No. 7418

AUSTRIA, HUNGARY, ITALY and YUGOSLAVIA
and
THE DANUBE-SAVE-ADRIATIC RAILWAY COMPANY (FORMERLY THE SOUTHERN RAILWAY COMPANY)

Agreement (with Protocol and Declaration and annexed bilateral agreements). Done at Rome, on 8 December 1962

Official text: French.

Registered by Italy on 28 September 1964.

AUTRICHE, HONGRIE, ITALIE et YOUGOSLAVIE
et
COMPAGNIE DES CHEMINS DE FER DANUBE-SAVE-ADRIATIQUE (ANCIENNE COMPAGNIE DES CHEMINS DE FER DU SUD)

Accord (avec Protocole et Déclaration et accords bilatéraux annexés). Fait à Rome, le 8 décembre 1962

Texte officiel français.

Enregistré par l'Italie le 28 septembre 1964.

[TRANSLATION — TRADUCTION]

No. 7418. AGREEMENT[1] BETWEEN THE REPUBLIC OF AUSTRIA, THE HUNGARIAN PEOPLE'S REPUBLIC, THE ITALIAN REPUBLIC, THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE DANUBE-SAVE-ADRIATIC RAILWAY COMPANY (FORMERLY THE SOUTHERN RAILWAY COMPANY), DRAWN UP WITH THE CONCURRENCE OF THE REPRESENTATIVES OF THE HOLDERS OF BONDS OF THE ABOVE COMPANY AND OF BONDS AND COUPONS ISSUED BY THE FORMER SOUTHERN RAILWAY COMPANY. DONE AT ROME, ON 8 DECEMBER 1962

Whereas :

Under the Treaties of Peace concluded on 10 February 1947 with Hungary[2] (article 26, paragraph 10) and with Italy[3] (annex XIV, paragraph 15), and the State Treaty concluded on 15 May 1955 with Austria[4] (article 25, paragraph 10), the said States undertook to participate with the other signatories of the Rome Agreement of 29 March 1923[5] in any negotiations having the purpose of introducing into its provisions the modifications necessary to ensure the equitable settlement of the annuities which it provided;

The representatives of the said States and the representatives of the Federal People's Republic of Yugoslavia, having met in conference at Rome from 2 to 12 May 1958 with the representatives of the Danube-Save-Adriatic Railway Company (hereinafter referred to as the Company) and the representatives of the holders of bonds of the Company and of bonds and coupons issued by the former Southern Railway Company (hereinafter referred to as the representatives of the bondholders), were unable to reach agreement; desiring, however, to reach a final settlement of the debts of the above-mentioned States arising out of the Rome Agreement of 29 March 1923, they agreed to the proposal of the representatives of the bondholders that bilateral negotiations should be initiated with a view to such a settlement;

[1] In accordance with article 15, the Agreement came into force on 29 May 1964, the date of deposit with the Italian Government of the last instrument of ratification. The instruments were deposited as follows :

Hungary	22 November 1963	Yugoslavia	21 February 1964
Austria	1 February 1964	Italy	29 May 1964

[2] United Nations, *Treaty Series*, Vol. 41, p. 135.

[3] United Nations, *Treaty Series*, Vol. 49 and 50.

[4] United Nations, *Treaty Series*, Vol. 217, p. 223; Vol. 221, p. 439; Vol. 226, p. 382; Vol. 259, p. 445; Vol. 263, p. 424; Vol. 316, p. 350, and Vol. 420, p. 345.

[5] League of Nations, *Treaty Series*, Vol. XXIII, p. 255.

These negotiations were successful, and bilateral agreements to that end were concluded by each of the States concerned with the representatives of the bondholders;

These agreements, being final and consolidated settlements, render inoperative the scheme for the amortization of the bonds of the Company and the scheme for the amortization of the other bonds issued by the former Southern Railway Company, and consequently render largely inoperative the functions which for that purpose the Rome Agreement of 29 March 1923 had assigned to the Committee of Bondholders established under that Agreement;

Lastly, the long period of time which has elapsed, and the events which have occurred, since the entry into force of the Rome Agreement of 29 March 1923 have rendered most of the provisions of that Agreement purposeless and have accordingly demonstrated the need for the conclusion of a new agreement adapted to existing conditions :

—The Federal President of the Republic of Austria,

—The Government of the Hungarian People's Republic,

—The President of the Italian Republic,

—The Government of the Federal People's Republic of Yugoslavia,

together with :

—The Danube-Save-Adriatic Railway Company (formerly the Southern Railway Company), and

—The National Association of French Holders of Securities,

have appointed as their representatives, invested with full powers :

The Federal President of the Republic of Austria :

Dr. Eduard Heilingsetzer, former Minister, Permanent Under-Secretary in the Ministry of Finance, and Dr. Rainer Reinöhl, former Permanent Under-Secretary in the Ministry of Transport;

The Government of the Hungarian People's Republic :

Mr. Károly Reti, Permanent Under-Secretary in the Ministry of Finance;

The President of the Italian Republic :

Ambassador Francesco Babuscio Rizzo and Dr. Angelo Di Nola, President of the Honorary Section of the State Council;

The Government of the Federal People's Republic of Yugoslavia :

Mr. Ivo Vejvoda, Ambassador of the Federal People's Republic of Yugoslavia at Rome;

together with :

The Danube-Save-Adriatic Railway Company (formerly the Southern Railway Company) :

Dr. Erasmo Caravale, Honorary President of the State Council, and Dr. August Weissel, former General Manager of the Company;

The National Association of French Holders of Securities :

Mr. Robert Dunant
Mr. Pierre Haour
Dr. Robert Lang
Mr. Léon Martin,

who participate in this Agreement, according to the statement of the French Ministry of Foreign Affairs dated 14 August 1962 accrediting them and under the mandate arising out of the above-mentioned Treaties of Peace and State Treaty;

Who, having communicated their full powers, found in good and due form, have agreed as follows :

Article 1

The bilateral agreements concluded by each of the States concerned with the representatives of the bondholders are hereby recognized and shall entirely replace the provisions of the Rome Agreement of 29 March 1923 concerning the payment of annuities and all other State obligations to the holders of bonds and of outstanding coupons (Lombard scrip).

The provisions of these bilateral agreements shall bring about a novation of the rights of the holders of bonds of the Danube-Save-Adriatic Railway Company and the holders of coupons that fell due from 1 October 1914 to 1 January 1923 on the bonds of the former Southern Railway Company of Austria (Lombard scrip). They shall have the effect of a compulsory and ratified arrangement.

These bilateral agreements are attached as annexes[1] to the present Agreement and shall form an integral part thereof.

Where a State has made the principal payments owing under the bilateral agreement concluded by it with the representatives of the bondholders, it shall be completely and finally discharged from all debts arising out of the Rome Agreement of 29 March 1923, and the holders of bonds and coupons shall no longer be entitled to advance claims against it in respect of rents, arrears or interest in arrears, or on any other ground.

For the purposes of the bilateral agreements in which gold francs are mentioned, "gold francs" shall be taken to mean the twentieth part of a gold coin weighing 6.45161 grammes and 900/1000 fine. It is understood that only payments effected in the currency or currencies indicated in these agreements shall be allowable, the parity of these currencies being established on the basis

[1] See pp. 257, 261, 265 and 271, respectively, of this volume.

stated by the International Monetary Fund and, for the Swiss franc, on the basis of the legal definition of that currency.

Article 2

The holders of bonds and outstanding coupons (Lombard scrip) as a body shall be represented by the Committee of Bondholders composed of four members appointed by the National Association of French Holders of Securities. In the event of other similar associations of bondholders being formed, which jointly or separately represent the interests of the holders of at least one quarter of the bonds issued by the Company, the right of appointing these four members shall belong proportionately to the above National Association and to such other associations. This Committee shall be the exclusive representative of the holders of bonds and of outstanding coupons (Lombard scrip).

The Committee of Bondholders may, at the appropriate moment, apply for capital distribution to bondholders the balances of the accounts in the bond amortization fund, including the balance of the account entitled "Reserve relating to 866,674 bonds of the Brioni Régime still at issue" and the balance of the account entitled "Amortization and interest of the Brioni Agreement Régime".

The bonds delivered by Germany pursuant to the Brioni Agreement and the bonds assigned by Italy to the Committee of Bondholders, being cancelled, shall be excluded from any distribution.

The balance of the special fund for the payment of arrears, which according to the figure supplied by the Committee is now gold fr 2,222,019, shall be distributed *pro rata* among the holders of outstanding coupons (Lombard scrip).

Article 3

Henceforth, claims arising out of possession of bonds or of coupons may be advanced only under the terms of this Agreement and may be made only against the bond amortization fund or the special fund for the payment of arrears, respectively.

These two funds shall be administered and represented before the courts by the above-mentioned Committee, which in the performance of its functions shall be entitled to sue and be sued.

The Committee of Bondholders may, if necessary and at the appropriate time, appoint one or more liquidators with a view to winding up its operations.

The Committee of Bondholders shall communicate its annual accounts concerning the management of the assets of the funds to the four States concerned, not later than the end of the first six months of the following year.