



Treaty Series No. 72 (1991)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Islamic Republic of Mauritania
concerning Certain Commercial Debts

(The United Kingdom/Mauritania Debt Agreement No. 2 (1986))

London, 13 January 1987 and Nouakchott, 11 February 1989

[The Agreement entered into force on 11 February 1989]

*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 ISLAMIC REPUBLIC OF MAURITANIA
CONCERNING CERTAIN COMMERCIAL DEBTS
(THE UNITED KINGDOM/MAURITANIA DEBT AGREEMENT No. 2 (1986))**

No. 1

*The Secretary of State for Foreign and Commonwealth Affairs, London
to the Minister of Economy and Finance of the Islamic Republic of Mauritania*

*London
13 January 1987*

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Islamic Republic of Mauritania which was signed at the conference held in Paris on 16 May 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 Islamic Republic of Mauritania on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Islamic Republic of Mauritania, 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/Mauritania Debt Agreement No. 2 (1986)" and shall enter into force on the day of your reply.

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

(for the Secretary of State)

P. J. PRIESTLEY

ANNEX

SECTION 1

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
 - (a) "the Bank" means the Central Bank of the Islamic Republic of Mauritania;
 - (b) "Consolidation Period" means the period from 1 April 1986 to 31 March 1987 inclusive;
 - (c) "Contract" means a contract entered into before 31 December 1984 the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside the Islamic Republic of Mauritania to a buyer in the Islamic Republic of Mauritania 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 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 and of the operation of the rules specified in Section 9, the provisions of this Annex apply;
 - (g) "Debtor" means the Government of Mauritania (whether as primary debtor or as guarantor) or any person or body of persons or corporation resident or carrying on business in the Islamic Republic of Mauritania 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 Government of Mauritania" means the Government of the Islamic Republic of Mauritania;
 - (j) "the Government of the United Kingdom" means the Government of the United Kingdom of Great Britain and Northern Ireland;
 - (k) "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;
 - (l) "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 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 the rules specified in paragraph (1) of Section 9, apply to every Debt, being any amount, 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 during the Consolidation Period 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 ouguiyas.
- (2) The provisions of this Annex 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.

SECTION 3

Payments in Ouguiyas in respect of Debts

In addition to the Debts owed by the Government of Mauritania as Debtor, where a Debtor has made a payment in ouguiyas in respect of any Debt, then:

- (a) where the payment was made before entry into force of the Agreement of which this Annex forms a part, upon such entry into force, and
 - (b) where the payment was made subsequently, upon such payment,
- the payment of such Debt shall become the obligation of the Government of Mauritania. The payment of all such Debt by the Government of Mauritania to the Department shall be made in accordance with the provisions of Section 4.

SECTION 4

Transfer Scheme

The Government of Mauritania shall, subject to the rules specified in paragraph (3) of Section 9, pay and transfer to the Department in respect of each Debt provided for in this Annex which fell due, or will fall due, during the Consolidated Period and which remains unpaid:

- 2.5 per cent on 31 March 1987
- 2.5 per cent on 31 March 1988
- 95 per cent by ten equal and consecutive half-yearly instalments commencing on 31 March 1991.

SECTION 5

Interest

- (1) The Government of Mauritania shall be liable for and shall, subject to the rules specified in paragraph (3) of Section 9, pay to the Department in accordance with the provisions of this Section interest on Debt to the extent that it has not been settled pursuant to Section 4 by payment to the Department in the United Kingdom.
- (2) 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 until the settlement of that Debt by payment to the Department as aforesaid, and shall be paid and transferred to the Department half-yearly on 31 March and 30 September each year commencing on 31 March 1987.
- (3) If any amount of any instalment payable in accordance with Section 4 is not paid within 30 days of the due date for payment interest shall accrue in respect thereof after that date 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 Section is not paid within 30 days of the due date for payment thereof the Government of Mauritania 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 thereof in accordance with the provisions of paragraph (2) of this Section to the date of receipt of the payment by the Department and shall be due and payable without further notice or demand of any kind.
- (5) All interest payable in accordance with the provisions of this Section shall be paid at the rate of 0.5 per cent per annum.

SECTION 6

Exchange of Information

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

SECTION 7

Other Debt Settlements

- (1) If the Government of Mauritania agrees with any creditor country other than the United Kingdom terms for the settlement of indebtedness similar to the indebtedness the subject of this Annex which are more favourable to creditors than are the terms of this Annex, then the terms of the payment of Debts under this Annex shall, subject to the provisions of paragraphs (2) and (3) of this Section, be no less favourable to any Creditor than the terms so agreed with that other creditor country notwithstanding any provision of this Annex to the contrary.
- (2) The provisions of paragraph (1) of this Section 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 Section shall not apply to matters relating to the payment of interest determined by Section 5.

SECTION 8

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.

SECTION 9

Rules

- (1) Debt List
 - (a) The Department and the Bank shall agree an amount of Debts to which, by virtue of the provisions of Section 2, this Annex applies.
 - (b) The amount of Debt to which this Annex applies is £1,302,037.74. This amount 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.
- (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 (0.5 per cent as stated in paragraph (5) of Section); 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 Interbank Market at 11 am (London time) two business days before the commencement of an interest period.
- (3) Payments to the Department
 - (a) As and when payments become due under the terms of Sections 4 and 5, the Government of Mauritania shall 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 Government of Mauritania. In this respect the Department shall be regarded as acting as agent for each Creditor concerned.
 - (b) The Government of Mauritania shall give the Department full particulars of the Debts and/or interest to which the transfers relate.

*The Minister of Economy and Finance of the Islamic Republic of Mauritania
to the Charge d'Affairs in Dakar*

*Nouakchott
11 February 1989*

Excellence,

J'ai l'honneur d'accuser réception de la note de Votre Excellence relative à la consolidation des dettes de la Mauritanie *vis-à-vis* du Royaume Uni qui dans sa traduction est formulée comme suit:

“ J'ai l'honneur de référer au procès-verbal agréé relatif à la consolidation de la dette de la République Islamique de Mauritanie qui a été signé à la Conférence tenue à Paris le 16 Mai 1986 et d'informer Votre Excellence que le Gouvernement du Royaume Uni de Grande Bretagne et d'Irlande du Nord est disposé à accorder un allègement de dette au Gouvernement de la République Islamique de Mauritanie suivant les modalités et conditions énoncées à l'annexe ci-jointe.

Si les modalités et conditions sont acceptables par le Gouvernement de la République Islamique de Mauritanie, j'ai l'honneur de proposer que la présente note, accompagnée de son annexe et votre réponse à cet effet, constituent un accord entre les deux Gouvernements à ce sujet, qui s'intitulera “ Accord N° 2 (1986) entre le Royaume Uni et la Mauritanie relatif à des dettes ” et entrera en vigueur à la date de votre réponse.”

J'ai l'honneur de confirmer que les modalités et conditions énoncées à l'annexe de votre note sont acceptables par le Gouvernement de la République Islamique de Mauritanie et votre note, accompagnée de son annexe ci-jointe, constituent un accord entre nos deux Gouvernements à ce sujet, qui s'intitule “ Accord N° 2 (1986) entre le Royaume Uni et la Mauritanie relatif à des dettes ” et entre en vigueur à ce jour.

J'ai l'honneur de faire part à Votre Excellence, l'assurance de ma très haute considération.

MOHAMED OULD NANY

[Translation of No. 2]

I have the honour to acknowledge receipt of Your Excellency's Note concerning the consolidation of Mauritanian Debts by the United Kingdom which in translation reads as follows:

[As in No. 1]

I have the honour to confirm that the terms and conditions set out in the Annex to your Note are acceptable to the Government of the Islamic Republic of Mauritania and that your Note together with its Annex, shall constitute an Agreement between our two Governments in this matter which shall be known as “ the United Kingdom/Mauritania Debt Agreement No. 2 (1986) ” and shall enter into force today.

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

MOHAMED OULD NANY

[Annex as in No. 1]



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