

No. 1196

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
FEDERAL REPUBLIC OF GERMANY**

**Payments Agreement. Signed at Frankfurt, on 9 December
1950**

Official texts: English and German.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
14 May 1951.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

Accord de paiements. Signé à Francfort, le 9 décembre 1950

Textes officiels anglais et allemand.

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

No. 1196 PAYMENTS AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY. SIGNED AT FRANKFURT, ON 9 DECEMBER 1950

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 Federal Republic of Germany (hereinafter referred to as "the Federal Government"), desiring to conform with the provisions of the agreement relating to the establishment of a European Payments Union which was signed in Paris on 19th September, 1950² (hereinafter referred to as "the European Payments Agreement"), have agreed as follows :—

Article 1

All trade and financial payments, including permitted capital transactions, between residents of the Deutschemark monetary area and residents of the Scheduled Territories shall be settled in sterling.

Article 2

The Bank deutscher Länder shall buy and sell sterling, and the relation between the Bank deutscher Länder's rate for sterling and its rate for United States dollars shall be the middle rate quoted by the Bank of England for the United States dollar.

Article 3

The Bank of England, acting as agent of the Government of the United Kingdom, and the Bank deutscher Länder shall make such arrangements as may be necessary to implement, as between the Government of the United Kingdom and the Federal Government, Article 8 of the European Payments Agreement.

¹ Came into force on 9 December 1950, as from the date of signature, in accordance with article 10.

² United Kingdom, *Miscellaneous No. 14 (1950)*, Cmd. 8064.

Article 4

(a)—(i) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of the Deutschemark monetary area for transfer to other residents of the Deutschemark monetary area or to residents of the Scheduled Territories.

(ii) The Government of the United Kingdom shall not restrict the availability of sterling under the control of the Bank deutscher Länder for making payments in respect of direct current transactions to residents of such countries outside the Deutschemark monetary area and the Scheduled Territories as may be agreed between the Bank of England, acting as agent of the Government of the United Kingdom, and the Bank deutscher Länder.

(b) The Federal Government within the framework of the exchange control regulations in force in the Deutschemark monetary area shall not restrict the availability of Deutschemarks arising from current transaction permitted to be settled in sterling and accruing to residents of the Scheduled Territories for transfer to other residents of the Scheduled Territories or to residents of the Deutschemark monetary area.

Article 5

The Federal Government shall not restrict the acceptance by residents of the Deutschemark monetary area of sterling from residents of the Scheduled Territories and, as regards payments in respect of direct current transactions, from residents of such countries outside the Deutschemark monetary area and the Scheduled Territories as may be agreed between the Bank of England, acting as agent of the Government of the United Kingdom, and the Bank deutscher Länder.

Article 6

The contracting Governments shall co-operate with a view to assisting each other in keeping capital transactions within the scope of their respective policies.

Article 7

The Bank deutscher Länder shall, under the authorisation of the Federal Government, take all necessary steps to implement the present Agreement.

Article 8

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 “ payments in respect of direct current transactions ” means payments in respect of 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 resident in the country from which payment is made and which relate solely to goods (other than gold bullion, gold coin or gold either in semi-manufactured or in fully-manufactured form) imported into, and for use or consumption in, that country and originating in the country to which payment is made, or to services rendered to residents in the former country by residents of the latter country.

Article 9

The Agreement between the Government of the United Kingdom and the United States, United Kingdom and French Military Governors of Germany for the Regulation of Payments, signed at Frankfurt am Main, and dated 5th August, 1949,² will be abrogated upon the coming into force of the present Agreement.

Article 10

The present Agreement shall come into force on this day's date. At any time hereafter, 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 in any case be reviewed before 1st July, 1952.

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

DONE in Frankfurt, in duplicate, this 9th day of December, 1950, in the English and German languages, both texts being equally authoritative.

6th October, 1950,

Initialed :

D.R.S.

(D. R. Serpell)

[L.S.] H. L. SETCHELL

Initialed :

St.

(Dr. Stedtfeld)

[L.S.] A. H. VAN SCHERPENBERG

¹ United Nations, *Treaty Series*, Vol. 2, p. 39, and Vol. 19, p. 280.

² See p. 230 of this volume.