

No. 30165

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

Exchange of notes constituting the United Kingdom/Philippines Debt Rescheduling Agreement No. 2 (1992) (with annex). Manila, 23 December 1992

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 30 July 1993.*

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

**Échange de notes constituant l'Accord n° 2 de 1992 relatif
au rééchelonnement de dettes Royaume-Uni/Philippines
(avec annexe). Manille, 23 décembre 1992**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 30 juillet 1993.*

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 THE PHILIPPINES CONCERNING THE UNITED KINGDOM/PHILIPPINES DEBT RESCHEDULING AGREEMENT No. 2 (1992)

I

*Her Majesty's Ambassador at Manila
to the Secretary of Finance of the Republic of the Philippines*

BRITISH EMBASSY
MANILA

23 December 1992

I have the honour to refer to discussions between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the "Government of the United Kingdom") and the Government of the Republic of the Philippines (hereinafter referred to as the "Republic of the Philippines") under the terms of the Agreed Minute on the consolidation of the debt of the Republic of the Philippines signed in Paris on 26 May 1989 (hereinafter referred to as the "1989 Consolidation") concerning the Exchange of Notes dated 12 March 1980, constituting the United Kingdom/Philippines Loan (No. 1) 1980² and the Exchange of Notes dated 23 September 1980 constituting the United Kingdom/Philippines Loan (No. 2) 1980³ (both loans hereinafter referred to as the "Aid Loan") and propose that the terms agreed in the Paris Club Agreed Minute date 26 May 1989 should apply to the Aid Loan and propose the following amendments thereto in the light of those discussions.

1. In accordance with the 1989 Consolidation the repayment schedules of Loan No. 1 and Loan No. 2 in respect of those repayments of principal and interest due as at 31 May 1989 and not paid shall be revised. Amounts equal to 100 per cent of the principal and interest due as at 31 May 1989 shall be paid by the Republic of the Philippines in pounds sterling in London to the Government of the United Kingdom in eight (8) equal and successive semi-annual payments, the first payment to be made on 31 May 1994 (end of grace period) and the final payment to be made on 30 November 1997 (end of the repayment period) as set out in attached Table "A" of the Annex.

2. In accordance with the 1989 Consolidation the repayment schedules of Loan No. 1 and Loan No. 2 in respect of those repayments of principal and interest due from 1 June 1989 up to 30 June 1991 inclusive and not paid, shall be revised. Amounts equal to 100 per cent of the principal and 75 per cent of the interest shall be paid by the Republic of the

¹ Came into force on 23 December 1992, the date of the note in reply, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 1203, p. 147.

³ *Ibid.*, vol. 1212, p. 181.

Philippines in pounds sterling in London to the Government of the United Kingdom in eight (8) equal and successive semi-annual payments, the first payment to be made on 31 December 1996 (end of grace period) and the final payment to be made on 30 June 2000 (end of repayment period) as set out in the attached Table “B” of the Annex.

3. The Republic of the Philippines shall pay interest to the Government of the United Kingdom in pounds sterling in London on the rescheduled amounts at the rate of two per cent (2%) per annum on the amounts due under Loan No. 1 as follows:

- (a) Interest shall run on each rescheduled amount from the original payment date of each such amount.
- (b) Interest shall be calculated on a day-to-day basis on the amount of the rescheduled sums outstanding.
- (c) In respect of the sums to be paid in accordance with paragraph 1 above and specified in Table “A” of the Annex the first instalment of accrued interest shall be payable on 30 November 1990 and subsequent payments shall be made on 31 May and 30 November of each year until all sums due have been repaid.
- (d) In respect of the sums to be paid in accordance with paragraph 2 above and specified in Table “B” of the Annex accrued interest shall be payable on 31 December 1990 and subsequent payments shall be made on 30 June and 31 December of each year until all sums due have been repaid.

4. The amounts due under Loan No. 2 shall continue to be free of interest.

5. The sums to be paid in accordance with paragraphs 1, 2 and 3 above are specified in the Annex attached to this Note. The Annex to this Note forms an integral part of the Note and may only be altered or amended by agreement between the Government of the United Kingdom and the Republic of the Philippines.

6. In all other respects, the terms and conditions of the Aid Loan shall continue in operation unless otherwise amended by this Note. In particular, interest payments due under the terms of the Aid Loan shall be calculated as if repayments of principal which have been rescheduled have been paid in full.

7. If the foregoing proposals are acceptable to the Government of the Republic of the Philippines, I have the honour to propose that this Note, together with its Annex, and your reply to that effect shall constitute an Agreement between our Governments in this matter, which shall enter into force and effect on the date of your reply and shall be known as the “United Kingdom/Philippines Debt Rescheduling Agreement No. 2 1992”.

I have the honour to avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

A. E. MONTGOMERY

ANNEX

UK/Philippines Debt Rescheduling No. 2 1992

LOAN No. 1

| <i>Due Date</i> | <i>Original Interest</i> | <i>Interest Paid</i> | <i>Total Interest O/S</i> | <i>Original Principal O/S</i> | <i>Total O/S</i> |
|-----------------|------------------------------|--------------------------|-----------------------------------|---------------------------------------|------------------|
| 12.09.88 | 32,915.84 | 9,874.75 | 23,041.09 | 125,300.00 | 148,341.09 |
| 12.03.89 | 31,136.46 | 9,340.94 | 21,795.52 | 125,300.00 | 147,095.52 |
| Totals | 64,052.30 | 19,215.69 | 44,836.61 | 250,600.00 | 295,436.61 |
| 12.09.89 | 30,389.24 | — | 30,389.24 | 125,300.00 | 155,689.24 |
| 12.03.90 | 28,651.06 | — | 28,651.06 | 125,300.00 | 153,951.06 |
| 12.09.90 | 27,862.64 | — | 27,862.64 | 125,300.00 | 153,162.64 |
| 12.03.91 | 26,165.66 | — | 26,165.66 | 125,300.00 | 151,465.66 |
| Totals | 113,068.60 | — | 113,068.60 | 501,200.00 | 614,268.60 |

LOAN No. 2

| <i>Due Date</i> | <i>Principal Outstanding</i> |
|-----------------|----------------------------------|
| 23.09.88 | 54,700.00 |
| 23.03.89 | 54,700.00 |
| Total | 109,400.00 |
| 23.09.89 | 54,700.00 |
| 23.03.90 | 54,700.00 |
| 23.09.90 | 54,700.00 |
| 23.03.91 | 54,700.00 |
| Total | 218,800.00 |

UK/Philippines Debt Rescheduling No. 2 1992

TABLE A

100% of principal and interest due as at 31 May 1989 inclusive and not paid, to be paid in eight equal, semi-annual instalments from 31 May 1994 to 30 November 1997.

| <i>Due Date</i> | LOAN NO. 1 | | | | LOAN NO. 2 | | <i>Total Due</i> (A) + (B) + (C) + (D) + |
|-----------------|---------------------------------|----------------------------------|-----------------------------|--------------------------|----------------------------------|---------------------------------------|--|
| | <i>Deferred Interest</i> (A) | <i>Deferred Principal</i> (B) | <i>Outstanding Deferred</i> | <i>M.I. at 2%</i> (C) | <i>Deferred Principal</i> (D) | <i>Outstanding Deferred Principal</i> | |
| 30.11.90 | | | 295,436.61 | 11,653.66 | | 109,400.00 | 11,653.66 |
| 31.05.91 | | | 295,436.61 | 2,946.27 | | 109,400.00 | 2,946.27 |
| 30.11.91 | | | 295,436.61 | 2,962.46 | | 109,400.00 | 2,962.46 |
| 31.05.92 | | | 295,436.61 | 2,946.27 | | 109,400.00 | 2,946.27 |
| 30.11.92 | | | 295,436.61 | 2,962.46 | | 109,400.00 | 2,962.46 |
| 31.05.93 | | | 295,436.61 | 2,946.27 | | 109,400.00 | 2,946.27 |
| 30.11.93 | | | 295,436.61 | 2,962.46 | | 109,400.00 | 2,962.46 |
| 31.05.94 | 5,604.58 | 31,325.00 | 258,507.03 | 2,946.27 | 13,675.00 | 95,725.00 | 53,550.85 |
| 30.11.94 | 5,604.58 | 31,325.00 | 221,577.45 | 2,592.15 | 13,675.00 | 82,050.00 | 53,196.73 |
| 31.05.95 | 5,604.58 | 31,325.00 | 184,647.87 | 2,209.70 | 13,675.00 | 68,375.00 | 52,814.28 |
| 30.11.95 | 5,604.58 | 31,325.00 | 147,718.29 | 1,851.54 | 13,675.00 | 54,700.00 | 52,456.12 |
| 31.05.96 | 5,604.58 | 31,325.00 | 110,788.71 | 1,473.14 | 13,675.00 | 41,025.00 | 52,077.72 |
| 30.11.96 | 5,604.58 | 31,325.00 | 73,859.13 | 1,110.92 | 13,675.00 | 27,350.00 | 51,715.50 |
| 31.05.97 | 5,604.58 | 31,325.00 | 36,929.55 | 736.57 | 13,675.00 | 13,675.00 | 51,341.15 |
| 30.11.97 | 5,604.55 | 31,325.00 | 0.00 | 370.31 | 13,675.00 | 0.00 | 50,974.86 |
| | 44,836.61 | 250,600.00 | | 42,670.45 | 109,400.00 | | 447,507.06 |

UK/Philippines Debt Rescheduling No. 2 1992

TABLE B

100% of principal and 75% interest due from 1 June 1989–30 June 1991, inclusive and not paid, to be paid in eight equal, semi-annual instalments from 31 December 1996–30 June 2000. The remaining 25% of interest shall be paid in instalments of 10% on 30 June 1991 and 15% on 30 June 1992.

| <i>Due Date</i> | LOAN NO. 1 | | | | LOAN NO. 2 | | <i>Total Due (A) + (B) + (C) + (D) +</i> |
|-----------------|--------------------------------------|---------------------------------------|---------------------------------|---------------------------|---------------------------------------|---|--|
| | <i>Deferred Interest (A)</i> | <i>Deferred Principal (B)</i> | <i>Outstanding Deferred</i> | <i>M.I. at 2% (C)</i> | <i>Deferred Principal (D)</i> | <i>Outstanding Deferred Principal</i> | |
| 31.12.90 | | | 462,802.94 | 7,480.80 | | 218,800.00 | 7,480.80 |
| 30.06.91 | 11,306.86 | | 602,961.74 | 5,502.93 | | 218,800.00 | 16,809.79 |
| 31.12.91 | | | 602,961.74 | 6,079.18 | | 218,800.00 | 6,079.18 |
| 30.06.92 | 16,960.29 | | 586,001.45 | 5,980.06 | | 218,800.00 | 22,940.35 |
| 31.12.92 | | | 586,001.45 | 5,908.18 | | 218,800.00 | 5,908.18 |
| 30.06.93 | | | 586,001.45 | 5,811.45 | | 218,800.00 | 5,811.85 |
| 31.12.93 | | | 586,001.45 | 5,908.18 | | 218,800.00 | 5,908.18 |
| 30.06.94 | | | 586,001.45 | 5,811.85 | | 218,800.00 | 5,811.85 |
| 31.12.94 | | | 586,001.45 | 5,908.18 | | 218,800.00 | 5,908.18 |
| 30.06.95 | | | 586,001.45 | 5,811.85 | | 218,800.00 | 5,811.85 |
| 31.12.95 | | | 586,001.45 | 5,908.18 | | 218,800.00 | 5,908.18 |
| 30.06.96 | | | 586,001.45 | 5,811.85 | | 218,800.00 | 5,811.85 |
| 31.12.96 | 10,600.18 | 62,650.00 | 512,751.27 | 5,908.18 | 27,350.00 | 191,450.00 | 106,508.36 |
| 30.06.97 | 10,600.18 | 62,650.00 | 439,501.09 | 5,085.37 | 27,350.00 | 164,100.00 | 105,685.55 |
| 31.12.97 | 10,600.18 | 62,650.00 | 366,250.91 | 4,431.13 | 27,350.00 | 136,750.00 | 105,031.31 |
| 30.06.98 | 10,600.18 | 62,650.00 | 293,000.73 | 3,632.41 | 27,350.00 | 109,400.00 | 104,232.59 |
| 31.12.98 | 10,600.18 | 62,650.00 | 219,750.55 | 2,954.09 | 27,350.00 | 82,050.00 | 103,554.27 |
| 30.06.99 | 10,600.18 | 62,650.00 | 146,500.37 | 2,179.44 | 27,350.00 | 54,700.00 | 102,779.62 |
| 31.12.99 | 10,600.18 | 62,650.00 | 73,250.19 | 1,477.04 | 27,350.00 | 27,350.00 | 102,077.22 |
| 30.06.00 | 10,600.19 | 62,650.00 | 0.00 | 726.48 | 27,350.00 | 0.00 | 101,326.67 |
| | 113,068.60 | 501,200.00 | | 98,317.23 | 218,800.00 | | 931,385.83 |

II

*The Secretary of Finance of the Republic of the Philippines
to Her Majesty's Ambassador at Manila*

MINISTRY OF FINANCE
MANILA

23 December 1992

His Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of even date which reads as follows:

[*See note I*]

[*Annex as under note I*]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of the Republic of the Philippines and that your Note and this reply constitute an Agreement between our Governments and shall be known as the United Kingdom/Philippines Debt Rescheduling Agreement No. 2 1992 which shall enter into force and effect today.

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

RAMON R. DEL ROSARIO, Jr.
