

No. 7331

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

and

FEDERAL REPUBLIC OF GERMANY

**Agreement on the settlement of disputes arising out of
direct procurement. Signed at Bonn, on 3 August 1959**

Official texts: English and German.

Registered by the United Kingdom of Great Britain and Northern Ireland on 2 July 1964.

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

et

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE

**Accord relatif au règlement des différends découlant
d'achats directs. Signé à Bonn, le 3 août 1959**

Textes officiels anglais et allemand.

Enregistré par le Royaume-Uni de Grande Bretagne et d'Irlande du Nord le 2 juillet 1964.

No. 7331. AGREEMENT¹ BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE FEDERAL REPUBLIC OF GERMANY ON THE SETTLEMENT OF DISPUTES ARISING OUT OF DIRECT PROCUREMENT. SIGNED AT BONN, ON 3 AUGUST 1959

The United Kingdom of Great Britain and Northern Ireland and
The Federal Republic of Germany,

Pursuant to sub-paragraph (b) of paragraph 6 of Article 44 of the Agreement to supplement the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces with respect to Foreign Forces stationed in the Federal Republic of Germany, signed at Bonn on 3rd August, 1959² (hereinafter referred to as the "Supplementary Agreement"),

Have agreed as follows :

Article 1

For the settlement of disputes arising out of contracts or other arrangements concerning goods and services directly procured in the Federal territory by the authorities of the Forces or of the civilian component of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the "British authorities") the following provisions shall apply.

Article 2

The German authorities shall at all times make available to the British authorities their good offices, particularly in a mediatory or advisory capacity, in the settlement of disputes.

Article 3

1. The dispute shall be referred for decision to a Court of Arbitration (Articles 4 to 7) or, if it so agreed before one of the parties asks for arbitration proceedings, to a

¹ In accordance with its article 11 (2), the Agreement came into force on 1 July 1963, the date of the entry into force of the Agreement of 3 August 1959 supplementing the Agreement of 19 June 1951 between the Parties to the North Atlantic Treaty regarding the status of their forces with respect to foreign forces stationed in the Federal Republic of Germany (see United Nations, *Treaty Series*, Vol. 481, p. 262). The instruments of ratification of the Agreement on the settlement of disputes arising out of direct procurement were exchanged at Bonn on 5 July 1962.

² United Nations, *Treaty Series*, Vol. 481, p. 262.

German Court (Articles 8 to 10). The dispute shall not, however, be referred to a German court if the Deutsche Bundesbahn or Deutsche Bundespost is a party.

2. Application for decision by the Court of Arbitration or the lodging of a plaint with a German court shall, however, be permissible only if an attempt has previously been made to settle the dispute by negotiations between the contractor and the British procurement authority. It shall be permissible for such application to be made or plaint to be lodged if the contractor has not received a decision within four months of his having in writing requested one from the British procurement authority.

3. The decision notified by the British procurement authority shall be deemed to have been accepted by the contractor if the latter does not within six weeks make application for decision of a Court of Arbitration or lodge a plaint.

4. The application for decision of a Court of Arbitration or a plaint shall be permissible only to the extent that the dispute has not been settled in negotiations between the contractor and the British procurement authority.

5. The Court of Arbitration or the German court shall taken its decision on the basis of the law that was agreed upon at the time that the goods and services were ordered. If at the time of the order no agreement was made concerning the law to be applied, German law shall be applied.

Article 4

1. Application for decision by a Court of Arbitration shall be made to the business office of the Deutscher Ausschuss für Schiedsgerichtswesen in Bonn (German Commission for Arbitral Adjudication).

2. If the British authorities make the application they shall at the same time nominate a member for the Court of Arbitration, or declare that the dispute is to be decided upon by a sole arbitrator.

3. If the contractor makes the application, the business office send it immediately to the British authorities with the request either to nominate a member for the Court of Arbitration or to declare that the dispute is to be decided upon by a sole arbitrator.

4. If the British authorities nominate a member for the Court of Arbitration, the Deutscher Ausschuss für Schiedsgerichtswesen shall immediately provide the other member for such Court.

5. If the British authorities declare that the dispute is to be decided upon by a sole arbitrator, such sole arbitrator shall be nominated by the President of the Oberlandesgericht in whose area the applicant has his seat or residence.