

**UNITED KINGDOM OF GREAT BRITAIN AND  
NORTHERN IRELAND  
and  
BELGIUM**

**Monetary Agreement. Signed at London, on 5 October 1944**

Came into force on 5 October 1944, by signature.

*English official text communicated by the Permanent United Kingdom Representative to the United Nations. The filing and recording took place on 23 June 1947.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE ET  
D'IRLANDE DU NORD  
et  
BELGIQUE**

**Accord monétaire. Signé à Londres, le 5 octobre 1944**

Entré en vigueur le 5 octobre 1944, par signature.

*Texte officiel anglais communiqué par le représentant permanent du Royaume-Uni auprès de l'Organisation des Nations Unies. Le classement et l'inscription au répertoire ont eu lieu le 23 juin 1947.*

No. 31. MONETARY AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF BELGIUM. SIGNED AT LONDON, ON 5 OCTOBER 1944

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The Government of the United Kingdom of Great Britain and Northern Ireland, of the one part, and the Government of Belgium, of the other part, have agreed as follows:—

*Article 1*

(i) The rate of exchange between the Belgian franc and the £ sterling shall be Bg. fcs.  $176 \cdot 625 =$  £1.

(ii) This rate (hereinafter referred to as “the official rate”) shall not be varied by either of the Contracting Governments except after mutual consultation.

(iii) In all territories where they have jurisdiction the Contracting Parties shall enforce the use of the official rate as the basis of all transactions involving a relationship between the two currencies.

(iv) The Bank of England and the National Bank of Belgium, as agents of their respective Governments, shall fix by mutual agreement the maximum spread above or below the official rate which will be authorised on the markets which they control.

*Article 2*

(i) The Bank of England (acting as agents of the United Kingdom Government) shall sell sterling to the National Bank of Belgium (acting as agents of the Belgian Government) as may be required for payments which residents of the Belgian monetary area, under the exchange regulations in force in that area, are permitted to make to residents of the sterling area—

(a) against Belgian francs to be credited at the official rate to the Bank of England's No. 1 Account with the National Bank of Belgium, provided that the balance standing to the credit of that Account is not thereby increased above a maximum of Bg. fcs. 883,125,000, or

- (b) if the balance standing to the credit of the Bank of England's No. 1 Account with the National Bank of Belgium amounts to Bg. fcs. 883,125,000, against gold to be set aside in the Bank of England's name at the National Bank of Belgium, Brussels.

(ii) The National Bank of Belgium (acting as agents of the Belgian Government) shall sell Belgian francs to the Bank of England (acting as agents of the United Kingdom Government) as may be required for payments which residents of the sterling area, under the exchange regulations in force in that area, are permitted to make to residents of the Belgian monetary area—

- (a) against sterling to be credited at the official rate to the National Bank of Belgium's No. 1 Account with the Bank of England provided that the balance standing to the credit of that Account is not thereby increased above a maximum of £5 million plus such additional sum as the Contracting Governments shall have agreed to recognise as equivalent to the net amount of sterling owned by residents of the Belgian monetary area at the date on which this Agreement enters into force, or

- (b) if the balance standing to the credit of the National Bank of Belgium's No. 1 Account with the Bank of England amounts to £5 million plus the additional sum referred to in sub-paragraph (a) above, against gold to be set aside in the name of the National Bank of Belgium at the Bank of England, London.

(iii) The National Bank of Belgium shall at all times maintain a balance of not less than £100,000 on their No. 1 Account with the Bank of England.

(iv) The Bank of England shall at all times maintain a balance of not less than Bg. fcs. 17,662,500 on their No. 1 Account with the National Bank of Belgium.

(v) Gold set aside in Brussels in accordance with the provisions of this Article shall be at the Bank of England's free disposal and may be exported.

(vi) Gold set aside in London in accordance with the provisions of this Article shall be at the National Bank of Belgium's free disposal and may be exported.

*Article 3*

(i) The Bank of England shall have the right at any time to sell to the National Bank of Belgium all or part of the sterling balances held by that Bank, either Belgian francs at the official rate or gold to be set aside at the Bank of England in London.

(ii) The National Bank of Belgium shall have the right at any time to sell to the Bank of England, against all or part of the Belgian franc balances held by that Bank, either sterling at the official rate or gold to be set aside at the National Bank of Belgium in Brussels.

*Article 4*

(i) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of the Belgian monetary area for making—

- (a) transfers to other residents of the Belgian monetary area;
- (b) payments to residents of the sterling area; or
- (c) transfers to residents of countries outside the Belgian monetary area and the sterling area to the extent to which these may be authorised by the Government of the United Kingdom under the arrangements contemplated in Article 8 (iii) hereof.

(ii) The Belgian Government shall not restrict the availability of Belgian francs at the disposal of residents of the sterling area for making—

- (a) transfers to other residents of the sterling area;
- (b) payments to residents of the Belgian monetary area; or
- (c) transfers to residents of countries outside the sterling area and the Belgian monetary area to the extent to which these may be authorised by the Belgian Government under the arrangements contemplated in Article 8 (iii) hereof.

*Article 5*

(i) To the extent to which the National Bank of Belgium requires sterling area currencies, other than sterling, for the purpose of providing for payments in the countries where such currencies are legal tender, the National Bank of Belgium shall purchase them through the Bank of England against payment in sterling.

(ii) To the extent to which the Bank of England require Congolese francs for the purpose of providing for payments in the Belgian Congo and the Mandated Territory of Ruanda Urundi, the Bank of England shall purchase them through the National Bank of Belgium against payment in Belgian francs.

#### *Article 6*

The two Contracting Governments shall co-operate with a view to assisting each other in keeping capital transactions within the scope of their respective policies, and in particular with a view to preventing transfers between their areas which do not serve direct and useful economic or commercial purposes.

#### *Article 7*

Any sterling held by the National Bank of Belgium shall be held and invested only as may be agreed by the Bank of England and any Belgian francs held by the Bank of England shall be held and invested only as may be agreed by the National Bank of Belgium.

#### *Article 8*

(i) If during the currency of this Agreement the Contracting Governments adhere to a general international monetary agreement, they will review the terms of the present Agreement with a view to making any amendments that may be required.

(ii) While the present Agreement remains in force the Contracting Governments shall co-operate to apply it with the necessary flexibility according to circumstances. The Bank of England and the National Bank of Belgium, as agents of their respective Governments, will maintain contact on all technical questions arising out of the Agreement and will collaborate closely on exchange control matters affecting the two areas.

(iii) As opportunity offers, the Contracting Governments shall seek with the consent of the other interested parties—

(a) to make Belgian francs at the disposal of residents of the sterling area and sterling at the disposal of residents of the Belgian monetary area available for payments of a current nature to residents of countries outside the sterling area and the Belgian monetary area; and

(b) to enable residents of countries outside the sterling area and the Belgian monetary area to use sterling at their disposal to make payments of

a current nature to residents of the Belgian monetary area, and to use Belgian francs at their disposal to make payments of a current nature to residents of the sterling area,

(iv) Notwithstanding that each of the Contracting Governments shall be alone responsible for its monetary relations with third parties, they shall maintain contact wherever the monetary relations of the one affect the interests of the other.

#### Article 9

For the purposes of the present Agreement—

(i) The expression “the sterling area” shall have the meaning from time to time assigned to it by the exchange control regulations in force in the United Kingdom.

(ii) The expression “the Belgian monetary area” shall, subject to the provisions of Article 10 hereof, include the following territories:—

Belgium,  
Luxembourg,  
Belgian Congo, and the  
Mandated Territory of Ruanda Urundi.

(iii) Transactions between the Bank of England and the National Bank of Belgium are to be considered as transactions between the sterling area and the Belgian monetary area.

(iv) Transactions entered into by the Government of any territory within one of the two areas described above are to be considered as transactions entered into by a resident of that area.

#### Article 10

The present Agreement shall not apply to the Belgian Congo and the Mandated Territory of Ruanda Urundi until fourteen days after its signature. On that date, the Anglo-Belgian Financial Agreement of the 21st January, 1941,<sup>1</sup> shall cease to have effect between the Contracting Governments.

#### Article 11

Upon the signature of the present Agreement, the Anglo-Belgian Financial Agreement of the 7th June, 1940 shall be abrogated, and the balances which have accrued thereunder shall be available in accordance with the provisions of Article 4 hereof.

<sup>1</sup> Great Britain *Treaty Series* No. 1 (1941), Cmd. 6248.

*Article 12*

The present Agreement, which shall be subject to review and adjustment after mutual consultation, shall come into force on the day of its signature. At any time thereafter either Contracting Government may give notice to the other of its intention to terminate the Agreement and the Agreement shall cease to have effect three months after the date of such notice. It shall terminate three years after the date of its coming into force, unless the Contracting Governments agree otherwise.

IN WITNESS WHEREOF, the Undersigned, being duly authorised by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in London, in duplicate, this 5th day of October, 1944.

(L.S.) John ANDERSON

(L.S.) E. de CARTIER

(L.S.) GUTT