

No. 1479

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

**Monetary Agreement (with annex). Signed at London, on
20 August 1951**

Official texts: English and French.

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

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

**Accord monétaire (avec annexe). Signé à Londres, le
20 août 1951**

Textes officiels anglais et français.

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

No. 1479. MONETARY AGREEMENT¹ BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND FRANCE. SIGNED AT LONDON, ON 20 AUGUST 1951

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

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, 1950,²

Have agreed as follows :—

Article 1

(a) The rate of exchange between the franc and the pound sterling shall be based on the middle rate quoted by the Bank of England for the United States dollar and on the United States dollar rate which, under the French regulations, serves as the basis for fixing the rates of exchange applicable to all currencies not quoted on the free exchange market in Paris, as well as the parity between the franc and the unit of account used for the operations of the European Payments Union. 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) Subject to any special arrangements that have been or may be made with regard to the negotiation of bank-notes denominated in francs or in sterling, 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 franc.

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

¹ Came into force on 20 August 1951, as from the date of signature, in accordance with article 8.

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

Article 3

(a) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of the Franc Area for transfer to other residents of the Franc Area, to residents of the Scheduled Territories, or to residents of countries outside the Franc Area and the Scheduled Territories to the extent sanctioned by the Government of the United Kingdom in application of the arrangements contemplated in Article 4 (a).

(b) The French Government shall not restrict the availability of francs at the disposal of residents of the Scheduled Territories for transfer to other residents of the Scheduled Territories, to residents of the Franc Area, or to residents of countries outside the Franc Area and the Scheduled Territories to the extent sanctioned by the French Government in application of the arrangements contemplated in Article 4 (a).

Article 4

The Government of the United Kingdom and the French Government shall endeavour—

- (a) to make sterling at the disposal of residents of the Franc Area and francs at the disposal of residents of the Scheduled Territories available for payments in respect of direct current transactions to residents of countries outside the Scheduled Territories and the Franc Area ;
- (b) to permit residents of countries outside the Scheduled Territories and the Franc Area to use sterling at their disposal to effect payments in respect of direct current transactions to residents of the Franc Area and francs at their disposal to effect payments in respect of direct current transactions to residents of the Scheduled Territories.

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 " Franc Area " shall comprise the territories listed in the annex to the present Agreement. The Bank of France will inform the Bank of England of any changes made in this list under the French regulations;
- (c) the provisions of the present Agreement shall not modify the existing arrangements under which the Condominium of the New Hebrides, which forms part of the Franc Area defined in paragraph (b) shall be regarded for certain purposes of exchange control as forming part of the Scheduled Territories;
- (d) 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 Agreement¹ 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 following Agreements between the Government of the United Kingdom and the French Government are hereby abrogated in so far as they have not previously lapsed or been abrogated :—

- The Financial Agreement of 27th March, 1945,² and its Annex,
- The Supplementary Agreement of 29th April, 1946,³ and its Annex,
- Articles 4 and 6 of the Financial Agreement of 3rd December, 1946,⁴ and the Annex to that Agreement,
- The notes exchanged on 11th April, 1947,⁵ modifying the provisions of the Supplementary Agreement of 29th April, 1946,
- The Financial Agreement of 1st June, 1948,⁶
- The notes exchanged on 8th and 19th April, 1948,⁷ on 12th April and 17th May, 1949,⁸ and on 29th July, 1949, and 4th September, 1950,⁹

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

² United Nations, *Treaty Series*, Vol. 98, p. 227.

³ United Nations, *Treaty Series*, Vol. 98, p. 124.

⁴ United Nations, *Treaty Series*, Vol. 54, p. 117, and Vol. 99, p. 312.

⁵ United Nations, *Treaty Series*, Vol. 98, p. 132.

⁶ United Kingdom, *Treaty Series No. 31 (1948)*, Cmd. 7430.

⁷ United Kingdom, *Treaty Series No. 28 (1948)*, Cmd. 7408.

⁸ United Kingdom, *Treaty Series No. 40 (1949)*, Cmd. 7731.

⁹ United Nations, *Treaty Series*, Vol. 98, p. 136.

regarding the exclusion of Syria, the French Somali Coast and the Lebanon respectively from the Franc Area as defined in the Annex to the Financial Agreement of 27th March, 1945.

Article 8

The present Agreement shall come into force on the date of signature. 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 at London in duplicate, this 20th day of August, 1951, in the English and French languages, both texts being equally authentic.

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

[L.S.] K. G. YOUNGER

For the Government of the French Republic :

[L.S.] Étienne DE CROÛY-CHANEL

A N N E X

FRANC AREA

- 1.—Metropolitan France (including Corsica).
 - The Principality of Monaco.
 - The Saar Territory.
 - The French Overseas Departments (Algeria, Guadeloupe, Martinique, French Guiana, Réunion).
 - The Protectorates of Morocco and Tunisia.
- 2.—French West Africa.
 - French Equatorial Africa.
 - The French Trust Territories of Cameroon and Togo.
 - Madagascar and its dependencies.
 - Comoro Islands.
 - St. Pierre and Miquelon.
- 3.—French Establishments in India.
- 4.—The Associated States of Cambodia, Laos and Vietnam.
- 5.—New Caledonia and its dependencies.
 - French Establishments in Oceania.
 - Condominium of the New Hebrides.