

No. 24108

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

**Agreement on certain commercial debts (with schedules).
Signed at Antananarivo on 7 January 1985**

Authentic texts: English and French.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
19 May 1986.*

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

**Accord relatif à certaines dettes commerciales (avec an-
nexes). Signé à Antananarivo le 7 janvier 1985**

Textes authentiques : anglais et français.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 19 mai 1986.*

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 Government of the United Kingdom”) and the Government of the Democratic Republic of Madagascar (hereinafter referred to as “the Government of Madagascar”);

As a result of the Conference held in Paris on 22 and 23 March 1984 regarding the consolidation of Madagascar’s debts 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) “Contract” shall mean a contract as defined in Article 2(1)(b) of this Agreement, or, in relation to a debt referred to in Article 2(1)(a) of this Agreement, the contract under which the debt of principal and interest was originally payable;
- (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 Malagasy Francs as is specified in the contract;
- (d) “Debt” shall mean any debt to which, by virtue of the provisions of Articles 2 and 8 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 contract or under a promissory note or bill of exchange drawn up pursuant to the terms of such contract;
- (g) “The Central Bank” shall mean the Central Bank of Madagascar;
- (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 purpose of this Agreement;
- (i) “The previous Agreements” shall mean the Agreements between the Government of the United Kingdom of Great Britain and Northern Ireland and the

¹ Came into force on 7 January 1985 by signature, in accordance with article 10.

Government of the Democratic Republic of Madagascar on Certain Commercial Debts signed on 4 April 1982¹ and 21 May 1983²;

(j) "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, subject to the provisions of paragraph (2) of this Article, apply to:

(a) Any debt, whether of principal or of contractual interest, payable under either of the previous Agreements, 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") which has fallen due or will fall due for repayment on or before 31 December 1984 and which remains unpaid after due date; and

(b) Any other debt, whether of principal or of contractual interest accruing up to maturity, owed by a debtor to a creditor, provided that:

- (i) 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, which was entered into before 1 July 1983 (hereinafter referred to as a "contract") and which allowed credit for a period exceeding one year;
- (ii) maturity of the debt has occurred, or will occur, on or before 31 December 1984 and that after maturity that debt remains unpaid;
- (iii) the debt is in respect of a contract guaranteed as to payment of that debt under a guarantee issued by the Department; and
- (iv) the debt is not expressed by the terms of the 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 contract or upon or as a condition of the cancellation or termination of the contract.

Article 3. PAYMENTS TO CREDITORS

The Government of Madagascar 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 and the rules set out in Schedule 1 and Schedule 2 respectively to this Agreement.

Article 4. INTEREST

1. The Government of 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, or, in the case of a debt of principal or of contractual interest payable

¹ United Nations, *Treaty Series*, vol. 1294, p. 175.

² *Ibid.*, vol. 1352, p. 217.

under a previous Agreement, from the date for repayment thereunder or 30 June 1983 whichever is the later, 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 30 September 1984.

3. Interest shall be calculated on the basis of a 365 day year on the outstanding amount of the debt and shall be paid:

- (a) in the case of debts specified in Article 2(1)(b) at the rate of 11¹/₈ per cent per annum; and
- (b) in the case of any debt specified in Article 2(1)(a) at the rate specified in the relevant previous Agreement in respect thereof for the period up to and including 30 June 1983 or up to and including the due date for repayment whichever is the later, and thereafter at the rate of 11¹/₈ per cent per annum.

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 the Government of 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 to creditors than are the terms of this Agreement, 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 250,000.

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 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 7th day of January, 1985 in the English and French languages, both texts being equally authoritative.

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

D. M. MCBAIN

For the Government
of the Democratic Republic
of Madagascar:

R. RANDRIAMAHOLY

SCHEDULE 1

TRANSFER SCHEME

1. In respect of each debt arising under or in relation to a contract which allowed credit for more than one year (excluding debts payable under any of the previous Agreements), which fell due or will fall due on or before 31 December 1984 and which remains unpaid: an amount equal to 95 per cent of each debt shall be paid and transferred by the Government of Madagascar to the creditor in the United Kingdom in 12 equal and consecutive half-yearly instalments on 31 March and 30 September each year commencing on 30 September 1989. The remaining 5 per cent of each debt shall be paid and transferred by the Government of Madagascar to the creditor in the United Kingdom on 31 December 1984.

2. In respect of each debt payable under any of the previous Agreements which fell due or will fall due on or before 31 December 1984 and which remains unpaid: an amount equal to 90 per cent of each debt shall be paid and transferred by the Government of Madagascar to the creditor in the United Kingdom in 12 equal and consecutive half-yearly instalments on 31 March and 30 September each year commencing on 30 September 1989. The remaining 10 per cent of each debt shall be paid and transferred by the Government of Madagascar to the creditor in the United Kingdom in two equal instalments on 31 December 1984 and 1985 respectively.

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 of 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) In order to meet payments becoming due under the terms of Schedule 1 to this Agreement, the Government of Madagascar shall, in the first instance, draw upon its special account at the Bank of France to meet such payments.

(b) The Government of Madagascar shall arrange for the necessary amounts to be transferred 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.

(c) When arranging such transfers, the Government of Madagascar shall give the Department full particulars of the debts and of the interest to which the transfers relate.