



Treaty Series No. 68 (1995)

# Exchange of Notes

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of Sierra Leone

concerning Certain Commercial Debts

(The United Kingdom/Sierra Leone Debt Agreement No. 6  
(1994))

Freetown, 13 December 1994 and 15 December 1994

[The Agreement entered into force on 15 December 1994]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
September 1995*

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**EXCHANGE OF NOTES  
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF  
GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT  
OF SIERRA LEONE CONCERNING CERTAIN COMMERCIAL DEBTS  
(THE UNITED KINGDOM/SIERRA LEONE DEBT AGREEMENT  
No. 6 (1994))**

No. 1

*The United Kingdom High Commissioner at Freetown to the Secretary of State for  
Finance of Sierra Leone*

*British High Commission  
Freetown  
13 December 1994*

Your Excellency

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of Sierra Leone which was signed at the Conference held in Paris on 20 July 1994, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland are prepared to provide debt relief to the Government of Sierra Leone on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of Sierra Leone, I have the honour to propose that this Note together with its Annex, and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which shall be known as "The United Kingdom/Sierra Leone Debt Agreement No. 6 (1994)" 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.

IAN McCLUNEY

## ANNEX

### SECTION 1

#### Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
  - (a) “the Agreed Minute” means the Agreed Minute on the Consolidation of the Debt of Sierra Leone which was signed at the Conference held in Paris on 20 July 1994;
  - (b) “Appropriate Market Rate” means the Reference Rate plus 0.5 per cent;
  - (c) “Business Day” means a day on which dealings are carried on in the London interbank market and (if payment is required to be made on such day) on which banks are open for domestic and foreign exchange business in London in the case of sterling and in both London and New York City in the case of US dollars;
  - (d) “the Consolidation Period” means the period from 1 August 1994 to 31 December 1995 inclusive;
  - (e) “Currency of the Debt” means the currency specified in the Fourth Agreement as being the currency in which that 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) “the Department” means the Secretary of State acting by the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which the Secretary of State may subsequently nominate for the purpose hereof;
  - (h) “the Fourth Agreement” means the Agreement between the Government of the United Kingdom and the Government of Sierra Leone on Certain Commercial Debts signed on 6 March 1991;<sup>1</sup>
  - (i) “Maturity” in relation to a Debt:
    - (i) specified in Section 2(1)(a) means either 31 July 1994 or the date for payment specified in the Fourth Agreement if that date is a later one,
    - (ii) specified in Section 2(1)(b) means 31 July 1994;
  - (j) “the Ministry” means the Department of Finance, or any other institution which the Government of Sierra Leone may nominate for the purposes of this Annex;
  - (k) “Reference Rate” means the rate (rounded upwards where necessary to the nearest multiple of  $\frac{1}{16}$ th (one sixteenth) of one per cent) quoted to the Department by a bank to be agreed upon by the Department and the Ministry as the rate at which that bank is offering six-month eurodollar deposits, in the case of a Debt denominated in US dollars, or six-month sterling deposits, in the case of a Debt denominated in any other currency, in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant interest period;
  - (l) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.
- (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 360 days, in the case of Debts denominated in US dollars, and 365 days, in the case of Debts denominated in any other currency.
- (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 Section of this Annex.
- (5) The headings to the Sections are for ease of reference only.

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<sup>1</sup> Treaty Series No. 69 (1991) Cm 1671.

## SECTION 2

### The Debt

- (1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this Section and Article IV paragraphs 3 and 4 of the Agreed Minute, apply to:
- (a) any amount, whether of principal or of interest (including interest accrued on interest), payable under the Fourth Agreement which has fallen due or will fall due during the Consolidation Period and which remains unpaid; and
  - (b) any amount of interest which is charged under Section 5 of this Annex and has accrued on or before 31 July 1994.
- (2) The Department and the Ministry shall, as soon as possible, agree and draw up a list of Debts ("the Debt List") to which this Annex shall apply. The Debt List may be reviewed from time to time at the request of the Department or of the Ministry, but may not be added to or amended without the agreement of both the Department and the Ministry. Delay in the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

## SECTION 3

### Payments under the Fourth Agreement

The provisions of the Fourth Agreement insofar as they relate to the payment of any Debt shall cease to apply upon the entry into force of this Agreement.

## SECTION 4

### Payment of Debt

The Government of Sierra Leone shall pay to the Department, in accordance with the provisions of Section 6(1), each Debt specified in Section 2 on the following dates and in the following percentages:

<i>Repayment Date</i>	<i>Percentage to be repaid</i>
15 January 1996	0.85
15 July 1996	0.89
15 January 1997	0.94
15 July 1997	0.98
15 January 1998	1.02
15 July 1998	1.07
15 January 1999	1.11
15 July 1999	1.16
15 January 2000	1.21
15 July 2000	1.26
15 January 2001	1.31
15 July 2001	1.36
15 January 2002	1.41
15 July 2002	1.47
15 January 2003	1.52
15 July 2003	1.58
15 January 2004	1.64
15 July 2004	1.70
15 January 2005	1.76
15 July 2005	1.82
15 January 2006	1.88
15 July 2006	1.95
15 January 2007	2.01

<i>Repayment Date</i>	<i>Percentage to be repaid</i>
15 July 2007	2.08
15 January 2008	2.15
15 July 2008	2.22
15 January 2009	2.29
15 July 2009	2.36
15 January 2010	2.44
15 July 2010	2.51
15 January 2011	2.59
15 July 2011	2.67
15 January 2012	2.75
15 July 2012	2.84
15 January 2013	2.92
15 July 2013	3.00
15 January 2014	3.10
15 July 2014	3.19
15 January 2015	3.28
15 July 2015	3.37
15 January 2016	3.47
15 July 2016	3.57
15 January 2017	3.67
15 July 2017	3.77
15 January 2018	3.87
15 July 2018	3.99

## 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.
- (2) The Government of Sierra Leone 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. Such interest shall be paid to the Department on 15 January and 15 July ("the Due Dates") each year commencing on 15 January 1995.
- (3) All interest payable in accordance with the provisions of paragraph 2 of this Section shall be paid at the rate shown opposite the Appropriate Market Rate in Table B2 of the Agreed Minute applicable to each half-yearly interest period commencing with the half-yearly interest period within which the Maturity of the Debt concerned occurs.
- (4) 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 Sierra Leone shall be liable for and shall pay to the Department interest on such amount of overdue interest. Such additional interest shall accrue at the Appropriate Market Rate 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 without further notice or demand.

## SECTION 6

### **Payments to the Department**

- (1) When payment becomes due under the terms of Section 4 or 5, the Ministry shall:
  - (a) where possible draw upon the special account at the Bank of England referred to in Article IV paragraph 5 of the Agreed Minute to meet such payments, and
  - (b) in any event arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs accruing inside or outside Sierra Leone, to be paid in the Currency of the Debt to an account notified by the Department to the Ministry.
- (2) If the day on which a payment falls due is not a Business Day payment shall be made on the nearest Business Day.
- (3) The Ministry shall give the Department full particulars of the Debts and/or interest to which the payments relate.

## SECTION 7

### **Exchange of Information**

The Department and the Ministry shall exchange all information required for the implementation of this Annex.

## SECTION 8

### **Other Debt Settlements**

- (1) The Government of Sierra Leone undertakes to fulfil its commitments under Article III of the Agreed Minute and agrees to accord to the United Kingdom terms no less favourable than those agreed with any other creditor, 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 or obligations of any creditor or debtor under a Contract other than those rights and obligations in respect of which the Government of the United Kingdom and the Government of Sierra Leone are authorised to act respectively on behalf of and to bind such creditor and debtor.

## SECTION 10

### **Debt Conversion Option**

The Department agrees to give prior notification to the Government of Sierra Leone if it is willing to exercise the option provided for in Article II paragraph 3 of the Agreed Minute. The Department recognises that this option can only be implemented with the consent of the Government of Sierra Leone.

## SECTION 11

### **Conditionality**

The Department reserves the right to declare that this Annex shall not apply to Debts with a Maturity from 1 July 1995 to 31 December 1995 if the approval referred to in Article IV paragraph 4 of the Agreed Minute has not been given by 30 June 1995.

No. 2

*The Secretary of State for Finance of Sierra Leone to the United Kingdom High Commissioner at Freetown.*

*Freetown  
15 December 1994*

Note No. MF/PD/14(3)B

Your Excellency

I have the honour to acknowledge receipt of Your Excellency's Note of 13 December 1994 which reads as follows:

[As in No. 1]

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 Sierra Leone, and that your Note together with its Annex, and this reply, shall constitute an Agreement between our two Governments in this matter which shall be known as "The United Kingdom/Sierra Leone Debt Agreement No. 6 (1994)" and which shall enter into force today.

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

JOHN A. KARIMU

