

No. 19188

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

**Agreement on certain commercial debts (with schedules).  
Signed at London on 12 December 1979**

*Authentic texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 24 October 1980.*

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

**Accord relatif à certaines dettes commerciales (avec  
annexes). Signé à Londres le 12 décembre 1979**

*Textes authentiques : anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 24 octobre 1980.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF PERU ON CERTAIN COMMERCIAL DEBTS

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The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as “the United Kingdom”) and the Government of the Republic of Peru (hereinafter referred to as “Peru”);

As a result of the Conference regarding the consolidation of Peruvian debts held in Paris on 2 and 3 November 1978 at which the Government of the United Kingdom, the Government of Peru, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development, the Commission of the European Communities, the Organisation for Economic Co-operation and Development, the Andean Reserve Fund and the Inter-American Development Bank were represented;

Have agreed as follows:

*Article 1. DEFINITIONS*

In this Agreement, unless the contrary intention appears:

- (a) “Certificate” shall mean a certificate issued by the Ministry to account for the payment in soles made by the debtor;
- (b) “Credit contract” shall mean a credit contract as defined in Article 2 of this Agreement;
- (c) “Creditor” shall mean a creditor as defined in Article 2 of this Agreement;
- (d) “Currency of the debt” shall mean sterling or such other currency not being soles as is specified in the credit contract;
- (e) “Debt” shall mean any debt to which, by virtue of the provisions of Articles 2 and 9 of this Agreement and of Schedule 2 thereto, the provisions of this Agreement apply;
- (f) “Debtor” shall mean a debtor as defined in Article 2 of this Agreement;
- (g) “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;
- (h) “Ministry” shall mean the Ministry of Economics and Finance of Peru, General Directorate of Public Credit, or any other Department which the Government of Peru may nominate for the purposes of this Agreement;
- (i) “Payment in soles” shall mean payment in soles as specified in Article 3 of this Agreement;
- (j) “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;

<sup>1</sup> Came into force on 12 December 1979 by signature, in accordance with article 11.

(k) "Transfer scheme" shall mean the transfer scheme referred to in Article 4 of this Agreement.

#### *Article 2. THE DEBT*

(1) The provisions of this Agreement shall, subject to the provisions of paragraph (2) of this Article, apply to the principal amount of any debt, owed as primary or principal debtor or as guarantor by the Government of Peru or by a person or body of persons or corporation resident or carrying on business in Peru or by any 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 Peru 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 1978 (hereinafter referred to as a "credit contract");
- (b) Maturity of the debt has occurred on or since 1 January 1979 or will occur on or before 31 December 1980, both dates inclusive;
- (c) The debt is or will be in respect of a credit contract guaranteed as to payment of that debt under a guarantee issued by the Department; and
- (d) The debt is not expressed by the terms of the credit contract to be payable in soles.

(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 upon or as a condition of the cancellation or termination of the credit contract.

#### *Article 3. PAYMENTS IN PERU IN RESPECT OF DEBTS*

Each payment in soles by a debtor in respect of a debt shall, upon the entry into force of this Agreement or upon payment by the debtor, whichever is the later, be placed upon deposit in a special account with the Central Bank of Reserve of Peru. Amounts so deposited shall remain deposited with the Central Bank of Reserve of Peru until transfer to the creditors in accordance with the provisions of Article 4 of this Agreement.

#### *Article 4*

Peru shall ensure that the payments in soles shall be transferred to the creditors in the United Kingdom in the currency of the debt in accordance with the transfer scheme set out in Schedule 1 to this Agreement. The amount of the currency of the debt to be so transferred shall in all cases be calculated at the rate of exchange prevailing at the time of payment in soles.

#### *Article 5. INTEREST*

(1) Peru shall be liable for, and shall pay to the creditor, 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 pursuant to Article 4 of this Agreement.

(2) Interest shall accrue during, and shall be payable in respect of, the period from maturity until the settlement of the debt by a payment to the creditor, and shall be paid and transferred to the creditor concerned in the currency of the debt half-yearly on 1 July and 1 January of each year commencing on 1 July 1979.

(3) Interest shall be calculated on the outstanding amount of the debt and paid at the rate of 10 per cent per annum in respect of credit contracts designated in sterling and at the rate of 9 per cent per annum in respect of such contracts as are designated in United States of America dollars, and in both cases will be calculated on the basis of a 365 day year.

#### *Article 6. EXCHANGE OF INFORMATION*

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

#### *Article 7. OTHER DEBT SETTLEMENTS*

(1) If Peru agrees with any creditor country other than the United Kingdom terms for the settlement of indebtedness similar to the indebtedness the subject of this Agreement which are more favourable than are the terms of this Agreement to creditors, then the terms for the payment of debts the subject of this Agreement shall, subject to the provision of paragraph (2) of this Article, be no less favourable to creditors 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 million.

#### *Article 8. 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.

#### *Article 9. RULES*

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

#### *Article 10. THE SCHEDULES*

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

#### *Article 11. 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 4 and 5 of this Agreement has been made.

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

DONE in duplicate at London this 12th day of December 1979 in the English and Spanish languages, both texts being equally authoritative.

For the Government  
of the United Kingdom of Great Britain  
and Northern Ireland:

NICHOLAS RIDLEY

For the Government  
of the Republic of Peru:

G. FERNÁNDEZ PUYÓ

EN TESTIMONIO DE LO CUAL, los suscritos, debidamente autorizados a tal efecto por sus respectivos gobiernos, firman este Convenio.

HECHO en duplicado en Londres el 12 de diciembre de 1979 en inglés y español, siendo ambos textos igualmente válidos.

Por el Gobierno  
del Reino Unido de Gran Bretaña  
e Irlanda del Norte:

Por el Gobierno  
de la República del Perú:

## SCHEDULE 1

## TRANSFER SCHEME

(1) In respect of each debt which will fall due between 1 January 1979 and 31 December 1979, both dates inclusive, and which remains unpaid:

- (a) An amount equal to 10 per cent of each payment in soles shall be transferred from Peru to the United Kingdom on the maturity date of the debt specified in the credit contract, or on such payment if later, and
- (b) An amount equal to 90 per cent of each payment in soles shall be transferred from Peru to the United Kingdom in 10 equal half-yearly consecutive instalments on 1 January and 1 July each year commencing on 1 January 1982.

(2) In respect of each debt which will fall due between 1 January 1980 and 31 December 1980, both dates inclusive, and which remains unpaid, and subject to the provisions of paragraph 3 of this Schedule:

- (a) An amount equal to 10 per cent of each payment in soles shall be transferred from Peru to the United Kingdom on the maturity date of the debt specified in the credit contract, and
- (b) An amount equal to 90 per cent of each payment in soles shall be transferred from Peru to the United Kingdom in 8 equal half-yearly consecutive instalments on 1 January and 1 July each year commencing on 1 January 1983.

(3) The provisions of paragraph (2) of this Schedule shall not be effective unless before 1 January 1980 an exchange of letters agreeing to its implementation shall have taken place between the United Kingdom and Peru.

## SCHEDULE 2

## RULES

(1) The Department and the Ministry 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. This list may be reviewed from time to time at the request of the Department or of the Ministry. The agreement of both the Department and the Ministry 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) Upon the placing of a payment in soles on deposit in the special account with the Central Bank of Reserve of Peru pursuant to Article 3 of this Agreement the Ministry shall notify the Department of such deposit by remitting a certificate issued by the Ministry which shall state:

- (a) The amount of such payment in soles expressed in the currency of the debt at the rate of exchange prevailing at the time of such payment;
- (b) The date of such payment; and
- (c) Particulars of the credit contract and date of payment of the debt to which such payment relates.

(5) (a) The Ministry 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 transfer the Ministry shall give the Department particulars of the debts and of the interest to which the transfers relate.