

No. 1028

DENMARK
and
UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND

Monetary Agreement. Signed at Copenhagen, on 19 October 1950

Official text: English.

Registered by Denmark on 28 January 1951.

DANEMARK

et

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

Accord monétaire. Signé à Copenhague, le 19 octobre 1950

Texte officiel anglais.

Enregistré par le Danemark le 28 janvier 1951.

No. 1028. MONETARY AGREEMENT¹ BETWEEN THE GOVERNMENT OF DENMARK AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND. SIGNED AT COPENHAGEN, ON 19 OCTOBER 1950

The Danish Government and the Government of the United Kingdom of Great Britain and Northern Ireland,

Desiring to modify the arrangements agreed between them for the regulation of payments so as to take account of the establishment of the European Payments Union and to conform with the provisions of the Agreement relating to the establishment of the Union which was signed in Paris on the 19th September 1950 (hereinafter referred to as the "European Payments Agreement"),

Have agreed as follows:—

Article 1

(a) The rate of exchange between the Danish krone and the pound sterling shall be Danish kroner 19.34 = £1 and this rate (hereinafter referred to as "the official rate") shall not be varied by either Contracting Government except after giving to the other as much notice as may be practicable.

(b) The Contracting Governments shall enforce the use of the official rate as the basis of all transactions involving a relationship between the pound sterling and the Danish krone.

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

Article 2

The Bank of England and Danmarks Nationalbank, as agents of their respective Governments, shall make such arrangements as may be necessary to implement Article 8 of the European Payments Agreement as between those Governments.

Article 3

(a) (i) The Government of the United Kingdom shall not restrict the

¹ Came into force on 20 October 1950, in accordance with article 8.

availability of sterling at the disposal of residents of Denmark for transfer to other residents of Denmark 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 Danmarks Nationalbank for making payments in respect of direct current transactions to residents of such countries outside Denmark and the Scheduled Territories as may be agreed between the Bank of England and Danmarks Nationalbank acting as agents of their respective Governments.

(b) (i) The Danish Government shall not restrict the availability of Danish kroner at the disposal of residents of the Scheduled Territories for transfer to other residents of the Scheduled Territories or to residents of Denmark.

(ii) The Danish Government shall not restrict the availability of Danish kroner under the control of the Bank of England for making payments in respect of direct current transactions to residents of such countries outside Denmark and the Scheduled Territories as may be agreed between the Bank of England and Danmarks Nationalbank acting as agents of their respective Governments.

Article 4

The Danish Government shall not restrict the acceptance by residents of Denmark of sterling from residents of the Scheduled Territories and, as regards payments in respect of direct current transactions, from residents of such countries outside Denmark and the Scheduled Territories as may be agreed between the Bank of England and Danmarks Nationalbank acting as agents of their respective Governments.

Article 5

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 6

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 “Denmark” shall include Greenland and the Faroe Islands;

(c) 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 Fund 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 7

The Monetary Agreement between the Government of Denmark and the Government of the United Kingdom of Great Britain and Northern Ireland, signed in London on the 16th August 1945,¹ as extended and modified by the Exchanges of Notes between those Governments on the 10th November 1948² and 18th August 1950,³ is hereby abrogated.

Article 8

The present Agreement shall come into force on the 20th October 1950. 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 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 Copenhagen, in duplicate, this 19th day of October, 1950.

On behalf of the Royal Danish Government:

(Signed) GUSTAV RASMUSSEN

[L.S.]

On behalf of the Government of the United Kingdom
of Great Britain and Northern Ireland:

(Signed) ALEC W. G. RANDALL

[L.S.]

¹ United Nations, *Treaty Series*, Vol. 5, p. 251.

² United Nations, *Treaty Series*, Vol. 25, p. 333.

³ United Nations, *Treaty Series*, Vol. 71, p. 307.