



Treaty Series No. 130 (2000)

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

(The United Kingdom/Guyana Debt
Agreement No. 5 (1999))

Georgetown, 11 September 2000

[The Agreement entered into force on 11 September 2000]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
December 2000*

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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 CO-OPERATIVE REPUBLIC OF GUYANA CONCERNING CERTAIN COMMERCIAL DEBTS (THE UNITED KINGDOM/ GUYANA DEBT AGREEMENT NO. 5 (1999))

No. 1

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs to the Minister of Finance of the Co-operative Republic of Guyana

Georgetown

11 September 2000

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Co-operative Republic of Guyana which was signed in Paris on 25 June 1999, 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 5 (1999)' 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.

BARONESS SCOTLAND OF ASTHAL

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 Co-operative Republic of Guyana which was signed in Paris on 25 June 1999;
 - (b) "Appropriate Market Rate" means the Reference Rate plus 0.5 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 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 New York City in the case of US dollars;
 - (e) "Debt" means any debt to which, by virtue of the provisions of Section 2, the provisions of this Annex apply;
 - (f) "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;

- (g) “the Fourth Agreement” means the Agreement between the Government of the United Kingdom and the Government of Guyana on Certain Commercial Debts entered into force on 21 May 1997;¹
- (h) “Guyana” means the Co-operative Republic of Guyana;
- (i) “Maturity” in relation to a Debt means 23 May 1999;
- (j) “Reference Rate” means the rate (rounded upwards where necessary to the nearest multiple of 1/16 (one sixteenth) of one per cent) quoted by the Reuters Monitor Money Rate Services (International Swap Dealers Association Interbank Rate 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 at that time on that date, the rate to be used will be the rate (rounded upwards where necessary to the nearest multiple of 1/16 (one sixteenth) of one per cent) quoted to the Department by a bank to be agreed by the Department and the Bank as the rate at which that bank is offering six-month eurodollar deposits or six-month sterling deposits as the case may be;
- (k) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.
- (2) All reference 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.
- (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

The provisions of this Annex shall, subject to the provisions of Article IV of the Agreed Minute, apply to 65 per cent of any amount, whether of principal or of interest (including interest accrued on interest), otherwise payable under the Fourth Agreement.

SECTION 3

The Fourth Agreement

The provisions of the Fourth Agreement insofar as they relate to the payment of any Debt as defined herein shall cease to apply upon the entry into force of this Agreement. The Fourth Agreement shall continue to apply to 35 per cent of any amount, whether principal or interest (including interest accrued on interest), otherwise payable under the Fourth Agreement, except that, in accordance with Article I B/4 of the Agreed Minute, no late interest accrued on the payments due on 23 November 1999 and which were paid on 7 January 2000.

¹ Treaty Series No. 42 (1997) Cm 3706.

SECTION 4

Debt Reduction and Payment

(1) The Department shall reduce the amount of each Debt specified in Section 2 by 40 per cent on Maturity.

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

<i>Repayment Date</i>	<i>Percentage to be repaid</i>
23 November 2005	0.12
23 May 2006	0.20
23 November 2006	0.28
23 May 2007	0.38
23 November 2007	0.48
23 May 2008	0.58
23 November 2008	0.70
23 May 2009	0.82
23 November 2009	0.94
23 May 2010	1.08
23 November 2010	1.22
23 May 2011	1.36
23 November 2011	1.52
23 May 2012	1.70
23 November 2012	1.86
23 May 2013	2.06
23 November 2013	2.26
23 May 2014	2.46
23 November 2014	2.68
23 May 2015	2.92
23 November 2015	3.18
23 May 2016	3.44
23 November 2016	3.70
23 May 2017	4.00
23 November 2017	4.30
23 May 2018	4.64
23 November 2018	4.98
23 May 2019	5.34
23 November 2019	5.72
23 May 2020	6.12
23 November 2020	6.54
23 May 2021	7.00
23 November 2021	7.46
23 May 2022	7.96

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 Guyana shall pay to the Department interest on each Debt in accordance with the provisions of Section 6(1) to the extent that such Debt has not been settled by payment to the Department. Such interest shall be paid first to the Department on 23 November 2000 and thereafter on 23 May and 23 November (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 Guyana 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 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 incurred inside or outside Guyana, to be paid in the Currency of the Debt 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 Debts and/or interest and compensation 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 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, 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 5.

SECTION 9

Debt Conversion Option

The Department shall give prior notification to the Government of Guyana if it wishes to exercise the option given in Article II paragraph 3 of the Agreed Minute to sell or exchange Debt. This option may only be implemented with the consent of the Government of Guyana.

SECTION 10

Conditionality

Unless the Department otherwise agrees, the conditions of Article IV paragraph 1 of the Agreed Minute shall apply to this Annex. If this Annex ceases to apply because any of these conditions has not been fulfilled, all outstanding payments shall be due according to the payment schedules in the Fourth Agreement, as if this Annex had never existed.

No. 2

The Minister of Finance of the Co-operative Republic of Guyana to the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs

Georgetown

11 September 2000

I have the honour to acknowledge receipt of Your Excellency's Note of 11 September, 2000 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 Co-operative Republic 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 5 (1999)' and which shall enter into force today.

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

SAISNARINE KOWLESSAR



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