

3. On or before the 1st June, 1927, the Greek Government will issue and deliver to the British Treasury a Serial Bond substantially in the form shown in the annex to this Agreement in respect of each of the instalments to be paid under the provisions of Article 2 of this Agreement. The payments due under these Bonds shall be made without deduction for, and shall be exempt from, any and all taxes and other public dues, present or future, imposed by the authority of the Greek Government or any political or local taxing Authority in Greece. Interest at the rate of 6 per cent. shall be charged on any instalment due and not paid at the due date.

4. If at any time while the payments under Article 2 of this Agreement are continuing it appears that the aggregate payments effectively received by Great Britain under Allied War Debt Funding Agreements and on account of Reparations or of Liberation Bonds exceed the aggregate payments effectively made by Great Britain to the Government of the United States of America in respect of war debts, an account shall be drawn up by the British Treasury, interest at 5 per cent. being allowed on both sides of the account; and if that account shows that the receipts exceed the payments, Great Britain will credit Greece against the payments next due by Greece under Article 2 of this Agreement with such proportion of that excess as the payments effectively made by Greece under Article 2 of this Agreement bear to the aggregate sums effectively received by Great Britain under all Allied War Debt Funding Agreements. Thereafter a similar account will be drawn up by the British Treasury each year, and any further excess of the receipts over the payments shall each year give rise to a credit to Greece of a proportion of such excess calculated in the manner indicated above. On the other hand, any deficit shall be made good by an increase in the payments next due by Greece, up to a similar proportion of such deficit, within the limit of the total amount of the credits already allowed to Greece under this Article. For the purpose of this Article any capital sums which may hereafter be realised by Great Britain in respect of Reparations or of Liberation Bonds will be taken at their annual value, taking account of amortisation.

5. Save as provided in Article 2 of the present Agreement, the British and Greek Governments mutually renounce all claims and counter-claims arising out of the various Agreements relating to the war debt of Greece to Great Britain.

6. As from the coming into force of this Agreement, His Majesty's Government will waive the requirement of Article 4 of the Agreement (No. VI) of the 10th February, 1918, that the assignment by Greece of security to any external loan should be subject to their assent.