

CLEARING AGREEMENT BETWEEN LATVIA AND LITHUANIA. SIGNED AT KAUNAS, APRIL 10TH, 1935

THE GOVERNMENT OF THE REPUBLIC OF LATVIA, represented by:
His Excellency Monsieur Ludvigs SEJA, Envoy Extraordinary and Minister Plenipotentiary
of Latvia at Kaunas,

and

THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA, represented by:
His Excellency Monsieur Stasys LOZORAITIS, Minister for Foreign Affairs of Lithuania,

Being desirous of facilitating payments in connection with goods transactions between the
two countries, have agreed as follows:

Article 1.

All payments in connection with goods transactions between Latvia and Lithuania shall be
made through the clearing to the Clearing Office attached to the Finance Ministry in Latvia
and to the Lietuvos Bankas in Lithuania, as hereinafter provided.

Payments for goods of Lithuanian provenance of the kinds enumerated in the attached list
shall be made independently of the clearing, if imported into Latvia after the date of entry
into force of the present Agreement, with the exception of those quantities of the goods
specified in the said list in respect of which it is explicitly provided that payment shall be
made through the clearing.

Article 2.

For the purposes of the payments to which the present Agreement relates, each of the
High Contracting Parties shall open two accounts not carrying interest, to be called
Account „A“ and Account „B“, at their respective clearing institutions.

The Lietuvos Bankas shall credit to Account „A“ such sums only as derive from the
purchase of Latvian goods imported into Lithuania of the kinds enumerated in List „A“
attached to the Commercial Agreement between Latvia and Lithuania of April 10th, 1935,
and the Clearing Office shall credit to Account „A“ such sums only as derive from the
purchase of Lithuanian goods imported into Latvia of the kinds enumerated in List „B“
attached to the above-mentioned Commercial Agreement, provided always that the goods
enumerated in the said lists have been imported into the country concerned after the date
of entry into force of the present Agreement.

Each of the two clearing institutions shall credit to Account „B“ all sums deriving from the
purchase of goods imported from the other country other than the sums to be credited to
Account „A“.

Article 3.

Latvian purchasers of Lithuanian goods shall make the payments due in respect of their
purchases in lats to the Accounts „A“ and „B“ opened at the Clearing Office in favour of the
Lietuvos Bankas. The Clearing Office shall credit the sums received to the account of the
Lietuvos Bankas in lats, whatever the currency in which the contract of sale or invoices
may be made out.

Lithuanian purchasers of Latvian goods shall make the payments due in respect of their purchases in litas to the Accounts „A“ and „B“ opened at the Lietuvos Bankas in favour of the Clearing Office. The Lietuvos Bankas shall credit the sums received to the Clearing Office in litas, whatever the currency in which the contract of sale or invoices may be made out.

Article 4.

Payments of the kinds specified in Article 3 shall be made on the basis of the following parities, representing the metal parities rounded off, namely:

100 lats = 192.95 litas,

100 litas = 51.83 lats.

Where the invoices or contracts of sale are made out in a currency other than lats or litas, the payments shall be expressed in lats or litas at the middle rate of the local Stock Exchange on the date of payment.

Article 5.

The two Contracting Parties undertake not to place obstacles in the form of limitations or restrictions of any kind in the way of payments effected in accordance with the provisions of the present Agreement for goods the import of which is allowed.

Where such payments are subject to previous authorisation, such authorisation shall be accorded without delay, so soon as the purchaser has shown proof of the regular character of the importation, of the price of the goods and of the accessory costs such as transport, insurance and the like, where such costs are at the charge of the purchaser.

Article 6.

The Clearing Office and the Lietuvos Bankas shall advise one another daily of all payments received for credit of the clearing accounts and, further, shall notify the balances of both accounts as at the end of the month to one another once a month.

Article 7.

Payments to vendors of goods shall be made by the Clearing Office in lats and by the Lietuvos Bankas in litas on the basis of the parities laid down in Article 4. Payments to exporters may not be made by either clearing institution until it has been advised by the other clearing institution of the payment by the purchaser.

Payments to vendors shall be made in the chronological order of the payments received from the purchasers within the limits of the available resources of the clearing accounts.

Article 8.

The present Agreement is concluded for an indefinite period; but each Contracting Party shall be entitled to denounce it at any time by giving one month's notice.

Article 9.

In the event of the present Agreement lapsing, Accounts „A“ and „B“ shall be immediately balanced, and the balances shall be liquidated by the export of products of the debtor country to the creditor country, and in no other way. The balance of Account „A“ shall be liquidated by export of the debtor country's products of the kinds enumerated in Lists „A“ and „B“ attached to the existing Commercial Agreement. The balance of Account „B“ shall

be liquidated by export of other products of debtor country provenance, the export of which is not prohibited.

Article 10.

The present Agreement shall receive the approval of the two Governments and shall come into force at the same time as the Commercial Agreement between Latvia and Lithuania of April 10th, 1933.

Done at Kaunas, in duplicate, the 10th day of April, 1935.

(L. S.) (Signed) L. SEJA.

(L. S.) (Signed) S. LOZORAITIS.

ANNEX TO ARTICLE 1.

**LIST OF LITHUANIAN PRODUCTS PAYMENT FOR WHICH SHALL BE MADE
INDEPENDENTLY OF THE CLEARING.**

Designation of goods	Annual quantity of such goods subject to clearing
Linseed	1,000 t.
Clover seeds	—
Timothy grass seeds	—
Flax and oakum	—
Pod plants.....	150 t.
Raw hides and skins	—

[Quelle: League of Nations, Treaty Series, vol. 159, 1935, p. 323-327.]