

No. 9415

**DENMARK
and
MOROCCO**

**Agreement regarding a Danish Government loan to
Morocco (with annex and exchange of notes). Signed
at Rabat on 5 November 1968**

Authentic text : French.

Registered by Denmark on 19 February 1969.

**DANEMARK
et
MAROC**

**Accord relatif à un prêt de l'Etat danois au Maroc (avec
annexe et échange de notes). Signé à Rabat le
5 novembre 1968**

Texte authentique : français.

Enregistré par le Danemark le 19 février 1969.

[TRANSLATION — TRADUCTION]

AGREEMENT ¹ BETWEEN THE GOVERNMENTS OF THE
KINGDOM OF DENMARK AND THE KINGDOM OF
MOROCCO REGARDING A DANISH GOVERNMENT
LOAN TO MOROCCO

The Danish Government and the Moroccan Government, desiring to strengthen the traditional co-operation and cordial relations between their countries, have agreed that, with a view to the economic development of Morocco, a Danish Government loan shall be granted to Morocco, in accordance with the following provisions

Article I

THE LOAN

The Danish Government (hereinafter called the Lender) undertakes to extend to the Moroccan Government (hereinafter called the Borrower), with a view to economic development, a loan of twenty-five million Danish Kroner for the purpose of purchasing capital goods and paying for services as described in article VI of this Agreement.

Article II

LOAN ACCOUNT

(1) An account designated "Moroccan Government Special Account" (hereinafter called "Special Account") shall be opened with Danmarks Nationalbank (acting as agent for the Lender) in favour of the Banque du Maroc (acting as agent for the Borrower). The Lender shall ensure that sufficient funds are always available in the Special Account to enable the Borrower to effect punctual payment for the goods and services for which contracts have been concluded under the loan, provided, however, that the amounts successively made available to the Borrower shall not, in the aggregate, exceed the amount specified in article I.

(2) The Banque du Maroc (acting as agent for the Borrower) shall be entitled, subject to the provisions of this Agreement, to withdraw from the Special Account amounts needed for the purchase of goods or the payment of services for which contracts have been concluded under the loan.

¹ Came into force on 5 November 1968 by signature, in accordance with article XIV.

Article III

RATE OF INTEREST

The loan shall be free of interest.

Article IV

REPAYMENT

(1) The Borrower undertakes to repay to the Lender the principal paid into the Special Account in thirty-five semi-annual instalments of 700,000 Danish Kroner each, the first of which shall fall due on 1 April 1976 and the last on 1 April 1993, and a final payment of 500,000 Danish Kroner, to be made on 1 October 1993.

(2) The Borrower shall have the right to repay in advance of maturity all or part of one or more payments specified by him.

Article V

PLACE OF PAYMENT

The Borrower undertakes to repay the loan to Danmarks Nationalbank, in Danish Kroner or in any other convertible currency acceptable to that Bank, by crediting the current account of the Danish Ministry of Finance with Danmarks Nationalbank.

Article VI

USE OF THE LOAN (BY MOROCCO)

(1) The Borrower shall use the loan to pay for imports from Denmark (including transport charges from Denmark to Morocco) of capital goods, which shall be used for identifiable projects, required for carrying out Morocco's economic development plan (and included in the annexed list, which may be amended or extended with the mutual consent of the Contracting Parties). Under the Agreement the total disbursement shall not exceed the amount of twenty-five million Kroner specified in article I.

(2) The loan may also be used to pay for services rendered by Denmark and required for carrying out Morocco's economic development plan, including, in particular, pre-investment studies, preparation of projects, installation costs, services of engineering consultants, and technical and administrative assistance during, for example, the putting into operation of undertakings established by means of the loan.

(3) The Borrower shall take steps to ensure that the loan is used exclusively to pay for goods and services needed in order to fulfil contracts approved

by both the Parties. The particulars of the method of payment of such goods and services, other than the particulars given in article II, shall be determined by agreement between the Borrower and the Lender.

(4) The Lender shall approve contracts concluded under the loan but such approval shall not cause him to be held responsible for the proper execution or subsequent implementation of such contracts.

(5) The terms of payment laid down in a contract or other document establishing that an order has been placed with a Danish exporter for goods or services of the type mentioned above shall be deemed to be normal and reasonable when the said contract or document contains no clauses under which the Danish exporter grants special credit facilities.

(6) The loan shall be used only to pay for goods or services contracted for after the entry into force of this Agreement.

(7) The Borrower may draw on the account with Danmarks Nationalbank referred to in article II in order to fulfil the contracts approved by both Parties, for up to three years from the date of the entry into force of the Agreement or such other date as shall be fixed by agreement between the Lender and the Borrower.

(8) If the proceeds of the loan have not been fully utilized within the period specified in paragraph (7) above, the semi-annual payments shall be reduced in the same proportion as the amount not utilized bears to the principal of the loan.

Article VII

NON-DISCRIMINATION

(1) The Borrower undertakes not to accord the Danish Creditor less favourable treatment with regard to the repayment of the loan than that accorded to other foreign creditors.

(2) All shipments of capital goods under the loan shall be effected in accordance with the principle that all ships have the right to engage in international trade in conditions of free competition.

Article VIII

MISCELLANEOUS PROVISIONS

(1) Prior to the first drawing against the Special Account referred to in article II, the Borrower shall satisfy the Lender that all the constitutional or other legislative requirements of the country of the Borrower have been met,

so that this Agreement, under the conditions laid down therein, shall be legally binding on the Borrower.

(2) The Borrower shall furnish to the Lender evidence that the person or persons who will take any action or execute any documents under this Agreement are duly authorized thereto and shall provide a specimen signature of each of them.

(3) Any notice or request concerning this Agreement and any arrangement under the Agreement made by the Contracting Parties shall be in writing. Such notice or request shall be deemed to have been validly given or made when it has been delivered by hand or transmitted by letter, telegram or radiogram to the Party concerned at the address specified in this Agreement or at any other address communicated in writing by the said Party to the Party giving such notice or making such request.

Article IX

PARTICULAR COVENANTS

The repayment of the loan shall be effected without deduction of and free from all taxes and charges and from all restrictions applied under the domestic law of the Borrower. This Agreement shall be exempt from any charges which may be levied now or in the future under the domestic law of the Borrower on its entry into force, conclusion, delivery or registration.

Article X

CANCELLATION AND SUSPENSION

(1) The Borrower may, by a notice to the Lender, cancel any amount of the loan which he has not utilized.

If either of the following contingencies should arise and continue to obtain, the Lender may, by a notice to the Borrower, suspend, wholly or in part, the Borrower's right to draw on the Special Account :

- (a) failure to repay the principal in accordance with the terms of this Agreement or of any other payment undertaking assumed by the Borrower in relation to the Lender ;
- (b) failure on the part of the Borrower to fulfil any other obligation pursuant to this Agreement.

(2) The right of the Borrower to draw on the Special Account shall continue to be suspended wholly or in part, as the case may be, until such time as the circumstance or circumstances which caused such suspension cease to exist or the Lender notifies the Borrower that the right to make