



Treaty Series No. 31 (1967)

# Agreement

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

on Medium-Term Commercial Debts  
Owed by the Government of the  
Republic of Ghana and  
Residents of Ghana

ACCRA 27 February 1967

[The Agreement entered into force on 28 February 1967]

*Presented to Parliament by the Secretary of State for Commonwealth Affairs  
by Command of Her Majesty  
April 1967*

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HER MAJESTY'S STATIONERY OFFICE

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**AGREEMENT**  
**BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA**  
**AND THE GOVERNMENT OF THE UNITED KINGDOM OF**  
**GREAT BRITAIN AND NORTHERN IRELAND ON MEDIUM-TERM**  
**COMMERCIAL DEBTS OWED BY THE GOVERNMENT OF THE**  
**REPUBLIC OF GHANA AND RESIDENTS OF GHANA**

The Government of the Republic of Ghana (hereinafter referred to as "the Ghana Government") and the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the United Kingdom Government"),

Considering the announcement of the Ghana Government made on 1 June, 1966, of the suspension of certain transfers in respect of payments of debts owed by them and by persons and corporations resident in Ghana to creditors resident outside Ghana,

Considering that the terms on which the transfer of such payments might be resumed were discussed at a Conference held in London from 6 December to 9 December, 1966, both dates inclusive at which the Ghana Government and the United Kingdom Government together with certain other Governments and the International Monetary Fund and the International Bank for Reconstruction and Development were represented,

Considering that the United Kingdom Government, after consultation with the other creditors concerned (being persons and corporations resident in the United Kingdom), have undertaken to represent them in negotiations with the Ghana Government respecting the resumption of such transfers, and

Desiring to conclude on the basis of the proposals formulated at the said Conference an Agreement for the resumption of such transfers,

Have agreed on the establishment of a transfer scheme hereinafter more specifically set out and described to provide for the settlement of certain debts owed by the Ghana Government and by persons and corporations resident or carrying on business in Ghana to the Government of the United Kingdom or to persons or corporations resident in the United Kingdom.

**ARTICLE I**

**Definitions**

In this Agreement and in the Schedules thereto unless the contrary intention appears—

- (a) "Board of Trade" shall mean the Board of Trade of the United Kingdom ;
- (b) "consolidation period" shall mean the period from 1 June, 1966, to 31 December, 1968, both dates inclusive ;
- (c) "creditor" shall mean a creditor as defined in Article 2 ;

- (d) "debtor" shall mean a debtor as defined in Article 2 and includes a guarantor ;
- (e) "debt" shall mean any debt, as defined in Article 2 and includes any contractual interest thereon due or falling due on or before maturity ; but shall not include a debt expressed as payable in cedis arising under or in relation to the medium-term credit contract to which it refers ;
- (f) "foreign currency" shall mean any currency other than sterling and the cedi ;
- (g) "maturity" in relation to a debt shall mean the date for the payment thereof under the relevant medium-term credit contract or under a promissory note or bill of exchange drawn pursuant to the terms of such medium-term credit contract ;
- (h) "medium-term credit contract" shall mean a medium-term credit contract as defined in Article 2 ;
- (i) "moratorium interest" shall mean moratorium interest payable under the provisions of Article 5 ;
- (j) "transfer scheme" shall mean the transfer scheme referred to in Article 4.

## ARTICLE 2

### The Debts

The provisions of this Agreement shall apply to any debt owed as original debtor or guarantor by the Ghana Government or by a person or corporation resident or carrying on business in Ghana to the United Kingdom Government or to a person or corporation resident in the United Kingdom (hereinafter referred to as "debtor" and "creditor" respectively):

Provided that—

- (a) the debt arises under or in relation to either a contract for a credit or a loan agreement, in either case with an original maturity exceeding one year but not exceeding twelve years, and for the supply of goods or services or both from outside Ghana and concluded before 24 February, 1966 (such a contract or agreement being hereinafter referred to as "a medium-term credit contract") ;
- (b) payment of the debt was overdue on 1 June, 1966, or was due or will fall due during the consolidation period ; and
- (c) the debt is not in respect of an amount the payment of which is required under the terms of the relevant medium-term credit contract to be made either as a condition of its execution or completion or in respect of its cancellation.

## ARTICLE 3

### Payments in Ghana in respect of Debts

(1) During the consolidation period payments in respect of debts equal to the full contractual amount due shall, where necessary by reason of the terms of the relevant credit insurance guarantee given by the Board of Trade,

be made or paid over when due or, if falling due on or before the date of the signature of this Agreement, forthwith into a special account with the Bank of Ghana.

(2) Such payments shall be in cedis and in the case of a debt expressed as payable in sterling or in any foreign currency the amount to be so paid shall be the equivalent in cedis. They shall remain with the Bank of Ghana until the debt in respect of which they are made or paid over has been settled by transfer in accordance with the provisions of the transfer scheme to the creditor concerned.

(3) The Bank of Ghana shall as soon as possible notify the Board of Trade of—

- (a) any payment made or paid over to the Bank of Ghana in accordance with paragraph (1);
  - (b) any payment to which paragraph (1) relates which is not made or paid over in accordance with that paragraph.
- (4) The notification shall give—
- (a) the amount and date of the payment made or paid over to the Bank of Ghana in cedis and its equivalent expressed in the currency denominated in the relevant medium-term credit contract;
  - (b) particulars of the medium-term credit contract to which it relates.

#### ARTICLE 4

##### **The Transfer Scheme**

(1) In order to provide for the settlement of debts under this Agreement the Ghana Government shall ensure transfers in the currency in which the medium-term credit contract is denominated as payable to or for the credit of creditors resident in the United Kingdom in accordance with the transfer scheme set out in Schedule 1 to this Agreement.

(2) The amount of currency to be so transferred in respect of any debt shall be calculated on the amount of that debt expressed in that currency.

#### ARTICLE 5

##### **Moratorium Interest**

(1) The Ghana Government shall pay to the creditor moratorium interest in accordance with the provisions of this Article on the amount of any debt at maturity to the extent that it has not been settled by transfer to the creditor in accordance with Article 4.

(2) Moratorium interest shall accrue during, and shall be payable in respect of, the period from maturity until the settlement of the debt by a transfer to the creditor in accordance with Article 4, and shall be paid and transferred in the currency in which the medium-term credit contract is denominated to the creditor concerned half-yearly on 30 June and 31 December of each year: provided that in the case of any payment due on or before 30 June, 1967, moratorium interest thereon shall be paid and transferred in the following instalments—

- (a) one-sixth on 1 July, 1967;
- (b) one-sixth on 1 January, 1968;

(c) one-sixth on 1 April, 1968 ;

(d) one-sixth on 1 July, 1968 ; and

(e) one-third on 1 December, 1968.

(3) Moratorium interest shall be—

(a) paid at the rate specified in the relevant medium-term credit contract for interest to be paid on payments thereunder which are overdue or, in the case of payments under bills of exchange or promissory notes drawn pursuant to the terms of such medium-term credit contract, at the rate specified therein in respect of interest on such payments when overdue: provided that where in any case no rate is so specified the rate shall be  $6\frac{1}{2}$  per cent. per annum ; and

(b) calculated on the full contractual amount of the debt.

#### ARTICLE 6

##### **The Bank of Ghana**

In the execution of the provisions of this Agreement the Bank of Ghana shall act as the agent of the Ghana Government.

#### ARTICLE 7

##### **Exchange of Information**

The United Kingdom Government and the Ghana Government shall exchange all information required for the proper implementation of this Agreement.

#### ARTICLE 8

##### **Other Debt Settlements**

If the Ghana Government shall at any time make arrangements for the settlement of any debt the payment of which was overdue on 1 June, 1966, or was due or will fall due between 1 June, 1966, and 31 December, 1968, both dates inclusive, arising under or in relation to a contract for a credit or a loan agreement, with an original maturity exceeding one year but not exceeding twelve years, for the supply of goods or services or both from outside Ghana and concluded before 24 February, 1966, which they or persons or corporations resident or carrying on business in Ghana owe as original debtor or guarantor to the Government of, or to persons or corporations carrying on business or resident in, any country other than the United Kingdom on terms which are more favourable to the creditors concerned than those provided for in this Agreement, the Ghana Government shall forthwith accord no less favourable terms for the settlement of debts incurred under the medium-term credit contracts due to creditors resident in the United Kingdom.

#### ARTICLE 9

##### **Preservation of Rights and Obligations**

This Agreement and its implementation shall not affect the rights and obligations of the individual creditors, debtors or guarantors concerned.

ARTICLE 10

**Technical Rules**

In the implementation of this Agreement the technical rules set out in Schedule 2 hereto shall apply.

ARTICLE 11

**Entry into Force and Duration**

This Agreement shall come into force on the twenty-eighth day of February, 1967, and shall terminate when the last of the transfers to be made under Articles 4 and 5 to the United Kingdom has been completed.

IN WITNESS WHEREOF, the undersigned being duly authorised thereto, have signed this Agreement.

DONE in duplicate in Accra this 27th day of February, 1967.

For the Government of the Republic of Ghana:

A. A. AFRIFA.

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

H. SMEDLEY.

SCHEDULE 1

**Transfer Scheme**

1. (a) In respect of each debt due or falling due on or before 30 June, 1967, there shall be transferred to the United Kingdom an amount equal to 20 per cent. of that debt in the following instalments—

- (i) 3.33 per cent. on 1 July, 1967,
- (ii) 3.33 per cent. on 1 January, 1968,
- (iii) 3.33 per cent. on 1 April, 1968,
- (iv) 3.33 per cent. on 1 July, 1968,
- (v) 6.68 per cent. on 1 December, 1968 ;

(b) in respect of each debt falling due between 1 July, 1967, and 31 December, 1968, both dates inclusive, there shall be transferred to the United Kingdom an amount equal to 20 per cent. of that debt on maturity.

2. In respect of each debt due or falling due on or before 31 December, 1968, there shall also be transferred to the United Kingdom—

- (i) in the financial year ending 30 June, 1972, an amount equal to 2.7 per cent. of that debt,
- (ii) in the financial year ending 30 June, 1973, an amount equal to 5.3 per cent. of that debt,
- (iii) in the financial year ending 30 June, 1974, an amount equal to 6.6 per cent. of that debt,
- (iv) in the financial year ending 30 June, 1975, an amount equal to 9.2 per cent. of that debt,

- (v) in the financial year ending 30 June, 1976, an amount equal to 11·9 per cent. of that debt,
- (vi) in the financial year ending 30 June, 1977, an amount equal to 13·2 per cent. of that debt,
- (vii) in the financial year ending 30 June, 1978, an amount equal to 14·5 per cent. of that debt,
- (viii) in the financial year ending 30 June, 1979, an amount equal to 16·6 per cent. of that debt.

3. The transfers referred to in paragraph 2 shall be made in four equal instalments of the total amount to be transferred in any financial year on 1 July, 1 October, 1 January and 1 April.

## SCHEDULE 2

### Technical Rules

1. The Bank of Ghana and the Board of Trade shall classify the debts referred to in Article 2 in the following three *Groups*—

- (a) *Group 1* containing particulars of debts to creditors resident in the United Kingdom due or falling due on or before 30 June, 1967 ;
- (b) *Group 2* containing particulars of debts to creditors resident in the United Kingdom falling due in the financial year ending 30 June, 1968 ; and
- (c) *Group 3* containing particulars of debts to creditors in the United Kingdom falling due between 1 July, 1968, and 31 December, 1968, both dates inclusive.

2. Such classification shall be completed as soon as possible and in any event in time for all transfers to be made at the dates prescribed therefor in the transfer scheme set out in Schedule 1 provided that such classification may be reviewed from time to time at the request of the Bank of Ghana or of the Board of Trade and if necessary altered or amended whether by additions, deletions or transfers from one group to another.

3. (a) The Bank of Ghana shall remit the necessary amounts in the currency denominated in the medium-term credit contract to the commercial bank in the United Kingdom designated by the Bank of Ghana together with payment instructions in favour of each of the creditors due for payment in accordance with this Agreement ;

(b) when making transfers the Bank of Ghana shall give the Board of Trade, through the United Kingdom High Commissioner in Accra, particulars of the debts or of the moratorium interest to which such transfers relate.

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