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After the Gold Standard, 1931-1999

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Summary of Exchange Controls on Gold. This document contains a summary of the various controls on gold that existed in the major countries of Western Europe just prior to the collapse of the Bretton Woods System. The cover letter [not printed here] indicates that they were compiled by the Overseas Office of the Bank of England and are drawn primarily from the I.M.F.'s book of exchange restrictions.

Gold

The regulations currently in force in countries to which you refer are summarised as follows: -

E.E.C.

Belgium - Luxembourg

Residents may freely purchase, hold, and sell gold in the form of coins or bars, at home or abroad. Imports and exports of gold in these forms by residents and non-residents are unrestricted and free of license. Settlements in respect of gold transactions with convertible area countries may be made through the free market, through financial accounts in Belgian or Luxembourg francs, or in domestic or foreign banknotes. No customs duties or other charges are levied on imports or exports of gold, except on imports for industrial or handicraft purposes. Licenses are required for imports of semiprocessed gold; these are issued to professional users, who are authorized to make payment through the official market.*

* - transactions in monetary gold, i.e., coins and bars, are exempt from the value-added tax introduced in Belgium on January 1, 1971.

France

Residents are free to hold, acquire, and dispose of gold in any form in France. They may continue to hold abroad any gold they held there prior to November 25, 1968. There is a free gold market for bars and coins in Paris, to which residents have free and anonymous access. Imports and exports of gold into or from the territory of continental France require prior authorization by the Bank of France, which is not normally granted for monetary gold but usually is

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given for industrial gold. Exempt from this requirement are (1) imports and exports of gold addressed to or shipped by the Bank of France; (2) imports and exports of manufactured articles containing only a minor quantity of gold, such as gold-filled and gold-plated articles; (3) imports and exports of gold objects (other than medals, coins and bars, but including both personal and other jewelry) whose combined weight does not exceed 500 grams; and (4) collectors' items of gold and gold antiques that are exported under "O2 licenses" granted with the approval of the Directorate of Museums. Both licensed and exempt imports of gold are subject to customs declaration. The import and export of certain gold objects that are considered merchandise, such as gold watches, is subject to both the regular import and export licensing arrangements and to licensing by the Bank of France.

In domestic trading, purchases of monetary gold (bars and coins) are not subject to value-added tax. Imports of monetary gold are exempt from customs duty and value-added tax.

Germany

Residents may freely hold gold in any form at home and abroad and may negotiate gold in any form with residents or non-residents at home and abroad. There is a free gold market in Frankfurt. Imports require a license from the Federal Office for Trade and Industry when the gold is purchased in or originates in Rhodesia or the Eastern Bloc. With this exception, imports and exports by residents and non-residents of gold in any form are unrestricted and free of license; a customs declaration, however, is required. Imports of unworked gold and gold alloys are free of customs duty but are subject to value-added tax at a rate of 11 per cent. Imports of monetary gold by the Bundesbank and imports of gold coins that are legal tender, including sovereigns, are exempt from this tax and from customs duty; imports of other gold coins are subject to value-added tax at a rate of 5.5 per cent. Domestic purchases of gold (alloys and coins that are not legal tender) are subject to value-added tax at a rate of 11 per cent. Commercial imports and exports of articles containing gold are subject to the general foreign trade regulations and in most cases are liberalized.

Italy

Residents may freely hold and negotiate gold in any form in Italy. The monetary authorities may freely acquire unrefined gold abroad. Agent banks that have been authorized by the Ministry of the Treasury may acquire unrefined gold abroad upon submission of licenses issued by the Ministry of

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Foreign Trade to Italian firms for industrial use. Imports of wrought and semimanufactured gold, including jewelry, are subject to licensing. Exports of wrought and semimanufactured gold other than jewelry also require licenses. Commercial imports of articles containing a minor quantity of gold, such as watches, are liberalized for most countries of origin.

Netherlands

The Netherlands Bank engages in gold transactions only with monetary authorities and international financial institutions. Neither the Bank nor any government agency imports or markets gold for industrial use. Authorized banks and other residents may freely purchase, hold, and sell gold (fine gold, gold coin, and gold alloys) in the Netherlands or abroad; gold held abroad, however, must be kept on deposit with the foreign correspondent of an authorized depository. Imports and exports of gold require neither exchange licenses nor import and export licenses. There is a free gold market in Amsterdam. Domestic sales of gold coins are subject to value-added tax at 4 per cent (except those of Belgium, Denmark, South Africa, the United Kingdom, and the United States, which are exempt); the value-added tax on medallions and commemorative coins that are not legal tender is 14 per cent;* sales of gold bars and nuggets are exempt. Commercial imports of gold jewelry and of articles containing minor quantities of gold, such as watches, require import licenses only when originating in Hong Kong, Japan, or state trading countries.

* - with effect from January 1, 1971, when the general rate of value-added tax was increased from 12 per cent to 14 per cent.

E.F.T.A.

Austria

Transactions in gold (excluding jewelry and medallions, which are considered jewelry) are governed by the Foreign Exchange Law. The Austrian National Bank is authorized by this law to deal in gold as defined therein; the Bank has granted a number of general permissions widely liberalizing the domestic gold trade, but does not itself buy or sell gold or gold coins, except in transactions with monetary authorities of other countries or with international financial institutions. The Bank has authorized credit institutions, exchange offices, and coin dealers to buy or sell gold coins that are not legal tender on their own behalf or on their customers' behalf; the prices are based on those for coins

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and unmanufactured gold in free markets abroad. The Mint releases certain types of gold coins to authorized credit institutions for resale to the public. Residents may hold gold in any form, including bars, in Austria, and they may acquire in Austria any gold coins that are not legal tender and any gold medals or medallions; furthermore, domestic trading between residents in gold with a fineness of less than 0.585 is unrestricted. With the exception of coins, medal and gold with a fineness of less than 0.585, the acquisition from residents of gold subject to the Foreign Exchange Law is reserved for the monetary authorities, authorized industrial users, dentists, and jewelers; the Mint, gold refiners, and jewelers are permitted to trade or exchange among themselves gold in any form.

Where the Foreign Trade Law prescribes import licenses for gold imports (e.g., for gold sheets), the license is either issued by the Ministry of Trade, Commerce, and Industry, which usually grants any license applied for by industrial users, or by the customs office concerned, which issues licenses automatically for certain gold imports within its competence. Where this law does not require an import license for imports (e.g., for the import of gold bars), the Foreign Exchange Law prescribes a license issued by the National Bank covering the purchase of gold; such licenses are issued after consideration of the merits of each case. Exports of gold in any form other than jewelry require authorization by the National Bank. The National Bank's imports and exports do not require import, exchange, or export licenses. Commercial imports of jewelry and of articles containing a minor amount of gold, such as watches, are liberalized, licenses being issued automatically by the customs; commercial exports of a number of such articles, however, must be licensed by the Ministry of Trade, Commerce, and Industry.

Denmark

Residents may freely buy, hold, and sell gold coins in Denmark. Residents other than the monetary authorities and authorized industrial users are not allowed to acquire gold abroad. Imports and exports of gold normally require licenses issued by the Ministry of Commerce; such licenses are not normally granted except for imports and exports by or on behalf of the monetary authorities and industrial users. Imports of gold in bars or coins, unless made by or on behalf of the monetary authorities, are subject, to value-added tax at a rate of 15 per cent but not to customs duty. Domestic transactions also are taxed at a rate of 15 per cent.

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Finland

Residents may freely hold, buy, and sell gold in any form at home. Imports of gold in any form other than jewelry require licenses issued by the Licensing Office; such licenses are not normally granted except for imports by or on behalf of the monetary authorities and industrial users. Commercial imports of articles containing gold require licenses issued by the Licensing Office; for most such articles these are granted freely. Exports of gold are subject to the same regulations as exports of other commodities, i.e., an export control declaration approved by the Licensing Office is usually sufficient.

Iceland

Residents may hold and acquire gold in Iceland, subject to certain legal requirements. Imports and exports of gold in any form other than jewelry require licenses issued by the Central Bank; such licenses are not normally granted except for imports and exports by or on behalf of the monetary authorities and industrial users. However, citizens returning to Iceland after a period of residence abroad may freely bring in any gold in their possession.

Norway

Residents may hold and acquire gold coins in Norway for numismatic purposes. With this exception, residents other than the monetary authorities and authorized industrial users are not allowed to hold or acquire gold in any form other than jewelry, at home or abroad. Imports and exports of gold in any form other than jewelry require licenses issued by the Bank of Norway; such licenses are not normally granted except for imports and exports by or on behalf of the monetary authorities and industrial users. To customs duties or other charges or fees are payable on imports or exports of gold bullion and gold coins not contained in jewelry.

Portugal

Residents may hold and acquire gold in any form in Portugal, and there is a free gold market in Lisbon. The purchase or sale of coined or uncoined gold, then carried out between metropolitan Portugal and foreign countries, is subject to special advance authorization from the Bank of Portugal whenever a resident of metropolitan Portugal takes part in the transaction or has an interest in it. The import, export, or re-export of coined or uncoined gold is also subject to special advance authorization from the Bank of Portugal. Licensing of imports is relatively liberal but import authorizations for industrial gold are granted only to commercial banks and the Association of Industrial Users of Gold. Domestic

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sales of gold and of gold coins that are not legal tender are subject to a transactions tax of 20 per cent. There is a free market for gold in Macao, in which both residents of Macao and non-residents who are not resident in the Portuguese Monetary Area may freely trade among themselves in bars, leaves, and coins; settlement must take place in patacas or U.S. dollars. In Macao, the Government sets overall limits for imports of gold in any form other than jewelry; authority to carry out such imports is delegated to a concessionary enterprise for a two-year period. Imports and exports of gold, unless made by or on behalf of the Macao monetary authorities, require licenses issued by the Commissioner for Economy.

Sweden

Gold in any form may be held, purchased, and sold within Sweden. Imports and exports of gold and gold alloys require licenses issued by the Riksbank; the types of gold affected are unmanufactured gold, most types of semimanufactured gold, and gold coins (except coin imported by or on behalf of collectors or collections). Import licenses are normally granted to jewelers, dental laboratories, and users of gold for industrial and scientific purposes, as well as to persons and firms importing for resale to these categories of users. As a general rule, no licenses are issued for the import of gold to be held on private account.

Commercial imports and exports of articles containing gold, such as jewelry, may be made freely without a license. The same applies to imports and exports of gold coins of numismatic value and intended for collectors or collections.

Switzerland

Residents may freely purchase, hold, and sell gold in any form at home or abroad; domestic transactions are not subject to any sales or turnover tax. There is a free gold market in Zurich. Imports and exports of gold in any form by residents and non-residents are unrestricted and free of license. No customs duties or other charges are levied on exports of gold. Imports of gold in certain forms are subject to customs duty (exempt are bars and certain coins) or sales tax (exempt are coins and bars). Import and export licenses are required for commercial imports and exports of certain articles containing gold; these are issued freely.

Source: *Bank of England Archives, C43/236, 1966/2.*