

No. 3504

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

**Sterling Payments Agreement (with exchange of letters).
Signed at Cairo, on 1 July 1951**

Official text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
29 August 1956.*

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

**Accord (avec échange de lettres) relatif aux paiements en
sterling. Signé au Caire, le 1^{er} juillet 1951**

Texte officiel anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
29 août 1956.*

No. 3504. STERLING PAYMENTS AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE ROYAL EGYPTIAN GOVERNMENT. SIGNED AT CAIRO, ON 1 JULY 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 Royal Egyptian Government have agreed as follows :

Article 1

All payments between residents of Egypt and residents of the Scheduled Territories shall be settled in sterling or Egyptian pounds according to established custom.

Article 2

The National Bank of Egypt shall buy and sell sterling and its rates for sterling and 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 3

Except as provided in the Sterling Releases Agreement of 1951 :²

- (i) The Government of the United Kingdom shall not restrict the transfer of sterling which is at the disposal of residents of Egypt to other residents of Egypt or to residents of the Scheduled Territories.
- (ii) The Government of the United Kingdom shall not restrict the availability of sterling which is under the control of the National Bank of Egypt for making payments in respect of direct current transactions to residents of such countries (other than Egypt and the Scheduled Territories) as may be agreed between the Bank of England and the National Bank of Egypt acting as agents of their respective Governments.

¹ Deemed to have come into force on 1 January 1951, in accordance with article 9.

² See p. 125 of this volume.

Article 4

The Royal Egyptian Government shall not restrict the transfer of any Egyptian pounds arising from permitted current transactions which are at the disposal of residents of a Scheduled Territory to other residents of the Scheduled Territories or to residents of Egypt, or for purchase of sterling from the Egyptian exchange control, provided that reciprocal treatment is extended by that Scheduled Territory in respect of amounts of its currency accruing to residents of Egypt.

Article 5

The Royal Egyptian Government shall not restrict the acceptance by residents of Egypt of sterling from residents of the Scheduled Territories and, as regards payments in respect of direct current transactions, from residents of such countries (other than Egypt and the Scheduled Territories) as may be agreed between the Bank of England and the National Bank of Egypt acting as agents of their respective Governments.

Article 6

The Royal Egyptian Government shall not restrict the payment or receipt of sterling by residents of the Sudan.

Article 7

The contracting Governments shall keep each other informed on matters affecting their respective exchange control and shall consult together as often as may be necessary with a view to ensuring the smooth working of the present Agreement.

Article 8

For the purposes of the present Agreement :

(a) The expression " Scheduled Territories " shall have the meaning from time to time assigned to it under the United Kingdom Exchange Control Act, 1947;

(b) The expressions " residents of Egypt " and " residents of the Scheduled Territories " shall have the meanings from time to time assigned to them under the United Kingdom Exchange Control Act, 1947, and by the Exchange Control Regulations in Egypt as the case may require;

(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 exclusively :

- (1) 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
- (2) to services rendered to residents in the former country by residents of the latter country.

Article 9

1. The present Agreement shall be deemed to have come into force on 1st January, 1951.
2. It shall terminate on 31st December, 1951.
3. The contracting Governments will consult together before the termination of the present Agreement with a view either to extending the Agreement or replacing it by another Agreement.

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

DONE at Alexandria, this first day of July, 1951, in duplicate.

For the Government of the United Kingdom :
Ralph Skrine STEVENSON

For the Royal Egyptian Government :
M. SALAH EL DIN

¹ United Nations, *Treaty Series*, Vol. 2, p. 40; Vol. 19, p. 280; Vol. 141, p. 355, and Vol. 199, p. 308.

EXCHANGE OF LETTERS

I

*The Middle East Representative of His Britannic Majesty's Treasury
to the Under-Secretary of State, Egyptian Ministry of Finance*

BRITISH EMBASSY

Alexandria, 1st July, 1951

Dear Younes Bey,

With reference to the Agreements signed to-day, it is agreed between the Government of the United Kingdom and the Royal Egyptian Government that all capital remittances to the Scheduled Territories by Debit of Egyptian No. 1 Account permitted by the Egyptian and United Kingdom Exchange Controls will continue to be the subject of periodic adjustment from the No. 2 Account to the No. 1 Account of the National Bank of Egypt but, during an experimental period covering the year 1951, authorised capital transfers from the Scheduled Territories to Egypt will be effected by payment to Egyptian No. 1 Account without a subsequent request for adjustment to Egyptian No. 2 Account.

It is also agreed that the total of capital transfers from Egypt to the Scheduled Territories qualifying for release from No. 2 Account under the preceding paragraph of this letter shall be in addition to the releases under Article 3 (I) to (IV) of the Sterling Releases Agreement signed to-day.

I am, &c.

Leonard WRIGHT

II

*The Under-Secretary of State, Egyptian Ministry of Finance, to the Middle East
Representative of His Britannic Majesty's Treasury*

Alexandria, 1st July, 1951

Dear Mr. Waight,

I have to acknowledge your letter of to-day's date reading as follows :

[*See letter I*]

I am glad to take note of the contents of this letter.

Yours, &c.

M. T. YOUNES