



JAMAICA

Treaty Series No. 42 (1985)

Agreement

between the Government of the United Kingdom of
Great Britain and Northern Ireland and the Government
of Jamaica
on Certain Commercial Debts

London, 13 May 1985

[The Agreement entered into force on 13 May 1985]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
August 1985*

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

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

As a result of the Conference held in Paris on 16 July 1984 regarding consolidation of Jamaican debts at which the Government of the United Kingdom, the Government of Jamaica, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development, the Secretariat of the United Nations Conference on Trade and Development, the Commission of the European Communities and the Organisation for Economic Co-operation and Development were represented;

Have agreed as follows :

ARTICLE 1

Definitions

In this Agreement, unless the contrary intention appears :

- (a) "contract" shall mean a contract as defined in Article 2(1)(a) of this Agreement;
- (b) "creditor" shall mean a creditor as defined in Article 2(1) of this Agreement;
- (c) "currency of the debt" shall mean sterling or such other currency not being Jamaican dollars as is specified in the contract;
- (d) "debt" shall mean any debt to which, by virtue of the provisions of Articles 2 and 8 of this Agreement and of Schedule 2 thereto, the provisions of this Agreement apply;
- (e) "debtor" shall mean a debtor as defined in Article 2 of this Agreement;
- (f) "maturity" in relation to a debt shall mean the date for the repayment thereof under the relevant contract or under a promissory note or bill of exchange drawn up pursuant to the terms of such contract;
- (g) "the Bank" shall mean the Bank of Jamaica;
- (h) "the Department" shall mean the Export Credits Guarantee Department of the Government of the United Kingdom or any other Department thereof which the Government of the United Kingdom may nominate for the purposes of this Agreement;
- (i) "transfer scheme" shall mean the transfer scheme referred to in Article 3 of this Agreement.
- (j) "Ministry of Finance and Planning" shall mean the Ministry of Finance and Planning of the Government of Jamaica.

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 Jamaica (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 Jamaica 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 October 1983 (hereinafter referred to as a "contract");
- (b) maturity of the debt has occurred, or will occur, on or before 31 March 1985 and that after maturity that debt remains unpaid;
- (c) the debt is in respect of a contract guaranteed as to payment of that debt under a guarantee issued by the Department; and
- (d) the debt is not expressed by the terms of the contract to be payable in Jamaican dollars.

(2) The provisions 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 contract, or upon or as a condition of the cancellation or termination of the contract.

ARTICLE 3

Payment to Creditors

The Government of Jamaica shall ensure that the payments by debtors shall be transferred to the creditors in the United Kingdom in the currency of the debt in accordance with the transfer scheme and the rules set out in Schedule 1 and Schedule 2 respectively to this Agreement. The Government of Jamaica warrants the correct and timely transfer of such amounts.

ARTICLE 4

Interest

(1) The debtor shall be liable for and shall pay to the creditor 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 in the United Kingdom pursuant to Article 3 of this Agreement.

(2) Such interest shall accrue during, and shall be payable in respect of, the period from maturity until the 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 half-yearly on 15 February and 15 August each year commencing on 15 February 1985.

(3) Such interest shall be calculated on the basis of a 365 day year on the outstanding amount of the debt and shall be paid at the rate of 1 (one) per cent above the London Inter-Bank Offer Rate for the period in question. The method of calculation is set out in Schedule 3 to this Agreement.

ARTICLE 5

Exchange of Information

The Department, the Ministry of Finance and Planning and the Bank shall exchange all information required for the implementation of this Agreement.

ARTICLE 6

Other Debt Settlements

(1) If the Government of Jamaica 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 to creditors than are the terms of this Agreement, then the terms of the payment of debts the subject of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article, be no less favourable to creditors 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 the other creditor country is less than the equivalent of SDR500,000.

(3) The provisions of paragraph (1) of this Article shall not apply to matters relating to the payments of interest determined by Article 4 hereof.

ARTICLE 7

Preservation of Rights and Obligations

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

ARTICLE 8

Rules

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

ARTICLE 9

The Schedules

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

ARTICLE 10

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 3 and 4 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 13th day of May 1985

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

YOUNG

For the Government of Jamaica:

H. S. WALKER

SCHEDULE 1

Transfer Scheme

(1) In respect of each debt which fell due on or before 31 December 1983 and which remains unpaid:

- (a) an amount equal to the principal will be paid and transferred from Jamaica to the United Kingdom in five equal and consecutive instalments on 15 August each year commencing on 15 August 1985; and
- (b) an amount equal to the interest will be paid and transferred from Jamaica to the United Kingdom according to the following schedule:
 - 50 per cent on 31 October 1984;
 - 50 per cent on 31 March 1985.

(2) In respect of each debt which fell due or will fall due between 1 January 1984 and 31 March 1985, both dates inclusive, and which remains unpaid:

- (a) an amount equal to the sum of the principal and 50 per cent of the interest will be paid and transferred from Jamaica to the United Kingdom in 10 equal and consecutive half-yearly instalments on 15 February and 15 August each year commencing on 15 February 1989; and
- (b) the remaining 50 per cent of the interest will be paid and transferred from Jamaica to the United Kingdom according to the schedule as specified in the contract; payments which are already due but not paid are to be paid as soon as possible but in any case not later than 31 October 1984.

SCHEDULE 2

Rules

(1) The Department, the Ministry of Finance and Planning and the Bank 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, the Ministry of Finance and Planning or the Bank. The agreement of the Department, the Ministry of Finance and Planning and the Bank 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) (a) The Bank 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 shall give the Department particulars of the debts and of the interest to which the transfers relate.

SCHEDULE 3

Calculation of Interest

The rate of interest applicable to each interest period will be that rate per annum determined as the aggregate of (a) the margin (one per cent) as stated in Article 4(3) and (b) the average rate (rounded up, where necessary, to the nearest multiple of $1/16$ th (one sixteenth) of one per cent) quoted to the Department at its request by the Reference Banks, to be agreed upon by the Department, the Ministry of Finance and Planning and the Bank, at which six-month sterling deposits are offered to those Reference Banks by prime banks in the London Inter-Bank Market as at 11 a.m. (London time) two business days before the commencement of an interest period.