



Treaty Series No. 58 (1992)

Exchange of Notes

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

Cairo, 7 May and 2 June 1990

[The Agreement entered into force on 2 June 1990]

with

amending Exchange of Notes

Cairo, 13 February and 7 April 1992

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
August 1992*

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**EXCHANGE OF NOTES
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**

No. 1

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

*British Embassy
Cairo
7 May 1990*

Your Excellency,

I have the honour to refer to the Exchange of Notes of 15 March 1973¹, 22 May 1979² and 21 January 1985³ 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, 1979 and 1985 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 Co-operation with Egypt) within the Arab Republic of Egypt, up to an overall limit of LE 4,000,000 (four million Egyptian Pounds).
- (c) (i) The sum referred to in paragraph (b) above may be used, subject to the following limits:—
 - up to LE 875,000 in each of the first two years counting from the date of the present Note;
 - up to LE 750,000 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, 1979 and 1985 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.

¹Treaty Series No. 49 (1973), Cmnd. 5290.

²Treaty Series No. 85 (1979), Cmnd. 7702.

³Treaty Series No. 16 (1985), Cmnd. 9479.

- (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.
 - (h) The conclusion of the Agreement proposed in the present Note shall not affect the continued validity and operation of the 1985 Agreement in respect of the proceeds of accounts still to be transferred under that Agreement.

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.

W. J. ADAMS

No. 2

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

*Cairo
2 June 1990*

Excellency,

I have the honour to acknowledge receipt of your Note dated 7/5/1990, which reads as follows:

[As in No. 1]

In reply, I have honour to inform you that the foregoing proposals are acceptable to the Government of the Arab Republic of Egypt who therefore agrees that your letter and the present reply 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.

Y. A. MOSTAFA

**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
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REGARDING THE USE OF BRITISH CAPITAL UNTRANSFERABLE ACCOUNTS
IN EGYPT**

No. 1

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

*British Embassy
Cairo*

13 February 1992

I have the honour to refer to my Note of 7 May 1990 and Your Excellency's reply dated 2 June 1990 regarding the use of certain British Blocked Accounts in Egypt.

It has been brought to my attention that, as the Notes stand, there is doubt as to the date of entry into force of this Agreement. I therefore propose that the date of the entry into force of this be agreed as 2 June 1990.

It the foregoing proposal is acceptable to the Government of the Republic of Egypt, I have the honour to propose that this Note and your reply to that effect shall constitute an Agreement between our two Governments.

Please accept, Excellency, the assurance of my highest consideration.

W. J. ADAMS

No. 2

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

Cairo

7 April 1992

Your Excellency,

I have the honour to acknowledge receipt of your Note dated 13 February 1992 which reads as follows:

[As in No. 1]

I have the honour to confirm that the proposals set out above are acceptable to the Government of Egypt and that your Note and this reply shall constitute an Agreement between our two Governments.

I avail myself of the opportunity to express to Your Excellency the assurance of my highest consideration.

Y. A. MOSTAFA

