

Treaty Sept

FINLAND 443



Treaty Series No. 40 (1950)

Agreement

between the Government of the United Kingdom
of Great Britain and Northern Ireland and
the Government of Finland

regarding Sterling Payments

London, 7th July, 1950

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

LONDON
HIS MAJESTY'S STATIONERY OFFICE
TWO PENCE NET

Cmd. 8006

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF FINLAND REGARDING STERLING PAYMENTS

London, 7th July, 1950

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Finland have agreed as follows:—

ARTICLE I

- (i) All trade and financial payments between residents of Finland and residents of the Scheduled Territories shall be settled in sterling.
- (ii) All payments between residents of Finland and residents of the Scheduled Territories which must necessarily be made in Finmarks shall be settled by the purchase or sale of sterling by residents of Finland on the basis of the rates quoted in accordance with Article II.
- (iii) All payments between residents of Finland and residents of the Scheduled Territories, expressed in currencies other than sterling and Finmarks which are due to be settled in sterling shall be converted into and settled in sterling on the basis of the official rates in London.

ARTICLE II

The Bank of Finland shall quote buying and selling rates for sterling which shall be related to the buying and selling rates quoted by the Bank of Finland for the United States dollar at the middle rate quoted by the Bank of England for the United States dollar.

ARTICLE III

All sterling payments to residents of Finland which residents of the Scheduled Territories or of countries outside the Scheduled Territories are permitted to make to Finland under the Exchange Control Regulations in force in the United Kingdom shall be made to Finnish accounts.

ARTICLE IV

(i) The Bank of Finland shall, on the basis of the rates quoted in accordance with Article II:—

- (a) Purchase, when required, sterling transferred to the credit of any Finnish Account against disbursement of the Finmark equivalent;
- (b) Sell to residents of Finland such sterling at its disposal as may be required for any payments which residents of Finland are permitted to make to residents of the Scheduled Territories under the Exchange Control Regulations in force in Finland from time to time.

(ii) The Government of Finland shall not restrict the availability of any Finmarks arising from permitted current transactions and accruing to residents of the Scheduled Territories for making payments to other residents of the Scheduled Territories or to residents of Finland.

445

ARTICLE V

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

(ii) The Government of the United Kingdom shall not restrict the availability of sterling at the disposal of the Bank of Finland for making payments in respect of direct current transactions to residents of such countries outside Finland and the Scheduled Territories as may be agreed between the Bank of England and the Bank of Finland acting as Agents of their respective Governments.

ARTICLE VI

The Government of Finland shall not restrict the acceptance by residents of Finland of sterling from residents of the Scheduled Territories and, in respect of direct current transactions, from residents of such countries outside Finland and the Scheduled Territories as may be agreed between the Bank of England and the Bank of Finland acting as Agents of their respective Governments.

ARTICLE VII

Any sterling held by the Bank of Finland shall be held and invested only as may be agreed with the Bank of England.

ARTICLE VIII

The Bank of England and the Bank of Finland, as Agents of their respective Governments, will maintain contact on all technical questions arising out of the present Agreement.

ARTICLE IX

For the purposes of the present Agreement:—

- (i) The expression "the Scheduled Territories" shall have the meaning from time to time assigned to it under the United Kingdom Exchange Control Act, 1947.⁽²⁾
- (ii) The expression "Finnish Account" shall mean a sterling account of a resident of Finland which is for the time being recognised by the Bank of England as a Finnish Account for the purposes of the present Agreement.
- (iii) The expression "payments in respect of direct current transactions" shall mean payments for transactions of the type defined in Article XIX (i) of the Articles of Agreement of the International Monetary Fund⁽¹⁾ which are made by a principal resident in the country from which payment is made and which relate solely to goods imported into, and for consumption or use 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 X

The present Agreement, which shall be subject to review and adjustment after consultation between the contracting Governments, shall come into force on the eighth day of July, 1950. At any time thereafter, either contracting

(1) "Treaty Series No. 21 (1946)," Cmd. 6885.

(2) 10 & 11 Geo. 6, Ch. 14.

Government may give notice to the other of its intention to terminate the Agreement and the Agreement shall cease to have effect three months after the date of such notice. It shall terminate two years after the date of its coming into force, unless the contracting Governments agree otherwise.

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

Done in London, in duplicate this 7th day of July, 1950.

(L.S.)

K. G. YOUNGER

(L.S.)

EERO A. WUORI

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

To be purchased from

York House, Kingsway, LONDON, W.C.2 429 Oxford Street, LONDON, W.1
P.O. Box 569, LONDON, S.E.1

13a Castle Street, EDINBURGH, 2 1 St. Andrew's Crescent, CARDIFF
39 King Street, MANCHESTER, 2 1 Tower Lane, BRISTOL, 1
2 Edmund Street, BIRMINGHAM, 3 80 Chichester Street, BELFAST

or from any Bookseller

1950

Price 2*d.* net

PRINTED IN GREAT BRITAIN