



Treaty Series No. 100 (1968)

Exchange of Notes

concerning an Interest-free Development
Loan by the Government of the
United Kingdom of Great Britain and
Northern Ireland to the Government
of the Republic of Turkey

Ankara, 6 August 1968

[The Agreement entered into force on signature]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
November 1968*

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**EXCHANGE OF NOTES
CONCERNING AN INTEREST-FREE DEVELOPMENT LOAN BY
THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND TO THE GOVERNMENT
OF THE REPUBLIC OF TURKEY**

No. 1

Her Majesty's Ambassador at Ankara to the Turkish Minister of Finance

British Embassy,

Ankara, 6 August, 1968

Your Excellency,

I have the honour to refer to the discussions that have taken place between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Turkey about future British development aid, and to inform you that it is the intention of the Government of the United Kingdom to make an interest-free loan not exceeding £275,000 (two hundred and seventy-five thousand pounds sterling) to enable the Government of Turkey to retain Freeman, Fox and Partners (hereinafter referred to as "the Contractors") for the purpose of designing and supervising the erection of a bridge across the Bosphorus (hereinafter referred to as "the bridge"). The Government of the United Kingdom will act in this matter through the Ministry of Overseas Development (hereinafter referred to as "the Ministry").

2. In so far as they relate to things to be done by or on their behalf, the Governments of the United Kingdom, and of Turkey, shall adopt the arrangements and procedures set out below:

- (1) *Special Account.* By a request in the form set out in Annex A to this Note, the Central Bank of the Republic of Turkey acting on behalf of the Government of Turkey shall open a special account (hereinafter referred to as "the Account") with a bank in London (hereinafter referred to as "the Bank").
 - (a) The Account shall be operated solely for the purposes of the loan and in accordance with the instructions contained in the request.
 - (b) As soon as the Account has been opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Turkey shall furnish the Ministry with a copy of the Government's instructions to the Bank given in accordance with the foregoing provisions of this paragraph. The Government of Turkey shall at the same time and so often as any change is made therein, notify the Ministry of the names of the officers who are duly authorised to sign on its behalf the Payment Authorities hereinafter provided and shall furnish a specimen signature in duplicate of each such officer.
 - (c) The Government of Turkey shall ensure that the Bank forwards monthly to the Ministry a statement of receipts to and payments from the Account.
 - (d) Unless the Ministry otherwise agree, payments into the Account will not be made after the 31st of March, 1973.

- (2) *Drawings from the loan.* Unless the Ministry otherwise agree, drawings from the loan shall be used only for payments due in sterling under a contract (hereinafter referred to as "the Contract") dated the 5th of February, 1968 between Freeman, Fox and Partners and the Ministry of Public Works General Directorate of Highways of the Government of Turkey for the provision of Engineering Services to be rendered by Freeman, Fox and Partners of London in connection with the Bosphorus Strait Suspension Bridge, subject to such contract being accepted by the Ministry for financing from the loan.
- (3) *Submission of Contract documents.* The Government of Turkey shall ensure that a copy of the Contract and two copies of a certificate from the Contractor, in the form set out in Annex B to this Note, are forwarded to the Ministry at the earliest opportunity; shall inform the Ministry if any amendments are subsequently made to the contract and ensure that any relevant supplementary documents are forwarded to the Ministry as soon as possible; and shall provide any additional information about the Contract which the Ministry may request. After due consideration of the documents and other information submitted to it, the Ministry shall notify the Government of Turkey, in the form set out in Annex C to this Note whether, and to what extent, it accepts that the Contract is eligible for payment from the loan.
- (4) *Payments into the Account.* The Government of Turkey shall submit requests for payments to be made in the form set out in Annex D to this Note, giving details of the payments due and about to be made. To the extent that the Ministry approves these requests and agrees to payment out of the account it shall then make payments in sterling into the Account and these shall constitute drawings on the loan.
- (5) *Withdrawals from the Account.* Withdrawals from the Account shall be made only in accordance with Payment Authorities in the form shown in Annex E to this Note, duly signed on behalf of the Government of Turkey and countersigned by the Ministry. Each Payment Authority shall be forwarded in duplicate to the Ministry and shall be accompanied by Payment Certificates from the Contractors in the form shown in Annex F to this Note and the invoices (or duplicates thereof) to which reference is made.
- (6) *Refund of monies into the Account.* If any monies that have been paid out of the Account are subsequently refunded either by the Contractors or by a guarantor the Government of Turkey shall, so long as there are payments to be made from the Account, pay an equivalent of such sums into the Account and, in any other case, apply the refunds to the reduction of the loan.
- (7) *Repayment of the Loan.* The Government of Turkey shall repay to the Ministry, the total sum borrowed, in pounds sterling, in London. Payments shall be made in accordance with the following repayments schedule until the total sum borrowed has been repaid.

INSTALMENTS

<i>Due</i>	<i>Amount</i> £
1st October, 1970	1,100
1st April, 1971	1,100
1st October, 1971	2,200
1st April, 1972	2,200
1st October, 1972	3,300
1st April, 1973	3,300
1st October, 1973	4,400
1st April, 1974	4,400
1st October, 1974	5,500
1st April, 1975	5,500
1st October, 1975 and on the 1st October in each of the succeeding 17 years	6,700
1st April, 1976 and on the 1st April in each of the succeeding 16 years	6,700
1st April, 1993	7,500

Save only that

- (a) the Government of Turkey shall be free at any earlier time to repay to the Ministry in pounds sterling in London the whole or any part of the loan that is still outstanding; and
- (b) the Government of Turkey shall not be required to repay in any instalment a sum larger than the amount of the loan then outstanding for repayment.
- (8) *Provision of local facilities.* The Government of Turkey shall provide the Contractors with all local facilities which they may reasonably require for the efficient and expeditious discharge of the Contract.
- (9) *Provision of further finance.* The Government of Turkey shall use its best endeavours to ensure that finance is forthcoming on reasonable terms for the construction of the bridge, and for any other purpose germane to the Contract but not covered by this loan; so that the work of designing the bridge may be followed as speedily as possible by the work of construction, and supervision.
- (10) *Provision of further information.* In addition to the documents and other information required in connection with the Contract, and set out in paragraph 2 (3) of this Note, the Government of Turkey shall:
 - (a) make available to the Ministry any further studies that may be prepared on the economic benefits to be gained from the construction of the bridge;
 - (b) inform the Ministry of the progress made in arranging finance for the construction of the bridge, and in particular inform the Ministry, when the design stage has been completed, of plans for the construction of the bridge; and

- (c) permit officers of Her Britannic Majesty's Embassy at Ankara and other servants or agents of the British Government to visit the site of the bridge; and furnish their agents with all the information relating to the execution of the contract that they may reasonably require.

3. If the foregoing proposals are acceptable to the Government of the Republic of Turkey, I have the honour to suggest that the present Note, together with Your Excellency's reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of your reply, and shall be referred to as the United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968.

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

ROGER ALLEN

ANNEX A

To: The Manager,

Bank,

London,

Dear Sir,

United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968

I have to request you on behalf of the Government of Turkey (hereinafter "the Government") to open an account in the name of the Government, to be styled
Account (hereinafter "the Account").

2. Payments into the Account will be made from time to time by the Ministry of Overseas Development of Her Majesty's Government in the United Kingdom (hereinafter "the Ministry"). It is possible that, as a result of refunds becoming due from the Contractor, payments into the Account will also be made on behalf of the Government itself.

3. Payments from the Account are to be made from time to time to Freeman, Fox and Partners against Payment Authorities in the form marked E attached hereto, duly signed on behalf of the Government and countersigned on behalf of the Ministry.

4. You are to send to the Ministry at the end of each month a detailed statement showing all debits and credits to the Account during the month.

5. You will notify the Turkish Embassy in London from time to time the amount required to be drawn from the loan so that the amount so drawn, together with any balance which may be available in the Account, will be sufficient to cover the total value of payments due under Payment Authorities duly signed on behalf of the Government and countersigned on behalf of the Ministry.

6. Any two of the following persons are jointly authorised to sign Payment Authorities on behalf of the Government:

- 1.
- 2.
- 3.
- 4.

Specimens of the signature of each of the above are attached in triplicate.

7. No bank charges and commissions claimed by you in respect of the operation of the Account are to be debited to the Account.

8. A copy of this letter has been addressed to the Ministry. Specimen signatures of the officers authorised to countersign Payment Authorities on behalf of the Ministry will be sent to you direct.

Yours faithfully,

ANNEX B

United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968

CONTRACT CERTIFICATE

Particulars of Contract

1. Date of Contract	Contract Number	
	<i>United Kingdom Origin</i>	<i>Non-United Kingdom Origin</i>
2. Description of services to be supplied to the Purchaser	<i>Sterling</i>	<i>Other Currency if any</i>
3. Total [estimated] value of contract	<i>Amount</i>	<i>Description</i>
4. Estimate amounts, if any, paid or to be paid by the contractor in respect of services of non-United Kingdom origin procured or to be procured and used for the purposes of the Contract.	In respect of non-United Kingdom services (a) plans, designs and technical documentation (b) other services, e.g. non-United Kingdom staff employed.	

5. I hereby declare that I am employed in the United Kingdom by the Contractor named below and I have the authority to sign this certificate. I hereby undertake that in performance of the Contract, no services which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraph 4 above.

Signed

Position held

(Name and address of

Supplier)

Date

Note: For the purposes of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

ANNEX C

United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968

To:

We are pleased to inform you that we accept

We regret to inform you that we cannot accept

the Contract, particulars of which are set out in the certificate attached hereto as eligible for payment from the above-mentioned loan to the extent of £

Date

.....
Signed on behalf of the Ministry
of Overseas Development.

ANNEX D

United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968

REQUEST FOR DRAWING

The following payments are due to Freeman, Fox and Partners under a contract accepted under the terms of the above-mentioned loan:

Date payment is due	Amount £

The amount available in the Special Account to meet the above payments of £ and a further payment into the Account of £ is hereby requested.

The sum of £ now requested shall on payment into the Account constitute a drawing on the loan.

Date.....

.....
Signed on behalf of the Government
of the Republic of Turkey.

To: The Ministry of Overseas Development,
Finance Department,
Eland House,
Stag Place,
London, S.W.1.

ANNEX E

United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968

PAYMENT AUTHORITY

Serial No. :

Dear Sir,

Account

You are hereby authorised to make the following payments from the above-mentioned Account to Freeman, Fox and Partners, London, in respect of the attached invoices.

Invoice No.	Date payment due	Amount
		£ s. d.

Signed on behalf of the Government of the Republic of Turkey

.....
.....

Date.....

Countersigned on behalf of the Ministry of Overseas Development

.....
.....

Date.....

To: The Manager,

.....Bank Limited,
London.

ANNEX F

United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968

PAYMENT CERTIFICATE

I hereby certify that

- (i) the payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are to be made in respect of Contract No. dated.....between Freeman, Fox and Partners and the Government of Turkey, and are in accordance with the particulars of this contract notified in the contract certificate signed on behalf of the said contractor on

Contractor's Invoice No.	Date	Amount £	Short description of services

- (ii) there are included in the above-mentioned invoices the following amounts in respect of the non-United Kingdom services specified in paragraph 4 of the contract certificate.

- (a) £
- (b) £
- (c) £
- (d) £
- (e) £

- (iii) apart from the amounts specified in paragraph (ii) all the amounts specified in paragraph (i) are payable in respect of services of United Kingdom origin.

- (iv) I have the authority to sign this certificate on behalf of the Contractor named below.

Signed

Position held

For and on behalf of

Name and Address of

Contractor

Date

Note : For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

No. 2

The Turkish Minister of Finance to Her Majesty's Ambassador at Ankara

Republic of Turkey
Ministry of Finance

Your Excellency,

Ankara, August 6, 1968

I have the honour to acknowledge Your Excellency's Note dated August 6, 1968, which reads as follows:

[As in No. 1]

In reply to the above, I have the honour to inform Your Excellency that the above-mentioned proposals are acceptable to the Government of the Republic of Turkey and that Your Excellency's Note and this reply shall be regarded as constituting an Agreement between the two Governments in this matter.

Please accept, Your Excellency, the assurances of my highest consideration.

CI BILGEHAN

[Annexes as in No. 1]

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