



Treaty Series No. 11 (1950)

Exchange of Notes

between His Majesty's Government in the United Kingdom
and the Hungarian Government

amending the Anglo-Hungarian Payments
Agreement of the 6th-12th August, 1946

Budapest, 3rd July, 1947

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of His Majesty*

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**EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT
IN THE UNITED KINGDOM AND THE HUNGARIAN GOVERNMENT,
AMENDING THE ANGLO-HUNGARIAN PAYMENTS
AGREEMENT OF THE 6th/12th AUGUST, 1946**

Budapest, 3rd July, 1947

No. 1

*His Majesty's Political Representative at Budapest to the Hungarian
Minister for Foreign Affairs*

*British Political Mission in Hungary,
Budapest, 3rd July, 1947.*

Sir,

I have the honour to refer to my Note of 10th March, 1947, relating to payments between the United Kingdom and Hungary, and to his Excellency Dr. Gyongyossi's reply of 23rd March.

2. I understand that the Hungarian Government is now in agreement with the proposal of His Majesty's Government in the United Kingdom that the Annex to the Notes exchanged on 6th August, 1946,⁽¹⁾ should be amended in the following respects and further that the explanatory letters dated 12th August, and relating to Article V of the Annex, should no longer have effect:—

Article 1 (iii) to read:

'such further transactions over the sterling accounts opened in accordance with Article 2 below as may be permitted by agreement between the United Kingdom and Hungarian authorities.'

Article 1 (iv) to read:

'the resumption of banking relations between the United Kingdom and Hungary in accordance with the terms of this Agreement.'

Article 2 to read:

- '(a) The National Bank of Hungary will open a sterling account in its name with the Bank of England.
- '(b) Subject to the prior approval of the United Kingdom authorities persons in Hungary may open sterling accounts in their names with banks in the United Kingdom other than the Bank of England.
- '(c) Accounts opened in accordance with this Article will be designated "Hungarian Accounts" for the purpose of Exchange Control in the United Kingdom and this Agreement.'

Article 5 to read:

'The National Bank of Hungary will advise the Bank of England from time to time of the rates quoted for sterling and United States dollars against forint; these rates shall be related to one another at the official middle rate quoted in London for the United States dollar. The National Bank of Hungary or its duly appointed agents for Exchange Control purposes in Hungary will—

- '(a) disburse to the appropriate persons in Hungary the forint equivalent of all sterling sums placed to the credit of any Hungarian Account, except to the extent that such persons are permitted under the

(¹) Cmd. 6915.

Exchange Control Regulations in force in Hungary from time to time to retain any sterling sums so accruing ;

'(b) sell such sterling at their disposal on Hungarian Accounts as may be necessary for all payments which persons in Hungary are permitted to make to residents of the sterling area under the Exchange Control Regulations in force in Hungary from time to time.'

3. I am further to state that it is the desire of His Majesty's Government in the United Kingdom (and I understand agreeable to the Hungarian Government) that the Agreement to facilitate payments between the United Kingdom and Hungary should not terminate on the entry into force of the Treaty of Peace between the United Kingdom and Hungary. His Majesty's Government in the United Kingdom propose to this end that the Annex referred to above should be further amended in the following respects:—

Article 10 to read:

'Hungarian property situated in the United Kingdom, all income arising therefrom and all debts due to persons in Hungary by persons in the United Kingdom will (save as otherwise provided in this Agreement) continue to be subject to the Trading with the Enemy legislation in force in the United Kingdom, and, after entry into force of the Treaty of Peace between the United Kingdom and Hungary, to the terms of Article 29 of that Treaty.'

Article 11 to read:

'This Agreement will come into force on 27th August, 1946, and will terminate sixty days after notice of termination has been given to the other Party by the Government of the United Kingdom or the Government of Hungary.'

4. I have the honour on behalf of His Majesty's Government in the United Kingdom to propose that this Note, together with a Note from your Excellency confirming that the Hungarian Government accept the amendments set out above, shall have the effect of altering accordingly the Agreement concluded on 6th August, 1946, between our two Governments.

I avail, &c.

(Sd.) A. K. HELM.

No. 2

The Hungarian Minister for Foreign Affairs to His Majesty's Political Representative at Budapest

*Hungarian Ministry for Foreign Affairs,
Budapest, 3rd July, 1947.*

Sir,

I have the honour to acknowledge receipt of your Note of to-day regarding payments between the United Kingdom and Hungary, which reads as follows:—

[As in No. 1.]

I beg leave to state that my Government agree with the foregoing and I avail, &c.

(Sd.) E. MIHALYFI.

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