

No. 20731

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

**Agreement on certain commercial debts (with schedules).  
Signed at Warsaw on 2 July 1981**

*Authentic text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 9 February 1982.*

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

**Accord relatif à certaines dettes commerciales (avec  
annexes). Signé à Varsovie le 2 juillet 1981**

*Texte authentique : anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du  
Nord le 9 février 1982.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE POLISH PEOPLE'S REPUBLIC 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 Polish People's Republic (hereinafter referred to as "Poland");

As a result of the conference regarding restructuring of Polish debts held in Paris on 27 April 1981 at which the Government of the United Kingdom, the Government of Poland and certain other Governments 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 Polish Złoty as is specified in the credit contract;

(d) "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;

(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) "The Bank" shall mean Bank Handlowy w Warszawie;

(h) "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;

(i) "Transfer scheme" shall mean the transfer scheme referred to in Article 3 of this Agreement.

*Article 2. THE DEBT*

1. The provisions of this Agreement shall 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 Poland or by a person or body of persons or corporation resident or carrying on business in Poland 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 King-

<sup>1</sup> Came into force on 2 July 1981 by signature, in accordance with article 10.

dom 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 Poland 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 1981 (hereinafter referred to as a "credit contract");
- (b) Maturity of the debt has occurred or will occur between 1 July 1981 and 31 December 1981 both dates inclusive 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 Polish Złoty.

#### *Article 3. PAYMENTS TO CREDITORS*

Poland shall pay to the creditors in the United Kingdom in the currency of the debt the amounts due to each creditor in accordance with the transfer scheme set out in Schedule 1 of this Agreement.

#### *Article 4. INTEREST*

1. Poland shall be liable for and shall pay to the creditor interest in accordance with the provisions of this Article on any debt as defined in Article 1 to the extent that it has not been settled by payment to the creditor in the United Kingdom pursuant to Article 3 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 January and 1 July of each year commencing on 1 January 1982.

3. The rate of interest applied to the debt shall be calculated at one per cent above the London Inter-Bank Offer Rate for the period in question. The method of calculation will be agreed in separate correspondence between the Bank and the Department. No additional commission or premium will be charged.

#### *Article 5. EXCHANGE OF INFORMATION*

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

#### *Article 6. OTHER DEBT SETTLEMENTS*

1. If Poland 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 generally 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 4 hereof.

#### *Article 7. 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 8*

In the event of the occurrence of exceptional circumstances as envisaged in the Agreement signed on 27 April 1981 following the Paris Conference the implementation of this Agreement may be suspended and payment of the debts will be made in accordance with the provisions of the 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. ENTRY INTO FORCE AND DURATION*

This Agreement shall enter into force on signature and, subject to the provisions of Article 8 of this Agreement, 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 Warsaw this 2nd day of July 1981, both texts being equally authoritative.

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

C. M. JAMES

For the Government of the Polish People's Republic:

Z. KARCZ

### SCHEDULE 1

#### TRANSFER SCHEME

1. In respect of each debt which will fall due between 1 July 1981 and 31 December 1981 both dates inclusive and which remains unpaid:

- (a) An amount equal to 90 per cent of each debt shall be transferred from Poland to the United Kingdom in eight equal half-yearly consecutive instalments on 1 January and 1 July each year commencing on 1 January 1986; and

- (b) The balance of 10 per cent shall be transferred from Poland to the United Kingdom on the date of maturity of the debt specified in the credit contract, or if the due date for payment has occurred prior to the date of signature of this Agreement shall be so transferred as soon as possible thereafter.

## SCHEDULE 2

### RULES

1. The Department and the 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. This list may be reviewed from time to time at the request of the Department or the Bank. The agreement of both the Department and the Bank shall be necessary before the list may be altered, 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 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 transfer the Bank shall give the Department particulars of the debts and of the interest to which the transfers relate.
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