



Treaty Series No. 58 (1978)

Agreement

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Republic of Sierra Leone
on Certain Commercial Debts

London, 16 March 1978

[The Agreement entered into force on 16 March 1978]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
July 1978*

LONDON

HER MAJESTY'S STATIONERY OFFICE

20p net

AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE ON
CERTAIN COMMERCIAL DEBTS

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the United Kingdom") and the Government of the Republic of Sierra Leone (hereinafter referred to as "Sierra Leone");

As a result of the Conference regarding the consolidation of Sierra Leonean debts held in Paris on 14 and 15 September 1977 at which the Government of the United Kingdom, the Government of Sierra Leone, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development and the Organisation for Economic Cooperation and Development were represented;

Have agreed as follows:

ARTICLE 1

Definitions

In this Agreement, unless the contrary intention appears:

- (a) "certificate" shall mean a certificate issued by the Bank of Sierra Leone to account for the payment in leones made by the debtor;
- (b) "credit contract" shall mean a credit contract as defined in Article 2 of this Agreement;
- (c) "creditor" shall mean a creditor as defined in Article 2 of this Agreement;
- (d) "currency of the debt" shall mean sterling or such other currency not being leones as is specified in the credit contract;
- (e) "debt" shall mean any debt to which, by virtue of the provisions of Articles 2 and 9 of this Agreement and of Schedule 2 to this Agreement, the provisions of this Agreement apply;
- (f) "debtor" shall mean a debtor as defined in Article 2 of this Agreement;
- (g) "maturity" in relation to a debt shall mean the date for the repayment thereof under the relevant credit contract or under a promissory note or bill of exchange drawn up pursuant to the terms of such credit contract;
- (h) "moratorium interest" shall mean moratorium interest payable under the provisions of Article 5 of this Agreement;
- (i) "payment in leones" shall mean payment in leones as specified in Article 3 of this Agreement;
- (j) "the Department" shall mean the Export Credits Guarantee Department of the United Kingdom or any other department which

the Government of the United Kingdom may nominate for the purposes of this Agreement;

- (k) "transfer scheme" shall mean the transfer scheme referred to in Article 4 of this Agreement.

ARTICLE 2

The Debt

(1) The provisions of this Agreement shall, subject to the provisions of paragraph (2) of this Article, apply to any debt, whether of principal or of contractual interest accruing up to maturity, owed as primary or principal debtor or as guarantor by the Government of Sierra Leone or by a person or body of persons or corporation resident or carrying on business in Sierra Leone or by any successor thereto (hereinafter referred to as "debtor") to a person or body of persons or corporation resident or carrying on business in the United Kingdom or to any successor thereto (hereinafter referred to as "creditor") provided that:

- (a) the debt arises under or in relation to a contract or any agreement supplemental thereto which was made between the debtor and the creditor for the supply from outside Sierra Leone of goods or services or both or of finance therefor, and which allowed credit to the debtor for a period exceeding one year, and which was entered into before 1 January 1977 (hereinafter referred to as a "credit contract");
- (b) maturity of the debt has occurred and the debt remains unpaid or maturity of the debt shall occur before 1 July 1978; and
- (c) the debt is not expressed by the terms of the credit contract to be payable in leones.

(2) The provision of this Agreement shall not apply to so much of any debt as arises from an amount payable upon or as a condition of the formation of the credit contract, or as a staged or progress payment during the manufacture or prior to the export of such goods or the supply of such services, or upon or as a condition of the cancellation or termination of the credit contract.

ARTICLE 3

Payments in Sierra Leone in respect of debts

Each payment in leones by a debtor in respect of a debt (hereinafter referred to as "payment in leones") shall upon the entry into force of this Agreement or upon payment by the debtor, whichever is the later, be placed upon deposit in a special account with the Bank of Sierra Leone. Amounts so deposited shall remain deposited with the Bank of Sierra Leone until transfer to the creditors in accordance with the provision of Article 4 of this Agreement.

ARTICLE 4

Sierra Leone shall ensure that the payments in leones shall be transferred to the creditors in the United Kingdom in the currency of the debt in accordance with the transfer scheme set out in Schedule 1 to this Agreement. The amount of the currency of the debt to be so transferred shall in all cases be calculated at the rate of exchange prevailing at the time of payment in leones.

ARTICLE 5

Moratorium Interest

(1) Sierra Leone shall be liable for and shall pay to the creditor moratorium interest in accordance with the provisions of this Article on any debt to the extent that it has not been settled by payment to the creditor.

(2) Moratorium interest shall accrue during, and shall be payable in respect of, the period from maturity until settlement of the debt by payment to the creditor and shall be paid and transferred to the creditor concerned in the currency of the debt on 30 June and 31 December of each year commencing 30 June 1978 and concluding 30 June 1987.

(3) Moratorium interest shall be paid at the rate of 7 per cent per annum and shall be calculated on the outstanding amount of the debt.

ARTICLE 6

Exchange of Information

The Department and the Bank of Sierra Leone shall exchange all information required for the implementation of this Agreement.

ARTICLE 7

Other Debt Settlements

(1) If Sierra Leone agrees with any creditor country other than the United Kingdom terms for the settlement of indebtedness similar to the indebtedness the subject of this Agreement which are more favourable than the terms of this Agreement, then the terms for the payment of debts the subject to this Agreement shall, subject to the provisions of paragraph (2) of this Article, be no less favourable than the terms so agreed with that other creditor country notwithstanding any provision of this Agreement to the contrary.

(2) The provisions of paragraph (1) of this Article shall not apply in a case where the aggregate of the indebtedness to that other creditor country is less than the equivalent of SDR 250,000.

ARTICLE 8

Preservation of Rights and Obligations

This Agreement and its implementation shall not affect the rights and obligations of creditors and debtors under their credit contracts.

ARTICLE 9

Rules

In the implementation of this Agreement the rules set out in Schedule 2 to this Agreement shall apply.

ARTICLE 10

The Schedules

The Schedules to this Agreement shall form an integral part thereof.

ARTICLE 11

Entry into Force and Duration

This Agreement shall enter into force on signature and shall remain in force until the last of the payments to be made to the creditors under Articles 4 and 5 of this Agreement has been made.

In witness whereof the undersigned, being duly authorised thereto, have signed this Agreement.

Done in duplicate at London this 16th day of March 1978:

For the Government of the United Kingdom of Great Britain and Northern Ireland:

E. ROWLANDS

For the Government of the Republic of Sierra Leone:

M. B. CONTE

SCHEDULE 1

Transfer Scheme

- (1) (a) In respect of each debt which fell due before 1 January 1976 and which remains unpaid an amount equal to each payment in leones shall be transferred from Sierra Leone to the United Kingdom on 30 June 1978.
- (b) In respect of each debt which fell due between 1 January 1976 and 30 June 1976, both dates inclusive, and which remains unpaid an amount equal to each payment in leones shall be transferred from Sierra Leone to the United Kingdom on 30 June 1979.
- (2) (a) In respect of each debt falling due between 1 July 1976 and 31 December 1977 both dates inclusive and which remains unpaid, an amount equal to 20 per cent of each payment in leones shall be transferred from Sierra Leone to the United Kingdom on 30 June 1978.
- (b) In respect of each debt falling due between 1 January 1978 and 30 June 1978, both dates inclusive, an amount equal to 20 per cent of each payment in leones shall be transferred from Sierra Leone to the United Kingdom between 30 April 1978 and 30 June 1978.
- (3) An amount equal to 80 per cent of each payment in leones shall be transferred from Sierra Leone to the United Kingdom in 15 equal half yearly and consecutive instalments on 30 June and 31 December each year commencing:
 - (a) if the debt fell due between 1 July 1976 and 30 June 1977, both dates inclusive, and remains unpaid, on 30 June 1979;
 - (b) if the debt fell due or shall fall due between 1 July 1977 and 30 June 1978, both dates inclusive, and remains unpaid, on 30 June 1980.

SCHEDULE 2

Rules

- (1) The Department and the Bank of Sierra Leone shall agree a list of debts to which, by virtue of the provisions of Article 2 of this Agreement, this Agreement applies.
- (2) Such a list shall be completed as soon as possible. This list may be reviewed from time to time at the request of the Department or of the Bank of Sierra Leone. The agreement of both the Department and the Bank of Sierra Leone shall be necessary before the list may be altered or amended or added to.
- (3) Neither inability to complete the list referred to in paragraphs (1) and (2) of this Schedule nor delay in its completion shall prevent or delay the implementation of the other provisions of this Agreement.

(4) Upon the placing of a payment in leones on deposit in the special account with the Bank of Sierra Leone pursuant to Article 3 of this Agreement the Bank of Sierra Leone shall notify the Department of such deposit by remitting a certificate issued by the Bank of Sierra Leone which shall state :

- (a) the amount of such payment in leones expressed in the currency of the debt at the rate of exchange prevailing at the time of such payment;
 - (b) the date of such payment; and
 - (c) particulars of the credit contract and date of payment of the debt to which such payment relates.
- (5) (a) The Bank of Sierra Leone shall transfer the necessary amounts in the currency of the debt to a bank in the United Kingdom together with payment instructions in favour of the creditor to whom payment is due in accordance with this Agreement.
- (b) When making such transfer the Bank of Sierra Leone shall give the Department particulars of the debts and of the moratorium interest to which the transfers relate.

HER MAJESTY'S STATIONERY OFFICE

Government Bookshops

49 High Holborn, London WC1V 6HB
13a Castle Street, Edinburgh EH2 3AR
41 The Hayes, Cardiff CF1 1JW
Brazennose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street, Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY

*Government publications are also available
through booksellers*

ISBN 0 10 172250 8