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No. 7852

BELGIUM
and
CONGO (DEMOCRATIC REPUBLIC OF)

Convention for the settlement of questions relating to the public debt and portfolio of the Belgian Congo Colony (with schedules, exchange of letters and Protocol of provisional application). Signed at Brussels, on 6 February 1965

Official text: French.

Registered by Belgium on 8 July 1965.

BELGIQUE
et
CONGO (RÉPUBLIQUE DÉMOCRATIQUE DU)

Convention pour le règlement des questions relatives à la dette publique et au portefeuille de la Colonie du Congo belge (avec listes, échange de lettres et Protocole d'application provisoire). Signée à Bruxelles, le 6 février 1965

Texte officiel français.

Enregistrée par la Belgique le 8 juillet 1965.

[TRANSLATION — TRADUCTION]

No. 7852. CONVENTION[1] BETWEEN THE KINGDOM OF BELGIUM AND THE DEMOCRATIC REPUBLIC OF THE CONGO FOR THE SETTLEMENT OF QUESTIONS RELATING TO THE PUBLIC DEBT AND PORTFOLIO OF THE BELGIAN CONGO COLONY. SIGNED AT BRUSSELS, ON 6 FEBRUARY 1965

His Majesty the King of the Belgians on the one hand, and

The President of the Democratic Republic of the Congo on the other hand,

Desiring to maintain and strengthen the relations of friendship and co-operation between the two countries with a view to promoting the economic and social development of the Congo in mutual respect for the sovereignty of the two States ;

Having regard to the report of the mission of the International Bank for Reconstruction and Development, dated 27 December 1962, containing the facts on the basis of which the negotiations between the two Governments have been conducted and which have been used in drawing up this Convention,

Have agreed as follows :

Article 1

For the purposes of this Convention, the terms " Belgium ", " Congo " and " Belgian Congo " shall mean the Kingdom of Belgium, the Democratic Republic of the Congo and the Belgian Congo Colony respectively.

TITLE I

THE PUBLIC DEBT OF THE BELGIAN CONGO

Article 2

Liability for the public debt of the Belgian Congo shall be assumed in accordance with the provisions hereinafter set forth.

The loans constituting the aforementioned debt are listed in schedule 1, which is annexed to this Convention and which forms an integral part thereof.

[1] Came into force on 11 May 1965, the date of the exchange of the instruments of ratification at Leopoldville, in accordance with article 20.

With a view to the apportionment of the said liability, the aforementioned public debt has been subdivised into :

(1) Debt expressed in Congolese francs and the debt expressed in foreign currencies held by public agencies of the Congo as at 30 June 1960, to which article 3 below applies ;

(2) Debt expressed in foreign currencies and guaranteed by Belgium, to which article 4 below applies ;

(3) Debt expressed in foreign currencies and not guaranteed by Belgium (except the securities of such debt held by public agencies of the Congo), to which article 6 below applies.

Article 3

1. The Congo shall assume sole liability in every respect for the part of the public debt listed in schedule 2, which is annexed to this Convention and which form an integral part thereof.

2. With regard to the securities of the debt referred to in paragraph 1 above, which are held by the Office de sécurité sociale d'outre-mer and by the Caisse d'Assurance du Congo belge et du Ruanda-Urundi, the Congo shall assume liability for such obligations, whether matured or not yet matured, as result from the said securities and from loan agreements.

The financial service shall be provided in Congolese francs, the transfer of which shall be subject only to the general provisions of the Congolese exchange control regulations.

3. The securities mentioned in part 2 of the schedule 2 referred to in paragraph 1 of this article shall be presented by the Congo to the Belgo-Congolese Fund referred to in article 5 of this Convention for stamping before the issue of the loan provided for in article 5, paragraph 2, sub-paragraph (2), below.

Article 4

1. Belgium shall assume sole liability in every respect for the part of the public debt listed in schedule 3, which is annexed to this Convention and which forms an integral part thereof.

The assumption of liability for Loan No. 252 BE 6 % 1960, which was granted in United States dollars by the International Bank for Reconstruction and Development, shall be settled between the two Governments by an exchange of letters which shall form an integral part of this Convention.

2. With regard to the Loan Agreements concluded between the Belgian Congo and the International Bank for Reconstruction and Development, the part of the public debt referred to in paragraph 1 of this article shall comprise only the amounts withdrawn by the Belgian Congo, under those Agreements, before 30 June 1960.

Article 5

1. Belgium and the Congo jointly establish, by this Convention, an autonomous international public agency to be known as " the Belgo-Congolese Amortization and Administration Fund ", hereinafter referred to as " the Fund ". The Statutes of the Fund shall be established by a separate Convention. [1]

2. The purpose of the Fund shall be :

(1) To stamp as follows the securities presented to it under article 3, paragraph 3, of this Convention : " Security not acceptable in payment for the three and one-half per cent per annum loan issued by the Belgo-Congolese Amortization and Administration Fund " ;

(2) To issue in its own name and solely for its own account a loan in Belgian francs, hereinafter referred to as " the Fund loan ", on the terms stated below, bearing interest at the rate of three and one-half per cent per annum from 1 July 1965, amortizable either by redemption or by the drawing of lots within a maximum period of forty years from the date on which the interest begins to run ;

(3) To administer the Fund loan ;

(4) To administer the annual contributions referred to in article 11 of this Convention ;

(5) To apply its resources to the settlement of its administrative expenses including all obligations under laws, regulations or agreements, the settlement of the cost of its establishment and operation, the settlement of the cost of issuing and administering the Fund loan, the service of interest on the said loan and the amortization thereof ;

(6) To speed up the amortization of the said loan so far as possible ;

(7) To perform such other functions as the two Governments may decide, by exchange of letters, to entrust to it.

Article 6

The bonds of the Fund loan shall be offered at their nominal value, for free and voluntary public subscription, to holders of the securities of the loans mentioned in schedule 4, which is annexed to this Convention and which forms an integral part thereof.

The Fund shall set the date for the closure of subscription.

The subscription shall not be closed earlier than six months after its opening date.

[1] See p. 275 of this volume.

Article 7

1. Holders of the securities of the loans mentioned in schedule 4 annexed to this Convention may pay their subscriptions to the bonds of the Fund loan, free of charges, by presenting the securities of the loans mentioned in the said schedule 4 accompanied by all their outstanding coupons, on the terms set forth in paragraphs 2 and 3 of this article.

Where the securities of the loans mentioned in schedule 4 annexed to this Convention are not accompanied by all their outstanding coupons, the treatment to be accorded to the application shall be determined by the Fund.

2. Except in the cases provided for in paragraph 3 below, the securities of the loans mentioned in schedule 4 shall be accepted either at their nominal value in Belgian francs or at the equivalent value in Belgian francs of their nominal value in United States dollars, calculated on the basis of the official parities of the two currencies accepted by the International Monetary Fund as at 1 July 1965.

In addition, where such securities are presented, not later than six months after the opening of subscription to the Fund loan, by individuals who furnish proof of their identity, they shall be accepted at their nominal value, as defined in the preceding sub-paragraph, plus an outright capital bonus of seventeen and one-half per cent.

However, the nominal value of any coupons attached to the securities referred to in the preceding sub-paragraph which have been presented for payment since 30 June 1960 shall be deducted from the aforementioned seventeen and one-half per cent.

The outright capital bonus referred to in the two preceding sub-paragraphs shall in no case exceed eighty-seven thousand five hundred Belgian francs for any one individual.

The outright capital bonus shall be rounded upwards or downwards to the nearest one hundred francs, according to whether the odd amount exceeds fifty francs or equals fifty francs or less.

3. Where the securities of the loans mentioned in schedule 4 have drawn a prize, they shall be accepted at the value of such prize. The said value shall in no case be increased by the outright capital bonus provided for in the last four sub-paragraphs of paragraph 2 of this article.

Article 8

Where the holders of the securities of the loans mentioned in schedule 4 annexed to this Convention subscribe to the bonds of the Fund loan on the terms set forth in article 7 above, they shall thereby waive, notwithstanding any reservation they may make to the contrary, all rights in the securities presented by them to the Fund in payment of their subscriptions.