

No. 13898

**HUNGARY
and
SWITZERLAND**

Agreement concerning compensation for certain Swiss interests in Hungary not covered by the Agreement of 19 July 1950. Signed at Budapest on 26 March 1973

Authentic texts: Hungarian and German.

Registered by Hungary on 11 April 1975.

**HONGRIE
et
SUISSE**

Accord relatif à l'indemnisation de certains intérêts suisses en Hongrie non couverts par l'Accord du 19 juillet 1950. Signé à Budapest le 26 mars 1973

Textes authentiques : hongrois et 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 CERTAIN SWISS INTERESTS IN HUNGARY NOT
COVERED BY THE AGREEMENT OF 19 JULY 1950²

The Government of the Hungarian People's Republic and the Swiss Federal Council have agreed as follows:

Article 1. 1. The Government of the Hungarian People's Republic shall pay to the Swiss Government a lump sum of 1.4 million Swiss francs in respect of all claims not covered by the Agreement of 19 July 1950² for compensation for Swiss property, rights, interests and debt-claims that have been affected by a Hungarian nationalization measure or by any other measure connected with structural changes in the Hungarian national economy up to the date of signature of the present Agreement.

2. The lump sum referred to in paragraph 1 shall be paid in two instalments; the first instalment, in the amount of 500,000 Swiss francs, shall be payable within a period of two months after the entry into force of this Agreement; the second instalment shall be paid 12 months after the first payment.

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 artificial persons or commercial companies which represent predominantly Swiss interests shall be deemed to be Swiss property, rights, interests and debt-claims.

Article 3. 1. After payment of the lump sum specified in article 1, the Swiss Federal Council 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 all Hungarian natural or artificial persons from their original liabilities, personal or real, to the Swiss claimants or their successors.

2. As from the date on which the Swiss claims are finally settled, the Government of the Hungarian People's Republic 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.

3. 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. 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

¹ Came into force on 6 September 1974 by the exchange of the instruments of ratification, which took place at Bern, in accordance with article 7.

² See p. 157 of this volume.

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 paragraph 2 of this article.

4. The Swiss Federal Council shall, after payment of the lump sum, deliver to the Government of the Hungarian People's Republic 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. Such delivery shall, if possible, be effected one year after final payment of the lump sum provided for in article 1.

Article 4. 1. 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.

2. 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 paragraph 1 of this article.

Article 5. The lump sum referred to in article 1 shall be distributed according to the distribution plan to be prepared by the Swiss Federal Council, 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. To facilitate distribution by the Swiss Federal Council of the lump sum referred to in article 1, the Government of the Hungarian People's Republic 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.

2. 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 Federal Council shall furnish the Government of the Hungarian People's Republic, so far as possible, with all necessary information and documents.

Article 7. 1. This Agreement shall be ratified as soon as possible.

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

DONE on 26 March 1973, at Budapest, in duplicate in the Hungarian and German languages, both texts being equally authentic.

For the Hungarian
People's Republic:

Dr. POLLÁK MIKLÓS

For the Swiss Confederation:

EMANUEL DIEZ