

No. 24106

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

**Agreement on certain commercial debts. Signed at London
on 6 December 1984**

Authentic texts: English and Serbo-Croatian.

*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
YOUGOSLAVIE**

**Accord relatif à certaines dettes commerciales. Signé à
Londres le 6 décembre 1984**

Textes authentiques : anglais et serbo-croate.

*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 FEDERAL EXECUTIVE COUNCIL OF THE ASSEMBLY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA, THE GOVERNMENT OF YUGOSLAVIA, 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 Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia, the Government of Yugoslavia (hereinafter referred to as “the Federal Executive Council”);

As a result of the Conferences held in Geneva on 18 November 1983 and 24 March 1984 and in Paris on 11 January 1984 resulting in the signature of an Agreed Minute in Paris on 22 May 1984 regarding consolidation of Yugoslav debts at which the Government of the United Kingdom, the Federal Executive Council and certain other Governments, were represented;

Have agreed as follows:

Article 1. DEFINITIONS

In this Agreement, unless the contrary intention appears:

(a) “Currency of the debt” shall mean sterling or such other currency not being Yugoslav dinars as is specified in the contract.

(b) “Debt” shall mean any debt to which, by virtue of the provisions of Article 2 of this Agreement the provisions of this Agreement apply.

(c) “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.

(d) “Recognised bank” shall mean a bank, including a bank participating in a lending syndicate or in a syndicate led by banks, which has received a guarantee issued by the Department (as hereinafter defined) in respect of loan or financial agreements.

(e) “The Bank” shall mean Udruzena Beogradska Banka or any other Bank or Banks authorised by the Federal Executive Council.

(f) “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.

(g) “The Loans” shall mean the refinancing loans referred to in Article 3.

(h) “The Loan Agreements” shall mean the Agreements to be entered into between the parties to the Loans.

¹ Came into force provisionally on 6 December 1984, the date of signature, and definitively on 22 January 1985, the date of its ratification by the Government of Yugoslavia, in accordance with article 7.

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 of principal owed by a body of persons resident or carrying on business in Yugoslavia or by any successor thereto, as primary debtor or as guarantor (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 Yugoslavia 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 2 December 1982 (hereinafter referred to as a “contract”);
- (b) Maturity of the debt has occurred, or will occur, between 1 January 1984 and 31 December 1984, both dates inclusive, and that after maturity that debt remains unpaid;
- (c) The debt is in respect of a contract guaranteed as to payment of that debt under a guarantee issued by the Department;
- (d) The debt is the subject of a loan or financial agreement where the creditor is a recognised bank; and
- (e) The debt is not expressed by the terms of the contract to be payable in Yugoslav dinars.

(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. REFINANCING LOAN

(1) The Department shall procure that two loans one denominated in Sterling and the other in United States Dollars (hereinafter referred to as “the Loans”) shall be arranged between a consortium of banks carrying on business in the United Kingdom and a consortium of banks carrying on business in Yugoslavia (“the Yugoslav Banks”) to provide for payments to be made in respect of the debt. The terms of the Loans shall, in accordance with the Agreed Minute signed in Paris on 22 May 1984, provide for refinancing of all amounts of principal due from 1 January 1984 up to 31 December 1984, both dates inclusive, and not paid, on loans and credits given or guaranteed by the Government of the United Kingdom through its appropriate institution, the Department, relating to contracts or other financial arrangements concluded before 2 December 1982.

(2) The rate of interest applicable to the debt shall be calculated at 1 (one) per cent per annum above the London Inter-Bank Offer Rate, as defined in the Loan Agreements.

(3) Repayment of the Loans will be made in 6 (six) equal and successive half-yearly payments, the first to be made on 31 December 1988 and the final payment to be made on 30 June 1991.

(4) The Federal Executive Council in exercise of the powers conferred upon it by the Decree which was approved by the Assembly on 28 June 1984 (The Law on the Ratification of the Agreed Minutes on Debt Consolidation of the Socialist Federal Republic of Yugoslavia) guarantees in the name of and on behalf of the Socialist Federal Republic of Yugoslavia that all payments to be made by the Yugoslav Banks under the Loan Agreements shall be made in Sterling in London on due date, in respect of the Sterling Loan and United States Dollars in New York on due date in respect of the United States Dollar Loan as in both cases provided for in the respective Loan Agreements and that the Loans will be used only for the purposes recited in the Loan Agreements.

Article 4. EXCHANGE OF INFORMATION

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

Article 5. OTHER DEBT SETTLEMENTS

(1) If the Federal Executive Council agrees with any creditor 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 the Loans, then the terms of the Loans shall be amended, subject to the provisions of paragraphs (2) and (3) of this Article, so that they become no less favourable to the consortium of United Kingdom Banks than the terms so agreed with that other creditor 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 1,000,000.

(3) The provisions of paragraph (1) of this Article shall not apply to the interest falling due in accordance with the Loan Agreements.

Article 6. 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 7. ENTRY INTO FORCE AND DURATION

This Agreement shall apply provisionally from the date of signature and shall enter into force on its ratification in accordance with the laws in force in Yugoslavia and shall remain in force until the Loans have been fully repaid and the terms of the Loans have been completely satisfied.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

DONE in duplicate at London this 6th day of December, 1984, in the English and Serbo-Croatian languages, both versions being equally authoritative.

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

MALCOLM RIFKIND

For the Federal Executive Council
of the Assembly of the Socialist
Federal Republic of Yugoslavia:

DRAGI STAMENKOVIC