

No. 4761

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND, FRANCE, UNITED STATES  
OF AMERICA and FEDERAL REPUBLIC OF GERMANY**

**Finance Convention (with annexes), signed at Bonn on  
26 May 1952 (as amended by Schedule III to the Proto-  
col on the Termination of the Occupation Régime in  
the Federal Republic of Germany, signed at Paris on  
23 October 1954)**

*Official texts: English, French and German.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
15 June 1959.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD, FRANCE, ÉTATS-UNIS  
D'AMÉRIQUE et RÉPUBLIQUE FÉDÉRALE  
D'ALLEMAGNE**

**Convention financière (avec annexes), signée à Bonn le  
26 mai 1952 (texte amendé conformément à l'annexe III  
du Protocole sur la cessation du régime d'occupation  
dans la République fédérale d'Allemagne, signé à Paris  
le 23 octobre 1954)**

*Textes officiels anglais, français et allemand.*

*Enregistrée par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
15 juin 1959.*

No. 4761. FINANCE CONVENTION<sup>1</sup> BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, FRANCE, THE UNITED STATES OF AMERICA AND THE FEDERAL REPUBLIC OF GERMANY, SIGNED AT BONN ON 26 MAY 1952 (AS AMENDED BY SCHEDULE III TO THE PROTOCOL ON THE TERMINATION OF THE OCCUPATION RÉGIME IN THE FEDERAL REPUBLIC OF GERMANY, SIGNED AT PARIS ON 23 OCTOBER 1954)<sup>2</sup>

The United States of America, the United Kingdom of Great Britain and Northern Ireland, the French Republic and the Federal Republic of Germany agree as follows :

#### *Article 1*

1. In the present Convention the following terms shall, unless the context otherwise requires, have the same meanings as are given to them in Article 1 of the Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany<sup>3</sup> (hereinafter referred to as "the Forces Convention") :

The Federal territory;  
 The Three Powers;  
 Other Sending State;  
 The Power concerned;  
 The Forces;  
 Authorities of the Forces;  
 Members of the Forces;  
 Accommodation.

2. In the present Convention the following additional terms shall be given the meanings hereinafter indicated :

- (a) Authorities of the Power concerned : The authorities of the Power concerned, including the authorities of its Forces.  
 (b) Deleted.

<sup>1</sup> Came into force on 5 May 1955, the instruments of ratification having been deposited with the Government of the Federal Republic of Germany on the dates indicated below :

Federal Republic of Germany	20 April 1955
United States of America	20 April 1955
France	5 May 1955
United Kingdom of Great Britain and Northern Ireland	5 May 1955

<sup>2</sup> United Nations, *Treaty Series*, Vol. 331, No. 4758.

<sup>3</sup> See p. 3 of this volume.

- (c) Funds for the support of the Forces : Funds of the Federal Republic which are made available in accordance with paragraphs 1 to 3 of Article 4 of the present Convention to the Powers concerned to assist in meeting the costs of the Forces stationed in the Federal territory and their members.

### *Article 2*

The authorities of the Powers concerned and the German authorities shall extend to each other full co-operation and assistance to further the purposes of the present Convention, shall exchange all information available to any of them which may be necessary for the implementation of the present Convention, and shall afford to each other the services of any of their respective agencies to assist in the satisfactory implementation of the present Convention.

### *Article 3*

Deleted.

### *Article 4*

1. (a) From the entry into force of the present Convention until the entry into force of the arrangements for the German Defence Contribution, the Federal Republic will provide a monthly average contribution of DM 600 million as funds for the support of the Forces.

(b) Out of the sum of DM 600 million referred to in sub-paragraph (a) of this paragraph a sum of DM 100 million a month will be earmarked for particular defence measures agreed jointly between the Three Powers and the Federal Republic, which latter sum will include expenditure for the NATO Infrastructure Programme. Payment of claims for Occupation damages can be included.

(c) The provisions of sub-paragraphs (a) and (b) of this paragraph apply in any case only until June 30, 1955. If the arrangements for the German Defence Contribution enter into force after that date, negotiations shall take place between the Federal Republic and the Three Powers concerning the contribution of the Federal Republic to the support of the Forces for the period after June 30, 1955 and before the entry into force of the arrangements for the German Defence Contribution.

2. During the first twelve months after the entry into force of the arrangements for the German Defence Contribution, the Federal Republic will make available as funds for the support of the Forces a total amount of DM 3,200 million. These funds shall be made available as follows :

DM 400 million a month for the first two months;  
DM 300 million a month for the next four months;  
DM 200 million a month for the last six months.

If the arrangements for the German Defence Contribution enter into force after June 30, 1955, these provisions shall not apply, and negotiations shall take place between the Federal Republic and the Three Powers concerning the contribution of the Federal Republic to the support of the Forces for a period not exceeding twelve months after the entry into force of the arrangements for the German Defence Contribution.

3. The Three Powers recognise the right of the Federal Republic to propose that the provisions of paragraph 2 of this Article be re-examined should it consider that the burden imposed by the build-up of the agreed German forces justifies such re-examination. In this event, the Signatory States will examine all the relevant factors and if found necessary will agree to amend the above provisions on funds for the support of the Forces.

4. In accordance with the spirit of Article 3 of the North Atlantic Treaty<sup>1</sup> the Federal Republic agrees that at the end of the period laid down in paragraph 2 of this Article it will be prepared to negotiate with other member Governments of the North Atlantic Treaty Organisation who have forces stationed in the Federal territory in respect of questions relating to the support (for example, goods and services) of those forces having regard to the requirements of the forces of the Federal Republic.

5. Funds to be made available in accordance with paragraphs 1 to 3 of this Article for one period of time may be utilised in other periods in accordance with the provisions of paragraph 6 of this Article. The Three Powers will be responsible for allocating or re-allocating among the Powers concerned, after consultation with the Federal Government, the amount made available in accordance with this Article. The provisions of Article 5 of the present Convention shall apply to the expenditure of these funds except to the extent that such funds are expended in accordance with sub-paragraph (a) of paragraph 6 of this Article.

6. The only expenditures chargeable to the funds for the support of the Forces made available in accordance with paragraphs 1 to 3 of this Article shall be :

(a) amounts expended on payment authorisations issued after the entry into force of the present Convention to satisfy liabilities for accommodation, goods, materials or services procured or ordered before the entry into force of the present Convention by the authorities of the Powers concerned as a charge to occupation costs or mandatory expenditures, to the extent that such amounts are not covered by unexpended occupation costs and mandatory expenditure funds remaining available to the Three Powers for the purpose after the entry into force of the present Convention;

<sup>1</sup> United Nations, *Treaty Series*, Vol. 34, p. 243; Vol. 126, p. 350, and Vol. 243, p. 308.

- (b) amounts expended on payment authorisations issued before the end of the period covered by paragraph 2 of this Article under the Deutsche Mark budgets of the Powers concerned established in accordance with Article 5 of the present Convention. To the extent that the funds provided under paragraph 1 of this Article have not been fully expended to meet payment authorisations issued before the end of the period covered by that paragraph they will remain available to the Forces for a period of eighteen months for the liquidation of liabilities then outstanding which are chargeable to the funds for the support of the Forces. A corresponding procedure will apply to the funds made available in accordance with paragraph 2 of this Article; however, the latter funds will remain available to the Forces after the end of the relevant period for twelve months; and
- (c) amounts expended for such other purposes as may be agreed between the Federal Republic and the Three Powers.

7. The Three Powers undertake to make a consistent effort to ensure that the carry-over will not increase and shall be substantially reduced as rapidly as possible. The authorities of the Three Powers and the Federal Republic will co-operate fully for this purpose and will assist each other by exchanging relevant information and in any other appropriate ways. The carry-over within the meaning of this paragraph is that part of the funds made available by the Federal Republic for occupation costs and mandatory expenditures which has not been disbursed, together with that part of the funds made available in accordance with paragraph 1 of this Article which has similarly not been disbursed.

#### *Article 5*

1. Funds for the support of the Forces shall be expended exclusively for that purpose. The Three Powers undertake to keep the costs chargeable to these funds to the minimum compatible with the military efficiency of the Forces of the Powers concerned, and to utilise the funds efficiently and economically.

2. Budgets will be established by each of the Powers concerned, and the expenditure of funds for the support of the Forces shall be in accordance with such budget categories and within such limits of amount as are established in the estimates prepared by the Powers concerned at the time of the agreement on the sum to be made available under the present Convention. Each of the Powers concerned may freely transfer amounts among the different categories of its budget provided that such transfers result in a change of not more than 10 per cent in the amount originally established for any major category. Advance notice of such transfers will be given to the Federal Republic in order to enable it to make its recommendations. Transfers which result in a change of

more than 10 per cent may be effected by agreement between the Three Powers and the Federal Republic.

3. The Powers concerned and the Federal Republic may, by special agreement, consolidate in a special budget the expenditures for construction in the Federal territory of

- (a) accommodation for the Forces of the Powers concerned or for the forces of German origin,
- (b) the installations and works referred to in Article 20 of the Forces Convention,

and the expenditures for the acquisition of sites therefor.

#### *Article 6*

1. Subject to the provisions of Article 4 of the present Convention, the Federal Republic shall take all steps necessary to make available, as required, the funds for the support of the Forces.

2. Except as provided in paragraph 4 of this Article, such funds shall be disbursed by the appropriate German payment offices on the basis of payment authorisations issued by the appropriate authorities of the Forces. These payment authorisations shall certify that payment within the appropriate budget category of the Power concerned is authorised in accordance with the terms of the present Convention, and appropriate documentation of services rendered shall be attached. In the amount specified by the payment authorisation, the appropriate German payment offices shall, after presentation of the payment authorisation, effect the payment so certified. The authorised representatives of the Power concerned may examine the German records relating to the payments made by the appropriate German payment offices.

3. Accounts of expenditures and receipts shall be kept by each Power concerned, on the one hand, and by the Federal Republic, on the other hand, and shall conform with uniform nomenclature agreed by the Three Powers and the Federal Republic. If the accounts of the Federal Republic and those of any of the Powers concerned are not in agreement, after each has been audited in accordance with the procedures applicable under German law or regulations or the law or regulations of the Power concerned, as the case may be, reconciliation shall be made under procedures to be established by the Co-ordinating Committee to be set up pursuant to Article 14 of the present Convention. Reports of expenditures and receipts shall be made periodically to the Co-ordinating Committee.

4. The Powers concerned may obtain from German payment offices funds for payment through their own agencies of

- (a) minor expenditures in accordance with the regulations of the Power concerned, or
  - (b) any other expenditures which it is agreed require such procedure.
- These expenditures shall be certified and documented in accordance with paragraph 2 of this Article.

#### *Article 7*

1. The following types of facilities and services shall be used or enjoyed by the Forces, for themselves and for their members, without charge :

- (a) administrative services or assistance of German public agencies, unless agreed to be of a special character warranting payment;
- (b) roads, highways, bridges;
- (c) navigable waters, unless fees for services rendered are payable under German regulations applicable from time to time to military users;
- (d) German police, public health and fire protection services, unless agreed to be of a special character warranting payment;
- (e) other public services and facilities normally enjoyed by residents of the Federal territory without payment of a specific charge;
- (f) meteorological, topographical and cartographical facilities and services, unless agreed to be of a special character warranting payment;
- (g) the following types of property, except in respect of repairs and maintenance :
  - (i) property belonging to the Federal Republic, other than property administered by the German Federal Railways or Federal Post, unless it is agreed that an exception should be made in the case of property acquired after the entry into force of the present Convention for use for purposes other than defence;
  - (ii) property previously owned by the former Reich which is subject to the administration of the Federal Republic in accordance with the Law for a Provisional Settlement of the Legal Status of Reich Property and the Prussian Shares of 21 July 1951 (*Bundesgesetzblatt Teil I Seite 467*) and the Ordinance for the Implementation of Article 6 of that Law of 26 July 1951 (*Bundesgesetzblatt Teil I Seite 471*), other than property administered by the German Federal Railways or Federal Post;
  - (iii) property which has been constructed or procured by expenditures either from occupation costs or mandatory expenditures or from funds for the support of the Forces except that :

- (1) where property, other than property used without charge under items (i) and (ii) of this sub-paragraph, has been reconstructed by such expenditures, rent shall be paid in an amount to be reduced in the same proportion as the cost of reconstruction bears to the total value of the property; and
- (2) ground rent shall be paid for sites which are not the property of the Federal Republic.

2. If property of any of the *Länder* is used by the Forces, for themselves or their members, the Federal Republic undertakes to ensure that the Forces are relieved from liability for any claims of the *Land* concerned to compensation for such use under German law.

3. With respect to property used free of charge under sub-paragraph (g) of paragraph 1 and property referred to in paragraph 2 of this Article, the Federal Republic will satisfy the owner's liability, if any, under German law to pay land taxes.

4. Members of the Forces shall in their own right receive or enjoy free of charge such services or facilities as are normally enjoyed by other persons in the Federal territory without charge.

5. Military aircraft of any Power concerned (including aircraft operated under the control of the Forces of such Power) shall not be charged a fee for landing on, or departing from, civil airfields in the Federal territory, unless, in the case of airfields not owned or administered by the Federal Republic, fees are payable under German regulations applicable from time to time to military users. No fee shall be charged for landing by such aircraft in distress.

6. In general the cost of the construction, repair and maintenance of transport and communications facilities, installations and equipment, and public utility facilities, which serve common civilian and military use shall not be charged to the defence contribution of the Federal Republic. Where, however, these facilities are not revenue producing and the civil use is small or where there are any other special circumstances which justify a departure from the general rule, the extra costs attributable to the military requirements will by prior specific agreements be shared or borne, as the case may be, by the Forces.

### Article 8

1. Subject to the provisions of Article 9 of the present Convention, claims in respect of loss or damage caused, after its entry into force, by acts or omissions of the Forces in the Federal territory shall be dealt with in accordance with the provisions of this Article and shall not be asserted otherwise than in accordance with such provisions.



2. The following shall be deemed to be acts or omissions of the Forces :

- (a) an act or omission of a member or employee of the Forces, or of a person working for the Forces pursuant to Article 44 or 45 of the Forces Convention, in the performance of his official duties;
- (b) an activity of the Forces;
- (c) an act or omission causing damage in excess of fair wear and tear to accommodation or movable property made available for use by the Forces in accordance with the Forces Convention, where such damage occurs in the course of such use;
- (d) an act or omission of a member of the Forces taking part in manœuvres of the Forces causing damage to immovable property.

3. Damage caused to accommodation or movables which have been made available for use by the Forces shall be deemed to be caused on the date of its release by them, and the claim shall be deemed first to arise on that date.

4. In determining whether and to what extent compensation shall be paid for loss or damage caused by acts or omissions of the Forces, the appropriate agencies of the Forces shall give due consideration to the provisions of German law which would determine the liability of the Federal Republic in similar circumstances. Claims shall be determined without regard to the exemptions from German traffic regulations to which the Forces are entitled under paragraphs 3 and 5 of Article 17 of the Forces Convention.

5. No claim shall be dealt with under this Article in respect of

- (a) damage to public roads, highways, bridges, navigable waterways and other traffic facilities resulting from their use by the Forces, their members or employees, for normal traffic purposes;
- (b) loss of, or damage to, any property used by the Forces free of charge under item (iii) of sub-paragraph (g) of paragraph 1 of Article 7 of the present Convention;
- (c) loss or damage arising under contracts or quasi-contractual relationships.

6. A claimant shall be deemed to have waived his claim against the Forces if he does not file it within ninety days of the time when he first knew of the loss or damage, unless there was reasonable excuse for his failure to file the claim within such period, particularly if he did not know against whom the claim should be asserted. Any claim not received by the agency of the Forces within one year of the date of the incident causing the loss or damage or, in the case of loss or damage referred to in sub-paragraph (c) of paragraph 2 of this

Article, within one year from the release of the property, shall not be dealt with.

7. Claims shall be filed with the appropriate German agencies in a form to be agreed between the German authorities and the Forces of the Power concerned.

8. The German agency shall

- (a) immediately forward to the appropriate agency of the Forces of the Power concerned such particulars of the claim as the latter agency may require; and
- (b) investigate the claim within a reasonable time and make a reasoned recommendation thereon to the agency of the Forces.

9. The agency of the Forces shall consider whether and to what extent compensation should be paid for the loss suffered. It shall notify the claimant and the German agency of its decision. If the claimant accepts in full satisfaction of his claim the amount of the compensation awarded by the agency of the Forces, payment shall be made in accordance with procedures to be agreed between the Federal authorities and the Forces of the Power concerned.

10. If the claimant does not accept the compensation offered, or does not agree with the rejection of his claim, he may, within two months after he has been notified of the decision, bring an action upon his claim in the ordinary German courts against the Federal Republic.

11. The appropriate agencies of the Forces shall make available to the German authorities, upon request, information and evidence in their possession which would assist in the defence of such an action, in so far as they may do so under the regulations of the Power concerned.

12. The appropriate agency of the Forces may, if it so desires, participate in any such action against the Federal Republic by

- (a) requiring the Federal Republic to plead certain defences or to appeal, or
- (b) appearing as a third party defendant (*Nebenintervenient*) in accordance with the provisions of the German Code of Civil Procedure.

13. The appropriate German agency shall notify the agency of the Forces of the judgment in any such action and the grounds given therefor. Should the judgment of the court differ from the decision of the agency of the Forces, then

- (a) if the authorities of the Forces participated in the action against the Federal Republic as provided in paragraph 12 of this Article, the decision of the agency shall be modified so as to accord with the judgment; but

- (b) if the authorities of the Forces did not participate in the action, the agency of the Forces shall, upon request of the German authorities, reconsider its decision taking into account the judgment of the court. If upon such reconsideration the agency intends to adhere to its original decision, it shall inform the German authorities of that intention and shall give the German authorities an opportunity to state their views.

Any compensation payable upon a final decision taken in accordance with this paragraph shall be paid under the procedures referred to in paragraph 9 of this Article.

14. Compensation awarded under a decision of an agency of the Forces shall, for the periods specified in paragraphs 1 and 2 of Article 4 of the present Convention, be chargeable to the funds for the support of the Forces of the Power concerned unless otherwise agreed between the Federal Republic and the Power concerned. An agreement between the Federal Republic and the United Kingdom of Great Britain and Northern Ireland in that regard and in relation to ancillary procedure is annexed to the present Convention as Annex A.<sup>1</sup> A similar agreement between the Federal Republic and the United States of America is annexed to the present Convention as Annex B.<sup>2</sup>

15. Notwithstanding the other provisions of this Article, claims in respect of damage caused to accommodation or movables which have been made available for use by the Authorities of the Power concerned before the entry into force of the present Convention, and released by them after the end of the period covered by paragraph 2 of Article 4 of the present Convention shall be determined by the German authorities and shall not be charged to the funds for the support of the Forces, or to the Power concerned.

16. Claims of inhabitants of the Federal territory against persons who are members of the Forces by reason of a military service relationship or employees of the Forces who are nationals of the Power concerned, which arise from acts or omissions outside the performance of official duties for the Forces, may be asserted, determined and satisfied in accordance with paragraphs 6, 7, 8, 9 and 14 of this Article. The normal remedies of the claimant against the person who caused the loss or damage shall remain unaffected, unless the claimant accepts payment of an award made by an agency of the Forces in final settlement of the claim. The first sentence of this paragraph shall not apply to claims for which the person causing the loss or damage is covered by a contract of liability insurance or pays compensation out of his own means.

17. If in any civil action before a German court involving any claim covered by this Article it is necessary to decide whether or not an act or omission

<sup>1</sup> See p. 190 of this volume.

<sup>2</sup> See p. 192 of this volume.

occurred in the performance of official duties, a certificate on such question shall be obtained from the appropriate agency of the Forces. Upon request of the court or the German authorities in a particular case, the agency of the Forces will review the certificate. Any certificate given shall be conclusive on the question involved.

#### Article 9

1. Each Power concerned, for its part, and the Federal Republic, for its part, waives all claims against the other for loss of, or damage to, any property in the Federal territory owned by it caused after the entry into force of the present Convention by activities, acts or omissions of agencies or persons, for whose acts or omissions the other is legally responsible, in the performance of their official duties. This waiver shall not apply to loss of, or damage to, property of the German Federal Railways or Federal Post, or to loss or damage for which those organisations are responsible.

2. In application of the principle expressed in paragraph 1 of this Article, claims for loss of, or damage to, property used by the Forces free of charge pursuant to items (i) and (ii) of sub-paragraph (g) of paragraph 1 of Article 7 of the present Convention, and claims arising from increases in the value of such property, shall be deemed to cancel each other out.

3. The Federal Republic undertakes to ensure that each Power concerned is relieved of liability for claims of any *Land* of the Federal Republic arising from acts or omissions of the Forces as defined in paragraph 2 of Article 8 of the present Convention. Each Power concerned undertakes to renounce in favour of the Federal Republic all corresponding claims which it may have against any *Land* of the Federal Republic. Each Power concerned further undertakes to renounce in favour of the Federal Republic claims in respect of improvements leading to an increase in value of the property referred to in paragraph 2 of Article 7 of the present Convention.

#### Article 10

1. Payments by the Federal Republic in satisfaction of any claims referred to in Article 3 of Chapter Nine of the Convention on the Settlement of Matters Arising out of the War and the Occupation<sup>1</sup> may be charged to the funds for the support of the Forces only to the extent agreed between the Federal Republic and the Powers concerned.

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<sup>1</sup> See p. 219 of this volume.

2. Any claims referred to in paragraph 1 of this Article which the agencies of the Power concerned have not determined before the entry into force of the present Convention shall be submitted to the appropriate agencies of the Federal Republic.

### *Article 11*

1. Receipts arising from the following sources shall accrue to the Federal Republic and shall be duly accounted for :

- (a) the disposal of any movable property which so far as can be ascertained was purchased from Reichsmark or Deutsche Mark occupation costs or mandatory expenditure funds;
- (b) payments by third parties of amounts in consideration of improvements which lead to an increase in value of their property as a result of expenditure from Reichsmark or Deutsche Mark occupation costs or mandatory expenditure funds;
- (c) repayment claims against third parties arising out of overpayments from Reichsmark or Deutsche Mark occupation costs or mandatory expenditure funds.

2. The Deutsche Mark value of receipts arising from the following sources shall accrue to the Power concerned and shall be used in accordance with the provisions of Articles 5 and 6 of the present Convention on the basis of supplementary Deutsche Mark budget estimates to be agreed between the Power concerned and the Federal Republic :

- (a) the disposal of any movable property purchased by expenditure from funds for the support of the Forces. Any amounts accruing pursuant to this sub-paragraph shall be the sale price of the property concerned if it is sold, less the costs of disposal, or if the property is not sold, a value to be fixed by impartial valuation in accordance with conditions to be agreed between the Federal Republic and the Power concerned;
- (b) any receipts in Deutsche Mark or in kind arising out of the use by the Forces of accommodation, goods, materials and services provided under the present Convention or the Forces Convention, provided that any Deutsche Mark amounts received from persons or agencies not members of the Forces, as compensation for the use of accommodation in connection with services performed for the Forces and their members, shall accrue to the Federal Republic;
- (c) payments by third parties of amounts in consideration of improvements which lead to an increase in value of their property as a result of expenditure from funds for the support of the Forces. However, such payments by *Länder* of the Federal Republic shall accrue to the Federal Republic;
- (d) repayment claims against third parties arising out of overpayments from funds for the support of the Forces.

3. The Federal Republic shall with due diligence assert and prosecute such claims as fall to be made under sub-paragraphs (c) and (d) of paragraph 2 of this Article. The authorities of the Power concerned may require that they be consulted in due time before the assertion of any claim under sub-paragraph (c) of paragraph 1 or sub-paragraph (d) of paragraph 2.

### *Article 12*

1. Payments for accommodation, goods, materials or services provided for the Forces and their members shall be subject to the provisions of this Article.

2. Subject to the effect of the tax and customs exemptions provided in the Forces Convention or any other applicable agreement, the prices paid in satisfying the requirements of the Forces shall conform in principle to price and wage levels prevailing from time to time in the Federal territory but the authorities of the Power concerned shall receive terms and conditions not less favourable than those afforded to comparable purchasers. When the requirements of the Forces are satisfied through procurement by the German authorities, or other expenditures chargeable to funds for the support of the Forces are made by the German authorities, the amount to be paid shall be determined in agreement with the authorities of the Power concerned. Except in the case of goods procured for consumption by persons normally resident in the Federal territory, the Power concerned shall not benefit from any subsidies granted by the Federal Republic to lessen the price of goods in the interest of the individual German consumer. The procedures for implementation of the preceding sentence shall be established by the subsidiary agreements provided for in Article 17 of the present Convention.

3. Compensation for accommodation, goods, materials or services obtained for the Forces by requisition under the Federal legislation referred to in paragraph 3 of Article 37 of the Forces Convention shall be determined by the appropriate German authorities, in consultation with the authorities of the Power concerned, in accordance with the provisions of that legislation and the principles expressed in the first sentence of paragraph 2 of this Article. Until the entry into force of such Federal legislation, the existing basis for assessment of compensation for accommodation, goods, materials and services requisitioned for the Forces shall remain in force.

4. The wage and salary rates for civilian personnel referred to in Article 44 of the Forces Convention shall be determined in accordance with paragraph 5 of that Article. The amounts chargeable to the funds for the support of the Forces shall include the employer's contribution to social insurance funds and the premiums for statutory accident insurance payable under German law.

5. The transport facilities and services afforded to the Forces and their members under the agreements mentioned in paragraph 3 of Article 41 of the Forces Convention shall be paid for at the rates established in those agreements. Before the expiry of the said agreements, other tariff agreements consistent with the principles of paragraph 2 of this Article and Article 41 of the Forces Convention shall be concluded as provided in the latter Article.

6. The facilities and services of the German public posts and telecommunications agencies afforded to the Forces and their members under Article 42 of the Forces Convention, and any facilities made available by the Forces to the German authorities under paragraph 5 of that Article, shall be paid for at rates established in accordance with paragraph 1 of that Article.

### *Article 13*

1. Except in special cases which may be the subject of agreement between the Powers concerned and the Federal Republic the expenditure of funds for the purpose of capital works shall be in accordance with the provisions of this Article.

2. Prior to the end of the period covered by paragraph 2 of Article 4 of the present Convention, the following costs for construction of accommodation shall be chargeable to the funds for the support of the Forces :

- (a) all material, labour and other costs of construction, including the cost of preparation of the site;
- (b) the cost of constructing transport, communications and public utility facilities and installations on, or leading to, the site, provided that such facilities are furnished exclusively to serve the accommodation concerned;
- (c) the cost of replacing or re-routing to a standard not higher than that previously existing, transport, communications or public utility facilities and installations no longer available for public use by reason of the construction of the accommodation concerned.

In the case of costs referred to in sub-paragraphs (b) and (c) of this paragraph which are incurred by the German authorities on behalf of the Forces, the amount of expenditures to be charged to the funds for the support of the Forces shall be determined in agreement with the authorities of the Forces. Where the facilities and installations referred to in sub-paragraphs (b) and (c) of this paragraph are revenue producing, or may constitute or form part of improvements included in a German development plan, the costs thereof shall be chargeable to the funds for the support of the Forces in the proportion agreed between the Powers concerned and the Federal Republic.

3. During the period covered by paragraph 1 of Article 4 of the present Convention, the costs of the installations and works referred to in Article 20 of the Forces Convention shall be chargeable to the funds for the support of the Forces. During the period covered by paragraph 2 of Article 4 of the present Convention, the costs of the above mentioned installations and works shall be chargeable to the funds for the support of the Forces to the extent that provision is made therefor in the budgets of the Powers concerned. If installations and works should be carried out for which no provision has been made in such budgets, their financing shall be determined by prior agreement between the Federal Republic and the Powers concerned.

4. Any expenditures, other than those provided for in paragraph 2 of this Article, made prior to the end of the period covered by paragraph 2 of Article 4 of the present Convention and related to the acquisition and evacuation of accommodation for the Forces shall not be charged to the funds for the support of the Forces or to the Powers concerned.

#### *Article 14*

A permanent Co-ordinating Committee composed of representatives of the Three Powers and of the Federal Republic shall be established to carry out the tasks assigned to it under the present Convention, to co-ordinate the implementation of the present Convention, and to consider and make recommendations to the Signatory States concerning the removal of any doubts or difficulties arising in connection therewith which cannot be resolved directly by consultation between the competent authorities and services concerned.

#### *Article 15*

The Powers concerned may expend also in Berlin any funds made available to them under the present Convention for the purposes mentioned in paragraph 1 of Article 5.

#### *Article 16*

At the request of any of the Signatory States discussions may be opened to amend or abrogate any of the Articles of the present Convention.

#### *Article 17*

1. The Three Powers, or any Power concerned, and the Federal Republic will conclude, where necessary or desirable, subsidiary agreements regarding the implementation of the present Convention, particularly the provisions of Article 6.



2. The negotiation and implementation of these subsidiary agreements shall be co-ordinated through the Co-ordinating Committee established pursuant to Article 14 of the present Convention.

*Article 18*

1. Deleted.

2. The provisions of the present Convention shall apply to the Forces of other Sending States and to the members of such Forces, except where excluded or modified by any agreement which may be made between any of such other Sending States and the Federal Republic.

*Article 19*

The Arbitration Tribunal established by the Convention on the Relations between the Three Powers and the Federal Republic of Germany<sup>1</sup> shall not have jurisdiction

- (a) in matters which under paragraphs 1 to 4 of Article 4 of the present Convention are to be settled by negotiation;
- (b) to determine questions as to the extent of the competence or to review the decisions of the German agencies and agencies of the Forces referred to in Article 8 or of the Co-ordinating Committee to be established under Article 14 of the present Convention.

IN FAITH WHEREOF the undersigned representatives duly authorised thereto by their respective Governments have signed the present Convention, being one of the related Conventions listed in Article 8 of the Convention on Relations between the Three Powers and the Federal Republic of Germany.

DONE at Bonn this twenty-sixth day of May, 1952, in three texts, in the English, French and German languages, all being equally authentic.

For the United States of America :  
[L.S.] Dean ACHESON

For the United Kingdom of Great Britain  
and Northern Ireland :  
[L.S.] Anthony EDEN

For the French Republic :  
[L.S.] Robert SCHUMAN

For the Federal Republic of Germany :  
[L.S.] ADENAUER

<sup>1</sup> United Nations, *Treaty Series*, Vol. 331, No. 4759.

## ANNEX A TO THE FINANCE CONVENTION

In the case of the Forces of the United Kingdom of Great Britain and Northern Ireland and of the Forces of Belgium, Denmark and Norway the provisions of Article 8 of the Finance Convention shall be implemented in accordance with the following provisions :

*Section 1*

The functions of the appropriate agency of the Forces set out in paragraph 9 of Article 8 of the Finance Convention shall in respect of these Forces be delegated to the Federal Republic.

*Section 2*

1. The appropriate German agency shall inform the appropriate agency of the Forces of any claim lodged with it and shall append such particulars as the latter agency may require.

2. After receipt of these particulars, the appropriate agency of the Forces will forward as soon as possible to the appropriate German agency such information and evidence in its possession as is necessary for dealing with the claim insofar as the making available of such information and evidence is permissible under the regulations of the Power concerned.

3. In the case of claims to which sub-paragraphs (c) and (d) of paragraph 2 of Article 8 of the Finance Convention apply, the agency of the Forces shall in particular make available within twenty-one days of receipt of notification under paragraph 1 of this Section any information or evidence in its possession which would support the rejection of the claim in whole or in part. In such case the German agency shall assess and pay compensation only in the full light of such information and evidence and in any case of doubt shall refer to the agency of the Forces before making any payment.

*Section 3*

1. Where a claim to compensation is based on an allegation of loss or damage caused by an act or omission in the performance of his official duties of a member or employee of the Forces or of a person working for the Forces pursuant to Article 44 or 45 of the Forces Convention or is alleged to arise from an activity of the Forces, the appropriate agency of the Forces will certify whether or not such act or omission occurred in the performance of the official duties of the person concerned or an activity of the Forces was involved as the case may be.

2. The German agency shall not assess or pay any compensation unless the appropriate agency of the Forces has issued a certificate that the act or omission causing the loss or damage occurred in the performance of official duties or that the loss or damage was caused by an activity of the Forces.

3. If during investigations of a claim circumstances appear which would lead to an inference different from that contained in the certificate on the question whether an act or omission occurred in the performance of official duties or an activity of the Forces is concerned, the appropriate agency of the Forces will on the request of the appropriate German agency review its certificate taking into account the representations made by the German agency.

*Section 4*

If a claimant brings an action in the ordinary German court against the Federal Republic pursuant to paragraph 10 of Article 8 of the Finance Convention, the German agency will forward to the appropriate agency of the Forces a copy of the plaint. Should the German agency deem it necessary in the light of the plaint to obtain from the agency of the Forces supplementary documents or evidence to be used in the defence of the action, it will so inform the agency of the Forces as early as possible.

*Section 5*

Should the legally enforceable judgment of a Court in an action brought under paragraph 10 of Article 8 of the Finance Convention differ from the decision of the German agency taken under Section 1 of this Annex, the decision shall be modified so as to make it accord with the judgment; this shall apply whether or not the authorities of the Forces exercised their right to participate in the action against the Federal Republic under paragraph 12 of Article 8 of the Finance Convention.

*Section 6*

To enable that part of the compensation awarded by the German agencies or Courts which under Section 7 of this Annex is to be charged to the funds for the support of the Forces of the Power concerned to be so charged, the German agency shall by the fifteenth day of each month furnish to the appropriate agency of the Forces a list showing the amounts of compensation paid during the previous month.

*Section 7*

It is agreed, as provided for in paragraph 14 of Article 8 of the Finance Convention, that 75 per cent. of the compensation awarded by the appropriate German agencies or by the ordinary German courts shall be charged to the funds for the support of the Forces made available under the Finance Convention. The remaining 25 per cent. of the compensation shall be borne by the Federal Republic.

*Section 8*

The provisions of this Annex shall not affect the provisions of paragraph 16 of Article 8 of the Finance Convention.

## ANNEX B TO THE FINANCE CONVENTION

In the case of the Forces of the United States of America, the provisions of Article 8 of the Finance Convention shall be implemented in accordance with the following provisions :

*Section 1*

The functions of the appropriate agency of the Forces set out in paragraph 9 of Article 8 of the Finance Convention shall in respect of these Forces be delegated to the Federal Republic.

*Section 2*

1. The appropriate German agency shall promptly inform the appropriate agency of the Forces of any claim lodged with it and shall append such particulars as the latter agency may require.

2. After receipt of these particulars, the appropriate agency of the Forces shall forward as soon as possible to the appropriate German agency such relevant information and evidence obtainable from its own sources as is necessary for dealing with the claim insofar as the making available of such evidence is permissible under the regulations of the United States. The German agency shall assess and pay any compensation upon the claim only in the full light of this evidence.

*Section 3*

1. The appropriate agency of the Forces shall include in the information and evidence forwarded to the appropriate German agency under paragraph 2 of Section 2 of this Annex a statement as to whether or not acts or omissions of the Forces as defined in paragraph 2 of Article 8 of the Finance Convention are involved.

2. The German agency shall not assess or pay any compensation unless the appropriate agency of the Forces has issued a statement that acts or omissions of the Forces as defined in paragraph 2 of Article 8 of the Finance Convention are involved.

3. If during investigations of a claim circumstances appear which would lead to an inference different from that contained in the statement, the appropriate agency of the Forces shall, on the request of the appropriate German agency, review its statement taking into account the representations made by the German agency.

*Section 4*

If a claimant brings an action in the ordinary German court against the Federal Republic pursuant to paragraph 10 of Article 8 of the Finance Convention, the German agency shall forward to the appropriate agency of the Forces a copy of the complaint. Should the German agency deem it necessary in the light of the complaint to obtain from the agency of the Forces supplementary documents or evidence from its own sources for use in connexion with the defence of the action, the German agency shall so inform the agency of the Forces as soon as possible.

*Section 5*

Should the legally enforceable judgment of a Court in an action brought under paragraph 10 of Article 8 of the Finance Convention differ from the decision of the German agency taken under Section 1 of this Annex, the decision shall be modified so as to make it accord with the judgment; this shall apply whether or not the authorities of the Forces exercised their right to participate in the action against the Federal Republic under paragraph 12 of Article 8 of the Finance Convention.

*Section 6*

To enable that part of the compensation awarded by the German agencies or Courts which under Section 7 of this Annex is to be charged to the funds for the support of the

Forces of the United States to be so charged, the German agency shall by the fifteenth day of each month furnish to the appropriate agency of the Forces a list showing the amounts of compensation paid during the previous month.

*Section 7*

It is agreed, as provided for in paragraph 14 of Article 8 of the Finance Convention, that 75 per cent. of the compensation awarded by the appropriate German agencies or by the ordinary German courts shall be charged to the funds for the support of the Forces made available under the Finance Convention. The remaining 25 per cent. of the compensation shall be borne by the Federal Republic.

*Section 8*

The provisions of this Annex shall not affect the provisions of paragraph 16 of Article 8 of the Finance Convention.