

**AGREEMENT BETWEEN THE GOVERNMENT OF THE CZECHOSLOVAK
REPUBLIC AND THE GOVERNMENT OF THE KINGDOM OF
YUGOSLAVIA CONCERNING THE REGULATION OF PAYMENTS
ARISING OUT OF COMMERCIAL AND OTHER TRANSACTIONS
BETWEEN THE TWO COUNTRIES. SIGNED AT PRAGUE, JUNE 8, 1932**

Article 1.

THE GOVERNMENT OF THE KINGDOM OF YUGOSLAVIA and THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC, with the object of regulating the payment of claims arising out of trade and of claims otherwise created, have concluded the following agreement:

Article 2.

The payment of the above claims by one country on the other shall be effected through collective accounts, viz., a collective account to be opened at the Land Bank, Prague, in the name of the Yugoslav National Bank, and a collective account to be opened at the Yugoslav National Bank, Belgrade, in the name of the National Bank, Czechoslovakia. Both accounts will be kept in Czech crowns; in converting claims expressed in dinars into Czech crowns, the following approximate par of exchange between the two currencies shall be taken as a basis: 100 dinars = 59,444 Czech crowns, 100 Czech crowns = 168,226 dinars. Claims in any of the other currencies shall be converted into Czech crowns also at their legal par of exchange, and, in the case of unstabilised currencies, at the Zurich exchange rate of the last day before the relevant claim was paid into the collective account.

Article 3.

In event of a change in the parity rates of exchange forming the basis of the booking in the collective accounts, the payments will be left in the collective accounts of both countries until an understanding has been arrived at as to the changes needed in this Agreement; payments from the amounts already deposited shall, however, continue to be made on the lines of this Agreement.

Article 4.

Yugoslav debtors shall pay the amounts due to Czechoslovak creditors for imported goods into the collective account of the Czechoslovak National Bank at the Yugoslav National Bank, to the credit of the Czechoslovak creditor.

Czechoslovak debtors shall pay the amounts due to Yugoslav creditors for goods exported from Yugoslavia to the collective account of the Yugoslav National Bank at the Land Bank, Prague, to the credit of the Yugoslav creditor.

It shall be immaterial in this connection whether the claim originated before the present Agreement came into force.

Article 5.

The Yugoslav National Bank and the Land Bank, Prague, shall inform each other of any sum received, requesting at the same time that payment be made to the corresponding creditor. Payments shall in principle be made in the chronological order of the receipt of

the instructions for payment. The National Banks, however, reserve the right to agree in exceptional cases to the priority payment of certain claims.

A creditor may demand immediate payment of the relevant amount, i.e., the execution of an order for payment, only in so far as the collective account shows a credit balance; otherwise, a disbursement will only be made when further payments have been received.

Debtors shall not be released from their obligations immediately they have paid the money into the collective account, but only when the creditor has received payment of his claim.

Article 6.

The two National Banks shall agree as to what other obligations shall be settled by means of the clearing procedure described in Article 2.

Article 7.

The National Banks shall arrange as the occasion arises to enable Yugoslav and Czechoslovak exporters and importers to make direct settlements and payments in respect of their transactions with one another.

Article 8.

Both National Banks shall take steps to ensure that no difficulties are created nor delays incurred in paying matured claims into the collective accounts.

Article 9.

The settlement of any balance outstanding on the expiry of the Agreement shall be left for later agreement. Should the Parties fail to agree on a settlement of the balance fifteen days after the expiry of the Agreement, the balance shall be settled by a further payment, as laid down in Article 4 of the Agreement, to the clearing account which has to defray the balance in question.

Article 10.

Should circumstances require it, negotiations shall, at the instance of either Party, be initiated, even while the Agreement is still in force, to adapt the latter to meet the changed circumstances.

Article 11.

The Agreement shall come into force on June 22, 1932, for a period of three months. It may be denounced fifteen days before it expires. If not denounced, its validity shall be automatically extended, always for periods of one month.

PRAGUE, June 8, 1932.

For the Government of the Czechoslovak Republic:
(Signed) Dr. FRIEDMANN.

For the Government of the Kingdom of Yugoslavia:
(Signed) J. BAILONY.

VERBAL NOTE.

The Royal Yugoslav Embassy has the honour to inform the Ministry of Foreign Affairs of the Czechoslovak Republic that the Royal Yugoslav Government has approved the Agreement concluded on June 8, 1932, at Prague, for regulating payments arising out of commercial and other transactions between the Czechoslovak Republic and the Kingdom of Yugoslavia.

The Royal Embassy has the honour, etc.

PRAGUE, June 14, 1932.

To the Ministry of Foreign Affairs of the Czechoslovak Republic, Prague.

VERBAL NOTE.

The Ministry of Foreign Affairs acknowledges the receipt of a Verbal Note No. Pov.Br.259/32, dated June 14, 1932, from the Royal Yugoslav Embassy, to the following effect :

“The Royal Yugoslav Embassy has the honour to inform the Ministry of Foreign Affairs of the Czechoslovak Republic that the Royal Yugoslav Government has approved the Agreement concluded on June 8, 1932, at Prague, for regulating payments arising out of commercial and other transactions between the Czechoslovak Republic and the Kingdom of Yugoslavia”.

“The Royal Embassy has the honour, etc.”

In acknowledging the above communication, the Ministry of Foreign Affairs is glad to be able to inform the Embassy that the Government of the Czechoslovak Republic has also approved the above-mentioned Agreement.

The Ministry of Foreign Affairs has the honour, etc.

PRAGUE, June 17, 1932.

To the Royal Yugoslav Embassy, Prague.

[Quelle: League of Nation, Treaty Series, vol. 139, 1933, p. 53-57.]