

No. 10810

**BELGIUM and LUXEMBOURG
and
BULGARIA**

Agreement concerning compensation for Belgian and Luxembourg interests in Bulgaria (with annex, protocol of implementation and exchange of letters). Signed at Sofia on 25 February 1965

Authentic texts: French, Dutch and Bulgarian.

Registered by Belgium on 29 October 1970.

**BELGIQUE et LUXEMBOURG
et
BULGARIE**

Accord concernant l'indemnisation des intérêts belges et luxembourgeois en Bulgarie (avec annexe, protocole d'application et échange de lettres). Signé à Sofia le 25 février 1965

Textes authentiques: français, néerlandais et bulgare.

Enregistré par la Belgique le 29 octobre 1970.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG, ON THE ONE HAND, AND THE PEOPLE'S REPUBLIC OF BULGARIA, ON THE OTHER HAND, CONCERNING COMPENSATION FOR BELGIAN AND LUXEMBOURG INTERESTS IN BULGARIA, SIGNED AT SOFIA ON 25 FEBRUARY 1965

The Belgian Government and the Government of Luxembourg, on the one hand, and the Bulgarian Government, on the other hand, desiring to settle matters relating to compensation for Belgian and Luxembourg interests affected by the Bulgarian nationalisation or expropriation measures or by any other measure connected with the changes in the economic structure of Bulgaria, and by other general measures involving deprivation of rights of ownership, have concluded the following Agreement:

Article I

The Bulgarian Government shall pay an all-inclusive lump-sum compensation to the Belgian and Luxembourg Governments:

- (a) in respect of Belgian and Luxembourg property, rights and interests affected by the Bulgarian measures of nationalisation and expropriation resulting from the changes in the economic structure of Bulgaria, by other general measures involving deprivation of rights of ownership and by the Treaty of Peace with Bulgaria;²
- (b) for the redemption of Bulgarian bonds pertaining to external public loans and to loans guaranteed by the Bulgarian State, which are in Belgian or Luxembourg ownership.

The measures referred to in subparagraph (a) of this article are hereinafter referred to as "the said Bulgarian measures".

Article II

Belgian and Luxembourg property, rights and interests affected by the said measures shall be deemed to include:

¹ Came into force on 23 July 1970 by the exchange of the instruments of ratification, which took place at Brussels, in accordance with article X.

² United Nations, *Treaty Series*, vol. 41, p. 21.

- (a) partial or total interests, owned by Belgian or Luxembourg natural or juridical persons either directly or indirectly in companies or enterprises subject to Bulgarian law, which have been affected by the said Bulgarian measures;
- (b) establishments, including both the movable and the immovable parts thereof, wholly or partly owned in Bulgaria by Belgian or Luxembourg natural or juridical persons, which have been affected by the said Bulgarian measures;
- (c) claims held by Belgian or Luxembourg natural or juridical persons against enterprises or companies subject to Bulgarian law, which have been affected by the said Bulgarian measures and in which such natural or juridical persons have, either directly or indirectly, a partial or total interest;
- (d) obligations of the Bulgarian Government and of Bulgarian nationals towards the Belgian Government or the Luxembourg Government and towards Belgian or Luxembourg nationals under article 23 of the Treaty of Peace with Bulgaria, signed at Paris on 10 February 1947;
- (e) movable assets of which Belgian or Luxembourg natural or juridical persons have been dispossessed as a result of the said Bulgarian measures;
- (f) immovable property belonging to Belgian or Luxembourg natural persons which, as at 2 November 1957, had actually been nationalized or expropriated as a result of the said Bulgarian measures.

Annex I to this Agreement contains an indicative list of the principal Belgian and Luxembourg claimants of compensation known at the time of signature of this Agreement.

Article III

Natural or juridical persons who are owners or claimants of Belgian and Luxembourg property, rights and interests within the meaning of article I, subparagraph (a), must possess Belgian or Luxembourg nationality both at the date on which the said Bulgarian measures were taken and at the date of signature of this Agreement.

The Bulgarian Government shall transmit to the Belgian Government or the Luxembourg Government for the purposes of investigation and settlement,

where appropriate, every application submitted to it by a Belgian or Luxembourg natural or juridical person or his assigns invoking the said Bulgarian measures as having affected an interest defined in article II.

Article IV

The all-inclusive compensation to be paid by the Bulgarian Government in respect of the Belgian and Luxembourg interests defined in article I shall be the sum of 12,000,000 (twelve million) Belgian francs, calculated on the basis of 1 Belgian franc = 0.0177734 of a gramme of fine gold.

If the gold parity of the Belgian franc, as just defined, is changed, the unpaid portion of the total shall be adjusted accordingly.

The all-inclusive compensation shall be paid in the manner agreed on by the signatory Governments in the Protocol of Implementation annexed to this Agreement.

The Belgian and Luxembourg Governments shall have exclusive competence and responsibility for the apportionment of the all-inclusive compensation among Belgian or Luxembourg natural or juridical persons.

Article V

After payment in full of the sum specified in article IV, the Belgian and Luxembourg Governments shall regard the Belgian and Luxembourg claims defined in article I as finally settled. Such settlement shall release the Bulgarian Government from liability towards the Belgian and Luxembourg Governments and towards the Belgian or Luxembourg natural or juridical persons concerned.

The Belgian Government and the Luxembourg Government undertake, subject to the Bulgarian Party's fulfilling its obligations under this Agreement, not to support, against the Bulgarian Government or before an arbitration tribunal or a court of law, any claims that may be made by their nationals in respect of property, rights and interests covered by this Agreement.

After payment in full of the all-inclusive compensation referred to in article IV, the Belgian Government and the Luxembourg Government shall deliver to the Bulgarian Government the documents certifying ownership of the Belgian and Luxembourg property, rights and interests defined in article I, subparagraph (a), in respect of which the entitled persons have been compensated under this Agreement.

If the Belgian Government or the Government of Luxembourg is unable to furnish the documents referred to in the preceding paragraph, it shall transmit to the Bulgarian Government an appropriate instrument of discharge, signed by the entitled person or persons concerned.

Article VI

The Bulgarian Government shall regard as finally settled all Bulgarian claims in public law against the Belgian or Luxembourg natural or juridical persons who are beneficiaries, under article I of this Agreement, of the all-inclusive lump-sum compensation. *Inter alia*, the persons covered by this Agreement shall be finally relieved of any fiscal liability deriving from Bulgarian laws or regulations either in respect of the property, rights or interests of which they are the owners and which have been the subject of the said Bulgarian measures or in respect of the compensation to which they are entitled by reason of the said measures. The amount of compensation shall, moreover, be exempt from any future Bulgarian taxes or levies.

Article VII

Belgian or Luxembourg claims arising out of legislation or other measures adopted by Bulgaria subsequent to the signature of this Agreement shall not be settled by payment of the all-inclusive compensation referred to in article IV.

Article VIII

In order to facilitate the apportionment of the all-inclusive lump-sum compensation the Bulgarian Government shall, at the request of the other Contracting Party, furnish all information at its disposal that may be required to enable the Belgian and Luxembourg authorities to screen the applications of Belgian and Luxembourg natural or juridical persons who are entitled to compensation.

Article IX

If a dispute arises respecting the execution of this Agreement, the Governments concerned shall endeavour to reach an amicable settlement in an Intergovernmental Commission consisting of an equal number of Belgian or Luxembourg members and of Bulgarian members.

The said Intergovernmental Commission shall meet less than six weeks after the first Party to take action has announced the subject of the dispute and the membership of its delegation.

Article X

This Agreement shall be ratified.

The instruments of ratification shall be exchanged as soon as possible at Brussels. The Agreement shall enter into force on the date of the exchange of the said instruments.

DONE at Sofia on 25 February 1965 in triplicate, in the French, Dutch and Bulgarian languages, the three texts being equally authentic.

For the Belgian
Government:

[M. BRASSEUR]

For the Luxembourg
Government:

[M. BRASSEUR]

For the Government
of the People's Republic
of Bulgaria:

[I. BUDINOV]

ANNEX I

TO THE AGREEMENT BETWEEN BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG, ON THE ONE HAND, AND THE PEOPLE'S REPUBLIC OF BULGARIA, ON THE OTHER HAND, CONCERNING COMPENSATION FOR BELGIAN AND LUXEMBOURG INTERESTS IN BULGARIA, WHICH WAS SIGNED AT SOFIA ON 25 FEBRUARY 1965

INDICATIVE LIST, AS PROVIDED FOR IN ARTICLE II OF THE AGREEMENT SIGNED TODAY, OF THE PRINCIPAL BELGIAN AND LUXEMBOURG CLAIMANTS KNOWN AT THE TIME OF SIGNATURE OF THE AGREEMENT

- (1) Compagnie Financière Belge des Pétroles S.A. "Petrofina", 31-33, rue de la Loi, Brussels, in respect of its interests in the Société Anonyme pour le Commerce et l'Industrie "Pétrole".

- (2) Compagnie Internationale des Wagon-Lits et des Grands Express Européens, 53, Boulevard Clovis, Brussels, in respect of damages pertaining to equipment and fixtures in Bulgaria and to the partial expropriation of a building situated at 177, Georgi Dimitrov Boulevard, Sofia.
- (3) Compagnie Belge pour l'Étranger, formerly Banque Belge pour l'Étranger S.A., 13, rue Bréderode, Brussels, in respect of its interests in various buildings used for the storage and handling of tobacco at Ardino, Plovdiv and Sofia.
- (4) Messrs. Poels et Compagnie, 55, Meir, Antwerp, in respect of their interest in "Poels et Cie", a joint stock company, 2 Graf Ignatiev Street, Sofia.
- (5) S.A. Belge des Anciens Établissements Beroff et Horinek, 13, rue Bréderode, Brussels, in respect of its interests in its enterprises situated at 34 Vl. Vasov Boulevard, Sofia-Podouene.
- (6) L. Legrain, 470, rue de Herve, Grivegnée, representing the estate of the late M. Edmond Legrain, in respect of his interests in S.A. des Anciens Établissements Pencoff et Popoff, Sofia-Ruse and the Banque Bulgare de Commerce, 10, Graf Ignatiev Street, Sofia.
- (7) A. Missirian et fils, 102, rue du Marais, Brussels, in respect of their interests in a building situated at 58, Lenin Street, Plovdiv, and the equipment in that building.
- (8) Mrs. A. de Radzitski d'Ostrowick, in respect of her registered bond holdings in the I.S.I.D.A. Company-Zavod za ognéuporni materiali, Elin-Pelin Station.

PROTOCOL OF IMPLEMENTATION

OF THE AGREEMENT BETWEEN BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG, ON THE ONE HAND, AND THE PEOPLE'S REPUBLIC OF BULGARIA, ON THE OTHER HAND, CONCERNING COMPENSATION FOR BELGIAN AND LUXEMBOURG INTERESTS IN BULGARIA, WHICH WAS SIGNED AT SOFIA ON 25 FEBRUARY 1965

The Belgian Government and the Luxembourg Government, on the one hand, and the Bulgarian Government, on the other, have agreed as follows:

Article 1

(a) The designations and the approximate face value of the Bulgarian bonds pertaining to external public loans and to loans guaranteed by the Bulgarian State, redemption of which is provided for in article I, subparagraph (b), of the Agreement signed today, are set out in the following table:

Category I:

6 per cent Loan of 1892	57,500 Germinal gold francs
5 per cent Loan of 1896	70,000 Germinal gold francs

5 per cent Loan of 1902	1,090,500	Germinal gold francs
5 per cent Loan of 1904	731,500	Germinal gold francs
4.5 per cent Loan of 1907	928,000	Germinal gold francs
4.5 per cent Loan of 1909	4,150,500	Germinal gold francs
5 per cent City of Sofia 1906	8,000	Germinal gold francs
4.5 per cent City of Sofia 1910	267,000	Germinal gold francs
5 per cent City of Varna 1907	154,000	Germinal gold francs
4.5 per cent National Bank of Bulgaria 1909 . .	163,500	Germinal gold francs

Category II:

7.5 per cent Stabilization Loan of 1928/1968 . .	74,500	Poincaré gold francs
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Category III:

6.5 per cent Loan of 1923	13,008,500	old French francs
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Category IV:

7 per cent Loan of 1926	£6,500	sterling
7.5 per cent Stabilization Loan of 1928/1968 . .	£1,400	sterling

Category V:

7 per cent Loan of 1926	US\$1,000
7.5 per cent Stabilization Loan of 1928/1968 . .	US\$226,000

(b) After the entry into effect of the Agreement signed today, the Belgian and Luxembourg Governments shall submit offers of redemption to Belgian and Luxembourg bondholders, which may vary from loan to loan. Bondholders accepting the offer shall be required to declare the category, series, number and face value of their stock.

(c) For the purpose of redeeming bonds the Belgian and Luxembourg Governments shall arrange for the deposit in one or more financial establishments, to be designated by them, of all bond certificates coming within the scope of the Agreement signed today and of this Protocol. These certificates shall be classified and kept in safe custody, at the disposal of the Belgian and Luxembourg Governments, until the forwarding date prescribed in paragraph (f) below.

(d) The bondholders shall comply with the arrangements laid down in the Agreement signed today and in this Protocol within the 12 months following the entry into force of the Agreement signed today, by placing their bonds in safe custody, as provided for in paragraph (c) above, and such deposit shall constitute acceptance of all the provisions of the said Agreement and of this Protocol.

(e) On the expiry of the period of 12 months following the entry into force of the Agreement signed today, the Belgian and Luxembourg Governments shall transmit to the Bulgarian Government the final specifications of numbers of the bonds that have

been deposited during the said period. These specifications shall indicate the number and total face value of the bonds concerned classified by the above-mentioned loans.

(f) Within the three months following the payment in full of the all-inclusive compensation provided for in article IV of the Agreement signed today and on condition that a period of 15 months has elapsed since the entry into force of the Agreement signed today, the Belgian and Luxembourg Governments shall arrange for the bonds referred to in paragraph (e) above together with the relevant uncashed coupons, to be transmitted to the Bulgarian Government.

(g) If, according to the data mentioned in paragraph (e) above, the total face value of the bonds submitted for redemption is less than the aggregate of the approximate face values specified in paragraph (a) of this article, the all-inclusive compensation provided for in article IV of the Agreement signed today shall be reduced.

This adjustment shall be made on the basis of the values assigned to the bonds of the different loan categories set out in the following table:

<i>Loan categories</i>	<i>Values in Belgian francs by bond of one thousand monetary units</i>
Category I	364.6357
Category II	182.38
Category III	5.57
Category IV	7,700.00
Category V	2,750.00

The aforesaid adjustment shall be conditional upon the amount involved exceeding 225,000 Belgian francs.

Should the amount of the payments made by the Bulgarian Government exceed the all-inclusive compensation provided for in article IV of the Agreement signed today, adjusted in accordance with the foregoing provisions of this paragraph, the Belgian and Luxembourg Governments shall refund the surplus.

(h) Belgian and Luxembourg holders of Bulgarian bonds pertaining to external public loans and to loans guaranteed by the Bulgarian State who accept the offer of redemption made by the Belgian and Luxembourg Governments shall be debarred from making any further claim whatsoever under the Agreement of 7 December 1948 concluded between the various associations of foreign bondholders, including the Belgian Association for the Protection of Holders of Public Funds and the Government of the People's Republic of Bulgaria.

Article 2

(a) The all-inclusive compensation provided for in article IV of the Agreement signed today shall be paid by the Bulgarian Government to the Belgian Government in half-yearly instalments in Belgian francs.

(b) Each half-yearly instalment shall represent an amount equivalent to 5 per cent of the aggregate net payments made during the half-year in question in settlement of Bulgarian exports to the Belgo-Luxembourg Economic Union.

(c) The instalment due in respect of each half-year period shall be paid in Belgian francs by the Banque Bulgare de Commerce Extérieur for the account of the Bulgarian Government not later than at the end of the third month immediately following the half-year period in question.

(d) The half-year periods shall end on the thirtieth day of June and the thirty-first day of December, respectively, of each year.

(e) The first payment shall cover the period 1 January 1965 to 30 June 1965.

The payments in respect of the half-year periods ending before the entry into force of the Agreement signed today shall be made during the three months following its entry into force.

Article 3

The payments specified in article 2 above shall be credited to an account in Belgian francs, entitled "Compensation-Bulgaria", to be opened in the books of the Banque Nationale de Belgique in the name of the Belgian Treasury.

Article 4

The Banque Nationale de Belgique and the Banque Bulgare de Commerce Extérieur, each acting on behalf of its Government, shall determine by mutual agreement the arrangements for implementing this Protocol.

Article 5

This Protocol is an integral part of the Agreement between Belgium and the Grand Duchy of Luxembourg, on the one hand, and the People's Republic of Bulgaria, on the other hand, concerning compensation for Belgian and Luxembourg interests in Bulgaria.

DONE at Sofia on 25 February 1965 in triplicate, in the French, Dutch and Bulgarian languages, the three texts being equally authentic.

For the Belgian
Government:

[M. BRASSEUR]

For the Luxembourg
Government:

[M. BRASSEUR]

For the Government
of the People's Republic
of Bulgaria:

[I. BUDINOV]

EXCHANGE OF LETTERS

I

Sofia, 25 February 1965

Sir,

Having regard to the negotiations which have culminated in the conclusion of the Agreement signed today between Belgium and the Grand Duchy of Luxembourg, on the one hand, and the People's Republic of Bulgaria, on the other hand, concerning compensation for Belgian and Luxembourg interests in Bulgaria, the Belgian and Luxembourg Governments hereby confirm their intention to apportion the all-inclusive compensation provided for in article IV of the said Agreement as follows:

- (a) 6,800,000 (six million eight hundred thousand) Belgian francs for Belgian and Luxembourg property, rights and interests, as defined in article I, sub-paragraph (a), of the Agreement signed today;
- (b) 5,200,000 (five million two hundred thousand) Belgian francs for the redemption of the Bulgarian bonds pertaining to external public loans and to loans guaranteed by the Bulgarian State, as referred to in article I, sub-paragraph (b), of the Agreement signed today.

I should be grateful if you would take note of the foregoing.

Accept, Sir, etc.

[M. BRASSEUR]

Mr. Ivan Budinov
Minister of Foreign Trade
of the People's Republic of Bulgaria
Sofia

II

Sofia, 25 February 1965

Sir,

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

[*See letter I*]

I have taken due note of the contents of your letter and I hereby confirm that the Belgian and Luxembourg Governments shall have exclusive competence and responsibility for the apportionment of the all-inclusive compensation.

Accept, Sir, etc.

[I. BOUDINOV]

Mr. Maurice Brasseur
Minister of Foreign Trade and Technical Assistance
of Belgium
Sofia
