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For Immediate Attention

SM/69/204

December 31, 1969

To: Members of the Executive Board

From: The Secretary

Subject: United Kingdom - Article VIII - Restrictions on Current  
International Payments and Transfers in Gibraltar

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by the close of business on Wednesday, January 7, 1970. In the absence of such request, the decision proposed by the staff will be deemed approved and recorded in the minutes of the next meeting thereafter.

Att: (1)

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Department Heads  
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INTERNATIONAL MONETARY FUND

UNITED KINGDOM

Article VIII--Restrictions on Current International  
Payments and Transfers in Gibraltar

Prepared by the European Department in Consultation with the  
Exchange and Trade Relations Department and the  
Legal Department

Approved by A. Pfeifer and C. D. Finch

December 30, 1969

On July 5, 1967 the Executive Board adopted a decision (Decision No. 2306-(67/53)) to approve the application through October 31, 1967 of travel restrictions by Gibraltar and Mauritius, dependent territories on whose behalf the United Kingdom has accepted the obligations of the Articles of Agreement in accordance with Article XX, Section 2(g), similar to those approved on July 20, 1966 for the United Kingdom (Decision No. 2145-(66/63)).

These restrictions were extended, as approved by the Executive Board in subsequent periods as follows:

United Kingdom		
<u>Date of Board Approval</u>	<u>Period Covered</u>	<u>Board Decision No.</u>
October 18, 1967	Nov. 1, 1967- Oct. 31, 1968	2367-(67/81)
October 11, 1968	Nov. 1, 1968- Oct. 31, 1969	2612-(68/134)
October 27, 1969	Nov. 1, 1969- Oct. 31, 1970	2871-(69/103)
Gibraltar and Mauritius <sup>1/</sup>		
February 23, 1968	Nov. 1, 1967 Oct. 31, 1968	2460-(68/33)
Gibraltar		
March 11, 1969	Nov. 1, 1968- Oct. 31, 1969	2703-(69/15)

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<sup>1/</sup> Mauritius became an independent country on March 12, 1968.

In October 1969, when the U.K. authorities requested a further extension of the Fund's approval for the maintenance by the United Kingdom of certain restrictions on current payments, they were not in a position to state whether the authorities in Gibraltar planned to make a similar request.

The United Kingdom authorities have informed the Fund on December 24, 1969 (see attachment) that, following the action taken by the United Kingdom, the nonmetropolitan territory of Gibraltar also extended its limitations on travel expenditure.

In view of the Executive Board's decision with regard to the extension of the restrictions maintained by the United Kingdom it is recommended that the Board adopt the following decision:

The Fund does not object to the application by Gibraltar through October 31, 1970 of the restrictions on payments and transfers for current international transactions mentioned in the memorandum to the Secretary dated December 24, 1969 from the Executive Director for the United Kingdom.

Attachment

ATTACHMENT

O F F I C E   M E M O R A N D U M

December 24, 1969

To:           The Secretary

From:         D.J. Mitchell

Subject:      Travel Restrictions in United Kingdom Dependencies

In July 1967, the Fund decided to raise no objection to the imposition of restrictions on certain types of travel expenditure in the dependent territories of Gibraltar and Mauritius for the 12-month period ending October 31, 1967 (Decision No. 2306-(67/53)). These restrictions were similar to those imposed by the United Kingdom which the Fund approved on July 20, 1966 (Decision No. 2145-(66/63)).

In October 1967, October 1968 and October 1969, the Fund approved one year extensions of the restrictions maintained by the United Kingdom (Decisions Nos. 2367-(67/81), 2612-(68/134) and 2871-(69/103)). In October 1969, it was not known whether the authorities of Gibraltar planned a similar extension. (Mauritius had obtained independence on March 12, 1968, and ceased to fall under the responsibility of the United Kingdom in terms of the Articles of Agreement).

The United Kingdom Government is now in a position to state that Gibraltar, a dependent territory on whose behalf the United Kingdom has accepted the Articles of Agreement, in accordance with Article XX, Section 2(g), also extended the restrictions.

The measures taken by Gibraltar are the same, mutatis mutandis, as those introduced by the United Kingdom (see EBS/69/285). The United Kingdom authorities regret the delay in notifying these measures and hereby request approval by the Fund under Article VIII of such of these measures as are restrictions on payments and transfers for current international transactions.