

No. 8915

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
and  
PERU**

**Exchange of notes (with annexes) constituting an agreement concerning a loan by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of Peru (United Kingdom/Peru Loan, 1966).  
Lima, 3 December 1966**

*Official texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
10 January 1968.*

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

**Échange de notes (avec annexes) constituant un accord relatif à l'octroi d'un prêt par le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord au Gouvernement du Pérou (Prêt Royaume-Uni/Pérou de 1966).  
Lima, 3 décembre 1966**

*Textes officiels anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
10 janvier 1968.*

No. 8915. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF PERU CONCERNING A LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO THE GOVERNMENT OF PERU. LIMA, 3 DECEMBER 1966

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I

*Her Majesty's Ambassador at Lima to the Peruvian Minister for Foreign Affairs*

BRITISH EMBASSY

Lima, 3rd December, 1966

Note No. 111

Your Excellency,

I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Peru and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Peru on this question. The position of the Government of the United Kingdom with regard to the provision of finance and the commitments of that Government and of the Government of Peru as regards associated matters shall be as respectively set out in part A and part B below :

A. The Government of the United Kingdom declare that it is their intention to provide, acting by the Ministry of Overseas Development (hereinafter referred to as " the Ministry "), finance to the Government of Peru by way of a loan to an amount not exceeding \$500,000 (five hundred thousand pounds) sterling towards the cost of Bailey Bridges for the furtherance of the general road programme in Peru.

B. (1) The Government of the United Kingdom shall adopt the procedure described in the following paragraphs of this Note in so far as it relates to things to be done by or on behalf of that Government. The Government of Peru shall adopt the procedure so described in so far as it relates to things to be done by or on behalf of that Government.

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<sup>1</sup> Came into force on 3 December 1966 by the exchange of the said notes.

(2) The Government of Peru shall, by a request in the form set out in Annex A to this Note, open a special account (hereinafter referred to as “ the Account ”) with a bank in London (hereinafter referred to as “ the Bank ”). The Account shall be operated in accordance with the instructions contained in the said request.

(3) Unless and to the extent only that the Ministry otherwise agree in writing, the Account will be used only for payments to a contractor due under a contract which :

- (a) provides for payment in sterling to persons carrying on business in the United Kingdom, the Channel Islands or the Isle of Man;
- (b) is a contract entered into after the date of this Note and before the 23rd of December, 1966; and
- (c) is such a contract for the purchase of goods wholly produced or manufactured in the United Kingdom, the Channel Islands or the Isle of Man, or for work to be done or services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man, as the Government of Peru and the Ministry may from time to time approve.

(4) The Government of Peru shall as soon as possible forward or ensure that there is forwarded to the Ministry in the case of each contract in respect of which it wishes payments to be made from the Account :

- (a) a copy of the contract, or of a notification in the form set out in Annex B to this Note; and
- (b) two copies of a certificate from the contractor concerned in the form set out in Annex C to this Note.

The Government of Peru shall inform the Ministry if at any time a contract (being a contract in respect of which such documents have been forwarded and in respect of which approval has been given or is pending) is amended or if liability is incurred or is to be incurred thereunder to a greater or lesser amount than the amount specified in the contract certificate and in either of these cases the Government of Peru shall as soon as possible forward to the Ministry the relevant supplementary or revised documents.

(5) After the Ministry has considered the documents forwarded, in respect of any contract, by the Government of Peru in pursuance of the procedure described in the foregoing provisions of this Note and any additional information which it may request from that Government for this purpose (and which that Government will then supply), the Ministry shall notify that Government in the form set out in Annex C (i) to this Note whether and to what extent it approves the contract for the purposes of the loan and agrees that payments may be made from the Account. To the extent that the Ministry so approves and agrees it shall, on receipt of a request from the Government of Peru, in the form set out in Annex C (ii) to this Note, giving details of contractual payments due and about to be made, make payments in sterling into the Account and each such payment shall constitute a drawing on the loan. The Ministry shall not make payments into the Account after the 31st of March, 1967.

(6) Withdrawals from the Account shall be made only in respect of the payments referred to in paragraph (3) above and in the manner and subject to the conditions hereafter set out in the present paragraph :

- (a) withdrawals shall be made in accordance with Payment Authorities in the form shown in Annex D hereto duly signed on behalf of the Government of Peru and forwarded to the Ministry for countersignature and accompanied by a Payment Certificate from the Contractor in the form shown in Annex E hereto and the invoices (or photocopies or duplicates of such invoices) referred to therein. If the Ministry is satisfied on perusal of the invoices and Certificates that the payments listed on the Payment Authority are chargeable to the Account, the Ministry shall countersign the Payment Authority and forward it to the Bank,
- (b) the amount of payment in respect of any one contract shall not exceed the amount specified in relation to that contract in the notification in the form set out in Annex C (i).

(7) Before the first document is forwarded to the Ministry in accordance with paragraph (4) above the Government of Peru shall furnish the Ministry with a copy of the Government's instructions to the Bank given in accordance with paragraph (2) above to open and operate the Account; and also notify the Ministry of the names of the officers who are duly authorised to sign the Payment Authorities on its behalf and furnish a specimen signature in duplicate of each such officer.

(8) If any monies that have been paid out of the Account are subsequently refunded either by the Contractor or by a guarantor the Government of Peru shall pay into the Account a sum equal to the monies so refunded.

(9) The Bank shall forward monthly to the Ministry a statement of receipts to and payments from the Account.

(10) The Government of Peru shall repay to the Ministry in pounds sterling in London the total sum which may have been drawn on the loan as envisaged by this Note, such repayment to be made by instalments paid on the dates specified below and amounting to the sums respectively specified in relation to those dates, so, however, that if, on the date when such instalment is due to be paid, there is then outstanding less than the amount specified in relation to that date only the amount then outstanding will be paid.

#### INSTALMENTS

<i>Date due</i>	<i>Amount</i> £
30th April 1971 and on the 30th April in each of the succeeding thirteen years.	17,900
31st October 1971 and on the 31st October in each of the succeeding twelve years	17,900
31st October 1984 . . . . .	16,700

(11) The Government of Peru shall pay to the Ministry in pounds sterling in London interest on drawings from the loan in accordance with this paragraph :

- (a) the rate of interest in respect of each drawing will be determined by the Ministry and in determining the rate the Ministry shall have regard to the cost of borrowing by the Government of the United Kingdom at the date on which the drawing is made;
- (b) interest shall be calculated on a day to day basis on the balance of the loan for the time being outstanding;
- (c) the first payment of accrued interest shall be made on 30th April, 1967, and subsequent payments shall be made on 31st October and 30th April in each year.

(12) Notwithstanding the provisions of paragraph (10) above, the Government of Peru shall be free at any time to repay to the Ministry in pounds sterling the whole or any part of the loan that is still outstanding, together with the accrued interest thereon calculated as in paragraph (11) above.

2. If the foregoing is acceptable to the Government of the Republic of Peru, I have the honour to suggest that the present Note together with Your Excellency's reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of your reply and shall be known as the United Kingdom/Peru Loan, 1966.

3. I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

R. H. K. MARETT

ANNEX A

GOVERNMENT OF THE REPUBLIC OF PERU

To : The Manager  
..... Bank Ltd.  
London

Dear Sir,

*United Kingdom/Peru Loan, 1966*

1. I have to request you on behalf of the Government of the Republic of Peru (hereinafter called "the Government") to open an account in the name of the Government to be styled the United Kingdom/Peru Loan, 1966 Account (hereinafter called "the Account").

2. Payments into the Account may be made from time to time by the Ministry of Overseas Development of Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland (hereinafter called "the Ministry"). It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.

3. Payments from the Account are to be made only against Payment Authorities in the form marked "D" attached hereto duly signed on behalf of the Government and countersigned on behalf of the Ministry.

4. You are to send to the Ministry at the end of each month a detailed statement showing all debits and credits to the Account during the month.

5. You will notify the Peruvian Embassy in London from time to time of the amount required to be drawn from the loan so that the amount so drawn, together with any balance which may be available in the Account, will be sufficient to cover the total value of payments due under Payment Authorities duly signed on behalf of the Government and countersigned on behalf of the Ministry.

6. Any two of the following persons are jointly authorised to sign Payment Authorities on behalf of the Government :

- 1.
- 2.
- 3.
- 4.

Specimens of the signature of each of the above are attached in triplicate.

7. Specimen signatures of the officers authorised to countersign Payment Authorities on behalf of the Ministry will be sent to you direct.

8. No charges and commissions claimed by you in respect of the operation of the Account are to be debited to the Account.

9. A copy of this letter has been sent to the Ministry.

Yours faithfully,

ANNEX B

UNITED KINGDOM/PERU LOAN, 1966

NOTIFICATION OF CONTRACT

To : The Ministry of Overseas Development  
Eland House  
Stag Place  
London, S.W.1.

Notification of Contract No. ....

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above Loan.

1. Name and address of United Kingdom contractor :
2. Date of Contract :
3. Name of purchaser :
4. Short description of goods and/or works or services :

5. Value of Contract : £

6. Terms of Payment :

Signed on behalf of the Government  
of the Republic of Peru :

.....

Date .....

## ANNEX C

## UNITED KINGDOM/PERU LOAN, 1966

## CONTRACT CERTIFICATE

*Particulars of Contract*

1. Date of Contract

Contract Number

	<i>United Kingdom Origin</i>	<i>Non-United Kingdom Origin</i>
2. Description of goods, works and services to be supplied to the Purchaser		

	<i>Sterling</i>	<i>Other Currency, if any</i>
3. Total (estimated) contract price payable by Purchaser		

	<i>Amount</i>	<i>Description</i>
4. Estimated amounts, if any, to be paid to the Supplier in respect of goods or services of non-United Kingdom origin procured by the Contractor for the purposes of the Contract	In respect of non-United Kingdom goods and services (a) goods or materials (b) work to be done or services performed in Buyer's country (c) know-how (d) plans, designs and technical documentation (e) other services	

5. I hereby declare that I have the authority to sign this certificate on behalf of the Supplier named below. I hereby undertake that in performance of the Contract no goods or services which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraph 4 above.

Signed .....

Position held .....

For and on behalf of .....

(name and address of Contractor) .....

Date .....

NOTE: For the purposes of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

## ANNEX C (i)

## UNITED KINGDOM/PERU LOAN, 1966

To:

We are pleased to inform you that we agree  
 We regret to inform you that we cannot agree  
 that payments can be made out of the Account in respect of the Contract particulars of  
 copy certificate

which are set out in the \_\_\_\_\_ attached hereto to the extent of  
 Notification of Contract

£

Date .....

.....  
 Signed on behalf of the Ministry  
 of Overseas Development

## ANNEX C (ii)

## UNITED KINGDOM/PERU LOAN, 1966

## REQUEST FOR DRAWING

The following payments are expected to fall due under contracts approved under the  
 terms of the above-mentioned loan :

<i>Name and address of Beneficiary</i>	<i>Contract No.</i>	<i>Date payment is due</i>	<i>Amount £</i>

The amount available in the Special Account to meet the above payments  
 is £ \_\_\_\_\_ and a further payment into the Account of £ \_\_\_\_\_ is hereby requested.

The sum of £ \_\_\_\_\_ now requested shall on payment into the Account constitute a  
 drawing on the loan.

Date .....

.....  
 Signed on behalf of the Government  
 of the Republic of Peru

To : The Ministry of Overseas Development  
 Finance Department  
 Eland House, Stag Place  
 London, S.W.1.



## ANNEX D

## UNITED KINGDOM/PERU LOAN, 1966

## PAYMENT AUTHORITY

Serial No.

To : The Manager,  
 ..... Bank Ltd.

.....

Dear Sir,

..... Account

You are hereby authorised to make the following payments from the above account on the dates stated :

<i>Name and address of Beneficiary</i>	<i>Contract No.</i>	<i>Date</i>	<i>Amount</i>

This is to certify that the payments stated above are due in sterling to the beneficiaries named under the Contracts noted who are carrying on business in the United Kingdom, the Channel Islands or the Isle of Man.

Date .....

.....  
 Signed on behalf of the Government  
 of the Republic of Peru

Date .....

.....  
 Countersigned on behalf of the Ministry  
 of Overseas Development

## ANNEX E

## PAYMENT CERTIFICATE

I hereby certify that

(i) the payments referred to in the invoices listed below, which or copies of which accompany this Payment Certificate, fall due and are to be made in respect of Contract No. .... dated ..... between the Supplier named below and the Government of Peru and are in accordance with the particulars of this Contract notified in the Contract Certificate signed on behalf of the said Supplier on .....

<i>Supplier's Invoice No.</i>	<i>Date</i>	<i>Name and address of supplier</i>	<i>Amount £</i>	<i>Short description of goods, works and/or services</i>

(ii) There are included in the above-mentioned invoices the following amounts in respect of the non-United Kingdom goods or services specified in paragraph 4 of the Contract Certificate :

- (a) £
- (b) £
- (c)
- (d) £
- (e) £

(iii) apart from the amounts specified in paragraph (ii) all the amounts specified in paragraph (i) are payable in respect of goods and services of United Kingdom origin.

(iv) I have the authority to sign this Certificate on behalf of the Supplier named below.

Signed .....

Position held .....

For and on behalf of .....

Name and address of .....

Supplier .....

Date .....

NOTE : For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

No. (H) : 6-17/81

Lima, 3rd December, 1966

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note, No. 111, of the 3rd of this month, which reads as follows :

[*See note I*]

In reply I have the honour to inform Your Excellency that the above is acceptable to the Government of Peru and that Your Excellency's note and this reply shall constitute an Agreement between the two Governments, which shall enter into force on to-day's date and which shall be known as the United Kingdom/Peru Loan, 1966.

I avail myself of the opportunity to express to Your Excellency the assurances of my highest and most distinguished consideration.

Jorge VASQUEZ

[*Translation of annexes as in note I*]

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<sup>1</sup> Translation by the Government of the United Kingdom.

<sup>2</sup> Traduction du Gouvernement du Royaume-Uni.