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OO CIVIL COMMISSIONER PORT STANLEY

GRS 285

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FM FCO 081030Z JUL 82

TO IMMEDIATE CIVIL COMMISSIONER PORT STANLEY

TELEGRAM NUMBER 38 OF 8 JULY

FALKLANDS REHABILITATION: BANKING SERVICES

1. THE EXECUTIVE COMMITTEE OF STANDARD CHARTERED BANK HAVE CONFIRMED THEIR WISH TO PURSUE THE IDEA OF A BRANCH IN PORT STANLEY. THEY REQUEST OUR RESPONSE ON THE FOLLOWING MAJOR CONDITIONS:

- QUOTE: A) STANDARD CHARTERED BANK WOULD BE APPOINTED GOVERNMENT BANKERS BY THE FALKLAND ISLANDS GOVERNMENT, SO THAT THE BRANCH WOULD HOLD CASH BALANCES AND HANDLE INWARD AND OUTWARD PAYMENTS. IT IS ENVISAGED THAT THE GOVERNMENT WOULD CONTINUE TO BE RESPONSIBLE FOR THE NOTE ISSUE AND WOULD SUPPLY CURRENCY TO THE BANK AT PAR WITH STERLING.
- B) FIG: THE BRANCH WOULD ABSORB THE BUSINESS OF THE GOVERNMENT SAVINGS BANK INTO ITS OWN DEPOSIT STRUCTURE AND THE PRESENT BALANCES OF THE SAVINGS BANK WOULD BE VESTED WITH THE BRANCH WHICH WOULD ACCORDINGLY TAKE THEM INTO ITS OWN RESOURCES POSITION.
- C) THE MILITARY AUTHORITIES WOULD AGREE TO OPEN ACCOUNTS WITH THE BRANCH TO HOLD THEIR MAIN FUNDS AND WOULD MAKE MAXIMUM USE OF THE BANK'S SERVICES.
- D) THE FALKLAND ISLANDS COMPANY WOULD AGREE TO END ITS BANKING SERVICES TO THE COMMUNITY AND WOULD AGREE TO BECOME A CUSTOMER OF THE BRANCH AND TO MAKE FULL USE OF THE BANK'S SERVICES. UNQUOTE.

GRATEFUL FOR FIG VIEWS ON A) AND B) AS SOON AS POSSIBLE. C) AND D) ARE FOR YOUR INFORMATION ONLY: WE ARE PURSUING AS NECESSARY.

2. STANDARD ENVISAGE A TEAM OF FOUR OR FIVE EXPATRIATE STAFF. THE OPENING OF OPERATIONS WOULD DEPEND ON THE PROVISION OF

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PREMISES, ACCOMMODATION AND COMMUNICATIONS. GRATEFUL FOR YOUR
COMMENTS.

PYM

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