

No. 23325

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

**Agreement on certain commercial debts (with schedules).
Signed at London on 12 March 1984**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on 11 April
1985.*

**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 mars 1984**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 11 avril
1985.*

AGREEMENT¹ 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

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 consolidation of Peruvian debts held in Paris on 25 and 26 July 1983 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 Secretariat of the United Nations Conference on Trade and Development, the Organisation for Economic Co-operation and Development 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 Peruvian 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 Peruvian 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 10 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 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;

(i) “payment in Peruvian soles” shall mean payment in Peruvian soles as specified in Article 3 of this Agreement;

(j) “the 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;

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

¹ Came into force on 12 March 1984 by signature, in accordance with article 11.

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 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 of finance therefor, and which allowed credit to the debtor for a period exceeding one year, and which was entered into before 1 January 1983 (hereinafter referred to as a “credit contract”);

(b) maturity of the debt has occurred, or will occur, between 1 May 1983 and 30 April 1984 both dates inclusive and that after maturity 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 payable by 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 Peruvian 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. PAYMENTS TO CREDITORS

Peru 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. The amount of the currency of the debt so transferred shall in all cases be calculated at the rate of exchange prevailing at the time of payment in Peruvian 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 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 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 30 April and 31 October of each year commencing on 30 April 1984.

(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 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 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 SDR1 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. PRESERVATION OF RIGHTS AND OBLIGATIONS

This Agreement and its implementations 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 London this 12th day of March 1984.

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

R. W. WHITNEY

For the Government of the Republic of Peru:

ANDRES A. ARAMBURU-MENCHACA

SCHEDULE 1

TRANSFER SCHEME

In respect of each debt arising from a credit contract which fell due, or will fall due, between 1 May 1983 and 30 April 1984, both dates inclusive, and after maturity that debt remains unpaid:

(a) an amount equal to 90 per cent of each debt shall be paid and transferred from Peru to the United Kingdom in 10 equal and consecutive half-yearly instalments on 30 April and 31 October each year commencing on 30 April 1987; and

(b) the balance of 10 per cent of each debt shall be paid and transferred from Peru to the United Kingdom in the following manner:

- (i) 5 per cent on maturity date as specified in the credit contract where that date has passed on or before 31 October 1983; and
- (ii) 5 per cent on 31 December 1984.

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 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 Peruvian soles on deposit in the special account with the Central Bank of Reserve of Peru pursuant to Article 3 of this Agreement the Central Bank of Reserve of Peru shall notify the Department of such deposit by remitting a certificate issued by the Central Bank of Reserve of Peru which shall state:

- (a) the amount of such payment in Peruvian 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.
