

No. 21313

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

**Agreement on certain commercial debts (with schedules).
Signed at Antananarivo on 4 April 1982**

Authentic texts: English and French.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 16 November 1982.*

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

**Accord relatif à certaines dettes commerciales (avec
annexes). Signé à Antananarivo le 4 avril 1982**

Textes authentiques : anglais et français.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 16 novembre 1982.*

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF MADAGASCAR 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 Madagascar (hereinafter referred to as “Madagascar”),

As a result of the Conference regarding the consolidation of Madagascar’s debts held in Paris on 29 and 30 April 1981 at which the Government of the United Kingdom, the Government of Madagascar, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development, the Secretariat of the United Nations Conference on Trade and Development, the Commission of the European Communities and the Organisation for Economic Co-operation and Development 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) “Credit period” shall mean in relation to a credit contract the longest period of credit in respect of debts under that contract and references to credit contracts where the credit is less than one year shall include those contracts which do not provide for any credit to be given;
- (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 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 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) “The Central Bank” shall mean the Central Bank of Madagascar;
- (i) “The Department” shall mean the Export Credits Guarantee Department of the United Kingdom or any other Department thereof which the United Kingdom may nominate for the purposes of the Agreement;
- (j) “Transfer scheme” shall mean the transfer scheme referred to in article 3 of this Agreement.

¹ Came into force on 4 April 1982 by signature, in accordance with article 10.

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 Madagascar or by a person or body of persons or corporation resident or carrying on business in Madagascar 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 Madagascar of goods or services or both or of finance therefor and which was entered into before 1 January 1981 (hereinafter referred to as a "credit contract");
- (b) (i) In the case of a debt arising under a credit contract where the credit period is one year or less, maturity of the debt occurred on or before 31 December 1980 and that debt remains unpaid;
- (ii) In the case of a debt arising under a credit contract where the credit period is more than one year, maturity of the debt occurred on or before 31 December 1980 or has occurred or will occur between 1 January 1981 and 30 June 1982 (both dates inclusive) and, where maturity has occurred, the 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 Malagasy francs.

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

Madagascar shall ensure that the payment of the debt shall be made and 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.

Article 4. INTEREST

1. Madagascar 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 3 of this Agreement.

2. Interest shall accrue and shall be payable in respect of the period from maturity until the 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 half-yearly on 30 June and 31 December of each year commencing on 30 June 1982.

3. Interest shall be calculated on the outstanding amount of the debt and paid at the rate of 10.5 per cent per annum and shall be calculated on the basis of a 365-day year.

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 Madagascar 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 provisions 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 500.000.

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.

Article 8. RULES

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

Article 9. THE SCHEDULES

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

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 Antananarivo, this 4th day of April 1982, in the English and French languages, both texts being equally authoritative.

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

R. J. LANGRIDGE

For the Government of the Democratic Republic of Madagascar:

RAJAOBELINA L.

SCHEDULE 1

TRANSFER SCHEME

1. In respect of each debt arising under a credit contract which fell due on or before 31 December 1980 and which remains unpaid:
 - (a) An amount equal to 25 per cent shall be transferred from Madagascar to the United Kingdom before 31 December 1981; and
 - (b) An amount equal to 75 per cent shall be transferred from Madagascar to the United Kingdom in eight equal and consecutive half-yearly instalments on 31 March and 30 September each year commencing on 31 March 1982.
2. In respect of each debt arising under a credit contract where the credit period is more than one year which fell due or will fall due between 1 January 1981 and 30 June 1982 both dates inclusive and which remains unpaid:
 - (a) An amount equal to 15 per cent shall be transferred from Madagascar to the United Kingdom in three equal instalments, the first instalment of 5 per cent to be so transferred upon the original date of maturity, or where that date has occurred prior to the date of signature of this Agreement one month after that date, and subsequent instalments of 5 per cent each to be so transferred on 30 June 1983 and 30 June 1984 respectively; and
 - (b) An amount equal to 85 per cent shall be transferred from Madagascar to the United Kingdom in ten equal and consecutive half-yearly instalments on 31 March and 30 September each year commencing on 31 March 1986.

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. This 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 transfer the Central Bank shall give the Department particulars of the debts and of the interest to which the transfers relate.