

**No. 22815**

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

**Agreement on certain commercial debts (with schedules).  
Signed at Antananarivo on 21 May 1983**

*Authentic texts: English and French.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 29 March 1984.*

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

**Accord relatif à certaines dettes commerciales (avec  
annexes). Signé à Antananarivo le 21 mai 1983**

*Textes authentiques : anglais et français.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 29 mars 1984.*

## AGREEMENT<sup>1</sup> 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 consolidation of Madagascar’s debts held in Paris on 12 and 13 July 1982 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 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 period 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 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) “The Central Bank” shall mean the Central Bank of Madagascar;

(i) “The Department” shall mean the Export Credits Guarantee Department of the Government of the United Kingdom or any other Department thereof 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.

<sup>1</sup> Came into force on 21 May 1983 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 1982 (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 between 1 January 1981 and 30 June 1982 (both dates inclusive) 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 or will occur between 1 July 1982 and 30 June 1983 (both dates inclusive) and, where maturity has occurred that debt remains unpaid;
- (c) The debt is 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 paid 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. PAYMENTS TO CREDITORS*

Madagascar undertakes to pay its debts punctually and shall ensure that funds are 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 during, 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 31 March and 30 September each year commencing on 31 March 1983.

(3) Interest shall be calculated on the outstanding amount of the debt and paid at the rate of 10 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 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 the other creditor country is less than the equivalent of SDR 500,000.

(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. 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 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 Antananarivo this 21st day of May 1983 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:

LEON M. RAJAOBELINA

## SCHEDULE 1

## TRANSFER SCHEME

(1) In respect of each debt arising under a credit contract where the credit period is one year or less which fell due between 1 January 1981 and 30 June 1982 (both dates inclusive) and which remains unpaid:

- (a) An amount equal to 30 per cent shall be transferred from Madagascar to the United Kingdom before 31 December 1982; and
- (b) An amount equal to 70 per cent shall be transferred from Madagascar to the United Kingdom in six equal and consecutive half-yearly instalments on 31 March and 30 September each year commencing on 31 March 1983.

(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 July 1982 and 30 June 1983 (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 due 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 to be so transferred on 30 June 1984 and 30 June 1985 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 1987.

## 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 the Central Bank. The agreement of both the Department and the Central 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 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.