No. 7840

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
and
BRAZIL

Loan Agreement (with exchange of notes). Signed at Rio de Janeiro, on 14 October 1964

Official texts: English and Portuguese.

Registered by the United Kingdom of Great Britain and Northern Ireland on 18 June 1965.

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

Accord de prêt (avec échange de notes). Signé à Rio de Janeiro, le 14 octobre 1964

Textes officiels anglais et portugais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 18 juin 1965.

No. 7840. LOAN AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNITED STATES OF BRAZIL. SIGNED AT RIO DE JANEIRO, ON 14 OCTOBER 1964

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the "United Kingdom Government") and the Government of the United States of Brazil (hereinafter referred to as the "Brazilian Government");

Considering that the United Kingdom Government are desirous of joining with other Western European Governments and the Governments of Japan and the United States of America in providing further assistance to Brazil by way of the consolidation and refinancing of Brazil's medium-term commercial debts;

Have agreed as follows:

Article I

In this Agreement, the expression "medium-term commercial debts" shall mean debts falling due between the 1st of January, 1964 and the 31st of December, 1965, both dates inclusive, from the Brazilian Government or persons or corporations resident in Brazil to persons or corporations resident in the United Kingdom under contracts for the supply of goods or services or both concluded and registered with the Superintendency of Money and Credit before the 1st of January, 1964, which provide for payment to be made within a period exceeding six months from the date of delivery of the goods or satisfactory performance of the services undertaken under those contracts.

Article II

The United Kingdom Government shall make available to the Brazilian Government a loan not exceeding £4,160,000 (four million one hundred and sixty thousand pounds, hereinafter referred to as the "Refinance Loan"), to assist the Brazilian Government to provide the full amount of exchange required to meet payments due between the 1st of January, 1964, and the 31st of December, 1965, both dates inclusive, in respect of medium-term commercial debts.

[1] Came into force on 14 October 1964, upon signature, in accordance with article VIII.

Article III

(1) The Refinance Loan shall be the financial assistance to be provided by the United Kingdom Government in respect of:

(*a*) 20% of acknowledged medium-term commercial debts falling due and paid during 1964, for debts covered by the provisions of the Loan Agreement between the United Kingdom Government and the Brazilian Government signed at Rio de Janeiro on the 21st of July, 1961;[1]

(*b*) 35% of acknowledged medium-term commercial debts falling due and paid during 1965, for debts covered by the provisions of the Loan Agreement between the United Kingdom Government and the Brazilian Government signed at Rio de Janeiro on the 21st of July, 1961;

(*c*) 70% of other acknowledged medium-term commercial debts falling due and paid during 1964 and 1965.

(2) The loan shall be paid to the Brazilian Government against evidence of payment to the creditors concerned, in sixteen monthly instalments commencing on the 31st of October, 1964, and ending on the 31st of January, 1966, and a final payment not later than the 30th of June, 1966.

Article IV

The Brazilian Government shall guarantee the free transferability into sterling of payments made in respect of all medium-term commercial debts covered by this Agreement and by the provisions of the Loan Agreement between the United Kingdom Government and the Brazilian Government signed at Rio de Janeiro on the 21st of July, 1961.

Article V

(1) The Brazilian Government shall pay interest to the United Kingdom Government on each instalment of the Refinance Loan at a rate to be determined by Her Majesty's Treasury having regard to the cost of borrowing by the United Kingdom Government at the date on which the instalment is advanced.

(2) Such interest shall be calculated on the balance of each instalment outstanding and shall be payable in sterling on the 31st of January, the 30th of April, the 31st of July and the 31st of October in each year; the first payment in respect of interest shall be made on the 31st of January, 1965.

Article VI

(1) The Brazilian Government shall make repayment to the United Kingdom Government of the sums advanced under the Refinance Loan in accordance with Article III of this Agreement as follows:

[1] United Nations, *Treaty Series*, Vol. 414, p. 25.