

No. 27657

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

**Exchange of notes constituting an agreement concerning
certain commercial debts (with annex). Luanda, 6 and
26 July 1989**

Authentic texts: English and Portuguese.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 23 November 1990.*

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

**Échange de notes constituant un accord relatif à certaines
dettes commerciales (avec annexe). Luanda, 6 et 26 juillet 1989**

Textes authentiques : anglais et portugais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 23 novembre 1990.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF ANGOLA CONCERNING CERTAIN COMMERCIAL DEBTS

I

Her Majesty's Ambassador at Luanda to the Minister of Finance of Angola

BRITISH EMBASSY
LUANDA

6 July 1989

Your Excellency

I have the honour to refer to the discussions in London on 4 December 1987 between ECGD and representatives of the People's Republic of Angola on the Consolidation of the Debt of the People's Republic of Angola and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to provide debt relief to the Government of the People's Republic of Angola on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the People's Republic of Angola, I have the honour to propose that this Note, together with its Annex, and your reply to that effect, shall constitute an Agreement between the two Governments in this matter which shall be known as "the United Kingdom/Angola Debt Agreement No 1 (1987)" and which shall enter into force on the date of your reply.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

JAMES GLAZE

¹ Came into force on 26 July 1989, the date of the note in reply, in accordance with the provisions of the said notes.

ANNEX

SECTION I

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
- (a) “the Bank” means Banco Nacional de Angola;
 - (b) “Contract” means a contract, or any agreement supplemental thereto, all of which were entered into before 1 January 1987, the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Angola to a buyer in Angola, 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 Section 2(1), the provisions of this Annex apply;
 - (f) “Debtor” means the Government of Angola (whether as primary debtor or as guarantor), or any person or body of persons or corporation resident or carrying on business in Angola, 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 purpose hereof;
 - (h) “the Government of Angola” means the Government of the People’s Republic of Angola;
 - (i) “the Government of the United Kingdom” means the Government of the United Kingdom of Great Britain and Northern Ireland;
 - (j) “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;
 - (k) “Reference Rate” means the rate quoted to the Department 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 a Debt denominated in sterling, or six-month eurodollar deposits, in the case of a Debt denominated in US dollars, are offered to that Reference Bank by prime banks in the London interbank market at 11am (London time) two business days before 31 May and 30 November in each year;
 - (l) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland, and for the purposes of Sections 1(1)(c) and 8 of this Annex 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 in the case of a Debt denominated in sterling, or 360 days in the case of a Debt denominated in US dollars.

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

(4) Unless otherwise indicated, reference to a specified Section shall be construed as a reference to that specified Section of this Annex.

(5) The headings to the Sections are for ease of reference only.

SECTION 2

The Debt

(1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this Section, apply to any amount, whether of principal or contractual interest, accruing up to Maturity, owed by a Debtor to a Creditor and which:

- (a) arises under or in relation to a Contract;
- (b) fell due for payment on or before 30 November 1987 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 kwanzas.

(2) The Department and the Bank shall, as soon as possible, agree and draw up a list of Debts ("the Debt List") to which, by virtue of the provisions of this Section, this Annex applies. The Debt List may be reviewed from time to time at the request of the Department or of the Bank, but may not be added to or amended without the agreement of both the Department and the Bank. Delay in the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

(3) The provisions of this Annex shall not apply to any amount payable upon, or as a condition of, the formation of the Contract, or as a condition of the cancellation or termination of the Contract.

SECTION 3

Payments in Kwanzas in Respect of Debts

(1) Where a Debtor other than the Government of Angola has made a payment in kwanzas in respect of any Debt, then the payment of such Debt shall immediately become the obligation of the Government of Angola upon such payment, notwithstanding the date of entry into force of the Agreement of which this Annex forms a part.

(2) Where the Debtor is the Government of Angola deposits shall be deemed to have been made in respect of each Debt on the due date for payment thereof.

(3) The payment of all such Debt by the Government of Angola to the Department shall be made in accordance with the provisions of Section 4.

SECTION 4

Transfer Scheme

The Government of Angola shall pay to the Department in accordance with the provisions of Section 6(1) in respect of each Debt:

100 per cent by six equal and consecutive half-yearly instalments on 31 May and 30 November each year, commencing on 31 May 1991.

SECTION 5

Interest

(1) Interest on the balance of 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 in accordance with Section 4.

(2) The Government of Angola shall be liable for and shall pay to the Department in accordance with the provisions of Section 6(1) and of this Section interest on each Debt to the extent that it has not been settled by payment to the Department in the United Kingdom pursuant to Section 4. Such interest shall be paid and transferred to the Department half-yearly on 31 May and 30 November each year commencing on 31 May 1988, except that the payment on 31 May 1988 shall be due as follows:

25 per cent on 30 April 1988;

25 per cent on 31 May 1988;

25 per cent on 30 June 1988;

25 per cent on 31 July 1988.

(3) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Section is not paid on the due date for payment thereof, the Government of Angola 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 thereof in accordance with the provisions of paragraph (2) of this Section to the date of receipt of the payment by the Department, and shall be due and payable without further notice or demand of any kind.

(4) All interest payable in accordance with the provisions of this Section shall be paid at the rate of 0.5 per cent above the Reference Rate for the period in question.

SECTION 6

Payments to the Department

(1) As and when payments become due under the terms of Sections 4 and 5, the Bank shall arrange for the necessary amounts, without deduction for taxes, fees, other public charges or any other costs accruing inside or outside Angola, to be paid and transferred in

the Currency of the Debt to the Department in the United Kingdom to an account, details of which shall be notified by the Department to the Bank. In this respect the Department shall be regarded as acting as agent for each Creditor concerned.

(2) The Bank shall give the Department full particulars of the Debts and/or interest to which the transfers relate.

SECTION 7

Exchange of Information

The Department and the Bank shall exchange all information required for the Implementation of this Annex.

SECTION 8

Other Debt Settlements

(1) The Government of Angola agrees to accord to the United Kingdom terms no less favourable than those agreed with any other creditor country, notwithstanding any provision of this Annex to the contrary.

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

SECTION 9

Preservation of Rights and Obligations

This Annex and its implementation shall not affect the rights and obligations of any Creditor or Debtor under a Contract, other than those rights and obligations in respect of which the Government of Angola and the Government of the United Kingdom are authorised to act respectively on behalf of, and to bind, such Creditor and Debtor.

[TRANSLATION¹ — TRADUCTION²]

The Minister of Finance of Angola to Her Majesty's Ambassador at Luanda

MINISTRY OF FINANCE

LUANDA

26 July 1989

No. 1007/001/GMF/89

Your Excellency

I have the honour to acknowledge receipt of Your Excellency's Note of 6 July 1989, which in translation reads as follows:

[*See note I*]

I have the honour to confirm that the terms and conditions set out in the Annex to your Note are acceptable to the Government of the People's Republic of Angola, and that your Note together with its Annex, and this reply, shall constitute an Agreement between our two Governments which shall be known as "the United Kingdom/Angola Debt Agreement No. 1 (1987)" and which shall enter into force today.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

AUGUSTO TEIXEIRA DE MATOS

[*Annex as under note I*]

¹ Translation supplied by the Government of the United Kingdom.

² Traduction fournie par le Gouvernement du Royaume-Uni.