

No. 19073

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

**Exchange of notes constituting an agreement concerning a
loan (*United Kingdom/Turkey Loan 1979*) (with annex).
Ankara, 21 September 1979**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
3 September 1980.*

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

**Échange de notes constituant un accord concernant un prêt
(*Prêt Royaume-Uni/Turquie de 1979*) [avec annexe].
Ankara, 21 septembre 1979**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
3 septembre 1980.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF TURKEY CONCERNING A LOAN (*THE UNITED KINGDOM/TURKEY LOAN 1979*)

I

*Her Majesty's Ambassador at Ankara to the Secretary General
of the Ministry of Finance of Turkey*

21 September 1979

Your Excellency,

I have the honour to inform you with reference to the recent discussions between our Governments concerning development assistance, that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland to make available to the Government of the Republic of Turkey by way of a loan a sum not exceeding £15 million sterling (hereinafter called "the loan") for the purchase of certain goods and services in the United Kingdom.

2. Save to the extent to which my Government notify your Government otherwise in writing, the loan allocations may be used only to make direct payment for goods and services, mutually determined by our Governments within the categories listed in the annex to this Note, which are wholly produced in and supplied from the United Kingdom. These categories will be conveyed to the Crown Agents for Overseas Governments and Administrations by my Government. Your Government shall advise the Crown Agents of the authorised signatories for notifying contracts they wish to be financed from the loan, and shall subsequently submit to the Crown Agents copies of such contracts together with the documents specified in Paragraph A II 4 of the Procedures and Practices referred to in paragraph 3 below.

3. Loan allocations shall be made in accordance with the Procedures and Practices Applicable to the Expenditure of United Kingdom Aid Resources except that sections AI, AIII, AIV, AV, BIII, BIV, C and appendix E and all references to them shall not apply.

4. The loan shall not be used to meet the cost of any taxes, fees, import or customs duties imposed directly or indirectly by your Government on goods and services provided.

5. Goods shall be shipped and insured in accordance with normal commercial competitive practice.

6. Unless both Governments otherwise agree, the period for the disbursement of this loan shall expire on 31 March 1981.

7. Your Government shall provide such finance additional to the loan as may be required to complete the approved projects and shall ensure that it is provided during the same period as the loan.

¹ Came into force on 21 September 1979, the date of the note in reply, in accordance with the provisions of the said notes.

8. Your Government shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under the loan. The repayments shall 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 need be paid:

INSTALMENTS

| <i>Date Due</i> | <i>Amount</i> |
|--|---------------|
| 1 March 1985 and on 1 March in each of the succeeding 19 years | £375,000 |
| 1 September 1985 and on 1 September in each of the succeeding 19 years | £375,000 |

Notwithstanding these provisions, your Government shall be free to repay at any earlier time to my Government in pounds sterling in London any amount of the loan that is outstanding.

9. Your Government shall pay interest, to the Government of the United Kingdom in pounds sterling in London, on drawings from the loan, in accordance with the following provisions:

- (a) The rate of interest in respect of each drawing shall be (6%) six per cent per annum commencing from the draw down date of the relevant drawing.
- (b) Interest shall be calculated on a day to day basis on the balance of the total drawings from the loan for the time being outstanding, after deductions of the total repayment made under paragraph 8 above, the drawings being reduced in chronological order by such repayments for the purposes of the calculations.
- (c) The first payment of accrued interest shall be made on 1 March 1980 and subsequent payments shall be made on 1 September and on 1 March in each year, save that if no drawing has been made by 1 March 1980, interest shall only be payable from 1 September or 1 March next following the first drawing.

10. If the foregoing proposals are acceptable to the Government of the Republic of Turkey, I have the honour to propose that the present Note together with Your Excellency's reply in that sense shall constitute an Agreement between the Government of the United Kingdom and the Government of the Republic of Turkey which shall enter into force on the date of Your Excellency's reply and which shall be known as the United Kingdom/Turkey Loan 1979.

I avail myself of this opportunity to convey to Your Excellency the assurance of my highest consideration.

DEREK DODSON

ANNEX

United Kingdom/Turkey Loan 1979

CATEGORIES OF GOODS TO BE SUPPLIED

- A. Special quality steels.
- B. Chemicals for industrial and agricultural purposes, including intermediates for pharmaceuticals.
- C. Refractory bricks, blocks, tiles, cements and mortars for use in steel making.
- D. Machine tools for metalworking including spare parts.
- E. Cranes and mechanical handling equipment.

- F. Spare parts for road graders, dump trucks and crawler-loaders.
- G. Mining machinery for use in underground mines and in surface on-shore activities including spare parts.
- H. Differential units and transmissions for commercial vehicles, including spare parts.
- I. Distribution switchgear, circuit breakers, fusegear, transformers, capacitors and control panels, including spare parts.
- J. Marine equipment including spare parts.

II

*The Secretary General of the Ministry of Finance of Turkey
to Her Majesty's Ambassador at Ankara*

21 September 1979

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of 21 September 1979 which reads as follows:

[*See note I*]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of Turkey and that your Note and this reply constitute an Agreement between our two Governments in this matter which shall enter into force today and shall be known as the United Kingdom/Turkey Loan 1979.

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

For the Government
of the Republic of Turkey:
I. KAYA ERDEM

[*Annex as under note I*]
