No. 8176

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
and
CHILE

Loan Agreement (with exchange of notes). Signed at London, on 23 November 1965

Official texts : English and Spanish.

Registered by the United Kingdom of Great Britain and Northern Ireland on 15 April 1966.

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

Accord de prêt (avec échange de notes). Signé à Londres, le 23 novembre 1965

Textes officiels anglais et espagnol.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 15 avril 1966.

No. 8176. LOAN AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF CHILE. SIGNED AT LONDON, ON 23 NOVEMBER 1965

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as " the Government of the United Kingdom ") and the Government of the Republic of Chile (hereinafter referred to as " the Chilean Government ");

Considering that the Government of the United Kingdom are desirous of joining with other Western European Governments and the Governments of Canada, Japan and the United States of America in providing assistance to Chile by way of the refinancing of Chile's medium-term commercial debts and maturities under Government loans extended to the Chilean Government in order to assist the Chilean Government to provide the full amount of exchange required to meet all obligations falling due between 1st January, 1965 and 31st December, 1966, both dates inclusive;

Have agreed as follows :

Article I

In this Agreement, the expression " medium-term commercial debts " shall mean debts falling due between 1st January, 1965 and 31st December, 1966, both dates inclusive, from the Chilean Government or persons or corporations resident in Chile to persons or corporations resident in the United Kingdom under contracts for the supply of goods or services or both concluded before 1st January, 1965 and officially guaranteed which provide for payments 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 Government of the United Kingdom shall make available to the Chilean Government a loan not exceeding £3,000,000 (three million pounds sterling), (hereinafter referred to as " the Refinance Loan ") to assist the Chilean Government to provide the full amount of exchange required to meet payments due between 1st January, 1965 and 31st December, 1966, both dates inclusive, to

[1] Came into force on 23 November 1965, the date of signature, in accordance with article IX.

the Government of the United Kingdom or persons or corporations resident in the United Kingdom. The Refinance Loan shall be divided into two parts, (hereinafter referred to as " Refinance Loan A " and " Refinance Loan B " respectively).

Article III

The Refinance Loan A shall be the financial assistance to be provided by the Government of the United Kingdom in respect of 70% of the instalments of principal falling due during 1965 and 1966, under the loan of £2 million extended by the Government of the United Kingdom to the Chilean Government in 1961, and shall be paid to the Chilean Government in three instalments as follows :

(*a*) in respect of the two instalments received from the Chilean Government on 31st January, 1965 and 31st July, 1965, as soon as possible after signature of this Agreement; and

(*b*) in respect of the instalments due to be paid by the Chilean Government on 31st January, 1966 and 31st July, 1966, as soon as possible after the receipt of each of the said instalments.

Article IV

(1) The Refinance Loan B shall be the financial assistance to be provided by the Government of the United Kingdom in respect of 70% of the instalments of principal on acknowledged medium-term commercial debts falling due and paid during 1965 and 1966.

(2) The Loan shall be paid to the Chilean Government against evidence of payment to the creditors concerned. The instalments will be paid monthly in arrears commencing on 31st December, 1965 and ending on 31st January, 1967 with a final payment not later than 30th April, 1967.

Article V

The Chilean Government shall guarantee the free transferability into sterling of payments, including principal and interest, made in respect of all debts covered by this Agreement.

Article VI

(1) The Chilean Government shall pay interest to the Government of the United Kingdom 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 Government of the United Kingdom at the date on which the instalment is advanced.