

No. 27761

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

Exchange of notes constituting an agreement concerning certain commercial debts (with annex). Rabat, 27 July and 31 August 1989

Authentic texts: English and French.

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
MAROC**

Échange de notes constituant un accord relatif à certaines dettes commerciales (avec annexe). Rabat, 27 juillet et 31 août 1989

Textes authentiques : anglais et français.

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

EXCHANGE OF NOTES CON-
STITUTING AN AGREEMENT¹
BETWEEN THE GOVERN-
MENT OF THE UNITED KING-
DOM OF GREAT BRITAIN AND
NORTHERN IRELAND AND
THE GOVERNMENT OF THE
KINGDOM OF MOROCCO
CONCERNING CERTAIN
COMMERCIAL DEBTS

ÉCHANGE DE NOTES CONSTI-
TUANT UN ACCORD¹ ENTRE
LE GOUVERNEMENT DU
ROYAUME-UNI DE GRANDE-
BRETAGNE ET D'IRLANDE
DU NORD ET LE GOUVERNE-
MENT DU ROYAUME DU MA-
ROC RELATIF À CERTAINES
DETTES COMMERCIALES

I

*Her Majesty's Ambassador at Rabat to the Head of the External Debt,
Ministry of Finance, of the Kingdom of Morocco*

BRITISH EMBASSY
RABAT

27 July 1989

Sir,

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Kingdom of Morocco which was signed at the Conference held in Paris on 26 October 1988, and to inform you that the Government of the United Kingdom of Great Britain and Northern Ireland are prepared to provide debt relief to the Government of the Kingdom of Morocco on the terms and conditions set out in the enclosed Annex.

If these terms and conditions are acceptable to the Government of the Kingdom of Morocco, 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/The Kingdom of Morocco Debt Agreement No. 4 (1988)' and which shall enter into force on the date of your reply.

I have the honour to convey, Sir, the assurance of my highest consideration.

J. W. R. SHAKESPEARE

¹ Came into force on 31 August 1989, the date of the note in reply, in accordance with the provisions of the said notes.

¹ Entré en vigueur le 31 août 1989, date de la note de réponse, conformément aux dispositions desdites notes.

ANNEX

SECTION I

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
- (a) “Agreed Minute” means the Agreed Minute on the Consolidation of the Debt of the Kingdom of Morocco which was signed at the Conference held in Paris on 26 October 1988;
 - (b) “the Consolidation Period” means the period from 1 July 1988 to 31 December 1989 inclusive;
 - (c) “Contract” means a contract, or any agreement supplemental thereto, entered into before 1 May 1983, the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Morocco to a buyer in Morocco, 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;
 - (d) “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;
 - (e) “Currency of the Debt” means the currency specified in the First Agreement or the relevant Contract as being the currency in which a Debt is to be paid;
 - (f) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (g) “Debtor” means the Government of Morocco, whether as primary debtor or guarantor or any public sector body carrying on business in Morocco or any successor in title thereto;
 - (h) “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 nominate for the purpose hereof;
 - (i) “the First Agreement” means the Agreement between the Government of the United Kingdom and the Government of Morocco on Certain Commercial Debts signed on 17 October 1984;¹
 - (j) “the Government of Morocco” means the Government of the Kingdom of Morocco;
 - (k) “the Government of the United Kingdom” means the Government of the United Kingdom of Great Britain and Northern Ireland;
 - (l) “Maturity” in relation to a Debt specified in Section 2(1)(a) means the due date for repayment thereunder, or, to a Debt specified in Section 2(1)(b) 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;
 - (m) “Reference Rate” means the rate quoted to the Department by a bank to be agreed upon by the Department and the Government of Morocco at which six-month sterling deposits, in the case of Debts denominated in sterling, and six-month Deutschmark deposits, in the case of Debts denominated in Deutschmarks, are offered to that bank

¹United Nations, *Treaty Series*, vol. 1416, p. 263.

by prime banks in the London interbank market at 11am (London time) two business days before the commencement of the relevant interest period in each year;

- (n) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland, and for the purposes of Section 1(1)(d) includes the Channel Islands and the Isle of Man.
- (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.
- (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 and Article IV paragraph 3 of the Agreed Minute, apply to:
- (a) any amount of principal payable under the First Agreement which fell due or shall fall due during the Consolidation Period and which remains unpaid; and
- (b) any amount, whether of principal or of contractual interest accruing up to Maturity, owed by the Debtor to a creditor and which:
- (i) arises under or in relation to a Contract;
 - (ii) fell due or shall fall due during the Consolidation Period and remains unpaid;
 - (iii) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (iv) is not expressed by the terms of the Contract to be payable in Moroccan dirhams;
 - (v) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
 - (vi) does not arise from an amount payable under either of the Agreements between the Government of the United Kingdom and the Government of Morocco on Certain Commercial Debts signed on 25 February 1987¹ and 16 November 1988.²
- (2) The Department and the Government of Morocco 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 Government of Morocco, but may not be added to or be amended without the agreement of both the Department and the Government of Morocco. Delay in the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

¹ United Nations, *Treaty Series*, vol. 1655, I-28484.

² *Ibid.*, vol. 1579, p. 77.

SECTION 3

Payments under the First Agreement

The provisions of the First Agreement in so far as they relate to the payment of any Debt shall cease to apply upon entry into force of this Agreement.

SECTION 4

Transfer Scheme

The Government of Morocco shall pay to the Department in accordance with the provisions of Section 6(1) the following:

- (a) in respect of each Debt provided for by Section 2(1)(a):
80 per cent by ten equal and consecutive half-yearly instalments commencing on 30 September 1994; and
- (b) in respect of each Debt provided for in Section 2(1)(b):
100 per cent by ten equal and consecutive half-yearly instalments commencing on 30 September 1994.

SECTION 5

Interest

- (1) Interest shall be deemed to have accrued and shall accrue on the unpaid portion of each Debt 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 Morocco 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 to the Department half-yearly on 31 March and 30 September each year commencing on 30 September 1989.
- (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 Morocco 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 applicable to each six-monthly interest period commencing from Maturity of the Debt concerned.

SECTION 6

Payments to the Department

(1) As and when payments become due under the terms of Sections 4 and 5, the Government of Morocco shall arrange for the necessary amounts, without deduction for taxes, fees, other public charges or any other costs accruing inside or outside Morocco, to be paid 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 Government of Morocco. In this respect the Department shall be regarded as acting as agent for each Creditor concerned.

(2) The Government of Morocco 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 Government of Morocco shall exchange all information required for the implementation of this Annex.

SECTION 8

Other Debt Settlements

(1) The Government of Morocco undertakes to comply with its obligations under Article III of the Agreed Minute and agrees to accord to the Government of 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 and Debtor under a Contract other than those rights and obligations in respect of which the Government of the United Kingdom and the Government of Morocco are authorised to act respectively on behalf of and to bind such Creditor and Debtor.