrative acts of the former Imperial-Royal (K. K.) and Imperial and Royal (K. u. K.) authorities, offices and establishments shall not be covered by the present Agreement.

2. The provisions of Article 42 shall also apply, by exception, to the mortgage claims of the " Allgemeine Pensionsanstalt für Angestellte ", in liquidation at Vienna, against the " Radium " Sanatorium, Ltd., at Joachimsthal (amounting on December 31, 1922, to 1,188,961.25 crowns) and against the " Helenenhof-Imperial Hotel, Ltd. " at Carlsbad (amounting on December 31, 1922, to 2,200,060.09 crowns), which claims were transferred to the Czechoslovak Government under the Agreement of March 29, 1924, regarding the " Allgemeine Pensionsanstalt für Angestellte " ;

the said Article 42 shall apply in the sense that the debts in question shall be settled by the debtors in Czechoslovak crowns, even if the debtors had their domicile (headquarters) in Austria on February 26, 1919. The same shall apply to the mortgage claim of the General Insurance Company "Anker" Ltd., Vienna, against the "Helenenhof-Imperial Hotel, Ltd.," at Carlsbad.

3. The Austrian Government declares that it will effect, at the earliest possible date, the transfer of the deposits of the District Courts of Gmünd, Schrems and Feldsberg (Poysdorf), in execution of Article 1 of the Agreement concerning deposits (Österr. St.-G.-Bl. No. 391, Čechosl. S. d. G. u. V. No. 513, both of 1920), in order that the transfer may be completed within thirty days after the entry into force of the present Agreement.

4. The two Clearing Offices shall settle the payment of the sums to be paid by the debtors so that they may enjoy the benefits laid down in paragraphs 469 and 470 of the General Civil Code, as amended by paragraphs 33 and 35, Part 6 of Section 3 of the Third Supplementary Act, and the benefits arising out of the other provisions of the said Part 6.

The present Final Protocol shall enter into force simultaneously with the aforementioned Agreement.

PRAGUE, June 18, 1924.

*For the Czechoslovak Republic :*  
(Signed) Dr. Bohumil VLASÁK.

*For the Austrian Republic :*  
(Signed) SCHÖNBERGER.

#### ADDITIONAL PROTOCOL

TO THE AGREEMENT OF JUNE 18, 1924, BETWEEN THE REPUBLIC OF AUSTRIA AND THE REPUBLIC OF CZECHOSLOVAKIA REGARDING THE SETTLEMENT OF DEBTS CONTRACTED IN AUSTRO-HUNGARIAN CROWNS.

The Agreement of June 18, 1924 between the "Austrian public and the Czechoslovak Republic regarding the settlement of debts contracted in Austro-Hungarian crowns is based upon the legal situation hitherto existing in the territories of the two Contracting States, according to which debts contracted in what was previously their common currency, that is, in Austro-Hungarian crowns, must be discharged in the national currency in the ratio of 1 : 1.

The two High Contracting Parties declare, therefore, that they undertake to supplement the aforesaid Agreement by means of negotiations, should any change in the above-mentioned legal situation occur in the territory of either one of the two High Contracting Parties as the result of legislation ; the guiding principle to be adopted in the course of such negotiations shall be as follows : such measures of revalorisation as may be adopted for debtors and creditors within the territory covered by the national laws shall also be extended to the debts and claims whose settlement is regulated by the Agreement of June 18, 1924. In this connection, it will be necessary to stipulate that such measures shall have retroactive effect, as provided in the case of the domestic legislation concerning revalorisation, and such provisions shall apply even if the Agreement of June 18, 1924, has already been executed.

Liabilities arising out of securities (*Wertpapiere*) shall be settled as between the two High Contracting Parties by Nos. 1-4 of Section B of the Agreement concerning deposits (published in the

Austrian Republic in No. 391, St. G. Bl., 1920, and in the Czechoslovak Republic in No. 513, S. d. G. u. V., 1920). Should it happen, contrary to expectations, that such liabilities are also the object of revalorisation within the territory of either one of the High Contracting Parties, no difference shall be made between Austrian and Czechoslovak holders of securities.

The present Additional Protocol shall be ratified and shall enter into force, after the exchange of the instruments of ratification at Vienna, simultaneously with the Agreement of June 18, 1924.

In faith whereof the Plenipotentiaries have signed the present Additional Protocol.

Done at Prague on May 14, 1925, in German and in Czechoslovak, both texts being authentic, in two original copies, one of which shall be transmitted to the Austrian, and the other to the Czechoslovak, Governments.

*For the Czechoslovak Republic :*  
*(Signed)* Dr. Bohumil VLASÁK.

*For the Austrian Republic :*  
*(Signed)* SCHÖNBERGER.