

except that such Party may retain any interest of a German enemy in immovable property located in its territory. Such release shall not be obligatory under this Part of this Annex in cases where the trust or other fiduciary arrangement was established by a person resident in Germany, or a German enemy, or a person who subsequently became a German enemy.

ARTICLE 9

The Party in favour of which property is released under this Part of this Annex shall recognise the rights of non-enemies in the estate, trust or other fiduciary arrangement.

ARTICLE 10

The principles of Part I of this Annex shall not be applicable to property released under this Part or distributed to the custodian authorities of a Party from an estate, bona fide trust or other bona fide fiduciary arrangement governed by this Part.

PART III

PROPERTY OWNED BY ENTERPRISES ORGANISED UNDER THE LAWS OF A PARTY

ARTICLE 11.

A.—This Part shall apply to property situated within the jurisdiction of a Party and owned by an enterprise organised under the laws of another Party in which enterprise there was a direct or indirect German enemy interest on the material date. The Party within whose jurisdiction the property is situated shall be referred to as the «secondary country» with respect to that property. The enterprise owning the property shall be referred to as the «primary company» with respect to that property. The Party under whose laws the enterprise is organised shall be referred to as the «primary country» with respect to that property. The terms «enterprise» and «company» shall include any firm or body of persons, whether corporate or unincorporate. Property of an enterprise organised in the form of a trust, and property of a banking or financial institution other than the foreign currency cover accounts governed by Article 5 of this Annex, shall be dealt with under this Part. However, this exception with respect to cover accounts shall not be construed to imply that any cover accounts are or are not the property of the institution.

B.—An enterprise shall be deemed to be German controlled if at the material date German enemies held directly or indirectly:

- i) 50 percent or more of the voting rights, outstanding capital stock or other proprietorship interests, or
 - ii) participating rights in a voting trust arrangement which rights represented 50 percent or more of such voting rights, outstanding capital stock or other proprietorship interests;
- or if at the material date German enemies directly or indirectly controlled the policy, management, voting power or operations of the enterprise. The property in the secondary country shall be deemed to be German controlled