



Treaty Series No. 36 (1952)

Sterling Payments Agreement

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

[with Exchanges of Notes]

Tokyo, 31st August, 1951

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of Her Majesty
July 1952*

LONDON
HER MAJESTY'S STATIONERY OFFICE
FOURPENCE NET

Cmd. 8602

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

Tokyo, 31st August, 1951

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of Japan

Have agreed as follows:—

ARTICLE 1

All payments between residents of Japan and residents of the Scheduled Territories, other than such as must necessarily be made in yen, shall be settled in sterling.

ARTICLE 2

The Government of Japan will ensure that their appropriate authorities shall buy and sell sterling and that the rates of those authorities for sterling and for the United States dollar shall be related to one another at the middle rate quoted by the Bank of England for the United States dollar.

ARTICLE 3

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

ARTICLE 4

(1) The Government of the United Kingdom shall not restrict the transfer of sterling which is at the disposal of residents of Japan to other residents of Japan or to residents of the Scheduled Territories.

(2) The Government of the United Kingdom shall not restrict the availability of sterling under the control of the Japanese Foreign Exchange Control Board for making payments in respect of direct current transactions to residents of such countries (other than Japan and the Scheduled Territories) as may be agreed between the Bank of England and the Japanese Foreign Exchange Control Board.

ARTICLE 5

The Government of Japan shall not restrict the acceptance by residents of Japan of sterling from residents of the Scheduled Territories and, as regards payments in respect of direct current transactions, from residents of such countries (other than Japan and the Scheduled Territories) as may be agreed between the Bank of England and the Japanese Foreign Exchange Control Board.

ARTICLE 6

In so far as the Japanese Exchange Control Regulations from time to time permit, the Government of Japan will facilitate the transfer of yen

accruing to residents of the Scheduled Territories from permitted current transactions to other residents of the Scheduled Territories or to residents of Japan, and the transfer of such yen into sterling.

ARTICLE 7

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 “Japanese Account” shall mean an account of a resident of Japan which is for the time being recognised by the Bank of England as a Japanese Account for the purposes of the present Agreement ;
- (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⁽¹⁾ which are made by a principal resident in the country from which payment is made and which relate exclusively (1) to goods (other than gold bullion, gold coin or gold either in semi-manufactured or fully manufactured form) imported into, and for use or consumption in, that country and originating in the country to which payment is made or (2) to services rendered to residents in the former country by residents of the latter country.

ARTICLE 8

For the purposes of the present Agreement the Bank of England shall act as agent of the Government of the United Kingdom and the Japanese Foreign Exchange Control Board as agent of the Government of Japan.

ARTICLE 9

The present Agreement shall come into force upon the entry into force of a Peace Treaty between the Government of the United Kingdom and the Government of Japan, provided that the Agreement between the Government of the United Kingdom and the Supreme Commander for the Allied Powers acting in respect of Occupied Japan which came into force on 31st August, 1951,⁽²⁾ shall not previously have terminated.⁽³⁾ In the event, however, that notice of termination of the latter Agreement shall already have been given but not have expired, the present Agreement shall come into force only for the remainder of the period of such notice and shall then terminate, unless both Contracting Parties agree to the contrary. At any time after the entry into force of the present Agreement either Contracting Party may give notice to the other of its intention to terminate it and the present Agreement shall cease to have effect three months after the date of such notice. It shall terminate, unless both Contracting Parties agree to the contrary, on the 31st August, 1952.

(1) “Treaty Series No. 21 (1946),” Cmd. 6885.
 (2) “Treaty Series No. 87 (1951),” Cmd. 8376.
 (3) The Agreement entered into force on 28th April, 1952.

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

Done at Tokyo this Thirty-first day of August, 1951, in duplicate.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

(L.S.) GEORGE CLUTTON.

For the Government of Japan:

(L.S.) SHIGERU YOSHIDA.

[NOTE.—An Agreement in similar terms between the Government of the United Kingdom of Great Britain and Northern Ireland and the Supreme Commander for the Allied Powers acting in respect of Occupied Japan has been issued as Treaty Series, No. 87 (1951), Cmd. 8376.]

EXCHANGES OF NOTES

No. 1 (a)

The Acting United Kingdom Political Representative in Japan to the Japanese Minister for Foreign Affairs

United Kingdom Liaison Mission in Japan,

M. le Ministre,

Tokyo, 31st August, 1951.

With reference to the Payments Agreement signed to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Japan, I have the honour to set out the understanding which has been reached on the subject of consultation between the parties to the Agreement during its currency in order to assist in its satisfactory operation.

To ensure the smooth working of the Agreement, the Government of the United Kingdom and the Government of Japan mutually recognise the desirability of keeping Japan's sterling balances within reasonable limits. In order that at all times Japan may hold sufficient sterling to meet her requirements, without, however, accumulating an excessive amount, having regard to all the circumstances, both parties will take all reasonable measures to prevent, or correct should it occur, any chronic imbalance of payments in either direction.

With this intention in mind the two parties have agreed, in addition to the informal consultation which will take place between the Government of the United Kingdom and the Government of Japan or their Agents under the Agreement in the normal course of its current operation, to meet at short notice, which may be given by either party, in order to discuss any aspect of the development of the payments relationship between the two countries which may appear to call for special consideration.

I shall be grateful for your Excellency's confirmation of this understanding.

I avail, &c.

GEORGE CLUTTON.

495

No. 1 (b)

The Japanese Minister for Foreign Affairs to the Acting United Kingdom Political Representative

Sir, Tokyo, 31st August, 1951.

I have the honour to acknowledge the receipt of your Note of to-day's date reading as follows:—

[As in No. 1 (a).]

I have pleasure in confirming that the understanding of your Government as set out in that Note corresponds to that of the Government of Japan.

I beg, &c.

SHIGERU YOSHIDA.

No. 2 (a)

The Acting United Kingdom Political Representative in Japan to the Japanese Minister for Foreign Affairs

United Kingdom Liaison Mission in Japan,

M. le Ministre, Tokyo, 31st August, 1951.

In connexion with the facilities which will be available to Japan on an administrative basis for transfers of sterling between Japan and countries outside the Scheduled Territories in settlement of direct current transactions during the currency of the Payments Agreement signed to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Japan, I have the honour to inform your Excellency that, as an extension of these facilities, the United Kingdom Exchange Control will, so long as that Agreement is in force, be prepared for its part to approve any transfer of sterling in settlement of direct current transactions from Japan to any country in the "transferable account" system (comprising the countries listed in the Third Schedule to the United Kingdom Exchange Control (Payments) Order, 1950, as amended from time to time) or in the group of "Other Countries" (comprising territories outside the Scheduled Territories and outside any of the territories specified in the schedules to the United Kingdom Exchange Control (Payments) Order, 1950, as amended from time to time), provided there is no objection on the part of the authorities in the receiving country to settlement in sterling.

I avail, &c.

GEORGE CLUTTON.

No. 2 (b)

*The Japanese Minister for Foreign Affairs to the Acting United
Kingdom Political Representative*

Sir,

Tokyo, 31st August, 1951.

I have the honour to acknowledge the receipt of your Note of to-day's date reading as follows:—

[As in No. 2 (a).]

I am glad to take note of its contents on behalf of the Government of Japan.

I beg, &c.

SHIGERU YOSHIDA.

PRINTED AND PUBLISHED BY HER MAJESTY'S STATIONERY OFFICE

To be purchased from

York House, Kingsway, LONDON, W.C.2 423 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 Tower Lane, BRISTOL, 1

2 Edmund Street, BIRMINGHAM, 3 80 Chichester Street, BELFAST

or from any Bookseller

1952

Price 4d. net

PRINTED IN GREAT BRITAIN