

No. 27655

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

Exchange of notes constituting an agreement concerning certain commercial debts (with annex). Kingston, 18 May and 14 June 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
JAMAÏQUE**

Échange de notes constituant un accord relatif à certaines dettes commerciales (avec annexe). Kingston, 18 mai et 14 juin 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 JAMAICA CONCERNING CERTAIN COMMERCIAL DEBTS

I

The United Kingdom High Commissioner at Kingston to the Minister of Finance and Public Service of Jamaica

BRITISH HIGH COMMISSION
KINGSTON

18 May 1989

Dear Minister,

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of Jamaica which was signed at the Conference held in Paris on 24 October 1988, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland are prepared to provide debt relief to the Government of Jamaica on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of Jamaica, 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/Jamaica Debt Agreement No. 4 (1988)' and which shall enter into force on the date of your reply.

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

DEREK MILTON

¹ Came into force on 14 June 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 Jamaica which was signed at the Conference held in Paris on 24 October 1988;
 - (b) “the Bank” means the Bank of Jamaica acting on instructions from the Government of Jamaica;
 - (c) “the Consolidation Period” means the period from 1 June 1988 to 30 November 1989 inclusive;
 - (d) “Contract” means a contract, or any agreement supplemental thereto, entered into before 1 October 1983, the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Jamaica to a buyer in Jamaica, 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;
 - (e) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom, or any successor in title thereto;
 - (f) “Currency of the Debt” means the currency specified in the relevant Contract as being the currency in which a Debt is to be paid;
 - (g) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (h) “Debtor” means the Government of Jamaica (whether as primary debtor or as guarantor), or any state enterprise or other enterprise included in the public sector in Jamaica;
 - (i) “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;
 - (j) “the First Agreement” means the Agreement between the Government of the United Kingdom and the Government of Jamaica on Certain Commercial Debts signed on 13 May 1985;¹
 - (k) “the Government of the United Kingdom” means the Government of the United Kingdom of Great Britain and Northern Ireland;
 - (l) “Maturity” in relation to a Debt specified in Section 2(1)(a) means the due date for repayment thereunder, or, to a Debt specified in Section 2(1)(b) 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;

¹ United Nations, *Treaty Series*, vol. 1444, p. 209.

- (m) “Reference Rate” means the rate quoted to the Department by a bank to be agreed upon by the Department and the Bank at which six-month sterling deposits are offered to that bank 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;
- (n) “the Second Agreement” means the Agreement between the Government of the United Kingdom and the Government of Jamaica on Certain Commercial Debts signed on 6 February 1986 ;¹
- (o) “the Third Agreement” means the Agreement between the Government of the United Kingdom and the Government of Jamaica on Certain Commercial Debts signed on 16 March 1988 ;²
- (p) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland, and for the purposes of Section 1(1)(e) includes the Channel Islands and the Isle of Man.
- (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 365 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 paragraphs (2) and (3) of this Section and Article IV paragraph 3 of the Agreed Minute, apply to:
- (a) any amount of principal payable under the First Agreement or the Third Agreement which fell due or will fall due during the Consolidation Period and remains unpaid; and
- (b) any other amount, whether of principal or of contractual interest accruing up to Maturity, owed by a Debtor to a Creditor, and which:
- (i) arises under or in relation to a Contract;
 - (ii) fell due or will fall due for payment during the Consolidation Period and remains unpaid;
 - (iii) is guaranteed by the Department as to payment according to the terms of the Contract; and
 - (iv) is not expressed by the terms of the Contract to be payable in Jamaican dollars.

¹ United Nations, *Treaty Series*, vol. 1462, p. 225.

² *Ibid.*, vol. 1556, p. 245.

(2) The Department and the Bank 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 Bank, but may not be added to or amended without the agreement of both the Department and the Bank. Delay in the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

(3) The provisions of this Annex shall not apply to:

- (a) any amount payable upon, or as a condition of, the formation of a Contract, or as a condition of the cancellation or termination of a Contract; or
- (b) any amount payable under the Second Agreement.

SECTION 3

Transfer Scheme

The Government of Jamaica shall pay to the Department in accordance with the provisions of Section 5(1), 100 per cent of each Debt by 10 equal and consecutive half-yearly instalments commencing on 31 August 1994.

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 Jamaica 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 28 February and 31 August each year commencing on 28 February 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 Jamaica 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 for 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 0.5 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 Bank shall arrange for the necessary amounts, without deduction for taxes, fees, other public charges or any other costs accruing inside or outside Jamaica, to be paid in the Currency

of the Debt to the Department in the United Kingdom to an account details of which shall be notified by the Department to the Government of Jamaica. In this respect the Department shall be regarded as acting as agent for each Creditor concerned.

(2) The Government of Jamaica shall give the Department full particulars of the Debts and/or interest to which the transfers relate.

SECTION 6

Exchange of Information

The Department and the Government of Jamaica shall exchange all information require for the implementation of this Annex.

SECTION 7

Other Debt Settlements

(1) The Government of Jamaica undertakes to comply with the conditions of Article III paragraphs 1, 2, 3, 7, and 9 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 Jamaica are authorised to act respectively on behalf of, and to bind, such Creditor and Debtor.

II

*The Minister of Finance and Public Service of Jamaica
to the United Kingdom High Commissioner at Kingston*

MINISTRY OF FINANCE AND PUBLIC SERVICE
KINGSTON

14 June 1989

Your Excellency,

I have the honour to refer to your Note of 18th May, 1989 which reads as follows:

[*See note I*]

I have the honour to confirm that the foregoing is acceptable to the Government of Jamaica and that your Note and this reply shall constitute an Agreement between the two Governments in this matter which shall enter into force today.

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

Yours sincerely

SEYMOUR MULLINGS

[*Annex as under note I*]
