

N° 3844.

**GRANDE-BRETAGNE
ET IRLANDE DU NORD
ET ESPAGNE**

Accord relatif aux paiements, signé
à Madrid, le 6 janvier 1936, et
accord modifiant l'article 7 dudit
accord relatif aux paiements, signé
à Madrid, le 6 juin 1936.

**GREAT BRITAIN
AND NORTHERN IRELAND
AND SPAIN**

Payments Agreement, signed at
Madrid, January 6th, 1936, and
Agreement modifying Article 7 of
the said Payments Agreement,
signed at Madrid, June 6th, 1936.

No. 3844. — PAYMENTS AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE SPANISH GOVERNMENT. SIGNED AT MADRID, JANUARY 6TH, 1936.

Spanish and English official texts communicated by the Spanish Envoy Extraordinary and Minister Plenipotentiary at Berne and by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration of this Agreement took place March 3rd, 1936.

THE GOVERNMENT OF THE SPANISH REPUBLIC and THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, desiring to facilitate payments between Spain and the United Kingdom, have agreed as follows :

Article I.

(i) In all cases where application has been made to the Centro Oficial de Contratación de Moneda (hereinafter called the Centro) for the transfer of amounts in sterling or other currencies to persons in the United Kingdom and the transfer has not been fully effected before the coming into force of this Agreement, and in all cases where for the purposes set out in paragraph (ii) of this Article such application is made after the coming into force of this Agreement, the Centro will immediately instruct all Banks in Spain through which such applications have been or shall be made to deposit the amounts corresponding to such applications in a non-interest-bearing account (hereinafter called the Peseta Account) which will be opened at the Banco Exterior de España in the name of the Centro.

Currencies other than pesetas will for the purpose of deposit in the Peseta Account be converted at the rate of exchange in Madrid on the working day preceding the day of deposit.

(ii) The purposes for which, after the coming into force of this Agreement, applications for transfer will be authorised (subject to the necessary verification of the facts) shall be :

(a) Payments in respect of the price of goods produced or manufactured in the United Kingdom and imported into Spain : provided that goods exported from the United Kingdom after the coming into force of this Agreement are accompanied by a Certificate of a Chamber of Commerce (or other body authorised by the United Kingdom Government) to the effect that the goods were produced or manufactured in the United Kingdom.

(b) Payments in respect of the price of re-exports from the United Kingdom to Spain of a normal character and quantity, subject to such limits and conditions as may be agreed from time to time between the London Office referred to in Article 4 and the Centro. Such re-exports shall not include goods originating in countries with which Spain has, or shall have, Clearing or similar Agreements.

(c) Remittances for freight, interest, dividends, profit, office expenses in the United Kingdom, rent, insurance and re-insurance, royalties, fees, commission and such other purposes as may be agreed between the London Office and the Centro.

Article 2.

The pesetas deposited in the Peseta Account in accordance with Article 1 will remain blocked until such time as transfer to the respective transferees is effected through the Sterling Account referred to in Article 5, and any difference of exchange between the day preceding the day of deposit and the day or days of transfer will be credited or debited to the debtor in Spain, who will thus pay the full sterling amount due, or, where the debt is expressed in a currency other than sterling, the full sterling equivalent on the basis of the rate of exchange on the day of transfer.

Where interest is legally due on a debt in respect of which a deposit is, or has been, made in the Peseta Account, the total of that interest, calculated to the date on which the deposit of the principal sum in the Peseta Account was made, shall be paid by the debtor in Spain by deposit, if necessary, of further pesetas, so that there may be transferred through the Sterling Account both principal and such interest in respect of the original debt.

Article 3.

The Centro will without delay send to the Banco Exterior de España all the details relating to the applications referred to in Article 1 in their chronological order so that they may be checked with the deposits made.

Article 4.

A special office (in this Agreement called the London Office) will be set up by the United Kingdom Government, and the Banco Exterior de España will advise that Office daily of all the deposits which it has received in accordance with this Agreement, showing on a separate sheet the name and address of the Spanish debtor, the name and address of the United Kingdom creditor, the date, series and number of the deposit, the name and address of any Bank in the United Kingdom which has sent documents for collection, the amount of the debt in foreign currency and the corresponding amount in pesetas, and the rate of conversion. Where a Certificate is required under Article 1 (ii) (a) the Banco Exterior de España will obtain such Certificate from the importer concerned and transmit it to the London Office.

Article 5.

(i) All debts which were due and owing on the date of the coming into force of this Agreement, and all debts falling due after that date, in respect of the price of Spanish goods imported into the United Kingdom shall be paid in sterling to a non-interest-bearing account at the Bank of England in the name of the London Office, which will advise daily all such payments to the Banco Exterior de España, giving details similar to those set out in Article 4. Where such payment is made by an agent or representative of the exporter, such agent or representative shall be entitled in respect of each transaction to retain actual and reasonable disbursements for Customs, freight, charges and commission payable in the United Kingdom, particulars of which shall be furnished to the London Office.

(ii) The London Office may, by special agreement with the Centro, assign, for approved purposes, to companies incorporated in the United Kingdom and carrying on mining business in Spain, part of the sums paid to the London Office in respect of minerals produced by such companies or their branches in Spain and imported into the United Kingdom.

(iii) Where a debt is expressed to be payable in pesetas the full peseta amount due shall be paid to the creditor in Spain from the Peseta Account. In this case the debtor will pay to the

London Office the corresponding amount in sterling at the rate of exchange in London on the day of payment to the London Office. Where the debt is expressed to be payable in a currency other than pesetas or sterling, the debtor will make to the London Office a payment in sterling corresponding to the amount due in such other currency, at the rate of exchange in London for that currency on the day of payment.

Article 6.

The Banco Exterior de España will, on being advised of the payments made to the London Office, pay from the Peseta Account the equivalent amount in pesetas to the creditor in Spain entitled thereto in accordance with the provisions of Article 5.

Article 7.

The sterling received by the London Office under Article 5 will be applied to the transfer of amounts in respect of which application has been made to the Centro and the corresponding sums in pesetas have been paid to the Peseta Account in accordance with this Agreement.

The detailed method of applying the sterling received by the London Office for the above purpose shall be such as the United Kingdom Government may from time to time prescribe: provided that debts in respect of the price of goods shall have priority over other debts and payments.

The London Office shall be entitled to charge to persons in the United Kingdom and to deduct from the sums transferred to them in accordance with this Article such fees as may be prescribed by the United Kingdom Government.

Article 8.

When all applications for transfer of amounts to persons in the United Kingdom, in accordance with this Agreement, are met without delay the United Kingdom Government will withdraw the provisions referred to in Article 5 and permit debts in respect of the price of Spanish goods imported into the United Kingdom to be remitted direct to the creditor in Spain.

Article 9.

Technical and administrative questions, including those relating to Bills of Exchange and the assignment of debts, shall be settled in agreement by the Centro and the London Office.

Article 10.

For the purpose of this Agreement "Spain" shall include the territories of the Peninsula, the Canary Isles and the Balearic Isles, Ceuta and Melilla.

This Agreement, other than Article 5, shall apply to Newfoundland as if it were a part of the United Kingdom and as if goods produced or manufactured in Newfoundland were goods produced or manufactured in the United Kingdom.

Article 11.

This Agreement shall come into force on the 13th January, 1936, and shall remain in force until the date referred to in Article 8.

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

Done at Madrid, this 6th day of January, 1936, in duplicate, in Spanish and English, both texts being equally authentic.

{Por el Gobierno de la República Española:
(For the Government of the Spanish Republic :)
(L. S.) Joaquín DE URZÁIZ.

For the Government
of the United Kingdom of Great Britain
and Northern Ireland :
(L. S.) H. G. CHILTON.

Copia certificada conforme :
Madrid, 4 de febrero de 1936.

El Subsecretario,
José M^a Aguinaga.

AGREEMENT¹

MODIFYING ARTICLE 7 OF THE PAYMENTS AGREEMENT SIGNED IN MADRID ON THE SIXTH DAY OF JANUARY, 1936, BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE SPANISH GOVERNMENT. SIGNED AT MADRID, JUNE 6TH, 1936.

English and Spanish official texts communicated by the Spanish Chargé d'Affaires at Berne and by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration of this Agreement took place July 10th, 1936.

THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and THE GOVERNMENT OF THE SPANISH REPUBLIC, desiring still further to facilitate payments between the United Kingdom and Spain, have decided to amend certain provisions of the Agreement signed at Madrid on the 6th day of January 1936 (hereinafter referred to as "the Anglo-Spanish Payments Agreement") and to that end have agreed as follows :

Article 1.

As from the sixth day of June 1936 the following paragraph shall be substituted for the second paragraph of Article VII of the Anglo-Spanish Payments Agreement :

" The detailed method of applying the sterling received by the London Office for the above purpose shall be such as the United Kingdom Government may from time to time prescribe ; provided that debts in respect of the price of goods and in respect of freight for the carriage of goods or passengers on British ships shall have priority over other debts and payments and shall rank as between themselves in such order of priority as may be prescribed by the United Kingdom Government. "

¹ Came into force June 6th, 1936.

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

Done at Madrid, this sixth day of June 1936, in duplicate, in English and Spanish, both texts being equally authentic.

Por el Gobierno de la República Española :
(*For the Government of the Spanish Republic :*)

(*L. S.*) Augusto BARCIA.

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

(*L. S.*) George Ogilvie FORBES.

Copia certificada conforme :
Madrid, 20 de junio de 1936.

El Subsecretario,
R. de Ureña.
