

No. 1523

**YUGOSLAVIA
and
ALBANIA**

Agreement concerning the establishment of an Albanian-Yugoslav Electricity Company. Signed at Belgrade, on 28 November 1946

Official text: French.

Registered by Yugoslavia on 27 November 1951.

**YUGOSLAVIE
et
ALBANIE**

Accord concernant la constitution d'une Société albanoyougoslave d'électricité. Signé à Belgrade, le 28 novembre 1946

Texte officiel français.

Enregistré par la Yougoslavie le 27 novembre 1951.

[TRANSLATION — TRADUCTION]

No. 1523. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF ALBANIA CONCERNING THE ESTABLISHMENT OF AN ALBANIAN-YUGOSLAV ELECTRICITY COMPANY. SIGNED AT BELGRADE, ON 28 NOVEMBER 1946

In order to give effect to the Agreement concluded at Belgrade on 1 July 1946² between the Government of the Federal People's Republic of Yugoslavia and the Government of the People's Republic of Albania with a view to developing close economic relations between Yugoslavia and Albania, the two Contracting Parties have agreed upon the following provisions :

Article 1

The Albanian-Yugoslav Electricity Company shall be established as a limited liability company.

The head office of the Company shall be at Tirana.

The Company shall have the status of an Albanian limited liability company and shall operate in accordance with the laws of the People's Republic of Albania.

Article 2

The Company shall have the right to construct and to operate installations for the production and distribution of electric power in the territory of the People's Republic of Albania.

Article 3

The objects of the Company shall be :

1. To investigate the possibilities of producing electric power in the territory of the People's Republic of Albania;
2. To construct installations for the production and distribution of electric power in the territory of the People's Republic of Albania;
3. To operate installations for the production and distribution of electric power.

¹ Came into force on 28 November 1946, as from the date of signature, in accordance with article 15.

² See p. 5 of this volume.

Article 4

The initial capital of the Company shall be 2 million Albanian francs, divided into 200 registered and non-negotiable shares.

The Federal People's Republic of Yugoslavia and the People's Republic of Albania shall each subscribe 50 per cent of the capital provided for in the preceding paragraph. The capital may be increased only by mutual agreement between the two Governments, the parity remaining unchanged.

The Contracting Governments shall subscribe their shares of the capital within the six months following the entry into force of this Agreement in the manner and under the conditions to be fixed by a separate Protocol.

Article 5

In addition to the initial capital each Contracting Government may contribute supplementary capital to the Company.

All existing or new investments, cash, etc., contributed by one of the Contracting Parties to the Company over and above its contribution to the initial capital shall be considered as supplementary capital. Supplementary capital shall be the property of the Company.

The amount of such supplementary capital shall not affect the equality of participation in the management of the Company which is determined solely by participation in the initial capital.

The Company may, within six months, purchase existing power stations in the People's Republic of Albania provided that their value is contributed to the Company as supplementary capital contributed by the People's Republic of Albania.

Article 6

The managing body of the Company shall be a Board of Directors consisting of six members elected by the meeting of shareholders.

In accordance with article 4, paragraph 2, of this Agreement, one-half of the members of the Board of Directors shall be representatives of the Federal People's Republic of Yugoslavia and one-half representatives of the People's Republic of Albania.

The Chairman of the Board of Directors shall be one of the representatives of the Federal People's Republic of Yugoslavia and his deputy one of the representatives of the People's Republic of Albania. The Director General shall be one of the representatives of the People's Republic of Albania, and his deputy one of the representatives of the Federal People's Republic of Yugoslavia.

Decisions by the Board of Directors shall be taken by agreement between the Yugoslav and Albanian representatives who are present.

Article 7

The Company shall have a Supervisory Committee consisting of four members appointed by the meeting of shareholders.

The Chairman of the Supervisory Committee shall be one of the representatives of the People's Republic of Albania, and his deputy one of the representatives of the Federal People's Republic of Yugoslavia.

In accordance with article 4, paragraph 2, of this Agreement, one-half of the members of the Supervisory Committee shall be representatives of the Federal People's Republic of Yugoslavia and the other half shall be representatives of the People's Republic of Albania.

Decisions of the Supervisory Committee shall be taken by agreement between the Yugoslav and Albanian representatives who are present.

Article 8

Rules concerning the internal organization and operations of the Company shall be established by the first meeting of shareholders.

Amendments to the Company's rules shall be made by the meeting of shareholders on the proposal of the Board of Directors.

Article 9

If the capital provided for under article 4 of this Agreement proves to be insufficient to meet the needs of the Company, the latter shall obtain the necessary financial resources from the Albanian-Yugoslav Bank at Tirana.

Article 10

A joint commission consisting of an equal number of Yugoslav and Albanian experts appointed by their respective Governments shall assess the value of all installations for the production, distribution and exploitation of electric power, existing and in operation, and of the power stations provided for in article 5, paragraph 4, of this Agreement, which become the property of the Company. The commission shall establish the value of the installations at the prices in US dollars prevailing on the world market at the time of their transfer to the Company allowing for amortization and depreciation due to wear and obsolescence. Should the joint commission fail to agree regarding the assessment, the final decision shall be taken by the representatives of the two Governments appointed for that purpose.

The value of new installations and any other equipment supplied by either of the Contracting Parties shall be evaluated in US dollars at world market prices.

Article 11

The profits shall be divided in proportion to the amount of initial capital contributed and to the supplementary capital invested in the Company.

Article 12

The Government of the People's Republic of Albania undertakes to place at the disposal of the Company land required for its use which the Company may purchase or take over for temporary use; the value shall be recognized by the Company as supplementary capital contributed by the Government of the People's Republic of Albania, on the basis of a valuation to be made by a joint commission set up for the purpose and consisting of an equal number of Yugoslav and Albanian experts appointed by their respective Governments.

Should the joint commission fail to agree on the valuation, the final decision shall be taken by the representatives appointed by the two Governments for that purpose.

The value of the land shall be assessed according to local conditions.

Article 13

The Company shall be exempt from all direct taxation; the tax on the output of the Company shall be settled by agreement between the two Governments at a later date.

Article 14

The Company shall be established for a period of thirty years. One year prior to the expiry of the period, the meeting of shareholders may extend the term for a further five years and the same procedure may be repeated one year prior to the expiry of each successive five-year period. If the term of the Company is not extended, the Government of the People's Republic of Albania shall be entitled to buy back the Yugoslav share of the capital.

The decision to liquidate the Company prior to the expiry of the term provided for in the preceding paragraph may be taken only by the meeting of shareholders on a proposal of the Board of Directors made by unanimous decision of its members.

On the liquidation of the Company, the assets shall be divided in proportion to participation in the initial capital and supplementary capital contributed.

Article 15

This Agreement shall enter into force on the date of its signature.

IN FAITH WHEREOF the plenipotentiaries of the two Governments have signed this Agreement and have thereto affixed their seals.

DONE in French, at Belgrade, on 28 November one thousand nine hundred and forty-six, in two copies, one for each Contracting Party.

For the Federal People's Republic of Yugoslavia :
(Signed) Nikola PETROVIĆ

For the People's Republic of Albania :
(Signed) Nako SPIRU