

No. 5548

**YUGOSLAVIA
and
ISRAEL**

**Payments Agreement (with exchange of letters). Signed
at Jerusalem, on 11 December 1958**

Official text: English.

Registered by Yugoslavia on 18 January 1961.

**YOUGOSLAVIE
et
ISRAËL**

**Accord de paiements (avec échange de lettres). Signé à
Jérusalem, le 11 décembre 1958**

Texte officiel anglais.

Enregistré par la Yougoslavie le 18 janvier 1961.

No. 5548. PAYMENTS AGREEMENT¹ BETWEEN THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE STATE OF ISRAEL. SIGNED AT JERUSALEM, ON 11 DECEMBER 1958

The Government of the Federal People's Republic of Yugoslavia and the Government of the State of Israel, with a view to regulating and facilitating payments between the two countries, have agreed as follows :

Article I

The National Bank of the Federal People's Republic of Yugoslavia, acting on behalf of the Government of the Federal People's Republic of Yugoslavia shall open on its books a noninterest-bearing account in US dollars (as unit of account) in the name of the Bank of Israel, acting on behalf of the Government of the State of Israel.

Article II

The account referred to in Article I shall be credited with the counter value of goods delivered from Israel to Yugoslavia and with all incidental charges relating thereto.

The account shall be debited with the counter value of goods delivered from Yugoslavia to Israel and with all incidental charges relating thereto. The account shall also be credited or debited in respect of any other transactions effected between the two countries and agreed upon by the two Contracting Parties.

Article III

All payments provided for in Article II shall be carried out in conformity with the foreign exchange control regulations in force in the two countries.

Article IV

The National Bank of the Federal People's Republic of Yugoslavia and the Bank of Israel shall execute each others' payment orders irrespective of whether there are funds available in the account referred to in Article I, provided that the balance outstanding on that account shall not exceed one million US dollars.

¹ Applied provisionally as from 11 December 1958, the date of signature, and came into force on 15 April 1959, upon the exchange of the instruments of ratification at Belgrade, in accordance with article X.

Article V

All payment orders issued by either Bank in pursuance of Article II shall be expressed in US dollars.

The two Banks shall advise each other of all entries passed in the account referred to in Article I. Every payment order and credit advice shall contain all details necessary to identify the transaction involved.

Article VI

The National Bank of the Federal People's Republic of Yugoslavia and the Bank of Israel shall agree upon the technical procedures required to carry out the provisions of the present Agreement.

Article VII

Either Contracting Party may offer to transfer to the account referred to in Article I balances standing to its credit in a clearing account with any third country and vice versa. Such transfer shall require the prior approval of the other Contracting Party and of the third country concerned.

Article VIII

The account opened by the National Bank of the Federal People's Republic of Yugoslavia in the name of the Bank of Israel by virtue of Article I of the Payments Agreement dated July 23, 1954 shall be continued as the account referred to in Article I of the present Agreement.

Article IX

Upon termination of this Agreement, any balance appearing on the account referred to in Article I, shall be settled by the debtor country through the delivery of goods and the supply of services of equivalent value. Any balance remaining unsettled six months after the termination of the Agreement shall be settled through payment in transferable Pounds Sterling or any other transferable currency agreed upon by the two banks.

Article X

The present Agreement is subject to the approval of both Governments and shall enter into force on the day of the exchange of instruments of ratification, when it shall replace the Payments Agreement signed on July 23, 1954. Pending the exchange of instruments of ratification, which shall take place at Beograd, the present Agreement shall be applied provisionally from the date of its signature.

This agreement shall remain in force for a period of one year. Thereafter it shall continue to remain in force for further periods of one year, unless written notice to the contrary is given by either Contracting Party at least three months prior to its termination.

DONE at Jerusalem, this 11th day of December 1958, in two originals in English, both being equally authentic.

For the Government
of the Federal People's Republic
of Yugoslavia :

(Signed) Marko PEROVIĆ

For the Government
of the State of Israel :

(Signed) Aviezer CHELOUCHE

EXCHANGE OF LETTERS

I

Jerusalem, December 11, 1958

Mr. Chairman,

I have the honour to confirm that during the negotiations which led to the signing of the Payments Agreement of to-day's date,¹ it was agreed that in pursuance of Article II of that Agreement the following additional payments may be effected through the account referred to in Article I thereof :

1. Port dues, warehousing expenses, customs duties, trans-shipment expenses, maritimes agents' fees, call expenses and expenses for small repairs of vessels, except bunkering.
2. Transport expenses for goods in direct traffic between the two countries.
3. Insurance and re-insurance premiums and indemnities in respect of goods.
4. Agents' commissions, representation expenses, banking fees and commissions, fees for services rendered.
5. Processing, finishing and repair expenses.
6. Wages, salaries and other remunerations.
7. Costs and profits derived from transit trade.
8. Support and maintenance expenses.
9. Travel, sojourn, studying and expenses of medical treatment.
10. Expenses in respect of public services (taxes, fines, etc.).
11. Membership fees, subscriptions, dues for and income from patents, licences, trade marks, and other payments in respect of intellectual and artistic property.

¹ See p. 284 of this volume.

12. Film performance dues.

13. Consular fees, expenses of diplomatic missions and other representations.

14. Any other payments of the agreed upon by the National Bank of the Federal People's Republic of Yugoslavia and the Bank of Israel.

The present letter shall form an integral part of the Payments Agreement signed to-day.

I should be glad if you would kindly confirm your agreement to the foregoing.

Accept, Mr. Chairman, the expression of my highest consideration.

(Signed) Aviezer CHELOUCHE

Chairman

Delegation of the State of Israel

The Chairman of the Delegation of the Federal People's Republic
of Yugoslavia

II

Jerusalem, December 11, 1958

Mr. Chairman,

I have the honour to acknowledge receipt of your letter of to-day's date reading as follows :

[See letter I]

I have pleasure in confirming my agreement to the foregoing.

Accept, Mr. Chairman, the expression of my highest consideration.

(Signed) Marko PEROVIĆ

Chairman

Delegation of the Federal People's Republic of Yugoslavia

The Chairman of the Delegation
of the State of Israel