

No. 1525

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**YUGOSLAVIA  
and  
ALBANIA**

**Agreement concerning the establishment of an Albanian-Yugoslav company for the construction and operation of railways. Signed at Belgrade, on 28 November 1946**

*Official text: French.*

*Registered by Yugoslavia on 27 November 1951.*

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**YOUGOSLAVIE  
et  
ALBANIE**

**Accord concernant la fondation d'une société albanoyougoslave pour la construction et l'exploitation des chemins de fer. Signé à Belgrade, le 28 novembre 1946**

*Texte officiel français.*

*Enregistré par la Yougoslavie le 27 novembre 1951.*

## [TRANSLATION — TRADUCTION]

No. 1525. AGREEMENT<sup>1</sup> 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 COMPANY FOR THE CONSTRUCTION AND OPERATION OF RAILWAYS (HEREINAFTER REFERRED TO AS "THE COMPANY"). SIGNED AT BELGRADE, ON 28 NOVEMBER 1946

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In order to give effect to the Agreement<sup>2</sup> concluded in Belgrade on 1 July 1946, 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*

An Albanian-Yugoslav company for the construction and operation of railways 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 railways in the territory of the People's Republic of Albania.

*Article 3*

The objects of the Company shall be :

(1) To undertake work preliminary to the construction of railways in the territory of the People's Republic of Albania on routes to be determined by mutual agreement between the two Contracting Governments;

(2) To build railway lines, open them to traffic and provide for their maintenance;

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<sup>1</sup> Came into force on 28 November 1946, as from the date of signature, in accordance with article 19.

<sup>2</sup> See p. 5 of this volume.

- (3) To operate the railway system;
- (4) To overhaul railway material and rolling stock in workshops.

#### *Article 4*

The initial capital of the Company shall be 6 million Albanian francs. It shall be divided into 600 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 of the two Contracting Governments, the parity remaining unchanged.

The two Governments shall subscribe their shares of the capital within the six months following the entry into force of the present 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 and new investments, cash, etc., contributed by one of the Contracting Parties to the Company over and above its contribution of 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.

#### *Article 6*

The railway system constructed or purchased by the Company in conformity with article 14 of the present Agreement shall be the property of the Company.

#### *Article 7*

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 the present Agreement, one-half of the members of the Board of Directors 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.

The Chairman of the Board of Directors 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. The Director-General 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.

Decisions of the Board of Directors shall be taken by Agreement between the representatives of the Federal People's Republic of Yugoslavia and the representatives of the People's Republic of Albania, who are present.

#### *Article 8*

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

In accordance with article 4, paragraph 2, of the present 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 representatives of the People's Republic of Albania.

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.

Decisions of the Supervisory Committee shall be taken by mutual Agreement between the representatives present of the Albanian and Yugoslav shareholders.

#### *Article 9*

The rules governing the internal organization and operations of the Company shall be established by the first meeting of shareholders.

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

#### *Article 10*

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

#### *Article 11*

The value of the machines, rails, equipment and rolling stock shall be determined in the following manner :

the value of new material shall be fixed in US dollars at world market prices;

the value of used material shall be determined by a joint commission consisting of an equal number of Yugoslav and Albanian experts, named by their respective Governments. The commission shall establish the value of this material according to the prices in US dollars 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 on the value of the material to be appraised, the final decision shall be made by representatives of the two Governments appointed for that purpose.

The commission provided for by the present article shall determine the sums to be paid for the lease of equipment, machines, etc., placed by one of the Contracting Governments at the temporary disposal of the Company, taking into account the degree of wear and the length of such temporary use. The equipment, machines, etc., placed temporarily at the disposal of the Company must be returned in good condition; in case of any damage, the Company shall pay the actual cost of repair or the value estimated by the commission, if repair should prove impossible.

#### *Article 12*

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

#### *Article 13*

The Government of the People's Republic of Albania undertakes to make available to the Company the land required for the construction of railway lines, railway and other essential installations, on payment of appropriate compensation to be determined by a joint commission set up for this purpose and consisting of an equal number of Yugoslav and Albanian experts nominated by their respective Governments. If the joint commission fails to agree on the valuation, the final decision shall be made by representatives appointed by the two Governments for that purpose.

The amount of the compensation provided for in the preceding paragraph shall be credited to the Government of the People's Republic of Albania as supplementary capital invested in the Company.

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

#### *Article 14*

The Company has the right to purchase the Albanian railway in construction, the value of which shall be estimated by a joint commission set up for this purpose and consisting of an equal number of Yugoslav and Albanian experts nominated by their respective Governments. The commission shall determine the value of the work accomplished, taking into account the cost of carrying out the works at the present time, allowing for depreciation caused by interruption of the work or by damages sustained.

If the joint commission fails to agree on the valuation, the final decision shall be taken by the representatives of the two Contracting Governments appointed for that purpose.

#### *Article 15*

The preparatory work for the construction of the first railway line shall begin on 1 January 1947.

*Article 16*

The Government of the People's Republic of Albania shall establish the rates on the proposal of the Company's Board of Directors, taking into account transportation requirements and the profit of the line.

The Company shall be exempt from all taxes.

*Article 17*

The question of the Company's staff shall be regulated by a separate protocol.

*Article 18*

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

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

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

*Article 19*

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

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

DONE at Belgrade, on 28 November one thousand nine hundred and forty-six, in the French language, 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

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