



Treaty Series No. 105 (1991)

# 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. 1 (1989))

Amman, 29 August 1991

[The Agreement entered into force on 29 August 1991]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
December 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 HASHEMITE KINGDOM OF JORDAN  
CONCERNING CERTAIN COMMERCIAL DEBTS  
(THE UNITED KINGDOM/JORDAN DEBT AGREEMENT NO. 1 (1989))**

No. 1

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

*British Embassy  
Amman  
29 August 1991*

Excellency

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 19 July 1989, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland are 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 the two Governments in this matter which shall be known as "The United Kingdom/Jordan Debt Agreement No. 1 (1989)" 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.

**PATRICK EYERS**

## 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 which was signed at the Conference held in Paris on 19 July 1989;
  - (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 in the case of sterling and in both London and New York City in the case of US dollars;
  - (c) "Contract" means a contract, or any agreement supplemental thereto, entered into before 1 January 1989, the parties to which include a Debtor and a Creditor and which either is for the sale of goods and/or services from outside Jordan to a buyer in Jordan or is in respect of the financing of such a sale, and which in either case granted or allowed credit to the Debtor for a period exceeding one year;
  - (d) "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;
  - (e) "Currency of the Debt" means the currency specified in the relevant contract as being the currency in which that Debt is to be paid;
  - (f) "Debt" means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
  - (g) "Debtor" means the Government of Jordan (whether as primary debtor or as guarantor), or any public sector body, including enterprises described in Article II paragraph 1 of the Agreed Minute, carrying on business in Jordan or any successor in title thereto;
  - (h) "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;
  - (i) "Jordan" means the Hashemite Kingdom of Jordan;
  - (j) "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;
  - (k) "Ministry" means the Ministry of Finance of the Government of Jordan or any other institution which that Government may nominate for the purposes of this Annex;
  - (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 rates 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 or any other currency, in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant interest period in each year;
  - (m) "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.
- (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 or contractual interest accruing up to Maturity, owed by a Debtor to a Creditor, and which:

- (a) arises under or in relation to a Contract;
- (b) has fallen due or will fall due for payment on or before
  - (i) 31 December 1990 in respect of principal, or
  - (ii) 31 December 1989 in respect of contractual interest and remains unpaid;
- (c) is guaranteed by the Department as to payment according to the terms of the Contract;
- (d) is not expressed by the terms of the Contract to be payable in Jordanian dinars; and
- (e) does not arise from an amount payable upon, or as a condition of the formation, cancellation or termination of the Contract.

(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 Jordan shall pay to the Department in accordance with the provisions of Section 5(1):

- (a) in respect of each Debt which fell due on or before 30 June 1989:
  - 100 per cent in ten equal and consecutive half-yearly instalments commencing on 30 September 1994;
- (b) in respect of contractual interest falling due during the period from 1 July 1989 to 31 December 1989:
  - 50 per cent in ten equal and consecutive half-yearly instalments commencing on 30 September 1995; and
- (c) in respect of principal falling due during the period from 1 July 1989 to 31 December 1990:
  - 100 per cent in ten equal and consecutive half-yearly instalments commencing on 30 September 1995.

## SECTION 4

### Interest

(1) Interest shall be deemed to have accrued and shall accrue on the unpaid portion of each Debt 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 Jordan 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 30 June 1991 and then half-yearly on 30 September and 31 March (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 Jordan 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 of 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 and payable without further notice or demand of any kind.

(4) All interest payable in accordance with the provisions of this Section shall be paid at the rate of 0.5 per cent above the Reference Rate applicable to each six-monthly interest period commencing with the six-monthly interest period within which the Maturity of the Debt concerned occurs.

#### SECTION 5

##### **Payments to the Department**

(1) As and when payments become 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 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 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 Jordan undertakes to perform its obligations 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 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 Jordan are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

##### **Excellency**

Notwithstanding that Section 4(2) of the United Kingdom/Jordan Debt Agreement No. 1 (1989) states that the first interest payment shall be paid to the Department on 30 June 1991, the Department hereby agrees that this payment shall be paid no later than 15 days after signature of the above mentioned agreement.

Accept, Excellency, the assurance of my highest consideration.

PATRICK EYERS

No. 2

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

*Ministry of Finance  
Amman  
29 August 1991*

Your Excellency

I have the honour to acknowledge receipt of your Excellency's Note of 29 August 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 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. 1 (1989) and which shall enter into force today.

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

**BASIL JARDANEH**

[Annex as in No. 1]



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