

UNITED KINGDOM - USSR FINANCIAL SETTLEMENT\*

## Agreement

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of the Union of Soviet Socialist Republics  
concerning the Settlement of Mutual Financial and Property  
Claims arising before 1939

London, July 15, 1986.

## EXPLANATORY MEMORANDUM

This Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Union of Soviet Socialist Republics contains a final settlement of mutual financial and property claims arising before 1939. Negotiations on British claims and Soviet counter-claims began in 1922. The final stage of the talks began in 1977.

The Agreement was signed today by Sir Geoffrey Howe and Mr Eduard Shevardnadze. It comes into force immediately.

The Agreement provides for a mutual waiver of claims by both Governments and sets out in detail the claims which are covered. It also provides that each Government shall have full title to the assets remaining in its territory under the terms of the Agreement and be solely responsible for settling claims of its own national. Finally, it provides for the release to the Soviet Government of a sum of money in diplomatic and certain miscellaneous official bank accounts held in London. These were essentially Embassy and diplomatic accounts which enjoy a specially protected status under international law.

**AGREEMENT  
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF  
GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF  
THE UNION OF SOVIET SOCIALIST REPUBLICS CONCERNING THE  
SETTLEMENT OF MUTUAL FINANCIAL AND PROPERTY CLAIMS  
ARISING BEFORE 1939**

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of the Union of Soviet Socialist Republics;

Wishing to reach a final settlement of mutual financial and property claims arising before 1 January 1939;

Have agreed as follows:-

**ARTICLE 1**

The Government of the United Kingdom shall neither on its own behalf nor on behalf of its physical and juridical persons pursue with the Government of the Union of Soviet Socialist Republics or support claims arising before 1 January 1939, in particular:

- (a) claims in respect of any bond issued or guaranteed before 7 November 1917 by a former Government of the Russian Empire or by any part of the Russian Empire or by the authorities governing such a part, and owned by the Government or nationals of the United Kingdom;
- (b) claims in respect of properties, rights and interests situated in the territory of the former Russian Empire or the territory of the Union of Soviet Socialist Republics which is property of which a British subject was deprived of the title or enjoyment after 6 November 1917 and before 1 January 1939; and
- (c) claims in respect of debts due before 1 January 1939 to the Government of the United Kingdom or to a British subject and owed by a former Government of the Russian Empire, the former Russian Provisional Government or the Government of the Union of Soviet Socialist Republics, by a body established under the law of the Russian Empire or by a person resident or carrying on business in the territory of the Russian Empire or the territory of the Union of Soviet Socialist Republics.

## ARTICLE 2

The Government of the Union of Soviet Socialist Republics shall neither on its own behalf nor on behalf of its physical and juridical persons pursue with the Government of the United Kingdom or support claims arising before 1 January 1939, in particular:

- (a) claims on the ground of intervention between 7 November 1917 and 16 March 1921 or arising from any armed operations or hostile measures during that period;
- (b) the claim in respect of gold transferred to the order of the Government of the United Kingdom by the former Imperial Russian Government or the former Russian Provisional Government;
- (c) the claim in respect of that part of the gold handed by the Soviet Government to the Government of Germany under the Supplementary Treaty to the Treaty of Peace signed at Brest-Litovsk on 3 March 1918 which was subsequently transferred to the Government of the United Kingdom under the Treaty of Peace between The Allied and Associated Powers and Germany, signed at Versailles on 28 June 1919; and
- (d) claims to any assets held in the United Kingdom on behalf of the former Imperial Russian Government or the former Russian Provisional Government or any body which was established under the law of the Russian Empire.

## ARTICLE 3

The Government of the United Kingdom shall authorise the direct release to the Government of the Union of Soviet Socialist Republics of those monies in the sum of £2 65 million sterling held in diplomatic and certain miscellaneous official bank accounts of individuals and entities representing the former Imperial Russian Government, or the former Russian Provisional Government

ARTICLE 4

The Government of the United Kingdom and the Government of the Union of Soviet Socialist Republics shall each have full title to the assets remaining in their respective territories under the terms of this Agreement and shall be solely responsible for the settlement of claims and for any distribution to physical and juridical persons of their respective States from such assets.

ARTICLE 5

This Agreement shall enter into force on the date of signature.

In witness whereof the undersigned, being duly authorised thereto, have signed the present Agreement.

Done in duplicate at London the 15th day of July, 1986, in the English and Russian languages, both texts being equally authoritative.

For the Government of the  
United Kingdom of  
Great Britain and  
Northern Ireland:

For the Government of the  
Union of Soviet  
Socialist Republics:

GEOFFREY HOWE

E SHEVARDNADZE

---

\*[This document was provided by the UK High Commission,  
Canberra].