

(5) Every German Bank Debtor or German Commercial or Industrial Debtor shall be obligated to cover at maturity any bill accepted for its account by a Foreign Bank Creditor.

(6) Any Foreign Bank Creditor to whom a short-term credit is owing in a currency other than that of his own country may, by giving notice in writing to his German Debtor at any time within the period of this Agreement, convert such credit into the currency of the country of such Foreign Bank Creditor. Such conversion shall thereupon be effected in the books of the Foreign Bank Creditor and the German Debtor, and the amount of the short-term credit expressed in the new currency shall be calculated by reference to the official middle rates for exchange of German currency into the original currency of the credit and such new currency respectively quoted in the Federal Republic on the date of the relative notice.

4. Reduction of Indebtedness (Temporarily inoperative)

Each Foreign Bank Creditor shall have the right to require permanent repayment, three months after the date of this Agreement and at the end of each three calendar monthly period thereafter during the period of this Agreement, by per cent. of the total amount of the short-term credits owing to such Foreign Bank Creditor by his German Debtors at the date of the coming into force of this Agreement, in respect of which adherence shall be made. Such repayment shall be made in the currency of the country of the Foreign Bank Creditor and the right to repayment of the total of the short-term credits by per cent., may be exercised by the Foreign Bank Creditor by applying such aggregate repayment right to the short-term credits owing by one or more of his German Debtors as the Foreign Bank Creditor may elect. The Foreign Bank Creditor shall be entitled to allocate his repayment rights to any particular indebtedness owing by an individual German Debtor.

(NOTE.—Additional provisions may be required for mechanics of payment.)

5. Recommercialisation

(1) The Bank deutscher Laender shall from time to time announce to the Foreign Bank Creditors that a certain percentage (hereinafter called the "stated percentage") of each Foreign Bank Creditor's aggregate short-term credits outstanding on the date of this Agreement may be recommercialised.

(2) Thereupon each Foreign Bank Creditor may within three months of such announcement arrange with Banks or other concerns in the Federal Republic (being or capable of becoming German Debtors as defined in this Agreement) for the opening of new credit lines (hereinafter called "substituted lines") up to the stated percentage of his aggregate short-term credits referred to in the preceding sub-Clause.

(3) Upon any such arrangement being concluded the Foreign Bank Creditor shall notify the Bank deutscher Laender that it is proposed to open the relative substituted line upon final repayment of an equal amount of specified short-term credits or parts thereof (hereinafter called "designated indebtedness") owing by a German Debtor (hereinafter called the "designated Debtor") and designated by the Foreign Bank Creditor. Except where the substituted line is with a German licensed foreign trade bank (Aussenhandelsbank) the Bank deutscher Laender shall have the right to disapprove the arrangement if it is not satisfied that the new debtor will be able to make adequate use of the substituted line.