

No. 8271

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT,
COLONY OF SOUTHERN RHODESIA,
RHODESIA RAILWAYS
and
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

**Loan Assumption Agreement—*Rhodesia Railways Project.*
Signed at Salisbury, on 30 December 1963**

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
21 July 1966.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT,
COLONIE DE LA RHODÉSIE DU SUD,
CHEMINS DE FER RHODÉSIENS
et
ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

**Contrat de transfert d'emprunt — *Projet relatif aux chemins
de fer rhodésiens.* Signé à Salisbury le 30 décembre
1963**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement
le 21 juillet 1966.*

Vol. 568-16

No. 8271. LOAN ASSUMPTION AGREEMENT¹ (*RHODESIA RAILWAYS PROJECT*) BETWEEN THE COLONY OF SOUTHERN RHODESIA, THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, THE RHODESIA RAILWAYS AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND. SIGNED AT SALISBURY, ON 30 DECEMBER 1963

AGREEMENT, dated December 30, 1963, between the COLONY OF SOUTHERN RHODESIA (hereinafter called Southern Rhodesia) of the first part, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) of the second part, the RHODESIA RAILWAYS (hereinafter called the Railways), a corporation established by the Rhodesia Railways Act, 1949, as amended, of Southern Rhodesia, of the third part and the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (hereinafter called the United Kingdom) of the fourth part.

WHEREAS (A) Pursuant to a Loan Agreement dated June 16, 1958² between the Federation of Rhodesia and Nyasaland (hereinafter called the Federation) and the Bank, the Bank made to the Federation a loan (hereinafter called the Loan) in various currencies in an aggregate principal amount equivalent to nineteen million dollars (\$19,000,000) to be used for the development of the facilities of the Railways, on the terms and conditions set forth in the Loan Agreement;

(B) By an Agreement (hereinafter called the Guarantee Agreement) dated June 16, 1958² between the United Kingdom and the Bank the United Kingdom agreed to guarantee the Loan as therein provided;

(C) The Federation has repaid pursuant to the Loan Agreement the equivalent of \$2,216,000 of the principal of the Loan and has made all interest payments due on the Loan to and including the payment due on November 1, 1963;

(D) It is planned to dissolve the Federation;

(E) On the dissolution of the Federation Southern Rhodesia and the Territory of Northern Rhodesia (hereinafter called Northern Rhodesia) will own the

¹ Came into force as of the time of the dissolution of the Federation of Rhodesia and Nyasaland, which took place immediately before 1 January 1964, in accordance with article V.

² United Nations, *Treaty Series*, Vol. 309, p. 35.

Railways in equal shares and each of Southern Rhodesia and Northern Rhodesia has agreed to assume one-half of the financial obligations of the Federation under the Loan Agreement and to assume the other obligations of the Federation under the Loan Agreement and the United Kingdom concurs in this assumption; and

(F) The Railways have agreed to enter into certain direct obligations with the Bank;

NOW THEREFORE it is hereby agreed as follows :

Articles I to IV

[The text of these articles is not published herein as it is identical to that of the corresponding articles of the Loan Assumption Agreement of the same date between the International Bank for Reconstruction and Development, the Territory of Northern Rhodesia, the Rhodesia Railways and the United Kingdom of Great Britain and Northern Ireland (see pp. 218 to 224 of this volume), except that wherever in the latter Agreement the words "Northern Rhodesia" occur, the words "Southern Rhodesia" should be substituted therefor, and that in Section 2.01, subparagraphs (b) and (e), the words "Secretary to the Treasury" should be substituted for "Permanent Secretary to the Ministry of Finance".]

Article V

EFFECTIVE DATE; MISCELLANEOUS

Section 5.01. This Agreement shall take effect as of the time of the dissolution of the Federation.

Section 5.02. If and when the entire principal amount of the Loan (as defined in Recital A of this Loan Assumption Agreement) and of any bonds issued in respect thereof shall have been paid, together with all interest and other charges and premium (if any) which shall have accrued thereon, this Loan Assumption Agreement and all obligations of the parties hereunder shall forthwith terminate.

Section 5.03. The following address is designated to the Bank by Southern Rhodesia for the purposes of Section 8.01 of the Loan Regulations (as defined in the Loan Agreement) :

Secretary to the Southern Rhodesia Treasury
P.O Box 8123, Causeway
Salisbury, Southern Rhodesia

Alternative address for cablegrams and radiograms :

Treasury
Salisbury, Southern Rhodesia

Article VI

GUARANTEE AGREEMENT

Section 6.01. For the purposes of the Guarantee Agreement, the United Kingdom concurs in the entry by Southern Rhodesia into this Loan Assumption Agreement and in the assumption as herein set forth by Southern Rhodesia of a part of the obligations of the Federation under the Loan Agreement.

Section 6.02. The United Kingdom and the Bank hereby agree that, for purposes of the Guarantee Agreement, Loan Regulations No. 4 of the Bank, dated June 15, 1956, as modified by Schedule 3 to the Loan Agreement shall be further modified as follows and that, at the time this Loan Assumption Agreement becomes effective as provided in Section 5.01 hereof, such Loan Regulations as so modified shall be applicable to the Guarantee Agreement and shall govern the rights and obligations under the Guarantee Agreement of the parties thereto with the same force and effect as if they were fully set forth therein :

(a) By the substitution in Section 7.02 of the words " Territory of Northern Rhodesia or the Colony of Southern Rhodesia " for the word " Borrower ".

(b) By the addition in Section 7.03 of the words " , the Loan Assumption Agreements dated December 30, 1963 between the Territory of Northern Rhodesia, the Bank, the Rhodesia Railways and the Guarantor and between the Colony of Southern Rhodesia, the Bank, the Rhodesia Railways and the Guarantor " after the words " Loan Agreement ".

(c) By the deletion of paragraph 10 of Section 10.01 and the substitution thereof of the following new paragraph :

" 10. The term ' Bonds ' means bonds executed and delivered by the Territory of Northern Rhodesia or the Colony of Southern Rhodesia pursuant to the terms of the Loan Agreement; and such term includes any such bonds issued in exchange for, or on transfer of, Bonds as herein defined. "

Section 6.03. This Loan Assumption Agreement shall be free from any taxes or fees that shall be imposed under the laws of the United Kingdom on or in connection with the execution, issue, delivery or registration thereof.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Assumption Agreement to be signed in their respective names and delivered as of the day and year first above written.

Colony of Southern Rhodesia :

By W. J. HARPER
Authorized Representative

International Bank for
Reconstruction and Development :

By Hugh N. SCOTT
Authorized Representative

Rhodesia Railways :

By J. V. SAMUELS
Authorized Representative

United Kingdom of Great Britain
and Northern Ireland :

By J. B. JOHNSTON
Authorized Representative

SCHEDULE

[The text of the schedule is not published herein as it is identical to that annexed to the Loan Assumption Agreement of the same date between the International Bank for Reconstruction and Development, the Territory of Northern Rhodesia, the Rhodesia Railways and the United Kingdom of Great Britain and Northern Ireland (see p. 228 to 230 of this volume), except that wherever in the latter schedule the words "Northern Rhodesia" and "Territory of Northern Rhodesia" occur, the words "Southern Rhodesia" and "Colony of Southern Rhodesia" should be substituted therefor.]