

No. 30163

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

**Exchange of notes constituting an agreement concerning certain commercial debts (The United Kingdom/Peru Debt Agreement No. 3 (1991)) (with annex). London, 17 September 1992**

*Authentic texts: English and Spanish.*

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

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

**Échange de notes constituant un accord relatif à certaines dettes commerciales [Accord n° 3 (1991) entre le Royaume-Uni et le Pérou relatif à des dettes] (avec annexe). Londres, 17 septembre 1992**

*Textes authentiques : anglais et espagnol.*

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

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 PERU CONCERNING CERTAIN COMMERCIAL DEBTS (THE UNITED KINGDOM/PERU DEBT AGREEMENT No. 3 (1991))

I

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

FOREIGN AND COMMONWEALTH OFFICE  
LONDON

17 September 1992

Your Excellency,

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Peru which was signed at the conference held in Paris on 17 September 1991, 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 the Republic of Peru 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 Peru, 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/Peru Debt Agreement No. 3 (1991)" 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.

For the Secretary of State,  
A. J. BEAMISH

<sup>1</sup> Came into force on 17 September 1992, 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) “the Agreed Minute” means the Agreed Minute on the Consolidation of the Debt of Peru which was signed at the Conference held in Paris on 17 September 1991;
  - (b) “Appropriate Market Rate” means the Reference Rate plus a margin of 0.5 per cent;
  - (c) “Business Day” means a day on which dealings are carried on in the London Interbank Market and (if payment is required to be made on such day) on which banks are open for domestic and foreign exchange business in London in the case of sterling and in both London and New York City in the case of US dollars;
  - (d) “the Consolidation Period” means the period from 1 October 1991 to 31 December 1992 inclusive;
  - (e) “Contract” means a contract, or any agreement supplemental thereto, entered into before 1 January 1983, the parties to which include the Debtor and a Creditor and which either was for the sale of goods and/or services from outside Peru to a buyer in Peru, or was for the financing of such a sale;
  - (f) “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;
  - (g) “Currency of the Debt” means the currency specified in the relevant Contract or in the previous Agreements as being the currency in which that Debt is to be paid;
  - (h) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
  - (i) “Debtor” means the Government of Peru (whether as primary debtor or as guarantor), or any person or body of persons or corporation resident or carrying on business in Peru or any successor in title thereto;
  - (j) “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;
  - (k) “Maturity” in relation to a Debt:
    - (i) specified in Sections 2(1)(a) and 2(1)(d)(i) means 30 September 1991,
    - (ii) specified in Section 2(1)(b) means the relevant date for payment specified in the Previous Agreements,
    - (iii) specified in Section 2(1)(c) 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, unless that Debt is not an obligation of the Government of Peru, whether as primary debtor or guarantor, in which case it shall mean the date on which the Soles counterpart of the obligation was deposited by the Debtor with the Central Reserve Bank of Peru, where such deposits were made before 30 September 1991, or

- (iv) specified in Sections 2(1)(d)(ii) and 2(1)(d)(iii) means the relevant date of capitalisation specified in Section 5;
- (l) “the Ministry” means the Ministry of Economy and Finance or any other institution which the Government of Peru may nominate for the purposes of this Annex;
- (m) “Peru” means the Republic of Peru;
- (n) “the Previous Agreements” means the Agreements between the Government of the United Kingdom and the Government of Peru on Certain Commercial Debts signed on 12 December 1979<sup>1</sup> and 12 March 1984<sup>2</sup> respectively;
- (o) “Reference Rate” means the rate (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of one per cent) quoted to the Department by a bank to be agreed upon by the Department and the Ministry as the rate at which that bank is offering six-month eurodollar deposits, in the case of a Debt denominated in US dollars, or six-month sterling deposits, in the case of a Debt denominated in sterling, in the London Interbank Market at 11 a.m. (London time) two Business Days before the commencement of the relevant half-yearly interest period in each year;
- (p) “the 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, in the case of Debts denominated in US dollars, or 365 days in the case of Debts denominated in sterling.
- (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 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:
- (a) any amount, whether of principal or of interest, payable under the Previous Agreements which fell due on or before 30 September 1991 and remain unpaid;
- (b) any amount, whether of principal or of interest, payable under the Previous Agreements which has fallen due or will fall due during the Consolidation Period and remain unpaid;
- (c) any other amount, whether of principal or of contractual interest accruing up to Maturity, owed by the Debtor to a Creditor and which:
- (i) arises under or in relation to a Contract;

<sup>1</sup> United Nations, *Treaty Series*, vol. 1202, p. 13.

<sup>2</sup> *Ibid.*, vol. 1393, p. 351.

- (ii) is guaranteed by the Department as to payment according to the terms of the Contract;
  - (iii) is not expressed by the terms of the Contract to be payable in Soles;
  - (iv) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
  - (v) has fallen due for payment on or before 30 September 1991 or will fall due for payment during the Consolidation Period and remain unpaid; and
- (d) any amount of interest charged under Section 5 of this Annex:
- (i) having accrued on or before 30 September 1991, or
  - (ii) accruing from 1 October 1991 to 15 November 1992 inclusive, or
  - (iii) accruing from 16 November 1992 to 31 December 1992 inclusive.

(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 shall apply. 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

#### Payments under the Previous Agreements

The provisions of the Previous Agreements insofar as they relate to the payment of any Debt shall cease to apply upon the entry into force of this Agreement.

### SECTION 4

#### Payment of Debt

The Government of Peru shall pay to the Department, in accordance with the provisions of Section 6(1), the following:

- (a) in respect of each Debt specified in Sections 2(1)(a), 2(1)(b), 2(1)(c) and 2(1)(d)(i): 100 per cent by 14 equal and consecutive half-yearly instalments commencing on 15 November 2000; and
- (b) in respect of each Debt specified in Sections 2(1)(d)(ii) and 2(1)(d)(iii):
  - (i) 30 per cent by 4 half-yearly instalments as follows:
    - (a) in respect of Debt Specified in Section 2(1)(d)(ii), 7.5 per cent on 15 November 1992;
    - (b) in respect of Debt Specified in Sections 2(1)(d)(ii) and 2(1)(d)(iii):
      - (i) 15 per cent (less the amount payable at paragraph (b)(i)(a) of this Section) on 15 May 1993;
      - (ii) 15 per cent in two equal instalments on 15 November 1993 and 15 May 1994; and
  - (ii) 70 per cent by 6 equal and consecutive half-yearly instalments commencing on 15 May 1995.

## SECTION 5

### Interest

(1) Interest on the balance of each Debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity, until the settlement of that Debt by payment to the Department.

(2) The Government of Peru shall be liable for and shall pay to the Department in accordance with the provisions of Section 6(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. Such interest shall be charged half-yearly on 15 May and 15 November (the "Due Dates") each year commencing on 15 November 1991, and for the purposes of paragraph 3 of this Section interest shall also be charged on 31 December 1992.

(3) Interest so charged to 31 December 1992 inclusive will be capitalised on each succeeding Due Date before, and upon, 31 December 1992 and become Debt as provided under Section 2(1)(d). Thereafter, interest so charged shall be paid to the Department on the Due Dates each year commencing 15 May 1993.

(4) If any amount of interest payable in accordance with the provisions of paragraph (3) of this Section is not paid on the Due Date, the Government of Peru shall compensate the Department for any amount of interest outstanding. Such compensation shall be in addition to the interest payable under paragraph (3) of this Section. It shall accrue and be payable on the outstanding amount of overdue interest from day to day from the Due Date in accordance with the provisions of paragraph (3) of this Section to the date of receipt of the payment by the Department, and shall be due without further notice or demand. Such compensation shall be calculated in accordance with the provisions of paragraph (5) of this Section.

(5) All interest and compensation charged in accordance with the provisions of this Section which:

- (a) accrued from Maturity of each Debt until 30 September 1991, shall be charged at the rate of 12·40 per cent per annum in respect of amounts specified in sterling and at the rate of 8·60 per cent per annum in respect of amounts specified in US dollars, and
- (b) accrues from 1 October 1991, shall be charged at the Appropriate Market Rate applicable to each half-yearly interest period commencing with the half-yearly interest period within which the Maturity of the Debt concerned occurs.

## SECTION 6

### Payments to the Department

(1) When payment becomes due under the terms of Section 4 or 5, the Ministry shall:

- (a) where possible draw upon the special account referred to in Article IV paragraph 4 of the Agreed Minute to meet such payments, and

- (b) in any event arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs accruing inside or outside Peru, to be paid in the Currency of the Debt to an account notified by the Department to the Ministry.
- (2) If the day on which such a payment falls due is not a Business Day payment shall be made on the nearest Business Day.
- (3) The Ministry shall give the Department full particulars of the Debts and/or interest and compensation to which the payments relate.

#### SECTION 7

##### **Exchange of Information**

The Department and the Ministry shall exchange all information required for the implementation of this Annex.

#### SECTION 8

##### **Other Debt Settlements**

- (1) The Government of Peru undertakes to perform its obligations under Article III of the Agreed Minute and agrees to accord to 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 5.

#### SECTION 9

##### **Preservation of Rights and Obligations**

This Annex and its implementation shall not affect the rights or 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 Peru are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

#### SECTION 10

##### **Debt Conversion Option**

The Department agrees to give prior notification to the Government of Peru if it intends to exercise the option provided for in Article II paragraph 2D of the Agreed Minute. The Department also recognises that this option can only be implemented with the consent of the Government of Peru.

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]*The Ambassador for the Republic of Peru at London to the Secretary of State  
for Foreign and Commonwealth Affairs*EMBASSY OF PERU  
LONDON

17 September 1992

Your Excellency,

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

[*See note I*][*Annex as under 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 Peru, 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/Peru Debt Agreement No. 3 (1991)' and which shall enter into force today.

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

GILBERT CHAUNY

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<sup>1</sup> Translation supplied by the Government of the United Kingdom.

<sup>2</sup> Traduction fournie par le Gouvernement du Royaume-Uni.