



Treaty Series No. 69 (1999)

## 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. 4 (1997))

Amman, 13 August and 9 September 1997

[The Exchange of Notes entered into force on 9 September 1997]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
November 1999*



**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. 4 (1997))**

**No. 1**

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

*British Embassy  
Amman  
13 August 1997*

Your 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 23 May 1997, 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 our two Governments in this matter which shall be known as "The United Kingdom/Jordan Debt Agreement No. 4 (1997)" and which shall enter into force on the date of your reply.

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

C C R BATTISCOMBE

**ANNEX**

**SECTION 1**

**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 the Hashemite Kingdom of Jordan which was signed at the Conference held in Paris on 23 May 1997;
  - (b) "Appropriate Market Rate" means the Reference Rate plus 0.5 per cent;
  - (c) "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;
  - (d) "the Consolidation Period" means the period from 1 June 1997 to 28 February 1998 inclusive;
  - (e) "Contract" means a contract, including any agreement supplemental thereto, entered into before 1 January 1989, the parties to which include a Debtor and a Creditor or under which payment to a Creditor was guaranteed by a Debtor, and which either was for the sale of goods and/or services from outside Jordan to a buyer in Jordan, or was for the financing of such a sale, and which in either case granted or allowed credit to the Debtor for a period exceeding one year;

- (f) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man, or any successor in title thereto;
- (g) “Currency of the Debt” means the currency specified in the relevant Contract or in the First Agreement or the Second Agreement as being the currency in which that Debt is to be paid;
- (h) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
- (i) “Debtor” means the Government of Jordan or any of its public sector bodies (whether as primary debtor or as guarantor), as defined in Article II paragraph 1 of the Agreed Minute;
- (j) “the Department” means 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;
- (k) “the First Agreement” means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial Debts signed on 29 August 1991;<sup>1</sup>
- (l) “Interest Period” means the period from 1 May to 30 October inclusive, or 1 November to 30 April inclusive, as the case may be;
- (m) “Jordan” means the Hashemite Kingdom of Jordan;
- (n) “Maturity” in relation to a Debt:
  - (i) specified in Section 2(1)(a) means the due date for payment specified in the First Agreement,
  - (ii) specified in Section 2(1)(b) means the due date for payment specified in the Second Agreement,
  - (iii) specified in Section 2(1)(c) 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;
- (o) “the Ministry” means the Ministry of Finance of the Government of Jordan or any other institution which the Government of Jordan may nominate for the purposes of this Annex;
- (p) “Reference Rate” means the rate (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of one per cent) quoted by the Reuters Monitor Money Rate Services (International Swap Dealers Association Interbank Rates from London) (Page reference “ISDA”) as the rate at which 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, are offered in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant Interest Period. If the Reuters Monitor Money Rate Services are unavailable on the required date, the rate or rates to be used will be the mean of the rates provided by two banks, to be agreed by the Department and the Ministry, as the mean of the rates at which those banks are offering six-month eurodollar deposits or six-month sterling deposits on the required date;
- (q) “the Second Agreement” means the Agreement between the Government of the United Kingdom and the Government of Jordan on Certain Commercial debts signed on 5 January 1993;<sup>2</sup>
- (r) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.

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<sup>1</sup>Treaty Series No. 105 (1991) Cm 1777

<sup>2</sup>Treaty Series No. 29 (1993) Cm 2238

- (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:
  - (a) any amount, whether of principal or of interest payable under the First Agreement which has fallen due or will fall due during the Consolidation Period and which remains unpaid; and
  - (b) any amount of interest, payable under the Second Agreement which has fallen due or will fall due during the Consolidation Period and which remains unpaid; and
  - (c) any other amount, whether of principal or of contractual interest accruing up to Maturity, which is owed by a Debtor to a Creditor and which:
    - (i) arises under or in relation to a Contract;
    - (ii) is guaranteed by the Department as to payment according to the terms of the Contract;
    - (iii) is not expressed by the terms of the Contract to be payable in Jordanian Dinars;
    - (iv) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
    - (v) has fallen due or will fall due for payment during the Consolidation Period and remain unpaid.
- (2) The Department and the Ministry shall, as soon as possible, agree and draw up a list of Debts ("the Debt List") to which 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

### **Payments under the First Agreement and the Second Agreement**

The provisions of the First Agreement and the Second Agreement insofar as they relate to the payment of any Debt shall cease to apply upon the entry into force of this Agreement.

## SECTION 4

### **Payment of Debt**

The Government of Jordan shall pay to the Department, in accordance with the provisions of Section 6(1), the Debt specified in Section 2 on the following dates and in the following percentages:

<i>Repayment Date</i>	<i>Percentage to be paid</i>
31 October 2001	0.53
30 April 2002	0.65
31 October 2002	0.77
30 April 2003	0.89
31 October 2003	1.03
30 April 2004	1.17
31 October 2004	1.32
30 April 2005	1.47
31 October 2005	1.64
30 April 2006	1.81
31 October 2006	1.99
30 April 2007	2.18
31 October 2007	2.38
30 April 2008	2.59
31 October 2008	2.81
30 April 2009	3.04
31 October 2009	3.28
30 April 2010	3.53
31 October 2010	3.80
30 April 2011	4.07
31 October 2011	4.36
30 April 2012	4.67
31 October 2012	4.98
30 April 2013	5.31
31 October 2013	5.66
30 April 2014	6.02
31 October 2014	6.40
30 April 2015	6.79
31 October 2015	7.21
30 April 2016	7.65

## 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 in accordance with the provisions of Section 6(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. Such interest shall be paid to the Department first on 31 July 1997 and then on a half-yearly basis on 31 October and 30 April (the "Due Dates") each year commencing on 31 October 1997.
- (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 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 Appropriate Market Rate applicable to each Interest Period commencing with the Interest Period within which the Maturity of the Debt concerned occurs.

## 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 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 next following Business Day.
- (3) The Ministry shall give the Department full particulars of the Debts and/or 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.
- (2) The Government of Jordan agrees to accord to the United Kingdom terms no less favourable than those agreed with any other creditor, notwithstanding any provision of this Annex to the contrary.
- (3) The provisions of paragraph (2) of this Section shall not apply to matters relating to the payment of interest determined by Section 5.

## SECTION 9

### **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.

## SECTION 10

### **Debt Conversion Option**

The Department shall give prior notification to the Government of Jordan if it wishes to exercise the option given in Article II paragraph 2(c) 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 Jordanian Dinars.

**No. 2**

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

*Minister of Finance  
Amman  
9 September 1997*

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's note of August 13, 1997 which in translation read as follows:

**[As in No. 1]**

**[Annex 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. 4 (1997)" and which shall enter into force today.

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

**SULEIMAN HAFEZ**

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\*The exchange appears to have been conducted in English only.