

- (ii) Any company ordinarily resident in the Federal Republic which, having derived all or a substantial part of its initial assets from a German Debtor or former German Debtor, has by operation of law or otherwise become liable in respect of a short-term credit.

"Foreign Bank Creditor" means and includes any banker or banking institution ordinarily resident in one of the countries named in the preamble to this Agreement and any other firm or corporation ordinarily resident in one of those countries to whom indebtedness under short-term credits is owing and who shall in either case have unconditionally adhered to this Agreement in accordance with Clause 22 hereof.

"Federal Republic" means and includes the territory comprised in the Federal Republic of Germany and the Western Sectors of Berlin on the date of this Agreement.⁽¹⁾

"German" means appertaining to the Federal Republic as herein defined.

"Foreign" means appertaining to any country outside the territory comprised in the German State on the 31st day of December, 1937.

"Firm" includes an individual trading in his own or under a firm name.

"Insolvency" where used with reference to a German Debtor means a state in which the Debtor for want of liquid assets, not merely temporary, is unable to discharge all his debts as they mature.

"The previous Agreements" means and includes the German Credit Agreements of 1931 to 1939, the German Public Debtors' Credit Agreements of 1932 to 1938, the German-American Standstill Agreements of 1939 and 1940, and the Agreements relating to short-term credits owing to banking creditors in Switzerland and known respectively as "Das Deutsche Kreditabkommen von 1940, 1941, 1942, 1943 und 1944."

"Face Value" in relation to short-term credits for the time being outstanding means the total amount of such short-term credits according to the latest information available to the respective Foreign Bankers' Committees expressed for the purposes of computation in German currency calculated at the official middle rate quoted in the Federal Republic on the first working day prior to the day on which the computation is made.

2. Period of Agreement⁽¹⁾

(1) Unless otherwise stated, the provisions of this Agreement shall come into force on the _____ day of _____ 1952, and remain in force for a period of twelve calendar months from that date, subject to earlier determination by the Foreign Bankers' Committees in any of the following events, namely:—

- (i) If there shall be declared in the Federal Republic a moratorium which affects any obligation of German Debtors to Foreign Bank Creditors dealt with in this Agreement, or
- (ii) If in the future international decisions or governmental action of a financial, political or economic character create a situation in which, in the opinion of a majority of the Foreign Bankers' Committees, the carrying out of this Agreement becomes seriously endangered, or
- (iii) If the Foreign Bankers' Committees, after the attention of the German Committee has been drawn to the matter, shall find that any of the terms contained in Recital (7) has not been complied with.

⁽¹⁾ See Sub-Annex.