Note: This English translation is provided for informative purposes only. In case of deviations from the German version of this document, the German version shall be considered as the authoritative version.

ADMINISTRATIVE AGREEMENT ESTABLISHING JOINT ARBITRATION FOR DISPUTES CONCERNING THE RETURN OF NAZI-LOOTED CULTURAL PROPERTY

The Federal Republic of Germany

represented by the Federal Government Commissioner for Culture and the Media (BKM),

– hereinafter referred to as the "Federation" –

and

The *Land* Baden-Württemberg,

the Free State of Bavaria,

the *Land* Berlin,

the *Land* Brandenburg,

the Free Hanseatic City of Bremen,

the Free and Hanseatic City of Hamburg,

the *Land* Hesse,

the *Land* Mecklenburg-Western Pomerania,

the *Land* Lower Saxony,

the *Land* North Rhine-Westphalia,

the *Land* Rhineland-Palatinate,

Saarland,

the Free State of Saxony,

the *Land* Saxony-Anhalt,

the *Land* Schleswig-Holstein,

the Free State of Thuringia

– hereinafter referred to as the "*Länder*" –

and

the German Association of Cities,

the German Association of Counties,

the German Association of Towns and Municipalities

– hereinafter referred to as the "national associations of local authorities" –

conclude the following Administrative Agreement:

Preamble

A. The Federation, the *Länder* and the national associations of local authorities are aware of Germany's historical responsibility for dealing with Nazi-looted cultural property. The Federation, the *Länder* and the national associations of local authorities are therefore committed to implementing the Washington Conference Principles on Nazi-Confiscated Art (hereinafter referred to as the "Washington Principles") of 1998 and reaffirm the Statement by the Federal Government, the Länder and the national associations of local authorities on the tracing and return of Nazi-confiscated art, especially Jewish property (hereinafter referred to as the "Common Statement") of 1999.

B. The Federation, the *Länder* and the national associations of local authorities agreed at the 20th High-Level Cultural Policy Meeting (*Kulturpolitisches Spitzengespräch*) on 13 March 2024 that, in the light of experience gained over the past 20 years, the procedure for the alternative resolution of disputes concerning return issues on nazi-looted cultural property which was established, on the basis of an accord, with the creation of the Advisory Commission on the return of cultural property seized as a result of Nazi persecution, especially Jewish property (hereinafter referred to as the "Advisory Commission") required modification in order to better fulfil the objectives of the Washington Principles.

C. Under this Administrative Agreement, joint arbitration for disputes concerning the return of Nazi-

looted cultural property (hereinafter referred to as "Court of Arbitration for Nazi-looted Cultural Property") is established. The joint arbitration will replace the Advisory Commission and, like the Advisory Commission, will constitute an alternative dispute resolution mechanism as referred to in the Washington Principles. It will act on the basis of a comprehensive, differentiated Assessment Framework and Rules of Arbitration drawn up by the Federation, the *Länder* and the national associations of local authorities. This procedure is open to natural and legal persons under public and private law. Furthermore, the procedure enables parties entitled to apply for arbitration vis-à-vis public institutions holding cultural property to unilaterally apply to the Court of Arbitration for Nazi-looted Cultural Property.

D. In the Administrative Agreement, the Federation, the *Länder* and the national associations of local authorities agree that the German Lost Art Foundation (Deutsches Zentrum Kulturgutverluste, hereinafter referred to as the "DZK"), which is a foundation with legal capacity under civil law, is the appropriate legal entity for holding the Court of Arbitration for Nazi-looted Cultural Property and its Service Desk. The DZK, which is sponsored jointly by the Federation, the *Länder* and the national associations of local authorities, has special professional expertise based on its experience and knowledge in the field of researching and dealing with Nazi-looted cultural property.

E. As agreed at the 20th High-Level Cultural Policy Meeting on 13 March 2024, the Federation and the *Länder* intend, in a second step, to conclude a state treaty between the Federation and the *Länder,* and including the local authorities, to govern the joint arbitration established in this Administrative Agreement.

WITH THIS IN MIND, the Federation, the *Länder* and the national associations of local authorities agree as follows:

Section 1 Subject

The subject of this Administrative Agreement is the establishment of the Court of Arbitration for Nazi-looted Cultural Property (*Schiedsgerichtsbarkeit NS-Raubgut*) and the creation of the possibility of unilateral application for arbitration. To this end, institutional arbitration and a Service Desk will be created whose legal entity is the DZK, which has its seat in Magdeburg. The seat of the Service Desk and the place of arbitration will be located in Germany. The specific location will be determined later.

[see section 2 of the Rules of Arbitration in Annex 1, attached]

Section 2 Tasks and the establishment of arbitration

(1) The Court of Arbitration for Nazi-looted Cultural Property has the task of bringing about, independently and impartially, an amicable settlement or a binding decision according to the Rules of Arbitration and an Assessment Framework in the case of disputes concerning the return of Nazi-looted cultural property.

(2) Parties may be natural or legal persons. The procedure is explicitly open to disputes involving private individuals and private institutions holding cultural property.

(3) The Rules of Arbitration and the Assessment Framework are based in particular on the Washington Principles of 1998, the Joint Declaration of 1999, the Terezin Declaration of 2009 and the Best Practices for the Washington Conference Principles on Nazi-confiscated Art of 2024.

(4) The Service Desk has the task of impartially supporting and administering the arbitration proceedings.

(5) The Federation, the *Länder* and the national associations of local authorities actively support the implementation of the Administrative Agreement. In particular, by means of their representatives on the DZK Foundation Board, they bring about the necessary decisions to establish the DZK as the legal entity for the arbitration for Nazi-looted cultural property and the Service Office. The independence of the arbitration panels and the arbitrators is ensured. Further details of the procedure are governed by the Rules of Arbitration.

(6) The Rules of Arbitration in Annex 1 apply to arbitration at the Court of Arbitration for Nazi-looted Cultural Property. Any amendments to the Rules of Arbitration are mutually agreed by the Contracting Parties at a High-lLvel Cultural Policy Meeting.

(7) The arbitration panels of the Court of Arbitration for Nazi-looted Cultural Property decide solely on the basis of the Assessment Framework in Annex 2, to the exclusion of the law applicable to rules on conflict of laws and in particular without regard to any pleas of limitation or forfeiture. Any amendments to the Assessment Framework are mutually agreed by the Contracting Parties at a High-lLvel Cultural Policy Meeting.

Section 3 The possibility of unilateral application for arbitration

(1) No later than three months after this Administrative Agreement enters into force, the Federation and the *Länder* make a "standing offer" to conclude an arbitration agreement.

(2) Through their participation in the legal entities of other bodies holding cultural property, the Federation and the *Länder* will seek to ensure that, no later than six months after the Administrative Agreement enters into force, these bodies make a standing offer to conclude an arbitration agreement.

(3) With the support of the relevant *Länder* vis-à-vis their state-level associations, the national associations of local authorities will actively seek to ensure that the legal entities of local-level bodies holding cultural property make a standing offer to conclude an arbitration agreement.

(4) Standing offers are made using the model in Annex 3. Standing offers are to be submitted to the Service Desk. The Service Desk keeps a list of all standing offers and publishes this list on its website. It provides a form in accordance with the applicable provision of the Code of Civil Procedure (*Zivilprozessordnung*, ZPO) for private individuals to conclude an arbitration agreement.

(5) In cases in which the legal entity of an institution holding cultural property or a private individual has not made an offer to conclude an arbitration agreement, the Service Desk must make suitable efforts to bring about the conclusion of an arbitration agreement if there are applications to conduct arbitration proceedings from parties entitled to apply for such proceedings. Further details are governed by the Rules of Arbitration.

Section 4 Financing

(1) Arbitration proceedings are free of charge to the parties, with the exception of costs they themselves incur.

(2) The costs are borne by the Federation until 31 December 2025; starting 1 January 2026, the Federation and the *Länder* each bear half of the costs. The *Länder*'s share of the costs are divided among the *Länder* according to the Königstein formula. The obligations arising from this

Administrative Agreement are subject to the provision of budget funds by the parliaments.

Section 5 Entry into force and duration of the Administrative Agreement

(1) The Administrative Agreement enters into force when it has been signed by all Parties to the Agreement.

(2) The Administrative Agreement may be terminated by the Federation and each *Land* and each national association of local authorities by giving written notice to the other Parties to the Administrative Agreement two years in advance, with the termination entering into force at the end of the second calendar year, but not before five years have elapsed since the Administrative Agreement entered into force. The Standing Conference of Ministers of Education and Cultural Affairs of the *Länder* in the Federal Republic of Germany is to be notified of the termination at the same time.

(3) The Administrative Agreement expires when the final period of notice has elapsed if the Federation or at least six *Länder* have terminated it. The Administrative Agreement expires as well if the DZK is dissolved or suspended. In these cases, the Federation, *Länder* and the national associations of local authorities make the necessary arrangements, at least six months before the Administrative Agreement expires, to assume and continue the Court of Arbitration for Nazi-looted Cultural Property, or to dissolve and to end it.

(4) If one or more *Länder* terminate the Administrative Agreement without the Administrative Agreement ceasing to be in force under subsection 2 as a result, the Federation and the *Länder* will, at least six months before the period of notice for termination ends, make an arrangement concerning the further funding for the Court of Arbitration for Nazi-looted Cultural Property.

(5) Termination by a national association of local authorities does not render the Administrative Agreement invalid. If all national associations of local authorities terminate the Administrative Agreement, it remains in force between the Federation and the *Länder*.

(6) A state treaty between the Federation and the *Länder* may replace the Administrative Agreement in due course. The transitional provisions needed in this case will be governed by the state treaty.

Section 6 Transitional provisions

(1) On the day before the Service Desk begins its work, the agreement between the Federation, *Länder* and the national associations of local authorities of 2003, in the new version of 2016, to establish an Advisory Commission on the return of cultural property seized as a result of Nazi

persecution, especially Jewish property, becomes invalid. The Advisory Commission and its Office cease their operations at that time.

(2) Any proceedings of the Advisory Commission which have not yet been resolved at that time are transferred to the Court of Arbitration for Nazi-looted Cultural Property, if both parties declare their consent vis-à-vis the Service Desk. Otherwise, each party may unilaterally initiate new proceedings under the conditions of the Rules of Arbitration.

Section 7 Amendments to the Administrative Agreement and additional agreements

Any amendments to this Administrative Agreement must be made in writing. The same applies to changes to the formal requirements in sentence 1.

Section 8 Evaluation

The Federation, the *Länder* and the national associations of local authorities, together with the Central Council of Jews in Germany and the Jewish Claims Conference, will evaluate the arbitration procedure established by this Administrative Agreement. The evaluation will be conducted as soon as ten arbitration awards on just and fair solutions under the Rules of Arbitration have been issued and no later than three years after arbitration was established.

Section 9 Supplementary Clause

(1) If individual provisions of this Administrative Agreement are or become completely or partially invalid or inapplicable, or if this Administrative Agreement contains a gap, this will not affect the validity of the remaining provisions. In such a case, the Federation, the *Länder* and the national associations of local authorities are obligated to participate in creating provisions to bring about a result with legal effect which is as close as possible in law or fact to the result intended by the invalid or inapplicable provision.

(2) If provisions of this Administrative Agreement need to be interpreted or added to, the interpretation or the addition must be carried out in a way that does the best possible justice to the content and purpose of this Administrative Agreement. In the process, the arrangement which the participants would have made when concluding this Administrative Agreement if they had recognised the need for interpretation or addition should apply.