



Treaty Series No. 6 (1951)

Monetary Agreement

between the Government of the United Kingdom
of Great Britain and Northern Ireland and the
Governments of Belgium and Luxembourg

London, 30th December, 1950

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

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**MONETARY AGREEMENT BETWEEN THE GOVERNMENT OF
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND AND THE GOVERNMENTS OF BELGIUM AND
LUXEMBOURG**

London, 30th December, 1950

THE Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Belgium, acting in their name and in the name of the Government of the Grand Duchy of Luxembourg according to existing agreements,

Desiring to modify the arrangements agreed between them for the regulation of payments so as to take account of the establishment of the European Payments Union and to conform with the provisions of the Agreement relating to the establishment of the Union which was signed in Paris on 19th September, 1950⁽¹⁾ (hereinafter referred to as the "European Payments Agreement"),

Have agreed as follows—

ARTICLE 1

(a) The rate of exchange between the Belgian franc and the pound sterling shall be Belgian francs 140 = £1 and this rate (hereinafter referred to as "the official rate") shall not be varied by either Contracting Government except after giving to the other as much notice as may be practicable.

(b) The Contracting Governments shall enforce the use of the official rate as the basis of all transactions involving a relationship between the pound sterling and the Belgian franc.

(c) The Bank of England and the National Bank of Belgium, as agents of their respective Governments, shall fix by agreement the maximum spread above or below the official rate which will be authorised on the markets which they control.

ARTICLE 2

The Bank of England and the National Bank of Belgium, as agents of their respective Governments, shall make such arrangements as may be necessary to implement as between those Governments Article 8 of the European Payments Agreement.

ARTICLE 3

(a)—(i) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of residents of the Belgian Monetary Area for transfer to other residents of the Belgian Monetary Area or to residents of the Scheduled Territories.

(ii) The Government of the United Kingdom shall not restrict the availability of sterling under the control of the National Bank of Belgium for making payments in respect of direct current transactions to residents

⁽¹⁾ "Miscellaneous No. 14 (1950)," Cmd. 8064.

of such countries outside the Belgian Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the National Bank of Belgium acting as agents of their respective Governments.

(b)—(i) The Belgian Government shall not restrict the availability of Belgian francs at the disposal of residents of the Scheduled Territories for transfer to other residents of the Scheduled Territories or to residents of the Belgian Monetary Area.

(ii) The Belgian Government shall not restrict the availability of Belgian francs under the control of the Bank of England for making payments in respect of direct current transactions to residents of such countries outside the Belgian Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the National Bank of Belgium acting as agents of their respective Governments.

ARTICLE 4

The Belgian Government shall not restrict the acceptance by residents of the Belgian Monetary Area of sterling from residents of the Scheduled Territories and, as regards payments in respect of direct current transactions, from residents of such countries outside the Belgian Monetary Area and the Scheduled Territories as may be agreed between the Bank of England and the National Bank of Belgium acting as agents of their respective Governments.

ARTICLE 5

The Contracting Governments shall co-operate with a view to assisting each other in keeping capital transactions within the scope of their respective policies.

ARTICLE 6

For the purposes of the present Agreement—

(a) The expression “ the Scheduled Territories ” shall have the meaning from time to time assigned to it under the United Kingdom Exchange Control Act, 1947.

(b) The expression “ the Belgian Monetary Area ” shall include the following territories:—

- Belgium
- Luxembourg
- Belgian Congo, and the
- Trust Territory of Ruanda-Urundi.

(c) The expression “ payments in respect of direct current transactions ” means payments in respect of transactions of the type defined in Article XIX (i) of the Articles of Agreement of the International Monetary Fund which are made by a principal resident in the country from which payment is made and which relate solely to goods (other than gold bullion, gold coin, or gold either in semi-manufactured or in fully manufactured form) imported into, and for use or consumption in, that country and originating in the country to which payment is made or to services rendered to residents of the former country by residents of the latter country.

ARTICLE 7

The present Agreement shall come into force on 1st January, 1951, and shall remain in force so long as bilateral balances between the United Kingdom

and Belgium are settled through the European Payments Union, provided that either Contracting Government may terminate the Agreement at any earlier date on giving to the other three months' notice of its intention. It shall in any case be reviewed before 1st July, 1952.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present agreement and affixed thereto their seals.

Done at London in English, in duplicate, this thirtieth day of December, 1950.

(L.S.) WILLIAM STRANG.

(L.S.) OBERT DE THIEUSIES.

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