



Treaty Series No. 63 (1988)

Agreement

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

on Certain Debts

London, 15 October 1987

[The Agreement entered into force on 15 October 1987]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
October 1988*

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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 LIBERIA ON CERTAIN 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 Liberia (hereinafter referred to as "the Government of Liberia");

As a result of the Conferences held in Paris on 22 December 1983 and 17 December 1984 regarding the consolidation of Liberian debts at which the Government of the United Kingdom, the Government of Liberia, 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:

PART I GENERAL PROVISIONS

ARTICLE 1

Definitions

In this Agreement, unless the contrary intention appears:

- (a) "Contract" means a contract entered into before 1 January 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 Liberia to a buyer in Liberia 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;
- (b) "Credit Agreement" means the Agreement constituted by letters exchanged on 18 February 1965¹ and known as the United Kingdom—Liberia Credit Agreement 1965 as subsequently amended by letters exchanged on 1 February and 26 October 1966¹;
- (c) "Creditor" means a person or body of persons or corporation resident or carrying on business in the UK 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 the 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 thereto, the provisions of this Agreement apply;
- (f) "Debtor" means the Government of Liberia whether as primary debtor or guarantor;
- (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 thereof;
- (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) "the Ministry" means the Ministry of Finance of Liberia;
- (j) "Transfer Scheme" means the Transfer Scheme specified by Schedule 1;
- (k) "UK" means the United Kingdom of Great Britain and Northern Ireland and includes the Channel Islands and the Isle of Man;
- (l) 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;

¹Not published.

- (m) where the context of this Agreement so allows words importing the singular include the plural and vice versa;
- (n) 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;
- (o) the headings to the Articles are for ease of reference only and do not form part of this Agreement.

PART II SETTLEMENT OF DEBTS

ARTICLE 2

The Debt

- (1) The provisions of this part of the Agreement shall, subject to the provisions of paragraph (2) of this Article and the Rules specified in Schedule 2, apply to every Debt, whether of principal or of contractual interest accruing up to Maturity, owed by the 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 July 1984 and 30 June 1985 both dates inclusive and remains unpaid; and
 - (c) is guaranteed by the Department as to payment according to the terms of the Contract.
- (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 Liberia 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 Ministry, 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 Liberia shall be liable for and shall pay to the Department interest in accordance with the provisions of this Article on 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 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, and shall be paid and transferred to the Department, in the United Kingdom, in the Currency of the Debt half-yearly on 31 March and 30 September each year commencing on 30 September 1985.
- (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 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 Article is not paid on the due date for payment thereof the Government of Liberia 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 Article to the

date of receipt of payment by the Department and shall be due and 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 11 per cent per annum.

PART III CREDIT AGREEMENT

ARTICLE 5

Payments to the Department

(1) The Government of the United Kingdom shall not require the Government of Liberia to make further payments in respect of sums which fell due or will fall due between 1 July 1983 and 30 June 1985 both dates inclusive, pursuant to promissory notes issued in accordance with the provisions of the Credit Agreement.

(2) The Government of Liberia shall however pay to the Department the sums specified in Schedule 3 on the dates stated therein.

ARTICLE 6

Interest

(1) The Government of Liberia shall be liable for and shall pay to the Department interest in accordance with the provisions of this Article on any sum specified in Schedule 3 to the extent that it has not been settled by payment to the Department, in the United Kingdom, pursuant to Article 5.

(2) Interest on the balance of each sum shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity until settlement by payment to the Department, and shall be paid and transferred to the Department, in the United Kingdom, in pounds sterling half-yearly on 31 March and 30 September each year commencing on 30 September 1985.

(3) If any amount of any instalment payable in accordance with Article 5 is not paid on the due date for payment in accordance with Schedule 3 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 Article is not paid on the due date for payment thereof the Government of Liberia 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 Article to the date of receipt of payment by the Department and shall be due and payable, in the United Kingdom, in pounds sterling, 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 11 per cent per annum.

PART IV FINAL PROVISIONS

ARTICLE 7

Exchange of Information

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

ARTICLE 8

Other Settlements

(1) If the Government of Liberia 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 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 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 500,000.

(3) The provisions of paragraph (1) of this Article shall not apply to matters relating to the payments of interest determined by Articles 4 and 6.

ARTICLE 9

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 or Debtor.

ARTICLE 10

Rules

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

ARTICLE 11

The Schedules

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

ARTICLE 12

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, 4, 5 and 6 has been made.

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

Done in duplicate at London this 15th day of October 1987.

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

LYNDA CHALKER

For the Government of the Republic of Liberia:

WILLIE A. GIVENS

SCHEDULE 1

Transfer Scheme

In respect of each Debt specified in Article 2 which fell due or will fall due between 1 July 1984 and 30 June 1985 both dates inclusive and which remains unpaid:

- (a) an amount equal to 90 per cent of such Debt shall be paid and transferred in ten equal and consecutive half-yearly instalments on 30 June and 31 December each year commencing on 30 June 1990; and
- (b) the balance of 10 per cent of such Debt shall be paid and transferred as follows:
 - 2.5 per cent on 30 June 1985;
 - 2.5 per cent on 30 June 1986;
 - 2.5 per cent on 30 June 1987;
 - 2.5 per cent on 30 June 1988.

SCHEDULE 2

Rules

(1) Debt List

- (a) The Department and the Ministry shall agree a list of Debts to which, by virtue of the provisions of Article 2, Parts I, II and IV of 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 the Ministry. The agreement of both the Department and the Ministry shall be necessary before the list may be amended or added to.
- (c) 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 the Agreement.

(2) Special Account

- (a) As and when payments become due under the terms of Articles 3, 4, 5 and 6, the Ministry shall in the first instance draw upon the special account at the Federal Reserve Bank of New York to meet such payments.
- (b) The Ministry shall arrange for the necessary amounts to be transferred in the Currency of the Debt to the Department and shall give the Department particulars of the Debts and/or the interest to which the transfers relate.

SCHEDULE 3

1. SUMS DUE

Repayment Date	(a)	(b)	Total
	(£)	(£)	(£)
30.6.1984	351.41	—	351.41
30.6.1985	351.41	517.41	868.82
30.6.1986	351.41	517.41	868.82
30.6.1987	351.41	517.41	868.82
30.6.1988	1265.06	517.41	1782.47
31.12.1988	1265.06	—	1265.06
30.6.1989	1265.06	—	1265.06
31.12.1989	1265.06	—	1265.06
30.6.1990	1265.06	1862.66	3127.72
31.12.1990	1265.06	1862.66	3127.72
30.6.1991	1265.06	1862.66	3127.72
31.12.1991	1265.06	1862.66	3127.72
30.6.1992	1265.06	1862.66	3127.72
31.12.1992	1265.07	1862.66	3127.73
30.6.1993	—	1862.66	1862.66
31.12.1993	—	1862.66	1862.66
30.6.1994	—	1862.66	1862.66
31.12.1994	—	1862.67	1862.67
	<u>14,056.25</u>	<u>20,696.25</u>	<u>34,752.50</u>

a = Figures relate to sums originally due between 1 July 1983—30 June 1984.

b = Figures relate to sums originally due between 1 July 1984—30 June 1985.