



Treaty Series No. 86 (1947)

Financial Agreement

between the Government of the United Kingdom
and the Government of Iraq

Supplementary to the Agreement of 13th August, 1947

Bagdad, 17th November, 1947

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

LONDON

HIS MAJESTY'S STATIONERY OFFICE

ONE PENNY NET

FINANCIAL AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF IRAQ

Bagdad, 17th November, 1947

THE Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") of the one part and the Government of Iraq of the other part have agreed as follows:—

ARTICLE I

During the period of validity of the present Agreement the provisions of paragraph 2 of Article II of the Financial Agreement signed in London on 13th August, 1947,⁽¹⁾ shall, in relation to payments between Iraq and the specified territories (as hereinafter defined), operate in accordance with the provisions of the present Agreement.

ARTICLE II

1. The Government of the United Kingdom will take the necessary steps to afford facilities to Iraq to ensure that sterling standing to the credit of Iraq No. 1 Accounts shall be available to meet any deficit in the balance of payments between Iraq on the one hand and each of the specified territories on the other.

2. In this Article, the expression "deficit in the balance of payments" means the amount by which Iraq's payments in respect of current transactions with any of the specified territories exceed Iraq's receipts in respect of current transactions with that specified territory.

ARTICLE III

The Government of Iraq will take the necessary steps to ensure that Iraq will not enter into commitments in respect of payments for current transactions on visible and invisible account in excess of the amounts hereinafter specified in this Article—

- (a) with the Belgian Monetary Area, the equivalent of £986,000 during the period which began on 1st October, 1947, and which will end on 30th June, 1948 (that is to say, at the rate of £1,250,000 per annum);
- (b) with all of the other specified territories, the equivalent of £4,327,000 during the period which began on 15th July, 1947, and which will end on 30th June, 1948 (that is to say, at the rate of £4,500,000 per annum).

ARTICLE IV

Where the Government of Iraq has granted an import licence authorising the importation into Iraq of goods from any of the specified territories, and where a confirmed credit has not been opened in respect of that import

(1) "Treaty Series No. 63 (1947)," Cmd. 7201.

licence within a period of twelve months from the original date of the licence, then the Government of Iraq will take the necessary steps to ensure that the licence shall be cancelled.

Provided that in the case of a licence granted prior to 15th July, 1947, the period within which a confirmed credit shall have been opened shall be the period ending 30th September, 1948.

ARTICLE V

In so far as payments for current transactions with any of the specified territories, in respect of which commitments have been entered into either by virtue of the Scarce Currency Agreement made between the two contracting Governments in May 1945⁽²⁾ (as finally extended in February 1947⁽³⁾) or by virtue of Article III of the present Agreement, shall be outstanding on the date of termination of the present Agreement, the Government of the United Kingdom will afford facilities to Iraq to ensure that sterling standing to the credit of Iraq No. 1 Accounts shall be available to meet all such outstanding payments as and when they mature.

ARTICLE VI

For the purposes of the present Agreement, "the specified territories" mean:—

- (a) The American Account Area, the Portuguese Monetary Area and the Belgian Monetary Area, as each of these Areas is defined in the United Kingdom Exchange Control Regulations.
- (b) Canada and Newfoundland.
- (c) Switzerland and Liechtenstein.
- (d) The Argentine Republic.
- (e) Sweden.
- (f) Japan.

ARTICLE VII

1. The present Agreement shall be deemed to have come into force on 15th July, 1947.

2. It shall terminate on 30th June, 1948.

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

Done at Bagdad this 17th day of November, 1947, in duplicate.

For the Government of the United Kingdom:

(L.S.) DOUGLAS L. BUSK.

For the Government of Iraq:

(L.S.) Y. RHANIMA.

⁽²⁾ "Iraq No. 1 (1945)," Cmd. 6646.

⁽³⁾ "Iraq No. 1 (1947)," Cmd. 7110.

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