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DISCRIMINATION IN TRANSPORT INSURANCE
Addendum to the Report by the Secretary-General

In compliance with Economic and Social Council resolution 468H (XV) the Secretary-General, by note ECA 121/010 of 13 May 1953, brought to the attention of governments the study on discrimination in transport insurance with its annexes (E/CN.2/139).^{1/} In a communication dated 9 February 1954, transmitted through the Yugoslav Permanent Mission to the United Nations, the substantive part of which is reproduced below, the Government of the Federal People's Republic of Yugoslavia imparted the following information in connexion with this study:

1. The Yugoslav competent authorities agree with the definition of discrimination (part III, para.10(1) document E/CN.2/139).^{2/} At the same time they would like to point out that the Yugoslav legislation does not foresee any kind of discrimination and with respect to discrimination contained in bilateral agreements, there should be no place for such clauses. From our part, we are fully prepared to abandon them, if the other countries would do the same.

^{1/} The study (E/CN.2/139 and Corr.1) was issued as a document for the Commission's sixth session.

^{2/} The text of paragraph 10(1) is as follows:

"Laws and regulations which compel the insurance on goods entering or leaving a country to be affected by a contract in the domestic insurance market, and which have as their sole purpose the supplying of the national insurance market."

In this category may be included the practice of incorporating in commercial treaties between countries clauses having the effect, if applied by either party, of reserving the whole of the transport insurance on goods exchanged under the agreements to the domestic insurance companies of the signatories.

2. The definition contained in part III, para. 10(2)^{3/} is accepted. In the Federal People's Republic of Yugoslavia discriminatory taxation does not exist. On the contrary, according to present practices, agreements of foreign insurance companies concluded on Yugoslav territory are not subject to taxation.

3. The definition contained in part III, para. 10(3)^{4/} is accepted. Discrimination through the control of foreign exchange does not exist in Yugoslavia and it is requested that such practices in other countries should be abolished.

4. The definition contained in part III, para. 10(4)^{5/} is accepted. In Yugoslavia owing to its social structure, discrimination under this definition does not take place. However, when other countries under circumstances which justify the protection of their interests undertake measures mentioned in this article and if they are equally applied on all foreigners, it is considered that such action does not constitute discrimination.

5. The definition in part III, para. 10(5)^{6/} is accepted, it being understood that procedure under (5) does not represent an act of discrimination if all foreigners are equally treated.

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- 3/ The text of paragraph 10(2) is as follows: "discriminatory taxation of insurance contracts entered into between nationals and foreign marine insurance companies;"
- 4/ The text of paragraph 10(3) is as follows: "Discrimination practised through the control of foreign exchange;"
- 5/ The text of paragraph 10(4) is as follows: "Practices designed to discourage the admission of foreign insurance companies to do business in a country in competition with domestic companies, such as a requirement that a proportion of the capital be owned by nationals or that the managerial offices be held by nationals;"
- 6/ The text of paragraph 10(5) is as follows: "Discrimination practised in connexion with nationalization of insurance industries."