

1042 No. 9807

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

**Exchange of letters constituting an agreement concerning the  
Guarantee by the Government of the United Kingdom  
and the maintenance of the Minimum Sterling Proportion  
by the Government of Ghana. Accra, 20 and 21 Sep-  
tember 1968**

*Authentic text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
26 August 1969.*

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

**Échange de lettres constituant un accord relatif à la garantie  
par le Gouvernement du Royaume-Uni et au maintien par  
le Gouvernement du Ghana d'un pourcentage minimum  
de réserves en sterling. Accra, 20 et 21 septembre 1968**

*Texte authentique: anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
26 août 1969.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF GHANA CONCERNING THE GUARANTEE BY THE GOVERNMENT OF THE UNITED KINGDOM AND THE MAINTENANCE OF THE MINIMUM STERLING PROPORTION BY THE GOVERNMENT OF GHANA

I

*The United Kingdom High Commissioner at Accra to the Commissioner for Finance of the Republic of Ghana*

BRITISH HIGH COMMISSION

Accra, 20 September 1968

Your Excellency,

I have the honour to refer to discussions which have taken place between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Ghana and to record below the points which have been agreed between the two Governments on the guarantee by the Government of the United Kingdom and the maintenance of the minimum sterling proportion by Ghana :

(1) *Definitions*

Unless otherwise agreed :

(a) " Total official external reserves " shall mean :

- (i) gold;
- (ii) super-gold tranche in the International Monetary Fund, i.e., the extent to which the Fund's holdings of New Cedis fall short of 75 per cent of Ghana's quota;
- (iii) cash, bank balances, money at call, time deposits, certificates of deposit, bank acceptances, bills of exchange, and promissory notes, denominated in freely transferable currencies other than the currency of Ghana;
- (iv) Treasury bills and other obligations issued or guaranteed by Governments or their agencies, states, provinces, municipalities and international organisations, denominated in freely transferable currencies other than the

<sup>1</sup> Came into force on 25 September 1968, in accordance with the provisions of the said letters.

currency of Ghana but excluding all obligations of the Republic of Ghana or its territorial sub-divisions or agencies;

- (v) common or ordinary stock and shares, preferred stock and shares, redeemable and irredeemable interest-bearing securities issued by Companies or Corporations which are quoted on a recognised security market, and units in unit trusts and shares in mutual funds wherever such Companies, Corporations, trusts or funds may be domiciled other than in Ghana,

which are held in the name or to the order of the Bank of Ghana, the Government of the Republic of Ghana, its agencies and other official institutions.

(b) "Official sterling reserves" shall mean :

- (i) cash, bank balances, money at call, time deposits, certificates of deposits, bank acceptances, bills of exchange, promissory notes;
- (ii) Treasury bills and other obligations issued or guaranteed by Governments or their agencies, states, provinces, and municipalities and international organisations but excluding all obligations of the Government of the Republic of Ghana or its territorial sub-divisions or agencies;
- (iii) the following securities issued by Companies having their registered office and head office in the United Kingdom and quoted on a Stock Exchange in the United Kingdom, and units in United Kingdom unit trusts :
  - (a) common or ordinary stock and shares and preferred stock and shares on which capital moneys and dividends are payable solely in sterling;
  - (b) units in unit trusts on which, under the terms of issue, capital moneys are payable solely in sterling on liquidation or realisation;
  - (c) redeemable interest-bearing securities on which capital moneys are payable solely in sterling;
  - (d) irredeemable interest-bearing securities on which interest is payable solely in sterling,

which are denominated in sterling and which are held in the name or to the order of the Bank of Ghana, the Government of the Republic of Ghana, its agencies and other official institutions with banks or other depositaries in the United Kingdom and which are included in total official external reserves.

## (2) *The Guarantee*

The Government of the United Kingdom undertake to maintain the sterling value in terms of the United States Dollar of the balances eligible for guarantee, provided that the minimum sterling proportion referred to below has been maintained by Ghana up to

and including the date of implementation of the guarantee. The circumstances in which the guarantee would be implemented and the terms of implementation shall be defined in consultation between the two Governments.

(3) *Balances Eligible for Guarantee*

The balances eligible for guarantee shall be that portion of official sterling reserves by which those official sterling reserves exceed 10 per cent of total official external reserves as defined in paragraph (1) (a) above, except that no part of official sterling reserves falling under or bearing a right to conversion into a security covered by (a) and (b) of paragraph (1) (b) (iii) above shall be eligible for guarantee.

(4) *The Minimum Sterling Proportion*

Ghana shall throughout the period covered by the Agreement maintain official sterling reserves in such proportion to total official external reserves as may be fixed by consultation between the two Governments. This proportion shall be known as the minimum sterling proportion.

(5) *Review*

(a) The provisions of the Agreement may be reviewed at any time by agreement between both parties.

(b) The provisions of the Agreement shall be reviewed within six months prior to the expiry of a period of three years from the date of entry into force of the Agreement.

(6) *Entry into force and duration*

The Agreement shall enter into force on the 25th September, 1968 and shall remain in force for a period of three years and may be extended for a further two years by agreement between both parties.

2. If the Government of the Republic of Ghana agree that the foregoing correctly sets out the points agreed between the two Governments, I have the honour to propose that this letter and Your Excellency's reply to that effect shall constitute an Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Ghana.

I have the honour to be, Your Excellency, your obedient servant.

H. K. MATTHEWS

## II

*The Commissioner for Finance of the Republic of Ghana to the United Kingdom  
High Commissioner at Accra*

MINISTRY OF FINANCE

Accra, September 21, 1968

Your Excellency,

I have the honour to refer to your letter dated 20 September, 1968 recording the points which have been agreed between our two governments on the guarantee by the Government of the United Kingdom and the maintenance of the minimum sterling proportion by Ghana which reads as follows :

[*See letter I*]

I confirm that your letter correctly sets out the points agreed between our two Governments and that your letter and this reply shall accordingly constitute an agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ghana.

I have the honour to be, Your Excellency, your obedient servant.

A. A. AFRIFA