

No. 12357

**CANADA
and
HUNGARY**

**Agreement relating to the settlement of financial matters. Signed at
Budapest on 1 June 1970**

Authentic texts : English, French and Hungarian.

Registered by Canada on 28 March 1973.

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et
HONGRIE**

**Accord relatif au règlement de questions financières. Signé à
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Textes authentiques : anglais, français et hongrois.

Enregistré par le Canada le 28 mars 1973.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF CANADA
AND THE GOVERNMENT OF THE HUNGARIAN
PEOPLE'S REPUBLIC RELATING TO THE SETTLEMENT
OF FINANCIAL MATTERS

The Government of Canada and the Government of the Hungarian People's Republic have agreed as follows :

Article I

The Hungarian Government shall pay to the Canadian Government the lump sum of \$1,100,000.00 Canadian, i.e. one million, one hundred thousand Canadian dollars in full and final settlement of the claims of the Canadian Government and Canadian citizens against the Hungarian Government and Hungarian citizens in respect of :

- (1) property, rights and interests, whether legally or beneficially owned, including debts, other than bonded debts, affected directly or indirectly by Hungarian measures of nationalization, expropriation, state administration or other similar measures arising out of structural changes in the Hungarian economy and regulations made or administrative action taken thereunder which have taken effect before the date of this Agreement; and
- (2) debts arising out of contracts of insurance concluded on or before December 7, 1941, which are due from Hungarian citizens; and
- (3) shares in Hungarian banking companies affected by the Hungarian Law No. XXX of December 1, 1947, being shares which from the date of that Law up to the date of this Agreement have been continuously owned by Canadian citizens; and
- (4) obligations arising out of articles 24 and 26 of the Treaty of Peace with Hungary of February 10, 1947;² and
- (5) obligations arising out of articles 231 and 232 of the Treaty of Trianon of June 4, 1920.³

Article II

Payment of the sum mentioned in article I shall be made in five equal annual instalments, the first being made by the Hungarian Government within

¹ Came into force on 1 June 1970 by signature, in accordance with article VIII.

² United Nations, *Treaty Series*, vol. 41, p. 135.

³ *British and Foreign State Papers*, vol. 113, p. 486.

two months from the date of coming into force of this Agreement and the remaining four equal instalments at intervals of twelve months from the date of the first payment.

Article III

For the purpose of this Agreement :

- (1) “ Canadian citizens ” shall mean :
 - (i) physical persons who, on the date of the signature of this Agreement, are citizens of Canada; and
 - (ii) corporations or other juridical persons who, on the date of the signature of this Agreement, are incorporated or constituted under the laws of Canada;

provided that the persons concerned or their legal predecessors were also Canadian citizens in accordance with the foregoing definition on the date on which the claims arose or in the case of claims arising under article 26 of the Treaty of Peace with Hungary, were eligible to claim under the provisions of that article.

- (2) “ Hungarian citizens ” shall mean :
 - (i) physical persons possessing Hungarian citizenship; and
 - (ii) juridical persons incorporated or constituted under Hungarian law.

Article IV

(1) The Canadian Government declare that full payment of the amount referred to in article I shall discharge the Hungarian Government and Hungarian citizens from their obligations to the Canadian Government and to Canadian citizens in respect of all matters for which provision for settlement is made in article I. Upon that discharge, the Canadian Government will consider as finally settled all claims for which compensation is provided under article I, whether or not they have been brought to the attention of the Hungarian Government.

(2) The Hungarian Government declare that the amount referred to in article I has been arrived at taking into account :

- (i) all liabilities in Hungary of Canadian citizens in respect of property, rights and interests to which the settlement under article I relates; and
- (ii) all claims of the Hungarian Government in respect of blocked and vested Hungarian assets in Canada.

(3) The Canadian Government and the Hungarian Government agree that neither shall present to the other, on its behalf or on behalf of any person

included in the definition of Canadian or Hungarian citizens, any claim of the type for which provision for settlement is made in article I, or any claim in respect of similar measures taken in Canada, nor will either Government support such claims.

Article V

The distribution of the sum mentioned in article I is within the exclusive competence and responsibility of the Canadian Government.

Article VI

(1) The Canadian Government shall obtain all documents of title which are available relating to the claims under article I.

(2) If such documents relating to any claims are not available the Canadian Government shall obtain a document signed by the person to whom the payment is made, surrendering all claims to which the payment relates.

(3) The Canadian Government shall retain custody of the documents obtained in accordance with the provisions of paragraphs (1) and (2) of this article and shall deliver to the Hungarian Government such documents relating to each claim as soon as possible after the final payment mentioned in article II shall have been made by the Hungarian Government.

Article VII

The Canadian Government and the Hungarian Government shall cooperate in all matters affecting the operation of this Agreement and to that end :

- (1) At the request of the Canadian Government and in order to assist them to determine for the purpose of the distribution of the sum mentioned in article I any claims of Canadian citizens, the Hungarian Government shall supply to the Canadian Government free of expense all available particulars which are held by the appropriate Hungarian authorities and which have not already been supplied to the Canadian Government concerning any claims which are the subject of this Agreement, as well as copies of the various Hungarian measures mentioned in that article.
- (2) At the request of the Hungarian Government, the Canadian Government shall supply such particulars as are then held by them concerning the individual claims of Canadian citizens under article I. Additionally, the Canadian Government shall provide the Hungarian Government, after

the distribution mentioned in article V, a list showing the payments which have been made.

Article VIII

This Agreement comes into force upon the date of signature.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in two copies at Budapest this 1st day of June, 1970, in the English, French and Hungarian languages, each version being equally authentic.

For the Government
of Canada :

[Signed]

THOMAS WAINMAN-WOOD

For the Government
of the Hungarian People's Republic :

[Signed]

RETI KAROLY