

No. 19071

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

**Agreement on certain commercial debts (with schedules).
Signed at Kinshasa on 16 November 1977**

Authentic texts: English and French.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
3 September 1980.*

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

Accord relatif à certaines dettes commerciales (avec annexes). Signé à Kinshasa le 16 novembre 1977

Textes authentiques : anglais et français.

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

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

The United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as “the United Kingdom”) and the Republic of Zaire (hereinafter referred to as “Zaire”),

As a result of the Conference regarding the consolidation of Zairian debts held in Paris on 15 and 16 June 1976 at which the Government of the United Kingdom, the Government of Zaire, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development, the Organisation for Economic Co-operation and Development, and the European Economic Community were represented,

Have agreed as follows:

Article 1. DEFINITIONS

In this Agreement, unless the contrary intention appears:

- (a) “Credit contract” shall mean a credit contract as defined in article 2 of this Agreement;
- (b) “Creditor” shall mean a creditor as defined in article 2 of this Agreement;
- (c) “Currency of the debt” shall mean sterling or such other currency not being zaire as is specified in the credit contract;
- (d) “Debt” shall mean any debt to which, by virtue of the provisions of articles 2 and 8 of this Agreement and of schedule 2 to this Agreement, the provisions of this Agreement apply;
- (e) “Debtor” shall mean a debtor as defined in article 2 of this Agreement;
- (f) “Maturity” in relation to a debt shall mean the date for the repayment thereof under the relevant credit contract or under a promissory note or bill of exchange drawn up pursuant to the terms of such credit contract;
- (g) “Moratorium interest” shall mean moratorium interest payable under the provisions of article 4 of this Agreement;
- (h) “The Central Bank” shall mean the Central Bank of Zaire;
- (i) “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 Agreement;
- (j) “Transfer scheme” shall mean the transfer scheme referred to in article 3 of this Agreement.

Article 2. THE DEBTS

(1) The provisions of this Agreement shall, subject to the provisions of paragraph (2) of this article, apply to any debt, whether of principal or of interest, owed as primary or principal debtor or as guarantor by the Government of Zaire, or by a person or body of persons or corporation resident or carrying on business in Zaire or by any

¹ Came into force on 16 November 1977 by signature, in accordance with article 10.

successor thereto (hereinafter referred to as “debtor”) to a person or body of persons or corporation resident or carrying on business in the United Kingdom or to any successor thereto (hereinafter referred to as “creditor”) provided that:

- (a) The debt arises under or in relation to a contract or any agreement supplemental thereto which was made between the debtor and the creditor for the supply from outside Zaire of goods or services or both or of finance therefor, and which allowed credit to the debtor for a period exceeding one year, and which was entered into before 1 January 1976 (hereinafter referred to as a “credit contract”); and
 - (b) Either
 - (i) If the debt is in respect of principal, maturity of the debt occurred on or before 31 December 1976,
 - (ii) If the debt is in respect of contractual interest, maturity of the debt occurred on or before 30 June 1976,and which remains unpaid; and
 - (c) The debt is not expressed by the terms of the credit contract to be payable in zaïre.
- (2) The provisions of this Agreement shall not apply to so much of any debt as arises from an amount payable upon or as a condition of the formation of the credit contract, or as a staged or progress payment during the manufacture or prior to the export of such goods or the supply of such services, or upon or as a condition of the cancellation or termination of the credit contract.

Article 3. THE TRANSFER SCHEME

Zaire shall pay to the creditors in the United Kingdom in the currency of the debt the amounts due to such creditors in accordance with the transfer scheme set out in schedule 1 to this Agreement.

Article 4. MORATORIUM INTEREST

(1) Zaire shall be liable for and shall pay to the creditor moratorium interest in accordance with the provisions of this article on any debt to the extent that it has not been settled by payment to the creditor.

(2) Moratorium interest shall accrue during, and shall be payable in respect of, the period from maturity until settlement of the debt by payment to the creditor and shall be paid and transferred to the creditor concerned in the currency of the debt on 30 November and 31 May of each year commencing 30 November 1977 and concluding 30 November 1985.

(3) Moratorium interest shall be paid at the rate of 8 per cent per annum and shall be calculated on the outstanding amount of the debt.

Article 5. EXCHANGE OF INFORMATION

The Department and the Central Bank shall exchange all information required for the implementation of this Agreement.

Article 6. OTHER DEBT SETTLEMENTS

(1) If Zaire agrees with any creditor country other than the United Kingdom [on] terms for the settlement of indebtedness similar to the indebtedness [which is] the subject of this Agreement which are more favourable than the terms of this Agreement, then the terms for the payment of debts the subject of this Agreement shall, subject to the provisions of paragraph 2 of this article, be no less favourable than the terms so agreed with that other creditor country notwithstanding any provision of this Agreement to the contrary.

(2) The provisions of paragraph (1) of this article shall not apply in a case where the aggregate of the indebtedness to that other creditor country is less than the equivalent of SDR 1,000,000.

Article 7. PRESERVATION OF RIGHTS AND OBLIGATIONS

This Agreement and its implementation shall not affect the rights and obligations of creditors and debtors under their credit contracts, and, in particular, nothing in this Agreement shall affect the obligation of any debtor to pay any interest due after 30 June 1976 under the terms of any credit contract or under any bill of exchange or promissory note drawn up pursuant to the terms of such credit contract on the date therein specified.

Article 8. RULES

In the implementation of this Agreement the rules set out in schedule 2 of this Agreement shall apply.

Article 9. THE SCHEDULES

The schedules to this Agreement shall form an integral part thereof.

Article 10. ENTRY INTO FORCE AND DURATION

This Agreement shall enter into force on signature and shall remain in force until the last of the payments to be made to the creditors under articles 3 and 4 of this Agreement has been made.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

DONE in duplicate at Kinshasa this 16th day of November 1977 in the English and French languages, both texts being equally authoritative.

For the United Kingdom of Great Britain
and Northern Ireland:

R. L. B. CORMACK

For the Republic of Zaire:

KIAKWAMA kia KIZIKI

SCHEDULE 1

TRANSFER SCHEME

(1) An amount equal to 7½ per cent of each debt shall be transferred from Zaire to the UK on 15 November 1977 and 15 November 1978.

(2) An amount equal to 85 per cent of each debt shall be transferred in 14 equal half-yearly and consecutive instalments on 31 May and 30 November each year commencing:

(a) If the debt fell due before 1 January 1976, on 31 May 1978;

(b) If the debt fell due between 1 January 1976 and 31 December 1976, on 31 May 1979.

SCHEDULE 2

RULES

(1) The Department and the Central Bank shall agree a list of debts to which, by virtue of the provisions of article 2 of this Agreement, this Agreement applies.

(2) Such a list shall be completed as soon as possible. The list may be reviewed from time to time at the request of the Department or of the Central Bank. The agreement of both the Department and the Central Bank shall be necessary before the list may be altered or amended or added to.

(3) Neither inability to complete the list referred to in paragraphs (1) and (2) of this schedule nor delay in its completion shall prevent or delay the implementation of the other provisions of this Agreement.

(4) (a) The Central Bank shall transfer the necessary amounts in the currency of the debt to a bank in the United Kingdom together with payment instructions in favour of the creditor to whom payment is due in accordance with this Agreement.

(b) When making such transfers the Central Bank shall give the Department particulars of the debts and of the moratorium interest to which the transfers relate.
