

No. 1549

YUGOSLAVIA
and
HUNGARY

Agreement on the settlement of non-commercial payments.
Signed at Belgrade, on 23 December 1946

Official texts: Serbo-Croat and Hungarian.

Registered by Yugoslavia on 27 November 1951.

YUGOSLAVIE
et
HONGRIE

Accord concernant le règlement des paiements non commerciaux. Signé à Belgrade, le 23 décembre 1946

Textes officiels serbo-croate et hongrois.

Enregistré par la Yougoslavie le 27 novembre 1951.

[TRANSLATION — TRADUCTION]

No. 1549. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT OF THE HUNGARIAN REPUBLIC ON THE SETTLEMENT OF NON-COMMERCIAL PAYMENTS. SIGNED AT BELGRADE, ON 23 DECEMBER 1946

The Government of the Federal People's Republic of Yugoslavia and the Government of the Hungarian Republic, sincerely desiring to enable and facilitate non-commercial payments between them, have agreed as follows :

Article 1

The provisions of this Agreement shall apply to the following non-commercial payments between the two countries, viz. :

- (a) Payments for the maintenance of diplomatic and other official representatives and for material requirements of legations of both countries;
- (b) Payments for necessaries for crews of Yugoslav and Hungarian vessels navigating the Danube, and for essential minor repairs to craft;
- (c) Salaries of instructors and maintenance of schools;
- (d) Expenses relating to traveller and tourist traffic, students' scholarships and the treatment of sick persons;
- (e) Payments relating to intellectual property, such as manufacturing and patent licence fees, authors' royalties, rental of films, and the like;
- (f) Payments of pensions and allowances;
- (g) Payments of taxes and public dues;
- (h) Payments of fees of instructors, teachers, authors, artists and the like;
- (i) Payments of subscriptions to newspapers, and for single copies of books sent by post;
- (j) Remittances of money to assist families, and of labourers' wages;
- (k) Payments of expenses of transshipment in sea and river ports;

¹ Came into force on 23 December 1946, as from the date of signature, in accordance with article 11.

(*l*) All other payments previously approved by the competent authorities of both countries, except payments of balances resulting from settlements of the postal, telegraph and telephone and railway administrations and of river, maritime and aerial navigation companies.

Article 2

(*a*) Funds for the payments by both countries mentioned in article 1 of this Agreement shall preferably be provided by the exportation of goods.

(*b*) Both Governments agree to accept, for the purposes referred to in the previous paragraph, goods on which the competent authorities of the two countries shall have previously agreed in each particular case.

(*c*) Notwithstanding paragraph (*a*) of this article, both Governments may in their discretion provide the funds mentioned in paragraph (*a*) in free currency. In such case settlement shall be made at the official rate on the day of transfer of the currency in the country in favour of which the currency is transferred.

Article 3

Each of the two contracting States may export goods to the other under this Agreement up to the amount needed for payments in accordance with article 1 of this Agreement.

Article 4

(*a*) Goods referred to in article 2 of this Agreement shall be imported at competitive prices free at the Yugoslav-Hungarian frontier or f.o.b. the port nearest thereto, free of customs duties.

(*b*) The value of imported goods shall be paid into the national bank of the importing country in the currency of that country and credited to the account of the national bank of the exporting country.

(*c*) For this purpose the National Bank of the Federal People's Republic of Yugoslavia shall open in its books a non-interest-bearing account in dinars on behalf of the Hungarian National Bank, Budapest, and the Hungarian National Bank shall open in its books a non-interest-bearing account in forints on behalf of the National Bank of the Federal People's Republic of Yugoslavia, Belgrade.

Neither account shall be subject to charges.

Article 5

The contracting States undertake that the national bank of each shall make payments to the order of the other Party, irrespective of the funds available in the account mentioned in the previous article, provided that the balance shall in no case exceed 1,500,000 (one million five hundred thousand) forints or 6,000,000 (six million) dinars, respectively.

The two Governments may in case of need agree to vary the maximum balance mentioned in the previous paragraph.

Article 6

The maximum balance mentioned in the previous article of this Agreement shall not affect in any way the determination of the rate of exchange between the forint and the dinar, and shall therefore not be regarded as a conclusive rate for later determination of the relation between those two currencies.

Article 7

An order for payment issued under this Agreement by the National Bank of the Federal People's Republic of Yugoslavia and the Hungarian National Bank shall be expressed in the currency of the country in which the payment is to be made and shall contain all the particulars necessary for identifying the payee and making the payment.

Article 8

(a) On the expiry of the period of validity of this Agreement both contracting States shall within one month together determine the state of the accounts mentioned in article 4 (c) of this Agreement.

(b) The balances as determined in accordance with the previous paragraph shall be settled by exportation of goods in accordance with articles 2, 3, and 4 of this Agreement within three months from the day on which the state of the accounts is determined.

(c) Notwithstanding the provisions of paragraph (b) of this article, the debtor country may pay its debt wholly or partly in free currency.

Debts shall be converted from the national to the free currency at the official rate of the creditor country at the time of the conversion.

Article 9

The whole of the credit balance, if any, standing in either of the accounts mentioned in article 4 of this Agreement shall be used even after the expiry of this Agreement for the payments mentioned in article 1 of this Agreement.

Article 10

All payments in or out referred to in article 1 of this Agreement shall be governed by the law of the country concerned relating to foreign exchange.

Article 11

This Agreement shall enter into force on the day of its signature until 31 January 1947. Both Governments, however, reserve the right to terminate it subject to at least three months' previous notice.

One month before the expiry of this Agreement the two Governments may agree on the possibility of extending it.

DONE at Belgrade on 23 December 1946, in duplicate, in Serbian and Hungarian, both texts being equally authentic.

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

For the Hungarian Republic :
(Signed) A. BÁN