

**AGREEMENT CONCERNING PAYMENTS IN RESPECT OF  
COMMERCIAL TRANSACTIONS BETWEEN THE KINGDOM OF  
HUNGARY AND THE REPUBLIC OF LITHUANIA.  
SIGNED AT KAUNAS, NOVEMBER 12TH, 1937**

THE GOVERNMENT OF THE KINGDOM OF HUNGARY and THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA, desirous of facilitating and developing commercial transactions between the two countries, have agreed as follows:

***Article 1.***

Goods of Hungarian origin shall be admitted to free import into Lithuania, with the exception of articles the import of which into Lithuania is subject to special treatment generally applicable to all countries.

Goods of Lithuanian origin shall be admitted to free import into the Kingdom of Hungary, with the exception of articles the import of which into the Kingdom of Hungary is subject to special treatment generally applicable to all countries.

***Article 2.***

Payments in respect of commercial transactions between the two countries must balance. The accounts of all such transactions shall be made up accordingly at the end of each half-year by the Hungarian Minister accredited to the Lithuanian Government and the representative of the Lithuanian Ministry of Foreign Affairs.

Should, however, a balance be shown in favour of either contracting country, the country with the balance in its favour shall be bound to take all necessary steps to work off the amount of the balance in the course of the next half-year by the import of goods to that amount from the country with the balance against it, provided always that no such balance shall at any time exceed the sum of £ 3,000 sterling either way.

Should the country with the balance in its favour fail to work off the amount of the balance within the next half-year, the country with the balance against it shall be free to take steps to restrict imports from the country with the balance in its favour.

***Article 3.***

Payment in respect of imports of Hungarian goods into Lithuania, and of Lithuanian goods into Hungary, shall be made by special permission of the competent authority through the central institutions, that is to say, in Hungary through the Hungarian Compensation Institution for Commercial Exchanges Limited, and in Lithuania through the Lietuvos Bankas.

***Article 4.***

Lithuanian purchasers of Hungarian goods shall make payment in respect of their purchases in litas to a special account to be opened at the Lietuvos Bankas in favour of the Hungarian Compensation Institution for Commercial Exchanges Limited. The Lietuvos Bankas shall credit the sums received to the account of the Hungarian Compensation Institution for Commercial Exchanges Limited, converted into pounds sterling at the middle official rate of the Lietuvos Bankas on the previous day, whatever the currency in which the contract of sale or invoices may be made out.

The Lietuvos Bankas shall advise the Hungarian Compensation Institution for Commercial Exchanges Limited of all payments received from Lithuanian importers. The advice notes shall specify in the case of each payment the names and first names of the consignor and consignee, the nature of the goods consigned, their value in the currency of the contract, the sterling equivalent of the sums received, and any other particulars required for the purpose of payment out to the creditors concerned.

**Article 5.**

Hungarian purchasers of Lithuanian goods shall make payment in respect of their purchases in pengö to a special account to be opened at the Hungarian Compensation Institution for Commercial Exchanges Limited in favour of the Lietuvos Bankas. The Hungarian Compensation Institution for Commercial Exchanges Limited shall credit the sums received in pengö to the account of the Lietuvos Bankas, converted into pounds sterling at the middle official rate of the National Bank of Hungary on the previous day, plus the current Hungarian premium, whatever the currency in which the contract of sale or invoices may be made out.

The Hungarian Compensation Institution for Commercial Exchanges Limited shall advise the Lietuvos Bankas of all payments received from Hungarian importers. The advice notes shall specify in the case of each payment the names and first names of the consignor and consignee, the nature of the goods consigned, their value in the currency of the contract, the sterling equivalent of the sums received, and any other particulars required for the purpose of payment out to the creditors concerned.

**Article 6.**

Payments out to Hungarian creditors by the Hungarian Compensation Institution for Commercial Exchanges Limited, and to Lithuanian creditors by the Lietuvos Bankas, shall be made in the chronological order of the payments received, as provided in Articles 4 and 5 respectively, as and when the necessary funds are available in the above-mentioned accounts.

**Article 7.**

The system of payments for which the present Agreement provides shall be applicable to all payments arising out of goods transactions between Hungary and Lithuania, as also to all payments accessory to such transactions.

**Article 8.**

The two institutions charged with the execution of the present Agreement shall do everything in their power to enable goods transactions to take place without hindrance on the part of the authorities of their respective countries.

**Article 9.**

Each of the two institutions shall make a charge, to be determined by common consent, on all payments in and out, to cover the cost of the operations involved.

**Article 10.**

Debtors shall be discharged of their obligations as from the time of their creditors' receipt of the full value of their claims, and not before. Exchange differences shall be settled as they arise between debtors and creditors in accordance with the provisions of the present Agreement, provided always that no responsibility in this connection shall rest with the two

High Contracting Parties or with the two institutions charged with the execution of the present Agreement.

**Article 11.**

The present Agreement is concluded for one year. It shall come into force on the fifteenth day after its signature. If not denounced, it shall be deemed to be prolonged by tacit assent; the period of notice of denunciation shall be three months.

It is understood that, in the event of denunciation, the country with a balance in its favour shall be bound to take all necessary steps to work off the amount of the balance by the import of goods having their origin in the country with a balance against it.

In faith whereof the Plenipotentiaries of the two Contracting Parties have signed the present Agreement.

Done at Kaunas in duplicate, this 12th day of November, 1937.

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

(L. S.) (Signed) B. DE TÖRÖK.

[Quelle: League of Nations, Treaty Series, vol. 183, 1937, p. 199-203.]