



Treaty Series No. 29 (1979)

Exchange of Notes

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

concerning
a Refinancing Loan
(The United Kingdom/Turkey Refinancing Loan
Agreement 1978)

Ankara, 2 and 17 November 1978

[The Agreement entered into force on 17 November 1978]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
March 1979*

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HER MAJESTY'S STATIONERY OFFICE

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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 TURKEY CONCERNING
A REFINANCING LOAN**

No. 1

*Her Majesty's Ambassador at Ankara to the
Head of Department at the Ministry of Finance of Turkey*

*British Embassy,
Ankara*

2 November 1978

Sir,

1. I have the honour to refer to the Agreed Minute on the Consolidation of Debt of the Republic of Turkey which was reached in the Working Party of the OECD Turkey Consortium on 20 May 1978, and to inform you that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") to make available to the Government of the Republic of Turkey (hereinafter referred to as "the Government of Turkey") by way of a refinancing loan a sum not exceeding £3,729,417·14p sterling (hereinafter referred to as "the loan") for the purpose of enabling the Government of Turkey to pay on the due dates maturities on various aid loans listed in Appendix 1 to this Note (hereinafter referred to as "the aid loans"), falling due between 21 May 1978 and 30 June 1979, both dates inclusive.

2. The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note insofar as they relate to things to be done by or on behalf of, or to matters under the control of, that Government. The Government of Turkey shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of, or to matters under the control of that Government.

ARRANGEMENTS FOR THE LOAN

3. For the purpose of the arrangements specified in this Note the Government of the United Kingdom shall open a special account (hereinafter referred to as "the Account") within the Ministry of Overseas Development (hereinafter referred to as "the Ministry"). The Account shall be operated solely for the purposes of the loan.

4. The loan shall not be used to meet the cost of any taxes or fees imposed directly or indirectly by the Government of Turkey.

5. For the purposes of the loan the Government of Turkey shall delegate to the Ministry all responsibility for payment from the Account.

6. For maturities of capital and interest on the aid loans that fall due for payment between 21 May 1978 and the date of this Note, the Government of the United Kingdom shall now draw from the Account the sum required to clear the payments due. These payments shall be deemed to have been made on the due dates.

7. For maturities of capital and interest on the aid loans that fall due for payment between the date immediately after the date of this Note and 30 June 1979, the Government of the United Kingdom shall draw from the Account on the due date the sum required to clear the payment falling due.

8. The Government of the United Kingdom shall provide the Government of Turkey on 31 December 1978 and thereafter at three monthly intervals details of the precise amounts and dates of each issue from the Account.

9. Unless the Government of the United Kingdom agrees otherwise in writing, no payment shall be made from the loan after 30 June 1979.

REPAYMENT

10. The Government of Turkey shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under the arrangements set out in this Note, such repayments shall be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified for that instalment only the amount then outstanding need be paid:

INSTALMENTS					<i>Amount £</i>
<i>Date Due</i>					
31 December 1978	...	...	...	...	186,500
30 June 1979	...	...	...	...	186,500
31 December 1979	...	...	...	...	186,500
30 June 1980	...	...	...	...	186,500
30 June 1981 and each 31 December and 30 June until 30 June 1985 inclusive	...			...	298,350
31 December 1985	...	...	...	...	298,267·14p

11. The Government of Turkey shall pay to the Government of the United Kingdom in pounds sterling in London interest on drawings from the loan in accordance with the following provisions:

- (a) The rate of interest in respect of each drawing shall be 3% per annum commencing from the date on which the original maturities financed from the drawing fell due.
- (b) Interest shall be calculated on a day-to-day basis on the balance of the total drawings from the loan for the time being outstanding, after deduction of the total repayments made under the provisions of paragraph 10, the drawings being reduced in chronological order by such repayments for the purposes of the calculation.

- (c) The first payment of accrued interest shall be made on 31 December 1978 and subsequent payments shall be made on 30 June and 31 December in each year.

12. The Government of Turkey shall advise the Government of the United Kingdom not less than one month before the first payment of interest in sterling becomes due under the terms of this Note the name and address of its agent in London through whom payments of interest in sterling shall be made and at the same time issue a standing authority to this agent to make payment of the amounts of interest in sterling as advised by the Government of the United Kingdom as being due for payment. The Government of Turkey shall also issue a standing authority to its agent through whom repayments of principal shall be made to make payments of the amount in sterling on the date specified in this Note, sending a copy of the authority to the Government of the United Kingdom.

13. If the foregoing proposals are acceptable to the Government of Turkey, I have the honour to propose that the present Note and its Appendix together with your reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of your reply, and which shall be known as "the United Kingdom/Turkey Refinancing Loan Agreement 1978".

I avail myself of this opportunity to convey to you, Sir, the assurance of my highest consideration.

DEREK DODSON

APPENDIX 1

TURKEY: SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO
ODM TO BE MADE ON OR BEFORE 30 JUNE 1979

No.	Agreement	Date payment falls due	Principal	Interest	Totals
1	Turkey 1966 Goods and Services	31. 7.78	73,200	—	73,200
		31. 1.79	73,200	—	73,200
2	Turkey 1967 Goods and Services	1.10.78	61,000	—	61,000
		1. 4.79	61,000	—	61,000
3	Turkey No. 1 1968 Leyland Buses	15. 7.78	24,500	—	24,500
		15. 1.79	24,500	—	24,500
4	Turkey No. 2 1968 Goods and Services	1.10.78	61,000	—	61,000
		1. 4.79	61,000	—	61,000
5	Turkey No. 3 1968 Steel Pipe Plant	10.10.78	48,600	—	48,600
		10. 4.79	48,600	—	48,600
6	Turkey No. 4 1968 Bosphorous Bridge Con- sultancy	1.10.78	6,700	—	6,700
		1. 4.79	6,700	—	6,700
7	Turkey No. 5 1968 Goods and Services	1. 7.78	24,500	—	24,500
		1. 1.79	24,500	—	24,500
8	Turkey No. 1 1969 Goods and Services	1.10.78	61,000	—	61,000
		1. 4.79	61,000	—	61,000
9	Turkey No. 2 1969 Goods and Services	1.10.78	27,000	—	27,000
		1. 4.79	27,000	—	27,000
10	Turkey No. 3 1969 Polyethylene Plant Expans- ions	1.11.78	35,000	—	35,000
		1. 5.79	35,000	—	35,000
11	Turkey 1970 Bosphorous Bridge	30. 9.78	87,500	53,199·14	140,699·14
		31. 3.79	87,500	51,449·14	138,949·14
12	Turkey No. 2 1970 Goods and Services	1.10.78	24,500	—	24,500
		1. 4.79	24,500	—	24,500
13	Turkey No. 3 1970 Goods and Services	1.10.78	28,000	9,720·00	37,720
		1. 4.79	28,000	9,440·00	37,440
14	Turkey 1971 Fertiliser Plants	1. 6.78	182,400	53,689·63	236,089·63
		1.12.78	182,400	52,518·00	234,918·00
		1. 6.79	182,400	51,940·00	234,340·00
15	Turkey No. 2 1971 Goods and Services	1. 9.78	—	15,000·00	15,000·00
		1. 3.79	41,700	15,000·00	56,700·00
16	Turkey 1974 Topraksu on Farm Develop- ment	15. 7.78	—	11,544·33	11,544·33
		15. 1.79	—	11,553·42	11,553·42
17	Turkey 1976 Gemlik Ammonia	1. 7.78	—	26,513·61	26,513·61
		1. 1.79	—	33,199·90	33,199·90
	Totals		1,713,900	394,767·17	2,108,667·17

**TURKEY: SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO
ECGD TO BE MADE ON OR BEFORE 30 JUNE 1979**

No.	Agreement	Date payment falls due	Principal	Interest	Totals
1	Turkey 1963 (A)	31.10.78 30. 4.79	49,000 49,000	27,142.50 25,764.375	76,142.50 74,764.375
2	Turkey 1963 (B)	31.10.78 30. 4.79	29,000 29,000	18,203.75 17,370.00	47,203.75 46,370.00
3	2nd Turkey 1963	31.10.78 30. 4.79	27,000 27,000	17,655.625 16,879.375	44,655.625 43,879.375
4	Turkey 1964	31.10.78 30. 4.79	81,000 81,000	58,665.00 56,133.75	139,665.00 137,133.750
5	2nd Turkey 1964	31.10.78 30. 4.79	81,000 81,000	63,901.875 61,117.500	144,901.875 142,117.500
6	Turkey 1965	31.10.78 30. 4.79	54,000 54,000	43,111.250 41,322.500	97,111.250 95,322.500
7	Turkey (Polythene)	31. 7.78 31. 1.79	54,000 54,000	55,785.00 53,861.25	109,785.00 107,861.25
8	2nd Turkey 1965	31. 7.78 31. 1.79	54,000 54,000	49,336.25 47,378.75	103,336.25 101,378.75
9	Turkey (V C Plant)	31. 7.78 31. 1.79	27,000 27,000	28,066.86 27,054.36	55,066.86 54,054.36
		Totals	912,000	708,749.97	1,620,749.97

No. 2

*The Head of Department at the Ministry of Finance of Turkey to
Her Majesty's Ambassador at Ankara*

17 November 1978

Sir,

I have the honour to acknowledge receipt of Your Excellency's Note of 2 November 1978 which reads as follows:

[As in No. 1]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of Turkey and that your Note and this reply constitute an Agreement between our two Governments in this matter which shall enter into force today and shall be known as the United Kingdom/Turkey Refinancing Loan Agreement 1978.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

For the Government of the
Republic of Turkey
EROL HÜRBAS

[Appendix as in No. 1]