

JAMAICA



Treaty Series No. 35 (1986)

Agreement

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

London, 6 February 1986

[The Agreement entered into force on 6 February 1986]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
August 1986*

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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 19 July 1985 regarding the 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 Inter-American Development Bank, the Secretariat of the United Nations Conference on Trade and Development, the Organisation for Economic Co-operation and Development, and the Commission of the European Communities were represented;

Have agreed as follows:

ARTICLE 1

Definitions and Interpretation

- (1) In this Agreement, unless the contrary intention appears:
- (a) "the Bank" means the Bank of Jamaica acting on the instructions of the Government of Jamaica;
 - (b) "Contract" means a contract entered into before 1 October 1983 the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Jamaica to a buyer in Jamaica or is in respect of the financing of such a sale and which in either case granted or allowed credit to the Debtor for a period exceeding one year;
 - (c) "Creditor" means a person or body of persons or corporation resident or carrying on business in the United Kingdom or any successor in title thereto;
 - (d) "Currency of the Debt" means the currency specified in the relevant Contract as being the currency in which that Debt is to be paid;
 - (e) "Debt" means any debt to which, by virtue of the provisions of Article 2 and of the operation of the rules specified by Schedule 2, the provisions of this Agreement apply;
 - (f) "Debtor" means the Government of Jamaica (whether as primary debtor or as guarantor) or any State enterprise or other enterprise included in the Jamaican Public Sector;
 - (g) "the Department" means the Secretary of State of the Government of the United Kingdom acting through the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which that Government may subsequently nominate for the purposes hereof;

(h) "Maturity" in relation to a Debt means the due date for the payment or repayment thereof under the relevant Contract or on a promissory note or bill of exchange drawn up pursuant thereto;

(i) "Transfer Scheme" means the Transfer Scheme specified by Schedule 1;

(j) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland and includes the Channel Islands and the Isle of Man.

(2) All references to interest, excluding contractual interest, shall be to interest accruing from day to day and calculated on the basis of actual days elapsed and a year of 365 days.

(3) Where the context of this Agreement so allows words importing the singular include the plural and vice-versa.

(4) Unless otherwise indicated reference to a specified Article or Schedule shall be construed as a reference to that specified Article or Schedule to this Agreement.

(5) The headings to the Articles are for ease of reference only and do not form part of this Agreement.

ARTICLE 2

The Debt

(1) The provisions of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article and the rules specified in paragraph (1) of Schedule 2, apply to every Debt, whether of principal or of contractual interest accruing up to Maturity, owed by a Debtor to a Creditor and which:

(a) arises under or in relation to a Contract or any agreement supplemental thereto;

(b) fell due or will fall due between 1 April 1985 and 31 March 1986, both dates inclusive, and remains unpaid;

(c) is guaranteed by the Department as to payment according to the terms of the Contract; and

(d) 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.

(3) The provisions of this Agreement shall not apply to any indebtedness covered by the Agreement between the Government of the United Kingdom and the Government of Jamaica on Certain Commercial Debts, signed on 13 May 1985⁽¹⁾, nor to any amounts payable according to the terms of that Agreement.

⁽¹⁾ Treaty Series No. 42 (1985), Cmnd. 9598.

ARTICLE 3

Payments to Creditors

The Government of Jamaica shall pay and transfer to the Department on behalf of and as agent for each Creditor, in the United Kingdom, in the Currency of the Debt, and to an account details of which shall be notified by the Department to the Government of Jamaica the amounts due to that Creditor in accordance with the Transfer Scheme and the rules set out in Schedules 1 and 2 respectively.

ARTICLE 4

Interest

(1) The Government of Jamaica shall be liable for and shall pay to the Department interest in accordance with the provisions of this Article on each Debt to the extent that it has not been settled by payment to the Department, in the United Kingdom, pursuant to Article 3. In this respect the Department shall be regarded as acting as agent for each Creditor concerned.

(2) Interest on each Debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity until the settlement of that Debt by payment to the Department as aforesaid, and shall be paid and transferred to the Department in the Currency of the Debt half-yearly on 31 May and 30 November each year commencing on 31 May 1986.

(3) If any amount of any instalment payable in accordance with Article 3 is not paid on the due date for payment in accordance with the Transfer Scheme set out in Schedule 1 interest which accrues in respect thereof shall accrue from day to day until the amount is paid and shall be due and payable without further notice or demand of any kind.

(4) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Article is not paid on the due date for payment thereof the Government of Jamaica shall be liable for and shall pay to the Department interest on such amount of overdue interest. Such additional interest shall accrue from day to day from the due date for payment in accordance with the provisions of paragraph (2) of this Article to the date of receipt of the payment by the Department and shall be payable, in the United Kingdom, in the Currency of the Debt, without further notice or demand of any kind.

(5) All interest payable in accordance with the provisions of this Article shall be paid at the rate of 0.75 per cent ('the margin') above the London Inter-Bank Offer Rate for the period in question. The method of calculation is set out in Schedule 2.

ARTICLE 5

Exchange of Information

The Department and the Government of Jamaica 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 indebtedness the subject of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article, be no less favourable to any Creditor 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 payment of interest determined by Article 4.

ARTICLE 7

Preservation of Rights and Obligations

This Agreement and its implementation shall not affect the rights and obligations of any Creditor or Debtor under a Contract other than those in respect of which the parties hereto are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

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 hereof.

ARTICLE 10

Entry into Force and Duration

This Agreement shall enter into force upon signature and shall remain in force until the last of the payments to be made to the Department under Articles 3 and 4 has been made.

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

Done in duplicate at London this 6th day of February 1986.

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

Payments in accordance with the provisions of Article 3 shall be made according to the following schedule:

(1) An amount equal to the sum of 100 per cent of the principal and 50 per cent of the contractual interest shall be paid and transferred in the Currency of the Debt, in the United Kingdom, by 12 (twelve) equal and consecutive half-yearly instalments on 31 March and 30 September each year commencing on 31 March 1990.

(2) An amount equal to the remaining 50 per cent of contractual interest shall be paid and transferred, in the Currency of the Debt, in the United Kingdom, on the original due dates. As regards such amounts which are already due but not paid, payment will be made as soon as possible and in any case not later than 30 September 1985.

SCHEDULE 2

Rules

(1) Debt List

(a) The Department and the Bank shall agree a list of Debts to which, by virtue of the provisions of Article 2 of the Agreement, the Agreement applies.

(b) 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. The agreement of both the Department and of the Bank shall be necessary before the list may be amended or added to.

(c) Neither inability to complete the list referred to in paragraphs (1)(a) and (1)(b) of this Schedule nor delay in its completion shall prevent or delay the implementation of the other provisions of the Agreement.

(2) Calculation of Interest

Interest shall be calculated on the outstanding amount of the Debt. The rate of interest applicable to each interest period shall be that rate per annum being the aggregate of:

(a) the margin (0.75 per cent as stated in paragraph (5) of Article 4); and

(b) the rate quoted to the Department at its request by the Reference Bank (being a bank to be agreed upon by the Department and the Bank) at which six-month sterling deposits are offered to that Reference Bank by prime banks in the London Inter-Bank Market at 11 a.m. (London time) two business days before the commencement of an interest period.

(3) Transfer

As and when payments become due under the terms of this Agreement, the Government of Jamaica shall arrange for the necessary amounts to be transferred, in the Currency of the Debt, to the Department and shall give the Department full particulars of the Debts and/or interest to which the transfers relate.