

No. 19828

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

**Exchange of notes constituting an agreement concerning
a refinancing loan—*Loan No. 3* (with appendices).
Ankara, 5 December 1980**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
3 June 1981.*

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

**Échange de notes constituant un accord concernant un prêt
de refinancement — *Prêt n^o 3* (avec appendices).
Ankara, 5 décembre 1980**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
3 juin 1981.*

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 REFINANCING LOAN

I

*Her Majesty's Ambassador at Ankara to the Director General
of the Treasury and OIEC, Ministry of Finance of Turkey*

BRITISH EMBASSY
ANKARA

5 December 1980

Sir,

The United Kingdom/Turkey Refinancing Loan Agreement (No.3) 1980

1. I have the honour to refer to the Agreed Minute on the Consolidation of Debt of the Republic of Turkey which was reached in the Working Party on the OECD Turkey Consortium on 23 July 1980, and to inform you that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") to make available to the Government of the Republic of Turkey (hereinafter referred to as "the Government of Turkey") by way of a refinancing loan a sum not exceeding £1,714,911.04 (one million seven hundred and fourteen thousand, nine hundred and eleven pounds, four pence sterling) (hereinafter referred to as "the loan") for the purpose of enabling the Government of Turkey to pay maturities on debts previously rescheduled in accordance with the United Kingdom/Turkey Refinancing Loan Agreement 1978² and the United Kingdom/Turkey Refinancing Loan Agreement (No. 1) 1980³ which fall due between 31 December 1978 and 30 June 1981, both dates inclusive, and which are listed in appendices 1(a) and 1(b) to this Note (hereinafter referred to as "the rescheduled loans").

2. The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note insofar as they relate to things to be done by or on behalf of, or to matters under the control of, that Government. The Government of Turkey shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of, or to matters under the control of, that Government.

ARRANGEMENTS FOR THE LOAN

3. For the purpose of the arrangements specified in this Note the Government of the United Kingdom shall open a special account (hereinafter referred to as "the Account") within the Overseas Development Administration (hereinafter referred to as "the ODA"). The Account shall be operated solely for the purposes of the loan.

¹ Came into force on 5 December 1980 by the exchange of the said notes.

² United Nations, *Treaty Series*, vol. 1156, p. 227.

³ See p. 427 of this volume.

4. The loan shall not be used to meet the cost of any taxes or fees imposed directly or indirectly by the Government of Turkey.

5. For the purposes of the loan the Government of Turkey shall delegate to the ODA all responsibility for payment from the Account.

6. For maturities of capital and interest on the rescheduled loans that fall due for payment between 31 December 1978 and the date of this Note, the Government of the United Kingdom shall now draw from the Account the sum required to clear the payments due. These payments shall be deemed to have been made on the due dates.

7. For maturities of capital and interest on the rescheduled loans that fall due for payment between the date immediately after the date of this Note and 30 June 1981, the Government of the United Kingdom shall draw from the Account on the due date the sum required to clear the payment falling due.

REPAYMENT

8. The Government of Turkey shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under the arrangements set out in this Note. Such repayments shall be made by instalments paid on the dates and in the amount 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 due in respect of Rescheduled Loans listed in appendix 1 (a)</i> £	<i>Amount due in respect of Rescheduled Loans listed in appendix 1 (b)</i> £	<i>Total amount due</i> £
2 January 1981	22,311	—	22,311
1 July 1981	—	20,562	20,562
2 January 1982	22,311	—	22,311
1 July 1982	—	20,562	20,562
2 January 1983	22,311	—	22,311
1 July 1983	—	20,562	20,562
2 January 1984	22,311.16	—	22,311.16
1 July 1984	100,400	20,560.96	120,960.96
2 January 1985	100,400	92,528	192,928
1 July 1985	100,400	92,528	192,928
2 January 1986	100,400	92,528	192,928
1 July 1986	100,400	92,528	192,928
2 January 1987	100,400	92,528	192,928
1 July 1987	100,400	92,528	192,928
2 January 1988	100,397.36	92,528	192,925.36
1 July 1988	—	92,526.56	92,526.56

Notwithstanding these provisions, the Government of Turkey shall be free to repay in pounds sterling in London at any earlier time than is specified herein any amount of the Loan that is outstanding.

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

- (a) The rate of interest in respect of each drawing shall be 3 per cent per annum commencing from the date on which the original maturities financed from the drawing fell due;
- (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 deduction of the total repayments

made under the provisions of paragraph 8, the drawings being reduced in chronological order by such repayments for the purposes of the calculation;

- (c) The payments of accrued interest shall be made on 1 July and 2 January in each year, commencing 1 July 1981.

10. The Government of Turkey shall on sending a reply to this Note advise the Government of the United Kingdom of the name and address of its agent in London through whom payments of interest in sterling shall be made and at the same time issue a standing authority to this agent to make payment of the amounts of interest in sterling as advised by the Government of the United Kingdom as being due for payment. The Government of Turkey shall also issue a standing authority to its agent through whom repayments of principal shall be made to make payments of the amount in sterling on the date specified in this Note, sending a copy of the authority to the Government of the United Kingdom.

11. If the foregoing proposals are acceptable to the Government of Turkey, I have the honour to propose that the present Note together with its appendices and Your Excellency's reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on today's date and which shall be known as "the United Kingdom/Turkey Refinancing Loan Agreement (No. 3) 1980".

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

P. H. LAURENCE

APPENDIX 1(a)

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO THE OVERSEAS DEVELOPMENT ADMINISTRATION ("ODA") ARISING FROM DEBTS PREVIOUSLY RESCHEDULED IN ACCORDANCE WITH THE UNITED KINGDOM/TURKEY REFINANCING LOAN AGREEMENT 1978 AND THE UNITED KINGDOM/TURKEY REFINANCING LOAN AGREEMENT (No. 1) 1980 WHICH FELL DUE BETWEEN 31 DECEMBER 1978 AND 30 JUNE 1980, BOTH DATES INCLUSIVE

<i>Agreement</i>	<i>Date payment falls due</i>	<i>Principal £</i>	<i>Interest £</i>	<i>Total £</i>
1978	31.12.78	33.11	—	33.11
1978	30.06.79	186,500.00	39,576.21	226,076.21
1978	31.12.79	186,500.00	50,246.32	236,746.32
1978	30.06.80	186,500.00	47,448.82	233,948.82
1980 (No. 1)	1.04.80	<u>170,180.00</u>	<u>25,457.06</u>	<u>195,637.06</u>
	TOTALS	729,713.11	162,728.41	892,441.52

APPENDIX 1(b)

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO THE OVERSEAS DEVELOPMENT ADMINISTRATION ("ODA") ARISING FROM DEBTS PREVIOUSLY RESCHEDULED IN ACCORDANCE WITH THE UNITED KINGDOM/TURKEY REFINANCING LOAN AGREEMENT 1978 AND THE UNITED KINGDOM/TURKEY REFINANCING LOAN AGREEMENT (No. 1) 1980 WHICH FELL DUE BETWEEN 1 JULY 1980 AND 30 JUNE 1981, BOTH DATES INCLUSIVE

<i>Agreement</i>	<i>Date payment falls due</i>	<i>Principal £</i>	<i>Interest £</i>	<i>Total £</i>
1978	31.12.80	—	44,651.32	44,651.32
1978	30.06.81	298,350.00	44,651.32	343,001.32
1980 (No. 1)	1.10.80	170,180.00	48,634.17	218,814.17
1980 (No. 1)	1.04.81	<u>170,180.00</u>	<u>45,822.71</u>	<u>216,002.71</u>
	TOTALS	638,710.00	183,759.52	822,469.52

II

*The Director General of the Treasury and OIEC, Ministry of Finance
of Turkey, to Her Majesty's Ambassador at Ankara*

5 December 1980

Sir,

I have the honour to acknowledge receipt of Your Excellency's Note of 5th December 1980 which reads as follows:

[See note I]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of Turkey who therefore agree that your Note and its appendices together with this reply constitute an Agreement between the two Governments in this matter which shall enter into force on today's date and shall be known as "the United Kingdom/Turkey Refinancing Loan Agreement (No. 3) 1980".

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:

TUNÇ BILGET

[Appendices as under note I]
