

No. 6526

**NETHERLANDS
and
YUGOSLAVIA**

Agreement concerning the settlement of certain Netherlands financial claims (with exchange of letters). Signed at The Hague, on 9 February 1961

Official text: French.

Registered by the Netherlands on 18 February 1963.

**PAYS-BAS
et
YUGOSLAVIE**

Accord sur le règlement de certaines créances financières néerlandaises (avec échange de lettres). Signé à La Haye, le 9 février 1961

Texte officiel français.

Enregistré par les Pays-Bas le 18 février 1963.

[TRANSLATION — TRADUCTION]

No. 6526. AGREEMENT¹ BETWEEN THE KINGDOM OF THE NETHERLANDS AND THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA CONCERNING THE SETTLEMENT OF CERTAIN NETHERLANDS FINANCIAL CLAIMS. SIGNED AT THE HAGUE, ON 9 FEBRUARY 1961

The Government of the Kingdom of the Netherlands and the Government of the Federal People's Republic of Yugoslavia, desiring to effect a final settlement for pre-war Serbian and Yugoslav external public bonds belonging to Netherlands holders, with due regard to Yugoslavia's payment and transfer capacity, have agreed on the following provisions :

Article 1

The Yugoslav Government shall pay to the Vereeniging voor den Effectenhandel at Amsterdam, which has been entrusted by the Government of the Netherlands with the technical implementation of this Agreement, the sum of 275,000 guilders in global, outright settlement for the recognized pre-war Serbian and Yugoslav bonds listed by name and face value in article 2 below.

The sum mentioned in the preceding paragraph shall be paid in four annual instalments, as indicated in the following table :

<i>Instalment No.</i>	<i>Date</i>	<i>Amount in guilders</i>
1	30 June 1960	70,000
2	30 June 1961	70,000
3	30 June 1962	70,000
4	30 June 1963	65,000

Article 2

The payments provided for in article 1 above shall be applied to the settlement of rights relating to Serbian and Yugoslav public bonds which on the date of signature of this Agreement belong to individual or bodies corporate of Netherlands nationality and which the holders have deposited in accordance with articles 4 and 5 below.

¹ Came into force on 21 November 1961, the date of the exchange of the instruments of ratification at Belgrade, in accordance with article 14.

The face value of the following bonds circulating in the Netherlands has been provisionally estimated at :

First category :

Serbian 4 per cent loan of 1895
Serbian 5 per cent loan of 1902
Serbian 4.5 per cent loan of 1906
Serbian 4.5 per cent loan of 1909
Serbian 5 per cent loan of 1913
Serbian 4.5 per cent *Uprava fondova* loan of 1910
Serbian 4.5 per cent *Uprava fondova* loan of 1911
Serbian Red Cross Society loan of 1907

3,000,000 Germinal gold francs

Second category

Bonds and fractional certificates :

Yugoslav 7 per cent loan of 1931
Yugoslav 5 per cent Funding loan of 1933/1937

1,300,000 Poincaré gold francs

Article 3

The Yugoslav Government shall assume no responsibility whatsoever for the distribution of the sum mentioned in article 1 among the Netherlands holders concerned.

Article 4

So as to be able to apply the provisions of this Agreement, the Vereeniging voor den Effectenhandel, which has been entrusted by the Government of the Netherlands with its technical implementation, shall arrange for all bonds covered by this Agreement to be deposited with one or more financial institutions which it shall designate. These securities shall be grouped together and kept on deposit until the date of delivery under article 8 below.

As a general rule, save where there is valid reason to make an exception, the bonds must be accompanied by any coupons not covered by previous agreements and by any talons and premium coupons appertaining to the said bonds.

Article 5

In order to participate in the outright settlement provided for in this Agreement, holders must deposit their securities in accordance with article 4 above within a

period of twelve months after the entry into force of the Agreement, such deposit signifying acceptance of all the provisions of the Agreement.

Article 6

Upon the expiry of the period specified in article 5 above, the Vereeniging voor den Effectenhandel shall transmit to the Yugoslav Government numbered lists of the bonds deposited during the said period. Such lists shall also indicate the number and total face value of the bonds in question, by loan and category as shown in article 2 of this Agreement.

Article 7

If, according to the particulars specified in article 6, the face value of the bonds presented for participation in the settlement falls short of or exceeds the corresponding figure shown in article 2, the lump sum fixed in article 1 and the outstanding annual instalments shall be reduced or increased accordingly.

Article 8

Within twelve months after the lump sum fixed by this Agreement has been paid in full to the holders, the Vereeniging voor den Effectenhandel shall transmit to the Yugoslav Government, through the Government of the Netherlands, all the securities for which settlement has been made under this Agreement.

Article 9

The Netherlands Government undertakes to entertain no further claims by any holders who fail to accept the settlement provided for in this Agreement.

Payment of the lump sum fixed by this Agreement shall release the Yugoslav Government, in respect of securities (including principal and interest) whose holders accept the settlement provided for in the Agreement, from all liability to the holders or to the Government of the Netherlands.

Bondholders who accept the settlement provided for in this Agreement shall have no further claim on the Yugoslav Government, in any form whatsoever, in respect of the said securities.

Article 10

All expenses and commissions charged or to be charged in connexion with the implementation of this Agreement shall be deemed to be included in the lump sum fixed in article 1 above.

Article 11

The Government of the Netherlands and the Yugoslav Government shall provide each other with all information required for the implementation of this Agreement.

Article 12

Any dispute relating to the interpretation or application of this Agreement shall be settled by agreement between the Governments concerned.

Article 13

In the case of the Kingdom of the Netherlands, this Agreement shall apply to the entire Kingdom.

Article 14

This Agreement shall be ratified.

The exchange of the instruments of ratification shall take place at Belgrade as soon as possible.

The Agreement shall enter into force on the date of the said exchange.

IN WITNESS WHEREOF the undersigned, being duly authorized for the purpose, have signed this Agreement.

DONE at The Hague, in duplicate in the French language, on 9 February 1961.

For the Government
of the Kingdom of the Netherlands :

(Signed) J. LUNS

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

(Signed) DRAŠKOVIĆ

EXCHANGE OF LETTERS

I

The Hague, 9 February 1961

Your Excellency,

With reference to the Agreement between the Federal People's Republic of Yugoslavia and the Kingdom of the Netherlands concerning the settlement of certain Netherlands financial claims, signed this day,¹ I have the honour to confirm the following :

¹ See p. 223 of this volume.

Settlement for bonds payable in dollars held by Netherlands nationals shall be made in accordance with the provisional agreement concluded with the Foreign Bondholders Protective Council, Inc., New York, on 14 August 1959.

Settlement for bonds payable in pounds sterling held by Netherlands nationals shall be made in accordance with the agreement concluded with the Council of Foreign Bondholders on 17 November 1959.

Settlement for bonds payable in Swiss francs held by Netherlands nationals shall be made in accordance with the Protocol concluded with the Swiss Government on 20 November 1959.

Netherlands interest included in the debts of Yugoslavia administered by the Caisse Commune and the Bondholders' Fund of the Compagnie des Chemins de Fer Danube-Save-Adriatique shall not be settled by the Agreement signed this day, on the understanding that they will be settled for all the creditors concerned through agreements which Yugoslavia is to conclude with the various organizations responsible for protecting the interests of the said creditors.

Please acknowledge receipt of this letter.

I have the honour to be, etc.

(Signed) DRAŠKOVIĆ

His Excellency Mr. J. M. A. H. Luns
Minister for Foreign Affairs of the Kingdom of the Netherlands
The Hague

II

MINISTRY OF FOREIGN AFFAIRS
Treaty Department

DVE/VB-22173

The Hague, 9 February 1961

Your Excellency,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows :

[See letter I]

I have the honour to inform you that the contents of the aforementioned letter meet with the agreement of the Government of the Kingdom of the Netherlands.

I have the honour to be, etc.

(Signed) J. LUNS

His Excellency Mr. B. Drašković
Ambassador Extraordinary and Plenipotentiary of the
Federal People's Republic of Yugoslavia
The Hague

III

The Hague, 9 February 1961

Your Excellency,

With reference to the Agreement between the Federal People's Republic of Yugoslavia and the Kingdom of the Netherlands concerning the settlement of certain Netherlands financial claims, signed this day, I have the honour to confirm that, as agreed between the two delegations, holders desiring to avail themselves of the provisions of this Agreement shall be required to sign a declaration of ownership of the securities in question and a declaration of Netherlands nationality. The Vereeniging voor den Effectenhandel at Amsterdam, which has been entrusted by the Government of the Netherlands with the technical implementation of the aforementioned Agreement, shall require its members to verify and countersign the declarations of nationality.

I also confirm that the term "recognized bonds" in the first paragraph of article 1 of the aforementioned Agreement refers to securities which are not covered by the Franco-Yugoslav Agreement of 2 August 1958 or the Agreement of 23 October 1959 between Switzerland and Yugoslavia or, in more general terms, to securities which have not previously been redeemed by the Yugoslav Government.

The Yugoslav authorities reserve the right to refuse payment for securities for which settlement has already been made under previous agreements.

Please acknowledge receipt of this letter.

I have the honour to be, etc.

(Signed) DRAŠKOVIĆ

His Excellency Mr. J. M. A. H. Luns
Minister for Foreign Affairs of the Kingdom of the Netherlands
The Hague

IV

MINISTRY OF FOREIGN AFFAIRS
Treaty Department

DVE/VB-22174

The Hague, 9 February 1961

Your Excellency,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows :

[See letter III]

I have the honour to inform you that the contents of the aforementioned letter meet with the agreement of the Government of the Kingdom of the Netherlands.

I have the honour to be, etc.

(Signed) J. LUNS

His Excellency Mr. B. Drašković
Ambassador Extraordinary and Plenipotentiary of the
Federal People's Republic of Yugoslavia
The Hague

V

The Hague, 9 February 1961

Your Excellency,

Further to the Agreement between the Federal People's Republic of Yugoslavia and the Kingdom of the Netherlands concerning the settlement of certain Netherlands financial claims, signed this day, I have the honour to state that, in view of the outright nature of the arrangement concluded, my Government regards it as final for both Governments and as covering all present and future claims by the owners of the securities to which this Agreement applies.

In the event, however, that the Yugoslav Government accords to other foreign bondholders, before 30 June 1963, substantially more favourable treatment as regards the settlement of loans of the same type as those covered by the Agreement signed this day, having regard to the general terms of settlement accorded to the said foreign bondholders, my Government agrees to enter at the request of the Government of the Netherlands, within twelve months after the conclusion of such an agreement, into negotiations concerning the possibility of according similar terms to

Netherlands bondholders, with due regard to Yugoslavia's payment and transfer capacity.

Please acknowledge receipt of this letter.

I have the honour to be, etc.

(Signed) DRAŠKOVIĆ

His Excellency Mr. J. M. A. H. Luns
Minister for Foreign Affairs of the Kingdom of the Netherlands
The Hague

VI

MINISTRY OF FOREIGN AFFAIRS

Treaty Department

DVE/VB-22175

The Hague, 9 February 1961

Your Excellency,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows :

[See letter V]

I have the honour to inform you that the contents of the aforementioned letter meet with the agreement of the Government of the Kingdom of the Netherlands.

I have the honour to be, etc.

(Signed) J. LUNS

His Excellency Mr. B. Drašković
Ambassador Extraordinary and Plenipotentiary of the
Federal People's Republic of Yugoslavia
The Hague