

**Inter-office memorandum to the Assistant Secretary-General for Administrative and Financial Services, concerning a draft agreement with a Member State covering arrangements for 1951 General Assembly**

TRANSFER AND CONVERSION OF CURRENCY—CONVENTION ON THE PRIVILEGES AND IMMUNITIES OF THE UNITED NATIONS, 1946—UNITED NATIONS MAY FREELY TRANSFER ITS FUNDS TO, FROM OR WITHIN A MEMBER STATE AND CONVERT THEM INTO ANY CURRENCY—NO RIGHT TO CONVERSION AT A DIPLOMATIC OR OTHER MOST FAVOURABLE EXCHANGE RATE

In answer to your memorandum of 4 June 1951 concerning transfers of currencies and rates of exchange during the 1951 General Assembly, the position of the Legal Department is somewhat narrower than your statement. It is our position that under section 5 of the Convention on Privileges and Immunities the United Nations\* may freely transfer its funds to, from or within [Member State] and may convert them into any currency. Under section 6, the Secretary-General would be required to “pay due regard to any representations made by the Government” if any such conversion were affecting adversely the [Member State] balance of payments, but his sole criterion would be “the interests of the United Nations.” We therefore took the position that the right of transfer and conversion was adequately covered without an express clause in the agreement, and that there was no reason to eliminate the general reference to the Convention which the [Member State] had included in their draft.

At [Name]’s conference on the first draft, however, we pointed out that the Convention did not establish the right to conversion at a diplomatic or other most favourable rate of exchange. The reason for the omission of a specific provision on rates of exchange was the assurance of the negotiators and the representatives of the Bureau of Finance that there was but one official rate of exchange prevailing in [Member State] and it was therefore pointless to ask the Government to include in the draft the assertion of a meaningless privilege.

19 June 1951

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\* United Nations, *Treaty Series*, vol. 1, p. 15 and vol. 90, p. 327 (corrigendum to vol. 1).