

Agreement
between
the Government of the Slovak Republic
and
the Government of Montenegro
on the Settlement of the Debt
of Montenegro towards the Slovak Republic

The Government of the Slovak Republic (hereinafter referred to as “the Slovak Party”)

and

The Government of Montenegro (hereinafter referred to as “the Montenegro Party” and collectively referred to as “the Parties”);

Desiring to develop long-term and stable trade, economic and financial co-operation based on principles of mutual benefits;

Being aware of the importance to settle the obligations and intending to finalize the settlement of the debt of the Montenegro towards the Slovak Republic;

Having regard to

the Payment Agreement between the Socialist Federal Republic of Yugoslavia and the Czech and Slovak Federal Republic, signed at Belgrade on February 8th, 1991,

the Protocol from the Negotiations on the Solution of the Liquidation Account Balance held between March 23rd and March 26th 1992 in Prague, confirmed by the exchange of letters of the Prime Ministers of the Czech and Slovak Federative Republic and of the Federal Republic of Yugoslavia, dated May 7th and May 11th, 1992 (hereinafter referred to as “the 1992 Protocol”),

the Agreement between the Governments of the Czech Republic and of the Slovak Republic on Transfer of Governmental Claims towards Foreign States into

the Competence of the Czech Republic and Slovak Republic and on Ensuring Internal Financing of Provided Governmental Loans signed at Bratislava on April 7th 1993,

the Agreement on Succession Issues, concluded at Vienna on June 29th, 2001, Annex C thereto,

the Agreement on the Regulation of Membership in International Financial Organization and the Distribution of Financial Assets and Liabilities between the Republic of Serbia and the Republic of Montenegro, signed at Belgrade on July 10th, 2006,

the Vienna Convention on the Law of Treaties, concluded at Vienna on May 23rd, 1969;

Respecting the fact that the Slovak Republic as one of the two legal successors of the former Czech and Slovak Federal Republic (hereinafter referred to as “the former CSFR”) administers, independently and individually, its share in receivables and liabilities of the former CSFR;

Taking into account

the Minutes (Promemoria) of expert talks between the National Bank of Yugoslavia, Ministry of Finance of the Federal Republic of Yugoslavia, Ministry of Finance of the Slovak Republic, Ministry of Finance of the Czech Republic and the Československá obchodní banka, a.s. (hereinafter referred to as “CSOB”) of October 22nd, 1997,

the Agreed Minutes on the Consolidation of the Debt of the Federal Republic of Yugoslavia concluded on December 13th, 2001 between the participating Paris Club creditor countries and the Government of the Federal Republic of Yugoslavia;

Have agreed as follows:

Article 1

Treated Debt

1. The Parties confirm that the principal of the Former Federal Republic of Yugoslavia (hereinafter referred to as “the former SFRY”) debt towards the former CSFR recorded on the Liquidation Clearing Account amounts to 72,250,262.25 Clearing Dollars, out of which 31,088,817.56 Clearing Dollars represents the Slovak part of the principal amount.
2. The Parties agree that the principal of the debt of Montenegro towards the Slovak Republic amounts to 2.2344% of the debt of the former SFRY to the Slovak Republic, i.e. 694,648.54 Clearing Dollars;

3. The Parties agree that the principal referred to in Paragraph 2 of this Article bears the simple interest that shall be calculated on the day count principle 30/360 p. a., with the following rates:

a) fixed interest rate 5.50% p.a. shall be applied from November 1st, 1991 until December 31th, 2018;

b) since January 1st, 2019 the interest shall not be calculated.

4. The final settlement balance between Montenegro and the Slovak Republic, including the simple interest calculated in compliance with Paragraph 3 of this Article with the value date of December 31st, 2018 amounts to 1,732,569.23 Clearing Dollars. This amount consists of:

a) principal amount of 694,648.54 Clearing Dollars; and

b) interest amount of 1,037,920.69 Clearing Dollars.

5. The Parties agree to convert the amounts defined in Paragraph 4 of this Article applying the rate of exchange of 1 Clearing Dollar = 1 US Dollar, in accordance with the 1992 Protocol, into 1,732,569.23 US Dollars, which constitutes the debt of Montenegro towards the Slovak Republic as of December 31st, 2018.

Article 2

Settlement of the Debt

1. The Parties agree on the following conditions on the settlement of the debt of Montenegro towards the Slovak Republic:

a) After this Agreement enters into force, the Montenegro Party shall repay the debt due to the Slovak Party based on the conditions of the Paris Club of Creditors. The debt of Montenegro will be settled through one-time payment. Such payment in the amount of 589,073.54 US Dollars (by words: five hundred eighty-nine thousand seventy-three USD dollars fifty four cents) shall be made within 90 days from the entry into force of this Agreement, by transfer of the total amount payable into the account of CSOB specified in Subparagraph c) below;

b) The Parties shall instruct their respective banks to provide necessary steps for the technical implementation of this Article;

c) The payment by the Montenegro Party to the Slovak Party hereunder shall be made in US Dollars in freely transferable and immediately available funds on the relevant payment date, free of any costs, taxes, levies or charges. Respective payment to the Slovak Party shall be made in favour of the account of CSOB, No. 4030004, ABA routing No 021001033 USD, held with the Deutsche Bank Trust Americas, NY, swift: BKTRUS33. If payment shall become due and payable on a

Saturday, Sunday or any other day which is not a business day, such payment shall be made on the next succeeding business day.

2. Upon execution of the payment in the amount specified in Paragraph 1(a) of this Article, it shall be deemed that the debt of Montenegro towards the Slovak Republic is fully settled, subject to the provisions of Article 6 of this Agreement.

3. The Montenegro Party shall be obliged to pay default interest at the rate of 0.01% p.a. for each day of delay if it fails to pay its obligation timely and in full amount. The default interest shall be calculated from the day following the payment due date to the day the delayed payment is credited to the account of CSOB specified in Paragraph 1 (c);

Article 3 Settlement of Disputes

1. In the event that a dispute arises between the Parties with regard to the interpretation or implementation of this Agreement, the Parties shall resolve the dispute by mutual negotiations of the authorized representatives of the Parties.

2. If any such dispute cannot be settled amicably within six (6) months from the date on which the dispute has been notified by either party, the Parties agree that the dispute is finally settled in accordance with the Rules of Arbitration of International Chamber of Commerce, Paris by three arbitrators. Each Party shall appoint one arbitrator and these two members shall appoint a third arbitrator - Chairman of the arbitral tribunal.

If the Parties fail to appoint a third member - Chairman of the arbitral tribunal, the third arbitrator shall be appointed in accordance with mentioned Rules of Arbitration.

The arbitration decision shall be final, binding on both Parties and executive within the time specified in the decision.

The Parties agree that the arbitration shall be conducted pursuant to the procedure established by the Rules of Arbitration of International Chamber of Commerce, Paris.

The arbitration will be held in Podgorica, or elsewhere, if the Parties agree that it is suitable for the settlement of the dispute.

Language of arbitration shall be English.

Article 4 Amendments

This Agreement may be amended and supplemented by mutual consent of the Parties. Any amendment or supplement to this Agreement shall be in writing and signed by both Parties.

Article 5
Notices and Other Communications

Notices and other communications given under this Agreement addressed to either Party shall be made to the address set out in the diplomatic notes to be exchanged under Article 7 of this Agreement.

Article 6
Review Clause

If the successor States of the former SFRY make a new agreement on final division of the overall debt of the former SFRY owed to the former CSFR which causes that the principle of the debt of Montenegro to the Slovak Republic differs from the amount mentioned in Article 1, Paragraph 2 of this Agreement, the Parties shall review this Agreement accordingly.

Article 7
Final Provisions

This Agreement shall enter into force on the first (1st) day of the second (2nd) month following the day of receipt of the last written notification through diplomatic channels of the Contracting Parties on the completion of their internal legal requirements necessary for entry into force of this Agreement.

Done at, on, 2020, in two originals in the English language.

**On behalf of the Government
of the Slovak Republic**

**On behalf of the Government
of Montenegro**
