



Treaty Series No. 82 (1984)

# Agreement

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

London, 8 October 1984

[The Agreement entered into force on 8 October 1984]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
December 1984*

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HER MAJESTY'S STATIONERY OFFICE

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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**  
**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 the Republic of Liberia (hereinafter referred to as "the Government of Liberia");

As a result of the Conference held in Paris on 22 December 1983 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 :

**ARTICLE 1**

**Definitions**

In this Agreement, unless the contrary intention appears :

- (a) "contract" shall mean a contract as defined in Article 2 of this Agreement;
- (b) "creditor" shall mean a creditor as defined in Article 2 of this Agreement;
- (c) "currency of the debt" shall mean sterling or such other currency as is specified in the contract;
- (d) "debt" shall mean any debt to which, by virtue of the provisions of Articles 2 and 8 of this Agreement and of Schedule 2 thereto, the provisions of this Agreement apply;
- (e) "debtor" shall mean a debtor as defined in Article 2 of this agreement;
- (f) "maturity" in relation to a debt shall mean the date for the repayment thereof under the relevant contract or under a promissory note or bill of exchange drawn up pursuant to the terms of such contract;
- (g) "the Department" shall mean the Export Credits Guarantee Department of the Government of the United Kingdom or any other Department thereof which the Government of the United Kingdom may nominate for the purposes of this Agreement;
- (h) "the Ministry" shall mean the Ministry of Finance of Liberia;
- (i) "transfer scheme" shall mean the transfer scheme referred to in Article 3 of this Agreement.

## ARTICLE 2

### **The Debt**

(1) The provisions of this Agreement shall, subject to the provisions of paragraph (2) of this Article, apply to any debt, whether of principal or of contractual interest accruing up to maturity, owed as primary or principal debtor or as guarantor by the Government of Liberia (hereinafter referred to as "debtor") to a person or body of persons or corporation resident or carrying on business in the United Kingdom or to any successor thereto (hereinafter referred to as "creditor") provided that:

- (a) the debt arises under or in relation to a contract or any agreement supplemental thereto which was made between the debtor and the creditor for the supply from outside Liberia of goods or services or both or of finance therefor, and which allowed credit to the debtor for a period exceeding one year, and which was entered into before 1 January 1983 (hereinafter referred to as a "contract");
- (b) maturity of the debt has occurred, or will occur, between 1 July 1983 and 30 June 1984 both dates inclusive and that after maturity that debt remains unpaid; and
- (c) the debt is in respect of a contract guaranteed as to payment of that debt under a guarantee issued by the Department.

(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 undertakes to pay its debts punctually and shall ensure that funds are transferred to the creditors in the United Kingdom in the currency of the debt in accordance with the transfer scheme set out in Schedule 1 to this Agreement.

## ARTICLE 4

### **Interest**

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

(2) Interest shall accrue during, and shall be payable in respect of, the period from maturity until the settlement of the debt by payment to the creditor, and shall be paid and transferred to the creditor concerned in the currency of the debt half-yearly on 30 June and 31 December each year commencing on 31 December 1984.

(3) Interest shall be calculated on the basis of a 365 day year on the outstanding amount of the debt and paid at the rate of 10 per cent per annum.

## ARTICLE 5

### **Exchange of Information**

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

## ARTICLE 6

### **Other Debt 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 to creditors than are the terms of this Agreement, then the terms of the payment of debts the subject of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article, be no less favourable to creditors 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 payments of interest determined by Article 4 hereof.

## ARTICLE 7

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

This Agreement and its implementation shall not affect the rights and obligations of creditors and debtors under their contracts.

## 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 thereof.

ARTICLE 10

**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 and 4 of this Agreement has been made.

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

Done in duplicate at London this 8th day of October, 1984.

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

MALCOLM RIFKIND

For the Government of the Republic of Liberia:

JAMES H. STEVENS

## SCHEDULE 1

### Transfer Scheme

In respect of each debt which fell due or will fall due between 1 July 1983 and 30 June 1984 both dates inclusive and which remains unpaid:

- (a) an amount equal to 90 per cent of each debt shall be paid and transferred by the Government of Liberia to the creditor in the United Kingdom in ten equal and consecutive half-yearly instalments on 30 June and 31 December each year commencing on 30 June 1988; and
- (b) the balance of 10 per cent of each debt shall be paid and transferred by the Government of Liberia to the creditor in the United Kingdom as follows:
  - 2.5 per cent on 30 June 1984;
  - 2.5 per cent on 30 June 1985;
  - 2.5 per cent on 30 June 1986;
  - 2.5 per cent on 30 June 1987.

## SCHEDULE 2

### Rules

(1) The Department and the Ministry shall agree a list of debts to which, by virtue of the provisions of Article 2 of this Agreement, this Agreement applies.

(2) 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 altered or amended or added to.

(3) 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 this Agreement.

(4) (a) The National Bank of Liberia shall transfer the necessary amounts in the currency of the debt to a bank in the United Kingdom together with payment instructions in favour of the creditor to whom payment is due in accordance with this Agreement; and

(b) When making such transfers the National Bank of Liberia shall give the Department particulars of the debts and of the interest to which the transfers relate.