



Treaty Series No. 58 (1985)

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 17 October 1985

[The Agreement entered into force on 17 October 1985]

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

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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 Government of the United Kingdom") and the Government of the Republic of Sierra Leone (hereinafter referred to as "the Government of Sierra Leone");

As a result of the Conference held in Paris on 7 and 8 February 1984 regarding the consolidation of Sierra Leonean debts 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, the Secretariat of the United Nations Conference on Trade and Development 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) (b) of this Agreement, or, in relation to a debt referred to in Article 2 (1) (a) of this Agreement, the contract under which the debt of principal and interest was originally payable;
- (b) "credit period" shall mean in relation to a contract, the longest period of credit in respect of debts under that contract and references to contracts where the credit period is less than one year, shall include those contracts which do not provide for any credit to be given;
- (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 contract;
- (e) "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;
- (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 contract or under a promissory note or bill of exchange drawn up pursuant to the terms of such contract;

- (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) "the previous Agreements" shall mean the Agreements 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 signed on 16 March 1978⁽¹⁾ and 30 June 1980⁽²⁾;
- (j) "transfer scheme" shall mean the transfer scheme referred to in Article 3 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:

- (a) any debt, whether of principal or of contractual interest, payable under either of the previous Agreements, 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") which has fallen due or will fall due for repayment on or before 31 December 1984 and which remains unpaid after due date; and
- (b) any other debt, whether of principal or of contractual interest accruing up to maturity, owed by a debtor to a creditor, provided that:
 - (i) 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 was entered into before 1 July 1983 (hereinafter referred to as a "contract");
 - (ii) in respect of a contract which allowed credit to the debtor for a period of more than one year, maturity of the debt has occurred or will occur on or before 31 December 1984 and that after maturity that debt remains unpaid;
 - (iii) in respect of a contract which allowed credit to the debtor for a period of one year or less, maturity of the debt has occurred on or before 31 December 1983 and that after maturity that debt remains unpaid;
 - (iv) the debt is in respect of a contract guaranteed as to payment of that debt under a guarantee issued by the Department; and

⁽¹⁾Treaty Series No. 59 (1978), Cmnd. 7226.

⁽²⁾Treaty Series No. 12 (1981), Cmnd. 8163.

(v) the debt is not expressed by the terms of the contract to be payable in Leones.

(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

Payments to Creditors

The Government of Sierra Leone shall pay to the creditors in the United Kingdom in the currency of the debt the amounts due to each creditor in accordance with the transfer scheme and the rules set out in Schedule 1 and Schedule 2 respectively to this Agreement.

ARTICLE 4

Late Interest

(1) The Government of Sierra Leone shall be liable for and shall pay to the creditor late 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) Late interest shall accrue during, and shall be payable in respect of, the period from maturity or, in the case of a debt of principal or of contractual interest payable under a previous Agreement, from the date for repayment thereunder or 31 December 1983 whichever is the later, 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 30 June and 31 December each year commencing 31 December 1984.

(3) Late interest shall be calculated on the outstanding amount of the debt and shall be paid:

- (a) in the case of debts specified in Article 2(1) (b) at the rate of one half of one per cent above the London Inter-Bank Offer Rate for the period in question; and
- (b) in the case of any debt specified in Article 2(1) (a), at the rate specified in the relevant previous Agreement in respect thereof for the period up to and including 31 December or up to and including the due date for repayment whichever is the later, and thereafter at the rate of one half of one per cent above the London Inter-Bank Offer rate for the period in question. The method of calculation shall be agreed in separate correspondence between the Bank of Sierra Leone and the Department. No additional commission or premium shall be charged.

ARTICLE 5

Exchange of Information

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

ARTICLE 6

Other Debt Settlements

(1) If the Government of 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 to creditors than are the terms of this Agreement, then the terms of payment of debts the subject of this Agreement shall, subject to the provisions of paragraph (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 SDR 250,000.

(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 17th day of October 1985.

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

MALCOLM RIFKIND

For the Government of the Republic of Sierra Leone:

J. AMARA BANGALI

SCHEDULE 1

Transfer Scheme

(1) In respect of each debt

- (a) arising under or in relation to a contract which fell due for payment on or before 31 December 1983 and which remains unpaid; or
- (b) payable under any of the previous Agreements which fell due or will fall due for repayment on or before 31 December 1984 and which remains unpaid;

it shall be paid and transferred by the Government of Sierra Leone to the creditor in the United Kingdom as follows:

- 5 per cent on 30 September 1984
- 20 per cent on 30 September 1985
- 25 per cent on 30 September 1986
- 25 per cent on 30 September 1987
- 25 per cent on 30 September 1988.

(2) In respect of each debt arising under or in relation to a contract which allowed credit for more than one year and not payable under any of the previous Agreements which fell due or will fall due for payment between 1 January 1984 and 31 December 1984, both dates inclusive, and which remains unpaid:

- (a) an amount equal to 90 per cent of each debt shall be paid and transferred by the Government of Sierra Leone to the creditor in the United Kingdom in eleven equal and consecutive half-yearly instalments on 30 June and 31 December each year commencing on 31 December 1989; and
- (b) the balance of 10 per cent of each debt shall be paid and transferred by the Government of Sierra Leone to the creditors in the united Kingdom in four equal and consecutive yearly instalments commencing on 31 December 1984.

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 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) (a) In order to meet payments becoming due under the terms of Schedule 1 to this Agreement, the Government of Sierra Leone shall, in the first instance, draw upon its special account at the Bank of England to meet such payments.
- (b) The Government of Sierra Leone shall arrange for the necessary amounts to be transferred 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.
- (c) When arranging such transfers the Government of Sierra Leone shall give the Department full particulars of the debts and of the interest to which the transfers relate.