

No. 1453

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

Monetary Agreement. Signed at Lisbon, on 20 July 1951

Official texts: English and Portuguese.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
10 October 1951.*

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

Accord monétaire. Signé à Lisbonne, le 20 juillet 1951

Textes officiels anglais et portugais.

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

No. 1453. MONETARY AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE PORTUGUESE GOVERNMENT. SIGNED AT LISBON, ON 20 JULY 1951

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

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 19th September, 1950² (hereinafter referred to as the "European Payments Agreement"),

Have agreed as follows :—

Article 1

(a) The rate of exchange between the escudo and the pound sterling shall be 80·50 escudos = £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 escudo.

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

¹ Deemed to have entered into force on 16 April 1951, in accordance with article 7.

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

Article 3

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

(b)—(i) The Portuguese Government shall not restrict the availability of escudos at the disposal of residents of the Scheduled Territories for transfer to other residents of the Scheduled Territories or to residents of the Portuguese Monetary Area.

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

Article 4

The Portuguese Governments shall not restrict the acceptance by residents of the Portuguese 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 Portuguese Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the Bank of Portugal 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 " the Portuguese Monetary Area " shall mean Portugal and the Portuguese Empire;
- (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 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 7

The present Agreement shall be deemed to have entered into force on 16th April, 1951. 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 Lisbon, in duplicate, this twentieth day of July, 1951, in the English and Portuguese languages, both texts being equally authentic.

For the Government of the
United Kingdom :
[L.S.] N. RONALD

For the Portuguese
Government :
[L.S.] Paulo CUNHA

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