

**No. 19024**

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

**Exchange of notes constituting an agreement concerning  
outstanding debts (with annexes). Dacca, 20 September  
1979**

*Authentic text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 13 August 1980.*

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

**Échange de notes constituant un accord relatif à l'encours  
des dettes (avec annexes). Dacca, 20 septembre 1979**

*Texte authentique : anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du  
Nord le 13 août 1980.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE  
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH  
CONCERNING OUTSTANDING DEBTS (*UNITED  
KINGDOM/BANGLADESH DEBT AGREEMENT 1979*)

I

*The United Kingdom High Commissioner at Dacca to the Joint Secretary,  
External Resources Division of the Ministry of Finance of Bangladesh*

BRITISH HIGH COMMISSION  
DACCA

20 September 1979

Sir,

*United Kingdom/Bangladesh Debt Agreement 1979*

1. I have the honour to refer to the discussions between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of Bangladesh concerning outstanding debts owed to the United Kingdom in respect of projects visibly located in Bangladesh (hereinafter called "the debts") and to state that it is the understanding of my Government that your Government agree to accept liability for the discharge of these debts.

2. The following paragraphs of this Note together with its annexes set out the arrangements which my Government propose for the discharge of the debts.

3. For the purposes of these arrangements the debts shall be divided into two groups:

- (a) Repayments of capital and payments of interest set out in annex I to this Note which were outstanding on 1 July 1974 on loans and credits provided as Official Development Assistance to the Government of Pakistan by my Government (hereinafter called "aid debts"). The aid debts relate to disbursements made up to the end of 1971 on projects visibly located in Bangladesh;
- (b) Outstanding payments under the contracts set out in schedule 1 to annex II to this Note (hereinafter called "commercial debts").

4. Your Government shall accept liability for the aid debts of £23,300,470 (twenty-three million three hundred thousand four hundred and seventy pounds sterling) principal and £7,653,084 (seven million six hundred and fifty-three thousand and eighty-four pounds sterling) interest. My Government shall waive repayment of the aid debts amounting to £30,953,554 (thirty million, nine hundred and fifty-three thousand five hundred and fifty-four pounds sterling).

<sup>1</sup> Came into force on 20 September 1979, the date of the note in reply, in accordance with the provisions of the said notes.

5. Your Government shall accept liability for the commercial debts and shall repay the entire sum in accordance with the provisions of annex II to this Note.

6. If the foregoing proposal is acceptable to the Government of the People's Republic of Bangladesh I have the honour to propose that the present Note and its annexes together with Your Excellency's reply in that sense shall constitute an Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of Bangladesh which shall enter into force on the date of Your Excellency's reply and which shall be known as the United Kingdom/Bangladesh Debt Agreement No. 1 1979.

F. STEPHEN MILES

## ANNEX I

Credit No.	Credit or loan Referred to as <sup>1</sup>		Date of original Agreement <sup>2</sup>	Financial assistance made available up to 31 December 1971 <sup>3</sup>	Repayments of capital outstanding on 1 July 1974 (see note) <sup>4*</sup>	Interest payments on column 4 <sup>5†</sup>	Total sum to be discharged <sup>6</sup>
				£	£	£	£
3rd	United Kingdom/Pakistan	Credit Agreement	28 December 1960	4,534,740	1,808,454	368,827	2,177,281
4th	United Kingdom/Pakistan (Railway)	Credit Agreement 1961	16 March 1961	240,945	104,410	20,924	125,334
5th	United Kingdom/Pakistan	Credit Agreement	8 January 1962	4,458,547	2,997,988	1,273,548	4,271,536
6th	2nd United Kingdom/Pakistan	Credit Agreement	5 November 1962	5,815,219	4,245,110	2,038,129	6,283,239
7th	United Kingdom/Pakistan	Credit Agreement	18 June 1963	1,681,243	1,318,095	691,306	2,009,401
8th	United Kingdom/Pakistan	Credit Agreement	25 February 1964	2,911,038	2,352,471	1,284,575	3,637,046
9th	2nd United Kingdom/Pakistan	Credit Agreement	23 December 1964	3,726,865	3,219,495	1,975,775	5,195,270
14th	United Kingdom/Pakistan	Loan No. 2 1966	12 August 1966	3,445,571	3,348,983	Nil	3,348,983
16th	United Kingdom/Pakistan	Loan No. 1 1967	11 April 1967	1,951,431	1,951,431	Nil	1,951,431
18th	United Kingdom/Pakistan	Loan No. 3 1967	28 July 1967	1,647,984	1,647,984	Nil	1,647,984
19th	United Kingdom/Pakistan	Loan No. 1 1969	25 January 1969	7,831	7,831	Nil	7,831
20th	United Kingdom/Pakistan	Loan No. 2 1969	28 March 1969	222,238	222,238	Nil	222,238
23rd	United Kingdom/Pakistan	Loan No. 3 1969	15 November 1969	50,000	50,000	Nil	50,000
25th	United Kingdom/Pakistan	Loan No. 1 1970	10 July 1970	25,980	25,980	Nil	25,980
			TOTAL	30,719,632	23,300,470	7,653,084	30,953,554

\* The sum calculated to be due in column 4 is that sum which would have been outstanding on 1 July 1974 in respect of the credits and loans specified in columns 1, 2 and 3 had the Government of Pakistan made all repayments due at the date and had not been permitted to reschedule the repayments due on the said credits and loans in respect of the period 1 May 1971 to 30 June 1974.

† The sums in column 5 are calculated *pro rata* on the sums set out in column 4.

## ANNEX II

*Paragraph 1. DEFINITIONS.* In this annex, unless the contrary intention appears:

(a) "Creditor" shall mean a person or body of persons or corporation resident or carrying on business in the United Kingdom or any successors thereto who has supplied from outside Bangladesh goods or services under or in relation to the contracts listed in schedule 1 to this annex;

(b) "Debt" shall mean any debt to which, by virtue of the provisions of paragraph 2 of this annex, the provisions of this Agreement apply;

(c) "Debtor" shall mean any person listed as such in schedule 1 to this annex or any successor thereto;

(d) "Maturity" in relation to a debt shall mean the date for the payment thereof under the relevant credit contract or under a promissory note or bill of exchange drawn pursuant to the terms of such credit contract;

(e) "The Department" shall mean the Export Credits Guarantee Department of the United Kingdom or any other department which the Government of the United Kingdom may nominate for the purposes of this annex;

(f) "Transfer Scheme" shall mean the transfer scheme referred to in paragraph 3 of this annex.

*Paragraph 2. THE DEBTS.* The provisions of this annex shall apply to any debt, whether of principal or of contractual interest:

(a) Which arises under or in relation to the contracts listed in schedule 1 to this annex;

(b) Which fell due for payment after 30 June 1974 or has yet to fall due for payment.

*Paragraph 3. THE TRANSFER SCHEME.* The Government of Bangladesh shall pay to the creditors in the United Kingdom in sterling the amount due to such creditors in accordance with the transfer scheme set out in schedule 2 to this annex.

*Paragraph 4. EXCHANGE OF INFORMATION.* The Department and the Bangladesh Bank shall exchange all information required for the implementation of the provisions of this annex.

*Paragraph 5. PRESERVATION OF RIGHTS AND OBLIGATIONS.* This annex and the implementation of its provisions shall not affect the rights and obligations of the individual Creditors, Debtors and Guarantors concerned.

*Paragraph 6. RULES.* In the implementation of the provisions of this annex the rules set out in schedule 3 to this annex shall apply.

*Paragraph 7. THE SCHEDULES.* The schedules to this annex shall form an integral part thereof.

*Schedule 1 to annex II*

## THE CONTRACTS

<i>Creditor</i>	<i>Debtor</i>	<i>Date of Contract</i>
Thomas Storey (Engineers) Ltd . . . .	Chittagong Development Authority	15 November 1967
English Electric Diesels Ltd. . . . .	East Pakistan Agricultural Development Corporation	11 August 1970
Ruston and Hornsby Ltd . . . . .	East Pakistan Agricultural Development Corporation	14 December 1968

*Schedule 2 to annex II*

## TRANSFER SCHEME

1. The amount in respect of each debt falling due between 1 July 1974 and 29 February 1980, both dates inclusive, shall be transferred from Bangladesh to the United Kingdom on 1 March 1980.

2. The amount due in respect of each debt falling due after 29 February 1980 shall be transferred from Bangladesh to the United Kingdom at maturity.

3. The sums to be transferred as specified in paragraphs 1 and 2 of this schedule are as follows:

<i>Contract</i>	<i>Amounts to be transferred on 1 March 1980</i>	<i>Amounts to be transferred falling due after 29 February 1980</i>
	£	£
Thomas Storey (Engineers) Ltd .....	149,794.34	—
English Electric Diesels Ltd .....	1,194,903.50	246,904.74
Ruston and Hornsby Ltd .....	2,159,685.88	128,038.97

*Schedule 3 to annex II*

## RULES

1. The Bangladesh Bank shall transfer the amount to be paid pursuant to the provisions of this annex and schedule 2 thereto in sterling to a bank in the United Kingdom together with payment instructions in favour of the creditor to whom payment is due.

2. When making such transfers the Bangladesh Bank shall give the Department particulars of the debts to which the transfers relate.

## II

*The Joint Secretary, External Resources Division of the Ministry of Finance  
of Bangladesh to the United Kingdom High Commissioner at Dacca*

MINISTRY OF FINANCE

DACCA

20 September 1979

Your Excellency,

*United Kingdom/Bangladesh Debt Agreement 1979*

I have the honour to acknowledge receipt of Your Excellency's Note of today's date which reads as follows:

[See note I]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of the People's Republic of Bangladesh and your letter and its annexes together with this reply shall constitute an Agreement between our

two Governments in this matter which shall enter into force on this day's date and shall be known as the United Kingdom/Bangladesh Debt Agreement No. 1, 1979.

For and on behalf of the  
Government of Bangladesh:

M. LUTFULLAHIL MAJID

*[Annexes as under note I]*

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