

**No. 25981**

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

**Agreement on certain commercial debts (with schedules).  
Signed at London on 29 April 1986**

*Authentic texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 21 June 1988.*

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

**Accord relatif à certaines dettes commerciales (avec annexes).  
Signé à Londres le 29 avril 1986**

*Textes authentiques : anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 21 juin 1988.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF CHILE 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 Chile (hereinafter referred to as “the Government of Chile”);

As a result of the Conference held in Paris on 17 July 1985 regarding the consolidation of Chilean debts at which the Government of the United Kingdom, the Government of Chile, certain other Governments, the International Monetary Fund, the International Bank for Reconstruction and Development, and the Secretariat of the United Nations Conference on Trade and Development were represented;

Have agreed as follows:

### *Article 1. DEFINITIONS AND INTERPRETATION*

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

(a) “The Bank” means the Central Bank of Chile;

(b) “Contract” means a contract entered into before 1 January 1985 the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Chile to a buyer in Chile 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 Chile (whether as primary debtor or as guarantor) or any public sector body carrying on business in Chile 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;

(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;

<sup>1</sup> Came into force on 29 April 1986 by signature, in accordance with article 10.

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

(k) "The Government of Chile" means the Government of Chile acting through the Central Bank of Chile.

(2) All references to 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 in the case of Debts denominated in sterling or of 360 days in the case of Debts denominated in US dollars.

(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 specific Article of, 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 paragraph (2) of this Article and the rules specified in paragraph (1) of Schedule 2, apply to every Debt of principal 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 between 1 July 1985 and 31 December 1986, both dates inclusive, 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 Chilean pesos.

(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 Chile shall pay and transfer to the Department on behalf of and as agent for each Creditor, in the United Kingdom, in the Currency of the Debt, and to an account, details of which shall be notified by the Department to the Government of Chile, the amounts due to that Creditor in accordance with the Transfer Scheme and the Rules set out in Schedules 1 and 2 respectively.

#### *Article 4. INTEREST*

(1) The Government of Chile 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 3. 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 United Kingdom, in the Currency of the Debt half-yearly on 31 March and 30 September each year commencing on 31 March 1986.

(3) If any amount of any instalment payable in accordance with Article 3 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 Chile shall be liable for and shall pay to the Department interest on such amount of overdue interest. 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 due and payable, in the United Kingdom, in the Currency of the Debt, without further notice or demand of any kind.

(5) All interest payable in accordance with the provisions 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 5. EXCHANGE OF INFORMATION*

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

#### *Article 6. OTHER DEBT SETTLEMENTS*

(1) If the Government of Chile 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 SDR 1,000,000.

(3) The provisions of paragraph (1) of this Article shall not apply to matters relating to the payment of interest determined by Article 4.

#### *Article 7. 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 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 hereof.

*Article 10.* 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 3 and 4 has been made.

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

DONE in duplicate at London this 29th day of April 1986 in the English and the Spanish languages, both texts being equally authoritative.

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

YOUNG

For the Government  
of the Republic of Chile:

H. SOMERVILLE

## SCHEDULE 1

## TRANSFER SCHEME

Payments in accordance with the provisions of Article 3 shall be made according to the following Schedule:

(a) An amount equal to 35 per cent of each Debt shall be paid and transferred on the original due date or, if that date has passed, as soon as possible directly to the Creditor concerned;

(b) An amount equal to 65 per cent of each Debt shall be paid and transferred by eight equal and consecutive half-yearly instalments on 31 March and 30 September each year commencing on 30 September 1989, as indicated in Article 3.

## SCHEDULE 2

## RULES

(1) *Debt List*

(a) The Department and the Bank shall agree a list of Debts to which, by virtue of the provisions of Article 2, this 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 Bank. The agreement of both the Department and of the Bank 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 and 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 4); 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 Bank) at which six-month sterling deposits in the case of Debts denominated in sterling, or six-month eurodollar deposits in the case of Debts denominated in US dollars, 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 Chile 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.

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