

No. 19650

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

**Agreement on certain commercial debts (with schedules).
Signed at Khartoum on 25 August 1980**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 19 March 1981.*

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

**Accord relatif à certaines dettes commerciales (avec annexes).
Signé à Khartoum le 25 août 1980**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 19 mars 1981.*

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

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

As a result of the Conference regarding consolidation of Sudanese debts held in Paris on 12 and 13 November 1979 at which the Government of the United Kingdom, the Government of Sudan, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development, the Secretariat of the UNCTAD, the Commission of the European Economic Communities, and the Organisation for Economic Cooperation and Development were represented;

Have agreed as follows:

Article I. DEFINITIONS

In this Agreement, unless the contrary intention appears:

- (a) “Certificate” shall mean a certificate issued by the Bank of Sudan to account for the payment in Sudanese Pounds made by the debtor;
- (b) “Credit contract”, shall mean a credit contract as defined in Article 2 of in 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 Sudanese Pounds as is specified in the credit contract;
- (e) “Debt” shall mean any debt to which, by virtue of the provisions of Article 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 Finance of Sudan or any other Department which the Government of Sudan may nominate for the purposes of this Agreement;
- (i) “Payment in Sudanese Pounds” shall mean payment in Sudanese Pounds as specified in Article 3 of this Agreement;

¹ Came into force on 25 August 1980 by signature, in accordance with article 11.

(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;

(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 any debt, whether of principal or of contractual interest accruing up to maturity owed as primary or principal debtor or as guarantor by the Government of Sudan or by a person or body of persons or corporation resident or carrying on business in Sudan 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 Sudan 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 1979 (hereinafter referred to as a "credit contract");
- (b) Maturity of the debt has occurred or will occur on or before 30 June 1981 and that debt remains unpaid;
- (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 Sudanese Pounds.

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. PAYMENT IN SUDAN IN RESPECT OF DEBTS

Each payment in Sudanese Pounds by a debtor in respect of a debt (hereinafter referred to as "payment in Sudanese Pounds") 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 Bank of Sudan. Amounts so deposited shall remain deposited with the Bank of Sudan. Amounts so deposited shall remain deposited with the Bank of Sudan until transfer to the creditor in accordance with the provision of Article 4 of this Agreement.

Article 4. PAYMENTS TO CREDITORS

Sudan shall ensure that the payments in Sudanese Pounds 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 of 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 Sudanese Pounds.

Article 5. INTEREST

1. Sudan 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 in the United Kingdom 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 April and 1 October of each year commencing on 1 October 1980.

3. Interest shall be calculated on the outstanding amount of the debt and paid at the rate of 11 per cent per annum and shall be calculated on the basis of a 365 day year.

Article 6. EXCHANGE OF INFORMATION

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

Article 7. OTHER DEBT SETTLEMENTS

1. If Sudan 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 of the payment of debts the subject of this Agreement shall, subject to the provisions of paragraphs 2 and 3 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.

3. The provisions of paragraph 1 of this Article shall not apply to matters relating to the payments of interest determined by Article 5 hereof.

Article 8. PRESERVATIONS 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, have signed this Agreement.

DONE in duplicate at Khartoum this twenty-fifth day of August 1980.

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

R. A. FYJIS-WALKER

For the Government of the Democratic Republic of the Sudan:

O. NAZIR

SCHEDULE 1

TRANSFER SCHEME

1. In respect of each debt which fell due up to 30 September 1979 inclusive, and which remains unpaid, payment of a percentage of each payment in Sudanese Pounds shall be made by transfer from Sudan to the United Kingdom in accordance with the following list:

3.5% on July 15, 1980	7% on October 1, 1983
3.5% on October 1, 1980	8.5% on April 1, 1984
3.5% on April 1, 1981	8.5% on October 1, 1984
3.5% on October 1, 1981	10% on April 1, 1985
7% on April 1, 1982	10% on October 1, 1985
7% on October 1, 1982	10.5% on April 1, 1986
7% on April 1, 1983	10.5% on October 1, 1986

2. In respect of each debt which fell due or will fall due between 1 October 1979 and 30 June 1980 both dates inclusive and which remains unpaid:

- (a) An amount equal to 85% of each payment in Sudanese Pounds shall be transferred from Sudan to the United Kingdom in 14 equal half-yearly consecutive instalments on 30 June and 31 December each year commencing on 31 December 1983; and
- (b) The balance of 15% shall be transferred from Sudan to the United Kingdom on the date of maturity of the debt specified in the credit contract with the exception that such payments as fell due between 1 October 1979 and the date of signature of this Agreement shall be made six months after the date of the signature.

3. In respect of each debt which will fall due between 1 July 1980 and 30 June 1981 both dates inclusive and which remains unpaid, and subject to the provisions of paragraph 4 of this Schedule:

- (a) An amount equal to 85% of each payment in Sudanese Pounds shall be transferred from Sudan to the United Kingdom in 14 equal half-yearly consecutive instalments on 30 June and 31 December each year commencing on 31 December 1984; and
- (b) The balance of 15% shall be transferred from Sudan to the United Kingdom on the date of maturity of the debt specified in the credit contract.

4. Where a percentage of payment in Sudanese Pounds in respect of a debt is due to be made to the United Kingdom on any date under any of the provisions of paragraphs 1 to 3 of this Schedule but remains unpaid because the relevant payment in Sudanese Pounds had not been made at that date then such percentage payment or payments shall be made by

transfer from Sudan to the United Kingdom immediately upon the payment in Sudanese Pounds.

5. The provisions of paragraph 3 of this Schedule shall not be effective unless before 1 July 1980 an Exchange of Notes agreeing to its implementation shall have taken place between the United Kingdom and Sudan.

SCHEDULE 2

RULES

1. The Department and the Bank of Sudan 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 the Bank of Sudan. The agreement of both the Department and the Bank of Sudan shall be necessary before the list may be altered, amended or added to.

3. Neither inability to complete the list referred to in paragraph 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 Sudanese Pounds on deposit in the special account with the Bank of Sudan pursuant to Article 3 of this Agreement the Bank of Sudan shall notify the Department of such deposit by remitting a certificate by the Bank of Sudan which shall state:

- (a) The amount of such payment in Sudanese Pounds 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 Bank of Sudan 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 Bank of Sudan shall give the Department particulars of the debts and of the interest to which the transfers relate.
