**COMPROMISING DEBT AGREEMENT**

This document is an Agreement to Compromise Debt (the "Agreement") and is made and effective the [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Company"), a company organised and existing under the laws of the [COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [CREDITOR NAME]** (the "Creditor"), an individual with his main address located at OR a company organised and existing under the laws of the [COUNTRY], located:

 [ADDRESS]

The parties agree as follows:

FOR VALUE RECEIVED, the Creditor being a creditor of the Company hereby enters into an agreement to compromise and reduce the indebtedness due to the undersigned on the following terms and conditions:

1. Both the Company and the Creditor acknowledge that the present debt due is [AMOUNT].
2. The parties agree that the undersigned shall accept the amount of [AMOUNT] in one payment on said debt and in complete discharge of all monies presently due, provided the sum herein shall be punctually paid in the manner following:

[DESCRIBE PAYMENT TERMS]

1. In the event the Company fails to pay the reduced amount on time, the creditor has full autonomy to prosecute its claim for the total debt due under paragraph 1 (fewer payments made).
2. This agreement is binding upon and inure to the benefit of the parties; their successors assigns and personal representatives.

Signed under seal this [DAY] day of [MONTH] month, [YEAR].

Creditor

Company