

No. 10240

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

**Exchange of letters constituting an agreement concerning the
guarantee by the United Kingdom and the maintenance of
reserves in sterling by the Government of Botswana. Gabe-
rones, 1 September 1969**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
29 January 1970.*

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

**Échange de lettres constituant un accord relatif à la garantie
par le Gouvernement du Royaume-Uni et au maintien par
le Gouvernement du Botswana de réserves en sterling. Gabe-
rones, 1^{er} septembre 1969**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
29 janvier 1970.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF BOTSWANA CONCERNING THE GUARANTEE BY THE UNITED KINGDOM AND THE MAINTENANCE OF RESERVES IN STERLING BY THE GOVERNMENT OF BOTSWANA

I

The British High Commissioner at Gaborone to the Minister of Finance of Botswana

BRITISH HIGH COMMISSION
GABERONES

1st September, 1969

Sir,

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 Botswana, 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 related assurances by the Government of the Republic of Botswana.

(1) *The Guarantee*

The Government of the United Kingdom of Great Britain and Northern Ireland undertake without charge to maintain the sterling value, in terms of the United States dollar, of the balances eligible for guarantee, provided that the Government of the Republic of Botswana undertake:

- (A) Not to hold assets in any currencies other than sterling and South African rand;
- (B) To limit transfers of sterling assets into South African rand to the amounts required for day-to-day business.

¹ Came into force on 1 September 1969 by the exchange of the said letters.

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

(2) *Balances eligible for guarantee*

The balances eligible for guarantee shall be that part of the sterling reserves which exceeds 10 per cent of total external reserves, held in the name or on behalf of the Government of the Republic of Botswana, except that no part of these reserves held in or bearing a right to conversion into either:

(A) Common or ordinary stock and shares and preferred stock and shares on which capital moneys and dividends are payable solely in sterling:
or

(B) Units in Unit Trusts on which, under the terms of issue, capital moneys are payable solely in sterling on liquidation or realisation,

shall be eligible for guarantee.

(3) *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 25 September, 1971.

(4) *Entry into force and duration*

The Agreement shall enter into force on the date of your reply to this letter in the terms mentioned below and shall remain in force until 25 September, 1971, and may be extended for a further two years by agreement between both parties.

2. If the Government of the Republic of Botswana 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 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 Botswana.

I have the honour to be, Sir, Your obedient Servant,

J. S. GANDEE

II

*The Minister of Finance of Botswana to the British High Commissioner at
Gaberones*

MINISTRY OF FINANCE
GABERONES

FIN. C 14/18

1st September, 1969

Sir,

I have the honour to refer to your letter of today's date recording the points which have been agreed between our two Governments, on the guarantee by the Government of the United Kingdom and related assurances by the Government of the Republic of Botswana which reads as follows:

[*See letter I*]

2. 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 the Republic of Botswana.

I have the honour to be, Sir, Your obedient Servant,

M. K. SEGOKGO