

N° 1110.

HONGRIE ET ROUMANIE

Convention relative à la libération des dépôts et au règlement des dettes et créances en anciennes couronnes autrichiennes ou hongroises, avec annexes et protocole de signature, signée à Bucarest, le 16 avril 1924.

HUNGARY AND ROUMANIA

Convention regarding the Release of Deposits and the Settlement of Debts and Credits in Former Austrian and Hungarian Crowns, with Annexes and Protocol of Signature, signed at Bucharest, April 16, 1924.

¹ TRADUCTION. — TRANSLATION.

No. 1110. — CONVENTION² BETWEEN HUNGARY AND ROUMANIA REGARDING THE RELEASE OF DEPOSITS AND THE SETTLEMENT OF DEBTS AND CREDITS IN FORMER AUSTRIAN AND HUNGARIAN CROWNS, SIGNED AT BUCHAREST APRIL 16, 1924.

French official text communicated by the "Chargé des Affaires" of the Royal Hungarian Delegation accredited to the League of Nations. The registration of this Convention took place February 27, 1926.

HIS MOST SERENE HIGHNESS THE REGENT OF HUNGARY and HIS MAJESTY THE KING OF ROUMANIA, desirous of arriving at an agreement for the release of deposits and the settlement of debts and claims in former Austrian and Hungarian crowns,

Have resolved to conclude a Convention for that purpose, and have appointed as their Plenipotentiaries :

HIS MOST SERENE HIGHNESS THE REGENT OF HUNGARY :

M. R. DE WODIANER, Envoy Extraordinary and Minister Plenipotentiary ;

HIS MAJESTY THE KING OF ROUMANIA :

M. Nicolas N. FILODOR, Envoy Extraordinary and Minister Plenipotentiary, Secretary-General of the Royal Ministry for Foreign Affairs ;

Who, having communicated their full powers, found in full and due form, have agreed upon the following provisions :

SECTION I.

PROVISIONS CONCERNING THE RELEASE OF DEPOSITS.

Article 1.

(1) The Government of the Kingdom of Hungary undertakes to release unreservedly open or sealed deposits and safe-deposits which, on the date upon which application is made for their release, are deposited within its territory with any authority in State banks or with notaries

¹ Traduit par le Secrétariat de la Société des Nations.

¹ Translated by the Secretariat of the League of Nations.

² The exchange of ratifications took place at Budapest, December 3, 1924. The Additional Protocol to No. 1106 applies to this Convention. See page 325 of this volume.

public, credit institutions or bankers, in so far as such deposits contain paper securities, bonds, depositors' books, shareholders' books, founders' shares, insurance policies or other documents, or foreign currency, precious metals, whether minted or unminted (whether worked or unworked), pearls, precious stones or objects of art, after payment of the usual costs chargeable on such deposits and subject to the provisions of this Section, provided that it can be shown :

- (a) Either that the aforesaid securities or valuables constituted on July 26, 1921, the property of individuals who, on the date of the application, are Roumanian nationals in virtue of the Roumanian laws in force on July 26, 1921, in the territory of the old Kingdom of Roumania, or in virtue of the provisions of the Treaty of Trianon or the Treaty of St-Germain, and who have no habitual domicile within the territory of the Kingdom of Hungary. The release shall not be affected by the fact that the owner has acquired Roumanian nationality automatically under the Treaty of Trianon or the Treaty of St-Germain or by exercise of his right of option ;
- (b) Or, alternatively, that the aforesaid securities or valuables constituted on July 26, 1921, the property of juridical persons, public corporations (except the public corporations and associations referred to in Article 256 of the Treaty of Trianon), commercial companies or other similar bodies whose principal place of business was, on July 26, 1921, in Roumanian territory including the ceded territory.

If the securities or valuables have been continuously deposited since July 26, 1921, as the deposit of a Roumanian national, with one of the depositaries mentioned in the first paragraph of this Article, no further proof of ownership shall be necessary. Rebutting evidence shall be admissible. For all other securities or valuables, proof of ownership must be established by means of official certificates, merchants' account books, documents, or other evidence admissible under the Code of Civil Procedure.

(2) A separate Convention shall be concluded concerning securities or valuables belonging to or administered by committees for minors or persons deprived of their civil rights.

(3) Application for the release of a deposit shall be submitted to the depositaries (paragraph 1 of this Article) at the place where the deposit is kept, or to the Royal Roumanian Ministry of Finance, who will transmit the application within thirty days to the Royal Hungarian Ministry of Finance.

Six months after the entry into force of the present Convention, the Royal Hungarian Ministry of Finance shall be entitled, after previously notifying the Government of the Kingdom of Roumania, to fix a period of grace of sixty days for the submission of any further applications for the release of deposits. In the case of a period of grace being thus appointed, persons who have acquired Roumanian nationality by option will in any case be allowed a period of grace of four months, reckoned from the date on which the declaration of option was accepted or on which their domicile was transferred in consequence of their option, in which to submit their application for the release of deposits.

(4) If the securities or valuables to be released are deposited, not with the aforesaid Hungarian depositaries but outside Hungarian territory, the Government of the Kingdom of Hungary undertakes to permit or to take the necessary measures for the delivery or drawing up, as the case may be, of the documents determining the disposal, and to take all necessary action and afford all necessary facilities to enable the owner to recover his deposit.

(5) Securities and valuables to be released under this Article shall not be subject to a capital levy or to any other tax. They shall also be exempt from other State administrative measures which might impede or prevent release. The Hungarian Government shall revoke all measures of guarantee and all other measures of a similar character which are contrary to the present provisions.

Should a Roumanian national have purchased, after December 20, 1920, from a person subject in Hungary to the tax known as the "redemption of capital" (*vagyonváltásdíj*), Hungarian

Government Debt bonds issued before July 28, 1914 (pre-war Debt bonds), in respect of which this tax has not been paid when due, the said tax shall be paid before the actual surrender of the bonds.

As regards the release of other securities or valuables purchased by a Roumanian national after December 20, 1920, from a Hungarian national, the applicant shall be bound, before the actual surrender takes place, to state in writing the name and domicile of the former owner, unless on the aforesaid date the said securities or valuables were in open deposit with one of the depositaries referred to in Article 1, paragraph 1, or had been purchased on the Stock Exchange or from one of the persons referred to in the said paragraph of the said Article.

In every case a reliable statement as to the method of purchase shall be required.

(6) The provisions of this Section shall apply similarly to deposits of legacies, donations, scholarships and funds, if it be established in virtue of Article 249 of the Treaty of Trianon, or in virtue of the special Conventions to be concluded, that the securities or valuables in question pertain to the Kingdom of Roumania or to Roumanian nationals.

As regards these deposits, the period of grace of sixty days (paragraph 3 of this Article) shall only begin to run on the date upon which the aforesaid proof has been established.

(7) The deposits of municipalities (counties), towns and communes which, in virtue of the Treaty of Trianon, have been transferred with all their territory to the Kingdom of Roumania, shall also be released by the Government of the Kingdom of Hungary, in so far as the conditions relating to them laid down in this Section are fulfilled.

As regards deposits belonging to associations or public corporate bodies, and in particular to municipalities (counties), towns and communes whose territory has been divided by the frontier fixed in consequence of the Treaty of Trianon, such deposits shall be governed by special Conventions to be concluded in execution of Article 256 of the said Treaty.

(8) The term release, for the purposes of this Section, shall be taken to mean the granting of permission by the Government authority to deliver and export. Such permission shall in no way affect the question, which must be decided by reference to the existing private law, whether the depositary is under any legal obligation in international private law to surrender the securities or valuables, and, if so, to which persons (depositor, owner, mortgagee, etc.).

(9) In order that Roumanian nationals may obtain full possession of securities which are to be released under this Section and which were assigned as pledges (including military pledges), the Government of the Kingdom of Hungary undertakes for its part to simplify and expedite, as far as possible, such preliminary proceedings as may be necessary.

(10) For the purposes of this Section the securities and valuables referred to in paragraph 1 of the present Article shall be considered as deposits, even if they have not been deposited with the present depositary under a contract of deposit but have been transferred, for any reason whatsoever, from the territory of the Roumanian State to that of the Hungarian State.

Article 2.

(1) The Government of the Kingdom of Roumania undertakes to release unreservedly open or sealed deposits and safe-deposits which, on the date upon which application is made for their release, are in the territories transferred to Roumania in virtue of the dispositions of the Treaties of Trianon and St-Germain or which have been transported from these territories to other territories of the Kingdom of Roumania, and are deposited with any authority in State banks or with public notaries, credit institutions or bankers, in so far as such deposits contain paper securities, bonds, depositors' books, shareholders' books, founders' shares, insurance policies or other documents, or foreign currency, precious metals, whether minted or unminted (whether worked or unworked), pearls, precious stones or objects of art, after payment of the usual costs chargeable on such deposits and subject to the provisions of this Section, provided that it can be shown :

- (a) Either that the aforesaid securities or valuables constituted on July 26, 1921, the property of individuals who, on the date of the application, are Hungarian nationals, and who have no domicile within the territory of the Kingdom of Roumania, even if the individuals in question possessed the status of Hungarian nationals before the entry into force of the Treaty of Trianon, or acquired it by the exercise of the right of option provided for in that Treaty ;
- (b) Or, alternatively, that the aforesaid securities or valuables constituted on July 26, 1921, the property of juridical persons, public corporations (except the public corporations and associations referred to in Article 256 of the Treaty of Trianon), commercial companies or other similar bodies whose principal place of business was on July 26, 1921, in Hungarian territory.

If the securities or valuables have been continuously deposited since July 26, 1921, as the deposit of a Hungarian national, with one of the depositaries mentioned in the first paragraph of this Article, no further proof of ownership shall be necessary. Rebutting evidence shall be admissible. In other cases, for securities or valuables acquired not later than December 20, 1920, copies of the declarations for taxation or for the tax known as the "redemption of capital", certified by a financial authority, shall suffice. For all other securities or valuables, proof of ownership must be established by means of official certificates, merchants' account books, documents, or other evidence admissible under the Code of Civil Procedure.

(2) A separate Convention shall be concluded concerning securities or valuables belonging to, or administered by committees for minors or persons deprived of their civil rights.

(3) Application for the release of a deposit shall be submitted to the depositaries (paragraph 1 of this Article) at the place where the deposit is kept, or to the Royal Hungarian Ministry of Finance, who will transmit the application within thirty days to the Royal Roumanian Ministry of Finance.

Six months after the entry into force of the present Convention, the Royal Roumanian Ministry of Finance shall be entitled, after previously notifying the Government of the Kingdom of Hungary, to fix a period of grace of sixty days for the submission of any further applications for the release of deposits. In the case of a period of grace being thus appointed, persons who have acquired Hungarian nationality by option will in any case be allowed a period of grace of four months, reckoned from the date on which the declaration of option was accepted or on which their domicile was transferred in consequence of their option, in which to submit their application for the release of deposits.

(4) If the securities or valuables to be released are deposited, not with the aforesaid Roumanian depositaries but outside Roumanian territory, the Government of the Kingdom of Roumania undertakes to permit or to take the necessary measures for the delivery or drawing up, as the case may be, of the documents determining the disposal, and to take all necessary action and afford all necessary facilities to enable the owner to recover his deposit.

(5) Securities and valuables to be released under this Article shall not be subject to a capital levy or to any other tax. They shall also be exempt from other State administrative measures which might impede or prevent release. The Roumanian Government shall revoke all measures of guarantee and all other measures of a similar character which are contrary to the present provisions.

(6) The provisions of this Section shall apply similarly to deposits of legacies, donations, scholarship and funds, if it be established in virtue of Articles 249 and 250 of the Treaty of Trianon, or in virtue of the special Conventions to be concluded, that the securities or valuables in question pertain to the Kingdom of Hungary or to Hungarian nationals.

As regards these deposits, the period of grace of sixty days (paragraph 3 of this Article) shall only begin to run on the date upon which the aforesaid proof has been established.

(7) The deposits of municipalities (counties), towns and communes which, in virtue of the Treaty of Trianon, continue, together with all their territory, to form part of the Kingdom of Hungary shall also be released by the Government of the Kingdom of Roumania, in so far as the conditions relating to them laid down in this Section are fulfilled.

As regards deposits belonging to associations or public corporate bodies and in particular to municipalities (counties), towns and communes whose territory has been divided by the frontier fixed in consequence of the Treaty of Trianon, such deposits shall be governed by special Conventions to be concluded in execution of Article 256 of the said Treaty.

(8) The term release, for the purposes of this Section, shall be taken to mean the granting of permission by the Government authority to deliver and export. Such permission shall in no way affect the question, which must be decided by reference to the existing private law, whether the depositary is under any legal obligation in international private law to surrender the securities or valuables, and if so, to which persons (depositor, owner, mortgagee, etc.)

(9) In order that Hungarian nationals may obtain full possession of securities which are to be released under this Section and which were assigned as pledges (including military pledges), the Government of the Kingdom of Roumania undertakes for its part to simplify and expedite, as far as possible, such preliminary proceedings as may be necessary.

(10) For the purposes of this Section the securities and valuables referred to in paragraph 1 of the present Article shall be considered as deposits, even if they have not been deposited with the present depositary under a contract of deposit but have been transferred, for any reason whatsoever, from the territory of the Hungarian State to that of the Roumanian State.

Article 3.

It shall rest with the authority designated by the Government of the State where the deposit is being kept, without reference to any other authority, to decide whether the proofs required under Articles 1 and 2 of this Section have been produced. The admission of a plea in opposition shall be accompanied by a statement of reasons. Appeal to the competent Ministry of Finance shall, however, be allowed unless that Ministry is itself the authority responsible for the decision.

As regards cumulative deposits, that is deposits which have a cumulative aspect (deposits comprising securities or valuables belonging to several persons), the depositor (for example, a financial institution) may submit an application for their release, accompanied in every case by a schedule, but must prove, in respect of such securities or valuables, that the conditions mentioned in Article 1 or Article 2 of this Section are fulfilled.

Where a cumulative deposit includes securities assigned as pledges for a claim on the part of the Roumanian depositor against debtors domiciled in the territories ceded to Roumania under the Treaty of Trianon or the Treaty of St-Germain, the creditor (depositor) may also apply for the release of such securities irrespective of the nationality of the debtor (provided he is not a Roumanian), if the securities in question were issued in the said territory ceded to Roumania, and if the depositor can prove that the realisation of such securities elsewhere than on the Roumanian market would be detrimental to the interests of the creditor and the debtor.

The provisions of the preceding paragraph shall apply reciprocally to cumulative deposits made by Hungarian depositors in the territories ceded to Roumania under the Treaty of Trianon or the Treaty of St-Germain.

Article 4.

Subject to the provisions of Articles 249 and 250 of the Treaty of Trianon, the Contracting Parties undertake, as regards the securities and valuables to which this Section relates, that the treatment accorded by each Party to the nationals of the other shall not be less favourable than that accorded to its own nationals.

The existing provisions concerning pre-war debt bonds and war debt bonds of the Hungarian State and Austrian State shall not be affected by this Article.

Article 5.

The provisions of this Section shall also apply to deposits made by Government authorities under the conditions laid down in Articles 1 and 2.

Article 6.

The Government of the Kingdom of Hungary undertakes to release, under the conditions laid down in Article 1 of this Section, Hungarian Government Debt Bonds issued before July 28, 1914, if such bonds are marked with the letter " B " as a sign of the acceptance of protests on the part of Roumanian nationals against the Hungarian stamping, and also bonds marked, provisionally and with the consent of the Reparation Commission, with the letter " D ", in order that the said bonds may be included in the block assigned to Roumania for stamping, provided that the Reparation Commission deducts the said bonds from the block assigned to Hungary for stamping.

The Government of the Kingdom of Hungary further undertakes, under the conditions laid down in Article 1 of this Section, to release, in addition to the bonds referred to in paragraph 1 of this Article, the other Hungarian Government Debt Bonds issued before the war, and to deliver them in the condition in which they have been kept.

The Government of the Kingdom of Hungary further undertakes to release, subject to the conditions laid down in Article 1 of this Section, Hungarian Government Debt Bonds (war bonds, notes) issued after July 28, 1914, under paragraph 17 of Law LXIII of 1912, and not nationalised (nostrification) by the Hungarian State, if the nominal value of the bonds which it is proposed to export and their distinguishing letters and numbers are notified to the competent Hungarian financial authority (Royal Hungarian Department of Finance, Royal Hungarian Inspector of Taxes).

The Government of the Kingdom of Roumania undertakes to release, subject to the conditions laid down in Article 2 of this Section, Hungarian Government Debt Bonds issued before July 28, 1914.

The Government of the Kingdom of Roumania also undertakes to release, subject to the conditions laid down in Article 2 of this Section, Hungarian Government Debt Bonds issued after July 28, 1914.

Article 7.

In the event of the admission of a plea in opposition (See Article 3, paragraph 1 of this Section), the party concerned may apply to his competent authorities to have the request for the release of his securities or valuables submitted to the Arbitration Tribunal provided for in Article 6 of Section IV.

The provisions of this Article shall in no way affect any right which the interested party may have under the Treaty of Trianon to submit his claim to the Mixed Arbitral Tribunal provided for in Article 239 of that Treaty.

SECTION II.

GENERAL PROVISIONS CONCERNING DEBTS AND CLAIMS IN FORMER AUSTRIAN
OR HUNGARIAN CROWNS.*Article 1.*

In the absence of amicable agreements concluded or to be concluded between creditors and debtors after October 31, 1918, the principles of this Section shall apply.

The Contracting Parties undertake not to interfere with direct negotiations between debtors and creditors, or with the execution of agreements which have been or may in future be concluded.

Article 2.

Irrespective of the date on which they fall due, debts and claims in private law, expressed in former crowns, and contracted :

(1) Up to October 31, 1918, or

(2) Between October 31, 1918, and March 20, 1919, inclusive,

shall be subject to the provisions of this Section if they existed both on October 31, 1918 (or March 20th, 1919) and, at the date when the present Convention comes into force, between any of the persons described in Article 6 of this Section, and provided that the said debts or claims are not extinguished on the coming into force of the present Convention.

The placing by the debtor in the Government deposit and consignment office of the amount due, without the consent of the creditor and prior to the coming into force of this Convention but subsequent to October 31, 1918, shall not release the debtor from his obligation. The amount so deposited shall be restored to the depositor at his request.

Article 3.

The provisions of this Section shall not apply to the following categories of debts and claims :

(1) Sums owed by or to the Government of either of the High Contracting Parties ;

(2) Sums owed by or to the Royal Hungarian Post Office Savings Bank, which shall be governed by the provisions of the special Convention relating thereto ;

(3) Sums owed by or to the Austro-Hungarian Bank, or transferred in the course of the liquidation of the said bank to the Succession States, such debts and claims to be dealt with as provided in the special Convention concluded for that purpose with the liquidators of the Austro-Hungarian Bank ;

(4) Sums owed by or to committees for minors and persons deprived of their civil rights, which will be dealt with by a special Convention ;

(5) Life annuities, maintenance allowances and similar periodical payments, provided, however, that arrears due up to October 31, 1918 (or March 20 1919), shall be governed by the provisions of this Section if its application would not be unduly onerous for the debtor, it being also understood that this clause shall not invalidate the legal regulations established by the internal legislation of each of the two Parties in reference to the increase or reduction of the amounts due in respect of debts or claims of this category ;

(6) Debts and claims arising out of insurance policies in general, including State and social insurance and re-insurance policies, the question of insurance being reserved for settlement by special Conventions ;

(7) Debts arising out of securities, such as shares, holdings in co-operative societies, mortgage bonds, communal bonds, share certificates and other securities, which will be dealt with in accordance with the provisions of Article 4 of this Section ;

(8) Mortgage debts, communal debts and all other similar debts falling within the scope of Section III of the present Convention ;

(9) Sums owed by or to counties, towns and villages, associations for hydraulic works, associations for land improvement, and wine-growers' associations, whose districts have been divided by the frontier fixed in consequence of the Treaty of Trianon,

as also private railway companies whose systems have been divided or whose administrative centres have been separated from their systems by the said frontier, the question of the settlement of such debts and claims being reserved for decision by special Conventions ;

(10) Loans secured on Hungarian Government Debt Bonds issued during the war, the settlement of such loans to be effected as provided in Article 9.

Article 4.

Debts represented by securities of the categories mentioned in Article 3, paragraph 7, of this Section, and expressed in former crowns, shall be payable in the currency of the Contracting Party in whose territory the debtor has his registered office, up to the amount due to nationals of that Party. If, however, in consequence of the conversion of the former crown in the territory ceded to Roumania under the Treaty of Trianon or the Treaty of St-Germain, the amount due (*e. g.* dividends) has been or should be fixed or declared in a currency other than the former crown, payment shall be effected in the same currency and to the same extent as in the case of Roumanian nationals.

These provisions shall also apply to securities payable abroad.

Article 5.

The provisions of this Section shall not as a general rule apply to debts and claims arising out of savings-bank pass-books issued by Hungarian financial institutions and belonging to Roumanian nationals. They shall, however, apply in the case of provisional savings-bank pass-books and savings-bank pass-books made out in the names of individuals, provided the depositor can, in addition to fulfilling the general conditions laid down in this Section, produce satisfactory proof of the fact that he is the person in whose name the book was made out or is the heir or assign of such person.

The provisions of this Section shall not apply to savings-bank pass-books made out to numbers, initials, fictitious names or emblems unless the depositor can prove beyond doubt, as specified in Annex 1 to this Convention, that on October 31, 1918, and since that date the pass-book was owned by Roumanian nationals fulfilling the conditions laid down in Article 6 of this Section.

In order to prevent all possibility of malpractice, the Royal Roumanian Government shall proceed, in conformity with Annex 1 to this Convention, to register all savings-bank pass-books belonging to Roumanian nationals and subject to the provisions of the foregoing paragraphs.

Debts and claims arising out of savings-bank pass-books which have not been declared for registration, and debts and claims in respect of which the evidence of ownership of the savings-bank pass-book is considered insufficient under Annex I to this Convention, shall be settled as provided in Article 1 of Section IV.

The provisions of this Article shall not apply to savings-bank pass-books belonging to Hungarian nationals and issued in former crowns by financial institutions having their registered offices in the territory ceded to Roumania under the Treaty of Trianon or the Treaty of St-Germain. Repayments in respect of these pass-books shall be made at the rate specified in Article 7 of this Section.

Article 6.

The provisions of this Section shall not apply to debts and claims existing between,
On the one hand :

(A) Persons who, at the date on which the present Convention comes into force, have become Hungarian nationals in virtue of the Treaty of Trianon, either automatically

or by exercise of their right of option, and who on October 31, 1918, had their residence in Hungarian territory as defined in that Treaty, or

(B) Corporate bodies which, on October 31, 1918, and at the date on which this Convention comes into force, had their registered offices in Hungarian territory as defined in paragraph (A);

And on the other hand :

- (a) Persons who, at the date on which the present Convention comes into force, have become Roumanian nationals in virtue of the Treaty of Trianon or the Treaty of St-Germain, either automatically or by exercise of their right of option, and who on October 31, 1918, had their residence in the territory ceded to Roumania under the said Treaties, or
- (b) Corporate bodies which on October 31, 1918, had their registered offices in the Roumanian territory defined in paragraph (a) and which have their registered offices in Roumanian territory at the date on which the present Convention comes into force.

Persons who have transferred their domicile from the territory of one Contracting Party to the territory of the other, in consequence of the exercise of the right of option or of an order of the competent authorities, shall be deemed to have had their domicile in the latter territory on October 31, 1918.

This clause shall also apply to persons who are Hungarian or Roumanian nationals *ipso jure*, and who prior to January 1, 1924, transferred their domicile from the territory of one of the Contracting Parties to the territory of the Party of which they are nationals.

Article 7.

Debts which are subject to the provisions of this Section shall be paid at the rate of one leu to two former crowns if they were contracted before October 31, 1918, and at the rate of one leu to four former crowns if they were contracted between October 31, 1918, and March 20, 1919, inclusive.

Debts contracted between February 15, 1919, and March 20, 1919 inclusive, shall be paid in four equal half-yearly instalments, the first instalment to be paid at the end of the month following the coming into force of the present Convention. The interest due in respect of this period of amortisation shall be at the rate of 5 % per annum, and may not be capitalised.

The provisions of the previous paragraph shall not apply when the amortisation facilities granted to the debtor by the contract are more generous than those granted by the said provisions.

Article 8.

In the case of debts and claims subject to the provisions of this Section and contracted between October 31, 1918, and March 20, 1919 inclusive, the date March 20, 1919, shall be substituted for the date October 31, 1919, specified in this Section.

Article 9.

Loans secured on Hungarian Government Debt Bonds issued during the war (advances on war bonds) shall be repaid in Hungarian crowns at the rate of one Hungarian crown to one old crown.

In the case of loans on securities other than war bonds, the conditions of payment laid down in the foregoing paragraph shall only apply to the amount represented by the war bonds, and the amount represented by the other securities shall remain subject to the clauses of this Section. This

provision shall not, however, apply to loans accorded to debtors on collateral securities other than war bonds for the purpose of subscribing to war bonds ; such loans shall be repaid in full as provided in paragraph 1 of this Article.

The amounts respectively represented by the war bonds and by the other securities pledged shall be calculated, in respect of the war bonds, on the basis of the price at which they were issued, and in respect of the other securities on the basis of the average of the buying and selling prices on the Budapest Stock Exchange during the week previous to the date on which the loan was contracted, or, if no such quotations are available, on the basis of the average market prices during that period.

The creditor (lender) shall be entitled to retain the pledged war bonds in settlement of his claim or the amount represented by the said war bonds.

SECTION III.

SPECIAL CLAUSES CONCERNING THE SETTLEMENT OF CERTAIN CATEGORIES OF MORTGAGE AND COMMUNAL DEBTS AND DEBTS DUE BY ASSOCIATIONS FOR HYDRAULIC WORKS OR FOR LAND IMPROVEMENT AND BY WINE-GROWERS' ASSOCIATIONS.

Article 1.

The provisions of this Section shall apply to mortgage and communal debts and debts due by associations for hydraulic works or for land improvement and by wine-growers' associations, if such debts are expressed in former crowns and can, under Hungarian legislation, be used as security for the issue of mortgage bonds, communal bonds or similar securities, provided they were contracted before October 31, 1918, and are not extinguished at the date when the present Convention comes into force. The placing by the debtor in the Government deposit and consignment office of the amount due, without the consent of the creditor and prior to the coming into force of this Convention but subsequent to October 31, 1918, shall not release the debtor from his obligation. The amount so deposited shall be restored to the depositor at his request.

Article 2.

The provisions of this Section shall apply to the debts defined in Article 1, provided that they existed on October 31, 1918, and still exist at the date when the present Convention comes into force, between :

Of the one part :

- (a) Persons who, at the date when the present Convention comes into force, have become Roumanian nationals in virtue of the Treaty of Trianon or the Treaty of St. Germain, either automatically or by the exercise of their right of option ;
- (b) Juridical persons or public corporate bodies, counties, towns and villages, associations for hydraulic works or for land improvement and wine-growers' associations, whose registered offices were, on October 31, 1918, or at the date when the present Convention comes into force, situated in the territory ceded to Roumania under the Treaties of Trianon and St. Germain,

And, of the other part :

Bodies entitled to issue mortgage bonds, communal bonds and other similar securities on the basis of the debts defined in Article 1 of this Section, provided their registered

offices were, on October 31, 1918, and at the date when the present Convention comes into force, situated in Hungarian territory as defined in the Treaty of Trianon.

In the case of debts secured on immovable property, the provisions of this Section shall not apply if the immovable property so mortgaged is situated in the territory ceded to Roumania under the Treaties of Trianon and St-Germain.

Article 3.

If a mortgaged property has been divided by the frontier as fixed in consequence of the Treaty of Trianon, the mortgage debt shall be divided between the two portions of the property, and only that part of the debt which is allocated to the portion situated in the territory ceded to Roumania shall be governed by the provisions of this Section.

The allocation shall be proportionate to the net profits as shown in the Land Register.

This Article shall also apply to joint mortgages on several properties, some of which are situated in the territory of the Kingdom of Hungary and the others in the territory of the Kingdom of Roumania.

The allocation of the debt between the portions of the property or between the properties under joint mortgage shall be entered in the Estates Register at the request of one of the parties interested if the debt is settled by direct agreement (Article 8). Should the debt be transferred to the Royal Roumanian Government, the entry shall be made, together with the entry recording the transfer, by the courts which keep the Estates Register (Article 9).

Article 4.

The question of the debts of counties, towns and villages, associations for hydraulic works or land improvement and wine-growers' associations, whose territory has been divided by the frontier fixed in consequence of the Treaty of Trianon, shall be decided by special Conventions to be concluded for the settlement of the affairs of these bodies.

Article 5.

Mortgage and communal debts and all other similar debts enumerated in Article 1 of this Section shall, if they do not fulfil the conditions laid down in Articles 1, 2 and 3, be settled as provided in Section II of the present Convention.

Should the provisions of Section II of the present Convention also be inapplicable, the settlement shall be made as provided in Article 1 of Section IV.

Article 6.

Debts subject to the provisions of this Section shall be paid at the rate of one leu to two old crowns.

Article 7.

Debts falling under the provisions of this Section shall be settled, where possible, by direct agreement between debtor and creditor (Article 8).

Should the debtor and creditor be unable to reach an amicable agreement, the creditor establishment shall transfer its claim, in consideration of payment in cash (except as otherwise provided

in Article 10 of this Section), to the Royal Roumanian Government (Article 9) or to an establishment designated by that Government (Article 12).

Article 8.

Debts may be settled by amicable agreement within one year following the completion of the registration of mortgage bonds, communal bonds and other similar securities issued on the basis of the debts referred to in Article 1 of this Section (See Article 10).

Should this time-limit expire before November 1, it shall be automatically prolonged until April 30, following.

The Contracting Parties undertake not to interfere with direct negotiations between the interested parties or with the execution of agreements which have been concluded. In order to further the conclusion of amicable agreements, the Contracting Parties also undertake to withdraw and annul all restrictions and prohibitions which might prevent a direct settlement between the interested parties.

The creditor establishments shall be bound to accept, without previous notice or warning, payment offered by the debtor with a view to settlement. Similarly no compensation may be claimed for cancellation.

Article 9.

Debts, including arrears of annual payments, in respect of which the parties concerned cannot arrive at a settlement within the time-limit specified in Article 8, shall be registered within three months following the expiry of that time-limit.

Registration shall be effected in the manner laid down in Annex II to the present Convention.

All claims registered shall be transferred to the Royal Roumanian Government.

The transfer shall take place direct between the creditor establishment transferring the claim and the Royal Roumanian Government, on payment of the equivalent of the claims transferred. Such equivalent shall be equal to the amount which the debtor would have had to pay if he had given notice of the debt due by him to the creditor establishment. The establishment transferring the claim may not, however, demand compensation for cancellation.

The equivalent of the transferred claims shall be paid without deduction, in cash (except as otherwise provided in Article 10 of this Section), at the rate specified in Article 6 of this Section, at the registered office of the establishment transferring the claim, and within three months following the notification of the declaration of transfer by the transferring establishment to the Royal Roumanian Government as provided in Annex II to the present Convention. Should any appeal be made against the transfer (See Annex II), the said period of three months shall begin to run from the date of the admission of a plea in opposition.

The transferring establishment shall be required to deliver to the Royal Roumanian Government, in consideration of payment in cash or, in certain cases, in securities (See Article 10), the deed of transfer, the deed of transcript, and the contract in respect of the claim transferred.

By the act of transfer the Royal Roumanian Government shall become a party to the contract, and may exercise, under the conditions laid down therein, the same rights as the transferring establishment, which shall not be held responsible in respect of the possibility of recovering the debt transferred.

Until the equivalent of the transferred claim has actually been paid, the rights of the transferring establishment under the contract shall remain unimpaired.

Proceedings taken and acts drawn up in virtue of this Section shall be exempt from all duties and fees in the territories of the Contracting Parties.

Article 10.

In accordance with the provisions of this Section, settlements by amicable agreement and the payment of the equivalent of transferred claims shall, as a general rule, be made in cash.

Nevertheless, within the limits laid down in sixth paragraph of this Article, Roumanian debtors and the Royal Roumanian Government may, after registration, employ securities issued on the basis of the claims referred to in Article 1 of this Section, and the matured coupons of such securities, in payment of the debts in question, either by agreement or by transfer, up to 25 % of the amount of the debt outstanding at the time of payment.

The provisions of this Article shall in no way affect the clauses of Article 4 of Section II, which shall apply to securities which are not covered by sixth paragraph of this Article or which for any reason have not been registered, and securities not employed under second paragraph of this Article.

Registered securities of any category may be employed in payment of any debt covered by Articles 1, 2 and 3 of this Section, even if such securities were issued by an establishment other than the creditor.

Securities and coupons which have matured shall be reckoned at their nominal value, at the rate of one old crown to one old crown.

In execution of the foregoing provisions, the Royal Roumanian Government shall proceed to register (Annex III) the securities, issued on the basis of the claims referred to in Article 1 of this Section by Hungarian creditor establishments (Article 2), which have, without interruption, since October 31, 1918 inclusive, been held by Roumanian nationals fulfilling the conditions laid down in Article 6 of Section II.

Article 11.

The mortgage and communal debts and all other similar debts referred to in Article 1 of this Section and due by Hungarian nationals to Roumanian establishments shall be settled at the rate specified in Article 7 of Section II. If the conditions laid down in Section II are not fulfilled, such debts shall be governed by the provisions of Article 1 of Section IV.

The Hungarian debtor shall have the right to employ up to 25 % of the amount of the debt outstanding at the time of payment, in settlement of his mortgage (communal, etc.) debt, or mortgage bonds (communal bonds, etc.), issued by the creditor establishment concerned.

Up to the time-limit specified in Article 8 of this Section, Roumanian creditor establishments shall be bound to accept payment of the debt without previous notice or warning if offered by the Hungarian debtor. Similarly, no compensation may be claimed for cancellation.

Article 12.

The Royal Roumanian Government shall have the right to designate a land bank to which the claims referred to in Article 9 shall be transferred; such right shall not, however, affect the obligations assumed by the Royal Roumanian Government under this Section.

SECTION IV.

FINAL CLAUSES.

Article 1.

It is agreed that debts and claims in former crowns existing between nationals of the two Contracting Parties, and not covered by Section II or Section III, shall be settled in the currency and according to the ordinary laws of the Party of which the debtor is a national.

The provisions of the previous paragraph shall not apply to those categories of debts and claims which are or may subsequently be dealt with by special arrangement between the Contracting Parties in virtue of Article 3 of Section II.

Article 2.

Should there exist in the territory of either Party, while the present Convention is being put into force, any restrictions on dealings in foreign currencies, the Contracting Parties undertake to afford each other all necessary facilities for ensuring the settlement and payment of the debts and claims covered by Sections II and III.

Article 3.

Should the debtor prove to the satisfaction of the Court of Arbitration provided for in Article 6 of this Section that the payment at its maturity of his debt, converted as provided in Article 7 of Section II, would be unduly burdensome in view of his economic position and the extent of his trade or occupation, the Court of Arbitration may grant the said debtor an equitable period of grace or appropriate facilities.

The benefit of the provision contained in the previous paragraph may also be claimed by the owner of urban properties in respect of a mortgage debt upon such property, if he can prove that the payment of such debt at its maturity would be unduly burdensome for him owing to rent restrictions or the inadequacy of his income from other sources.

The application may be made before the creditor has taken proceedings to recover the debt, even if he has instituted an action in another competent Court under Article 6 of this Section.

Should a writ of execution have been already issued, the application shall have the effect of an interlocutory injunction provided it is made within thirty days following the service of the writ of execution on the debtor.

The application may be lodged with the Court of Arbitration or addressed to the arbitrator representing the Contracting Party of which the debtor is a national.

The Court of Arbitration shall pronounce upon such application, basing its decision as far as possible upon the existing documents. The interested parties shall, however, be entitled to appear in person or send representatives. The Court of Arbitration shall consequently notify the interested parties of the date on which it proposes to pronounce upon the application.

If the Court allows the application, the interested parties may not be ordered to pay the costs.

Article 4.

As regards taxes to be paid by the debtor, sums due by nationals of one Party to nationals of the other shall not be subject to heavier taxes than sums due between nationals of the same Party.

Where debts due as between nationals of the two Parties have been subjected to differential taxation, the difference shall be refunded to the creditor.

Article 5.

Within the territory of the Contracting Parties all periods counting for prescription, limitation or foreclosure shall cease to run as between November 3, 1918, and the date on which the present Convention comes into force, so far as such periods relate to debts and credits covered by Sections II and III. These periods shall again begin to run as from the entry into force of the present Convention, and may not attain completion within less than two years following that date.

This provision shall not apply in cases in which prescription, limitation or foreclosure had taken effect before November 3, 1918.

Article 6.

All disputes which may arise between nationals of the Contracting Parties or between the Royal Roumanian Government and Hungarian land banks in reference to debts and claims covered by Sections II and III of the present Convention shall be submitted to a Court of Arbitration.

This Court shall consist of two arbitrators, one appointed by each Party.

Should the two arbitrators be unable to arrive at an agreement regarding the dispute, they shall select by common consent, and subject to the approval of their respective Governments, an umpire, who shall be a national of a State not concerned in the question: the umpire's decision shall be final.

Should the Contracting Parties be unable to agree on the selection of an umpire, they shall request the President of the Swiss Federation to appoint one.

The Court of Arbitration shall sit alternately at Bucharest or at Cluj and at Budapest.

It shall establish its own rules of procedure.

The Contracting Parties undertake to afford the Court of Arbitration all necessary legal assistance and other facilities for the conduct of its enquiries.

The awards of the Court of Arbitration shall be final. The Contracting Parties undertake to render them binding upon their respective nationals, and to provide for their execution without a municipal order of enforcement and without summoning the parties to appear, on the same conditions as judgments rendered by the judicial authorities of the country.

The provisions of this Article shall in no way affect the right of the nationals of the two Parties to institute proceedings, in respect of their disputes arising out of the execution of Sections II and III, in the competent Courts of their own country, or to submit their disputes to the Mixed Arbitral Tribunal provided for in Article 239 of the Treaty of Trianon if that Treaty has invested them with such a right.

Article 7.

The present Convention shall be ratified and the ratifications shall be exchanged at Budapest as soon as possible.

Article 8.

The present Convention shall come into force on the day of the exchange of ratifications.

In faith whereof the Plenipotentiaries have affixed their signatures and their seals.

Done in duplicate at Bucharest on April 16, 1924.

(L. S.) (Signed) R. DE WODIANER.

(L. S.) (Signed) N. N. FILODOR.

ANNEX I.

The registration of savings-bank pass-books referred to in Article 5, paragraph 3, of Section II of this Convention shall be carried out as follows :

The Royal Roumanian Government shall proceed, as soon as the present Convention comes into force, to register all savings-bank pass-books fulfilling the conditions laid down in Article 5 of Section II.

Within three months following the proclamation to that effect by the Royal Roumanian Government, the holders shall declare their savings-bank pass-books and deposit them with the establishment or authority designated for that purpose by the Roumanian Government.

Pass-books so declared must be accompanied by all necessary evidence establishing the fulfilment of the conditions specified or mentioned in Article 5 of Section II.

In the case of pass-books made out in the name of an individual, the declarant will be required more particularly to establish the fact that he is the person in whose name the pass-book is made out or is that person's heir or assign.

In the case of pass-books made out to numbers, initials, emblems, fictitious names, etc., the declarant must produce all necessary evidence (apart from the calling of witnesses) to prove his ownership.

The pass-books declared shall be listed and forwarded immediately to the Central Institute of Financial Companies at Budapest, which shall transmit them to the debtor establishments. The list must show the name and address of the declarant, the number of the pass-book and the amount payable thereon, the name of the debtor establishment, and, lastly, particulars of the evidence.

The debtor establishment must give its decision within three weeks on the declarations submitted to it, and the reply must be sent to the Central Institute of Financial Companies at Budapest.

The acceptance of the declaration or, in case of refusal, the observations of the debtor establishment shall be immediately notified by the Central Institute of Financial Companies to the Roumanian establishment or authority responsible for registration, which shall in turn inform the declarant without delay.

Should the declaration be refused by the debtor establishment, the declarant of a pass-book made out to a number, initial, emblem, fictitious name, etc., shall have the right to give evidence of his ownership on oath before the Court of the district in which he is domiciled. The declarant of any other pass-book shall have the right, within four weeks following the day on which notification was given by the Central Institute of Financial Companies to the Roumanian establishment or authority responsible for registration, to submit the rejected declaration to a Mixed Commission of two members, one appointed by the Royal Roumanian Ministry of Finance and the other by the Central Institute of Financial Companies at Budapest.

Should the Commission be unable to reach a unanimous decision, the declaration in dispute shall be submitted to the umpire mentioned in Article 6 of Section IV.

When the declaration of a pass-book is accepted, the establishment or authority responsible for registration shall stamp the book "Registered in Roumania".

ANNEX II.

The registration of the claims referred to in Article 9 of Section III of the present Convention shall be executed as follows :

The creditor establishments shall declare their claims to the Association of Banks and Savings Banks at Budapest within the period specified in Article 9, paragraph 1 of Section III. The declarations shall be listed by each establishment and accompanied by a statement showing arrears of payments outstanding at the opening day of the period fixed for registration, and also the outstanding amount of the debt.

The creditor establishments must notify the debtor of the declaration, by registered letter.

Within four weeks following the expiration of the period fixed for the declaration of claims, the Association of Banks and Savings Banks at Budapest shall communicate the declarations to the Royal Roumanian Ministry of Finance.

Debtors, and the Royal Roumanian Government, shall have the right to appeal against the declaration and against the transfer of the claims declared, if such claims are not covered by the provisions of Section III.

Appeals must be addressed to the creditor establishment not later than six weeks after the notification of the declarations to the Royal Roumanian Ministry of Finance. The said Ministry shall inform the debtor of such notification within two weeks following its receipt.

Should it prove impossible to settle the appeal by agreement, each of the parties concerned shall have the right to submit the dispute to the Court of Arbitration (Article 6 of Section IV) within six weeks following the return of the appeal to the establishment concerned.

The award of the Court of Arbitration shall be binding upon the parties.

After the lapse of six months following the notification of the declaration concerning transfer (Fourth paragraph of this Annex), the obligation to transfer the claim shall cease to be binding upon the creditor.

ANNEX III.

The registration of the securities referred to in Article 10 of Section III of the present Convention shall be executed as follows :

The Royal Roumanian Government shall proceed, as soon as the present Convention comes into force, to register the securities fulfilling the conditions of Article 10, sixth paragraph of Section III.

For the purpose of registration, the Royal Roumanian Government shall fix a time-limit of three months within which holders of securities must declare them to the establishment or authority designated for that purpose by the Royal Roumanian Government.

The securities declared shall be placed on a separate list for each establishment concerned. The list must show the name and address of the declarant, the category, serial numbers and individual numbers of the securities declared, and, lastly, particulars of the evidence.

The list must be accompanied by all necessary evidence of the fulfilment of the conditions laid down in Article 10, sixth paragraph of Section III.

Deeds of purchase, deposit receipts, and all evidence in writing, shall be accepted as primary evidence of ownership. Should the establishment concerned refuse to recognise the validity of the evidence produced, the declarant may produce any other evidence admissible under the civil procedure of the Contracting Parties.

The declaration lists shall be forwarded immediately to the Association of Banks and Savings Banks at Budapest, which shall communicate them without delay to the establishments concerned.

The establishments concerned must give a decision within three weeks on the declarations : communicated to them.

The acceptance of the declarations or, in case of refusal, the observations of the establishment concerned shall be immediately notified by the Association of Banks and Savings Banks to the Roumanian institution or authority responsible for registration, which shall in turn inform the declarants without delay. For the purposes of Article 8, first paragraph, of Section III, registration shall be deemed to be complete as soon as such notification has been made by the Association of Banks and Savings Banks to the Roumanian institution or authority responsible for registration.

The declarant shall have the right, within four weeks following the day on which notification was given by the Association of Banks and Savings Banks to the Roumanian institution or authority responsible for registration, to submit the rejected declaration to a Commission of two members, one appointed by the Royal Roumanian Ministry of Finance and the other by the Association of Banks and Savings Banks at Budapest.

The Commission must decide within two weeks.

Should the Commission be unable to reach a unanimous decision, the dispute shall be submitted to the umpire mentioned in Article 6 of Section IV.

When the declaration of securities has been accepted, either by the establishment concerned or by a decision of the Commission mentioned in the foregoing paragraphs or by an award of the umpire, the securities shall be stamped "Registered in Roumania".

PROTOCOL OF SIGNATURE.

At the moment of signing the Convention of this day's date concerning the release of deposits and the settlement of debts and claims in former Austrian and Hungarian crowns, the High Contracting Parties have agreed as follows :

(1) The expression "objects of art" in paragraph 1 of Articles 1 and 2 of Section I of the present Convention shall only apply to objects of art deposited with banks or bankers. Further, this expression shall not include objects of art which might have been claimed under Articles 175 and 176 of the Treaty of Trianon.

(2) As regards the deposits which include currency, referred to in paragraph 1 of Articles 1 and 2 of Section I of the present Convention, the provisions of that Section shall only apply to regular deposits (*depositum regulare*).

(3) In view of the importance, for the depositors of cumulative deposits, of obtaining facilities for establishing the nationality of the owners of the securities or valuables which constitute the cumulative deposits, it is agreed that, in the case of the cumulative deposits referred to in Article 3, second paragraph, of Section I, certificates of nationality, issued by the local authorities which are competent having regard to the domicile of the owners enumerated in the list to be drawn up by the depositor, shall as a general rule be accepted as evidence. Such certificates may be attached to the lists. Rebutting evidence shall be admissible.

This clause shall apply to cumulative deposits only, and shall not in any way affect the internal regulations of the Contracting Parties regarding the production of evidence of nationality, or the provisions of Section I regarding evidence of nationality in respect of all non-cumulative deposits.

(4) The provisions contained in Article 6, first paragraph, of Section I shall be brought to the notice of the Reparation Commission.

(5) All restrictions and prohibitions conflicting with the provisions of the present Convention shall be withdrawn and annulled.

(6) To facilitate the registration of savings-bank pass-books and mortgage bonds, and of other securities subject to registration (Article 5 of Section II, Article 10 of Section III, and Annexes I and III to the present Convention), it is agreed that, if the savings-bank pass-book or securities to be declared are deposited outside the territory of the Kingdom of Roumania, the owner shall have the right to make, within a given time, a provisional declaration in order to safeguard his interests. Such provisional declaration shall in no way dispense the declarant from the obligation to comply with the provisions of the above-mentioned clauses of the present Convention within six months following his provisional declaration.

(7) The Anglo-Austrian Bank, Ltd., and the Wiener Bankverein shall be assimilated to Hungarian banks and shall be subject to the provisions of Section II in respect of debts and claims contracted by their branches in Hungary, if the other conditions laid down in that Section are also fulfilled.

(8) As regards the debts and claims covered by the present Convention, Hungarian land banks, including the Association of Hungarian Land Banks (*Magyar Földhitelintézetek Országos Szövetsége*), shall enjoy the same treatment as all other Hungarian nationals.

The present Protocol shall be ratified simultaneously with the Convention of this day's date, and shall have the same force as the said Convention.

In faith whereof the respective Plenipotentiaries have signed the present Protocol and have thereto affixed their seals.

Done in duplicate at Bucharest on April 16, 1924.

(L. S.) (Signed) R. DE WODIANER.

(L. S.) (Signed) N. N. FILODOR.