

8. *Other Exchange Agreements*

(i) The Government of the United Kingdom agrees that after the effective date of this Agreement it will not apply exchange controls in such a manner as to restrict:

(a) Payments or transfers in respect of products of the United States permitted to be imported into the United Kingdom or other current transactions between the two countries, or

(b) The use of sterling balances to the credit of residents of the United States arising out of current transactions. Nothing in this paragraph (i) shall affect the provisions of Article VII of the Articles of Agreement of the International Monetary Fund when those Articles have come into force.

(ii) The Governments of the United States and the United Kingdom agree that, not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, they will impose no restrictions on payments and transfers for current transactions. The obligations of this paragraph (ii) shall not apply:

(a) To balances of third countries and their nationals accumulated before this paragraph (ii) becomes effective; or

(b) To restrictions imposed in conformity with the Articles of Agreement of the International Monetary Fund, provided that the Government of the United Kingdom and the United States will not continue to invoke the provisions of Article XIV, Section 2, of those Articles after this paragraph (ii) becomes effective, unless in exceptional cases after consultation they agree otherwise; or

(c) To restrictions imposed in connection with measures designed to uncover and dispose of assets of Germany and Japan.

(iii) This Section and Section 9, which are in anticipation of more comprehensive arrangements by multilateral agreement, shall operate until December 31, 1951.

9. *Import Arrangements*

If either the Government of the United States or the Government of the United Kingdom imposes or maintains quantitative import restrictions, such restrictions shall be administered on a basis which does not discriminate against imports from the other country in respect of any product; provided that this undertaking shall not apply in cases in which:

(a) Its application would have the effect of preventing the country imposing such restrictions from utilizing, for the purchase of needed imports, inconvertible currencies accumulated up to December 31, 1946, or

(b) There may be special necessity for the country imposing such restrictions to assist, by measures not involving a substantial departure from the general rule of non-discrimination, a country whose economy has been disrupted by war, or

(c) Either Government imposes quantitative restrictions having equivalent effect to any exchange restrictions which that Government is authorized to impose in conformity with Article VII of the Articles of Agreement of the International Monetary Fund. The provisions of this Section shall become effective as soon as practicable but not later than December 31, 1946.

10. *Accumulated Sterling Balances*

(i) The Government of the United Kingdom intends to make agreements with the countries concerned, varying according to the circumstances of each case, for an early settlement covering the sterling balances accumulated by sterling area and other countries prior to such settlement (together with any