

No. 30237

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

**Exchange of notes constituting an agreement concerning
certain commercial debts (The United Kingdom/Jordan
Debt Agreement No. 2 (1992)) (with annex). Amman,
17 December 1992 and 5 January 1993**

Authentic text: English.

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

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

**Échange de notes constituant un accord relatif à cer-
taines dettes commerciales [Accord no 2 (1992) entre le
Royaume-Uni et la Jordanie relatif à des dettes] (avec
annexe). Amman, 17 décembre 1992 et 5 janvier 1993**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 30 août 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 HASHEMITE KINGDOM OF JORDAN CONCERNING CERTAIN COMMERCIAL DEBTS (THE UNITED KINGDOM/JORDAN DEBT AGREEMENT No. 2 (1992))

I

*The British Chargé d'Affaires at Amman to the Minister of Finance
of the Hashemite Kingdom of Jordan*

BRITISH EMBASSY
AMMAN

17 December 1992

Your Excellency

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Hashemite Kingdom of Jordan which was signed at the Conference held in Paris on 28 February 1992, 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 Hashemite Kingdom of Jordan on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Hashemite Kingdom of Jordan, 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/Jordan Debt Agreement No. 2 (1992)' 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.

J. W. WATT

¹ Came into force on 5 January 1993, the date of the note in reply, in accordance with the provisions of the said notes.

ANNEX

SECTION 1

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 the Hashemite Kingdom of Jordan which was signed at the Conference held in Paris on 28 February 1992;
 - (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) “Contract” means a contract, or any agreement supplemental thereto, entered into before 1 January 1989, the parties to which include a Debtor and a Creditor and which either was for the sale of goods and/or services from outside Jordan to a buyer in Jordan, or was for the financing of such a sale, and which in either case granted or allowed credit to a 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, including the Channel Islands and the Isle of Man, 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 that 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 Jordan or any of its public sector bodies as described in Article II paragraph 1b of the Agreed Minute, whether as primary debtor or as guarantor;
 - (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) “Jordan” means the Hashemite Kingdom of Jordan;
 - (k) “Maturity” means the due date for the payment or repayment of a Debt under the relevant Contract or on a promissory note or bill of exchange drawn up pursuant thereto;
 - (l) “Ministry” means the Ministry of Finance of the Government of Jordan or any other institution which the Government of Jordan may nominate for the purposes of this Annex;
 - (m) “Reference Rate” means the arithmetic mean (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of 1 per cent) of the rates quoted to the Department by three banks to be agreed upon by the Department and the Ministry as the mean rate at which those banks are 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 as 11am (London time) two Business Days before the commencement of the relevant interest period in each year;

- (n) “the United Kindom ” 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 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 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, whether of principal or of contractual interest accruing up to Maturity, which is owed by a Debtor to a Creditor and which:
- (i) arises under or in relation to a Contract;
 - (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 Jordanian dinars;
 - (iv) does not arise from an amount payable under the Agreement between the Government of the United Kingdom and the Government of Jordan on certain commercial debts signed on 29 August 1991;¹
 - (v) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
 - (vi) has fallen due or will fall due for payment on or before 30 June 1993 and remains unpaid.
- (2) The Department and the Ministry shall, as soon as possible, agree and draw up a list of Debts (“the Debt List”) to which 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.

¹ United Nations, *Treaty Series*, vol. 1667, No. I-28669.

SECTION 3

Payment of Debt

The Government of Jordan shall pay to the Department, in accordance with the provisions of Section 5(1):

- (a) in respect of each Debt arising from any amount of contractual interest which fell due on or before 31 December 1991:
 - 50 per cent on 30 June 1992, and
 - 50 per cent in 14 equal and consecutive half-yearly instalments commencing on 31 March 2001; and
- (b) in respect of all other Debts:
 - 100 per cent in 14 equal and consecutive half-yearly instalments commencing on 31 March 2001.

SECTION 4

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 Jordan 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. Such interest shall be paid to the Department half-yearly on 30 September and 31 March (the "Due Dates") each year commencing on 30 September 1992.
- (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 Jordan 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 without further notice or demand.
- (4) Interest payable on 30 September 1992 shall be paid at the rate of 12.05 per cent per annum in the case of Debts denominated in sterling and 6.05 per cent per annum in the case of Debts denominated in US dollars calculated from Maturity to 30 September 1992. All interest payable thereafter in accordance with the provisions of this Section shall be paid 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 5

Payments to the Department

- (1) When payment becomes due under the terms of Section 3 or 4, the Ministry shall arrange for the necessary amounts, without deduction of taxes, fees, other public charges

or any other costs accruing outside the United Kingdom, 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 to which the payments relate.

SECTION 6

Exchange of Information

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

SECTION 7

Other Debt Settlements

(1) The Government of Jordan 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 4.

SECTION 8

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 Jordan are authorised to act respectively on behalf of and to bind such Creditor and debtor.

SECTION 9

Debt Conversion Option

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

II

*The Minister of Finance of the Hashemite Kingdom of Jordan
to Her Majesty's Ambassador at Amman*

THE MINISTRY OF FINANCE

AMMAN

5 January 1993

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of 17 December 1992 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 Jordan, 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/Jordan Debt Agreement No. 2 (1992)' and which shall enter into force today.

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

BASEI JARDANEH

[*Annexes as under note I*]
