

No. 2246

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
FEDERAL REPUBLIC OF GERMANY**

**Monetary Agreement (with exchange of letters). Signed
at Bonn, on 22 May 1953**

Official texts: English and German.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
31 August 1953.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Accord monétaire (avec échange de lettres). Signé à Bonn,
le 22 mai 1953**

Textes officiels anglais et allemand.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
31 août 1953.*

No. 2246. MONETARY AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY. SIGNED AT BONN, ON 22 MAY 1953

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 Federal Republic of Germany (hereinafter referred to as "the Federal Government"), desiring to conform with the provisions of the Agreement relating to the establishment of a European Payments Union which was signed in Paris on 19th September, 1950,² (hereinafter referred to as "the European Payments Agreement") but desiring to modify the existing arrangements agreed between them for the regulation of payments, have agreed as follows :—

Article 1

- (a) The rate of exchange between the Deutschemerk and the pound sterling shall be Deutschemarks 11.76=£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 Deutschemerk.
- (c) The Bank of England, acting as agent of the Government of the United Kingdom, and the Bank deutscher Länder 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, acting as agent of the Government of the United Kingdom, and the Bank deutscher Länder shall make such arrangements as may

¹ Came into force on 3 June 1953, the date agreed by the two Contracting Governments, in accordance with article 8.

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

be necessary to implement, as between the Government of the United Kingdom and the Federal Government, Article 8 of the European Payments Agreement.

Article 3

- (a)—(i) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of the Deutschemark monetary area for transfer to other residents of the Deutschemark 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 deutscher Länder for making payments in respect of direct current transactions to residents of such countries outside the Deutschemark monetary area and the Scheduled Territories as may be agreed between the Bank of England, acting as agent of the Government of the United Kingdom, and the Bank deutscher Länder.
- (b)—(i) The Federal Government shall not restrict the availability of Deutsche-marks at the disposal of residents of the Scheduled Territories for transfer to other residents of the Scheduled Territories or to residents of the Deutschemark monetary area.
- (ii) The Federal Government shall not restrict the availability of Deutsche-marks under the control of the Bank of England for making payments in respect of direct current transactions to residents of such countries outside the Deutschemark monetary area and the Scheduled Territories as may be agreed between the Bank of England, acting as agent of the Government of the United Kingdom, and the Bank deutscher Länder.

Article 4

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 5

The Bank deutscher Länder shall, under the authorisation of the Federal Government, take all necessary steps to implement the present Agreement.

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 “ 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 Payments Agreement between the Government of the United Kingdom and the Federal Government signed at Frankfurt-am-Main on 9th December, 1950², shall terminate upon the coming into force of the present Agreement.

Article 8

The present Agreement shall come into force on 15th June, 1953, or on such earlier date as may be agreed between the two Contracting Governments, and shall remain in force so long as bilateral balances between the United Kingdom and the Federal Republic of Germany are settled through the European Payments Union, provided that either Contracting Government may terminate the Agreement at any earlier date upon giving to the other at least three months' notice of its intention. The Contracting Governments shall in either case enter

¹ United Nations, *Treaty Series*, Vol. 2, p. 40; Vol. 19, p. 280, and Vol. 141, p. 355.

² United Nations, *Treaty Series*, Vol. 88, p. 247.

into consultations in good time before the termination of the Agreement in order to agree upon the future payments arrangements between the Scheduled Territories and the Deutschemmark monetary area.

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 duplicate in Bonn, this 22nd day of May, 1953, in the English and German languages, both texts being equally authoritative.

R. REID-ADAM
[L.S.]

A. H. VAN SCHERPENBERG
[L.S.]

EXCHANGE OF LETTERS

I

Dr. A. H. van Scherpenberg to Mr. R. Reid-Adam

[GERMAN TEXT — TEXTE ALLEMAND]

[TRANSLATION¹ — TRADUCTION²]

Bonn, den 22. Mai 1953

Bonn, May 22, 1953

Sehr geehrter Herr Reid-Adam,

Dear Mr. Reid-Adam,

Mit Beziehung auf Artikel 8 des heute unterzeichneten Zahlungsabkommens zwischen der Regierung des Vereinigten Königreiches von Grossbritannien und Nordirland und der Regierung der Bundesrepublik Deutschland beehre ich mich, Ihnen die Zustimmung meiner Regierung zu der folgenden Vereinbarung zu erklären :

With reference to Article 8 of the Monetary Agreement signed to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Federal Republic of Germany, I have the honour to express to you acceptance by my Government of the following arrangement :

Das vorgenannte Abkommen wird am 3. Juni 1953 in Kraft treten.

The above-mentioned Agreement will come into force on June 3rd, 1953.

Ich würde Ihnen sehr verbunden sein, wenn Sie mir im Namen Ihrer Regierung diese Vereinbarung bestätigen.

I should be very grateful if you would confirm this arrangement on behalf of your Government.

Mit vorzüglicher Hochachtung,
A. H. VAN SCHERPENBERG

Yours sincerely,
A. H. VAN SCHERPENBERG

II

Mr. R. Reid-Adam to Dr. A. H. van Scherpenberg

Bonn, May 26, 1953

Dear Dr. van Scherpenberg,

I refer to your letter of May 22nd which reads in translation as follows :

[See letter I]

I have the honour on behalf of my Government to confirm acceptance of the arrangement set out in your letter.

Yours sincerely,

R. REID-ADAM

¹ Translation by the Government of the United Kingdom.

² Traduction du Gouvernement du Royaume-Uni.