

No. 1068

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**UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN  
IRELAND  
and  
YUGOSLAVIA**

**Agreement regarding compensation for British property, rights and interests affected by Yugoslav measures of nationalization, expropriation, dispossession and liquidation (with exchange of notes). Signed at London, on 23 December 1948**

*Official text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 2 March 1951.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE  
DU NORD  
et  
YOUOSLAVIE**

**Accord concernant les indemnités relatives aux biens, droits et intérêts britanniques affectés par les mesures yougoslaves de nationalisation, d'expropriation, d'éviction et de liquidation (avec échange de notes). Signé à Londres, le 23 décembre 1948**

*Texte officiel anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 2 mars 1951.*

No. 1068. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF YUGOSLAVIA REGARDING COMPENSATION FOR BRITISH PROPERTY, RIGHTS AND INTERESTS AFFECTED BY YUGOSLAV MEASURES OF NATIONALIZATION, EXPROPRIATION, DISPOSSESSION AND LIQUIDATION. SIGNED AT LONDON, ON 23 DECEMBER 1948

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The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of the Federative People's Republic of Yugoslavia (hereinafter referred to as "the Government of Yugoslavia"),

Desiring to make a final settlement between them of claims with respect to British property, rights and interests affected by various Yugoslav measures of nationalisation, expropriation, dispossession, liquidation or any restrictive measures of a similar kind, in and with respect to such property, rights and interests (hereinafter referred to as "various Yugoslav measures"),

Have agreed as follows:—

*Article I*

(a) The Government of Yugoslavia shall pay to the Government of the United Kingdom the sum of four and one-half million pounds sterling (£4,500,000) of which four hundred and fifty thousand pounds sterling (£450,000) shall be paid as soon as possible but not later than one year after the signature of the Anglo-Yugoslav Money and Property Agreement.<sup>2</sup> The terms and conditions of payment of the remaining four million and fifty thousand pounds sterling (£4,050,000) shall be agreed between the Contracting Governments during the negotiations for a long-term trade agreement which shall be entered into at an early date.

(b) The said sum shall be deemed to represent the aggregate value of all British property affected by various Yugoslav measures and shall be paid by the Government of Yugoslavia free from any deduction or obligation of any kind.

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<sup>1</sup> Came into force on 23 December 1948, as from the date of signature, in accordance with article V.

<sup>2</sup> See p. 103 of this volume.

*Article II*

(a) The Government of the United Kingdom shall accept payment of the said sum of four and one-half million pounds (£4,500,000) in full satisfaction and discharge of all claims of British nationals arising, on or before the date of signature of the present Agreement, out of various Yugoslav measures affecting British property.

(b) In consideration of the payment by the Government of Yugoslavia of the said sum of four and one-half million pounds (£4,500,000) in accordance with the provisions of Article I of the present Agreement, the Government of the United Kingdom on their own behalf and on behalf of British nationals shall release the Government of Yugoslavia from all liability, including liability for payment to British nationals, in respect of the claims mentioned in paragraph (a) of this Article.

(c) The provisions of this Article shall apply to all such claims whether they are made or presented before or after the date of signature of the present Agreement.

*Article III*

(a) In consideration of the global settlement under the present Agreement, the Yugoslav Government waive all claims on their own behalf or on behalf of Yugoslav nationals (including juridical persons) arising out of debts due from the Government of the United Kingdom or from British nationals incurred in the course of the business in which British property was used.

(b) The Government of the United Kingdom likewise waive all claims on their own behalf or on behalf of British nationals arising out of debts so incurred and due from the Government of Yugoslavia or from Yugoslav nationals (including juridical persons).

*Article IV*

(a) For the purposes of the present Agreement, "British property" shall mean all property, rights and interests affected by various Yugoslav measures which, on the date of the relevant measure or measures, were owned directly or indirectly, in whole or in part, by British nationals, to the extent to which they were so owned.

(b) For the purposes of the present Agreement, "British nationals" shall mean—

- (i) Physical persons who are British subjects or British protected persons belonging to any of the territories mentioned in sub-paragraph (ii) of this paragraph, and their heirs and legal representatives; and

- (ii) Companies, firms and associations incorporated or constituted under the laws in force in the territory of the United Kingdom of Great Britain and Northern Ireland, or Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, India, Pakistan, Ceylon, or in any territory for the foreign relations of which the Government of any of the aforesaid countries is, at the date of signature of the present Agreement, responsible.

#### Article V

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

IN WITNESS WHEREOF the undersigned, duly authorised for the purpose by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in London, in duplicate, this 23rd day of December 1948.

[L.S.]

ERNEST BEVIN

[L.S.]

A. G. BOTTOMLEY

[L.S.]

O. M. CICMIL

S. KOPČOK

### EXCHANGE OF NOTES

#### I

*Mr. Ernest Bevin to M. Stanislav Kopčok*

FOREIGN OFFICE

23rd December, 1948

Sir,

In amplification of the Agreement regarding compensation for British property, rights and interests affected by Yugoslav measures of nationalisation, expropriation, dispossession and liquidation, signed this day, I have the honour to inform you that during the course of the discussions which have preceded the conclusion of the Agreement the following understandings have been reached:—

- (1) It is understood that the sum of £4,500,000 which will be paid as compensation for British property (as defined in Article IV of the Agreement) includes all claims concerning such property of British nationals (excluding the claim of Messrs. Guinness Mahon Executor and Trustee Company Limited) presented to the Government of the Federative People's Republic of Yugoslavia through diplomatic channels or the Yugoslav Trade Delegation during negotiations from February 1946 up to the date of this letter and all other such claims subsequently received.

- (2) It is understood that the sum of £450,000 will be paid primarily so far as possible from assets released in accordance with the Anglo-Yugoslav Money and Property Agreement signed in London on 23rd December, 1948.

2. I have the honour to inform you that the foregoing provisions are acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland. If they are likewise acceptable to the Government of the Federative People's Republic of Yugoslavia I have the honour to suggest that the present note and your reply to that effect shall be regarded as placing on formal record the understanding of the two Governments in the matters referred to.

I have, &c.

(Signed) Ernest BEVIN

## II

*M. Stanislav Kopčok to Mr. Ernest Bevin*

TRADE DELEGATION IN LONDON  
OF THE FEDERATIVE PEOPLE'S REPUBLIC OF YUGOSLAVIA

23rd December, 1948

Sir,

I have the honour to acknowledge the receipt of your note of 23rd December, of which the text follows:—

[See note I]

2. I have the honour to confirm that the provisions set out in your note are acceptable to the Government of the Federative People's Republic of Yugoslavia and that they agree that that note and the present reply shall be regarded as placing on formal record the understanding of the two Governments in the matters referred to.

I have, &c.

(Signed) S. KOPČOK

## III

*Mr. Ernest Bevin to M. Stanislav Kopčok*

FOREIGN OFFICE

23rd December, 1948

Sir,

In amplification of the Agreement regarding compensation for British property, rights and interests affected by Yugoslav measures of nationalisation,

expropriation, dispossession and liquidation, signed this day, I have the honour to inform you that during the course of the discussions which have preceded the conclusion of the Agreement the following understandings have been reached:—

It is understood that the Agreement has been signed prior to the receipt of the concurrence of the Government of the Union of South Africa to the text of the Agreement and that on receipt of such concurrence the Agreement shall also apply to the Union of South Africa in the same manner as if the Government of the Union of South Africa had concurred on or before the date on which the Agreement came into force. It is further understood that in the event of the Government of the Union of South Africa not concurring to the text of the Agreement, the Governments of the United Kingdom and of Yugoslavia will consult with each other concerning the action to be taken.

2. I have the honour to inform you that the foregoing provisions are acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland. If they are likewise acceptable to the Government of the Federative People's Republic of Yugoslavia I have the honour to suggest that the present note and your reply to that effect shall be regarded as placing on formal record the understanding of the two Governments in the matters referred to.

I have, &c.

(Signed) Ernest BEVIN

#### IV

*M. Stanislav Kopčok to Mr. Ernest Bevin*

TRADE DELEGATION IN LONDON  
OF THE FEDERATIVE PEOPLE'S REPUBLIC OF YUGOSLAVIA

23rd December, 1948

Sir,

I have the honour to acknowledge the receipt of your note of 23rd December, of which the text follows: —

[See note III]

2. I have the honour to confirm that the provisions set out in your note are acceptable to the Government of the Federative People's Republic of Yugoslavia and that they agree that that note and the present reply shall be regarded as placing on formal record the understanding of the two Governments in the matters referred to.

I have, &c.

(Signed) S. KOPČOK