

No. 12629

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

**Agreement on certain commercial debts (with annex).
Signed at Djakarta on 4 October 1972**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 19 June 1973.*

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

**Accord relatif à certaines dettes commerciales (avec
annexe). Signé a Djakarta le 4 octobre 1972**

Texte authentique: anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 19 juin 1973.*

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA ON CERTAIN COMMERCIAL DEBTS

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Indonesia;

Considering the Agreements concluded between the United Kingdom and Indonesia at Jakarta on 1 August 1967,² on 31 October 1968³ and on 13 March 1969⁴ on Certain Commercial Debts;

Considering the terms of the Agreed Minute of a multilateral conference held at Paris on 23 and 24 April 1970, at which the Government of Indonesia and the International Monetary Fund, the International Bank for Reconstruction and Development, and the Organisation for Economic Co-operation and Development were represented, and at which the representatives of the Governments of the Federal Republic of Germany, Australia, the United States of America, France, Italy, Japan, the Netherlands and the United Kingdom, agreed that circumstances particular to Indonesia justified the adoption of exceptional measures for a long term re-arrangement of the Indonesian exterior debt on the basis set out therein;

Desiring to conclude an agreement for the establishment of a transfer scheme for the repayment of such debts owing by Indonesian debtors to United Kingdom creditors on such terms;

Have agreed as follows:

Article 1. DEFINITION

For the purposes of this Agreement, “the Main Agreement” shall mean the Agreement concluded between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Indonesia at Jakarta on 1 August 1967.

Article 2. THE DEBTS

The provisions of this Agreement shall apply to any debt:

- (a) which arises under or in relation to a contract entered into before 1 July 1966; and
- (b) which has fallen due for payment by or will fall due for payment on or after 4 October 1972

and shall include the obligations of a guarantor, of the acceptor and endorser of a bill of exchange, of the maker and endorser of a promissory note and of the issuer of a letter of credit.

¹ Came into force on 4 October 1972 by signature, in accordance with article 6.

² United Nations, *Treaty Series*, vol. 638, p. 3.

³ *Ibid.*, vol. 667, p. 305.

⁴ *Ibid.*, vol. 686, p. 275.

Article 3. APPLICATION OF PROVISIONS OF THE MAIN AGREEMENT
TO DEBTS TO WHICH THIS AGREEMENT APPLIES

The provisions of the Main Agreement shall apply to the debts to which this Agreement applies but in relation to such debts such provisions shall have effect as if:

(a) paragraph (h) of article 1 were deleted;

(b) paragraph (i) of article 1 were redesignated "paragraph (h)";

(c) to article 1 of the Main Agreement there were added the following definitions:

"(i) 'Contractual Interest' shall mean the amount of any interest accruing on a debt up to the date for payment specified in the relevant contract or on a bill of exchange or promissory note drawn pursuant to the terms of such contract;

(j) 'Further Agreements' shall mean the Agreements concluded between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Indonesia at Jakarta on 31 October 1968 and 13 March 1969 for the establishment of a transfer scheme for the repayment of certain commercial debts owing by Indonesian debtors to the United Kingdom creditors;

(k) 'Principal Amount' shall mean in relation to a debt the amount of the debt less any Contractual Interest thereon;"

(d) references in the Main Agreement to the Bank Negara Indonesia were references to the Bank Indonesia;

(e) references throughout the Main Agreement to the Board of Trade were references to the Export Credits Guarantee Department;

(f) for article 2 of the Main Agreement there were substituted article 2 of this Agreement and references in the Main Agreement to article 2 were references to article 2 of this Agreement;

(g) in paragraph (1) of article 3 of the Main Agreement for the words "Subject to the provisions of article 4, the" there were substituted the word "The";

(h) in paragraph (1) of article 3 and in paragraphs (1) and (4) of article 5 of the Main Agreement for the word "creditors" and for the word "creditor" there were substituted the words "Export Credits Guarantee Department";

(i) for annex 1 to the Main Agreement there were substituted annex 1 to this Agreement and references in the Main Agreement to annex 1 were references to annex 1 to this Agreement;

(j) Article 4 of the Main Agreement were deleted;

(k) in paragraph (1) of article 5 of the Main Agreement immediately after the word "debts" there were inserted the words "which fell due for payment prior to the year 1970" and the expression "or by registration in accordance with article (4)" were deleted;

(l) for paragraph (3) of article 5 of the Main Agreement there were substituted the following:

“(3) Moratorium interest shall accrue and be payable in the currency of the debt in respect of the period from the date on which the payment was due under the relevant contract until the debt would have been transferred under the original and unamended terms of this Agreement and of the Further Agreements.”

(m) in paragraph (4) of article 5 for the words “Subject to the provisions of article 4, moratorium” there were substituted the word “Moratorium”;

(n) in paragraph (2) of annex 2 to the Main Agreement for the expression “by 31 December 1970” there were substituted the expression “before 3 November 1972”;

(o) for paragraph (3) of annex 2 to the Main Agreement there were substituted the following paragraph:

“(3) (a) The Bank Indonesia shall transfer the necessary amounts in the currency of the debt to HM Paymaster General (Export Credits) Account at the Bank of England.

(b) When amounts are so transferred the Bank Indonesia shall give the Export Credits Guarantee Department particulars of the Principal Amount, moratorium interest, Contractual Interest, and interest pursuant to paragraph 2 (iii) to annex 1 of this Agreement to which such transfers relate.”

(p) paragraph (4) of annex 2 to the Main Agreement were deleted.

Article 4. REVIEW OF THIS AGREEMENT

In accordance with the provisions of the Agreed Minute of the multilateral conference held at Paris on 23 and 24 April 1970, referred to in the preamble to this Agreement, the terms of this Agreement may be reviewed by agreement between the Contracting Parties. This review which will be decided upon in the light of Indonesia's economic situation at the time could result in:

- (a) either an acceleration of the payments outlined in annex 1 to this Agreement or
- (b) a reduction of the payments of interest mentioned in (1) (b) in annex 1 to this Agreement.

Article 5. THE FURTHER AGREEMENTS

This Agreement supersedes the Further Agreements.

Article 6. ENTRY INTO FORCE

This Agreement shall come into force on the signature thereof.

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

DONE in duplicate at Jakarta this fourth day of October, 1972.

For the Government
of the United Kingdom of Great
Britain and Northern Ireland:
W. I. COMBS

For the Government
of the Republic of Indonesia:
A. MALIK

ANNEX 1

TRANSFER SCHEME

(1) The amount of each debt and moratorium interest shall be transferred to the United Kingdom as follows:

- (a) the Principal Amount, together with Contractual Interest thereon which accrued up to and including 31 December 1969, and moratorium interest which accrued up to and including 31 December 1969, by 30 equal instalments, the first instalment on 15 October 1972, the second instalment on 31 October 1972, the third instalment on 30 November 1972 and the remaining twenty-seven instalments by annual instalments on the first day of January in each of the years 1973 to 1999 inclusive.
- (b) Contractual Interest which has accrued or which will accrue from inclusive 1 January 1970, and moratorium interest which has accrued or which will accrue from inclusive 1 January 1970, by fifteen equal annual instalments on the first day of January in each of the years 1985 to 1999 inclusive.

(2) The Government of the Republic of Indonesia may defer transfer of up to one half of any of the first eight instalments referred to in paragraph 1 (a) hereof of the Principal Amount of any debt together with Contractual Interest thereon and of the moratorium interest referred to in the said paragraph 1 (a) upon the following conditions:

- (i) the total amount so deferred shall not exceed the sum of three such instalments;
 - (ii) any payments so deferred shall be transferred to the Export Credits Guarantee Department in the manner provided for in paragraph (3) of annex 2 to this Agreement by eight equal annual instalments on the first day of January in each of the years 1992 to 1999 inclusive;
 - (iii) the Indonesian Government shall pay to the Export Credits Guarantee Department in the manner provided for in paragraph (3) of annex 2 to this Agreement on the first day of January each year interest at the rate of four per centum per annum upon sums so deferred from the date of deferment of the said sums until the date of transfer of the said sums to the Export Credits Guarantee Department.
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