

No. 1155

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

**Sterling Payments Agreement. Signed at London, on
18 August 1949**

Official texts: English and Czech.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
11 April 1951.*

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

**Accord relatif aux règlements en livres sterling. Signé à
Londres, le 18 août 1949**

Textes officiels anglais et tchèque.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
11 avril 1951.*

No. 1155. STERLING PAYMENTS AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC. SIGNED AT LONDON, ON 18 AUGUST 1949

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of the Czechoslovak Republic (hereinafter referred to as "the Czechoslovak Government") have agreed as follows:—

Article I

(i) All trade and financial payments between residents of Czechoslovakia and residents of the Scheduled Territories shall be settled in sterling.

(ii) Payments due to or from residents of the Scheduled Territories which must necessarily be made in Czechoslovak crowns shall be settled by the purchase or sale of sterling by residents of Czechoslovakia on the basis of the rates quoted in accordance with Article II.

(iii) All other payments expressed in currencies other than sterling and Czechoslovak crowns which are due to be settled in sterling shall be converted into and settled in sterling on the basis of the official rates in London.

Article II

The National Bank of Czechoslovakia (hereinafter referred to as "the National Bank") shall quote buying and selling rates for sterling and for United States dollars which shall be related to one another at the Bank of England's middle rate for the United States dollar.

Article III

All sterling payments to residents of Czechoslovakia which residents of the Scheduled Territories or of countries outside the Scheduled Territories are permitted to make to Czechoslovakia under the Exchange Control Regulations in force in the United Kingdom shall be made to Czechoslovak Accounts.

¹ Came into force on 19 August 1949, in accordance with article X.

Article IV

(i) The National Bank shall, on the basis of the rates quoted in accordance with Article II—

- (a) purchase, when required, sterling transferred to the credit of any Czechoslovak Account against disbursement of the Czechoslovak crown equivalent;
- (b) sell to residents of Czechoslovakia such sterling at its disposal as may be required for any payments which residents of Czechoslovakia are permitted to make to residents of the Scheduled Territories under the Exchange Control Regulations in force in Czechoslovakia from time to time.

(ii) The Czechoslovak Government shall not restrict the availability of any Czechoslovak crowns arising from permitted current transactions and accruing to residents of the Scheduled Territories for making payments to any resident of Czechoslovakia or to any other resident of the Scheduled Territories.

Article V

(i) The Government of the United Kingdom shall not restrict the availability of sterling standing to the credit of any Czechoslovak Account for transfer to any other Czechoslovak Account or to residents of the Scheduled Territories.

(ii) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of the National Bank for making payments in respect of direct current transactions to residents of such countries outside Czechoslovakia and the Scheduled Territories as may be agreed between the Bank of England and the National Bank acting as Agents of their respective Governments.

Article VI

The Czechoslovak Government shall not restrict the acceptance by residents of Czechoslovakia of sterling from residents of the Scheduled Territories and, in respect of direct current transactions, from residents of such countries outside Czechoslovakia and the Scheduled Territories as may be agreed between the Bank of England and the National Bank acting as Agents of their respective Governments.

Article VII

Any sterling held by the National Bank shall be held and invested only as may be agreed with the Bank of England.

Article VIII

The Bank of England and the National Bank, as Agents of their respective Governments, will maintain contact on all technical questions arising out of the present Agreement.

Article IX

For the purposes of the present Agreement—

- (a) the expression “the Scheduled Territories” shall have the meaning from time to time assigned to it under the United Kingdom Exchange Control Act, 1947;
- (b) the expression “Czechoslovak Account” shall mean an account of a resident of Czechoslovakia which is for the time being recognised by the Bank of England as a Czechoslovak Account for the purposes of the present Agreement;
- (c) the expression “payments for direct current transactions” means payments for transactions of the type defined in Article XIX (i) of the Articles of Agreement of the International Monetary Fund¹ which are made by a principal in the paying country and which relate solely to goods imported into that country and originating in the country to which payment is made or to services rendered to that country by residents of the country to which payment is made.

Article X

The present Agreement, which shall be subject to review and adjustment after consultation between the contracting Governments, shall come into force on the 19th August, 1949. 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 18th day of August, 1949, in the English and Czech languages, both texts being equally authentic.

For the Government of the United Kingdom of Great Britain
and Northern Ireland :

[L. S.] Ernest BEVIN

For the Government of the Czechoslovak Republic :

[L. S.] R. MARGOLIUS

¹ United Nations, *Treaty Series*, Vol. 2, p. 104.