

No. 14571

**AUSTRIA
and
CZECHOSLOVAKIA**

**Treaty on the settlement of certain financial and property
questions (with annexes and exchange of notes). Signed
at Vienna on 19 December 1974**

Authentic texts: German and Czech.

Registered by Austria on 4 February 1976.

**AUTRICHE
et
TCHÉCOSLOVAQUIE**

**Traité concernant le règlement de certaines questions finan-
cières et patrimoniales (avec annexes et échange de
notes). Signé à Vienne le 19 décembre 1974**

Textes authentiques : allemand et tchèque.

Enregistré par l'Autriche le 4 février 1976.

[TRANSLATION — TRADUCTION]

TREATY¹ BETWEEN THE REPUBLIC OF AUSTRIA AND THE CZECHOSLOVAK SOCIALIST REPUBLIC ON THE SETTLEMENT OF CERTAIN FINANCIAL AND PROPERTY QUESTIONS

The Republic of Austria and the Czechoslovak Socialist Republic, desiring to settle certain financial and property questions, have agreed as follows:

Article 1. The Czechoslovak Socialist Republic shall settle completely and definitively the claims of the Republic of Austria and of Austrian individuals and bodies corporate against the Czechoslovak Socialist Republic and against Czechoslovak individuals and bodies corporate which have arisen, up to the date of signature of this Treaty, through the subjection of Austrian property, rights and interests to Czechoslovak measures of confiscation or nationalization or similar legal measures.

Article 2. (1) Austrian persons within the meaning of this Treaty are individuals who possessed Austrian nationality on 27 April 1945 under the provisions of article 1 of the Transfer of Nationality Act (*Staatsbürgerschaftsüberleitungsgesetz*), StGB1, No. 59/45, as amended in BGB1 No. 276/49, and also possessed it on the date of signature of this Treaty, and also bodies corporate which on the dates specified had their headquarters in the territory of the Republic of Austria.

(2) Paragraph (1) shall apply, *mutatis mutandis*, to successors of the above-mentioned persons if on the date of signature of this Treaty such successors either possessed Austrian nationality as individuals or had their headquarters in the territory of the Republic of Austria as bodies corporate.

Article 3. The total compensation provided for in article 1 shall be determined as follows:

(1) As from the date of the entry into force of this Treaty, the Czechoslovak Socialist Republic shall waive property claims against the Republic of Austria. Furthermore, as from the same date, the Czechoslovak Socialist Republic shall, on its own behalf and on behalf of Czechoslovak individuals and bodies corporate, cede to the Republic of Austria all property, rights and interests situated in the Republic of Austria which, according to Czechoslovak legal opinion, are claimed on the basis of Czechoslovak measures of confiscation or nationalization or similar legal measures. The settlement of the claims of such Czechoslovak individuals and bodies corporate shall be the concern of the Czechoslovak Socialist Republic.

(2) The Czechoslovak Socialist Republic shall pay to the Republic of Austria the sum of 1 billion Austrian schillings.

¹ Came into force on 9 September 1975, i.e., the sixtieth day after the date (11 July 1975) on which the Contracting Parties informed each other by an exchange of notes that their legislative requirements had been fulfilled, in accordance with article 13.

Article 4. (1) The Czechoslovak Socialist Republic shall pay the sum specified in article 3, paragraph (2), of this Treaty in successive annual instalments by deducting 4½ per cent of the equivalent value in schillings of the goods which it exports to the Republic of Austria, the calculation being based on the proceeds from the exports of the preceding year in each case.

(2) The Czechoslovak Socialist Republic shall guarantee that, from the date of signature of the Treaty until its entry into force, within the first three months of each calendar year following its signature, the amount resulting from the deduction specified in paragraph (1) shall be remitted to a special interest-bearing account of the Czechoslovak Commercial Bank (Československé obchodní banky a.s.) at Prague to be opened with the Austrian Postal Savings Bank (Österreichische Postsparkasse) at Vienna. The first annual instalment shall, however, be due within three months after the signature of the Treaty.

On the date of the entry into force of this Treaty the amounts paid into the said account, including accumulated interest and less any costs incurred, shall be transferred to an account maintained by the Republic of Austria with the Austrian Postal Savings Bank for its full disposal. If this Treaty has not entered into force two years after its signature, the amounts paid into the said account including accumulated interest and less any costs incurred shall become freely available to the Czechoslovak Commercial Bank at Prague immediately after the expiry of the period referred to.

(3) The Czechoslovak Socialist Republic shall ensure that, from the date of the entry into force of this Treaty until the payment in full of the sum specified in article 3, paragraph (2), of this Treaty, to which only the amounts arising from the deduction provided for in paragraph (1) are to be credited, the amount resulting from the deduction shall be remitted within the first three months of each calendar year to an account of the Republic of Austria with the Austrian National Bank (Österreichische Nationalbank).

(4) The competent banks of the Contracting Parties shall agree upon the technical arrangements for the payments.

Article 5. On payment in full of the total compensation referred to in article 3, the Czechoslovak Socialist Republic and Czechoslovak individuals and bodies corporate shall, to the extent specified in annex I, be freed from their obligations incurred towards the Republic of Austria and Austrian individuals and bodies corporate as a result of the measures referred to in article 1.

Article 6. The Republic of Austria shall no longer represent or support against the Czechoslovak Socialist Republic any claims which Austrian persons have made against the Czechoslovak Socialist Republic or Czechoslovak individuals and bodies corporate in connexion with or in consequence of the Czechoslovak measures referred to in article 1.

Article 7. The Czechoslovak Socialist Republic shall regard the claims referred to in article 3, paragraph (1), together with claims made under public law and claims by Czechoslovak individuals and bodies corporate, relating to the property, rights and interests referred to in article 1, as definitively settled.

Article 8. The distribution of the total compensation referred to in article 3 shall be the concern solely of the Republic of Austria.

Article 9. After payment in full of the amount specified in article 3, paragraph (2), the Republic of Austria shall deliver to the Czechoslovak Socialist Republic the securities and documents substantiating the Austrian claims under this Treaty. Where such securities and documents are not available, the Republic of Austria may, in lieu thereof, deliver other evidence by means of which the Austrian claims were established.

Article 10. The Czechoslovak Socialist Republic shall, in so far as possible, provide the Republic of Austria with all the information required for the distribution of the total compensation.

Article 11. This Treaty shall not apply to claims by Austrian persons which may arise as a result of Czechoslovak measures after the signature of this Treaty.

Article 12. Claims arising out of trade and payments agreements in force between the Republic of Austria and the Czechoslovak Socialist Republic shall not be affected by this Treaty.

Article 13. This Treaty shall enter into force on the sixtieth day after the date on which the Contracting Parties inform each other by an exchange of notes that the requirements under their legislation for the entry into force of the Treaty have been fulfilled.

IN WITNESS WHEREOF the plenipotentiaries, after exchanging their full powers, have signed this Treaty and have thereto affixed their seals.

DONE at Vienna on 19 December 1974, in duplicate in the German and Czech languages, both texts being equally authentic.

For the Republic of Austria:

BIELKA

For the Czechoslovak Socialist Republic:

BOHUSLAV CHŇOUPEK

A N N E X I

Under this Treaty, compensation shall be paid for all Austrian property, rights and interests subjected to Czechoslovak measures within the meaning of article 1, to the extent that on 8 May 1945 the value determined for tax purposes in any individual case (person or property) did not exceed 1 million, expressed in Czechoslovak koruny (1945 monetary unit).

A N N E X II

The payment instalments under article 4 of the Treaty have been determined on the agreed assumption that 4½ per cent of the value of Czechoslovak exports to the Republic of Austria is equivalent in the year 1974 to 157 million Austrian schillings. It is expected that with the anticipated strengthening of mutual relations, trade will increase in the coming years. If, however, contrary to expectations, the exports of the Czechoslovak Socialist Republic to the Republic of Austria decrease to such an extent that the amounts annually deducted fall below 157 million Austrian schillings, the Czechoslovak Socialist Republic declares its readiness to enter into new negotiations regarding an increase in the percentage rate of the deduction.

EXCHANGE OF NOTES

I

Vienna, 19 December 1974

Sir,

I have the honour to inform you of the following:

On the date of the entry into force of the Treaty, the Czechoslovak Socialist Republic shall transfer ownership of family houses, as defined under Czechoslovak law, and of agricultural property measuring up to 13 hectares to the Austrian nationals referred to in article 2 of the Treaty, provided that such family houses or property are being used by the original owner or by a person closely connected with the said owner, or, where the original owner is no longer living, by his heir or by a person closely connected with the said heir.

Persons closely connected with the original owner or heir are: his spouse, persons who are related either in the direct or in the collateral line, up to and including cousins, to the original Austrian owner, his heir or their spouses, and other persons who have lived with such persons as family members in a common household. Relationships arising from adoption shall be equated with kinship.

Ownership of family houses or agricultural property shall be transferred to the above-mentioned Austrian nationals only if they are personally using the property in question. Family houses or agricultural property shall be transferred to the new ownership in the condition in which they are found on the date of the transfer. Usufructuary rights, reserved farm portions (*Ausgedinge*) and similar rights formerly connected therewith shall be recognized at the same time.

If on the date of confiscation the family houses or agricultural property were encumbered with mortgages in favour of the Czechoslovak State, the transfer shall be made only if the Austrian national to whom the property referred to is to be transferred assumes the obligation to the extent of the remaining liability. Conversion of old Kčs to new Kčs shall be effected at the ratio of 5:1.

Technical questions relating to the transfer of family houses and agricultural property shall be settled between the Czechoslovak Federal Ministry of Finance and the Austrian Federal Ministry of Finance.

Accept, Sir, etc.

BOHUSLAV CHŇOUPEK

Dr. Erich Bielka
Federal Minister for Foreign Affairs
Vienna

II

Vienna, 19 December 1974

Sir,

I have the honour to acknowledge receipt of your letter of 19 December 1974, which reads as follows:

[See note I]

Accept, Sir, etc.

BIELKA

Mr. Bohuslav Chňoupek
Minister for Foreign Affairs
of the Czechoslovak Socialist Republic
Vienna
