



Treaty Series No. 39 (1992)

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. 4 (1989))

Rabat, 21 April 1991 and Nouakchott, 13 July 1991

[The Agreement entered into force on 13 July 1991]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
June 1992*

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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. 4 (1989))**

No. 1

*Her Majesty's Ambassador at Rabat to the Minister of Finance for the
Republic of Mauritania*

*British Embassy
21 April 1991*

NOTE No. 4

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 19 June 1989, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland are 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 4 (1989)" 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.

J. MACRAE

ANNEX

SECTION I

Definition 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 Islamic Republic of Mauritania which was signed at the Conference held in Paris on 19 June 1989;
 - (b) "the Bank" means the Central Bank of the Islamic Republic of Mauritania;
 - (c) "Contract" means a contract or any agreement supplemental thereto, 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 Mauritania to a buyer in 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, including the Channel Islands and the Isle of Man, or any successor in title thereto;
 - (e) "Debt" means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (f) "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 Mauritania or any successor in title thereto;
 - (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 nominate for the purpose hereof;
 - (h) "Maturity" in relation to a Debt specified in Section 2(1)(a) means the due date for repayment thereunder or, to a Debt specified in Section 2(1)(b) 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) "Mauritania" means the Islamic Republic of Mauritania;
 - (j) "Previous Agreements" means the Agreements between the Government of the United Kingdom and the Government of Mauritania on Certain Commercial Debts signed on 9 July 1986¹ and 11 February 1989^{2,3} respectively;
 - (k) "Reference Rate" means the rate quoted to the Department by a bank to be agreed upon by the Department and the Bank at which six-month sterling deposits are offered to the bank by prime banks in the London Interbank Market at 11am (London time) two business days before the commencement of the relevant interest period in each year;
 - (l) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.
- (2) All references to 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 Section of this Annex.
- (5) The headings to the Sections are for ease of reference only.

¹ Treaty Series No. 8 (1987), Cm 69.

² Treaty Series No. 72 (1991), Cm 1675.

³ Treaty Series No. 62 (1991), Cm 1656.

SECTION 2

The Debt

- (1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this Section and Article IV paragraph 3 of the Agreed Minute, apply to:
- (a) any amount, whether of principal or of interest, payable under the Previous Agreements which fell due or shall fall due during the period from 1 June 1989 to 31 December 1989 and remains unpaid; and
 - (b) any other amount, whether of principal or of contractual interest accruing up to Maturity, owed by a Debtor to a Creditor which:
 - (i) arises under or in relation to a Contract;
 - (ii) fell due for payment on or before 31 May 1989 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 Ouguiyas;
 - (v) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
 - (vi) does not arise from an amount payable under the Agreement between the Government of the United Kingdom and the Government of Mauritania on Certain Commercial Debts signed on 11 February 1989.
- (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 shall apply. 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 the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

SECTION 3

Payments in Ouguiyas in respect of Debts

Where a Debtor other than the Government of Mauritania has made a payment in Ouguiyas to the Government of Mauritania in respect of any Debt, then the payment of such Debt shall become the obligation of the Government of Mauritania:

- (a) upon entry into force of the Agreement, of which this Annex forms a part, where the payment to the Government of Mauritania was made before such entry into force, and
- (b) upon payment, where payment to the Government of Mauritania was made subsequently to the entry into force of the Agreement.

The payment of all such Debt by the Government of Mauritania to the Department shall be made in accordance with the provisions of Section 5.

SECTION 4

Payments under the Previous Agreements

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

SECTION 5

Transfer Scheme

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

- (a) in respect of each Debt specified in paragraph (1)(a) of Section 2:
100 per cent by 12 equal and consecutive half-yearly instalments commencing 15 March 1998; and
- (b) in respect of each Debt specified in paragraph (1)(b) of Section 2:
100 per cent by 12 equal and consecutive half-yearly instalments commencing 31 May 1997.

SECTION 6

Interest

- (1) Interest shall be deemed to have accrued and shall accrue on the unpaid portion of each Debt during, and shall be payable in respect of, the period from Maturity until the settlement of that Debt by payment to the Department in accordance with Section 5.
- (2) The Government of Mauritania shall be liable for and shall pay to the Department in accordance with the provisions of Section 7(1) and of this Section interest on each Debt to the extent that it has not been settled by payment to the Department in the United Kingdom pursuant to Section 5. Such interest shall be paid to the Department first on 30 November 1989 and then half-yearly on 31 March and 30 September (the "Due Dates") each year.
- (3) All interest accruing up to 30 November 1989 and up to each Due Date payable in accordance with the provisions of this Section shall be paid at the rate of 3.0 per cent below the Reference Rate applicable to each six-monthly interest period commencing from Maturity of the Debt concerned.
- (4) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Section is not paid on 30 November 1989 or the relevant Due Date, interest on such amount of overdue interest at the rate of 0.5 per cent above the Reference Rate shall thereafter become payable and shall accrue from day to day from the said date or the relevant Due Date to the date of receipt of the payment by the Department.

SECTION 7

Payments to the Department

- (1) As and when payments become due under the terms of Sections 5 and 6, the Government of Mauritania shall arrange for the necessary amounts, without deduction for taxes, fees, other public charges or any other costs accruing inside or outside Mauritania, to be paid in sterling to the Department in the United Kingdom to an account, details of which shall be notified by the Department to the Bank.
- (2) The Bank shall give the Department full particulars of the Debts and/or interest to which the transfers relate.

SECTION 8

Exchange of Information

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

SECTION 9

Other Debt Settlements

- (1) The Government of Mauritania undertakes to comply with its obligations under Article III of the Agreed Minute and agrees to accord to the Government of the United Kingdom terms *no less favourable than those agreed with any other creditor country*, notwithstanding any provision of this Annex to the contrary.
- (2) The provisions of paragraph (1) of this Section shall not apply to matters relating to the payment of interest determined by Section 6.

SECTION 10

Preservation of Rights and Obligations

This Annex and its implementation shall not affect the rights or obligations of any Creditor or Debtor under a Contract other than those rights and obligations in respect of which the Government of the United Kingdom and the Government of Mauritania are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

No. 2

*The Minister of Finance for the Republic of Mauritania to
Her Majesty's Ambassador at Rabat*

*Ministry of Finance
Nouakchott
13 July 1991*

J'ai l'honneur d'accuser réception de la note de votre Excellence du 21 Avril 1991 qui, dans sa traduction, est formulée comme suit:

J'ai l'honneur de me 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 19 juin 1989 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 ces 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 No. 4 (1989) 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 faire part à votre Excellence de l'assurance de ma plus haute considération.

SECTION 5

Régime de transfert

Conformément aux dispositions du paragraphe (1) de la section 7, le Gouvernement de la Mauritanie verse au Département:

(a) pour chaque dette spécifiée à l'alinéa (a) du paragraphe (1) de la section 2:

100 pour cent en 12 tranches semestrielles égales et consécutives à compter du 15-mars-1998; et.

(b) pour chaque dette spécifiée à l'alinéa (b) du paragraphe (1) de la section 2:

100 pour cent en 12 tranches semestrielles égales et consécutives à compter du 31 mai 1997.

SECTION 6

Intérêts

(1) Les intérêts sur le solde de chaque dette sont considérés comme ayant couru et courent pendant la période allant de l'échéance jusqu'au règlement de cette dette au moyen de versements au Département conformément à la section 5 et sont perçus pour la même période.

(2) Conformément aux dispositions du paragraphe (1) de la section 7 et aux dispositions de la présente section, le Gouvernement de la Mauritanie est tenu de payer et paie au Département des intérêts sur chaque dette dans la mesure où elle n'a pas été réglée au moyen de versements au Département au Royaume-Uni en vertu de la section 5. Ces intérêts sont versés et transférés au Département en premier lieu le 30 novembre 1989 puis, semestriellement, les 31 mars et 30 septembre (les "dates d'échéance") chaque année.

(3) Tous les intérêts accumulés jusqu'au 30 novembre 1989 et jusqu'à chaque date d'échéance, payables conformément aux dispositions de la présente section sont payés au taux de 3.0 pour cent au-dessous du taux de référence applicable à chaque période d'intérêt de six mois à compter de l'échéance de la dette concernée.

(4) Si tout montant d'intérêts payables conformément aux dispositions du paragraphe (2) de la présente section n'est pas payé le 30 novembre 1989 ou à la date d'échéance appropriée, des intérêts sur ledit montant d'intérêts échus deviennent alors payables au taux de 0.5 pour cent au-dessus du taux de référence et courent de jour en jour à partir de ladite date ou de la date d'échéance appropriée jusqu'à la date de réception du paiement par le Département.

SECTION 7

Versements au Département

(1) Au moment où les paiements arrivent à échéance aux termes des sections 5 et 6, le Gouvernement de la Mauritanie organise le versement, sans déduction pour impôts, redevances ou autres taxes publiques ou toutes autres charges à payer en Mauritanie ou hors du pays, des montants nécessaires en sterling au Département au Royaume-Uni sur un compte dont le Département notifie les détails à la Banque.

(2) La Banque donne au Département tous les détails des dettes et/ou des intérêts auxquels les transferts ont trait.

SECTION 8

Echanges d'informations

Le Département et le Gouvernement de la Mauritanie échangent toutes les informations requises pour l'application de la présente annexe.

SECTION 9

Autres règlements de dettes

(1) Le Gouvernement de la Mauritanie s'engage à respecter ses obligations en vertu de l'Article III du procès-verbal agréé et convient d'accorder au Gouvernement du Royaume-Uni des conditions non moins favorables que celles convenues avec tout autre pays créancier, nonobstant toute disposition contraire de la présente annexe.

(2) Les dispositions du paragraphe (1) de la présente section ne s'appliquent pas aux questions relatives au paiement des intérêts fixés par la section 6.

SECTION 10

Maintien des droits et obligations

La présente annexe et son application n'affectent pas les droits et obligations de tout créancier ou débiteur en vertu d'un contrat, autres que les droits et obligations pour lesquels le Gouvernement du Royaume-Uni et le Gouvernement de la Mauritanie sont autorisés respectivement à agir au nom dudit créancier et dudit débiteur et à les engager.

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 que votre note, accompagnée de son annexe, et la présente réponse constituent un accord entre nos deux Gouvernements à ce sujet, qui s'intitule "Accord No. 4 (1989) entre le Royaume-Uni et la Mauritanie relatif à des dettes" et entre en vigueur ce jour.

J'ai l'honneur de faire part à votre Excellence de l'assurance de ma plus haute considération.

SIDI MOHAMED OULD BOUBACAR

[Translation of No. 2]

I have the honour to acknowledge receipt of the Note from Your Excellency of 21 April 1991, the translation of which reads as follows:

[As in No. 1]

[Annex 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, and this reply, shall constitute an Agreement between our two Governments in this matter which shall be known as "The United Kingdom/Mauritania Debt Agreement No. 4 (1989)" and which shall enter into force today.

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

SIDI MOHAMED OULD BOUBACAR

