

No. 9447

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

**Exchange of notes constituting an agreement concerning a loan by
the Government of the United Kingdom of Great Britain and
Northern Ireland to the Government of Peru (with annexes).
Lima, 19 December 1967**

Authentic texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
3 March 1969.*

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

**Echange de notes constituant un accord relatif à un prêt du Gou-
vernement du Royaume-Uni de Grande-Bretagne et d'Irlande
du Nord au Gouvernement péruvien (avec annexes). Lima,
19 décembre 1967**

Textes authentiques: anglais et espagnol.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 3 mars 1969.

EXCHANGE OF NOTES ¹ CONSTITUTING AN AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED KING-
DOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF PERU CONCERNING A
LOAN BY THE GOVERNMENT OF THE UNITED KING-
DOM OF GREAT BRITAIN AND NORTHERN IRELAND
TO THE GOVERNMENT OF PERU

I

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

Note No. 187

BRITISH EMBASSY

Your Excellency,

Lima, 19th December, 1967

I have the honour to refer to the recent discussion 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, acting by the Ministry of Overseas Development (hereinafter referred to as "the Ministry"), to make available to the Government of Peru by way of a loan a sum not exceeding £500,240 (five hundred thousand, two hundred and forty pounds sterling) towards the cost of bridging equipment for the furtherance of the general road programme in Peru.

B. (1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note in so far as they relate

¹ Came into force on 19 December 1967, the date of the note in reply, in accordance with the provisions of the said notes.

to things to be done by or on behalf of that Government. The Government of Peru shall adopt the arrangements and procedures so described in so far as they relate to things to be done by or on behalf of the Government.

(2) (a) For the purposes of these arrangements 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 solely for the purposes of the loan and in accordance with the instructions contained in the said request.

(b) As soon as the Account is opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Peru shall furnish the Ministry with a copy of the Government's instructions to the Bank given in accordance with the foregoing provisions of this paragraph. The Government of Peru shall at the same time and so often as any change is made therein, notify the Ministry of the names of the officers who are duly authorised to sign on its behalf the Payment Authorities hereinafter provided and shall furnish a specimen signature in duplicate of each such officer.

(c) The Government of Peru shall ensure that the Bank forwards monthly to the Ministry a statement of receipts to and payments from the Account.

(d) Unless the Ministry otherwise agree, payments into the Account shall not be made after the 31st March, 1968.

(3) Save to the extent (if any) to which the Ministry may otherwise agree, drawings from the loan shall be used only for payments under a contract for the purchase in the United Kingdom (which expression in the Note shall be deemed to include the Channel Islands and the Isle of Man) of bridging equipment wholly produced or manufactured in the United Kingdom or for work to be done or for services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom or for two or more of such purposes, being a contract which:

(a) provides for payment in sterling to persons carrying on business in the United Kingdom; and

(b) is approved on behalf of the Government of Peru and accepted by the Ministry for financing from the loan; and

(c) is a contract entered into after the date of this Note and before the 16th of January, 1968.

(4) (a) Where the Government of Peru proposes that part of the loan shall be applied to a contract, that Government shall ensure that there are forwarded at the earliest opportunity to the Ministry:

(i) a copy of the contract, or of a notification thereof in the form set out in Annex B to this Note; and

(ii) two copies of a certificate from the contractor concerned in the United Kingdom in the form set out in Annex C to this Note.

(b) The Government of Peru shall ensure that the Ministry is informed if at any time a contract (being a contract in respect of which documents have been forwarded in accordance with the foregoing provisions) 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 relevant documents so forwarded; and in any of these cases the Government of Peru shall ensure that there are forwarded as soon as possible to the Ministry the relevant supplementary or revised documents.

(5) (a) After the Ministry has considered the documents forwarded, in respect of any contract in pursuance of the procedure described in the foregoing provisions of this Note, and any additional information which it may request from the Government of Peru for this purpose (and which that Government shall 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 accepts that a contract is eligible for payment from the loan.

(b) To the extent that the Ministry so accepts a contract and agrees to payment from the Account, 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 the 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.

(6) For payments due under a contract to which paragraph (3) refers, withdrawals from the Account 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 countersigned by the Ministry. Each Payment Authority shall be forwarded in duplicate to the Ministry for counter-signature and shall be accompanied by Payment Certificates from the Contractors concerned in the form shown in Annex E hereto and the invoices (or a photo-copy or duplicate of such invoices) referred to therein, for retention by the Ministry.

(7) 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, so long as there are payments to be made from the Account, pay an equivalent of such sums into the Account and, in any other case, apply the refunds to the reduction of the loan.

(8) The Government of Peru shall repay to the Ministry in pounds sterling in London the total sum borrowed under the arrangements set out in this Note, such repayment to be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified for that instalment, only the amount then outstanding shall be paid:

<i>Date due</i>	INSTALMENTS	<i>Amount</i>
		£
30th April 1972 and on the 30th April in each of the succeeding thirteen years		17,900
31st October 1972 and on the 31st October in each of the succeeding twelve years		17,900
31st October 1985		16,940

(9) 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 shall be the Exchequer lending rate currently applied by the Government of the United Kingdom to a loan for a comparable period at the date on which the drawing is made;
- (b) interest shall be calculated in respect of each drawing on a day-to-day basis on the balance of the loan for the time being outstanding;
- (c) interest shall be paid on the 30th April and on the 31st October each year.

(10) Notwithstanding the provisions of paragraph (8) of this Note, the Government of Peru shall be free at any earlier time to repay to the Ministry in pounds sterling in London the whole or any part of the loan that is still outstanding, together with the accrued interest thereon calculated as in paragraph (9) above up to the date of payment.

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 the Agreement shall be referred to as the United Kingdom/Peru Loan, 1967.

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

D. F. MUIRHEAD

ANNEX "A"

GOVERNMENT OF THE REPUBLIC OF PERU

To: The Manager

..... Bank Ltd.

London

Dear Sir,

United Kingdom/Peru Loan, 1967

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, 1967 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, 1967

NOTIFICATION OF CONTRACT

To: The Ministry of Overseas Development
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, 1967

CONTRACT CERTIFICATE

Particulars of Contract

1. Date of Contract	Contract Number			
2. Description of goods, works and services to be supplied to the Purchaser	<i>United Kingdom Origin</i>	<i>Non-United Kingdom Origin</i>		
3. Total [estimated] contract price payable by Purchaser	<i>Sterling</i>	<i>Other Currency, if any</i>		
4. Estimated amounts, if any, paid or to be paid by the Contractor in respect of goods or services of non-United Kingdom origin procured or to be procured for the purpose 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	<table border="0"> <tr> <td data-bbox="851 635 910 661"><i>Amount</i></td> <td data-bbox="969 635 1063 661"><i>Description</i></td> </tr> </table>	<i>Amount</i>	<i>Description</i>
<i>Amount</i>	<i>Description</i>			

5. I hereby declare that I am employed in the United Kingdom by the Contractor named below and I have the authority to sign this certificate. 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 2 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, 1967

To:

We are pleased to inform you that we accept

We regret to inform you that we cannot accept

the Contract, particulars of which are set out in the copy certificate attached hereto, as eligible for payment from the above-mentioned loan to the extent of £

Date

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

ANNEX "C" (ii)

UNITED KINGDOM/PERU LOAN, 1967

REQUEST FOR DRAWING

The following payments are expected to fall due under contracts accepted 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
London, S.W.1

ANNEX "D"

UNITED KINGDOM/PERU LOAN, 1967

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"

UNITED KINGDOM/PERU LOAN, 1967

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 Contractor 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 Contractor on

<i>Contractor's Invoice No.</i>	<i>Date</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 Contractor named below.

Signed

Position held

For and on behalf of

Name and Address of Contractor

Date

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

[TRANSLATION¹ - TRADUCTION²]

Number (Hp): 6-17/99

MINISTRY OF FOREIGN AFFAIRS

Lima, 19th December 1967

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note No. 187 dated 19th December 1967, which reads as follows:

[*See note I*]

In reply, I have the honour to inform Your Excellency that the foregoing is acceptable to the Government of the Republic 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 shall be known as the United Kingdom/Peru Loan, 1967.

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

R. FERRERO

¹ Translation by the Government of the United Kingdom.

² Traduction du Gouvernement du Royaume-Uni.