

No. 20864

**UNITED STATES OF AMERICA
and
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

**Agreement relating to the exchange of gold bars. Signed at
London on 16 January 1981**

Authentic text: English.

Registered by the United States of America on 1 March 1982.

**ÉTATS-UNIS D'AMÉRIQUE
et
ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

**Accord relatif à l'échange de lingots d'or. Signé à Londres le
16 janvier 1981**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} mars 1982.

AGREEMENT¹ BETWEEN THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY AND THE UNITED STATES TREASURY

This Agreement is made the 16th day of January, 1981, between the Lords Commissioners of Her Majesty's Treasury on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland ("HMG") and the Department of the Treasury of the United States of America ("United States Treasury").

1. The United States Treasury agrees to purchase from HMG, and HMG agrees to place at the disposal of the United States Treasury (for credit at the Bank of England ("the Bank") to the "Federal Reserve Bank of New York, as fiscal agent, U.S. Treasury, Gold Custody Account"), at the time provided in clause 5, good delivery London bars containing 1,632,917.746 Troy ounces of fine gold ("Parcel 1").

2. In consideration of the aforesaid purchase by the United States Treasury, HMG agrees to purchase at the same time and the United States Treasury agrees to place at the disposal of HMG and hold in safe custody for HMG at the U.S. Treasury, New York Assay Office, United States government-stamped bars containing 1,633,090.535 Troy ounces of fine gold ("Parcel 2").

3. HMG will pay U.S. \$97,237.01 to the United States Treasury General Account at the Federal Reserve Bank of New York, which represents the net difference between the fine Troy ounces of gold transferred pursuant to clauses 1 and 2, valued at the price in U.S. dollars per fine Troy ounce of gold determined at the morning fixing of the price of gold in London on January 16, 1981.

4. HMG represents and agrees that the gold in Parcel 1 shall, at the time of the transfer, be beneficially and legally owned by HMG free and clear of liens, charges, encumbrances, claims or defects and that, upon transfer of title pursuant to clause 5, the title to the gold in Parcel 1 will be beneficially and legally owned by the United States Treasury free and clear of liens, charges, encumbrances, claims or defects. The United States Treasury represents and agrees that the gold in Parcel 2 shall, at the time of the transfer, be beneficially and legally owned by the United States free and clear of liens, charges, encumbrances, claims or defects and that, upon transfer of title pursuant to clause 5, the title to the gold will be beneficially and legally owned by HMG.

5. (a) Before 24.00 hours (London time) on January 16, 1981, or such other time as the parties may agree, the United States Treasury shall identify the gold to be included in Parcel 2 by physically segregating such gold and labelling it as the property of Her Majesty's Treasury on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland; HMG shall identify the gold to be included in Parcel 1 by allocating such gold to the account at the Bank referred to in clause 1.

(b) As soon as practicable after the steps provided for in (a) above have been taken, each party shall confirm by tested telex to the other, (i) that such party is transferring title to Parcel 1 or Parcel 2, as the case may be, to the other party in accordance with and subject to this Agreement, (ii) that such party has made

¹ Came into force on 16 January 1981 by signature.

appropriate entries on its records to reflect transfer of title to such Parcel to the other party, (iii) the number of bars and aggregate weight in fine Troy ounces, and, in the case of Parcel 2, (iv) confirming that the United States Treasury has physically segregated the gold in such Parcel at the United States Assay Office, New York, New York, and labelled such gold as provided in (a) above. Weight lists and other details shall be sent by each party to the other promptly thereafter.

(c) At such time as the Federal Reserve Bank of New York ("FRBNY") has received the confirmation provided for in (b) above from the Bank on behalf of HMG, and the Bank has received the confirmation provided for in (b) above from the FRBNY on behalf of the United States Treasury (and regardless of any provisions of this Agreement regarding delivery and without any other action whatsoever), title to Parcel 1 shall be transferred to and shall vest in the United States Treasury and title to Parcel 2 shall be transferred to and shall vest in HMG, such transfers and vesting to be simultaneous. Acceptance of delivery by each party shall occur at the same time; provided that these acceptances shall not affect in any way the obligations set forth in clause 7.

(d) For the purpose of sending and receiving such tested telexes, weight lists and other details as provided for in this clause 5, the United States Treasury appoints FRBNY as its agent and HMG appoints the Bank as its agent.

6. The United States Treasury may, on demand, make withdrawals of gold subject to this Agreement from its gold custody account at the Bank, and HMG may, on demand, make withdrawals of its gold subject to this Agreement held in custody by the United States Treasury, New York Assay Office, provided that all demands shall be expressed in numbers of Troy ounces of fine gold. Settlement shall be made in whole bars of customary sizes in approximately but not exceeding the amount of gold so demanded. The establishment and maintenance of deposits and the withdrawals of gold by the United States Treasury and by HMG from the respective custody of the Bank and the United States Treasury shall be without charge. Except as set forth in clause 7, delivery by the custodian of gold subject to this Agreement outside the respective premises of the Bank or the United States Assay Office shall be at the expense and risk of owner of such gold.

7. If HMG so requests, at any time not later than September 30, 1981, the United States Treasury agrees to deliver Parcel 2 or any gold substituted therefor pursuant to clause 8 under this Agreement or any then remaining portion of such Parcel or substituted gold to the vaults of the Bank as soon as practicable after the date of such request. Such delivery shall in any case be made within 14 days of such request. Subject to clause 8 such delivery shall be considered completed only when Parcel 2 has been delivered to the vaults of the Bank free and clear of all liens, encumbrances, charges, claims or defects. The United States Treasury shall bear all risk and expense (except for any import duties or other taxes or imposts levied by HMG) of such delivery.

8. Should HMG be unable to withdraw, on demand, any gold in Parcel 2 held in custody at the United States Treasury, New York Assay Office, for any reason whatsoever ("blocked gold"), the United States Treasury agrees to deliver as soon as practicable a quantity of other gold to the Bank which the United States Treasury will use its best endeavours to ensure is at least the same in fineness (but in any case no less than 995.0 fine) and which shall be at least of

the same fine weight as the blocked gold and otherwise at least the same in value. Upon delivery to the Bank at its vaults of such other gold and the transfer to HMG of all right, title and interest therein, free and clear of all liens, charges, encumbrances, claims or defects, HMG shall transfer title to the blocked gold to the United States Treasury without any representation or warranty with respect thereto and will arrange delivery or custody of the blocked gold as the United States Treasury may direct at the United States Treasury's risk and expense. Delivery of other gold in accordance with this paragraph shall satisfy the United States Treasury's obligations under clause 7. The last sentence of clause 7 shall additionally apply to any delivery by the United States Treasury under this paragraph.

9. Each party hereto agrees that it will not set-off or attempt to set-off, or otherwise make a claim against or reduce, the gold held by or for the other party to this Agreement, as a result of any claim that it may have against such other party however arising.

10. The United States Treasury agrees to pay all its costs and expenses arising out of or in connection with this Agreement and the performance hereof and will make its best efforts to obtain appropriated funds in order to reimburse HMG for all reasonable costs and expenses arising out of or in connection with this Agreement and the performance hereof (including any expenses or liabilities arising out of litigation).

11. Should HMG request the United States Treasury to purchase gold held in custody at the United States Treasury, New York Assay Office, in exchange for an approximately equivalent amount of gold (plus or minus any necessary cash settlement, with the gold valued as set forth in clause 3 on the date of purchase) held by the United States Treasury at the Bank or the Federal Reserve Bank of New York, the United States Treasury agrees to purchase the gold if it holds the necessary amounts of gold at the location requested. Similarly, HMG agrees, upon request of the United States Treasury, to purchase the gold on deposit at the Bank in exchange for an approximately equivalent amount of gold (plus or minus any necessary cash settlement, with the gold valued as set forth in clause 3 on the date of purchase) held by HMG at the United States Treasury, New York Assay Office, if it holds the necessary amounts of gold at such location.

12. For purposes of this Agreement, United States Treasury weights and assays shall be final as to gold at the United States Treasury, New York Assay Office, and Bank weights and assays shall be final as to gold at the Bank.

13. Any notice or other communication required or permitted hereunder shall be sufficiently given if made or sent by telephone, telex, cable or facsimile transmission immediately confirmed by registered or certified airmail addressed

In the case of HMG to:

Bank of England
Threadneedle Street
London, EC2R BAH

Attention:

Foreign Exchange Division

In the case of the United States Treasury to:

Federal Reserve Bank of New York
Fiscal Agent of the United States
33 Liberty Street
New York, New York 10045

Attention:

Foreign Department

14. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in London, England, as of the date first above written.

The Lords Commissioners of Her Majesty's Treasury:

*By: [Signed — Signé]*¹

Duly Authorized by the Lords Commissioners

Department of the Treasury of the United States of America:

*By: [Signed — Signé]*²

The Secretary or his duly authorized representative

¹ Signed by Roger G. Lavelle — Signé par Roger G. Lavelle.

² Signed by James E. Ammerman — Signé par James E. Ammerman.