

II

Treaties and international agreements

filed and recorded

from 8 October 1966 to 30 December 1966

No. 628

Traités et accords internationaux

classés et inscrits au répertoire

du 8 octobre 1966 au 30 décembre 1966

N° 628

No. 628

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
INTERNATIONAL FINANCE CORPORATION**

**Loan Agreement (*International Finance Corporation Loan*).
Signed at Washington, on 28 October 1966**

Official text : English.

*Filed and recorded at the request of the International Bank for Reconstruction and
Development on 30 December 1966.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
SOCIÉTÉ FINANCIÈRE INTERNATIONALE**

**Contrat d'emprunt (*Emprunt de la Société financière inter-
nationale*). Signé à Washington, le 28 octobre 1966**

Texte officiel anglais.

*Classé et inscrit au répertoire à la demande de la Banque internationale pour la recons-
truction et le développement le 30 décembre 1966.*

No. 628. LOAN AGREEMENT¹ (*INTERNATIONAL FINANCE CORPORATION LOAN*) BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE INTERNATIONAL FINANCE CORPORATION. SIGNED AT WASHINGTON, ON 28 OCTOBER 1966

AGREEMENT, dated October 28, 1966, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and INTERNATIONAL FINANCE CORPORATION (hereinafter called IFC.)

Article I

THE LOAN

Section 1.01. LOAN. The Bank agrees to lend to IFC, on the terms and conditions set forth in this Agreement, an amount in various currencies equivalent to one hundred million dollars (\$100,000,000). The loan provided for in this Section is hereinafter called the Loan.

Section 1.02. WITHDRAWAL OF LOAN. (a) The amount of the Loan may be withdrawn as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement.

(b) The amount of the Loan may be withdrawn from time to time on the written request of IFC as needed to reimburse it for amounts disbursed by it, or to provide amounts to be disbursed by it, on loans made by it ; provided, however, that no withdrawal shall be made if at the time of such withdrawal or as a result thereof the aggregate amount of debt (including the guarantee of any debt) incurred or assumed by IFC from any source and then outstanding shall exceed an amount equal to four times its unimpaired subscribed capital and surplus. For purposes of this Section debt contracted by IFC shall be deemed to be incurred by IFC on the date it is drawn down, and debt guaranteed by IFC shall be deemed to be incurred by IFC and to be outstanding on the date of the agreement for such guarantee. Withdrawals shall be made in dollars, or in such currency or currencies as may be agreed between the Bank and IFC.

(c) Any loan made or proposed to be made by IFC in respect of which it has made or proposes to make a withdrawal pursuant to this Section is hereinafter called a

¹ Came into force on 28 October 1966, upon signature.

Sub-Loan and the amount of each withdrawal in respect of a Sub-Loan is called a Tranche of the Loan.

(d) Each request by IFC for a withdrawal pursuant to this Section shall describe the terms and conditions of the Sub-Loan in respect of which such withdrawal is requested, including the schedule of amortization thereof, and shall describe the project financed or to be financed by such Sub-Loan. IFC's request for withdrawal shall contain such other information and certifications as the Bank shall reasonably request.

Section 1.03. INTEREST. (a) Except as provided in paragraph (b) of this Section, IFC shall pay interest on the principal amount of each Tranche of the Loan outstanding from time to time at such rate as shall have been notified by the Bank to IFC at the time when such Tranche of the Loan was so withdrawn, as being the standard rate then generally applicable to new Bank loans of the same maturity. Interest shall accrue from the respective dates on which amounts shall be so withdrawn. Interest on any portion of the Loan shall be payable in the currency in which the principal of such portion of the Loan is repayable.

(b) Notwithstanding paragraph (a) of this Section, IFC may at its option elect to pay interest on the principal amount of the Loan to be withdrawn with respect to any specified Sub-Loan at the standard rate for new Bank loans of the same maturity generally applicable at the time of approval by the Board of Directors of IFC of such Sub-Loan ; provided, however, that

- (i) such principal amount shall equal the amount of such Sub-Loan repayable on or before the date on which the final instalment of the Loan is payable to the Bank by IFC ;
- (ii) such election by IFC shall be notified to the Bank on the date of such approval ;
- (iii) such principal amount of the Loan shall be credited by the Bank to a special loan account from which withdrawals shall be made by IFC as and when each disbursement is made by IFC for such Sub-Loan, except to the extent to which any such disbursement is allotted to any maturity of the Sub-Loan falling due after the date referred to in paragraph (i) above ;
- (iv) each such withdrawal shall be in an amount equal to the amount of such disbursement ; and
- (v) no cancellation by IFC pursuant to Section 3.01 of this Agreement of any amount from any such special account shall be made except in the event of a corresponding cancellation of such Sub-Loan.

Section 1.04. SPECIAL COMMITMENTS BY THE BANK. Upon IFC's written request and upon such terms and conditions as shall be agreed upon between the Bank and IFC, the Bank may enter into special commitments in writing to pay amounts to IFC or others notwithstanding any subsequent suspension or cancellation

of the Loan. The charge payable for such special commitments shall be payable in dollars at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amounts of any such special commitments outstanding from time to time.

Section 1.05. COMPUTATION AND PAYMENT OF INTEREST AND OTHER CHARGES. Interest and the charge payable for special commitments shall be computed on the basis of a 360-day year of twelve 30-day months and shall be payable semi-annually on April 1 and October 1 in each year.

Section 1.06. REPAYMENT. (a) IFC shall repay the principal amount of the Loan withdrawn from the Loan in accordance with the Schedule to this Agreement. Such Schedule shall be amended from time to time as reasonably required (i) to conform the several instalments of principal substantially to the aggregate of the several maturities of the amortization schedules applicable to the Sub-Loans (or portions thereof in respect of which IFC has made withdrawals) and (ii) to take into account any cancellations pursuant to Article III of this Agreement. Payment dates hereunder shall be April 1 and October 1 in each year. Unless the Bank and IFC shall otherwise agree, the final instalment of the Loan shall be payable no later than October 1, 1981.

(b) The principal of the Loan shall be repayable in the several currencies withdrawn from the Bank and the amount repayable in each currency shall be the amount withdrawn in that currency; provided, however, that if withdrawal shall be made in any currency which the Bank shall have purchased with another currency for the purpose of such withdrawal, the portion of the Loan so withdrawn shall be repayable in such other currency and the amount so repayable shall be the amount paid by the Bank on such purchase. Except as the Bank and IFC shall otherwise agree, the portion of the Loan to be repaid in any particular currency shall be repayable in such instalments as the Bank shall from time to time specify, not inconsistent with the instalments set forth in the Schedule to this Agreement, as amended from time to time.

Section 1.07. PREPAYMENT AT OPTION OF IFC. Except as the Bank and IFC shall otherwise agree, IFC shall have the right, upon payment of all accrued interest and upon not less than 45 days' written notice to the Bank, to repay in advance of maturity (i) all of the principal amount of the Loan at the time outstanding or (ii) all of the Loan at the time outstanding in respect of any Sub-Loan.

Section 1.08. REQUIRED PREPAYMENT. Unless the Bank and IFC shall otherwise agree:

(a) (i) if all or part of any Sub-Loan is repaid in advance of maturity, or

- (ii) if IFC shall sell, transfer, assign or otherwise dispose of all or part of any Sub-Loan,

IFC shall promptly notify the Bank and, on receipt of the proceeds of such prepayment or disposal, IFC shall immediately apply the portion of such proceeds representing the principal amount of such Sub-Loan in or towards prepayment to the Bank of the principal amount of the Loan outstanding in respect of such Sub-Loan ;

(b) if IFC shall convert any part or all of the principal amount of any Sub-Loan to equity or to any interest other than that of creditor, IFC shall promptly repay an amount of the Loan equal to the amount of the Sub-Loan so converted ; and

(c) any amount repaid by IFC under this Section shall be applied by the Bank (i) to payment of the maturity or maturities of the principal amount of the Loan in amounts corresponding to the amounts of the maturity or maturities of the Sub-Loan so repaid, disposed of or converted ; and (ii) if such maturity or maturities are included within more than one Tranche, to the several Tranches in the order in which they were withdrawn.

Section 1.09. PLACE OF PAYMENT. The principal of, and interest and other charges on, the Loan shall be paid at such places as the Bank shall reasonably request.

Section 1.10. VALUATION OF CURRENCIES. Whenever it shall be necessary for the purposes of this Agreement to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

Section 1.11. EXCHANGE RESTRICTIONS. Any payment required under this Agreement to be made to the Bank in the currency of any country shall be made in such manner, and in currency acquired in such manner, as shall be permitted under the laws of such country for the purpose of making such payment and effecting the deposit of such currency to the account of the Bank with a depository of the Bank in such country.

Article II

COVENANTS OF IFC

Section 2.01. USE OF PROCEEDS. IFC shall use the proceeds of the Loan in its lending operations, including reimbursing itself for amounts disbursed and outstanding in its lending operations. IFC shall provide in its agreements for Sub-Loans that the borrower shall not use the proceeds of the Loan to finance expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or goods procured in, or services supplied from, such territories.

Section 2.02. IFC undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of IFC as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan, and that in the creation of any such lien express provision will be made to that effect, provided, however, that the provisions of this Section shall not apply to any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property or any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

Article III

CANCELLATION, SUSPENSION AND ACCELERATION

Section 3.01. CANCELLATION BY IFC. Subject to the provisions of Section 1.03 (b) (v), IFC may by notice to the Bank cancel any amount of the Loan which IFC shall not have withdrawn prior to the giving of such notice, except that IFC may not so cancel any amount of the Loan in respect of which the Bank shall have entered into a special commitment pursuant to Section 1.04 of this Agreement.

Section 3.02. SUSPENSION BY THE BANK. If any of the following events shall have happened and be continuing the Bank may by notice to IFC suspend in whole or in part the right of IFC to make withdrawals of the Loan :

- (a) A default shall have occurred in the payment of principal or interest or any other payment required under this Agreement or under any other loan agreement between the Bank and IFC.
- (b) A default shall have occurred in the performance of any other covenant or agreement on the part of IFC under this Agreement or under any other loan agreement between the Bank and IFC.
- (c) A default shall have occurred with respect to any indebtedness of IFC other than to the Bank (including the guarantee of any debt) or under any agreement or trust deed pursuant to which there is outstanding any indebtedness of IFC (including the guarantee of any debt) and such default shall have continued for more than any applicable period of grace.

Section 3.03. ACCELERATION OF PRINCIPAL REPAYMENT. (i) If any event specified in paragraph (a) of Section 3.02 of this Agreement shall occur and continue for a period of thirty days, or (ii) if any event specified in paragraph (b) of such Section shall occur and continue for a period of sixty days after notice thereof shall have been given by the Bank to IFC or (iii) if any event specified in paragraph (c) of such Section shall occur, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan then outstanding to be due and

payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement to the contrary notwithstanding.

Section 3.04. CANCELLATION BY THE BANK. If (a) the right of IFC to make withdrawals shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days, or (b) by October 1, 1969 an amount of the Loan shall remain unwithdrawn, the Bank may by notice to IFC terminate the right of IFC to make withdrawals with respect to such amount. Upon the giving of such notice such amount of the Loan shall be cancelled.

Section 3.05. AMOUNTS SUBJECT TO SPECIAL COMMITMENT NOT AFFECTED BY CANCELLATION OR SUSPENSION BY THE BANK. No cancellation or suspension by the Bank shall apply to amounts subject to any special commitment entered into by the Bank pursuant to Section 1.04 of this Agreement except as expressly provided in such commitment.

Section 3.06. APPLICATION OF CANCELLATION TO MATURITIES OF THE LOAN. Except as otherwise agreed between the Bank and IFC, any cancellation pursuant to this Agreement of any amount of the Loan not withdrawn from the Loan shall be applied *pro rata* to the principal amounts of the several maturities of the Loan as set forth in the Schedule to this Agreement, except that such cancellation shall not apply to the principal amount of any Tranche or Tranches of the Loan included in such maturity.

Article IV

MISCELLANEOUS

Section 4.01. ENFORCEABILITY. The rights and obligations of the Bank and IFC under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any state, or political subdivision thereof, to the contrary.

Section 4.02. CONSULTATION. The Bank and IFC shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan including amendments of this Agreement to assure the more effective accomplishment of the purposes of the Loan.

Section 4.03. DEFINITIONS. Unless the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or the Schedule thereto :

- (a) the term "currency" means such coin or currency as at the time referred to is legal tender for the payment of public and private debts in the territories of the government referred to ;
- (b) the term "dollars" and the sign "\$" mean dollars in currency of the United States of America ; and

(c) the term "lien" includes mortgages, pledges, charges, privileges and priorities of any kind.

Section 4.04. TERMINATION. If and when the entire principal amount of the Loan and all interest and other charges which shall have accrued on the Loan shall have been paid, this Agreement and all obligations of the parties hereunder shall forthwith terminate.

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

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

International Finance Corporation :

By Martin M. ROSEN
Executive Vice President

SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
October 1, 1969.	\$ 2,700,000	April 1, 1976.	\$ 4,000,000
April 1, 1970.	2,800,000	October 1, 1976.	4,100,000
October 1, 1970.	2,900,000	April 1, 1977.	4,300,000
April 1, 1971.	3,000,000	October 1, 1977.	4,400,000
October 1, 1971.	3,100,000	April 1, 1978.	4,500,000
April 1, 1972.	3,200,000	October 1, 1978.	4,700,000
October 1, 1972.	3,300,000	April 1, 1979.	4,800,000
April 1, 1973.	3,400,000	October 1, 1979.	4,900,000
October 1, 1973.	3,500,000	April 1, 1980.	5,100,000
April 1, 1974.	3,600,000	October 1, 1980.	5,300,000
October 1, 1974.	3,700,000	April 1, 1981.	5,400,000
April 1, 1975.	3,800,000	October 1, 1981.	5,600,000
October 1, 1975.	3,900,000		
		TOTAL	\$100,000,000

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see Section 1.06), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.