

No. 27656

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
TRINIDAD AND TOBAGO**

**Exchange of notes constituting an agreement concerning
certain commercial debts (with annex). Port of Spain,
21 July 1989**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 23 November 1990.*

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

**Échange de notes constituant un accord relatif à certaines
dettes commerciales (avec annexe). Port of Spain, 21 juillet
1989**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 23 novembre 1990.*

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 TRINIDAD AND TOBAGO CONCERNING CERTAIN COMMERCIAL DEBTS

I

*The United Kingdom Acting High Commissioner at Port of Spain
to the Minister of Finance of Trinidad and Tobago*

BRITISH HIGH COMMISSION
PORT OF SPAIN

21 July 1989

Minister,

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Trinidad and Tobago which was signed at the Conference held in Paris on 25 January 1989, and to inform The Honourable Minister that the Government of the United Kingdom of Great Britain and Northern Ireland are prepared to provide debt relief to the Government of the Republic of Trinidad and Tobago on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Republic of Trinidad and Tobago, I have the honour to propose that this Note together with its Annex and your reply to that effect shall constitute an Agreement between the two Governments in this matter which shall be known as 'The United Kingdom/Trinidad and Tobago Debt Agreement No 1 (1989)' and which shall enter into force on the date of your reply.

I have the honour to convey to you Minister the assurance of my highest consideration.

R. R. CAPIE

¹ Came into force on 21 July 1989, the date of the note in reply, in accordance with the provisions of the said notes.

ANNEX

SECTION I

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
- (a) “Agreed Minute” means the Agreed Minute on the Consolidation of the Debt of the Republic of Trinidad and Tobago which was signed at the Conference held in Paris on 25 January 1989;
 - (b) “Contract” means a contract, and any agreement supplemental thereto, entered into before 1 September 1988, the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Trinidad and Tobago to a buyer in Trinidad and Tobago, or is in respect of the financing of such a sale, and which in either case granted or allowed credit to the Debtor for a period exceeding one year;
 - (c) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom, including the Channel Islands and the Isle of Man, or any successor in title thereto;
 - (d) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (e) “Debtor” means the Government of Trinidad and Tobago (whether as primary debtor or as guarantor), or any public sector body carrying on business in Trinidad and Tobago or any successor in title thereto;
 - (f) “the Department” means the Secretary of State of the Government of the United Kingdom acting through the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which that Government may subsequently nominate for the purpose hereof;
 - (g) “the Government of Trinidad and Tobago” means the Government of the Republic of Trinidad and Tobago;
 - (h) “Maturity” in relation to a Debt means the due date for the payment or repayment thereof under the relevant Contract, or on a promissory note or bill of exchange drawn up pursuant thereto;
 - (i) “the Ministry” means the Ministry of Finance of the Government of Trinidad and Tobago;
 - (j) “Reference Rate” means the arithmetic mean (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of one per cent) of the rates quoted to the Department by three Reference Banks to be agreed upon by the Department and the Ministry at which six-month eurodollar deposits are offered to the Reference Banks by prime banks in the London Interbank Market at 11 am (London time) two business days before the commencement of the relevant interest period in each year;
 - (k) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.

- (2) All references to interest, excluding contractual interest, shall be to interest accruing from day to day and calculated on the basis of actual days elapsed and a year of 360 days.
- (3) Where the context of this Annex so allows, words importing the singular include the plural and *vice versa*.
- (4) Unless otherwise indicated, reference to a specified Section shall be construed as a reference to that specified Section of this Annex.
- (5) The headings to the Sections are for ease of reference only.

SECTION 2

The Debt

- (1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this Section and Article IV paragraph 3 of the Agreed Minute, apply to any amount of principal accruing up to Maturity, owed by a Debtor to a Creditor, and which:
 - (a) arises under or in relation to a Contract;
 - (b) has fallen due or will fall due for payment on or before 28 February 1990 and remains unpaid;
 - (c) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (d) is not expressed by the terms of the Contract to be payable in Trinidad and Tobago dollars; and
 - (e) does not arise from an amount payable upon, or as a condition of the cancellation or termination of the Contract.
- (2) The Department and the Ministry shall, as soon as possible, agree and draw up a list of Debts ("the Debt List") to which, by virtue of the provisions of this Section, this Annex applies. The Debt List may be reviewed from time to time at the request of the Department or of the Ministry, but may not be added to or amended without the agreement of both the Department and the Ministry. Delay in the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

SECTION 3

Payment of Debt

The Government of Trinidad and Tobago shall pay to the Department in accordance with the provisions of Section 5(1):

- (a) 100 per cent of each Debt which fell due on or before 31 December 1988 in ten equal and consecutive half-yearly instalments commencing on 31 January 1993; and

- (b) 100 per cent of each Debt falling due during the period from 1 January 1989 to 28 February 1990 inclusive (" the Consolidation Period ") in ten equal and consecutive half-yearly instalments commencing on 31 January 1995.

SECTION 4

Interest

- (1) Interest shall be deemed to have accrued and shall accrue on the unpaid portion of each Debt during, and shall be payable in respect of, the period from Maturity until the settlement of that Debt by payment to the Department in accordance with Section 3.
- (2) The Government of Trinidad and Tobago shall be liable for and shall pay to the Department in accordance with the provisions of Section 5(1) and of this Section interest on each Debt to the extent that it has not been settled by payment to the Department in the United Kingdom pursuant to Section 3. Such interest shall be paid to the Department half-yearly on 31 January and 31 July each year except that the first payment shall be made on 31 May 1989.
- (3) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Section is not paid on the due date for payment thereof, the Government of Trinidad and Tobago shall be liable for and shall pay to the Department interest on such amount of overdue interest. Such additional interest shall accrue from day to day from the due date of payment thereof in accordance with the provisions of paragraph (2) of this Section to the date of receipt of the payment by the Department, and shall be due and payable without further notice or demand of any kind.
- (4) All interest payable in accordance with the provisions of this Section shall be paid at the rate of 0.9375 per cent above the Reference Rate applicable to each six-monthly interest period commencing from the Maturity of the Debt concerned.

SECTION 5

Payments to the Department

- (1) As and when payments become due under the terms of Sections 3 and 4, the Ministry shall arrange for the necessary amounts, without deduction for taxes, fees, other public charges or any other costs accruing inside or outside Trinidad and Tobago, to be paid in the currency specified in the Contract as being the currency in which the Debt is to be paid to the Department in the United Kingdom to an account details of which shall be notified by the Department to the Ministry.
- (2) The Ministry shall give the Department full particulars of the Debts and/or interest to which the payments relate.

SECTION 6**Exchange of Information**

The Department and the Government of Trinidad and Tobago shall exchange all information required for the implementation of this Annex.

SECTION 7**Other Debt Settlements**

(1) The Government of Trinidad and Tobago undertakes to perform its obligations under Article III of the Agreed Minute and agrees to accord to the Government of the United Kingdom terms no less favourable than those agreed with any other creditor country, notwithstanding any provision of this Annex to the contrary.

(2) The provisions of paragraph (1) of this Section shall not apply to matters relating to the payment of interest determined by Section 4.

SECTION 8**Preservation of Rights and Obligations**

This Annex and its implementation shall not affect the rights and obligations of any Creditor or Debtor under a Contract other than those rights and obligations in respect of which the Government of the United Kingdom and the Government of Trinidad and Tobago are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

II

*The Minister of Finance of Trinidad and Tobago to the United Kingdom
Acting High Commissioner at Port of Spain*

MINISTRY OF FINANCE
PORT OF SPAIN

21 July 1989

Sir,

I have the honour to acknowledge receipt of your Note of 21 July 1989 which reads as follows:—

[*See note I*]

I have the honour to confirm that the terms and conditions set out in the Annex to your Note are acceptable to the Government of the Republic of Trinidad and Tobago and that your Note together with its Annex, and this reply, shall constitute an Agreement between our two Governments in this matter which shall be known as “The United Kingdom/Trinidad and Tobago Debt Agreement No. 1 (1989)” and which shall enter into force today.

I have the honour to convey to you the assurance of my highest consideration.

S. WILSON

[*Annex as under note I*]
