



Treaty Series No. 42 (1997)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Co-operative Republic of Guyana

concerning Certain Commercial Debts (United Kingdom/Guyana Debt Agreement No. 4 (1996))

London, 30 April 1997 and 21 May 1997

[The Agreement entered into force on 21 May 1997]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
July 1997*

**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF
THE CO-OPERATIVE REPUBLIC OF GUYANA CONCERNING
CERTAIN COMMERCIAL DEBTS
(UNITED KINGDOM/GUYANA DEBT AGREEMENT NO. 4 (1996))**

No. 1

**Head of West Indian and Atlantic Department for the Secretary of State for Foreign and
Commonwealth Affairs to the High Commissioner for the Co-operative Republic of Guyana**

**Foreign and Commonwealth Office
London**

30 April 1997

I have the honour to refer to the Agreed Minute on the Reduction and Reorganisation of the Debt of the Co-operative Republic of Guyana which was signed at the Conference held in Paris on 23 May 1996, 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 Co-operative Republic of Guyana on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Co-operative Republic of Guyana, 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/Guyana Debt Agreement No. 4 (1996)" 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.

CHARLES DRACE-FRANCIS

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 Reduction and Reorganisation of the Debt of the Co-operative Republic of Guyana which was signed at the Conference held in Paris on 23 May 1996;
 - (b) “Appropriate Market Rate” in relation to a Debt:
 - (i) denominated in sterling means the Reference Rate plus 0.5 per cent,
 - (ii) denominated in US dollars means 7.3 per cent;
 - (c) “the Bank” means the Central Bank of Guyana or any other institution which the Government of Guyana may nominate for the purposes of this Annex;
 - (d) “Business Day” means a day other than a Saturday or a Sunday 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;
 - (e) “Debt” means any amount to which, by virtue of the provisions of paragraph (2) of this Section and of Section 2, the provisions of this Annex apply;
 - (f) “the Department” means the Secretary of State acting by 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;
 - (g) “the First Agreement” means the Agreement between the Government of the United Kingdom and the Government of Guyana on Certain Commercial Debts signed on 29 December 1989;¹
 - (h) “Guyana” means the Co-operative Republic of Guyana;
 - (i) “Maturity” means 23 May 1996;
 - (j) “the Previous Agreements” means collectively the First Agreement, the Second Agreement, and the Third Agreement;
 - (k) “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”), for six-month sterling deposits, 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 to be used will be the mean of the rates provided by two banks, to be agreed upon by the Department and the Bank, as the mean of the rates at which those banks are offering six-month sterling deposits on the required date;
 - (l) “the Second Agreement” means the Agreement between the Government of the United Kingdom and the Government of Guyana on Certain Commercial Debts signed on 15 May 1991;²
 - (m) “the Third Agreement” means the Agreement between the Government of the United Kingdom and the Government of Guyana on Certain Commercial Debts signed on 21 February 1994;³
 - (n) “the United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.

¹Treaty Series No. 30 (1990) Cm 1055.

²Not published.

³Not published.

(2) For the purposes of this Annex Debts denominated in deutschmarks, Swiss francs, French francs, Netherlands guilders and Italian lira shall be deemed to be denominated in sterling. Such Debts shall be converted into sterling at the middle spot rate of exchange of each currency for sterling determined by reference to the closing rates in London as published in the Financial Times on 15 April 1997;

(3) All references to 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;

(4) Where the context of this Annex so allows, words importing the singular include the plural and vice versa.

(5) Unless otherwise indicated, reference to a specified Section shall be construed as a reference to that Section of this Annex.

(6) 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 V paragraph 1 of the Agreed Minute, apply to the total of the following amounts which remain unpaid at Maturity:

(1) principal and accrued interest payable under:

(a) the First Agreement;

(b) the Second Agreement; and

(2) principal payable under the Third Agreement (excluding debt specified in Section 2(1)(b) of the Third Agreement).

SECTION 3

The Previous Agreements

Subject to the operation of Section 10, the provisions of the Previous Agreements insofar as they relate to the payment of any Debt shall cease to apply upon the entry into force of this Agreement.

SECTION 4

Debt Reduction Reorganisation and Payment

(1) The Department shall reduce the Debt specified in:

(a) Section 2(1)(a) by 67 per cent,

(b) Section 2(1)(b) by 59.74 per cent, and

(c) Section 2(2) by 63.17 per cent.

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

<i>Repayment Date</i>	<i>Percentage to be repaid</i>
23 November 2002	0.12
23 May 2003	0.20
23 November 2003	0.28
23 May 2004	0.38
23 November 2004	0.48
23 May 2005	0.58
23 November 2005	0.70

<i>Repayment Date</i>	<i>Percentage to be repaid</i>
23 May 2006	0.82
23 November 2006	0.94
23 May 2007	1.08
23 November 2007	1.22
23 May 2008	1.36
23 November 2008	1.52
23 May 2009	1.70
23 November 2009	1.86
23 May 2010	2.06
23 November 2010	2.26
23 May 2011	2.46
23 November 2011	2.68
23 May 2012	2.92
23 November 2012	3.18
23 May 2013	3.44
23 November 2013	3.70
23 May 2014	4.00
23 November 2014	4.30
23 May 2015	4.64
23 November 2015	4.98
23 May 2016	5.34
23 November 2016	5.72
23 May 2017	6.12
23 November 2017	6.54
23 May 2018	7.00
23 November 2018	7.46
23 May 2019	7.96

SECTION 5

Interest

(1) Interest on the balance of 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 Guyana 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 the 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 on a half-yearly basis on 23 May and 23 November (the "Due Dates") each year commencing on 23 May 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, the Government of Guyana 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 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 half-yearly interest period commencing from Maturity.

SECTION 6

Payments to the Department

- (1) When payment becomes due under the terms of Section 4 or 5, the Bank shall arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs accruing inside or outside Guyana, to be paid to an account notified by the Department to the Bank.
- (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 Bank shall give the Department full particulars of the Debt and/or interest to which the payments relate.

SECTION 7

Exchange of Information

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

SECTION 8

Other Debt Settlements

- (1) The Government of Guyana undertakes to fulfil its commitments under Articles III, IV and V of the Agreed Minute.
- (2) The Government of Guyana 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

Debt Conversion Option

The Department agrees to give prior notification to the Government of Guyana if it is willing to exercise the option provided for in Article II paragraph 3 of the Agreed Minute. The Department recognises that this option can only be implemented with the consent of the Government of Guyana.

SECTION 10

Conditionality

Unless the Department otherwise agrees, this Annex shall apply for as long as the Agreed Minute applies, and if the Agreed Minute ceases to apply because the conditions in Article V paragraph 1 thereof have not been fulfilled, this Annex shall likewise cease to apply. If this Annex ceases to apply all Debt shall be due in accordance with the Previous Agreements as if this Annex had never existed.

No. 2

**The High Commissioner for the Co-operative Republic of Guyana to the Foreign and
Commonwealth Office at London**

Guyana High Commission
London
21 May 1997

I have the honour to acknowledge receipt of your Note of 30 April which reads 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 Guyana, 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/Guyana Debt Agreement No. 4 (1996)" and which shall enter into force today.

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

LALESHWAR K. N. SINGH

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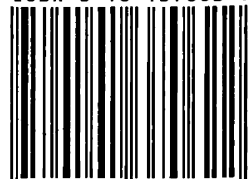
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