



Treaty Series No. 37 (1996)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Federative Republic of Brazil

concerning the United Kingdom/Brazil Debt
Rescheduling Agreement (No. 1) 1996

Brasilia, 31 January 1996

[The Agreement entered into force on the 31 January 1996]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
April 1996*

LONDON : HMSO

£2.00

**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL
CONCERNING THE UNITED KINGDOM/BRAZIL
DEBT RESCHEDULING AGREEMENT (NO. 1) 1996**

No. 1

*Her Majesty's Ambassador to Brasilia to the Minister of Finance of the Government
of the Federative Republic of Brazil*

*British Embassy
Brasilia
31 January 1996*

Excellency,

I have the honour to refer to discussions between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the Government of the United Kingdom) and representatives of the Government of the Federative Republic of Brazil (hereinafter referred to as the Government of Brazil) concerning the United Kingdom/Brazil Loan Agreement 1973¹, constituted by the Exchange of Notes dated 20 November 1973, as amended by the Agreement of 31 December 1984² and the Agreement of 21 August 1989³, (hereinafter referred to as "the Loan"). I have the honour to propose that, having regard to the terms of the Agreed Minute on the Consolidation of the Debt of the Government of Brazil signed in Paris on 29 July 1988, ("the Agreed Minute"), provisions of the Loan shall be amended as follows:

1. The payments in respect of principal and 70% of the interest due under the Loan on or after 1 August 1988 up to and including 31 March 1990 which remain unpaid (hereinafter referred to as "the deferred amounts") shall be made as follows:

an amount equivalent to 100% of the deferred amounts shall be paid by the Government of Brazil in pounds sterling in London to the Government of the United Kingdom, subject to the provisions of paragraph 7 of this Note, in ten equal and successive semi-annual instalments on 1 April and 1 October of each year, as set out in Annex 1 to this Note, the final payment to be made on 1 October 1999.

2. The payments in respect of 30% of the interest due under the Loan on or after 1 August 1988 up to and including 31 March 1990 which remain unpaid shall be made by the Government of Brazil in pounds sterling in London to the Government of the United Kingdom as set out in Annex 1 to this Note, in accordance with paragraph 7 of this Note.

3. The payments in respect of the principal due under the Loan up to and including 31 July 1988 which remain unpaid (hereinafter referred to as "the outstanding amounts") shall be made as follows:

an amount equivalent to 100% of the outstanding amounts shall be paid by the Government of Brazil in pounds sterling in London to the Government of the United Kingdom, subject to the provisions of paragraph 7 of this Note, in ten equal and successive semi-annual instalments on 1 August and 1 February of each year, as set out in Annex 2 to this Note, the final instalment to be paid on 1 February 1998.

4. The Government of Brazil shall pay interest to the Government of the United Kingdom in pounds sterling in London on the deferred amounts and on the outstanding amounts as follows:

¹Treaty Series No. 25 (1974) Cmnd. 5572.

²Treaty Series No. 17 (1985) Cmnd. 9484.

³Treaty Series No. 16 (1990) Cm 969.

- (a) the rate of interest in respect of each deferred amount or outstanding amount shall be five per cent per annum commencing from the original payment date of each deferred amount and outstanding amount, as set out in Annexes 1 and 2 to this Note:
- (b) moratorium interest at five per cent per annum shall be calculated on a day to day basis on the amount of the deferred amounts and outstanding amounts for the time being due and outstanding, after deduction of the total repayment amount, being reduced in chronological order by such repayments for the purpose of the calculation, as set out in Annexes 1 and 2 to this Note.
5. The Annexes to this Note shall form an integral part thereof. Payments should be made to the Royal Bank of Scotland, Lombard Street, London quoting bank details 16-53-60, for credit of External Assistance Vote Account 12119.
6. Interest payments due under the terms of the Loan shall be calculated as if repayments of principal due and unpaid as at 31 July 1988 and falling due from 1 August 1988 up to and including 31 March 1990 had been paid in full.
7. All instalments of principal and interest payable under paragraphs 1-4 above, which, under the terms of the Agreed Minute (as set out in detail in Annexes 1 and 2 hereof) should have been paid prior to the date of entry into force of this Note, shall be paid within 30 (thirty) days of the entry into force of this Note.
8. In all other respects the terms and conditions of the Loan shall continue in force.
9. If the foregoing proposals are acceptable to the Government of Brazil I have the honour to propose that this Note, together with its Annexes and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which will be known as the United Kingdom/Brazil Debt Rescheduling Agreement No. 1 1996 and which shall enter into force on the date of your reply.
10. I avail myself of this opportunity to convey to your Excellency the assurance of my highest consideration.

D. K. HASKELL

ANNEX 1

United Kingdom/Brazil Debt Rescheduling Agreement No. 1 1996

Payments of principal and interest due 1 August 1988–31 March 1990

<i>Due Date</i>	<i>Principal</i>	<i>70% interest</i>	<i>30% interest</i>
20–Nov–88	238,100.00	20,153.53	8,637.23
20–May–89	238,100.00	15,692.43	6,725.33
20–Nov–89	238,100.00	11,751.53	5,036.37
	£714,300.00	£47,597.49	£20,398.92
		Total Interest	£67,996.41
Total Principal	£714,300.00		
Total Interest	£67,996.41		
	£782,296.41		

<i>Due Date</i>	<i>Consolidated amount</i>	<i>Moratorium Interest (5%)</i>	<i>Outstanding Balance</i>	<i>Comments</i>
31-Dec-89		16,298.61		Covered by Brazil Dr No. 2 1996
01-Apr-90	10,199.46	17,758.04	772,096.95	Covered by Brazil Dr No. 2 1996 Annex 2
01-Oct-90	0.00	19,355.31	772,096.95	Covered by Brazil Dr No. 2 1996 Annex 2
01-Apr-91	10,199.46	19,249.54	761,897.49	Covered by Brazil Dr No. 2 1996 Annex 2
01-Oct-91	0.00	19,099.62	761,897.49	Covered by Brazil Dr No. 2 1996 Annex 2
01-Apr-92	0.00	18,995.25	761,897.49	Covered by Brazil Dr No. 2 1996 Annex 1
01-Oct-92	0.00	19,099.62	761,897.49	Covered by Brazil Dr No. 2 1996 Annex 1
01-Apr-93	0.00	18,995.25	761,897.49	Covered by Brazil Dr No. 2 1996 Annex 1
01-Oct-93	0.00	19,099.62	761,897.49	
01-Apr-94	0.00	18,995.25	761,897.49	
01-Oct-94	0.00	19,099.62	761,897.49	
01-Apr-95	76,189.75	18,995.25	685,707.74	
01-Oct-95	76,189.75	17,189.66	609,517.99	
01-Apr-96	76,189.75	15,196.20	533,328.24	
01-Oct-96	76,189.75	13,369.74	457,138.49	
01-Apr-97	76,189.75	11,397.15	380,948.74	
01-Oct-97	76,189.75	9,549.81	304,758.99	
01-Apr-98	76,189.75	7,598.10	228,569.24	
01-Oct-98	76,189.75	5,729.89	152,379.49	
01-Apr-99	76,189.75	3,799.05	76,189.74	
01-Oct-99	76,189.74	1,909.96	(0.00)	
	£782,296.41	£310,780.55		

ANNEX 2

United Kingdom/Brazil Debt Rescheduling Agreement No. 1

Principal due up to and including 31 July 1988 which remains unpaid

<i>Due Date</i>	<i>Amount</i>
20-May-87	238,100.00
20-Nov-87	238,100.00
20-May-88	238,100.00
Total	£714,300.00

<i>Due Date</i>	<i>Principal</i>	<i>Moratorium Interest (5%)</i>	<i>Outstanding Balance</i>	<i>Comments</i>
31-Dec-89		60,731.81		Covered by Brazil Dr No. 2 1996
01-Feb-90		18,004.27		Covered by Brazil Dr No. 2 1996 Annex 2
01-Aug-90		17,710.73	714,300.00	Covered by Brazil Dr No. 2 1996 Annex 2
01-Feb-91		18,004.27	714,300.00	Covered by Brazil Dr No. 2 1996 Annex 2
01-Aug-91		17,710.73	714,300.00	Covered by Brazil Dr No. 2 1996 Annex 2
01-Feb-92		18,004.27	714,300.00	Covered by Brazil Dr No. 2 1996 Annex 1
01-Aug-92		17,710.73	714,300.00	Covered by Brazil Dr No. 2 1996 Annex 1
01-Feb-93		18,004.27	714,300.00	Covered by Brazil Dr No. 2 1996 Annex 1
01-Aug-93	71,430.00	17,710.73	642,870.00	Covered by Brazil Dr No. 2 1996 Annex 1
01-Feb-94	71,430.00	16,203.85	571,440.00	
01-Aug-94	71,430.00	14,168.58	500,010.00	
01-Feb-95	71,430.00	12,602.99	428,580.00	
01-Aug-95	71,430.00	10,626.44	357,150.00	
01-Feb-96	71,430.00	9,002.14	285,720.00	
01-Aug-96	71,430.00	7,084.29	214,290.00	
01-Feb-97	71,430.00	5,401.28	142,860.00	
01-Aug-97	71,430.00	3,542.15	71,430.00	
01-Feb-98	71,430.00	1,800.43	0.00	

No. 2

*The Deputy Attorney General of the National Treasury of the Government of the
Federative Republic of Brazil to Her Majesty's Ambassador at Brasilia*

*British Embassy
Brasilia
31 January 1996*

Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of 31 January 1996 which reads as follows:

[As in No. 1]

[Annexes as in No. 1]

I have the honour to confirm that the proposals set out in your Note are acceptable to the Government of the Federative Republic of Brazil, and that your Note, together with its Annexes and this reply shall constitute an agreement between our two Governments which shall be known as the United Kingdom/Brazil Debt Rescheduling Agreement No. 1 1996 and which shall enter into force today.

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

ADRIENNE SENNA

