

No. 14038

**SWEDEN
and
EGYPT**

Agreement concerning the compensation of Swedish interests (with protocol and exchange of letters). Signed at Cairo on 10 November 1971

Authentic text: French.

Registered by Sweden on 20 May 1975.

**SUÈDE
et
ÉGYPTE**

Accord concernant l'indemnisation des intérêts suédois (avec protocole et échange de lettres). Signé au Caire le 10 novembre 1971

Texte authentique : français.

Enregistré par la Suède le 20 mai 1975.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE KINGDOM OF SWEDEN AND THE ARAB REPUBLIC OF EGYPT CONCERNING THE COMPENSATION OF SWEDISH INTERESTS

The Government of the Kingdom of Sweden and the Government of the Arab Republic of Egypt,

Desiring to reach an over-all, final settlement concerning the compensation of Swedish interests affected by the measures of nationalization and other restrictive measures enacted in the Arab Republic of Egypt which are indicated in this Agreement,

Have agreed on the following provisions:

Article 1. 1. For the purposes of this Agreement, Swedish property, rights and interests shall be deemed to be any property, rights and interests belonging to individuals of Swedish nationality and to Swedish bodies corporate.

2. For the purposes of this Agreement, individuals and bodies corporate must have possessed Swedish nationality from the date of the measures affecting their property, rights and interests to the date of the conclusion of the Agreement.

3. Individuals having Swedish-Egyptian dual nationality shall be wholly excluded from the application of this Agreement.

4. Individuals having Swedish nationality and a nationality other than Egyptian shall be deemed to be of Swedish nationality within the meaning of this Agreement only where Swedish nationality can be said to be their predominant or actual nationality.

5. Any dispute regarding the status of individuals or bodies corporate referred to in the preceding paragraphs which cannot be settled through the diplomatic channel shall be submitted to the Mixed Commission provided for in article 8 of this Agreement.

Article 2. 1. The Government of the Arab Republic of Egypt shall pay compensation for Swedish property, rights and interests affected by the following measures adopted in the Arab Republic of Egypt:

(a) In the case of nationalization, by the laws promulgated since 1960.

(b) In the case of land reform, by Act No. 127 of 1961 and Act No. 15 of 1963.

(c) In the case of sequestration, by the Proclamations issued pursuant to Act No. 162 of 1958, ownership having been transferred to the State under Act No. 150 of 1964.

2. This compensation (hereinafter referred to as “the compensation”) shall not be subject to the ceilings specified by Acts Nos. 134 and 150 of 1964.

Article 3. According to estimates made by both parties and according to Egyptian law, the total amount of the compensation will be approximately 4.9 million Swedish Kronor.

¹ Came into force on 7 August 1972, the date of the exchange of diplomatic notes indicating that the constitutionally prescribed formalities had been complied with, in accordance with article 11.

It is therefore understood that the amount in question is not final and that it will be established within the framework of this Agreement on the basis of instruments representing the property, rights and interests to be compensated or on the basis of any documentary or other appropriate evidence which is to be produced by the claimants.

Article 4. 1. For purposes of transfer to Sweden, the compensation shall be paid only up to 50 per cent and shall be effected by means of payments to the credit of a special non-interest-bearing account. The said account shall be opened in Swedish Kronor at the Central Bank of Egypt in the name of the Sveriges Kreditbank.

The amounts payable as compensation to each Swedish individual or body corporate within the meaning of article 1 of this Agreement shall be calculated on the basis of a conversion rate of one Egyptian pound to 11.8983 Swedish Kronor.

2. The account referred to in paragraph 1 of this article shall be used for payment, at 50 per cent of their value, for all goods originating in the Arab Republic of Egypt, with the exception of raw cotton, rice and petroleum, which are imported directly into Sweden for the needs of its market.

Article 5. 1. Compensation shall be paid in the manner indicated in article 4, at their request, to Swedish bodies corporate which, and to individuals of Swedish nationality who, are not or are no longer resident in the Arab Republic of Egypt on the date of the entry into force of this Agreement.

Claims for compensation must be submitted, upon penalty of estoppel, within a period of 18 months from the date of the entry into force of this Agreement.

2. Individuals of Swedish nationality resident in the Arab Republic of Egypt on the date of the entry into force of this Agreement who have submitted a valid claim for compensation may benefit from the arrangements relating to transfer provided for in this Agreement upon acquiring non-resident status.

3. Application for non-resident status must be submitted not later than two years after the entry into force of this Agreement.

Article 6. Transactions affecting the special account referred to in article 4 shall be exempt from all taxes, duties or transfer charges. They shall be subject to the normal bank charges.

Article 7. Any agreement which the Arab Republic of Egypt may conclude with third countries for compensation in respect of property, rights and interests affected by the measures referred to in this Agreement shall be automatically extended to Swedish nationals where their provisions are more favourable than those of this Agreement.

Article 8. A Mixed Commission composed of representatives of the two Governments shall be established to supervise the implementation of this Agreement, discuss any difficulties that arise and take any necessary measures to ensure the proper operation of the Agreement.

It shall meet at the request of either Government.

Article 9. The Government of the Kingdom of Sweden guarantees that, after payment in full of the compensation referred to in articles 2, 3, 4 and 5 of this Agreement, the Government of the Arab Republic of Egypt shall not be obliged to pay

further compensation in respect of claims arising from the measures referred to in article 2 of this Agreement.

The Government of the Kingdom of Sweden pledges, subject to fulfilment by the Arab Republic of Egypt of its obligations under this Agreement, that it will no longer submit or support claims which have given rise to the payment of compensation.

Article 10. The Government of the Arab Republic of Egypt shall regard as finally settled, in respect of Swedish claimants benefiting from the compensation provided for in this Agreement, all claims arising from the application of the measures referred to in article 2 or based on those measures.

Once paid into the special account, the compensation made by the Government of the Arab Republic of Egypt shall no longer be subject to taxes or duties.

Article 11. This Agreement shall enter into force on the date of the exchange of diplomatic notes indicating that the constitutionally prescribed formalities have been complied with.

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

DONE at Cairo on 10 November 1971, in duplicate in the French language.

For the Government of the Kingdom of Sweden:

TORD HAGEN

For the Government of the Arab Republic of Egypt:

ZAKARIAH TEWFIK ABDELFAH

PROTOCOL

FOR IMPLEMENTATION OF THE AGREEMENT BETWEEN THE KINGDOM OF SWEDEN AND THE ARAB REPUBLIC OF EGYPT CONCERNING THE COMPENSATION OF SWEDISH INTERESTS

In order to facilitate the implementation of the Agreement between the Government of the Kingdom of Sweden and the Government of the Arab Republic of Egypt concerning the compensation of Swedish interests, signed at Cairo on 10 November 1971¹ and hereinafter referred to as "the Agreement", the Government of the Kingdom of Sweden and the Government of the Arab Republic of Egypt have agreed on the following provisions:

Article 1. Swedish individuals and bodies corporate intending to have transferred under article 4 of the Agreement the compensation to be awarded to them shall for that purpose submit an application to a commercial bank of their choosing in the Arab Republic of Egypt within a period of 18 months from the entry into force of the Agreement.

Article 2. The application referred to in article 1 must be drawn up in five copies: an original for the Egyptian commercial bank referred to in article 1, a copy for the Central Bank of Egypt, a copy for the Department for Exchange Control in

¹ See p. 324 of this volume.

the Arab Republic of Egypt, a copy for the Ministry of Foreign Affairs of the Kingdom of Sweden, and a copy for the applicant.

The application shall be accompanied by a certificate from the Swedish authorities stating that the applicants fulfil the requirements of nationality specified in article 1 of the Agreement.

Article 3. The submission and consideration of applications shall take place in the following manner:

1. The original of the application and the shares or bonds, and in general all instruments representing the property, rights and interests to be compensated, shall be deposited with the Egyptian commercial bank designated by the applicants.

The application shall be accompanied, where appropriate, by all documents normally required in banking procedures, for the purpose of establishing ownership on the part of the beneficiary.

If the applicant is not able to submit forthwith all or part of the required documents, he shall be entitled to produce them even after the date specified in article 5, paragraph 1, of the Agreement.

2. The Egyptian commercial bank shall enter on each application transmitted to it the amount of compensation payable.

3. Each application shall be transmitted by the aforesaid Egyptian commercial bank to the Department for Exchange Control in the Arab Republic of Egypt. After examining and approving the application, the said Department shall return it to the Egyptian commercial bank.

4. The Egyptian commercial bank shall forward the application certified by the Department for Exchange Control in the Arab Republic of Egypt as well as the instruments referred to in paragraph 1 of this article to the Central Bank of Egypt.

Article 4. 1. The Central Bank of Egypt shall open in the name of the Sveriges Kreditbank the special account in Swedish Kronor provided for in the first part of article 4, paragraph 1, of the Agreement.

The equivalent in Swedish Kronor of 50 per cent of the compensation payable to the beneficiaries of the Agreement shall be paid to the credit of the said account as soon as the amount of the compensation has been determined.

The Central Bank of Egypt shall immediately notify the Sveriges Kreditbank of the said payments and shall at the same time transmit to the latter Bank a statement in duplicate specifying the nature of the property, rights and interests which have been compensated.

2. Swedish Kronor drawn from the special account provided for in the first part of article 4, paragraph 1, of the Agreement to pay for goods pursuant to paragraph 2 of that article shall be converted for the Egyptian exporters at a rate which shall not differ from that applied, on the day of the operation, to the conversion of freely convertible Swedish Kronor.

3. In cases where the special account provided for in the first part of article 4, paragraph 1, of the Agreement does not contain sufficient funds to permit payment for the goods specified in paragraph 2 of that article, such payment may be effected in freely convertible Swedish Kronor.

4. The Government of the Kingdom of Sweden shall arrange with the Sveriges Kreditbank to make available to the recipients of compensation the amounts awarded to them.

Article 5. The Sveriges Kreditbank and the Central Bank of Egypt shall agree on the technical arrangements for applying the financial provisions of the Agreement and of this Protocol.

Article 6. This Protocol shall enter into force on the same date as the Agreement.

IN WITNESS WHEREOF the undersigned have signed this Protocol.

DONE at Cairo on 10 November 1971, in duplicate in the French language.

For the Government of the Kingdom of Sweden:
TORD HAGEN

For the Government of the Arab Republic of Egypt:
ZAKARIAH TEWFIK ABDELFAHATTAH

EXCHANGE OF LETTERS

I a

Cairo, 10 November 1971

Sir,

During the talks that resulted in the conclusion of the Agreement between the Kingdom of Sweden and the Arab Republic of Egypt concerning compensation of Swedish interests, signed this day, the two delegations agreed as follows:

The two Governments note that:

1. In a report dated 7 August 1963 the competent Egyptian Appraisal Commission set the net value of the Nile Match Co., accounted for entirely by the limited partnership of the Swedish Match Co., a Swedish limited liability company with headquarters in Sweden, at 386,103.108 Egyptian pounds; and that
2. In a report dated 31 December 1963 the competent Egyptian Appraisal Commission set the value of 2,800 shares in the Al Nasr Batteries Production Co., belonging to Boliden Batteri AB, a Swedish limited liability company with headquarters in Sweden, at 20,053.592 Egyptian pounds.
3. The compensation due to those two companies shall, however, be paid after presentation of the documents establishing their right.

I should be grateful if you would confirm that you agree to the foregoing.

Accept, Sir, etc.

TORD HAGEN

Chairman of the delegation of the Arab Republic of Egypt
Cairo

I b

Cairo, 10 November 1971

Sir,

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

[See letter I a]

I have the honour to confirm that my Government agrees to the foregoing.

Accept, Sir, etc.

ZAKARIAH TEWFIK ABDELFATTAH

His Excellency the Ambassador of Sweden
Cairo

II a

Cairo, 10 November 1971

Sir,

During the talks which resulted in the conclusion of the Agreement between the Kingdom of Sweden and the Arab Republic of Egypt concerning compensation of Swedish interests, signed this day, the two delegations agreed as follows:

The above-mentioned Agreement shall in no way affect the validity and operation of the agreement concluded on 5 April 1966 between Svenska Tändsticks Aktiebolaget (the Swedish Match Co., STAB), a Swedish limited liability company, and certain other Swedish companies of the STAB group, on the one hand, and the Nile Match Company Ltd., nationalized, on the other, concerning the settlement of certain debts. The Government of the Arab Republic of Egypt shall facilitate the final implementation of that agreement.

I should be grateful if you would confirm that you agree to the foregoing.

Accept, Sir, etc.

TORD HAGEN

Chairman of the delegation of the Arab Republic of Egypt
Cairo

II b

Cairo, 10 November 1971

Sir,

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

[See letter II a]

I have the honour to confirm that my Government agrees to the foregoing.

Accept, Sir, etc.

ZAKARIAH TEWFIK ABDELFATTAH

His Excellency the Ambassador of Sweden
Cairo