

No. 24809

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
COSTA RICA**

**Agreement on certain commercial debts (with schedules).
Signed at London on 30 January 1986**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 5 May 1987.*

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

**Accord relatif à certaines dettes commerciales (avec annexes).
Signé à Londres le 30 janvier 1986**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 5 mai 1987.*

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF COSTA RICA 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 Republic of Costa Rica (hereinafter referred to as “the Government of Costa Rica”);

As a result of the Conference held in Paris on 22 April 1985 regarding the consolidation of Costa Rican debts at which the Government of the United Kingdom, the Government of Costa Rica, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, 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 AND INTERPRETATION

(1) In this Agreement, unless the contrary intention appears:

(a) “The Ministry of Finance” means the Ministry of Finance of the Government of Costa Rica.

(b) “Contract” means a contract entered into before 1 July 1982 the parties to which include a debtor and a creditor and which is either for the sale of goods and/or services from outside Costa Rica to a buyer in Costa Rica or is in respect of the financing of such a sale and which in either case granted or allowed credit to the debtor for a period exceeding one year.

(c) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom or any successor in title thereto.

(d) “Currency of the debt” means the currency specified in the relevant contract as being the currency in which that debt is to be paid.

(e) “Debt” means any debt to which, by virtue of the provisions of Article 2 and of the operation of the rules specified by Schedule 2, the provisions of this Agreement apply.

(f) “Debtor” means the Government of Costa Rica (whether as primary debtor or as guarantor) or any person or body of persons or corporation resident or carrying on business in Costa Rica or any successor in title thereto.

(g) “The Department” means the Secretary of State of the Government of the United Kingdom acting through the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which that Government may subsequently nominate for the purposes hereof.

¹ Came into force on 30 January 1986 by signature, in accordance with article 11.

(h) "Maturity" in relation to a debt means the due date for the payment or repayment thereof under the relevant contract or on a promissory note or bill of exchange drawn up pursuant thereto.

(i) "Transfer scheme" means the transfer scheme specified by Schedule 1.

(j) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland and includes the Channel Islands and the Isle of Man.

(2) All references to interest, excluding contractual interest, shall be to interest accruing from day to day and calculated on the basis of actual days elapsed and a year of 365 days.

(3) Where the context of this Agreement so allows words importing the singular include the plural and vice-versa.

(4) Unless otherwise indicated reference to a specified Article or Schedule shall be construed as a reference to that specified Article or Schedule to this Agreement.

(5) The headings to the Articles are for ease of reference only and do not form part of this Agreement.

Article 2. THE DEBT

(1) The provisions of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article and the rules specified in paragraph (1) of Schedule 2, apply to every debt, whether of principal or of contractual interest accruing up to maturity, owed by a debtor to a creditor and which:

- (a) Arises under or in relation to a contract or any agreement supplemental thereto;
- (b) Fell due or will fall due on or before 31 March 1986 and remains unpaid;
- (c) Is guaranteed by the Department as to payment according to the terms of the contract; and
- (d) Is not expressed by the terms of the contract to be payable in Costa Rican colones.

(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.

(3) The provisions of this Agreement shall not apply to any indebtedness covered by the Agreement between the Government of the United Kingdom and the Government of Costa Rica on Certain Commercial Debts, signed on 12 March 1984,¹ nor to any payments due under the terms of that Agreement.

Article 3. PAYMENTS IN COSTA RICAN COLONES IN RESPECT OF DEBTS

In addition to the debts owed by the Government of Costa Rica as debtor, where a debtor has made a payment in Costa Rican colones in respect of any debt, then:

- (a) Where the payment was made before entry into force of this Agreement, upon such entry into force, and

¹ United Nations, *Treaty Series*, vol. 1393, No. I-23324.

(b) Where the payment was made subsequently, upon such payment, the payment of such debt shall become the obligation of the Government of Costa Rica. The payment of all such debt by the Government of Costa Rica to the Department shall be made in accordance with the provisions of Article 4.

Article 4. PAYMENTS TO CREDITORS

The Government of Costa Rica shall pay and transfer to the Department on behalf of and as agent for each creditor, and to an account details of which shall be notified by the Department to the Government of Costa Rica, the amounts due to that creditor in accordance with the transfer scheme and the rules set out in Schedules 1 and 2 respectively.

Article 5. INTEREST

(1) The Government of Costa Rica shall be liable for and shall pay to the Department interest in accordance with the provisions of this Article on each debt to the extent that it has not been settled by payment to the Department, in the United Kingdom, pursuant to Article 4. In this respect the Department shall be regarded as acting as agent for each creditor concerned.

(2) Interest on each debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from maturity until the settlement of that debt by payment to the Department as aforesaid, and shall be paid and transferred to the Department in the currency of the debt half-yearly on 15 February and 15 August each year commencing on 15 February 1986.

(3) If any amount of any instalment payable in accordance with Article 4 is not paid on the due date for payment in accordance with the transfer scheme set out in Schedule 1, interest which accrues in respect thereof shall accrue from day to day until the amount is paid and shall be due and payable without further notice or demand of any kind.

(4) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Article is not paid on the due date for payment thereof the Government of Costa Rica shall be liable for and shall pay to the Department interest on the debt at the rate of 1.0 per cent per annum which shall be in addition to the interest payable in accordance with the provisions of paragraph (2) of this Article. Such additional interest shall accrue from day to day from the due date for payment in accordance with the provisions of paragraph (2) of this Article to the date of receipt of the payment by the Department and shall be payable, in the United Kingdom, in the currency of the debt without further notice or demand of any kind.

(5) Interest payable in accordance with the provisions of paragraphs (1), (2) and (3) of this Article shall be paid at the rate of 0.5 per cent ("the margin") above the London Inter-Bank offer rate for the period in question. The method of calculation is set out in Schedule 2.

Article 6. EXCHANGE OF INFORMATION

The Department and the Government of Costa Rica shall exchange all information required for the implementation of this Agreement.

Article 7. OTHER DEBT SETTLEMENTS

(1) If the Government of Costa Rica 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 indebtedness the subject of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article, be no less favourable to any creditor 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 SDR1,000,000.

(3) The provisions of paragraph (1) of this Article shall not apply to matters relating to the payment of interest determined by Article 5.

Article 8. PRESERVATION OF RIGHTS AND OBLIGATIONS

This Agreement and its implementation shall not affect the rights and obligations of any creditor or debtor under a contract other than those in respect of which the parties hereto are authorised to act respectively on behalf of and to bind such creditor and debtor.

Article 9. RULES

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

Article 10. THE SCHEDULES

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

Article 11. ENTRY INTO FORCE AND DURATION

This Agreement shall enter into force upon signature and shall remain in force until the last of the payments to be made to the Department under Articles 4 and 5 has been made.

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

DONE in duplicate at London this 30th day of January 1986.

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

YOUNG

For the Government
of the Republic of Costa Rica:

V. CAÑAS

SCHEDULE 1

TRANSFER SCHEME

(1) In respect of each debt provided for in the Agreement which fell due on or before 31 December 1984, and which remains unpaid, the Government of Costa Rica shall pay and transfer to the Department, in the United Kingdom, in the currency of the debt, according to the following schedule:

- 3 per cent on 30 September 1985;
- 3 per cent on 31 December 1985;
- 4 per cent on 31 July 1986;
- 90 per cent by 10 equal and consecutive half-yearly instalments on 15 February and 15 August each year commencing on 15 February 1989.

(2) In respect of each debt provided for in the Agreement which fell due or will fall due between 1 January 1985 and 31 March 1986, both dates inclusive, and which remains unpaid, the Government of Costa Rica shall pay and transfer to the Department, in the United Kingdom, in the currency of the debt, according to the following schedule:

- 2 per cent on 1 June 1986;
- 4 per cent on 1 June 1987;
- 4 per cent on 1 June 1988;
- 90 per cent by 10 equal and consecutive half-yearly instalments on 15 February and 15 August each year commencing on 15 February 1991.

SCHEDULE 2

RULES

(1) *Debt List*

(a) The Department and the Ministry of Finance shall agree a list of debts to which, by virtue of the provisions of Article 2 of the Agreement, the Agreement applies.

(b) 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 Ministry of Finance. The agreement of both the Department and of the Ministry of Finance shall be necessary before the list may be amended or added to.

(c) Neither inability to complete the list referred to in paragraphs (1)(a) and (1)(b) of this Schedule nor delay in its completion shall prevent or delay the implementation of the other provisions of the Agreement.

(2) *Calculation of Interest*

Interest shall be calculated on the outstanding amount of the debt. The rate of interest applicable to each interest period shall be that rate per annum being the aggregate of

(a) The margin (0.5 per cent as stated in paragraph (5) of Article 5); and

(b) The rate quoted to the Department at its request by the Reference Bank (being a bank to be agreed upon by the Department and the Ministry of Finance) at which six-month sterling deposits are offered to that Reference Bank by prime banks in the London Inter-Bank Market at 11 a.m. (London time) two business days before the commencement of an interest period.

(3) *Transfer*

As and when payments become due under the terms of this Agreement, the Government of Costa Rica shall arrange for the necessary amounts to be transferred, in the currency of the debt, to the Department and shall give the Department full particulars of the debts and/or interest to which the transfers relate.