

No. 24110

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

**Exchange of notes constituting an agreement regarding the
use of British capital untransferable accounts in Egypt.
Cairo, 21 January 1985**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
19 May 1986.*

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

**Échange de notes constituant un accord relatif à l'utilisation
des comptes britanniques en avoirs non transférables en
Égypte. Le Caire, 21 janvier 1985**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 19 mai 1986.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT REGARDING THE USE OF BRITISH CAPITAL UNTRANSFERABLE ACCOUNTS IN EGYPT

I

*Her Majesty's Ambassador at Cairo to the Minister of Economy
and Foreign Trade of the Arab Republic of Egypt*

BRITISH EMBASSY
CAIRO

21 January 1985

Your Excellency,

I have the honour to refer to the Exchanges of Notes of 15 March 1973² and 22 May 1979³ constituting Agreements between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Arab Republic of Egypt regarding the use of certain British Blocked Accounts in Egypt (hereinafter referred to as "The 1973 and 1979 Agreements") and to recent discussions in Cairo between representatives of the two Governments, and have the honour to make the following proposals:

(a) For the purposes of the present Note, the term "British Capital Untransferable Accounts" shall mean those British accounts in the Arab Republic of Egypt which are not eligible for transfer under existing Egyptian Exchange Control Regulations, including accounts held in the name of the British Embassy in Cairo which contain the proceeds of sales of British Government property in Egypt.

(b) The Government of the Arab Republic of Egypt shall permit the British Embassy in Cairo to acquire any British Capital Untransferable Account held by a bank in the Arab Republic of Egypt on presentation by the British Embassy to the bank of a written assignment made by the owner of the account. The proceeds of such accounts shall be transferred by the bank into the account called the "British Embassy Special Account" at the Banque du Caire, Cairo. The funds thus acquired shall be used by the British Embassy in Cairo only for the payment of any local expenses incurred by the British Embassy (including the Consulate General at Alexandria, the British Council and the British programme of Technical Cooperation with Egypt) within the Arab Republic of Egypt, up to an overall limit of £E4,000,000 (four million Egyptian pounds).

¹ Came into force on 21 January 1985, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 887, p. 241.

³ *Ibid.*, vol. 1162, p. 345.

(c) (i) The sum referred to in paragraph (b) above may be used, subject to the following limits:

- up to £E875,000, in each of the first two years counting from the date of the present Note;
- up to £E750,000, in each of the following three years.

(ii) However, it is accepted that any amount within these limits which is not used in the year in question may be used in any subsequent year, if necessary after the expiry of the period of five years.

(d) The technical arrangements for the implementation of the present Note shall be the same as those which were drawn up for the implementation of the 1973 and 1979 Agreements by representatives of the Egyptian Ministry of Economy and Foreign Trade, of the National Bank of Egypt and of the Government of the United Kingdom. In addition, the following technical arrangements shall apply:

- (i) When the British Embassy in Cairo transmit a written assignment in due form to the Ministry of Economy and Foreign Trade, the Ministry shall within seven days forward to the bank concerned the request for release of funds, with an instruction to arrange the immediate transfer, to the credit of the British Embassy Special Account, of half of the amount stated in the written assignment.
- (ii) At the same time the Ministry of Economy and Foreign Trade shall transmit to the Board of Taxes a copy of the written assignment from the owner of the account.
- (iii) The Board of Taxes shall give their approval for the transfer of the remaining balance with the minimum of delay and in any case within a period not exceeding 60 days. They shall so notify the bank where the owner has his account.
- (iv) In cases where a claim for tax is made against the owner of an account, the Ministry shall, within this same period of 60 days, so advise any such owner or his representative, as well as the British Embassy in Cairo, giving details of the claim. In such cases, only the amount claimed by the tax authorities shall remain blocked, the remainder being credited to the British Embassy Special Account, in accordance with the usual arrangements; the owner of the account and the tax authorities shall together seek to resolve any question relating to the settlement of the tax claim as quickly as possible.

(e) A Joint Committee composed of representatives of the Government of the United Kingdom and of the Government of the Arab Republic of Egypt shall meet at the request of either party to review the progress made in implementing the provisions of the present Note.

(f) Representatives of the Government of the United Kingdom and of the Government of the Arab Republic of Egypt shall meet at least six months before the expiry of the period of five years from the date of the present Note in order to determine whether any measures are required to take effect thereafter.

(g) The Agreement proposed in the present Note shall be subject to review in the light of experience or in the event of changed circumstances.

If the foregoing proposals are acceptable to the Government of the Arab Republic of Egypt, I have the honour to propose that the present Note together with Your Excellency's reply to that effect shall constitute an Agreement between the two Governments which shall enter into force on today's date.

I avail myself of this opportunity to convey to Your Excellency the assurances of my highest consideration.

MICHAEL WEIR

II

*The Minister of Economy and Foreign Trade of the Arab Republic of Egypt
to Her Majesty's Ambassador at Cairo*

Cairo, 21 January 1985

Sir,

I have the honour to acknowledge receipt of your Note of today's date which reads as follows:

[See note I]

In reply I have the honour to inform you that the foregoing proposals are acceptable to the Government of the Arab Republic of Egypt, who therefore agree that your Note and the present reply shall be regarded as constituting an Agreement which shall enter into force on today's date.

I avail myself of this opportunity to convey to you, Sir, the assurance of my highest consideration.

Yours sincerely,

M. K. EL-SA'ID