

No. 19540

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

**Exchange of notes constituting an agreement concerning  
a loan by the Government of the United Kingdom to  
the Government of Turkey (*The United Kingdom/  
Turkey Programme Loan 1980*). Ankara, 29 May 1980**

*Authentic text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 29 January 1981.*

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

**Échange de notes constituant un accord relatif à l'octroi  
d'un prêt du Gouvernement du Royaume-Uni au Gou-  
vernement turc (*Prêt de programme Royaume-Uni/  
Turquie de 1980*). Ankara, 29 mai 1980**

*Texte authentique : anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 29 janvier 1981.*

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 TURKEY CON-  
CERNING A LOAN BY THE GOVERNMENT OF THE UNITED  
KINGDOM TO THE GOVERNMENT OF TURKEY (*THE UNITED  
KINGDOM/TURKEY PROGRAMME LOAN 1980*)

I

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

BRITISH EMBASSY  
ANKARA

29 May 1980

Your Excellency,

*United Kingdom/Turkey Programme Loan 1980*

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 in the United Kingdom.

2. Save to the extent to which my Government notify your Government otherwise in writing, drawings from the loan may be used only to make direct payment in respect of goods of the kind defined in paragraph 3 below. Your Government shall advise the Crown Agents for Oversea Governments and Administrations (hereinafter referred to as "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 AII of the Procedures and Practices referred to in paragraph 4 below.

3. i. Drawings from the loan may be used to make direct payments in respect of such industrial products, wholly produced in and supplied from the United Kingdom, as are in the view of the Government of the United Kingdom conducive to the economic, commercial and industrial development of Turkey. Drawings from the loan shall not be used to make payments in respect of the following categories of goods:

- a. Equipment and supplies for the purposes of defence or defence production;
- b. Imports of luxury and consumer goods;
- c. Oil, petroleum and petroleum products.

Drawings from the loan may be used to make direct payments in respect of goods to be used in the manufacture in Turkey of luxury goods, provided that the finished product is intended wholly or principally for export.

<sup>1</sup> Came into force on 29 May 1980, the date of the note in reply, in accordance with the provisions of the said notes.

ii. Drawings from the loan shall not be used to make payments in respect of contracts for the supply of pharmaceuticals with a value of less than £1,000, or contracts for the supply of other goods with a value of less than £10,000.

iii. Drawings from the loan shall be applied to the loan management charges of the Crown Agents.

4. Drawings from the loan 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.

5. 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 provided.

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

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

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

9. Your Government shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under the loan. The repayment 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>
29 November 1985 and on 29 November in each of the succeeding 19 years . . . .	£375,000
29 May 1986 and on 29 May 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.

10. 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 9 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 29 November 1980 and subsequent payments shall be made on 29 May and on 29 November in each year, save that if no drawing has been made by 29 November 1980 interest shall only be payable from 29 May or 29 November next following the first drawing.

11. 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 Programme Loan 1980.

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

P. H. LAURENCE

## II

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

29 May 1980

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of 29 May 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 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 Programme Loan 1980.

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

TURAN KIVANÇ