



Treaty Series No. 22 (1997)

Exchange of Notes

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

concerning Certain Commercial Debts
(United Kingdom/Cameroon Debt
Agreement No. 4 (1995))

Yaounde, 30 July 1996 and 9 December 1996

[The Agreement entered into force on 9 December 1996]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
March 1997*

£2.00

**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE REPUBLIC OF THE CAMEROON
CONCERNING CERTAIN COMMERCIAL DEBTS
(UNITED KINGDOM/CAMEROON DEBT AGREEMENT NO. 4 (1995))**

No. 1

**Her Majesty's High Commissioner to the Republic of Cameroon to the
Minister of Economy and Finance of the Republic of Cameroon**

**British High Commission
Yaounde
30 July 1996**

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Cameroon which was signed at the Conference held in Paris on 15 and 16 November 1995, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to provide debt relief to the Government of the Republic of Cameroon on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Republic of Cameroon, 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/Cameroon Debt Agreement No. 4 (1995)' 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.

N M McCARTHY

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 the Republic of Cameroon which was signed at the Conference held in Paris on 15 and 16 November 1995;
 - (b) "Appropriate Market Rate" means the Reference Rate plus 0.5 per cent;
 - (c) "Business Day" means a day excluding Saturday and Sunday 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;
 - (d) "Cameroon" means the Republic of Cameroon;
 - (e) "the Consolidation Period" means the period from 1 October 1995 to 30 September 1996 inclusive;
 - (f) "Contract" means a contract, including any agreement supplemental thereto, entered into before 31 December 1988, the parties to which include the Debtor and a Creditor and which either was for the sale of goods and/or services from outside Cameroon to a buyer in Cameroon, or was for the financing of such a sale, and which in either case granted or allowed credit to the Debtor for a period exceeding one year;

- (g) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man, or any successor in title thereto;
- (h) “Currency of the Debt” means the currency specified in the relevant Contract or in the First, Second or Third Agreement as being the currency in which that Debt is to be paid;
- (i) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
- (j) “Debtor” means the Government of Cameroon (whether as primary debtor or as guarantor), or any successor in obligation thereto;
- (k) “the Department” means the Secretary of State acting by the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which the Secretary of State may subsequently nominate for the purpose hereof;
- (l) “the First Agreement” means the Agreement between the Government of the United Kingdom and the Government of Cameroon on Certain Commercial Debts signed on 29 November 1990;¹
- (m) “Maturity” in relation to a Debt:
 - (i) specified in Section 2(1)(a) and 2(1)(e) means 30 September 1995,
 - (ii) specified in Section 2(1)(b) and 2(1)(c) means the relevant date for payment specified in the First, Second or Third Agreement,
 - (iii) specified in Section 2(1)(d) 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;
- (n) “the Ministry” means the Ministry of Finance of the Republic of Cameroon or any other institution which the Government of Cameroon may nominate for the purposes of this Annex;
- (o) “Reference Rate” means the rate (rounded upwards where necessary to the nearest multiple of $\frac{1}{16}$ (one sixteenth) of one per cent) quoted to the Department by a bank to be agreed upon by the Department and the Ministry as the rate at which that bank 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 sterling or any other currency, in the London Interbank Market at 11 a.m. (London time) two Business Days before the commencement of the relevant interest period;
- (p) “the Second Agreement” means the Agreement between the Government of the United Kingdom and the Government of Cameroon on Certain Commercial Debts signed on 3 November 1993;²
- (q) “the Third Agreement” means the Agreement between the Government of the United Kingdom and the Government of Cameroon on Certain Commercial Debts signed on 12 September 1995;
- (r) “the Unconsolidated Amount” means the aggregate of
 - (i) the 15 per cent payable on or by 31 December 1989 pursuant to Section 3 of the First Agreement, and
 - (ii) any amounts referred to in paragraph 8(a) of Article III of the Agreed Minute on the Consolidation of the Debt of the Republic of Cameroon which was signed at the Conference held in Paris on 23 January 1992 which remain unpaid, and
 - (iii) interest accrued in accordance with the provisions of Section 5 up to 30 September 1995;
- (s) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.

¹Treaty Series No. 29 (1992) Cm. 1933.

²Treaty Series No. 26 (1994) Cm. 2543.

(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 sterling.

(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.

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 7 of the Agreed Minute, apply to:

- (a) any amount, whether of principal or of interest (including interest accrued on interest), payable under the First, Second or Third Agreement which fell due on or before 30 September 1995 and which remains unpaid; and
- (b) any amount, whether of principal or of interest (excluding interest accrued on interest), payable under the First or Second Agreement which has fallen due or will fall due during the Consolidation Period and which remains unpaid; and
- (c) any amount, whether of principal or of interest (excluding interest accrued on interest), payable under the Third Agreement which has fallen due or will fall due during the Consolidation Period and which remains unpaid; and
- (d) any other amount, whether of principal or of contractual interest accruing up to Maturity, other than the Unconsolidated Amount which is owned by the Debtor to a Creditor and which:
 - (i) arises under or in relation to a Contract;
 - (ii) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (iii) is not expressed by the terms of the Contract to be payable in CFA francs;
 - (iv) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
 - (v) fell due for payment on or before 30 September 1995 and remains unpaid; or
 - (vi) has fallen due or will fall due for payment during the Consolidation Period and remains unpaid; and
- (e) any amount of interest which is charged under Section 5 in respect of debt specified in paragraph (1)(d) of this Section which has accrued on or before 30 September 1995.

(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 First Agreement, the Second Agreement and the Third Agreement

(1) The provisions of the First Agreement, the Second Agreement and the Third Agreement insofar as they relate to the payment of any Debt shall cease to apply upon the entry into force of this Agreement.

- (2) It is agreed that the aggregate of the Unconsolidated Amount will be paid as follows:
- 12.5% on 31 March 1996
 - 12.5% on 31 May 1996
 - 12.5% on 30 June 1996
 - 12.5% on 31 July 1996
 - 12.5% on 31 August 1996
 - 12.5% on 30 September 1996
 - 12.5% on 31 October 1996
 - 12.5% on 30 November 1996

SECTION 4

Payment of Debt

The Government of Cameroon shall pay to the Department, in accordance with the provisions of Section 6(1), the following:

- (a) in respect of each Debt specified in Section 2(1)(a), 2(1)(c) and each Debt specified in Section 2(1)(d) which fell due for payment on or before 30 September 1995:
 - 100 per cent in 24 consecutive half-yearly instalments commencing on 30 September 1999; and
- (b) in respect of all other Debts:
 - 100 per cent in 18 consecutive half-yearly instalments commencing on 30 September 2012.

SECTION 5

Interest

- (1) Interest on the balance of each Debt and the Unconsolidated Amount 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 or the Unconsolidated Amount by payment to the Department.
- (2) The Government of Cameroon 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 on a half-yearly basis on 31 March and 30 September (the "Due Dates") each year commencing on 30 September 1996.
- (3) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Section is not paid on the Due Date for payment thereof, the Government of Cameroon 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 Section to the date of receipt of the payment by the Department, and shall be due without further notice or demand.
- (4) All interest payable in accordance with the provisions of this Section shall be paid at the Appropriate Market Rate applicable to each half-yearly interest period commencing with the half-yearly interest period within which the Maturity of the Debt concerned occurs.

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 referred to in Article IV paragraph 4 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 Cameroon, 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 nearest 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 Cameroon undertakes to fulfil its commitments 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, 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 Cameroon are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

SECTION 10

Debt Conversion Option

The Government of the United Kingdom shall give prior notification to the Government of Cameroon if it is willing to exercise the option provided for in Article II paragraph 3 of the Agreed Minute. This option may only be implemented with the consent of the Government of Cameroon.

No. 2

**The Minister of Economy and Finance of the Republic of Cameroon to
Her Majesty's High Commissioner at Yaounde**

**Yaounde
09 December 1996**

Your Excellency I have the honour to acknowledge receipt of Your Excellency's Note of 30 July 1996 which in translation reads as follows:

[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 Republic of Cameroon 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/Cameroon Debt Agreement No. 4 (1995)' and which shall enter into force today.

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

E AKAME MFOUMOU

**The Stationery
Office**

Published by The Stationery Office Limited
and available from:

The Publications Centre

(Mail, telephone and fax orders only)
PO Box 276, London SW8 5DT
General enquiries 0171 873 0011
Telephone orders 0171 873 9090
Fax orders 0171 873 8200

The Stationery Office Bookshops

49 High Holborn, London WC1V 6HB
(counter service and fax orders only)
Fax 0171 831 1326
68-69 Bull Street, Birmingham B4 6AD
0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
0123 223 8451 Fax 0123 223 5401
The Stationery Office Oriel Bookshop
The Friary, Cardiff CF1 4AA
01222 395548 Fax 01222 384347
71 Lothian Road, Edinburgh EH3 9AZ
(counter service only)

In addition customers in Scotland may mail,
telephone or fax their orders to:
Scottish Publication Sales,
South Gyle Crescent, Edinburgh EH12 9EB
0131 479 3141 Fax 0131 479 3142

Accredited Agents
(see Yellow Pages)

and through good booksellers

ISBN 0-10-136212-9



9 780101 362122