

No. 1372

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

**Agreement on trade and payments. Signed at London, on
3 April 1950**

Official texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
23 August 1951.*

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

**Accord relatif aux échanges commerciaux et aux paiements.
Signé à Londres, le 3 avril 1950**

Textes officiels anglais et espagnol.

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

No. 1372. AGREEMENT¹ ON TRADE AND PAYMENTS BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF PARAGUAY. SIGNED AT LONDON, ON 3 APRIL 1950

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Paraguay, recognising that it is in their mutual interest to foster and encourage a steady and increasing flow of trade and financial transactions between the two countries, have agreed as follows :—

Article 1

So far as may be consistent with the need to maintain a general balance of sterling payments, the contracting Governments will use their best endeavours to facilitate the development of commercial and financial transactions between their respective territories to the highest possible level and will freely grant such import and exchange permits as are required for this purpose.

Article 2

Products originating in the territories of one Party, imported into the territories of the other Party, shall not be subjected to any duties, charges, rules and formalities which are other or more onerous than the duties, charges, rules and formalities to which like products originating in any other foreign country are subjected.

Article 3

(a) Nothing in Article 2 shall entitle the Government of the Republic of Paraguay to claim the benefit of any preference or privilege in force exclusively between the United Kingdom, Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, India, Pakistan, Ceylon, territories for the international relations of which the Governments of the United Kingdom, Australia, New Zealand and South Africa are responsible at the date of signature of this Agreement, the Irish Republic and Burma.

¹ Came into force on 30 June 1950, by the exchange of the instruments of ratification at Asuncion, in accordance with article 15.

(b) Nor shall Article 2 entitle the Government of the United Kingdom to claim the benefit of any preference or privilege which the Government of the Republic of Paraguay accords or may accord exclusively to any country possessing a common frontier with Paraguay and to Uruguay.

Article 4

Articles 1, 2 and 3 of the present Agreement shall apply to the following territories :—

- (a) in relation to the Government of the Republic of Paraguay, the territory of the Republic of Paraguay;
- (b) in relation to the Government of the United Kingdom, the United Kingdom of Great Britain and Northern Ireland, and any territories for the international relations of which the Government of the United Kingdom are responsible to which Articles 1, 2 and 3 are extended under Article 5 of the present Agreement.

Article 5

Articles 1, 2 and 3 of the present Agreement may be extended to any territory for whose international relations the Government of the United Kingdom are responsible, by notification addressed by the Government of the United Kingdom to the Government of the Republic of Paraguay. Such extension shall take effect from the date of receipt by the Government of the Republic of Paraguay of such notification.

Article 6

(i) All trade and financial payments between residents of Paraguay 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 guaranis shall be settled by the purchase or sale of sterling by residents of Paraguay on the basis of the rates quoted in accordance with Article 7.

(iii) All payments expressed in currencies other than sterling and guaranis 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 7

The Banco del Paraguay shall quote buying and selling rates for sterling and for United States dollars which shall be related to one another at the middle rate quoted by the Bank of England for the United States dollar.

Article 8

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

Article 9

(i) The Banco del Paraguay shall, on the basis of the rates quoted in accordance with Article 7—

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

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

Article 10

(i) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of Paraguay for transfer to other residents of Paraguay 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 Banco del Paraguay for making payments in respect of direct current transactions to residents of such countries outside Paraguay and the Scheduled Territories as may be agreed between the Bank of England and the Banco del Paraguay, acting as agents of their respective Governments.

Article 11

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

Article 12

Investment of any sterling held by the Banco del Paraguay shall be effected in agreement with the Bank of England.

Article 13

The Bank of England and the Banco del Paraguay, as agents of their respective Governments, will maintain contact on all technical questions arising out of the present Agreement.

Article 14

For the purposes of the present Agreement—

- (i) The expression “the Scheduled Territories” shall have the meaning from time to time assigned to it under the United Kingdom Exchange Control Act, 1947.
- (ii) The expression “Paraguayan Account” shall mean a sterling account of a resident of Paraguay which is for the time being recognised by the Bank of England as a Paraguayan Account for the purposes of the present Agreement.
- (iii) The expression “payments in respect of direct current transactions” shall mean 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 resident in the country from which payment is made and which relate solely to goods imported into, and for consumption or use 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 15

The present Agreement shall be ratified. The ratifications shall be exchanged as soon as possible in Asuncion. The present Agreement shall come into force on the date of the exchange of ratifications. 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.

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

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

DONE in London this third day of April, 1950, in the English and Spanish languages, both texts being equally authentic.

(Signed) K. G. YOUNGER

(Signed) Osvaldo CHAVES