Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 1410 (2004)[1]

Repayment of the deposits of foreign exchange made in the offices of the Ljubljanska Banka not on the territory of Slovenia, 1977-1991

Parliamentary Assembly

1. The Parliamentary Assembly is seized of the question of the non-repayment by the Ljubljanska Banka (LB) in Ljubljana, Slovenia, of the foreign exchange deposited with the branches of the LB in Zagreb, Sarajevo and Skopje over a period of more than ten years, between 1977 and 1991, before the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY).

2. The depositors from Bosnia and Herzegovina, Croatia and "the former Yugoslav Republic of Macedonia", as successor states of Yugoslavia, claim that Slovenia is liable to repay these deposits because the head office of LB is, and was, located in Slovenia. The smaller and larger claims by some hundreds of thousands of depositors total several hundred million German marks, including a very high percentage of accumulated interest.

3. The Assembly is of the opinion that it is unfair to keep the depositors waiting until the legal, economic and political questions have been solved between the successor states which have guaranteed these deposits.

4. The Assembly welcomes the fact that certain groups of savers have received at least partial compensation from their governments: those who deposited their savings in LB offices in Slovenia or in "the former Yugoslav Republic of Macedonia" and those who accepted the Croatian Government's limited offer to transform the savings into Croatian national debt. It considers that similar solutions should be offered to all those whose savings were lost in the collapse of the banking system in the SFRY.

5. The Assembly does not consider it to be its task to take sides in the legal dispute between Slovenia and some of the savers who deposited their savings in Ljubljanska Banka offices located in other former Yugoslav republics, a dispute which has been brought before the European Court of Human Rights by a group of depositors in Croatia.

6. The Assembly therefore considers that it is primarily for the Court, and not the Assembly, to decide on the expediency of invoking, in the cases in question, the principle of protection against expropriation guaranteed by the European Convention on Human Rights, if the Court regards such claims to be admissible.

7. However, notwithstanding the decision of the Court to declare two individual applications from Croatian depositors admissible, the Assembly considers that the matter of compensation for so many thousands of individuals would best be solved politically, between the successor states, instead of an already overburdened Court. The Assembly therefore:

7.1. appeals to the successor countries of the SFRY to address without further delay the plight of the depositors of hard-currency savings in former Yugoslav banks, many of whom lost access to their modest life savings in the collapse of the banking system of the SFRY;

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1. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 23 November 2004 (see Doc. 10135, report of the Committee on Legal Affairs and Human Rights, rapporteur: Mr Jurgens).

7.2. proposes that the four countries concerned set up a collective fund under the auspices of the Council of Europe in order to compensate the depositors for the capital of their original foreign-currency savings, possibly with some compensation for inflation, in order to help the savers, who have been deprived of access to their life savings for more than ten years. The fund should be financed by all four governments concerned, in principle proportionately to foreign-exchange deposits made on the territory of each of the countries. In negotiating the precise burden-sharing arrangement between the successor countries of the SFRY, due account should be taken of the following factors, in so far as they can be properly established:

a. actual hard-currency transfers made to the Ljubljana office of Ljubljanska Banka of savings deposited in offices located in other republics and use of such funds for the economic development of Slovenia;

b. the possibility offered, or not, to Ljubljanska Banka to pursue its banking activities in the other republics after the breakdown of the SFRY, thus making it possible for the LB to recover debts owed by clients for loans granted;

c. the fact that compensation has already been given to depositors by some states and that the claims of these depositors have been taken over by those states;

7.3. invites the European Union to examine the possibility of making a contribution to the collective fund;

7.4. instructs its Committee on Economic Affairs and Development to study the arrangements for setting up the above-mentioned collective fund.