

No. 8858

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

and

**FEDERAL REPUBLIC OF GERMANY**

**Agreement for offsetting the foreign exchange expenditure  
on British Forces in the Federal Republic of Germany  
(with annex). Signed at Bonn, on 5 May 1967**

*Official texts: English and German.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 1 December  
1967.*

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

et

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Accord visant à assurer la péréquation des dépenses en devises  
faites au titre des Forces britanniques en République  
fédérale d'Allemagne (avec annexe). Signé à Bonn,  
le 5 mai 1967**

*Textes officiels anglais et allemand.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 1<sup>er</sup> décembre  
1967.*

No. 8858. 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 5 MAY 1967

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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 in the interests of the Atlantic Alliance results in foreign exchange expenditure in the Federal Republic of Germany which continues to impose a burden on the balance of payments of the United Kingdom. It is the intention of the Government of the Federal Republic of Germany to offset these foreign exchange costs as provided in this Agreement in the British financial year 1967/68, that is from 1st April, 1967, to 31st March, 1968, and thereby to relieve the balance of payments of the United Kingdom.

*Article 2*

The Government of the Federal Republic of Germany shall in the British financial year 1967/68 make payments to the United Kingdom in respect of existing orders, and of new orders which that Government shall endeavour to secure, for research, development, testing, procurement and services in the military field amounting to DM 200 million.

*Article 3*

The Government of the Federal Republic of Germany shall also endeavour, as far as possible, to bring about accountable payments, as provided in the Annex to this Agreement, for purchases in the United Kingdom by the bodies listed in that Annex amounting to DM 250 million in the British financial year 1967/68.

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<sup>1</sup> Came into force on 5 May 1967 by signature with retroactive effect from 1 April 1967, in accordance with article 6.

*Article 4*

The Contracting Governments shall use their best endeavours to promote additional purchases in the United Kingdom by persons and by bodies other than those listed in the Annex to this Agreement with a view to archieving in the British financial year 1967/68 accountable payments, as provided in that Annex, of up to DM 100 million.

*Article 5*

(1) The Joint Committee appointed by the Contracting Governments under Article 6 of the Agreement for Offsetting the Foreign Exchange Expenditure on British Forces in the Federal Republic of Germany, signed at Bonn on the 27th July, 1964,<sup>1</sup> shall continue in existence. It shall deal not only with questions which have arisen or may arise out of the implementation of that Agreement and of the Protocol for the Extension and Modification of the Agreement of 27th July, 1964, signed at Bonn on the 20th July, 1965,<sup>2</sup> but also with all questions in connection with the implementation of this Agreement.

(2) 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 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 6*

This Agreement shall enter into force on the date of signature and shall be deemed also to cover the period between 1st April, 1967, and the date of signature.

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

DONE at Bonn this fifth day of May, 1967, in four originals, two in each of the English and German languages, all four 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:

BRANDT

<sup>1</sup> United Nations, *Treaty Series*, Vol. 539, p. 243.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 548, p. 374.

## ANNEX

1. (a) Purchases of goods by the following bodies shall count for the purposes of Article 3 of this Agreement :

- (i) Government authorities (Federal, Land and Local)—including the Federal Railways and the Federal Post Office ;
- (ii) Companies in which the above-mentioned authorities have either directly or indirectly a minimum holding of 50 percent ;
- (iii) Public corporations ;
- (iv) Such institutions and foundations for scientific research as are accepted by the Joint Committee referred to in Article 5 of the Agreement.

(b) 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 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. Orders sub-contracted by United Kingdom suppliers and carried out within the framework of German development aid projects financed from public funds shall also count as orders within the meaning of the above definition. The same shall apply to German defence aid projects in third countries.

2. (a) Purchases of services by the above-mentioned bodies shall count, provided that it is agreed by the Joint Committee that they result from action taken by the Government of the Federal Republic of Germany and bring benefit to the United Kingdom balance of payments.

(b) Purchases of oil and materials not of United Kingdom origin by the above-mentioned bodies shall count to the extent agreed by the Joint Committee.

3. Orders and purchases sub-contracted in the United Kingdom by suppliers of the above-mentioned bodies shall count as orders and purchases within the meaning of Articles 2 and 3 of this Agreement.

4. Purchases shall count for the purposes of Article 4 of this Agreement provided that it is agreed by the Joint Committee that these purchases result from action taken by the Government of the Federal Republic of Germany and bring benefit to the United Kingdom balance of payments.

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