



Treaty Series No. 52 (1988)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of Jamaica

concerning Certain Commercial Debts

(the United Kingdom/Jamaica Debt Agreement No. 3 (1987))

Kingston, 12 August 1987 and 16 March 1988

[The Agreement entered into force on 16 March 1988]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
August 1988*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF JAMAICA
CONCERNING CERTAIN COMMERCIAL DEBTS
(THE UNITED KINGDOM/JAMAICA DEBT AGREEMENT NO. 3 (1987))**

No. 1

*The United Kingdom High Commissioner at Kingston to the Prime Minister and
Minister of Finance and Planning of Jamaica*

*British High Commission
Kingston
12 August 1987*

Sir

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 5 March 1987, and to inform you that the Government of the United Kingdom of Great Britain and Northern Ireland is 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. 3 (1987)' and which shall enter into force on the date of your reply.

I have the honour to convey to you, Sir, the assurance of my highest consideration.

A J PAYNE

ANNEX

SECTION 1

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 5 March, 1987;
 - (b) "the Bank" means the Bank of Jamaica acting on instructions from the Government of Jamaica;
 - (c) "Contract" means a contract, and any agreement supplemental thereto, all of which were 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;
 - (d) "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;
 - (e) "Currency of the Debt" means the currency specified in the relevant Contract as being the currency in which that Debt is to be paid;
 - (f) "Debt" means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (g) "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;

- (h) "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;
 - (i) "the Government of the United Kingdom" means the Government of the United Kingdom of Great Britain and Northern Ireland;
 - (j) "Maturity" in relation to a Debt 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;
 - (k) "Previous Agreements" means the Agreements between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Jamaica on Certain Commercial Debts signed on 13 May 1985¹ and 6 February 1986²;
 - (l) "Reference Rate" means the rate quoted to the department by the Reference Bank (being a bank to be agreed upon by the Department and the Bank) at which six-month sterling deposits are offered to that Reference Bank by prime banks in the London interbank market at 11 am (London time) two business days before 15 February and 15 August in each year;
 - (m) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland, and for the purposes of Sections 1(1)(d) and 7 of this Annex 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 paragraph (2) of this Section and paragraph 3 of Section IV of the Agreed Minute, apply to any amount, whether of principal or of contractual interest accruing up to Maturity, owed by a Debtor to a Creditor, and which:
- (a) arises under or in relation to a Contract;
 - (b) fell due or will fall due on or before 31 March 1988 and remains unpaid;
 - (c) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (d) is not expressed by the terms of the Contract to be payable in Jamaican dollars;
 - (e) does not arise from an amount payable upon, or as a condition of, the formation of the Contract, or as a condition of the cancellation or termination of the Contract; and
 - (f) does not arise from an amount payable under the Previous Agreements.
- (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.

¹ Treaty Series No. 42 (1985), Cmnd. 9598.

² Treaty Series No. 35 (1986), Cmnd. 9830.

SECTION 3

Transfer Scheme

- (1) The Government of Jamaica shall pay to the Department in accordance with the provisions of Section 5(1):
- (a) In respect of each Debt which fell due on or before 31 December 1986:
- (i) 100 per cent of principal and 85 per cent of contractual interest by eight equal and consecutive half-yearly instalments on 30 June and 31 December each year commencing on 30 June 1989; and
 - (ii) 15 per cent of contractual interest by no later than 30 June 1987;
- (b) In respect of Debt which fell due, or will fall due, between 1 January 1987 and 31 March 1988, both dates inclusive, 100 per cent of principal and 85 per cent of contractual interest by ten equal and consecutive half-yearly instalments on 15 February and 15 August each year commencing on 15 February 1993.
- (2) The Government of Jamaica shall, in respect of each Debt which fell due, or will fall due, between 1 January 1987 and 31 March 1988, both dates inclusive, also arrange for payment of 15 per cent of the contractual interest to be made to the relevant Creditor, in the Currency of the Debt, on the original due date for payment under the terms of the Contract and as regards amounts already due and not paid as soon as possible and in any case no later than 30 June 1987.

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 in accordance with Section 3(1).
- (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(1). Such interest will be paid and transferred to the Department half-yearly on 15 February and 15 August each year commencing on 15 August 1987.
- (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 of 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 for the period in question.

SECTION 5

Payments to the Department

- (1) As and when payments become due under the terms of Section 3(1) and 4, the Government of Jamaica 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 and transferred 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.
- (3) The Government of Jamaica undertakes to comply with the conditions of Section III paragraphs 8 and 9 of the Agreed Minute.

SECTION 6

Exchange of Information

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

SECTION 7

Other Debt Settlements

- (1) The Government of Jamaica undertakes to comply with the conditions of Section III, paragraphs 1, 2, 3 and 7 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 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.

No. 2

*The Prime Minister and Minister of Finance and Planning of Jamaica to the
United Kingdom High Commissioner at Kingston*

*Ministry of Finance and Planning
Kingston
16 March 1988*

Dear High Commissioner

I acknowledge receipt of your Note of 12th August, 1987, which reads as follows:

[As in No. 1]

I confirm that the terms and conditions set out in the Annex to your Note are acceptable to the Government of Jamaica 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/Jamaica Debt Agreement No. 3 (1987)' and which shall enter into force today.

Please accept, Excellency, the assurance of my highest consideration.

E. SEAGA

[Annex as in No. 1]



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