

No. 1660

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

**Sterling Payments Agreement. Signed at Madrid, on
20 December 1951**

Official texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
6 March 1952.*

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

**Accord relatif aux paiements en livres sterling. Signé à
Madrid, le 20 décembre 1951**

Textes officiels anglais et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
6 mars 1952.*

No. 1660. STERLING PAYMENTS AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE SPANISH STATE. SIGNED AT MADRID, ON 20 DECEMBER 1951

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 Spanish State (hereinafter referred to as "the Spanish Government"),

Have agreed as follows :

Article I

All payments between residents of the Spanish Monetary Area and residents of the Scheduled Territories, other than such as must necessarily be made in pesetas, shall be settled in sterling.

Article II

The Instituto Español de Moneda Extranjera (hereinafter referred to as "the Instituto") shall buy and sell sterling, and its rates for sterling and for United States dollars shall be related to one another at the middle rate quoted by the Bank of England for the United States dollar.

Article III

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

Article IV

(i) The Government of the United Kingdom shall not restrict the transfer of sterling at the disposal of residents of the Spanish Monetary Area to other residents of that 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 Instituto for making payments in respect

¹ Deemed to have come into force on 15 December 1951, in accordance with article IX.

of direct current transactions to residents of such countries outside the Spanish Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the Instituto.

Article V

The Spanish Government shall not restrict the acceptance by residents of the Spanish 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 Spanish Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the Instituto.

Article VI

The Spanish Government shall not restrict the transfer of any pesetas accruing to residents of the Scheduled Territories from permitted current transactions to other residents of the Scheduled Territories or to residents of the Spanish Monetary Area.

Article VII

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 Spanish Monetary Area ” shall mean the mainland of Spain, the Canary Isles and the Balearic Isles, Ceuta and Melilla, the Spanish Zone of Morocco and the Spanish Colonies;
- (c) the expression “ Spanish Account ” shall mean an account of a resident of the Spanish Monetary Area which is for the time being recognised by the Bank of England as a Spanish Account for the purposes of the present Agreement;
- (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 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—
 - (i) to goods (other than gold bullion, gold coin or gold either in semi-manufactured or fully-manufactured form) imported into, and for use or consumption in, that country and originating in the country to which payment is made; or

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

- (ii) to services rendered to residents in the former country by residents of the latter country.

Article VIII

For the purposes of the present Agreement the Bank of England shall act as agent of the Government of the United Kingdom and the Instituto as agent of the Spanish Government.

Article IX

The present Agreement, which shall be subject to review and adjustment after consultation between the Contracting Governments, shall be deemed to have come into force on 15th December, 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 terminate two years after the date of its coming into force, unless the Contracting Governments agree otherwise.

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

DONE in Madrid, in duplicate, this twentieth day of December, 1951, in the English and Spanish languages, both texts being equally authoritative.

For the Government
of the United Kingdom of Great Britain
and Northern Ireland :
[L.S.] Ralph MURRAY

For the Government
of the Spanish State :
[L.S.] Jaime ALBA
