

No. 1165

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

**Sterling Payments Agreement. Signed at Madrid, on 15 December 1948**

*Official texts: English and Spanish.*

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

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

**Accord relatif aux paiements en livres sterling. Signé à Madrid, le 15 décembre 1948**

*Textes officiels anglais et espagnol.*

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

No. 1165. STERLING PAYMENTS AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE SPANISH STATE. SIGNED AT MADRID, ON 15 DECEMBER 1948

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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 Spanish State (hereinafter referred to as "the Spanish Government") have agreed as follows:—

*Article I*

(i) All trade and financial payments between residents of the Spanish Monetary Area 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 pesetas shall be settled by the purchase or sale of sterling by residents of the Spanish Monetary Area on the basis of the rate quoted in accordance with Article II.

(iii) All other payments expressed in currencies other than sterling and pesetas 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 Instituto Español de Moneda Extranjera (hereinafter referred to as "the Instituto") shall quote buying 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 the Spanish Monetary Area which residents of the Scheduled Territories or of countries outside the Scheduled Territories are permitted to make to the Spanish Monetary Area under the Exchange Control Regulations in force in the United Kingdom shall be made to Spanish Accounts.

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<sup>1</sup> Came into force on 15 December 1948, in accordance with article XI.

*Article IV*

(i) The Instituto shall, on the basis of the rate quoted in accordance with Article II—

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

(ii) The Spanish Government shall not restrict the availability of any pesetas arising from permitted current transactions and accruing to residents of the Scheduled Territories for making payments to any resident of the Spanish Monetary Area 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 Spanish Account for transfer to any other Spanish 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 Instituto for making payments in respect of direct current transactions to residents of such countries outside the Spanish Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the Instituto acting as Agents of their respective Governments.

*Article VI*

The Spanish Government shall not restrict the acceptance by residents of the Spanish Monetary Area of sterling at the disposal of residents of the Scheduled Territories and, in respect of direct current transactions, of residents of such countries outside the Spanish Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the Instituto acting as Agents of their respective Governments.

*Article VII*

Sterling held by the Instituto shall be held and invested only as may be agreed with the Bank of England.

*Article VIII*

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

*Article IX*

The Monetary Agreement signed between the Government of the United Kingdom and the Spanish Government in London on 28th March, 1947,<sup>1</sup> is hereby abrogated.

*Article X*

For the purpose 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 " the Spanish Monetary Area " shall mean the territories of the Peninsula, the Canary Isles and the Balearic Isles, Ceuta and Melilla, the Spanish Zone of Morocco and the Spanish Colonies;
- (c) the expression " Spanish Account " shall mean an account of a resident of the Spanish Monetary Area which is for the time being recognised by the Bank of England as a Spanish Account for the purpose of the present Agreement.

*Article XI*

The present Agreement, which shall be subject to review and adjustment after consultation between contracting Governments, shall come into force on the fifteenth day of December, 1948. 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 two 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 Madrid, in duplicate, this fifteenth day of December, 1948, in the English and Spanish languages, both texts being equally authoritative.

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

[L.S.]

Douglas F. HOWARD

For the Government of the  
Spanish State :

[L.S.]

Alberto MARTÍN ARTAJO

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<sup>1</sup> United Nations, *Treaty Series*, Vol. 66, p. 91.