

**No. 7004**

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
and  
ARGENTINA**

**Loan Agreement. Signed at Buenos Aires, on 5 June 1963**

*Official texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 4 December 1963.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD  
et  
ARGENTINE**

**Accord de prêt. Signé à Buenos Aires, le 5 juin 1963**

*Textes officiels anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 4 décembre 1963.*

No. 7004. LOAN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE ARGENTINE REPUBLIC. SIGNED AT BUENOS AIRES, ON 5 JUNE 1963

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

Considering that the United Kingdom Government are desirous of joining with other Western European Governments and the Government of Japan in providing financial assistance to the Argentine Republic by way of the consolidation and refinancing of the Argentine Republic's medium-term commercial debts ;

Have agreed as follows :

*Article I*

In this Agreement, the expression "medium-term commercial debts" shall mean debts contracted before the 24th of October, 1962, and falling due after the 31st of December, 1962, from the Argentine Government or persons or corporations resident in the Argentine Republic to persons or corporations resident in the United Kingdom under contracts for the supply of goods and/or services which provide for payment to be made within a period exceeding six months from the date of delivery of the goods or satisfactory performance of the services undertaken under the said contracts.

*Article II*

The United Kingdom Government shall make available to the Argentine Government a loan not exceeding £10,000,000, hereinafter called the "refinance loan", to assist the Argentine Government to provide the full amount of exchange required to meet payments due between the 1st of January, 1963, and the 31st of December, 1964, both dates inclusive, in respect of medium-term commercial debts. The refinance loan shall be divided into two parts, hereafter referred to as "refinance loan A" and "refinance loan B" respectively.

*Article III*

The refinance loan A shall be the financial assistance to be provided by the United Kingdom Government in respect of 50% of the instalments of principal falling due

<sup>1</sup> Came into force on 5 June 1963, upon signature, in accordance with article IX.

between the 1st of January, 1963, and the 31st of December, 1964, inclusive, on acknowledged medium-term commercial debts which are owed by the Argentine Government, its agencies and state enterprises, and those of provincial governments and municipalities and other entities which bear the guarantee of the Argentine Government, the Banco Central de la República Argentina, the Banco de la Nación Argentina or the Banco Industrial de la República Argentina, and shall be paid to the Argentine Government in four instalments as follows :

<i>Date</i>	<i>Instalment</i>
10th June, 1963 . . . . .	£ 1,365,722
30th June, 1963 . . . . .	£ 1,365,722
31st December, 1963 . . . . .	£ 1,299,099
30th June, 1964 . . . . .	£ 1,299,098

#### *Article IV*

The refinance loan B shall be the financial assistance to be provided by the United Kingdom Government in respect of 50% of the instalments of principal falling due and paid between the 1st of January, 1963, and the 31st of December, 1964, inclusive, on acknowledged medium-term commercial debts which are not covered in Article III of this Agreement and shall be paid to the Argentine Government, against evidence of payment to the creditors concerned, in four instalments the first of which shall be paid on the 31st of July, 1963, the second on the 31st of December, 1963, the third on the 30th of June, 1964, and the last not later than the 31st of March, 1965.

#### *Article V*

(1) The Argentine Government shall ensure that all payments, including principal and interest, in respect of medium-term commercial debts against which the refinance loan A is to be provided, shall be made in full in sterling on the dates on which they are due.

(2) The Argentine Government shall guarantee the free transferability into sterling of payments made in respect both of principal and of interest relating to all other medium-term commercial debts.

#### *Article VI*

(1) The Argentine Government shall pay interest to the United Kingdom Government on each instalment of the refinance loan at a rate to be determined by Her Majesty's Treasury having regard to the cost of borrowing by the United Kingdom Government at the date on which the instalment is advanced.

(2) Such interest shall be calculated on the balance of each instalment outstanding and shall be payable in sterling on the 30th of June, and the 31st of December, in each year ; the first payment in respect of interest shall be made on the 30th of June, 1963.

*Article VII*

(1) The Argentine Government shall make repayment to the United Kingdom Government of the sums advanced under the refinance loan in accordance with Articles III and IV of the present Agreement as follows :

<i>Date</i>	<i>Percentage</i>
31st December, 1965 . . . . .	5
31st December, 1966 . . . . .	15
31st December, 1967 . . . . .	20
31st December, 1968 . . . . .	20
31st December, 1969 . . . . .	20
31st December, 1970 . . . . .	20
	100

(2) The amounts so repaid shall be applied in each case to the reduction of the oldest outstanding instalment of the refinance loan.

*Article VIII*

If the Argentine Government shall at any time make arrangements for the settlement or refinance of medium-term commercial debts contracted before the 24th of October, 1962, which they or persons or corporations resident in the Argentine Republic owe and which fall due between the 1st of January, 1963, and the 31st of December, 1964, inclusive, to persons or corporations resident in France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Switzerland or in any other country to which the Argentine Republic owes medium-term commercial debts equivalent to or greater than the least amount so payable to any of the aforesaid countries, on terms which are more favourable to the creditors concerned than those provided for in the present Agreement, the Argentine Government shall forthwith accord no less favourable terms for the settlement of medium-term commercial debts falling due to the United Kingdom or for the refinance loan.

*Article IX*

The present Agreement shall come into force on the date of signature thereof.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

DONE in duplicate at Buenos Aires, this fifth day of June, nineteen hundred and sixty-three, in the English and Spanish languages, both texts being equally authoritative.

For the Government  
of the Argentine Republic :

J. C. CORDINI  
Minister for Foreign Affairs  
and Worship

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

G. H. MIDDLETON  
Ambassador Extraordinary and  
Plenipotentiary