

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

For Immediate Attention

SM/69/31

March 6, 1969

To: Members of the Executive Board

From: The Secretary

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

It is not proposed to bring the attached memorandum to the agenda for discussion unless an Executive Director so requests by the close of business on Tuesday, March 11, 1969. In the absence of such request, the decision proposed by the staff will be deemed approved by the Executive Board and recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Department Heads
Division Chiefs

INTERNATIONAL MONETARY FUND

UNITED KINGDOM

Article VIII--Restrictions on Current International
Payments and Transfers in Nonmetropolitan Territories

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

Approved by L. A. Whittome and C. D. Finch

March 6, 1969

On July 5, 1967 the 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).

The Board approved the extension of the restrictions for the year through October 31, 1968 for the United Kingdom on October 18, 1967 (Decision No. 2367-67/81) and on February 23, 1968 for Mauritius^{1/} and Gibraltar (Decision No. 2460-68/33).

On October 11, 1968 the Board approved a request by the United Kingdom to extend the restrictions for the year through October 31, 1969 (Decision No. 2612-68/134).

The United Kingdom authorities have informed the Fund (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 U.K. restrictions, it is similarly recommended that the Board adopt the following decision:

^{1/} On March 12, 1968 Mauritius was granted independence and this and other Fund decisions relating to it ceased to be applicable.

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

ATTACHMENT

OFFICE MEMORANDUM

To: The Secretary

Date: 24th February 1969

From: Evan W. Maude

Subject: Travel Restrictions in United Kingdom Dependencies

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

In October 1967, and October 1968, the United Kingdom sought and obtained Fund approval to extend these restrictions for another year (Decisions Nos. 2367-67/81 and 2612-68/134). In October 1968, it was not known whether the authorities in Gibraltar planned to make a similar proposal; 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 obligations of 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/68/260). 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.