

Agreement for the Settlement of the War Debt of the Serb-Croat-Slovene Government to His Britannic Majesty's Government in Great Britain.

The undersigned, duly authorised by their respective Governments, have agreed as follows :—

1. In full and final settlement of the War Debt due by the Serb-Croat-Slovene Government to His Britannic Majesty's Government in Great Britain (hereinafter referred to as Great Britain), the amount of which debt as at the 1st January, 1927, has been agreed, after adjustment of all claims arising out of the War, at a net total of £25,591,428, the Serb-Croat-Slovene Government agree to pay, and Great Britain agree to accept, the following annuities, viz. :—

	£
In 1927	150,000
In 1928	200,000
In 1929	250,000
In 1930-35 inclusive	300,000 a year.
In 1936-39 inclusive	350,000 a year.
In 1940 and 1941 inclusive	400,000 a year.
In 1942-88 inclusive	600,000 a year.

Great Britain agree to accept the reduced annuities provided for above during the years 1927 to 1941 inclusive in view of the liabilities of the Serb-Croat-Slovene Government during those years in respect of the Relief Debt of £2,068,843 due to Great Britain, which are not affected by this agreement.

2. The above payments shall be made in sterling at the Bank of England, London, in equal half-yearly instalments, the first half-yearly payment being made within one month after the conclusion of this agreement, and the subsequent payments being made on the 1st December, 1927, and on the 1st June and the 1st December of each subsequent year, up to the 1st December, 1988, inclusive.

3. On or before the 30th September, 1927, the Serb-Croat-Slovene Government will issue and deliver in London to His Britannic Majesty's 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 1 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 Serb-Croat-Slovene Government or any political or local taxing Authority in the Serb-Croat-Slovene Kingdom. Interest at the rate of 6 per cent. shall be charged on any instalment due and not paid at the due date.