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UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
and
NIGERIA

Exchange of notes constituting an agreement concerning certain commercial debts (with annex). Lagos, 23 August 1989

Authentic text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 23 November 1990.

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

Échange de notes constituant un accord relatif à certaines dettes commerciales (avec annexe). Lagos, 23 août 1989

Texte authentique : anglais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 23 novembre 1990.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF NIGERIA CONCERNING CERTAIN COMMERCIAL DEBTS

I

The United Kingdom High Commissioner at Lagos to the Director-General, Federal Ministry of Finance and Economic Development of Nigeria

BRITISH HIGH COMMISSION
LAGOS

23 August 1989

Sir,

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Federal Republic of Nigeria which was signed at the Conference held in Paris on 3 March 1989, 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 the Federal Republic of Nigeria on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Federal Republic of Nigeria I have the honour to propose that this Note together with its Annex, and your reply to that effect, shall constitute an Agreement between the two Governments in this matter which shall be known as "The United Kingdom/Nigeria Debt Agreement No. 2 (1989)" 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.

B. L. BARDER

[1] Came into force on 23 August 1989, the date of the note in reply, in accordance with the provisions of the said notes.

ANNEX

SECTION 1

Definitions and Interpretation

(1) In this Annex, unless the contrary intention appears:

(a) "Agreed Minute" means the Agreed Minute on the Consolidation of the Debt of the Federal Republic of Nigeria which was signed at the Conference held in Paris on 3 March 1989;

(b) "Consolidation Period" means the period from 1 January 1989 to 30 April 1990 inclusive;

(c) "Contract" means a contract or any agreement supplemental thereto, the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Nigeria to a buyer in Nigeria, or is in respect of the financing of such a sale;

(d) "Creditor" means a person or body of persons or corporation resident or carrying on business in the United Kingdom, or any successor in title thereto;

(e) "Currency of the Debt" means the currency specified in the First Agreement or the relevant Contract as being the currency in which a Debt is to be paid except:

(i) any Debt specified in Section 2(1)(e)(ii) which is denominated in a currency other than sterling or US dollars shall be converted into sterling at the middle spot rate of exchange for that currency prevailing on 1 January 1987; and

(ii) any Debt specified in Section 2(1)(e)(i) which is denominated in French francs shall be converted into sterling at the rate of 10·76 = £1;

(f) "Debt" means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;

(g) "Debtor" means the Government of Nigeria or any of its federated states, whether as primary debtor or guarantor, or any person or body of persons or corporation resident or carrying on business in Nigeria or any successor in title thereto;

(h) "the Department" means the Secretary of State of the Government of the United Kingdom acting through the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which that Government may nominate for the purpose hereof;

(i) "the First Agreement" means the Agreement between the Government of the United Kingdom and the Government of Nigeria on Certain Commercial Debts[1] which entered into force on 18 May 1987 ;

(j) "the Government of Nigeria" means the Government of the Federal Republic of Nigeria;

[1] United Nations, *Treaty Series*, vol. 1656, No. I-28494.

(k) "the Government of the United Kingdom" means the Government of the United Kingdom of Great Britain and Northern Ireland;

(l) "Maturity" in relation to a Debt means the due date for the payment or repayment thereof under either the First Agreement or the relevant Contract or on a promissory note or bill of exchange drawn up pursuant thereto or, in the case of a Debtor other than the Government of Nigeria or any of its federated states, or any public entity wholly owned by the Federal Republic of Nigeria acting as either primary obligor or guarantor, the date on which the naira counterpart of the obligation was deposited with a commercial bank in Nigeria, whichever is the later;

(m) "the Ministry" means the Federal Ministry of Finance and Economic Development acting on behalf of the Government of Nigeria;

(n) "Nigeria" means the Federal Republic of Nigeria;

(o) "Reference Rate" means the arithmetic mean (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of one per cent) of the rates quoted to the Department by three banks to be agreed upon by the Department and the Ministry at which six-month eurodollar deposits, in the case of Debts denominated in US dollars, and six-month sterling deposits in the case of all other Debts, are offered to those banks by prime banks in the London interbank market at 11 am (London time) two business days before the commencement of the relevant interest period in each year;

(p) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland, and for the purposes of Section 1(1)(d)includes the Channel Islands and the Isle of Man.

(2) All references to 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 a Debt denominated in US dollars, and 365 days in the case of any other Debt.

(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 specified Section of this Annex.

(5) The headings to the Sections are for ease of reference only.