

No. 22812

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

**Exchange of notes constituting an agreement concerning a  
loan by the Government of the United Kingdom to the  
Government of Yugoslavia. London, 29 March 1983**

*Authentic text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 29 March 1984.*

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

**Échange de notes constituant un accord relatif à un prêt du  
Gouvernement du Royaume-Uni au Gouvernement de  
la Yougoslavie. Londres, 29 mars 1983**

*Texte authentique : anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 29 mars 1984.*

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 SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA CONCERNING A LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF YUGOSLAVIA

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I

*The Secretary of State for Foreign and Commonwealth Affairs  
to the Ambassador of Yugoslavia at London*

FOREIGN AND COMMONWEALTH OFFICE  
LONDON

29 March 1983

Your Excellency,

I have the honour to inform you with reference to the intergovernmental arrangements concerning economic co-operation recommended in Berne on 19 January 1983 and the recent discussion between our Governments on this matter, 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 Socialist Federal Republic of Yugoslavia by way of a loan a sum not exceeding £38m (thirty-eight million pounds sterling) (hereinafter referred to as "the loan").

2. The loan shall not be subject to future refinancing, restructuring or rescheduling of Yugoslavia's external financial obligations.

3. The first instalment of the loan, amounting to a sum not exceeding £19m (nineteen million pounds sterling) shall be credited in pounds sterling to the account of the National Bank of Yugoslavia with the Bank of England on 30 March 1983. The second instalment, constituting the balance of the loan, shall be credited in pounds sterling to the account of the Bank for International Settlements with the Bank of England on 15 August 1983, for disposal in accordance with arrangements between the Bank for International Settlements and the National Bank of Yugoslavia.

4. The Government of the Socialist Federal Republic of Yugoslavia 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

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<sup>1</sup> Came into force on 29 March 1983, the date of the note in reply, in accordance with the provisions of the said notes.

than the amount specified for that instalment only the amount then outstanding need be paid:

#### INSTALMENTS

<i>Date due</i>	<i>Amount</i>
15 September 1986 .....	£9.5 million
15 March 1987 .....	£9.5 million
15 September 1987 .....	£9.5 million
15 March 1988 .....	£9.5 million

Nevertheless, the Government of the Socialist Federal Republic of Yugoslavia shall be free to repay at any earlier time to the Government of the United Kingdom in pounds sterling in London any amount of the loan that is outstanding.

5. The Government of the Socialist Federal Republic of Yugoslavia shall pay interest to the Government of the United Kingdom in pounds sterling in London, in accordance with the following provisions:

- (a) The rate of interest in respect of each drawing shall be  $12\frac{3}{8}\%$ . Interest will commence from 30 March 1983;
- (b) Interest shall be calculated on a day-to-day basis and on the basis of a 365-day year, on the balance of the loan for the time being outstanding after deduction of the total repayments made under the provisions of paragraph 4;
- (c) The first payment of accrued interest shall be made on 15 September 1983 and subsequent payments shall be made at six monthly intervals thereafter;
- (d) If the loan is repaid in full before final maturity, interest accrued up to the date of the repayment shall also be paid on that date.

6. If the foregoing proposals are acceptable to the Government of the Socialist Federal Republic of Yugoslavia, 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 Socialist Federal Republic of Yugoslavia which shall enter into force on the date of Your Excellency's reply and which shall be known as the United Kingdom/Yugoslavia Loan Agreement 1983.

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

For the Secretary of State:

A. C. GOODISON

## II

*The Ambassador of Yugoslavia at London to the Secretary of State  
for Foreign and Commonwealth Affairs*

EMBASSY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

29 March 1983

Your Excellency,

I have the honour to refer to your note of 29 March 1983, which reads as follows:

[See note I]

In reply, I have the honour to inform you that the foregoing proposals are acceptable to the Government of the Socialist Federal Republic of Yugoslavia who therefore agree that your note, together with the present reply, shall constitute an Agreement between the two Governments in this matter, which shall enter into force from today's date.

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

D. STAMENKOVIC