



Treaty Series No. 24 (1978)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of Pakistan
amending the United Kingdom/Pakistan
Debt Relief Agreement 1976 signed at
Islamabad 27 November 1976

Islamabad, 26 September 1977

[The Exchange of Notes entered into force on 26 September 1977]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
March 1978*

LONDON

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF PAKISTAN AMENDING THE
UNITED KINGDOM/PAKISTAN DEBT RELIEF AGREEMENT 1976
SIGNED AT ISLAMABAD, 27 NOVEMBER 1976**

No. 1

*Her Majesty's Ambassador at Islamabad to the Secretary,
Economic Affairs Division, Government of Pakistan*

*British Embassy,
Islamabad.*

Sir,

26 September 1977.

1. I have the honour to refer to your Government's Aide Memoire of 15 June 1977 and to the Exchange of Notes between the two Governments dated 27 November 1976 and known as the United Kingdom/Pakistan Debt Relief Agreement 1976⁽¹⁾ (hereinafter called "the Agreement") and to inform you that, in accordance with the provisions of paragraph 10 of the Agreement, and in order to ensure that the amounts of relief received by the Government of Pakistan are in accordance with paragraph 3a of the Memorandum of Understanding on Debt Relief for Pakistan dated 28 June 1974, it is the intention of the Government of the United Kingdom to increase the percentage of relief to be provided to the Government of Pakistan in respect of the Pakistan financial year 1977/78 from 55% to 58%.

2. Accordingly I have the honour to propose the following amendments to the Agreement:

Paragraph 8: Delete the first sentence and substitute the following:

"The Government of the United Kingdom shall make funds available to the Government of Pakistan to the value of the relief due on the aid debt service payments and the relief due on the commercial debt service payments for the Pakistan financial years 1976/77 and 1977/78, in the following amounts and on the following dates:

<i>Amount of relief due to be provided by by the Government of the United Kingdom to 30 June 1978 (£ million sterling)</i>	<i>Dates on which relief will be provided</i>
6.117	1 December 1976
5.319	1 December 1977 "

(1) Treaty Series No. 35 (1977) Cmnd. 6779.

Paragraph 8: Delete the last sentence and substitute the following:

"No repayment of relief already taken on aid debt servicing amounting to £5·808 million for 1974/75 and £7·492 million for 1975/76 nor repayment of the amounts of £6·117 million and £5·319 million to be made available as specified in this paragraph shall be made by the Government of Pakistan."

Annex 1

Delete and substitute the attached revised Annex.

3. If the foregoing proposals are acceptable to the Government of Pakistan I have the honour to suggest that the present note together with your reply in that sense shall constitute an Agreement between the Government of the United Kingdom and the Government of Pakistan which shall enter into force on the date of your reply.

4. I avail myself of the opportunity to renew to you, Sir, the assurance of my highest consideration.

J. C. W. BUSHELL
Her Majesty's Ambassador

ANNEX I

Summary of debt service payments due on debts falling within the terms of paragraph 3 of the Memorandum of Understanding of 28/6/74 and including the amounts of debt relief due and already taken in each financial year.

S. No.	Particulars	(Figures in million £ sterling)			
		PAKISTAN FINANCIAL YEARS			
		1974-75	1975-76	1976-77	1977-78
1.	Original aid debt service payments	2.950	3.130	3.568	3.867
2.	Aid debt rescheduled under first short term rescheduling... ..	2.858	2.885	2.912	1.466
3.	Aid debt rescheduled under second short term rescheduling	—	1.477	1.485	1.497
4.	Total aid debt service (rows 1 to 3)	5.808	7.492	7.965	6.830
5.	Original commercial debts	3.304	3.131	2.992	2.673
6.	Rescheduled pre-1974 defaulted credits at 6% (including Shell)	0.632	0.792	0.706	0.458
7.	Total commercial debt service (rows 5 and 6)	3.936	3.923	3.698	3.131
8.	Total debt subject to rescheduling (rows 4 and 7)	9.744	11.415	11.663	9.961
9.	Relief due per cent	71	61	66	58
10.	Relief due £ million	6.918	6.963	7.698	5.777
11.	Relief taken:				
	(i) Aid debt servicing due	-5.808	-7.492	—	—
	(ii) Pre-1974 commercial credits rescheduled for eventual repayment after 30 June 1978	-0.632	-0.792	-0.706	-0.458
	Total (i) and (ii)	-6.440	-8.284	-0.706	-0.458
12.	Extra relief taken. Too much (-ve) too little (+ve)	+0.478	-1.321	—	—
13.	Offset in later years for extra relief taken (discounted forward at 10%)	—	-0.795	-0.875	—
14.	Relief due (net of 11 and 13)	—	—	6.117	5.319

No. 2

*The Secretary, Ministry of Finance, Planning and Provincial
Co-ordination (Economic Affairs Division) of Pakistan to
Her Majesty's Ambassador at Islamabad*

Islamabad,

26 September 1977.

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

[As in No. 1]

I have the honour on behalf of the Government of Pakistan to inform you that the foregoing proposals are acceptable and to agree that your Note and this reply shall constitute the Agreement in this matter between the two Governments which shall enter into force on this day's date.

For and on behalf of the
Government of Pakistan

AFTAB AHMAD KHAN

[Annex as in No. 1]

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