



Treaty Series No. 5 (2001)

## Exchange of Notes

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. 3 (1994))

Amman, 29 June 1995

[The Agreement entered into force on 29 June 1995]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
January 2001*

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**EXCHANGE OF NOTES 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. 3 (1994))**

**No. 1**

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

*Amman*

*29 June 1995*

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 June 1994, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is 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 our two Governments in this matter which shall be known as 'The United Kingdom/Jordan Debt Agreement No. 3 (1994)' 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.

PETER HINCHCLIFFE

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 June 1994;
  - (b) "Appropriate Market Rate" means the Reference Rate plus 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, including any agreement supplemental thereto, entered into before 1 January 1989, the parties to which include a Debtor and a Creditor or under which payment to a Creditor was guaranteed by a Debtor, 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 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, the Channel Islands or the Isle of Man, or any successor in title thereto;

- (f) “Currency of the Debt” means the currency specified in the relevant Contract or in the First Agreement or the Second Agreement 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 defined in Article 11 paragraph 1 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 by 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) “the First Agreement” means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial Debts signed on 29 August 1991;<sup>1</sup>
- (k) “Interest Period” means the period from 1 January to 30 June inclusive, or 1 July to 31 December inclusive, as the case may be;
- (l) “Jordan” means the Hashemite Kingdom of Jordan;
- (m) “Maturity” in relation to a Debt:
  - (i) specified in Section 2(1)(a) means the due date for payment specified in the First Agreement.
  - (ii) specified in Section 2(1)(b) means the due date for payment specified in the Second Agreement, and
  - (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;
- (n) “the 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;
- (o) “Reference Rate” means the arithmetic mean (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of one 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 at 11am (London time) two Business Days before the commencement of the relevant Interest Period;
- (p) “the Second Agreement” means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial Debts signed on 5 January 1993;<sup>2</sup>
- (q) “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 365 days.

(3) Where the context of this Annex so allows, words importing the singular include the plural and vice versa.

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<sup>1</sup> Treaty Series No. 105 (1991) Cm 1777.

<sup>2</sup> Treaty Series No. 29 (1993) Cm 2238.

(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 First Agreement and falling due for payment from 1 July 1994 to 31 May 1997 inclusive which remains unpaid; and
- (b) any amount of interest payable under the Second Agreement and falling due from 1 July 1994 to 30 June 1995 inclusive which remains unpaid; and
- (c) any other 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) is not an amount payable under either the First Agreement or the Second Agreement;
  - (v) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
  - (vi) falls due for payment on or before 31 May 1997 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.

## SECTION 3

### PAYMENTS UNDER THE FIRST AGREEMENT AND THE SECOND AGREEMENT

Section 5 of the First Agreement and Sections 5 of the Second Agreement shall cease to apply upon the entry into force of this Agreement.

## SECTION 4

### PAYMENT OF DEBT

(1) The Government of Jordan shall pay to the Department, in accordance with the provisions of Section 6(1) each debt specified in sections 2(1)(a) and 2(1)(c) on the following dates and in the following percentages:

<i>Repayment Date</i>	<i>Percentage to be repaid</i>
30 June 1999	0.53
31 December 1999	0.65
30 June 2000	0.77
31 December 2000	0.89
30 June 2001	1.03
31 December 2001	1.17
30 June 2002	1.32
31 December 2002	1.47
30 June 2003	1.64
31 December 2003	1.81
30 June 2004	1.99
31 December 2004	2.18
30 June 2005	2.38
31 December 2005	2.59
30 June 2006	2.81
31 December 2006	3.04
30 June 2007	3.28
31 December 2007	3.53
30 June 2008	3.80
31 December 2008	4.07
30 June 2009	4.36
31 December 2009	4.67
30 June 2010	4.98
31 December 2010	5.31
30 June 2011	5.66
31 December 2011	6.02
30 June 2012	6.40
31 December 2012	6.79
30 June 2013	7.21
31 December 2013	7.65

(2) The Government of Jordan shall also pay to the Department, in accordance with the provisions of Section 6(1) 100 per cent of the Debt specified in Section 2 (1)(b) in 10 equal and consecutive half-yearly instalments commencing 31 December 1997.

## 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 Jordan shall be liable for and shall pay to the Department interest on each Debt in accordance with the provisions of Section 6(1) and this Section. Such interest shall be paid on 30 September 1995 and thereafter on 31 December and 30 June each year (all these date being "Due Dates").

(3) If any amount of interest payable in accordance with the provisions of paragraph (2) is not paid on the Due Date for payment thereof, the Government of Jordan shall be liable for and shall in addition pay to the Department interest on such amount. Such

additional interest shall accrue from day to day from the Due Date for payment of such amount until the date of receipt thereof by the Department, and shall be due without further notice or demand.

(4) All interest payable in accordance with the provisions of this Section shall be paid at the Appropriate Market Rate applicable to each Interest Period commencing with the Interest Period within which the Maturity of the Debt concerned occurs.

## SECTION 6

### PAYMENT TO THE DEPARTMENT

(1) When payment becomes due under the terms of Section 4 or 5, 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 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 Jordan undertakes to fulfil its commitments under Article III of the Agreed Minute.

(2) The Government of Jordan agrees to accord to the United Kingdom terms no less favourable than those agreed with any other creditor, notwithstanding any provision of this Annex to the contrary.

(3) The provisions of paragraph (2) 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 Jordan 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 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.

#### No. 2

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

*Amman*

*29 June 1995*

I have the honour to acknowledge receipt of Your Excellency's Note of 29 June 1995 which in translation reads as follows:

[AS IN NO. 1]

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 Hashemite Kingdom 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. 3 (1994)' and which shall enter into force today.

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

BASIL JARDANEH