

if at the material date German enemies directly or indirectly controlled the policy, management, use, or operation of the property.

ARTICLE 12

Except as otherwise provided in this Agreement, all property in a secondary country owned by a primary company shall be released by the secondary country and the secondary country shall be entitled to receive reimbursement from the primary country in an amount representing that portion of the value of the property in the secondary country which corresponds to the percentage of direct and indirect German enemy interest in the primary company on the material date. Release in each case shall take place as soon as an agreement has been reached between the countries concerned on whether either the property in the secondary country or the primary country shall be treated as German controlled and on the general limits of, and method of calculating, the percentage of direct and indirect German enemy interest in the primary company on the material date. If the property in the secondary country and the primary company are not German controlled, the property shall be released forthwith without reimbursement.

ARTICLE 13

A.—Release of property in a secondary country shall be made in kind unless :

- i) the property has been liquidated by the secondary country prior to the date on which the Agreement comes into force in respect of that country; or
- ii) the primary and secondary countries concerned agree that release in kind would not be practicable or the primary company consents to the sale or liquidation of the property by the secondary country; or
- iii) the property in the secondary country is a production enterprise or a substantial interest therein, and such property or the primary company concerned is German controlled and, after full consideration of the economic interest of the primary country, the secondary country determines in exceptional cases that its national security nevertheless requires retention of the property and gives notice to the primary country to that effect.

B.—Where release is not made in kind, the secondary country shall release in substitution the proceeds of the sale or liquidation of the property which would otherwise have been released in kind. If such property has not been sold or liquidated within one year after agreement or consent under subparagraph (ii) of Paragraph A of this Article or the giving of notice under subparagraph (iii) thereof, or within an agreed extension beyond that period, the value of the property retained as determined by accepted principles of valuation shall be released.

ARTICLE 14

Reimbursement shall be paid to the secondary country by the primary country in the currency of the secondary country within two years after the date of release of the property. Payment may be delayed, however, in accordance with foreign exchange restrictions applicable generally to payment of