

No. 7835

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

**Agreement (with annexes) for off-setting the foreign exchange expenditure on British forces in the Federal Republic of Germany. Signed at Bonn, on 27 July 1964**

*Official texts: English and German.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 18 June 1965.*

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

**Accord (avec annexes) visant à assurer la péréquation des dépenses en devises faites au titre des forces britanniques en République fédérale d'Allemagne. Signé à Bonn, le 27 juillet 1964**

*Textes officiels anglais et allemand.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 18 juin 1965.*

No. 7835. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY FOR OFFSETTING THE FOREIGN EXCHANGE EXPENDITURE ON BRITISH FORCES IN THE FEDERAL REPUBLIC OF GERMANY. SIGNED AT BONN, ON 27 JULY 1964

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The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Federal Republic of Germany;

Have agreed as follows :

*Article 1*

The maintenance of British forces in the Federal Republic of Germany results in foreign exchange expenditure in the Federal Republic of Germany which continues to impose a balance of payments burden on the United Kingdom. It is the intention of the Government of the Federal Republic of Germany, in so far as possible, to offset these foreign exchange costs and thereby relieve the balance of payments of the United Kingdom in the British financial years 1964/65 and 1965/66, that is from 1st April, 1964, to 31st March, 1966.

*Article 2*

The intention expressed in the preceding Article shall be fulfilled :

- (a) by payments to the United Kingdom on account of existing and new orders for research, development, testing, procurement or services in the military field;
- (b) by additional civil procurement in the United Kingdom and other projects in accordance with the provisions of Annex I to this Agreement.

*Article 3*

Purchasing arrangements shall be governed by the provisions of Annex II to this Agreement.

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<sup>1</sup> Came into force on 27 July 1964, upon signature, in accordance with article 7.

*Article 4*

The Government of the United Kingdom within the possibilities open to them shall continue to endeavour to promote the achievement of orders and projects of the kind mentioned in Article 2 of this Agreement.

*Article 5*

The Contracting Governments intend, in the preparation of their military procurement plans during the financial years 1964/65 and 1965/66, to take steps to utilise in the longer term all possibilities for improving the balance of payments of the United Kingdom through German military purchases in the United Kingdom.

*Article 6*

The Contracting Governments shall appoint a Joint Committee to deal with all questions which arise out of the carrying out of this Agreement. The Joint Committee shall make periodic reports to the Contracting Governments. If at any time during the currency of this Agreement it appears to either Contracting Government that the position as regards the implementation of this Agreement is developing in an unsatisfactory manner, there shall be joint consultation between the Contracting Governments with a view to remedial action.

*Article 7*

This Agreement shall enter into force on the date of signature and shall be deemed, where applicable, to cover the period between 1st April, 1964, and the date of signature.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Bonn this 27th day of July, 1964, in the English and German languages, both texts being equally authoritative.

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

Frank K. ROBERTS

For the Government of the Federal Republic of Germany :

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ANNEX I  
CIVIL PROCUREMENT

1. Purchases by the following bodies shall count for the purposes of Article 2 (b) of this Agreement :

- (a) Government authorities (Federal, *Land* and Local)—including the Federal Railways and the Federal Post Office.
- (b) Companies in which the above-mentioned authorities have either directly or indirectly a minimum holding of 50%.
- (c) Public corporations.

Purchases by these bodies of oil and materials not of United Kingdom origin shall, however, be dealt with under the procedure set out in paragraph 2 of this Annex.

2. Other civil purchases and projects may be counted for the purposes of Article 2 (b) of this Agreement provided it is agreed by the Joint Committee set up under Article 6 of this Agreement that these purchases result from action taken by the Government of the Federal Republic of Germany and that they bring benefit to the balance of payments of the United Kingdom.

ANNEX II  
PURCHASING ARRANGEMENTS

1. It is understood that the rules of international competition shall not be disturbed by the principles enumerated in this Agreement including Annex I thereto. It therefore follows that orders under the Agreement will be placed in accordance with normal commercial prices and conditions.

2. Orders sub-contracted in the United Kingdom by suppliers of German public authorities shall count as orders within the meaning of Article 2 of this Agreement.

3. Orders placed in the United Kingdom from third countries or by supra-national or international organisations shall count as orders by the Government of the Federal Republic of Germany in so far as they shall be agreed by the Joint Committee to arise from action taken by or financed by the Government of the Federal Republic of Germany. This shall apply particularly to German development aid projects in third countries in so far as they shall be carried out through the Government of the United Kingdom, their subordinate authorities, departments or organisations or through private undertakings in the United Kingdom and to German defence aid projects in third countries.