



Treaty Series No. 39 (2003)

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. 6 (2002))

Amman, 9 March 2003

[The Agreement entered into force on 9 March 2003]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
October 2003*

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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. 6 (2002))**

No. 1

The British Ambassador at Amman to the Minister of Finance of the Hashemite Kingdom of Jordan

*Amman
9 March 2003*

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 in Paris on 10 July 2002, 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. 6 (2002)" 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.

CHRISTOPHER PRENTICE

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 the Hashemite Kingdom of Jordan that was signed in Paris on 10 July 2002;
 - (b) "**Appropriate Market Rate**" means the Reference Rate plus 0.5 per cent;
 - (c) "**Business Day**" means (i) a day on which banks are open for domestic and foreign exchange business in London, and (ii) in respect of payments of Debt whose Currency is the US dollar, a day on which banks are open for domestic and foreign exchange business in both London and New York;
 - (d) "**Currency**" means the currency in which it was agreed in any of the Previous Agreements that a Debt should be paid;
 - (e) "**Debt**" means any debt to which, by virtue of the provisions of Section 2, this Annex applies;
 - (f) "**Department**" means the Export Credits Guarantee Department or any other department or entity that the Government of the United Kingdom may subsequently nominate to perform the functions of the Export Credits Guarantee Department hereunder;
 - (g) "**Fifth Agreement**" means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial Debts, which entered into force on 7 May 2000;¹

¹ Treaty Series No. 102 (2000) Cm 4836.

- (h) **“Fourth Agreement”** means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial Debts, which entered into force on 9 September 1997;¹
 - (i) **“Jordan”** means the Hashemite Kingdom of Jordan;
 - (j) **“Maturity”** means the due date for payment of a Debt specified in any of the Previous Agreements;
 - (k) **“Ministry”** means the Ministry of Finance of the Government of Jordan or any other institution that the Government of Jordan may nominate to perform the functions of the Ministry of Finance hereunder;
 - (l) **“Previous Agreements”** means the Second Agreement, the Third Agreement, the Fourth Agreement and the Fifth Agreement collectively;
 - (m) **“Reference Rate”** means the rate (rounded upwards where necessary to the nearest multiple of one sixteenth of one percent) quoted by the Reuters Monitor Money Rate Services (International Swap Dealers Association Interbank Rate from London) (page reference “ISDA”) as the rate at which, (i) in the case of a Debt denominated in US dollars, six-month eurodollar deposits, are offered in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant interest period, or (ii) in the case of a Debt denominated in sterling, six-month sterling deposits are offered in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant interest period. If the first day of a relevant interest period is not a Business Day the sterling rate to be used will be that applying on the nearest Business Day prior to the start of the relevant interest period. If the Reuters Monitor Money Rate Services are unavailable at that time on such dates, the rate to be used will be the rate (rounded upwards where necessary to the nearest multiple of one sixteenth of one percent) quoted to the Department by a bank to be agreed by the Department and the Ministry, as the rate at which that bank is offering six-month eurodollar deposits or six-month sterling deposits as the case may be;
 - (n) **“Second Agreement”** means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial Debts, which entered into force on 5 January 1993² and the Amendment thereto which entered into force on 11 November 1993;
 - (o) **“Third Agreement”** means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial Debts, which entered into force on 29 June 1995;³ and
 - (p) **“United Kingdom”** means the United Kingdom of Great Britain and Northern Ireland.
- (2) Where the context of this Annex so allows, words importing the singular include the plural and vice versa.
- (3) Unless otherwise indicated, reference to a specified Section shall be construed as a reference to that Section of this Annex.
- (4) The headings to the Sections are for ease of reference only.

SECTION 2

The Debt

The provisions of this Annex shall, subject to the provisions of Article IV paragraphs 3 and 4 of the Agreed Minute, apply to:

- (a) any amount, whether of principal or interest (including interest accrued on interest), payable under the Previous Agreements which fell due on or before 30 June 2002 inclusive and remains unpaid;

¹ Treaty Series No. 69 (1999) Cm 4472.

² Treaty Series No. 29 (1993) Cm 2238.

³ Treaty Series No. 5 (2001) Cm 5036.

- (b) any amount, whether of principal or interest (excluding interest accrued on interest), payable under the Previous Agreements which has fallen due or will fall due from 1 July 2002 to 30 June 2004 inclusive and remains unpaid;
- (c) any amount, whether of principal or interest (excluding interest accrued on interest), payable under the Previous Agreements which will fall due from 1 July 2004 to 31 December 2005 inclusive and remains unpaid;
- (d) any amount, whether of principal or interest (excluding interest accrued on interest), payable under the Previous Agreements which will fall due from 1 January 2006 to 31 December 2006 inclusive and remains unpaid; and
- (e) any amount, whether of principal or interest (excluding interest accrued on interest), payable under the Previous Agreements which will fall due from 1 January 2007 to 31 December 2007 inclusive and remains unpaid.

SECTION 3

Payments Under the Previous Agreements

The provisions of the Previous Agreements insofar as they relate to the payment of any Debt (as defined herein) 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), the following:

- (a) 100 per cent of the Debt specified in Section 2(a) and 2(b);
- (b) 90 per cent of the Debt specified in Section 2(c);
- (c) 80 per cent of the Debt specified in Section 2(d); and
- (d) subject to the provisions of paragraph 3 of this Section, 70 per cent of the Debt specified in Section 2(e);

on the following dates and in the following percentages:

| Repayment Date | Percentage to be Repaid |
|------------------|-------------------------|
| 30 June 2007 | 0.53 |
| 31 December 2007 | 0.65 |
| 30 June 2008 | 0.77 |
| 31 December 2008 | 0.89 |
| 30 June 2009 | 1.03 |
| 31 December 2009 | 1.17 |
| 30 June 2010 | 1.32 |
| 31 December 2010 | 1.47 |
| 30 June 2011 | 1.64 |
| 31 December 2011 | 1.81 |
| 30 June 2012 | 1.99 |
| 31 December 2012 | 2.18 |
| 30 June 2013 | 2.38 |
| 31 December 2013 | 2.59 |
| 30 June 2014 | 2.81 |

| Repayment Date | Percentage to be Repaid |
|------------------|-------------------------|
| 31 December 2014 | 3.04 |
| 30 June 2015 | 3.28 |
| 31 December 2015 | 3.53 |
| 30 June 2016 | 3.80 |
| 31 December 2016 | 4.07 |
| 30 June 2017 | 4.36 |
| 31 December 2017 | 4.67 |
| 30 June 2018 | 4.98 |
| 31 December 2018 | 5.31 |
| 30 June 2019 | 5.66 |
| 31 December 2019 | 6.02 |
| 30 June 2020 | 6.40 |
| 31 December 2020 | 6.79 |
| 30 June 2021 | 7.21 |
| 31 December 2021 | 7.65 |

(2) The Government of Jordan shall also pay to the Department on Maturity, in accordance with the provisions of Section 6(1), the following:

- (a) 10 per cent of the Debt specified in Section 2(c);
- (b) 20 per cent of the Debt specified in Section 2(d); and
- (c) 30 per cent of the Debt specified in Section 2(e).

(3) On 31 December 2007, in addition to the percentage set forth opposite this date in the table in paragraph (1) of this Section, the Government of Jordan shall pay to the Department, in accordance with the provisions of Section 6(1), 1.18 per cent of Debt that has a Maturity date between 1 July 2007 and 31 December 2007 inclusive.

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) to the extent that it has not been settled by payment in the United Kingdom. Such interest shall be paid first on 15 April 2003 and then half-yearly on 30 June and 31 December (the "Due Dates") each year commencing on 30 June 2003.

(3) Interest payable in accordance with the provisions of this Section shall be paid at the Appropriate Market Rate.

(4) If any amount of interest payable in accordance with the provisions of this Section is not paid on the pertinent Due Date, the Government of Jordan shall pay to the Department interest on such amount of overdue interest. Such additional interest shall accrue at the Appropriate Market Rate plus 0.5% and be payable on the outstanding amount of overdue interest from day to day from the Due Date until the date of receipt of the payment by the Department, and shall be due without further notice or demand.

(5) If any amount of Debt payable in accordance with the provisions of Section 4 is not paid on the pertinent repayment date, the Government of Jordan shall pay to the Department interest on any such outstanding amount which shall accrue at the Appropriate Market Rate plus 0.5% and be payable from day to day from the date on which payment was due to the date of receipt of the payment by the Department, and shall be due without further notice or demand.

(6) All interest payable pursuant to this Annex shall be calculated on the basis of actual days elapsed and a year of 365 days.

SECTION 6

Payments 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 incurred outside the United Kingdom, to be paid in the Currency of each Debt to the 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 next succeeding Business Day.

(3) The Ministry shall give the Department full particulars of the Debts and 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 and agrees to accord to the Government of the United Kingdom terms no less favourable than those agreed with any other creditor, 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 under Section 5.

SECTION 9

Debt Swaps Option

The Department shall give prior notification to the Government of Jordan if it wishes to exercise the option given in Article II paragraph 2C of the Agreed Minute to sell or exchange Debt. This option may only be implemented with the consent of the Government of Jordan and will only be exercised on condition that the Debt sold or exchanged is discharged in the legal currency of Jordan.

SECTION 10

Conditionality

Unless the Department otherwise agrees in writing, the conditions of Article IV paragraphs 3 and 4 of the Agreed Minute shall apply to this Annex. If this Annex ceases to apply because any of these conditions has not been fulfilled, all outstanding payments shall be due according to the payment schedules in the pertinent Previous Agreements, as if this Annex had never existed.

No. 2

The Minister of Finance of the Hashemite Kingdom of Jordan to the British Ambassador at Amman

*Amman
9 March 2003*

I have the honour to acknowledge receipt of Your Excellency Note of March 3, 2003 which in translation¹ read 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 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. 6 (2002) and which shall enter into force today.

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

MICHEL MARTO

¹ The Agreement is in English only and the United Kingdom's Note was dated 9 March.

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