



Treaty Series No. 84 (1991)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Republic of Trinidad and Tobago

concerning Certain Commercial Debts

(The United Kingdom/Trinidad and Tobago Debt Agreement No. 2 (1990))

Port of Spain, 9 October 1990

[The Agreement entered into force on 9 October 1990]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
November 1991*

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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 REPUBLIC OF TRINIDAD AND TOBAGO
CONCERNING CERTAIN COMMERCIAL DEBTS
(THE UNITED KINGDOM/TRINIDAD AND TOBAGO DEBT AGREEMENT No. 2
(1990))**

No. 1

*The British High Commissioner at Port of Spain to the Minister of Finance of
Trinidad and Tobago*

*British High Commission
Port of Spain
9 October 1990*

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Trinidad and Tobago which was signed at the Conference held in Paris on 27 April 1990, and to inform the Honourable Minister that the Government of the United Kingdom of Great Britain and Northern Ireland are prepared to provide debt relief to the Government of the Republic of Trinidad and Tobago on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Republic of Trinidad and Tobago, 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/Trinidad and Tobago Debt Agreement No. 2 (1990)" and which shall enter into force on the date of your reply.

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

MARTIN BERTHOUD

ANNEX

SECTION I

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 Trinidad and Tobago which was signed at the Conference held in Paris on 27 April 1990;
 - (b) "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;
 - (c) "the Consolidation Period" means the period from 1 March 1990 to 31 March 1991 inclusive;
 - (d) "Contract" means a contract, or any agreement supplemental thereto, entered into before 1 September 1988, the parties to which include the Debtor and a Creditor and which is for either the sale of goods and/or services from outside Trinidad and Tobago to a buyer in Trinidad and Tobago, or the financing of such a sale, and which in either case granted or allowed credit to the Debtor 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, including the Channel Islands and the Isle of Man, or any successor in title thereto;
 - (f) "Currency of the Debt" means the currency specified in the relevant Contract 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 Trinidad and Tobago (whether as primary debtor or as guarantor);
 - (i) "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;
 - (j) "the First Agreement" means the Agreement between the Government of the United Kingdom and the Government of Trinidad and Tobago on Certain Commercial Debts signed on 21 July 1989¹;
 - (k) "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;
 - (l) "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 London Interbank Market at 11 am (London time) two Business Days before the commencement of the relevant interest period in each year;
 - (m) "the Ministry" means the Ministry of Finance of the Government of Trinidad and Tobago or any other institution which the Government of Trinidad and Tobago may nominate for the purposes of this Annex;
 - (n) "Trinidad and Tobago" means the Republic of Trinidad and Tobago;
 - (o) "the 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 360 days.

¹Treaty Series No. 7 (1990), Cm 942.

- (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 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 any amount of principal accruing up to Maturity, owed by the Debtor to a Creditor and which:
 - (a) arises under or in relation to a Contract;
 - (b) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (c) is not expressed by the terms of the Contract to be payable in Trinidad and Tobago dollars;
 - (d) does not arise from an amount payable under the First Agreement;
 - (e) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
 - (f) falls due for payment during the Consolidation Period.
- (2) The Department and the Ministry 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 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

Payment of Debt

The Government of Trinidad and Tobago shall pay to the Department, in accordance with the provisions of Section 5 (1), in respect of each Debt, 100 per cent by ten equal and consecutive half-yearly instalments commencing on 15 March 1996.

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.
- (2) The Government of Trinidad and Tobago 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. Such interest shall be paid to the Department first on 15 September 1990 and then half-yearly on 15 March and 15 September (the "Due Dates") each year.
- (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 Trinidad and Tobago 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 for 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 without further notice or demand.

(4) All interest payable in accordance with the provisions of this Section shall be paid at the rate of 0.9375 per cent above the Reference Rate applicable to each half-yearly interest period commencing with the half-yearly interest period within which the Maturity of the Debt concerned occurs.

SECTION 5

Payments to the Department

- (1) When payment becomes due under the terms of Sections 3 and 4, the Ministry shall arrange for the necessary amounts, without deduction for taxes, fees, other public charges or any other costs accruing inside or outside Trinidad and Tobago, 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 6

Exchange of Information

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

SECTION 7

Other Debt Settlements

- (1) The Government of Trinidad and Tobago undertakes to perform its obligations under Article III 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 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 Trinidad and Tobago are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

SECTION 9

The Department's Intention

The Department intends, in the spirit of Article IV paragraph 1 of the Agreed Minute, to consider whether it may become possible at some future time to make arrangements to refinance the whole or part of the Debt. If the Department wishes to make such refinancing arrangements, the Government of Trinidad and Tobago agrees to negotiate in good faith to attempt to agree the necessary provisions (provided such provisions involve no additional costs to the Government of Trinidad and Tobago). It is agreed that if, as a consequence of such negotiations, both parties agree that amendments should be made to this Annex, such arrangements shall be effected by a further Exchange of Notes between the Government of Trinidad and Tobago and the Government of the United Kingdom.

No. 2

*The Minister of Finance of Trinidad and Tobago to the British High Commissioner at
Port of Spain*

*Ministry of Finance
Port of Spain
9 October 1990*

I have the honour to acknowledge receipt of your Excellency's Note which 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 quoted above are acceptable to the Government of the Republic of Trinidad and Tobago, 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/Trinidad and Tobago Debt Agreement No. 2 (1990)" and which shall enter into force today.

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

S. WILSON

[Annex as in No. 1]



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