



Treaty Series No. 69 (1991)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Republic of Sierra Leone

concerning Certain Commercial Debts

(The United Kingdom/Sierra Leone Debt Agreement No. 4 (1986))

Freetown, 22 May 1987 and 6 March 1991

[The Agreement entered into force on 6 March 1991]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
October 1991*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE
CONCERNING CERTAIN COMMERCIAL DEBTS
(THE UNITED KINGDOM/SIERRA LEONE DEBT AGREEMENT No. 4 (1986))**

No. 1

The British High Commissioner at Freetown to the Minister of Finance of Sierra Leone

Freetown

22 May 1987

Your Excellency,

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Sierra Leone which was signed at the Conference held in Paris on 19 November 1986, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to provide debt relief to the Government of the Republic of Sierra Leone on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Republic of Sierra Leone, I have the honour to propose that this Note, together with its Annex and your reply to that effect shall constitute an Agreement between the two Governments in this matter which shall be known as "the United Kingdom/Sierra Leone Debt Agreement No. 4 (1986)" and which shall enter into force on the date of your reply.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

D. W. PARTRIDGE

ANNEX

SECTION 1

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
- (a) "Agreed Minute" means the Agreed Minute on the Consolidation of the Debt of the Republic of Sierra Leone which was signed at the Conference held in Paris on 19 November 1986;
 - (b) "the Bank" means the Bank of Sierra Leone;
 - (c) "Contract" means a contract entered into before 1 July 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 Sierra Leone to a buyer in Sierra Leone 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;
 - (d) "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;
 - (e) "Currency of the Debt" means the currency specified in the Second Agreement or the Third Agreement or the relevant Contract as being the currency in which that Debt is to be paid;
 - (f) "Debt" means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (g) "Debtor" means the Government of Sierra Leone (whether as primary debtor or as guarantor) or any person or body of persons or corporation resident or carrying on business in Sierra Leone or any successor in title thereto;
 - (h) "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;
 - (i) "the First Agreement" means the 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 signed on 16 March 1978¹;
 - (j) "the Government of Sierra Leone" means the Government of the Republic of Sierra Leone;
 - (k) "the Government of the United Kingdom" means the Government of the United Kingdom of Great Britain and Northern Ireland;
 - (l) "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;
 - (m) "Reference Rate" means the rate quoted to the Department by the Reference Bank (being a bank to be agreed upon between the Department and the Bank) at which six-month sterling deposits are offered to that Reference Bank by prime banks in the London interbank market at 11 am (London time) two business days before the 31 May and 30 November in each year;
 - (n) "the Second Agreement" means the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Sierra Leone on Certain Commercial Debts signed on 30 June 1980²;
 - (o) "the Third Agreement" means the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Sierra Leone on Certain Commercial Debts signed on 17 October 1985³;
 - (p) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland and includes, for the purposes of Sections 1(1)(d) and 8 of this Annex, the Channel Islands and the Isle of Man.

¹Treaty Series No. 58 (1978), Cmnd. 7225.

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

³Treaty Series No. 58 (1985), Cmnd. 9673.

- (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 Annex so allows words importing the singular include the plural and *vice-versa*.
- (4) Unless otherwise indicated reference to a specified Section shall be construed as a reference to that specified Section of this Annex.
- (5) The headings to the Sections are for ease of reference only.

SECTION 2

The Debt

- (1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this Section and Section IV paragraph 3 of the Agreed Minute, apply to:
 - (a) any amount, whether of principal or interest, payable under the Second Agreement or the Third Agreement which fell due or will fall due on or before 13 November 1987 and remains unpaid;
 - (b) any amount of interest charged under Section 5 of this Annex, such interest having accrued on or before 30 June 1986 and remaining unpaid;
 - (c) any other amount, whether of principal or contractual interest accruing up to Maturity, owed by a Debtor to a Creditor and which:
 - (i) arises under or in relation to a Contract or any agreement supplemental thereto;
 - (ii) fell due or will fall due on or before 13 November 1987 and remains unpaid;
 - (iii) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (iv) is not expressed by the terms of the Contract to be payable in leones;
 - (v) does not arise from an amount payable upon or as a condition of the formation, cancellation or termination of the Contract, and
 - (vi) does not arise from an amount payable under the First Agreement.
- (2) The Department and the Bank shall, as soon as possible, agree and draw up a list of Debts ("the Debt List") to which, by virtue of the provisions of this Section, this Annex applies. The Debt List may be reviewed from time to time at the request of the Department or of the Bank but may not be added to or amended without the agreement of both the Department and the Bank. Delay in completion of the Debt List shall not prevent or delay the implementation of the other provisions of this Annex.

SECTION 3

Payments under the Second Agreement and the Third Agreement

The provisions of the Second Agreement and the Third Agreement in so far as they relate to the payment of any Debt shall cease to apply upon entry into force of this Agreement.

SECTION 4

Transfer Scheme

The Government of Sierra Leone shall pay to the Department in accordance with the provisions of Section 7(1), the following:

- (a) in respect of each Debt provided for in this Annex which:
 - (i) fell due on or before 30 June 1986 and which remains unpaid, or
 - (ii) fell due or will fall due under the Second Agreement or the Third Agreement between 1 July 1986 and 12 November 1987 inclusive and which remains unpaid:
 - 100 per cent by eight equal and consecutive half-yearly instalments commencing on 31 August 1992;
- (b) in respect of each other Debt provided for in this Annex:
 - 100 per cent by ten equal and consecutive half-yearly instalments commencing on 31 August 1992.

SECTION 5

Interest

(1) Interest on the balance of each Debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity or, in the case of a Debt specified in Section 2(1)(b) from 1 July 1986, or, in the case of a Debt, payable under the Second Agreement or the Third Agreement, from 1 July 1986 or the due date for payment thereunder whichever is the later, until the settlement of that Debt by payment to the Department as aforesaid.

(2) The Government of Sierra Leone shall be liable for and shall pay to the Department in accordance with the provisions of Section 6(1), and of this Section interest on each Debt to the extent that that Debt has not been settled by payment to the Department, in the United Kingdom, pursuant to Section 4. Such interest shall be paid half yearly on 31 May and 30 November each year commencing on 30 November 1987.

(3) All interest payable in accordance with the provisions of this Section shall be paid at the rate of 0.5 per cent above the Reference Rate for the period in question.

SECTION 6

Payments to the Department

(1) As and when payments become due under the terms of Sections 4 and 5, the Government of Sierra Leone shall:

- (a) in the first instance, draw upon the special account at the Bank of England specified in paragraph 4 Section IV of the Agreed Minute to meet such payments, and
- (b) arrange for the necessary amounts to be paid and transferred in the Currency of the Debt to the Department in the United Kingdom to an account, details of which shall be notified by the Department to the Bank. In this respect the Department shall be regarded as acting as agent for each Creditor concerned.

(2) The Bank shall give the Department full particulars of the Debts and/or interest to which the transfers relate.

(3) The Government of Sierra Leone undertakes to comply with the conditions of Section III paragraphs 8 and 9 of the Agreed Minute.

SECTION 7

Exchange of Information

The Department and the Bank shall exchange all information required for the implementation of this Annex.

SECTION 8

Other Debt Settlements

(1) The Government of Sierra Leone undertakes to comply with the conditions of Section III paragraphs 1, 2, 3, and 7 of the Agreed Minute and agrees to accord to the United Kingdom terms no less favourable than agreed with any other creditor country notwithstanding any provisions of this Annex to the contrary.

(2) The provisions of paragraph (1) of this Section shall not apply to matters relating to the payments of interest determined by Section 5.

SECTION 9

Preservation of Rights and Obligations

This Annex 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.

No. 2

The Minister of Finance of Sierra Leone to the British High Commissioner

*Freetown
6 March 1991*

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of 22nd May 1987 concerning the Agreed Minute on the consolidation of the Debt of the Republic of Sierra Leone which was signed in Paris on 19th November 1986.

I am to confirm that the terms and conditions set out in the Annex of your Note are acceptable to the Government of the Republic of Sierra Leone and that your Note, together with its Annex and this reply should constitute an Agreement between the two Governments in this matter which should be known as "the United Kingdom/Sierra Leone Debt Agreement No. 4 (1986)" and which shall enter into force today.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

T. TAYLOR-MORGAN

[Annex as in No. 1]



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