

No. 802

UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
ITALY

Exchange of notes constituting an agreement relating to Italian property held by the Custodians of the United Kingdom, and to the payment of debts due from Italy to persons in the United Kingdom. Rome, 17 April 1947

Official texts : English and Italian.

Registered by the United Kingdom of Great Britain and Northern Ireland on 25 May 1950.

ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
ITALIE

Echange de notes constituant un accord relatif aux biens italiens détenus par les Séquestres du Royaume-Uni et au règlement des créances que des personnes résidant dans le Royaume-Uni ont en Italie. Rome, 17 avril 1947

Textes officiels anglais et italien.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 25 mai 1950.

No. 802. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF ITALY RELATING TO ITALIAN PROPERTY HELD BY THE CUSTODIANS OF THE UNITED KINGDOM, AND TO THE PAYMENT OF DEBTS DUE FROM ITALY TO PERSONS IN THE UNITED KINGDOM. ROME, 17 APRIL 1947

I

Sir Noel Charles to Count Sforza

BRITISH EMBASSY

Rome, 17th April, 1947

Dear Count Sforza,

The discussions which have taken place recently between the Italian and United Kingdom authorities with a view to the conclusion of an arrangement between the Italian Government and the Government of the United Kingdom concerning the treatment to be accorded to Italian-owned assets in the United Kingdom resulted in agreement, subject to the approval of the two Governments, on the provisions set forth in the Annex to this letter. I am glad to be able to inform you that these provisions have now been approved by the Government of the United Kingdom for their part and I understand that they have similarly been approved by the Italian Government. I would therefore propose that the present communication together with your reply to the effect that these provisions are likewise acceptable to the Italian Government shall be regarded as constituting an Agreement between our two Governments on this matter; the Agreement to take effect upon the deposit of the ratification by the Italian Government of the Treaty of Peace with Italy.²

I should add that the Government of the United Kingdom will use its best endeavour to ensure that the provisions of this Agreement will be extended as provided for in Clause 16 thereof.

Believe me, &c.

(Signed) Noel CHARLES

¹ Came into force on 15 September 1947 by the exchange and according to the terms of the said notes, upon the deposit of the ratification by the Italian Government of the Treaty of Peace with Italy.

² United Nations, *Treaty Series*, Volume 49.

ANNEX TO NOTE I

AGREEMENT RELATING TO ITALIAN PROPERTY HELD BY THE CUSTODIANS OF THE UNITED KINGDOM, AND TO THE PAYMENT OF DEBTS DUE FROM ITALY TO PERSONS IN THE UNITED KINGDOM

Whereas under Article 79 of the Treaty of Peace with Italy each of the Allied and Associated Powers has the right to seize, retain, liquidate or take other action with respect to all property, rights and interests which on the coming into force of the Treaty of Peace are within its territory and belong to Italy, or to Italian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Italy or Italian nationals, including debts, other than claims fully satisfied under the Articles of the Treaty of Peace; and

Whereas under the Treaty of Peace all Italian property or the proceeds thereof in excess of the amount of such claims shall be returned; and

Whereas the Government of the United Kingdom is willing to relinquish all claims against such property other than the debts due from Italy to persons in the United Kingdom; and

Whereas the Italian Government in consideration of such relinquishment desires to provide funds in the United Kingdom for the payment of such debts, the Governments of the United Kingdom and of Italy have reached the following Agreement : —

1. The Government of the United Kingdom will transfer to the Italian Government all the liquid assets now held as Italian property by the Custodians.
2. The Government of the United Kingdom will release to the original owners or to their legal representatives any Italian property now vested in or under the control of the Custodians other than the liquid assets referred to above or which under this Agreement may be liquidated later.
3. The Italian Government will utilise the liquid assets transferred to it under this agreement for the payment of debts in the United Kingdom, and for this purpose will open a Special Account in the name of the Bank of Italy with the Bank of England into which will be paid the sterling so transferred, and from which will be met the payments of the said debts.
4. The Controller-General will give to the representative of the Italian Government in London, whom the Italian Government will nominate for this purpose, lists of all the Italian properties held by the Custodians, with all the particulars available of former ownership, and of the nature and the value or estimated value of each property.
5. The Italian Government, through its special representative, will notify the Controller-General as soon as possible, but in any case within three months

of the date of the despatch of the last list, under which of the following three categories it desires that such non-liquid property should be treated, viz. :—

- (a) Properties to be realised in order to increase the sterling amount available for the payment of debts.
- (b) Properties to be released to the former owners or to their legal representatives.
- (c) Properties the disposal of which under (a) or (b) is to be deferred for further consideration.

6. The Government of the United Kingdom agrees to realise any Italian property at the request of the Italian Government under Clause 5 (a) and to pay the proceeds, less the expenses of sale, into the Special Account referred to in Clause 3.

7. The Italian Government will indemnify the Government of the United Kingdom against claims by former owners where it is established that the property was wrongly vested in the Custodians, and was originally in liquid form or has since been liquidated and has been transferred to the Italian Government under this Agreement, up to the amount so transferred by the Custodians.

8. The Italian Government undertakes to grant compensation to the former owners for their property transferred to that Government in liquid form under this Agreement.

The amount of compensation to be paid for property which was liquidated after having been vested in a Custodian will be the net amount paid into the Special Account under Clause 3.

The conditions of the payment of such compensation will be determined by the Italian Government.

9. The Italian Government undertakes to meet any deficit on the Special Account referred to in Clause 3 after allowing for the payment of debts under this Agreement, but will be entitled to the free use of any excess on the Special Account after the payment of the said debts.

10. The Italian Government will give to the Government of the United Kingdom a list showing all the debts which have been collected in Italy under Italian legislation as due to persons in the United Kingdom with such information as will enable the creditors to be traced and the transactions giving rise to the debts to be identified.

11. The Government of the United Kingdom will give to the Italian Government lists of claims preferred by creditors in the United Kingdom against institutions or persons in Italy with sufficient information to enable the debtors to be traced and the validity and amount of the debt to be established where such claims have not been included or fully met in the Italian Government list referred to in Clause 10.

12. The Italian Government undertakes to give all assistance in its power to help creditors in tracing debtors, and to facilitate agreements between the two parties; but where agreement cannot be reached, the remedy for the United Kingdom creditors will be through the normal Civil Courts in Italy.

13. When agreement upon the amount of the debt has been reached, the Italian Government will authorise the Bank of Italy to make payment from the Special Account.

14. The rate of exchange to be used for the payment of debts due in lire (*i.e.*, for those lire debts which were transferable in accordance with the pre-war Agreements between the two Governments and for which an appropriate settlement has not been reached) will be that current when the debt become due.

15. In this Agreement the following expressions have the meanings hereby expressly assigned to them :—

“ Custodians ” are—

- (a) The Custodian of Enemy Property for England and Wales.
- (b) The Custodian of Enemy Property for Scotland,
- (c) The Custodian of Enemy Property for Northern Ireland,
- (d) The Custodian of Enemy Property for any territory to which this Agreement is extended under Clause 16, or their successors.

The “ Controller-General ” is the Controller-General, Trading with the Enemy Department (Treasury and Board of Trade).

“ Debts ” mean financial obligations legally incurred by the Italian Government, Municipalities, Institutions, or persons located, resident or carrying on business in Italy under agreements or contracts entered into before 11th June, 1940, which are due to persons resident in the United Kingdom, or any territory to which this Agreement is extended under Clause 16, or to bodies of persons, whether corporate or unincorporate, carrying on business in the United Kingdom or any of the said territories. It does not apply to commercial debts incurred after 5th September, 1945, nor to dividends, interests, or other recurring payments falling due after the date of the ratification of the Treaty of Peace.

“ Italian Property ” means all property in the United Kingdom or any territory to which this Agreement is extended under Clause 16, which, at the time of the coming into force of the Treaty of Peace with Italy, is held by the Custodians as belonging to Italy or Italian nationals.

16. This Agreement may upon notification by the Government of the United Kingdom to the Italian Government be extended to any British Colony, overseas territory, protectorate or protected State, or to any territory under mandate or trusteeship exercised by the Government of the United Kingdom.

II

Count Sforza to Sir Noel Charles

ITALIAN TEXT — TEXTE ITALIEN

IL MINISTRO DEGLI AFFARI ESTERI

Roma, 17 aprile 1947

Caro Sir Noel Charles,

In relazione alla sua lettera in data odierna, sono lieto di confermarle che il Governo Italiano ha approvato le disposizioni di cui all'Allegato alla lettera surriferita, concernenti il trattamento da riservare ai beni di proprietà italiana nel Regno Unito, ed è d'accordo che la sua comunicazione, insieme con la presente risposta, vengano considerate come costituenti un accordo tra i nostri due Governi sulla materia, il quale entrerà in vigore all'atto del deposito della ratifica da parte del Governo Italiano del Trattato di Pace con l'Italia.

Sono lieto inoltre di prendere atto, a nome del mio Governo, che il Governo del Regno Unito farà ogni migliore sforzo per assicurare che le disposizioni anzidette siano estese secondo quanto è previsto nella clausola 16 dell'accordo stesso.

Mi è gradita l'occasione, &c.

(*Firmato*) SFORZA

TRANSLATION¹ — TRADUCTION²

MINISTRY FOR FOREIGN AFFAIRS

Rome, 17th April, 1947

Dear Sir Noel Charles,

In reference to your letter of to-day's date, I am glad to confirm that the Italian Government has approved the provisions annexed to your letter concerning the treatment to be accorded to Italian-owned assets in the United Kingdom, and agrees that your communication, together with this reply, shall be regarded as constituting an Agreement between our two Governments on this matter; the Agreement to take effect upon the deposit of the ratification by the Italian Government of the Treaty of Peace with Italy.

Furthermore, I am glad to note, in the name of my Government, that the Government of the United Kingdom will use its best endeavour to ensure that the aforementioned provisions will be extended as provided for in clause 16 thereof.

I take, &c.

(*Signed*) SFORZA

¹ Translation by the Government of the United Kingdom of Great Britain and Northern Ireland.

² Traduction du Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord.