



Treaty Series No. 19 (1994)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of Sierra Leone

concerning Certain Commercial Debts

(The United Kingdom/Sierra Leone Debt Agreement No. 5 (1992))

Freetown, 18 October 1993 and 1 November 1993

[The Agreement entered into force on 1 November 1993]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
April 1994*

LONDON : HMSO

£2.00 net

**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF SIERRA LEONE
CONCERNING CERTAIN COMMERCIAL DEBTS
(THE UNITED KINGDOM/SIERRA LEONE DEBT AGREEMENT NO. 5 (1992))**

No. 1

*The United Kingdom High Commissioner at Freetown to the Secretary of State
for Finance and Economic Planning of Sierra Leone*

*British High Commission
Freetown
18 October 1993*

Your Excellency,

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of Sierra Leone which was signed at the Conference held in Paris on 20 November 1992, 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 Sierra Leone on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of Sierra Leone, I have the honour to propose that this Note, together with its Annex, and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which shall be known as "The United Kingdom/Sierra Leone Debt Agreement No. 5 (1992)" 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.

IAN McCLUNEY

ANNEX

SECTION 1

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
 - (a) "the Agreed Minute" means the Agreed Minute on the Consolidation of the Debt of Sierra Leone which was signed at the Conference held in Paris on 20 November 1992;
 - (b) "Appropriate Market Rate" means the Reference Rate plus a margin of 0.5 per cent;
 - (c) "Sierra Leone" means the Government of Sierra Leone;
 - (d) "Business Day" means a day on which dealings are carried on in the London Interbank Market and (if payment is required to be made on such day) on which banks are open for domestic and foreign exchange business in London in the case of sterling and in both London and New York City in the case of US dollars;
 - (e) "Debt" means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (f) "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 purpose hereof;
 - (g) "Maturity" in relation to a Debt:
 - (i) specified in Section 2(1)(a) means either 31 October 1992 or the date for payment specified in the Previous Agreements if that date is a later one,
 - (ii) specified in Section 2(1)(b) means 31 October 1992;
 - (h) "the Ministry" means the Department of Finance, Development and Economic Planning or any other institution which the Government of Sierra Leone may nominate for the purposes of this Annex;
 - (i) "Reference Rate" means the rate (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of one per cent) quoted to the Department by Barclays Bank PLC as the rate at which Barclays Bank PLC is offering six-month eurodollar deposits, in the case of a Debt denominated in US dollars, or six-month sterling deposits, in the case of a Debt denominated in any other currency, in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant interest period;
 - (j) "the United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.
 - (k) "Currency of the Debt" means the currency specified in the Previous Agreements as being the currency in which that Debt is to be paid;
 - (l) "the Previous Agreements" means the Agreements between the Government of the United Kingdom and the Government of Sierra Leone on Certain Commercial Debts signed on 16 March 1978¹, 30 June 1980², 17 October 1985³ and 6 March 1991⁴ respectively;
- (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 360 days, in the case of Debts denominated in US dollars, and 365 days, in the case of Debts denominated in any other currency.
- (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. 58 (1978) Cmnd. 7225.

² Treaty Series No. 12 (1981) Cmnd. 8163.

³ Treaty Series No. 58 (1985) Cmnd. 9673.

⁴ Treaty Series No. 69 (1991) Cm. 1671.

SECTION 2

The Debt

- (1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this Section and Article IV paragraphs 4 and 5 of the Agreed Minute, apply to:
- (a) any amount, whether of principal or of interest, including interest accrued on interest payable under the Previous Agreements, which has fallen due or will fall due for payment on or before 28 February 1994 and which remains unpaid; and
 - (b) any amount of interest which is charged under Section 5 of this Annex and has accrued on or before 31 October 1992.
- (2) The Department and the Ministry shall, as soon as possible, agree and draw up a list of Debts ("the Debt List") to which this Annex shall apply. The Debt List may be reviewed from time to time at the request of the Department or of the Ministry, but may not be added to or amended without the agreement of both the Department and the Ministry. 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 under the Previous Agreements

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

SECTION 4

Payment of Debt

The Government of Sierra Leone shall pay to the Department, in accordance with the provisions of Section 6(1), each Debt on the following dates and in the percentage portions set against each date.

<i>Repayment Date</i>	<i>Percentage to be Repaid</i>
1 March 1994	0.85
1 September 1994	0.89
1 March 1995	0.94
1 September 1995	0.98
1 March 1996	1.02
1 September 1996	1.07
1 March 1997	1.11
1 September 1997	1.16
1 March 1998	1.21
1 September 1998	1.26
1 March 1999	1.31
1 September 1999	1.36
1 March 2000	1.41
1 September 2000	1.47
1 March 2001	1.52
1 September 2001	1.58
1 March 2002	1.64
1 September 2002	1.70
1 March 2003	1.76
1 September 2003	1.82
1 March 2004	1.88
1 September 2004	1.95
1 March 2005	2.01
1 September 2005	2.08

<i>Repayment Date</i>	<i>Percentage to be Repaid</i>
1 March 2006	2.15
1 September 2006	2.22
1 March 2007	2.29
1 September 2007	2.36
1 March 2008	2.44
1 September 2008	2.51
1 March 2009	2.59
1 September 2009	2.67
1 March 2010	2.75
1 September 2010	2.84
1 March 2011	2.92
1 September 2011	3.00
1 March 2012	3.10
1 September 2012	3.19
1 March 2013	3.28
1 September 2013	3.37
1 March 2014	3.47
1 September 2014	3.57
1 March 2015	3.67
1 September 2015	3.77
1 March 2016	3.87
1 September 2016	3.99

SECTION 5

Interest

(1) 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.

(2) The Government of Sierra Leone shall be liable for and shall pay to the Department in accordance with the provisions of Section 6(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. Such interest shall be paid to the Department half-yearly on 31 March and 30 September (the "Due Dates") each year commencing on 30 September 1993.

(3) Payment of 50 per cent of such interest payable pursuant to paragraph (2) of this Section accruing up to and including 28 February 1994 may be deferred and paid in four equal and successive quarterly instalments commencing 31 March 1994. Interest shall accrue and be payable in accordance with paragraph (4) of this Section on any amount so deferred.

(4) All interest payable in accordance with the provisions of paragraphs (2) and (3) of this Section shall be paid at the Appropriate Market Rate (reduced by a given percentage in accordance with Schedule 1) applicable to each half-yearly interest period commencing with the half-yearly interest period within which the Maturity of the Debt concerned occurs.

(5) If any amount of interest payable in accordance with the provisions of paragraph (2) or (3) of this Section is not paid on the Due Date for payment thereof, the Government of Sierra Leone shall be liable for and shall pay to the Department interest on such amount of overdue interest. Such additional interest shall accrue at the Appropriate Market Rate from day to day from the Due Date for payment thereof in accordance with the provisions of paragraph (2) or (3) of this Section to the date of receipt of the payment by the Department, and shall be due without further notice or demand.

SECTION 6

Payments to the Department

- (1) When payment becomes due under the terms of Section 4 or 5, the Ministry shall:
 - (a) where possible draw upon the special account at the Bank of England referred to in Article IV paragraph 6 of the Agreed Minute to meet such payments, and
 - (b) in any event arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs accruing inside or outside Sierra Leone, to be paid in the Currency of the Debt to an account notified by the Department to the Ministry.
- (2) If the day on which such a payment falls due is not a Business Day payment shall be made on the next following Business Day.
- (3) The Ministry shall give the Department full particulars of the Debts and/or interest to which the payments relate.

SECTION 7

Exchange of Information

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

SECTION 8

Other Debt Settlements

- (1) The Government of Sierra Leone undertakes to perform its obligations under Article III of the Agreed Minute and agrees to accord to the United Kingdom terms no less favourable than those agreed with any other creditor, 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 5.

SECTION 9

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 Sierra Leone are authorised to act respectively on behalf of and to bind such creditor and debtor.

SECTION 10

Debt Conversion Option

The Department agrees to give prior notification to the Government of Sierra Leone if it intends to exercise the option provided for in Article II paragraph 3 of the Agreed Minute. The Department also recognises that this option can only be implemented with the consent of the Government of Sierra Leone.

SECTION 11

Conditionality

The Department reserves the right to declare that this Annex shall not apply to Debts with a Maturity from 1 April 1993 to 28 February 1994 if the approval referred to in Article IV paragraph 5 of the Agreed Minute has not been given by 31 May 1993.

No. 2

*The Secretary of State for Finance of Sierra Leone to the
United Kingdom High Commissioner at Freetown*

*Freetown
1 November 1993*

MF/PD/1/41(3)

Your Excellency

I have the honour to acknowledge receipt of Your Excellency's Note of which reads as follows:

[As in No. 1]

I have much pleasure to confirm that the terms and conditions set out in the Annex to your Note are acceptable to the Government of Sierra Leone, 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/Sierra Leone Debt Agreement No. 5 (1992)' and which shall enter into force today.

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

Yours sincerely

JOHN A. KARIMU

[Annex as in No. 1]

