

No. 7840

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

**Loan Agreement (with exchange of notes). Signed at Rio
de Janeiro, on 14 October 1964**

Official texts: English and Portuguese.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
18 June 1965.*

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

**Accord de prêt (avec échange de notes). Signé à Rio de
Janeiro, le 14 octobre 1964**

Textes officiels anglais et portugais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
18 juin 1965.*

No. 7840. LOAN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNITED STATES OF BRAZIL. SIGNED AT RIO DE JANEIRO, ON 14 OCTOBER 1964

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 United States of Brazil (hereinafter referred to as the "Brazilian Government");

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

Have agreed as follows :

Article I

In this Agreement, the expression "medium-term commercial debts" shall mean debts falling due between the 1st of January, 1964 and the 31st of December, 1965, both dates inclusive, from the Brazilian Government or persons or corporations resident in Brazil to persons or corporations resident in the United Kingdom under contracts for the supply of goods or services or both concluded and registered with the Superintendency of Money and Credit before the 1st of January, 1964, 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 those contracts.

Article II

The United Kingdom Government shall make available to the Brazilian Government a loan not exceeding £4,160,000 (four million one hundred and sixty thousand pounds, hereinafter referred to as the "Refinance Loan"), to assist the Brazilian Government to provide the full amount of exchange required to meet payments due between the 1st of January, 1964, and the 31st of December, 1965, both dates inclusive, in respect of medium-term commercial debts.

¹ Came into force on 14 October 1964, upon signature, in accordance with article VIII.

Article III

(1) The Refinance Loan shall be the financial assistance to be provided by the United Kingdom Government in respect of :

- (a) 20% of acknowledged medium-term commercial debts falling due and paid during 1964, for debts covered by the provisions of the Loan Agreement between the United Kingdom Government and the Brazilian Government signed at Rio de Janeiro on the 21st of July, 1961;¹
- (b) 35% of acknowledged medium-term commercial debts falling due and paid during 1965, for debts covered by the provisions of the Loan Agreement between the United Kingdom Government and the Brazilian Government signed at Rio de Janeiro on the 21st of July, 1961;
- (c) 70% of other acknowledged medium-term commercial debts falling due and paid during 1964 and 1965.

(2) The loan shall be paid to the Brazilian Government against evidence of payment to the creditors concerned, in sixteen monthly instalments commencing on the 31st of October, 1964, and ending on the 31st of January, 1966, and a final payment not later than the 30th of June, 1966.

Article IV

The Brazilian Government shall guarantee the free transferability into sterling of payments made in respect of all medium-term commercial debts covered by this Agreement and by the provisions of the Loan Agreement between the United Kingdom Government and the Brazilian Government signed at Rio de Janeiro on the 21st of July, 1961.

Article V

(1) The Brazilian 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 31st of January, the 30th of April, the 31st of July and the 31st of October in each year; the first payment in respect of interest shall be made on the 31st of January, 1965.

Article VI

(1) The Brazilian Government shall make repayment to the United Kingdom Government of the sums advanced under the Refinance Loan in accordance with Article III of this Agreement as follows :

¹ United Nations, *Treaty Series*, Vol. 414, p. 25.

- (a) in respect of advances made for medium-term commercial debts maturing during 1964, in twenty consecutive and equal quarterly instalments, on the 31st of January, the 30th of April, the 31st of July and the 31st of October of each year, commencing on the 31st of January, 1967;
 - (b) in respect of advances made for medium-term commercial debts maturing during 1965, in twenty consecutive and equal quarterly instalments, on the 31st of January, the 30th of April, the 31st of July and the 31st of October of each year commencing on the 31st of January, 1968.
- (2) These amounts shall be applied in each case to the reduction of the oldest outstanding instalment.

Article VII

(1) If the Brazilian Government shall at any time make arrangements for the settlement or refinance of medium-term commercial debts contracted before the 1st of January, 1964, which they or persons or corporations resident in Brazil owe, and which fall due between the 1st of January, 1964 and the 31st of December, 1965, inclusive, to persons or corporations resident in France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Switzerland, the United States of America or any other country to which Brazil 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 this Agreement, the Brazilian 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.

(2) To this end the Brazilian Government shall inform the United Kingdom Government of the provisions of any Consolidation Agreements which they may conclude during the period of refinancing stipulated in Article II.

Article VIII

This 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 this Agreement.

DONE in duplicate at Rio de Janeiro this fourteenth day of October, one thousand nine hundred and sixty-four, in the English and Portuguese languages, both texts being equally authoritative.

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

Leslie FRY

For the Government
of the United States of Brazil :

V. DA CUNHA

EXCHANGE OF NOTES

I

*The Brazilian Minister for Foreign Affairs to Her Majesty's Ambassador at
Rio de Janeiro*

[PORTUGUESE TEXT — TEXTE PORTUGAIS]

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS

Em 14 de outubro de 1964

October 14, 1964

Senhor Embaixador,

Your Excellency,

Tenho a honra de referir-me ao Acôrdo de Consolidação, assinado hoje entre o Governo dos Estados Unidos do Brasil (doravante designado como « Governo brasileiro ») e o Governo do Reino Unido da Grã-Bretanha e Irlanda do Norte (doravante designado como « Governo do Reino Unido »).

I have the honour to refer to the Loan Agreement signed to-day between the Government of the United States of Brazil (hereinafter referred to as "The Brazilian Government") and the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "The United Kingdom Government").

2. Entende o Governo brasileiro que, se determinados compromissos forem objeto de um reescalonamento diverso do previsto no Acôrdo datado de hoje ou no Acôrdo de 21 de julho de 1961, as disposições do Acôrdo datado de hoje não serão aplicadas de forma a que qualquer dêsses compromissos venham a receber um tratamento mais favorável do que o previsto nos termos do Artigo III (1) do Acôrdo hoje assinado.

2. It is the understanding of the Brazilian Government that, if debts are the subject of a re-scheduling arrangement otherwise than in accordance with the provisions of to-day's Agreement and the Agreement of the 21st of July, 1961, the provisions of to-day's Agreement will not be applied to an extent that will result in any debt receiving more favourable treatment than is provided for under the terms of Article III (1) of to-day's Agreement.

3. Em conformidade com o compromisso assumido em nome do Governo brasileiro por seus representantes nas conversações multilaterais realizadas em Paris, em 30 de junho

3. In accordance with the undertaking given on behalf of the Brazilian Government by the Brazilian representatives at the multilateral discussions held in Paris on the 30th

¹ Translation by the Government of the United Kingdom of Great Britain and Northern Ireland.

² Traduction du Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord.

e 1º de julho de 1964, o Governo brasileiro tenciona continuar suas negociações diretas para uma pronta regularização das reivindicações financeiras existentes em relação ao Governo brasileiro e informará o Governo do Reino Unido do resultado dessas negociações.

4. O Governo brasileiro envidará seus melhores esforços para buscar, tão logo quanto possível, uma solução, na base da reciprocidade, para os problemas de transporte marítimo que existem presentemente entre os dois países.

5. Muito agradecerá a Vossa Excelência confirmar que o que precede representa igualmente o entendimento do Governo do Reino Unido sobre a matéria.

Aproveito a oportunidade para renovar a Vossa Excelência os protestos de minha mais alta consideração.

V. DA CUNHA

of June and the 1st of July, 1964, the Brazilian Government intend to continue their direct negotiations for the early settlement of outstanding financial claims on the Brazilian Government, and will inform the United Kingdom Government of the outcome of these negotiations.

4. The Brazilian Government will use their best endeavours to seek as soon as possible a solution on a reciprocal basis of the problems of maritime transport which at present exist between the two countries.

5. I shall be grateful if Your Excellency will confirm that the foregoing equally represents the understanding of the United Kingdom Government in this matter.

I have the honour to renew to Your Excellency the assurances of my highest consideration.

V. DA CUNHA

II

Her Majesty's Ambassador at Rio de Janeiro to the Brazilian Minister for Foreign Affairs

BRITISH EMBASSY
RIO DE JANEIRO

October 14, 1964

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note No. 80 of to-day's date, which in translation reads as follows:

[See note I]

I confirm that the foregoing equally represents the understanding of the United Kingdom Government.

I have the honour to renew to Your Excellency the assurances of my highest and most distinguished consideration.

Leslie FRY