

No. 1528

**YUGOSLAVIA
and
ALBANIA**

Agreement concerning the establishment of an Albanian-Yugoslav company for mineral prospecting and development. Signed at Belgrade, on 28 November 1946

Official text: French.

Registered by Yugoslavia on 27 November 1951.

**YOUGOSLAVIE
et
ALBANIE**

Accord concernant la fondation d'une société albanoyougoslave pour les recherches et l'exploitation minières. Signé à Belgrade, le 28 novembre 1946

Texte officiel français.

Enregistré par la Yougoslavie le 27 novembre 1951.

[TRANSLATION — TRADUCTION]

No. 1528. 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 COMPANY FOR MINERAL PROSPECTING AND DEVELOPMENT (HEREINAFTER REFERRED TO AS "THE COMPANY"). SIGNED AT BELGRADE, ON 28 NOVEMBER 1946

In order to give effect to the Agreement² concluded at 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 mineral prospecting and development of mines is hereby established.

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 prospect for and to exploit, in the People's Republic of Albania, coal, ores, rare earths, raw materials of mineral origin for industry and raw materials for the chemical industry.

Article 3

The objects of the Company shall be :

(1) To undertake geological and mining prospecting in territory of the People's Republic of Albania with a view to the discovery of the mineral resources referred to in article 2, paragraph 1, of the present Agreement;

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.

(2) To carry out on any mineral deposits discovered, if conditions are suitable, all the preparatory work necessary to open them for exploitation;

(3) To exploit mineral deposits already discovered and prepared for exploitation and any deposits the Company may in the future discover and prepare for exploitation, if conditions are suitable;

(4) To establish and operate metallurgical undertakings and undertakings for the treatment of the other mineral resources referred to in article 2, paragraph 1.

Article 4

The initial capital of the Company shall be 2 million Albanian francs. It shall be 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 Contracting Governments, the parity remaining unchanged.

The Contracting Governments shall subscribe their share 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 of the Contracting Governments may contribute supplementary capital to the Company.

All existing and new investments, cash, etc., contributed by one of the 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 metallurgical works in Albania, provided that their value is placed to the credit of the Company as a contribution of supplementary capital by the People's Republic of Albania.

Article 6

The managing body of the Company shall be a Board of Directors, which shall consist 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 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 of the Board of Directors shall be taken by agreement between the representatives present of the Federal People's Republic of Yugoslavia and of the People's Republic of Albania.

Article 7

The Company shall have a Supervisory Committee consisting of four members nominated 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 the present Agreement, one-half of the members of the Supervisory Committee shall be representatives of the Federal People's Republic of Yugoslavia, and one-half representatives of the People's Republic of Albania.

Decisions of the Supervisory Committee shall be taken by agreement between the representatives present of the Federal People's Republic of Yugoslavia and of the People's Republic of Albania.

Article 8

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

Amendments to the articles of association shall be made by the meeting of shareholders on the proposal of the Board of Directors.

Article 9

If the capital provided for in article 4 of the present Agreement proves to be insufficient for the needs of the Company, the latter shall procure 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 values of all the machinery and other equipment for prospecting and for the working of the mines and metallurgical works existing and in operation, which become the property of the Company. The commission shall establish the value

of this material 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 on the value of the material to be appraised, the final decision shall be taken by representatives of the two Governments appointed for the purpose.

The value of new equipment and other material supplied by either of the Contracting Parties shall be assessed in US dollars at the prices prevailing on the world market.

Article 11

For having granted the prospecting and exploitation rights, the People's Republic of Albania shall receive 15 per cent of the net profit obtained from the extraction of minerals.

The remaining 85 per cent of the net profit obtained from the extraction of minerals, and the total net profit from their treatment, shall be divided in proportion to the initial capital and supplementary capital invested in the Company.

Article 12

The People's Republic of Albania undertakes to place at the disposal of the Company the land required for its use which the Company may either 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 consisting of an equal number of Yugoslav and Albanian experts appointed by their respective Governments.

Should the joint commission fail to agree upon the valuation, the final decision shall be taken by representatives appointed by the two Governments for the 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 question of the tax on the output of the Company shall be determined by agreement between the two Governments at a later date.

Article 14

The Company shall be established for a term of thirty years. One year prior to its expiry 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 term. If the term is not extended, the Government of the People's Republic of Albania shall have the right to buy 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 made by unanimous decision of its members.

Article 15

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

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

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

[L.S.] For the Federal People's Republic of Yugoslavia :
(Signed) Nikola PETROVIĆ

[L.S.] For the People's Republic of Albania :
(Signed) Nako SPIRU