No. 17550

SWITZERLAND
and
BANGLADESH

Agreement on the consolidation of debts. Signed at Berne on 4 December 1974

Authentic texts: German and English.
Registered by Switzerland on 15 February 1979.

SUISSE
et
BANGLADESH

Accord sur la consolidation de dettes. Signé à Berne le 4 décembre 1974

Textes authentiques : allemand et anglais.
Enregistré par la Suisse le 15 février 1979.

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE SWISS CONFEDERATION AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH ON THE CONSOLIDATION OF DEBTS

In an endeavour to give financial support to Bangladesh for alleviating their balance of payments, through the consolidation and financing of part of their debts, the Government of the Swiss Confederation and the Government of the People's Republic of Bangladesh have agreed on the following provisions:

Article 1. The present Agreement shall apply to payments of debt service (principal and interest) falling due after July 1, 1974, and resulting from the Agreement between the Government of the Swiss Confederation and the Government of the People's Republic of Bangladesh on the assumption of debt liabilities of December 4, 1974.[2]

Article 2. 1. Immediately after the entering into force of the present Agreement, the Government of the Swiss Confederation shall pay to the Swiss creditors the total amount of principal mentioned in the Agreement between the Government of the Swiss Confederation and the Government of the People's Republic of Bangladesh on the assumption of debt liabilities of December 4, 1974.

2. This payment by the Government of the Swiss Confederation to the Swiss creditors shall be made in lieu of the payment by the Government of the People's Republic of Bangladesh to the Swiss creditors.

3. The total amount of this payment may not exceed twelve million Swiss francs.

Article 3. 1. The Government of the People's Republic of Bangladesh shall repay the credit put at their disposal in accordance with article 2 of the present Agreement in forty equal annual instalments, the first payment to be made on June 30, 1984, and the last payment to be made on June 30, 2023.

2. Such repayments shall be made in free Swiss francs to the Swiss National Bank in Zurich acting on behalf of the Government of the Swiss Confederation.

Article 4. 1. As from the date of payment by the Government of the Swiss Confederation to the Swiss creditors in accordance with article 2 of the present Agreement, the Government of the People's Republic of Bangladesh shall pay an interest at the rate of 0,75 percent per annum on the outstanding amount of the consolidation credit. Such interest shall be paid on 30th June of each year, the first payment falling due on 30th June, 1976.

2. Such payments of interest shall be made in free Swiss francs to the Swiss National Bank in Zurich acting on behalf of the Government of the Swiss Confederation.

Article 5. The Government of the People's Republic of Bangladesh shall take no measures which might impede or make impossible the free transfer of payments

[1] Came into force on 10 October 1975 by the exchange of the instruments of ratification, which took place at Dacca, in accordance with article 8.

[2] See p. 315 of this volume.

owed by Bangladesh debtors to Swiss creditors on the basis of debt obligations not falling under article 1 of the present Agreement.

Article 6. The Government of the People's Republic of Bangladesh shall guarantee to the Government of the Swiss Confederation with regard to the repayment period and interest rate mentioned in articles 3 and 4 of the present Agreement, a treatment not less favourable than may be granted to any other creditor country for the consolidation of comparable maturities.

Article 7. On the amount mentioned in article 2, paragraph 3, of the present Agreement, the Government of the People's Republic of Bangladesh shall pay to the Swiss creditors interest at the rate of four percent per annum for the period between July 1, 1974, and the date of the effective payment according to article 2, paragraph 2, of the present Agreement. On first request by the Swiss creditors this interest shall be paid and shall not be consolidated.

Article 8. 1. The present Agreement is subject to ratification; the instruments of ratification shall be exchanged in Dacca.

2. The present Agreement shall enter into force on the day of the exchange of the instruments of ratification.

DONE in two originals in Berne, this 4th day of December 1974, in English and German language, both texts being equally authoritative.

For the Government of the Swiss Confederation:

[*Signed — Signé*][1]

For the Government of the People's Republic of Bangladesh:

[*Signed — Signé*][2]

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[1] Signed by K. Jacobi — Signé par K. Jacobi.
[2] Signed by H. R. Choudhury — Signé par H. R. Choudhury.