

No. 70

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

**Monetary Agreement. Signed at London, on 12 March 1946**

Came into force on 12 March 1946, by signature.

*English and French official texts communicated by the Permanent United Kingdom Representative to the United Nations. The registration took place on 30 July 1947.*

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

**Accord monétaire. Signé à Londres, le 12 mars 1946**

Entré en vigueur le 12 mars 1946, par signature.

*Textes officiels anglais et français communiqués par le représentant permanent du Royaume-Uni auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 30 juillet 1947.*

No. 70. MONETARY AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE SWISS GOVERNMENT. SIGNED AT LONDON, ON 12 MARCH 1946

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

*Article 1*

(1) The rate of exchange between the Swiss franc and the £ sterling shall be Swiss francs  $17 \cdot 35 =$  £1.

(2) This rate (hereinafter referred to as “the official rate”) shall not be varied by either of the Contracting Governments except after giving to the other as much notice as may be practicable.

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

(4) The Bank of England and the National Bank of Switzerland, 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*

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

- (a) against Swiss francs to be credited at the official rate to the Bank of England's No. 1 Account with the National Bank of Switzerland, provided that the balance standing to the credit of that Account is not thereby increased above a maximum of 86,750,000 Swiss francs, or

- (b) if the balance standing to the credit of the Bank of England's No. 1 Account with the National Bank of Switzerland amounts to 86,750,000 Swiss francs against gold to be set aside in the Bank of England's name at the National Bank of Switzerland, Berne.
- (2) The National Bank of Switzerland (acting as agents of the Swiss Government) shall sell Swiss 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 Switzerland—
- (a) against sterling to be credited at the official rate to the National Bank of Switzerland'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 may be determined by the Contracting Governments in the light of the estimated balance of payments between the sterling area and Switzerland, or
- (b) if the balance standing to the credit of the National Bank of Switzerland'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 Switzerland at the Bank of England, London.
- (3) The National Bank of Switzerland shall at all times maintain on their No. 1 Account with the Bank of England a minimum balance, the amount of which shall be determined in agreement with the Bank of England.
- (4) The Bank of England shall at all times maintain on their No. 1 Account with the National Bank of Switzerland a minimum balance, the amount of which shall be determined in agreement with the National Bank of Switzerland.

### Article 3

- (1) The Bank of England shall have the right at any time to sell to the National Bank of Switzerland, against all or part of the sterling balances held by that Bank, either Swiss francs at the official rate or gold to be set aside at the Bank of England in London.
- (2) The National Bank of Switzerland shall have the right at any time to sell to the Bank of England, against all or part of the Swiss franc balances held by that Bank, either sterling at the official rate or gold to be set aside at the National Bank of Switzerland in Berne.

*Article 4*

(1) Gold set aside in Berne in accordance with the provisions of Articles 2 and 3 of this Agreement shall be at the Bank of England's free disposal and may be exported.

(2) Gold set aside in London in accordance with the provisions of Articles 2 and 3 of this Agreement shall be at the National Bank of Switzerland's free disposal and may be exported.

*Article 5*

(1) Subject to the provisions of Article 2 of this Agreement, the Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of Switzerland for making—

- (a) transfers to other residents of Switzerland;
- (b) payments to residents of the sterling area; or
- (c) transfers to residents of countries outside Switzerland 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 9 (3) hereof.

(2) Subject to the provisions of Article 2 of this Agreement, the Swiss Government shall not restrict the availability of Swiss 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 Switzerland; or
- (c) transfers to residents of countries outside the sterling area and Switzerland to the extent to which these may be authorised by the Swiss Government under the arrangements contemplated in Article 9 (3) hereof.

*Article 6*

To the extent to which the National Bank of Switzerland 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 Switzerland shall purchase them through the Bank of England against payment in sterling.

*Article 7*

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 the sterling area and Switzerland which do not serve direct and useful economic or commercial purposes.

#### *Article 8*

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

#### *Article 9*

(1) If the two Contracting Governments adhere to a general international monetary agreement or if either Government changes its monetary policy in such a way that the provisions of the present Agreement would be affected, the two Governments shall review the Agreement with a view to making any amendments that may be required. In any event, they agree to meet for the purpose of making such a review not later than twelve months after the date of the coming into force of the present Agreement.

(2) 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 Switzerland, as agents of their respective Governments, will maintain contact on all technical questions arising out of the Agreement.

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

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

(b) to enable residents of countries outside the sterling area and Switzerland to use sterling at their disposal to make payments of a current nature to residents of Switzerland, and to use Swiss francs at their disposal to make payments of a current nature to residents of the sterling area.

(4) 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 10*

(1) For the purposes of the present Agreement 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; and the expression "Switzerland" shall mean the Swiss Confederation and the Principality of Liechtenstein.

(2) Transactions between the Bank of England and the National Bank of Switzerland are to be considered as transactions between the sterling area and Switzerland.

(3) Transactions entered into by the Government of any territory within the sterling area or by the Swiss Government are to be considered as transactions entered into by a resident of that area or of Switzerland, respectively.

*Article 11*

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 duplicate in London, this twelfth day of March, 1946, in English and French, both texts being equally authoritative.

(L.S.) Ernest BEVIN

(L.S.) Paul RUEGGER