

N° 4090.

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

Accord concernant les relations commerciales et les paiements, signé à Rome, le 6 novembre 1936, et échanges de notes y relatifs de la même date.

**GREAT BRITAIN
AND NORTHERN IRELAND
AND ITALY**

Agreement regarding Commercial Exchanges and Payments, signed at Rome, November 6th, 1936, and Exchanges of Notes relating thereto of the same Date.

No. 4090. — AGREEMENT¹ BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE ROYAL ITALIAN GOVERNMENT REGARDING COMMERCIAL EXCHANGES AND PAYMENTS. SIGNED AT ROME, NOVEMBER 6TH, 1936.

English and Italian official texts communicated by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration of this Agreement took place April 7th, 1937.

THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE ROYAL ITALIAN GOVERNMENT, desiring to facilitate commercial exchanges and payments between the United Kingdom and Newfoundland on the one hand and Italy on the other hand, have agreed as follows :

Article I.

(1) All sums due from persons in Italy to persons in the United Kingdom in respect of the debts to which this Article applies shall be deposited by the debtor in Italian lire with the Bank of Italy in its capacity as banker of the Istituto Nazionale per i Cambi con l'Estero (hereinafter called " the Istituto ") in a non-interest-bearing account (hereinafter called " the Lire New Account ").

(2) Lire sums which, at the date of the coming into force of this Agreement, have already been deposited in respect of debts covered by this Article shall be placed to the credit of the Lire New Account.

(3) This Article shall apply to all debts due and owing on the date of the coming into force of this Agreement or falling due after that date, and to debts in respect of which deposits have already been made and which are referred to in paragraph (2) of this Article, provided that the said debts are due from persons in Italy to persons in the United Kingdom in respect of :

(a) The price of United Kingdom goods imported into Italy after the 14th July, 1936, subject to the provisions of paragraph (5) of this Article ; or

(b) Freights for the carriage between the two countries in British ships of goods imported into either country after the 14th July, 1936.

(4) The lire deposited in accordance with paragraphs (1) and (2) of this Article shall remain blocked in favour of the respective creditors in the United Kingdom until such time as transfer to such creditors is effected through the Sterling New Account referred to in Article 7 to this Agreement.

(5) The provisions of paragraph (3) (a) of this Article shall, in the case of goods exported from the United Kingdom to Italy after the coming into force of this Agreement, apply only to deposits made in payment for goods which are accompanied by a certificate, in duplicate, issued by a United Kingdom Chamber of Commerce (or other body or person authorised by the Government

¹ Came into force November 16th, 1936.

TEXTE ITALIEN. — ITALIAN TEXT.

N° 4090. — ACCORDO¹ FRA IL GOVERNO DEL REGNO UNITO DI GRAN BRETAGNA E IRLANDA SETTENTRIONALE E IL REGIO GOVERNO ITALIANO RELATIVAMENTE AGLI SCAMBI COMMERCIALI ED AI PAGAMENTI. FIRMATO A ROMA, IL 6 NOVEMBRE 1936.

Textes officiels anglais et italien communiqués par le secrétaire d'Etat aux Affaires étrangères de Sa Majesté en Grande-Bretagne. L'enregistrement de cet accord a eu lieu le 7 avril 1937.

IL REGIO GOVERNO ITALIANO ed IL GOVERNO DEL REGNO UNITO DI GRAN BRETAGNA E IRLANDA SETTENTRIONALE, desiderando di facilitare gli scambi commerciali ed i pagamenti fra l'Italia da una parte ed il Regno Unito e Terranova dall'altra, sono d'accordo su quanto segue :

Articolo I.

(1) Tutti gli importi dovuti da persone in Italia a persone nel Regno Unito a fronte di debiti contemplati dal presente articolo saranno da versare dal debitore stesso in lire italiane presso la Banca d'Italia nella sua qualità di cassiere dell'Istituto Nazionale per i Cambi con l'Estero (d'ora innanzi chiamato « l'Istituto ») in un conto, infruttifero di interessi, d'ora innanzi chiamato « Conto Nuovo Lire ».

(2) Gli importi in lire, che alla data dell'entrata in vigore del presente Accordo risultino già versati a fronte di debiti contemplati dal presente articolo, saranno girati a credito del « Conto Nuovo Lire. »

(3) Il presente articolo si applica tanto ai debiti ancora in essere alla data dell'entrata in vigore del presente Accordo, quanto ai debiti con scadenza posteriore alla data stessa, quanto ai debiti a fronte dei quali i versamenti sono stati già eseguiti secondo quanto previsto al paragrafo (2) del presente articolo, semprechè tali debiti di persone in Italia verso persone nel Regno Unito riguardino :

(a) il prezzo di merci del Regno Unito importate in Italia dopo il 14 luglio 1936, tenendo conto delle disposizioni del paragrafo (5) del presente articolo ;

(b) i noli relativi al trasporto tra i due Paesi, su navi britanniche, di merci importate nell'uno o nell'altro Paese dopo il 14 luglio 1936.

(4) Gli importi in lire versati in conformità a quanto previsto ai precedenti paragrafi (1) e (2) del presente articolo, rimarranno vincolati a favore dei rispettivi creditori nel Regno Unito fino a quando ne sarà effettuato il relativo trasferimento a detti creditori attraverso il « Conto Nuovo Sterline » previsto all'articolo 7 del presente Accordo.

(5) Quanto disposto al paragrafo (3) lettera (a) del presente articolo, qualora si tratti di merci spedite dal Regno Unito in Italia dopo la data dell'entrata in vigore del presente Accordo, si applica solo a quei versamenti effettuati in pagamento di merci che siano accompagnate da un certificato in duplice esemplare rilasciato da una Camera di Commercio del Regno Unito (o altro Ente o

¹ Entré en vigueur le 16 novembre 1936.

of the United Kingdom) attesting that the goods have been grown, produced or manufactured in the United Kingdom. One copy of the certificate shall be delivered by the importer to the Istituto at the time of making a deposit, and shall be transmitted by the Istituto to the Anglo-Italian Clearing Office (hereinafter called "the Clearing Office") together with the advices of deposits which the Istituto will send to the Clearing Office in accordance with the provisions of paragraph (1) of Article 12 of this Agreement.

Article 2.

(1) All lire sums deposited before the date of the coming into force of this Agreement in the Lire Account referred to in Article 4 of the Annex to the Exchange of Notes¹ of the 27th April, 1935 (hereinafter called "the Old Lire Account"), shall be transferred to a non-interest-bearing account to be opened with the Istituto, called "the Lire Arrears Account 'A'". The date of deposit in the Old Lire Account shall be regarded as the date of deposit for the purposes of Articles 5 and 7 of this Agreement.

(2) Where any debt from a person in Italy to a person in the United Kingdom owing on the date of the coming into force of this Agreement or falling due after that date is a debt which, under Article 4 of the Annex to the Exchange of Notes of the 27th April, 1935, would have been deposited in the Old Lire Account, the sums which shall be deposited in respect of such a debt shall be credited to the Lire Arrears Account "A".

(3) The sums deposited in the Lire Arrears Account "A", in accordance with paragraphs (1) and (2) of this Article, shall, subject to the provisions of Article 9 of this Agreement, remain blocked in favour of the respective creditors in the United Kingdom until such time as transfer to such creditors is effected through the Sterling Arrears Account "A" referred to in Article 7 of this Agreement.

(4) The provisions of this Article shall only apply to debts in respect of the price of goods imported into Italy from the United Kingdom after the 17th March, 1935, and exported from the United Kingdom before the 18th November, 1935, or of freights due for the carriage between the two countries in British ships of goods imported into either country after the 17th March, 1935, and exported before the 18th November, 1935.

Article 3.

(1) All debts due and owing on the date of the coming into force of this Agreement or falling due after that date to persons in the United Kingdom from persons in Italy and in the Italian Possessions and Colonies in respect of :

(a) The price of goods imported into Italy from the United Kingdom before the 18th March, 1935 ;

(b) The price of goods exported from the United Kingdom after the 17th November, 1935, and imported into Italy before the 15th July, 1936 ;

(c) The price of goods imported into the Italian Possessions and Colonies from the United Kingdom before the date of the coming into force of this Agreement ;

(d) The price of goods imported into Italy and the Italian Possessions and Colonies from any country other than the United Kingdom before the date of the coming into force of this Agreement ;

(e) Freights due for the carriage either way between the United Kingdom and Italy in British ships of goods imported before the 18th March, 1935 ;

(f) Freights due for the carriage either way between the United Kingdom and Italy in British ships of goods exported from either country after the 17th November, 1935, and imported before the 15th July, 1936 ; and

(g) Freights due for the carriage either way between the United Kingdom and the Italian Possessions and Colonies in British ships of goods imported before the date of the coming into force of this Agreement ;

¹ Vol. CLX, page 296, of this Series.

shall be deposited in lire with the Bank of Italy for account of the Istituto in a non-interest-bearing account called " the Lire Arrears Account ' B ' ". Subject to the provisions of Article 9 of this Agreement, the sums so deposited shall remain blocked in favour of the respective creditors in the United Kingdom until such time as transfer to such creditors is effected through the Sterling Arrears Account " B " referred to in Article 7 of this Agreement.

(2) Lire sums which at the date of the coming into force of this Agreement have already been deposited with the Istituto by persons in Italy or in the Italian Possessions and Colonies in respect of debts covered by paragraph (1) of this Article shall be dealt with, as the case may require, as follows :

(a) If the deposit has been made in respect of a debt covered by sub-paragraph (a), (b) or (c) of paragraph (1) of this Article or of a debt covered by sub-paragraph (d) of that paragraph, but in the last case only if the goods originated in and came from a country to which the provisions of the Italian Ministerial Decree of the 20th November, 1935, apply :

In accordance with the said Ministerial Decree of the 20th November, 1935, such deposit represents the lire due from the Italian debtor or, for debts expressed in a currency other than the lira, the equivalent amount in lire calculated at the official rate of exchange ruling either on the date when the debt fell due or on the date when the deposit was effected, whichever was more favourable to the creditor. According to the above-mentioned decree of the 20th November, 1935, the deposit in question releases the Italian debtor.

The Istituto will now convert such lire deposits into sterling at the rate of lire 64.46 to the pound sterling. The sterling sums resulting from such conversion shall be credited to a non-interest-bearing sterling account to be opened at the Istituto and called " the Sterling (ex-blocked) Account ' B ' " ; they shall remain blocked in favour of the respective creditors in the United Kingdom until such time as transfer to such creditors is effected through the Sterling Arrears Account " B " referred to in Article 7 of this Agreement.

(b) If the lire deposit has been made in respect of a debt covered by paragraph (1) of this Article, but not included among the debts provided for by sub-paragraph (a) of this paragraph, the sums so deposited shall be credited to the Lire Arrears Account " B ". Subject to the provisions of Article 9 of this Agreement, the sums so credited to the Lire Arrears Account " B " shall remain blocked in favour of the respective creditors in the United Kingdom until such time as transfer to such creditors is effected through the Sterling Arrears Account " B ".

(3) The sums credited to the Sterling (ex-blocked) Account " B " and the Lire Arrears Account " B " shall be transferred according to a single chronological order ; the date of deposit with the Istituto shall be regarded as the date of deposit for the purposes of Articles 5 and 7 of this Agreement.

Article 4.

(1) The transfer to a person in the United Kingdom of any remittance other than a debt covered by Article 1, 2, 3 or 13 of this Agreement or by paragraph (4) of this Article shall be permitted, within the limits of the amounts available in the Sterling Arrears Account " C ", if the beneficiary in the United Kingdom so requests and if such request is duly supported by documents and found by the Istituto to be in order.

(a) Where a request for transfer has been made to the Istituto before the date of the coming into force of this Agreement, the corresponding lire sums shall be deposited with the Istituto in a non-interest-bearing account called the " Lire Arrears Account ' C ' ".

(b) Where a request for transfer is made after the date of the coming into force of this Agreement, the corresponding lire sums shall also be deposited with the Istituto

in the Lire Arrears Account " C ", but the transfer of such sums shall only be effected after the lire sums deposited in accordance with sub-paragraph (a) of this paragraph have been transferred.

(2) Subject to the provisions of Article 9 of this Agreement, the lire credited to the Lire Arrears Account " C " shall remain blocked in favour of the respective beneficiaries in the United Kingdom until such time as transfer to such beneficiaries is effected through the Sterling Arrears Account " C " referred to in Article 7 of this Agreement.

(3) Lire credited to the Lire Arrears Account " C ", in so far as they relate to commissions, interest, dividends, rents and other receipts of a recurrent nature, may be transferred in priority to lire deposited in respect of other items in such cases as may be agreed between the Istituto and the Clearing Office.

(4) The provisions of this Article shall not apply to the transfer to beneficiaries in the United Kingdom of sums which, in virtue of the Italian Ministerial Decrees of the 16th November, 1935, and the 25th May, 1936 (both relating to the import and export of Italian Treasury and Bank Notes), are in no circumstances transferable, or to sums in respect of which the beneficiaries have expressly renounced their claim to transfer.

Article 5.

(1) Except in so far as is provided in paragraph (2) (a) of Article 3 of this Agreement, the rates of exchange at which deposits are made in favour of the respective creditors in the United Kingdom by debtors in Italy or in the Italian Possessions and Colonies in respect of debts expressed in a currency other than the lira shall be regarded as provisional, and any difference of exchange between the date of such deposit and the date when the Istituto sends an advice of payment to the Clearing Office in accordance with paragraph (4) (a) of Article 12 of this Agreement shall be credited or debited to the debtor.

The debtor shall thus pay the full sterling amount due, or, where the debt is expressed to be payable in a currency other than sterling, the full sterling equivalent of his debt calculated at the rates ruling for such other currency and for sterling on the Rome Bourse on the day on which the Istituto sends to the Clearing Office the advice of payment in respect of the original deposit.

(2) Any subsequent deposit on account of a difference of exchange shall be governed by the same provisions and transferred through the same account as the original deposit.

Article 6.

(1) All debts owing on the date of the coming into force of this Agreement, or falling due after that date from persons in the United Kingdom to persons ordinarily resident or ordinarily carrying on business outside the United Kingdom in respect of the price of Italian 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 Controller of the Anglo-Italian Clearing Office, called the " Sterling General Account ".

(2) Where the debt is expressed in lire, the relative payment shall be made in sterling at the official rate of exchange on the Rome Bourse for the day preceding that of payment. For this purpose the Istituto will communicate each day to the Clearing Office the official rate of exchange on the Rome Bourse and this rate will be published in the United Kingdom on the following working day.

Where a debt is expressed in a currency other than the lira or sterling, payment shall be made in sterling at the London selling rate for sight drafts in such other currency ruling at the date of payment.

(3) Payments made to the Clearing Office, whether in accordance with paragraphs (1) and (2) of this Article, or before the coming into force of this Agreement, shall constitute a discharge

to the debtor for the corresponding amount of his debt. In accordance with the provisions of paragraph (4) (b) of Article 12 of this Agreement, however, the creditor will receive, where the debt is expressed in lire, the full lire amount due to him or, where the debt is expressed to be payable in a currency other than the lira, the full lire equivalent of the debt at the rate of exchange ruling for such other currency on the Rome Bourse on the day on which instructions for payment are given by the Istituto.

(4) On the date of the coming into force of this Agreement, or as soon as possible thereafter, the amount standing to the credit of the Sterling Account referred to in Article 5 of the Annex to the Exchange of Notes of the 27th April, 1935 (hereinafter called " the Old Sterling Account "), shall be transferred to the Sterling General Account and shall be applied in accordance with the provisions of Article 7 of this Agreement. From the above amount there shall be deducted the amount of cheques which have been issued and are still outstanding.

(5) (a) As soon as possible after the date of the coming into force of this Agreement the sums standing at the date of the coming into force of this Agreement to the credit of the Reserve Fund of the Clearing Office in accordance with Article 8 of the Clearing Office (Italy) Order, 1936, shall, subject to the adjustments referred to in sub-paragraph (b) of this paragraph, be transferred and applied as follows :

- 30 per cent. to the Sterling Arrears Account " A ",
- 15 per cent. to the Sterling Arrears Account " B ",
- 5 per cent. to the Sterling Arrears Account " C ", and
- 50 per cent. to the Sterling New Account.

(b) Where a debt expressed in a currency other than sterling has been paid to the Clearing Office by a debtor in the United Kingdom after the 14th July, 1936, but before the date of the coming into force of this Agreement, the Clearing Office shall repay to the debtor any excess of the amounts so paid over the sterling equivalent of the debt at the official rate of exchange on the Rome Bourse on the date of the coming into force of this Agreement. It is understood, however, that payment in lire to the creditor will be effected in accordance with paragraph (4) (b) of Article 12 of this Agreement.

(6) Amounts already paid to the Bank of England for the credit either of the Old Sterling Account or of the account of the Clearing Office, which are in course of collection on the date of the coming into force of this Agreement, shall be credited to the Sterling General Account and shall be applied in accordance with Article 7 of this Agreement.

Article 7.

(1) The sums credited to the Sterling General Account shall be allocated as follows :

(a) 18 per cent. shall be credited to a non-interest-bearing account called the " Sterling Arrears Account ' A ' ", and shall be utilised for the transfer (in the chronological order of their deposit) of the sums standing to the credit of the Lire Arrears Account " A " ;

(b) 9 per cent. shall be credited to a non-interest-bearing account called the " Sterling Arrears Account ' B ' ", and shall be utilised for the transfer (in the chronological order of their deposit) of the sums standing to the credit of the Lire Arrears Account " B " and the Sterling (ex-blocked) Account " B " ;

(c) 3 per cent. shall be credited to a non-interest-bearing account called the " Sterling Arrears Account ' C ' ", and shall be utilised for the transfer of the sums standing to the credit of the Lire Arrears Account " C ". Subject to the provisions of paragraph (3) of Article 4 of this Agreement, such sums shall be transferred in the chronological order of their deposit ;

(d) 70 per cent. shall be credited to a non-interest-bearing account called the " Sterling New Account ", and shall be utilised for the transfer of sums standing to the credit of the

Lire New Account. Subject to the provisions of Article 8 of this Agreement, such transfers shall be effected in the chronological order of their deposit.

(2) The Sterling Arrears Accounts " A ", " B " and " C " and the Sterling New Account shall be opened at the Bank of England in the name of the Controller of the Anglo-Italian Clearing Office.

(3) As soon as possible after the 31st December, 1936, and after the last day of each succeeding quarter, the Istituto and the Clearing Office shall determine, in accordance with the provisions of this paragraph, what balance, if any, exists in favour of Italy in respect of the trade between the two countries during the period from the 15th July, 1936, to the 31st December, 1936, or during each succeeding quarter. For the purpose of ascertaining this balance there shall be taken into account :

(a) The sums available on the last day of the said period or quarter in the Sterling New Account and the total of the further amounts to be paid by debtors in the United Kingdom in respect of goods exported from Italy to the United Kingdom during the said period or quarter ; and

(b) The sums available on the last day of the said period or quarter in the Lire New Account and the total of the further amounts to be paid by debtors in Italy in respect of goods imported into Italy from the United Kingdom during the said period or quarter.

Any excess of the total amount established under (a) above over the total amount established under (b) above shall be regarded for the purposes of this paragraph as the balance in favour of Italy in respect of the said period or quarter.

(4) Any balance that may be established in favour of Italy in accordance with paragraph (3) of this Article shall be utilised for the liquidation of debts in respect of which deposits have been made in the Lire Arrears Accounts " A ", " B " and " C ", or which are awaiting transfer from the Sterling (ex-blocked) Account " B ". For that purpose, the said balance shall, within the limit of the amount available in the Sterling New Account on the date when the balance is established (after allowance has been made for advices of payment outstanding on that date) be distributed as follows : 60 per cent. to the Sterling Arrears Account " A " ; 30 per cent. to the Sterling Arrears Account " B " ; and 10 per cent. to the Sterling Arrears Account " C ".

(5) Sterling balances which remain unutilised after the complete transfer of the sums standing to the credit of any of the Lire Arrears Accounts or of the Sterling (ex-blocked) Account " B " shall be distributed as follows :

(a) If the lire sums standing to the credit of the Lire Arrears Account " A " have been fully transferred, any balance remaining to the credit of the Sterling Arrears Account " A ", and the sums corresponding to the subsequent allocation of 18 per cent. provided for in paragraph (1) of this Article shall be transferred to the Sterling Arrears Account " B " ;

(b) If the lire sums standing to the credit of the Lire Arrears Account " B " and the sterling sums standing to the credit of the Sterling (ex-blocked) Account " B " have been fully transferred, any balance remaining to the credit of the Sterling Arrears Account " B ", and the sums corresponding to the subsequent allocation of 9 per cent. provided for in paragraph (1) of this Article, shall be transferred to the Sterling Arrears Account " A " ;

(c) If the lire sums standing to the credit of the Lire Arrears Accounts " A " and " B " and the sterling sums standing to the credit of the Sterling (ex-blocked) Account " B " have been fully transferred, any balances remaining to the credit of the Sterling Arrears Accounts " A " and " B ", and the 18 per cent. and 9 per cent. provided for in paragraph (1) of this Article, shall be transferred to the Sterling New Account or to the Sterling Arrears Account " C " or partly to the one and partly to the other, as may be agreed between the two contracting Governments ;

(d) If the lire sums standing to the credit of the Lire Arrears Account " C " have been fully transferred, any sums standing to the credit of the Sterling Arrears Account " C " and the 3 per cent. provided for in paragraph (x) of this Article shall be transferred to the Sterling New Account ;

(e) The provisions of the preceding sub-paragraphs of this paragraph shall apply in the same manner to the allocation of the balance referred to in paragraph (4) of this Article ;

(f) If at any time after the transfer has been completed of the lire sums standing to the credit of one or more of the Lire Arrears Accounts " A ", " B " or " C ", further lire sums are deposited in the said Accounts, then the allocation of the percentages provided for in paragraph (x) of this Article to the Sterling Arrears Accounts " A ", " B " or " C ", as the case may be, shall immediately be resumed to the extent necessary to permit the transfer of the further deposits referred to above.

(6) If at any time all the sums deposited in the Lire New Account have been transferred in sterling and the balance on the Sterling New Account is sufficient to transfer the sums deposited in the Lire Arrears Accounts " A " and " B " and the Sterling (ex-blocked) Account " B ", the Istituto may request the Clearing Office to transfer from the Sterling New Account to the Sterling Arrears Accounts " A " and " B " such sterling amounts as will enable the sums standing to the credit of the Lire Arrears Accounts " A " and " B " and the Sterling (ex-blocked) Account " B " to be immediately transferred in sterling to the respective creditors in the United Kingdom.

Article 8.

Sums credited to the Lire New Account in respect of freights due from persons in Italy to persons in the United Kingdom for the carriage of goods between the two countries in British ships shall be transferred to the respective creditors in priority to other sums credited to the said Lire New Account.

Article 9.

Creditors in the United Kingdom in whose favour sums have been deposited in any of the Lire Arrears Accounts " A ", " B " and " C " may request that the amounts of such deposits or any part thereof instead of being transferred in accordance with the present Agreement, shall be credited to a " Conto Loro Vecchio " in lire at an Italian bank authorised to transact exchange operations, to be utilised in Italy in accordance with the regulations in force for such accounts.

A request that any sum shall be credited to a Conto Loro Vecchio in lire shall be taken to mean that, in respect of that sum, the rate of exchange at which the deposit was originally made by the debtor is to be regarded as final.

" Conti Loro Vecchi " may only be opened in the name of the creditor himself and may not be transferred to another name.

Article 10.

(1) The provisions of this Agreement relating to deposits in the Lire New Account or the Lire Arrears Accounts " A " and " B " or the Sterling (ex-blocked) Account " B " shall (subject to the provisions of paragraph (2) of this Article) apply to debts due from persons in Italy to persons in the United Kingdom or to persons in Newfoundland in respect of codfish and stockfish imported into Italy from Newfoundland in the same manner as the said provisions apply to debts due from persons in Italy in respect of imports of United Kingdom goods.

(2) The preceding paragraph shall apply only to imports of codfish and stockfish which are accompanied by a certificate issued by the Newfoundland Department of Natural Resources that the fish are of Newfoundland catching.

Article 11.

(1) Payments in advance in respect of the purchase of Italian or United Kingdom goods to be imported into the United Kingdom or Italy respectively, may be transferred in accordance with the provisions of this Agreement, provided that the Clearing Office or the Istituto, as the case may be, is satisfied that advances are in accordance with commercial usage and provided that, where an import licence is issued by the competent authorities, they are supported by such licence.

(2) In addition, where a firm or corporation in Italy or the United Kingdom is a subsidiary of a firm or corporation in the United Kingdom or in Italy, the latter firm or corporation may make advances to the subsidiary firm or corporation through the Sterling New Account or Lira New Account in respect of goods to be imported into the United Kingdom or into Italy, as the case may be.

Article 12.

(1) The Clearing Office shall transmit to the Istituto schedules of payments made by debtors in the United Kingdom for the credit of the Sterling General Account, and the Istituto shall transmit to the Clearing Office and to His Britannic Majesty's Embassy at Rome advices of lire deposits made by Italian debtors in the Lire New Account, the Lire Arrears Accounts " B " and " C " and the Sterling (ex-blocked) Account " B ".

(2) The Istituto shall, on the coming into force of this Agreement or as soon as possible thereafter, transmit to the Clearing Office and to His Britannic Majesty's Embassy at Rome advices of lire deposits made before that date in the Old Lire Account in so far as they have not already been furnished to the Bank of England, and also of sums transferred to the Lire Arrears Account " A " and sums subsequently deposited in that Account in accordance with Article 2 of this Agreement.

The Clearing Office shall transmit to the Istituto schedules of the sterling sums standing to the credit of the Reserve Fund and transferred in accordance with paragraph (5) of Article 6 of this Agreement.

(3) The Clearing Office shall advise the Istituto daily of the transfers made from the Sterling General Account to the Sterling Arrears Accounts " A ", " B " and " C " and to the Sterling New Account.

(4) Within the limits of the funds available in the several Accounts referred to in this Agreement, the Istituto and the Clearing Office are each authorised to pay to the respective creditors, in the currency of its own country and in accordance with the provisions of this Agreement, the sums deposited by the debtors in the other country. For that purpose it is agreed as follows.

(a) The Istituto shall transmit to the Clearing Office advices of payment in sterling.

Subject to the provisions of paragraph (2) (a) of Article 3 of this Agreement, lire sums deposited by debtors in Italy and in the Italian Possessions and Colonies shall be converted into sterling at the rate for sterling on the Rome Bourse on the day on which the advice of payment is sent to the Clearing Office. If, as a result of such conversion, any lire sum deposited at the provisional rate of exchange exceeds the amount necessary to transfer the total amount of the debt, the excess lire shall be repaid to the debtor.

Sums paid in accordance with the advices referred to above shall be debited to the Sterling Accounts referred to in paragraph (1) of Article 7 of this Agreement.

(b) The schedules of payments made by debtors in the United Kingdom, which in accordance with the provisions of paragraphs (1) and (2) of this Article, the Clearing Office will transmit to the Istituto, shall be regarded as orders of payment.

The Istituto shall give instructions for the payment to the respective creditors, in the chronological order of the payments made by debtors in the United Kingdom, of the equivalent in lire of the amounts indicated in the schedules transmitted by the Clearing Office : debts expressed in a currency other than the lira shall be converted into lire at the rate of exchange for such other currency on the Rome Bourse on the day on which instructions for payment are given by the Istituto. In the case of a debt expressed in a currency other than sterling the amount credited to the Sterling General Account at the time of payment by the debtor shall be adjusted so that the amount finally to be credited to that Account and allocated in accordance with the provisions of Article 7 of this Agreement shall be the equivalent of the lire sum paid to the creditor, calculated at the rate for sterling ruling on the Rome Bourse on the date on which instructions for payment are given by the Istituto.

(5) The Istituto and the Clearing Office shall advise each other daily of the payments made from the several Accounts referred to in this Agreement. The Istituto shall send copies of such communications to His Britannic Majesty's Embassy at Rome.

Article 13.

Debts in respect of the following transactions are excluded from the provisions of this Agreement :

- (a) Insurance and re-insurance premiums and claims, patent fees, licence fees and royalties.
- (b) Freight for the carriage either way between the United Kingdom and Italy in Italian ships of goods exported from either country.
- (c) Imports of gold bullion and coin and silver coin.

Article 14.

For this purposes of this Agreement :

- (1) " The Old Lire Account " shall mean the Lire Account referred to in Article 4 of the Annex to the Exchange of Notes of the 27th April, 1935.
- (2) " The Old Sterling Account " shall mean the Sterling Account referred to in Article 5 of the Annex to the Exchange of Notes of the 27th April, 1935.
- (3) " The Istituto " shall mean the Istituto Nazionale per i Cambi con l'Estero.
- (4) " The Clearing Office " shall mean the Anglo-Italian Clearing Office which has been set up by the Government of the United Kingdom.
- (5) " Persons " shall mean individuals, firms and corporations (including State organisations and institutions).
- (6) " Persons in Italy " shall mean persons ordinarily resident or ordinarily carrying on business in Italy.
- (7) " Persons in the United Kingdom " shall mean persons ordinarily resident or ordinarily carrying on business in the United Kingdom.†
- (8) " Persons in Newfoundland " shall mean persons ordinarily resident or ordinarily carrying on business in Newfoundland.
- (9) " Italian goods " shall mean goods grown, produced or manufactured in Italy.
- (10) " United Kingdom goods " shall mean goods grown, produced or manufactured in the United Kingdom.

Article 15.

(1) This Agreement shall come into force on the 16th November, 1936. It shall remain in force until the 30th June, 1937, and after that date it shall continue in force, unless denounced, from quarter to quarter. Subject to the provisions of paragraph (2) of this Article, it may be denounced by either of the contracting Governments at any time : if notice of denunciation is given not later than the 31st March, 1937, such denunciation shall take effect on the 30th June, 1937 ; if notice is given after the 31st March, 1937, denunciation shall take effect at the expiry of the quarter following that in which notice is given.

(2) This Agreement may be denounced only when the sums standing to the credit of the Lire Arrears Accounts " A " and " B " and the Sterling (ex-blocked) Account " B " have been completely transferred in sterling to the respective creditors in the United Kingdom.

(3) If, on the termination of this Agreement, there remains a balance in favour of Italy or of the United Kingdom on the Sterling New Account or the Lire New Account respectively, the importers in the creditor country shall continue to pay the value of their imports into the Lire New Account or the Sterling New Account, as the case may be, until the said balance has been transferred.

In faith whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

Done in duplicate at Rome this sixth day of November, nineteen hundred and thirty-six, in English and Italian, both texts being equally authentic.

For the United Kingdom of Great Britain
and Northern Ireland :

Eric DRUMMOND.

For Italy :

CIANO.

SCAMBIO DI NOTE.

I.

TEXTE ITALIEN. — ITALIAN TEXT.

IL MINISTRO DEGLI AFFARI ESTERI D'ITALIA
ALL'AMBASCIATORE DI S. M. BRITANNICA
IN ROMA.

ROMA, 6 novembre 1936.

SIGNOR AMBASCIATORE,

In relazione all'Accordo di compensazione fra l'Italia e il Regno Unito, firmato in data d'oggi, ho l'onore di comunicare a Vostra Eccellenza che il Governo italiano è d'accordo su quanto segue :

Ad Art. 2 e 3. — Resta inteso che, ove alcuni importi in lire versati a fronte di debiti tra quelli previsti al paragrafo 4) dell'art. 2, siano stati erroneamente passati a credito di conti bloccati in base al Decreto Ministeriale italiano 20 novembre 1935, tali accrediti dovranno essere annullati e gli importi versati come sopra saranno da girare a credito del « Vecchio Conto Lire ».

Ad Art. 4. — In tale articolo è previsto che i debiti relativi a premi e indennizzi di assicurazione e riassicurazione, diritti di brevetti, licenze di fabbricazione e diritti d'autore, sono esclusi dalle disposizioni dell'Accordo. Resta inteso che l'Istituto assegnerà la divisa necessaria per soddisfare tali debiti (e ciò sia per quanto concerne gli eventuali arretrati che per i debiti che verranno successivamente a scadere) senza far ricorso alle forme di pagamento previste dall'Accordo di compensazione ; tale intesa si riferisce per altro anche alle somme già in attesa di trasferimento verso il Regno Unito ed a quelle per le quali potrà essere successivamente richiesto il trasferimento in applicazione dell'Accordo esistente tra la Società Italiana degli Autori ed Editori e la Performing Rights Society.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

EXCHANGE OF NOTES.

I.

¹ TRADUCTION. — TRANSLATION.

THE ITALIAN MINISTER FOR FOREIGN AFFAIRS
TO HIS BRITANNIC MAJESTY'S AMBASSADOR
AT ROME.

ROME, November 6th, 1936.

MONSIEUR L'AMBASSADEUR,

In connexion with the Clearing Agreement between Italy and the United Kingdom, which has been signed this day, I have the honour to inform Your Excellency that the Italian Government is in agreement with the following arrangements :

Ad Articles 2 and 3. — It is understood that if any sums relating to transactions covered by paragraph (4) of Article 2 have been erroneously deposited in blocked accounts under the Italian Ministerial Decree of the 20th November, 1935, such deposits will be cancelled and the said sums credited to the Old Lire Account.

Ad Article 4. — In this Article it is provided that debts in respect of insurance and re-insurance premiums and claims, patent fees, licence fees, and royalties are excluded from the provisions of the Agreement. It is understood that the Istituto will provide the necessary foreign exchange for such debts (both as regards any arrears and as regards future debts) outside the Clearing arrangements established by the Agreement, and that this undertaking will cover the balances already awaiting transfer to the United Kingdom, as well as any balances the transfer of which may be requested in the future, under the Agreement between the Società Italiana degli Autori ed Editori and the Performing Rights Society.

¹ Translated by the Secretariat of the League of Nations, for information.

Come è noto, non esistono restrizioni per le rimesse di persone nel Regno Unito a persone in Italia oltre a quelle previste dall'art. 6 dell'Accordo di compensazione.

In relazione a quanto disposto dall'art. 4 dell'Accordo di compensazione in merito ai trasferimenti di carattere finanziario, il Governo del Regno Unito confida che le disposizioni di cui al predetto articolo non escludano, se del caso, l'applicazione, durante il periodo di validità dell'Accordo di compensazione, di un trattamento più favorevole per i trasferimenti sopra considerati, semprechè, naturalmente, il Governo italiano ritenga possibile accordarlo.

Voglia gradire, Signor Ambasciatore, l'espressione della mia alta considerazione.

There are, of course, no restrictions on any remittances from persons in the United Kingdom to persons in Italy, other than those covered by Article 6 of the Clearing Agreement.

Arising out of the provision which has been made in Article 4 of the Agreement for the transfer of remittances of a financial character, the Government of the United Kingdom confidently hope that this provision will not preclude more favourable facilities for the transfer of such remittances during the currency of the Agreement, should the Italian Government find it possible to afford such facilities.

Please accept, etc.

CIANO.

CIANO.

II.

HIS BRITANNIC MAJESTY'S AMBASSADOR AT ROME
TO THE ITALIAN MINISTER FOR FOREIGN AFFAIRS.

(R 6950/6/22)

ROME, *November 6th, 1936.*

EXCELLENCY,

In connexion with the Clearing Agreement between the United Kingdom and Italy, which has been signed this day, I have the honour to inform Your Excellency that my Government are in Agreement with the following arrangements :

Ad *Article 2 and 3*. — It is understood that if any sums relating to transactions covered by paragraph (4) of Article 2 have been erroneously deposited in blocked accounts under the Italian Ministerial Decree of the 20th November, 1935, such deposits will be cancelled and the said sums credited to the Old Lire Account.

Ad *Article 4*. — In this Article it is provided that debts in respect of insurance and re-insurance premiums and claims, patent fees, licence fees, and royalties are excluded from the provisions of the Agreement. It is understood that the Istituto will provide the necessary foreign exchange for such debts (both as regards any arrears and as regards future debts) outside the Clearing arrangements established by the Agreement, and that this undertaking will cover the balances already awaiting transfer to the United Kingdom, as well as any balances the transfer of which may be requested in the future, under the Agreement between the Performing Rights Society in the United Kingdom and the Società Italiana degli Autori ed Editori.

There are, of course, no restrictions on any remittances from persons in the United Kingdom to persons in Italy, other than those covered by Article 6 of the Clearing Agreement.

Arising out of the provision which has been made in Article 4 of the Agreement for the transfer of remittances of a financial character, I may perhaps take this opportunity of informing you that my Government confidently hope that this provision will not preclude more favourable facilities for the transfer of such remittances during the currency of the Agreement, should the Italian Government find it possible to afford such facilities.

I avail myself of this opportunity to renew to Your Excellency the expression of my highest consideration.

ERIC DRUMMOND.

III.

HIS BRITANNIC MAJESTY'S AMBASSADOR AT ROME
TO THE ITALIAN MINISTER FOR FOREIGN AFFAIRS.

(R. 6950 /6 /22)

ROME, *November 6th*, 1936.

EXCELLENCY,

During the discussions leading up to the Anglo-Italian Clearing Agreement which has been signed today, reference has been made to the position which will arise, when the Agreement comes into operation, in cases where Italian importers desire to open acceptance credits in the United Kingdom and have been authorised to do so by the Italian Exchange Control Authorities.

I understand that the Istituto will, if necessary, provide exchange outside the Clearing arrangements to cover, at the due dates, any acceptances given by financial institutions in the United Kingdom for Italian account under credits authorised by the Italian Exchange Control Authorities. For this purpose I understand that, in so far as the acceptances in question may cover Italian imports of United Kingdom goods, sterling will, at the request of the Italian Bank or firm which has arranged the credit, be provided outside the Clearing by the Istituto if funds are not available in the Clearing on the due date ; the Istituto will then take the place of the original creditor and be reimbursed through the Clearing, in the due chronological order, when sterling funds are available. In so far as the acceptances cover other trade the provision of sterling will, of course, be entirely outside the Clearing arrangements.

I shall be grateful if you will be so good as to confirm the above understanding.

I avail, etc.

ERIC DRUMMOND.

IV.

TEXTE ITALIEN. — ITALIAN TEXT.

IL MINISTRO DEGLI AFFARI ESTERI D'ITALIA
ALL' AMBASCIATORE
DI S. M. BRITANNICA IN ROMA.

ROMA, 6 novembre 1936-XV.

SIGNOR AMBASCIATORE,

In data odierna V. E. ha voluto farmi pervenire la Nota del seguente tenore :

« Durante le trattative che hanno condotto all'Accordo di compensazione tra l'Italia ed il Regno Unito, Accordo firmato in data di oggi, è stata anche esaminata la situazione che verrà a determinarsi, quando l'Accordo entrerà in vigore, nei casi in cui gli importatori italiani intendano avvalersi di crediti di accettazione nel Regno Unito

IV.

1¹ TRADUCTION. — TRANSLATION.

THE ITALIAN MINISTER FOR FOREIGN AFFAIRS
TO HIS BRITANNIC MAJESTY'S AMBASSADOR
AT ROME.

ROME, *November 6th*, 1936.

MONSIEUR L'AMBADEUR,

In your note of today's date, you were good enough to inform me as follows :

“ During the discussions leading up to the Anglo-Italian Clearing Agreement which has been signed today, reference has been made to the position which will arise, when the Agreement comes into operation, in cases where Italian importers desire to open acceptance credits in the United Kingdom and have been authorised to do

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e siano a ciò stati autorizzati da parte delle competenti Autorità italiane.

» Resta inteso a tale riguardo che l'Istituto provvederà, se necessario, all'assegnazione della divisa occorrente al di fuori dell'Accordo di compensazione, alle date stabilite, per consentire il ritiro delle accettazioni rilasciate da Enti finanziari nel Regno Unito per conto di persone in Italia in dipendenza di crediti aperti e regolarmente autorizzati dalle competenti Autorità italiane.

» A questo scopo resta inteso che, in quanto le suddette accettazioni vengano rilasciate a fronte di merci del Regno Unito importate in Italia, l'Istituto provvederà, su richiesta delle Banche, Società e Ditte italiane interessate, all'assegnazione, all'in-fuori dell'Accordo di compensazione, della divisa occorrente e ciò semprechè i conti previsti dal suddetto Accordo non presentino, alla scadenza delle accettazioni, le necessarie disponibilità; in tal caso, l'Istituto si sostituirà al creditore originario, e sarà rimborsato per il tramite dei conti previsti dall'Accordo, nell'ordine cronologico, non appena si saranno formate sufficienti disponibilità in sterline.

» Nel caso che le accettazioni non siano state rilasciate a fronte di merci del Regno Unito importate in Italia, si è naturalmente di intesa che l'Istituto assegnerà tutta la divisa occorrente al di fuori dei conti previsti dall'Accordo di compensazione.»

Ho l'onore di comunicare all'E. V. che il Governo italiano è d'accordo su quanto precede.

Voglia gradire, Signor Ambasciatore, l'espressione della mia più alta considerazione.

CIANO.

so by the Italian Exchange Control Authorities.

I understand that the Istituto will, if necessary, provide exchange outside the Clearing arrangements to cover, at the due dates, any acceptances given by financial institutions in the United Kingdom for Italian account under credits authorised by the Italian Exchange Control Authorities.

For this purpose I understand that, in so far as the acceptances in question may cover Italian imports of United Kingdom goods, sterling will, at the request of the Italian Bank or firm which has arranged the credit, be provided outside the Clearing by the Istituto if funds are not available in the Clearing on the due date; the Istituto will then take the place of the original creditor and be reimbursed through the Clearing, in the due chronological order, when sterling funds are available.

In so far as the acceptances cover other trade the provision of sterling will, of course, be entirely outside the Clearing arrangements."

I have the honour to inform Your Excellency that the Italian Government accepts the above-mentioned provisions.

Please accept, etc.

CIANO.

¹ TRADUCTION. — TRANSLATION.

N^o 4090. -- ACCORD ENTRE LE GOUVERNEMENT DE SA MAJESTÉ DANS LE ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD ET LE GOUVERNEMENT ROYAL ITALIEN CONCERNANT LES RELATIONS COMMERCIALES ET LES PAIEMENTS. SIGNÉ A ROME, LE 6 NOVEMBRE 1936.

LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD et LE GOUVERNEMENT ROYAL ITALIEN, désireux de faciliter les relations commerciales et les paiements entre le Royaume-Uni et Terre-Neuve, d'une part, et l'Italie, d'autre part, sont convenus des dispositions ci-après :

Article premier.

1. Toutes les sommes dues par des personnes résidant en Italie à des personnes résidant au Royaume-Uni, au titre des dettes visées par le présent article, seront versées par le débiteur en liras italiennes à la Banque d'Italie, agissant en qualité de banquier de l'Istituto Nazionale per i Cambi con l'Estero (désigné ci-après sous le nom d'« Istituto ») dans un compte non productif d'intérêts (désigné ci-après sous le nom de « Nouveau compte en liras »).

2. Les sommes qui, à la date de l'entrée en vigueur du présent accord, auraient déjà été versées en liras, au titre de dettes visées par le présent article, seront virées au crédit du Nouveau compte en liras.

3. Le présent article s'appliquera à toutes les dettes échues et non encore réglées à la date de l'entrée en vigueur du présent accord, aux dettes qui viendront à échéance après cette date, ainsi qu'aux dettes au titre desquelles des versements ont déjà été effectués conformément aux dispositions du paragraphe 2 du présent article, pour autant que lesdites dettes engagent des personnes résidant en Italie envers des personnes résidant au Royaume-Uni, au titre :

a) Du prix de marchandises du Royaume-Uni importées en Italie après le 14 juillet 1936, compte tenu des dispositions du paragraphe 5 du présent article ; ou

b) Des frets afférents au transport d'un pays à l'autre, sur des navires britanniques, de marchandises importées dans l'un ou l'autre pays après le 14 juillet 1936.

4. Les liras versées conformément aux paragraphes 1 et 2 du présent article demeureront bloquées en faveur des créanciers respectifs résidant au Royaume-Uni jusqu'à ce que le transfert à ces créanciers ait été effectué par l'intermédiaire du Nouveau compte sterling visé à l'article 7 du présent accord.

5. Les dispositions du paragraphe 3 a) du présent article ne s'appliqueront, s'il s'agit de marchandises expédiées du Royaume-Uni en Italie après l'entrée en vigueur du présent accord, qu'aux versements effectués en règlement de marchandises qui sont accompagnées d'un certificat établi en double expédition par une chambre de commerce du Royaume-Uni (ou tout autre organe ou personne habilitée à cet effet par le Gouvernement du Royaume-Uni) et attestant que ces marchandises ont été produites ou fabriquées dans le Royaume-Uni. Une copie de ce certificat sera remise par l'importateur à l'Istituto au moment où il effectuera le versement, et sera transmise

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