

No. 18914

**SWITZERLAND
and
TURKEY**

**Consolidation Agreement. Signed at Ankara on 17 January
1980**

Authentic text : French.

Registered by Switzerland on 12 June 1980.

**SUISSE
et
TURQUIE**

Accord de consolidation. Signé à Ankara le 17 janvier 1980

Texte authentique : français.

Enregistré par la Suisse le 12 juin 1980.

[TRANSLATION — TRADUCTION]

CONSOLIDATION AGREEMENT¹ BETWEEN THE GOVERNMENT
OF THE SWISS CONFEDERATION AND THE GOVERNMENT OF
THE REPUBLIC OF TURKEY

The Government of the Swiss Confederation and the Government of the Republic of Turkey,

Acting in accordance with the recommendations adopted at the meeting of the Working Group on the Official Turkish Debt of the Consortium for Assistance to Turkey on 23, 24 and 25 July 1979,

Have designated as their representatives:

The Government of the Swiss Confederation, Mr. E. Henri Léchot, Division Head, Office of Foreign Economic Affairs, Federal Department of Public Economy,
The Government of the Republic of Turkey, Mr. Tunç Bilget, Director-General, General Directorate of the Treasury, Ministry of Finance,
who, duly authorized by their Governments, have agreed as follows:

Article 1. The provisions of this Agreement shall cover the Turkish payments, of principal and interest:

- (a) Due or falling due between 1 July 1979 and 30 June 1980 and unpaid in respect of the loans by the Swiss Confederation concluded between 1964 and 1972;
- (b) Due or falling due between 1 July 1979 and 30 June 1980 and unpaid in respect of commercial credits guaranteed by the Swiss Confederation for a period longer than a year and which were the subject of contracts concluded prior to 1 January 1978;
- (c) Due between 21 May 1978 and 30 June 1979 and unpaid in respect of commercial credits guaranteed by the Swiss Confederation for a period less than or equal to one year and which were the subject of contracts concluded prior to 1 January 1979.

Article 2. 1. The payments designated in article 1 shall be made in accordance with the terms of contracts agreed between Swiss creditors and Turkish debtors, with the exception of the loans by the Swiss Confederation designated in paragraph (a), which will be renewed.

2. Payments under article 1, paragraphs (b) and (c), that fell due before the date of signature of this Agreement which still have not been transferred shall be made immediately after its entry into force.

Article 3. In order to facilitate the payments provided for in article 1 of this Agreement, whose total is estimated at approximately 75 million Swiss francs, the Swiss Government shall provide the Central Bank of the Republic of Turkey, acting on behalf of the Turkish Government (hereinafter referred to as the Central Bank), with a credit amounting to 85 per cent of the value of the above-mentioned pay-

¹ Came into force on 6 May 1980, the date of the exchange of notes by which the two Contracting Parties had notified each other of its approval in accordance with their internal law, in accordance with article 11.

ments. In addition, it shall provide supplementary treasury facilities of 15 per cent of the said payments.

Article 4. 1. For the payments under article 1, paragraphs (b) and (c), the Swiss Government shall make available to the Swiss banks, as they receive orders of payment from the Turkish banks, the means of payment provided for in article 3 above, in order to reimburse the creditors.

2. This payment of the Government of the Swiss Confederation shall replace the payment of the Government of the Republic of Turkey to the Swiss creditors.

Article 5. 1. The Government of the Republic of Turkey shall, pursuant to article 3 above, pay interest on the credits:

- (a) At a rate of 3 1/2 per cent for the payments designated in article 1, paragraph (a), commencing with the contractual due date;
- (b) At a weighted rate of 6 3/8 per cent for the payments designated in article 1, paragraphs (b) and (c), irrespective of whether the credits were provided in Swiss francs, German marks or United States dollars, commencing with the date on which the funds are made available, pursuant to article 3.

2. The interest shall be payable on 30 June and 31 December of each year, with the first payment due on 30 June 1980.

Article 6. The Turkish Government shall reimburse the credits provided by the Swiss Government in accordance with article 3 of this Agreement as follows:

- (a) Payments falling due under article 1, paragraphs (a) and (b):
 - (i) 85% in ten equal semi-annual instalments, commencing on 30 June 1983;
 - (ii) 15% in three equal instalments, the first on 30 June 1980, the second on 30 September 1980 and the third on 31 March 1981;
- (b) Payments falling due under article 1, paragraph (c):
 - (i) 85% in eight equal semi-annual instalments, commencing on 30 June 1982;
 - (ii) 15% in three equal instalments, the first on 30 June 1980, the second on 30 September 1980 and the third on 31 March 1981.

Article 7. Payments of interest and capital shall be made in free Swiss francs to the Banque nationale suisse, Zurich, acting for the account of the Swiss Confederation.

Article 8. The Turkish Government undertakes to pay overdue interest on the Swiss credits covered by the Agreement concluded this day. Such interest shall be due from the Central Bank at the request of the Swiss creditor for the period from the contractual maturity to the date of repayment of the credit. It shall be paid no later than 60 days after the reimbursement to the creditor, pursuant to article 4. The request may be channelled through the Federal Office of Foreign Economic Affairs.

Article 9. The Turkish Government:

- (a) Shall grant Switzerland treatment no less favourable than that which it may grant to any other creditor country in respect of the consolidation of debts with comparable maturities;
- (b) Shall notify the Swiss Government of the terms of any debt consolidation agreement mentioned in paragraph (a) that it may conclude.

Article 10. 1. In the case of Swiss credits due on this day but not covered by the foregoing provisions, the Turkish Government shall seek not less than a negotiated solution under the terms of paragraph 8 of the approved Record of Proceedings of Paris of 20 May 1978 and paragraphs 8 and 9 of the approved Record of Proceedings of Paris of 25 July 1979.

2. The settlement of these debts shall in no case be less favourable than that of the matter covered in article 1, paragraphs (b) and (c).

Article 11. This Agreement shall enter into force as soon as the two Parties have notified each other that it has been approved in accordance with their internal law.

IN WITNESS WHEREOF, the undersigned plenipotentiaries, fully authorized, have signed this Agreement.

DONE at Ankara, on 17 January 1980, in two copies in the French language.

For the Government
of the Swiss Confederation:

[E. HENRI LÉCHOT]

For the Government
of the Republic of Turkey:

[TUNÇ BILGET]