

No. 13897

HUNGARY
and
SWITZERLAND

**Agreement concerning compensation for Swiss interests in
Hungary. Signed at Budapest on 19 July 1950**

Authentic text: German.

Registered by Hungary on 11 April 1975.

HONGRIE
et
SUISSE

**Accord relatif à l'indemnisation de certains intérêts suisses
en Hongrie. Signé à Budapest le 19 juillet 1950**

Texte authentique : allemand.

Enregistré par la Hongrie le 11 avril 1975.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE HUNGARIAN PEOPLE'S REPUBLIC
AND THE SWISS CONFEDERATION CONCERNING COMPEN-
SATION FOR SWISS INTERESTS IN HUNGARY, CONCLUDED
AT BUDAPEST ON 19 JULY 1950

The Government of the Hungarian People's Republic and the Swiss Govern-
ment,

Desiring to reach a final settlement of all economic questions of the past that
are pending between the two countries,

Have agreed as follows:

Article 1. The Hungarian Government shall pay to the Swiss Government a
lump sum of 3,740,000 forints and 29,981,000 Swiss francs:

1. By way of full compensation for:

- All Swiss property, rights and interests that have been affected by a
Hungarian nationalization measure or by any other measure connected with
structural changes in the Hungarian national economy;
- All claims by Swiss creditors against debtors who have been nationalized in
Hungary or whose assets have been affected by measures connected with
structural changes in the Hungarian national economy, except for claims
the settlement of which have been the subject of special agreements between
the Hungarian and Swiss Governments or which have been settled under the
provisions of the Trade and Payments Agreement between the Hungarian
People's Republic and the Swiss Confederation of 27 June 1950;

2. By way of settlement in full intended for the redemption of all Hungarian
liabilities in the form of bonds which are Swiss-owned.

Article 2. For the purposes of article 1, property, rights, interests and debt-
claims vesting directly or indirectly in natural persons of Swiss nationality and in ar-
tificial persons or commercial companies which represent predominantly Swiss in-
terests shall be deemed to be Swiss property, rights, interests and debt-claims.

Article 3. After payment of the full compensation and settlement in full
specified in article 1, the Swiss Government shall consider all claims in respect of the
Swiss property, rights, interests and debt-claims referred to in that article to have
been finally settled. Such settlement shall release the Hungarian State and any other
Hungarian natural or artificial persons from their original liabilities, personal or
real, to the Swiss claimants or their successors.

As from the date on which the Swiss claims are finally settled, the Hungarian
Government shall consider finally settled all claims against the Swiss property,
rights, interests and debt-claims referred to in article 1 which arose under public law
before the signature of this Agreement and for which Swiss claimants compensated
under this Agreement are liable.

¹ Came into force on 30 January 1951 by the exchange of the instruments of ratification, which took place at Bern, in
accordance with article 9.

As from the date of entry into force of this Agreement, Swiss natural and artificial persons and commercial companies may no longer assert in any manner claims in respect of the property, rights, interests and debt-claims referred to article 1, subparagraphs 1 and 2. The same shall apply to natural persons possessing Hungarian nationality or having lost their Hungarian nationality after 20 January 1945 and to artificial persons and commercial companies having their headquarters in Hungary or representing predominantly Hungarian interests which may wish to assert in Switzerland claims of the kind referred to in article 1 against the Hungarian State or against Hungarian natural or artificial persons. The Hungarian Government may likewise no longer assert in any manner the claims under public law referred to in the second paragraph of this article.

The Swiss Government shall, after payment of the full compensation and settlement in full, deliver to the Hungarian Government by special agreement all evidential documents, titles and bonds still in Swiss hands which pertain to the Swiss property, rights, interests and debt-claims enumerated in article 1, subparagraphs 1 and 2.

Article 4. The former Swiss owners of enterprises or landed property in Hungary which have been nationalized or affected by any restrictive measure of a similar kind in Hungary shall, after payment of the lump sum specified in article 1, be released from all obligations which were incurred in respect of the enterprises or property in question prior to such State measures and which are recorded in the commercial registers or land registers. Mortgage debts on such enterprises or property shall be extinguished.

As from the date of entry into force of this Agreement, Hungarian creditors may no longer assert in any manner against the former Swiss owners their rights as referred to in the first paragraph of this article.

Article 5. The full compensation referred to in article 1, subparagraph 1, shall be distributed according to the distribution plan to be prepared by the Swiss Government, it being understood that the method of distribution shall entail no liability vis-à-vis Swiss claimants on the part of the Hungarian People's Republic or the Swiss Confederation.

Article 6. 1. The full compensation referred to in article 1, subparagraph 1, shall, in so far as it is payable in Swiss francs, be paid in 20 half-yearly instalments, the first instalment falling due on 30 June 1951 and the last instalment on 31 December 1960, except for an amount of SwF 2,941,176.50, which by special agreement shall be payable after 1960.

2. The settlement in full which is intended, in accordance with the specially agreed provisions, to finance the redemption of Swiss-owned Hungarian liabilities in the form of bonds shall be paid in two equal instalments, falling due on 31 March 1951 and 31 March 1952.

Article 7. To facilitate distribution by the Swiss Government of the lump sum referred to in article 1, the Hungarian Government shall furnish it on request, so far as possible, with such information and documents as will enable the competent Swiss authorities to check the applications for compensation made by Swiss claimants. If necessary, the Hungarian Government shall order the taking of evidence in accordance with Hungarian law.

Should Swiss claimants or their successors assert in a third State against the Hungarian State, Hungarian nationalized enterprises or their successors any claims

covered by this Agreement, the Swiss Government shall furnish the Hungarian Government, so far as possible, with all necessary information and documents.

Article 8. Swiss claims arising from legislative or other measures introduced by Hungary after the signature of this Agreement shall not be affected by its provisions.

Article 9. This Agreement shall be ratified as soon as possible.

It shall enter into force on the date of exchange of instruments of ratification, which shall take place at Bern.

DONE at Budapest, in duplicate, on 19 July 1950.

For the Government
of the Hungarian People's Republic:

[BÉLA SÜLYÖK]

For the Swiss Government:

[MAX TROENDLE]