

No. 1546

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**YUGOSLAVIA  
and  
CZECHOSLOVAKIA**

**Agreement (with exchange of letters) on non-commercial  
payments. Signed at Belgrade, on 1 March 1949**

*Official texts: Serbo-Croat and Czech.*

*Registered by Yugoslavia on 27 November 1951.*

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**YOUGOSLAVIE  
et  
TCHÉCOSLOVAQUIE**

**Accord (avec échange de lettres) concernant les paiements  
non commerciaux. Signé à Belgrade, le 1<sup>er</sup> mars 1949**

*Textes officiels serbo-croate et tchèque.*

*Enregistrés par la Yougoslavie le 27 novembre 1951.*

## [TRANSLATION — TRADUCTION]

No. 1546. AGREEMENT<sup>1</sup> ON NON-COMMERCIAL PAYMENTS BETWEEN THE PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE REPUBLIC OF CZECHOSLOVAKIA. SIGNED AT BELGRADE, ON 1 MARCH 1949

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The Government of the Federal People's Republic of Yugoslavia of the one part and the Government of the Republic of Czechoslovakia of the other part have agreed on the settlement of non-commercial payments as follows :

*Article 1*

The Czechoslovak National Bank shall maintain the non-interest-bearing account in Czechoslovak crowns called the " Non-Commercial Payments Account " (account C) and opened on behalf of the National Bank of the Federal People's Republic of Yugoslavia in accordance with article 1 of the Non-Commercial Payments Agreement of 24 May 1948.<sup>2</sup> Payments in Czechoslovakia to the order of the National Bank of the Federal People's Republic of Yugoslavia shall be made through this account.

The National Bank of the Federal People's Republic of Yugoslavia shall continue to maintain the non-interest-bearing account in dinars called the " Non-Commercial Payments Account " (account D) and opened on behalf of the Czechoslovak National Bank in accordance with article 1 of the Non-Commercial Payments Agreement of 24 May 1948. Payments in Yugoslavia to the order of the Czechoslovak National Bank shall be made through this account.

*Article 2*

The following payments shall be made through the accounts referred to in article 1 :

(1) Maintenance costs of diplomatic and other official representatives, and material expenses of legations of both countries;

(2) Costs of official delegations of both countries;

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<sup>1</sup> Came into force on 1 March 1949, as from the date of signature, in accordance with article 6.

<sup>2</sup> See p. 183 of this volume.

- (3) Personal and business expenses of commercial representatives;
- (4) Expenses of travellers and tourists of both countries, and balances remaining on settlement between travel and tourist agencies, excluding railway tickets;
- (5) Maintenance costs of students and costs of treatment of sick persons;
- (6) Remittances of money to assist families, and of workers' wages;
- (7) Social insurance pensions and allowances;
- (8) Fees of scientists, authors and artists, and teachers' salaries;
- (9) Licence fees, authors' royalties and other payments arising out of intellectual property and not governed by special agreement between the two countries;
- (10) Expenses of crews of river vessels;
- (11) All other non-commercial payments made under previous agreements between the national banks of the two contracting States but not covered by special agreements between the two States.

### *Article 3*

All payments in or out referred to in article 2 shall be governed by the law of the two contracting States relating to foreign currency.

After the entry into force of this Agreement payments referred to in article 2 may be made only through the accounts referred to in article 1.

### *Article 4*

All payments to which this Agreement applies shall be made at the rate of 100 dinars = 100 Czechoslovak crowns.

If a change occurs in the rate of exchange in either of the two contracting States, the National Bank of that State shall, one day before the change, notify the National Bank of the other State by telegram and thereupon all payments out of both non-commercial payments accounts shall be suspended. The national banks shall simultaneously send each other statements of their respective non-commercial payments accounts and shall establish their mutual balance. No more payments shall be made until the new rates of exchange have been determined by agreement.

In the event of a change in the rate, the balances in the accounts at the national banks of both countries shall be adjusted in proportion to the change.

*Article 5*

The national bank of each contracting State shall make payment immediately on receipt of the order of the other Party.

Payments made on the respective accounts referred to in article 1 shall be set off against one another. If a balance not covered by payments out of the non-commercial payments account at the other national bank reaches 40 million Czechoslovak crowns or dinars, the two banks shall agree upon the steps to be taken to ensure in the future the free execution of payments through that account.

On the expiry of this Agreement the final balance shall be settled within three months in a manner to be agreed upon by the two contracting Parties.

*Article 6*

This Agreement shall enter into force on the day of its signature for the same period as the Trade Agreement and Commercial Payments Agreement concluded at the same time.

This Agreement is done in duplicate in Serbo-Croat and Czech, each text being equally authentic.

DONE at Belgrade, 1 March 1949.

For the Government  
of the Federal People's Republic  
of Yugoslavia :  
(*Signed*) NIK. POPOVIĆ

For the Government  
of the Czechoslovak Republic :  
(*Signed*) PLEVA

## EXCHANGE OF LETTERS

## I

## HEAD OF THE YUGOSLAV TRADE DELEGATION

Belgrade, 1 March 1949

Sir :

I have the honour to confirm that, during the negotiations completed today with the signing of the Agreement on exchange of goods between the Republic of Czechoslovakia and the Federal People's Republic of Yugoslavia and of payments agreements, we have agreed upon the following with respect to payments relating to transport :

(1) Payment for seaborne trade in Yugoslav vessels through Yugoslav ports shall be made as to one-third in foreign exchange by agreement between the two national banks and as to two-thirds by transfer through the Commercial Account (account A) of the National Bank of the Federal People's Republic of Yugoslavia at the Czechoslovak National Bank.

(2) The following reciprocal payments shall be made through the Commercial Account (account A) :

(a) Harbour dues in Yugoslav ports, warehouse dues, trans-shipment costs and all related charges;

(b) Debts and credits of both railway administrations resulting from the transport of passengers, baggage, express parcels and other goods arising from reciprocal transport and transit, and other reciprocal railway obligations;

(c) Agency costs for local transport, trans-shipment, warehousing and like services performed in Czechoslovakia or in Yugoslavia, including the cost of railway transport on Czechoslovak or Yugoslav lines and of lines of States situated between the two countries;

(d) Balances arising out of settlements between travel and tourist agencies for railway tickets;

(e) Reciprocal obligations of both railway administrations and of national sleeping-car and dining-car enterprises in both countries in accordance with the Railway Agreement signed at Szekliarska Poreba on 28 August 1948;

(f) Payment for transport of goods and passengers in Yugoslav and Czechoslovak vessels, including trans-shipment costs and all related charges;

(g) Balances arising out of accounting between the postal telegraph and telephone administrations of the two countries;

(h) Balances arising out of settlements between airline companies for direct passenger traffic between the Republic of Czechoslovakia and the Federal People's Republic of Yugoslavia.

(3) Air tickets on routes from the Republic of Czechoslovakia to the Federal People's Republic of Yugoslavia, Albania, Bulgaria, Hungary, Poland, Romania and the Union of Soviet Socialist Republics, and railway tickets from the Republic of Czechoslovakia to those countries, shall be sold in the Republic of Czechoslovakia to Yugoslav nationals for Czechoslovak crowns remitted through the Non-Commercial Payments Account subject to proof of remittance.

Air tickets on routes from the Federal People's Republic of Yugoslavia to the Republic of Czechoslovakia, Albania, Bulgaria, Hungary, Poland, Romania and the Union of Soviet Socialist Republics, and railway tickets from the Federal People's Republic of Yugoslavia to those countries, shall be sold in the Federal People's Republic of Yugoslavia to Czechoslovak nationals for dinars remitted through the Non-Commercial Payments Account subject to proof of remittance.

Railway tickets for passage from the Federal People's Republic of Yugoslavia or the Republic of Czechoslovakia to other countries shall be sold to nationals of the other Contracting Party for dinars or crowns respectively and shall be valid only as far as the respective Yugoslav or Czechoslovak frontier station.

Air transport of passengers, including baggage and air freight, from the Republic of Czechoslovakia to other European countries shall be paid for as follows :

25 per cent in Czechoslovak crowns remitted through the Non-Commercial Payments Account;

75 per cent in foreign exchange by agreement between the two national banks.

Air transport of passengers, including baggage and air freight, from the Federal People's Republic of Yugoslavia to other European countries shall be paid for as follows :

25 per cent in dinars remitted through the Non-Commercial Payments Account;

75 per cent in foreign exchange by agreement between the two national banks.

Tickets for journeys by Czechoslovak airlines to the Federal People's Republic of Yugoslavia and thence to other countries shall be sold in the Federal People's Republic of Yugoslavia to Czechoslovak nationals for dinars remitted through the Non-Commercial Payments Account.

Tickets for journeys by Yugoslav airlines to the Republic of Czechoslovakia and thence to other countries shall be sold in the Republic of Czechoslovakia to Yugoslav nationals for Czechoslovak crowns remitted through the Non-Commercial Payments Account.

(4) Tickets for the carriage of passengers on Yugoslav vessels in Yugoslav territorial waters shall be sold to Czechoslovak nationals for dinars remitted through the Non-Commercial Payments Account.

Passenger tickets for Yugoslav vessels outside Yugoslav territorial waters shall be paid for in free foreign exchange.

The settlements referred to in paragraphs 1 and 2 also apply to services provided between 9 May 1945 and the date of signature of this letter and not yet paid for.

I have the honour to be, etc.

(Signed) Nik. L. POPOVIĆ

Mr. Jan Pleva  
Head of the Czechoslovak Trade Delegation  
Belgrade

## II

HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Belgrade, 1 March 1949

Sir,

[See letter I]

(Signed) PLEVA

Mr. Nikola Popović  
Head of the Yugoslav Trade Delegation  
Belgrade

## III

## HEAD OF THE YUGOSLAV TRADE DELEGATION

Belgrade, 1 March 1949

Sir :

I have the honour to confirm that we have agreed as follows, notwithstanding the provisions of article 2, item 4, of today's Agreement on Non-Commercial Payments between the Federal People's Republic of Yugoslavia and the Republic of Czechoslovakia, on the financing of tourist traffic from the Republic of Czechoslovakia to the Federal People's Republic of Yugoslavia in 1949 :

(1) Tourist traffic from the Republic of Czechoslovakia to the Federal People's Republic of Yugoslavia shall be financed as to 50 per cent from credits in the "Czechoslovak National Bank—Re-emigrants' Property" account at the National Bank of the Federal People's Republic of Yugoslavia up to a total not exceeding the 32 million dinars already agreed upon between the national banks of the two contracting Parties.

The remaining 50 per cent shall be paid for through the Non-Commercial Payments Account.

(2) When the present agreed limit of 32 million dinars is reached, credits of Czechoslovak re-emigrants deposited in the aforesaid account up to 24 May 1948 shall be used for the payment of costs of tourist traffic to the Federal People's Republic of Yugoslavia, as to 25 per cent from the "Czechoslovak National Bank—Re-emigrants' Property" account and as to 75 per cent by remittances through the Non-Commercial Payments Account.

(3) All expenses relating to tourist travel shall be paid in the manner laid down in paragraphs 1 and 2 of this letter, except that railway passenger tickets shall be paid for through the Commercial Payments Account (account A).

(4) Remittances of credits of Yugoslav nationals in the Republic of Czechoslovakia, including credits resulting from liquidation of movable and immovable property, shall also be made to the Federal People's Republic of Yugoslavia through the "Czechoslovak National Bank—Re-emigrants' Property" account.

The Czechoslovak National Bank shall issue credits for such remittances of unlimited value up to a total of 10 million Czechoslovak crowns. If sufficient funds are not available in the "Czechoslovak National Bank—Re-emigrants' Property" account, such transfers shall be effected through the Non-Commercial



Payments Account up to a total not to exceed 10 million Czechoslovak crowns.

This arrangement shall not apply to Yugoslav credits in the Republic of Czechoslovakia arising before 9 May 1945, which are to be settled by a special agreement between the two States, nor to credits frozen by provisions of law relating to Czechoslovak currency.

This arrangement shall remain in force until the end of 1949 and may be extended by agreement between the parties until the funds referred to herein are exhausted.

I have the honour to be, etc.

(Signed) Nik. POPOVIĆ

Mr. Jan Pleva  
Head of the Czechoslovak Trade Delegation  
Belgrade

IV

HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Belgrade, 1 March 1949

Sir,

[See letter III]

(Signed) PLEVA

Mr. Nikola Popović  
Head of the Yugoslav Trade Delegation  
Belgrade

V

HEAD OF THE YUGOSLAV TRADE DELEGATION

Belgrade, 1 March 1949

Sir :

I have the honour to confirm that, in view of the great importance to both countries of the transit of Czechoslovak goods through Yugoslav seaports, the two delegations, during negotiations concerning the Agreement for the exchange of goods in 1949, have agreed as follows :

The Czechoslovak Government shall duly ensure through the competent Czechoslovak ministries and offices that Czechoslovak goods traffic shall be directed through Yugoslav ports wherever transport by this route would be equally convenient, and equally advantageous to the Republic of Czechoslovakia, with transport through other ports.

With a view to the best co-ordination of Czechoslovak traffic through Yugoslav ports in Yugoslav vessels, the Czechoslovak Ministry of Foreign Trade and its Department of Communications shall maintain close contact with the Trade Mission at the Embassy of the Federal People's Republic of Yugoslavia at Prague in order to draw up transport plans in advance so that ship and warehouse space may be available punctually and transport effected without hindrance.

The Government of the Federal People's Republic of Yugoslavia shall grant Czechoslovak goods traffic all facilities which it has granted or may in future grant the traffic of other countries in its ports and on its sea routes.

I have the honour to be, etc.

(Signed) Nik. L. POPOVIĆ

Mr. Jan Pleva  
Head of the Czechoslovak Trade Delegation  
Belgrade

VI

HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Belgrade, 1 March 1949

Sir,

[See letter V]

(Signed) PLEVA

Mr. Nikola Popović  
Head of the Yugoslav Trade Delegation  
Belgrade

## VII

## HEAD OF THE CZECHOSLOVAK TRADE DELEGATION

Belgrade, 1 March 1949

Sir,

Until completion of negotiations concerning trade missions we have agreed that the *status quo* shall be observed in respect of such representation taking into account the principle of reciprocity subject to the existing legal regulations of the two Contracting Parties.

I should be grateful if you would acknowledge receipt of this letter.

I have the honour to be, etc.

(Signed) PLEVA

Mr. Nikola Popović  
Head of the Yugoslav Trade Delegation  
Belgrade

## VIII

## HEAD OF THE YUGOSLAV TRADE DELEGATION

Belgrade, 1 March 1949

Sir,

I have the honour to acknowledge receipt of your letter reading as follows :

[See letter VII]

I have the honour to be, etc.

(Signed) Nik. L. POPOVIĆ

Mr. Jan Pleva  
Head of the Czechoslovak Trade Delegation  
Belgrade