

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF
CANADA REGARDING CANADIAN INVESTMENTS IN THE
REPUBLIC OF THE PHILIPPINES**

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"With reference to the Exchange of Notes dated December 23, 1985, concerning Japanese loans to be extended with a view to promoting the economic development and stabilization efforts of the Republic of the Philippines, I have the honour to confirm, on behalf of the Government of the Republic of the Philippines, the following understanding recently reached between the representatives of the Government of the Republic of the Philippines and of the Government of Japan:

1. Paragraph 1 of Part I of the said Exchange of Notes shall be amended as follows:

"Thirty-three billion and twenty-seven million yen (¥33,027,000,000)" shall be deleted and replaced by

"Sixteen billion six hundred and five million yen (¥16,605,000,000)".

2. Sub-paragraph (I)(c) of paragraph 2 of Part I of the said Exchange of Notes shall be deleted and replaced by the following:

"(c) the disbursement period will be three (3) years with regard to the projects mentioned in 4, 6 and 7 of the Project List, five (5) years with regard to the project mentioned in 2 of the Project List, and six (6) years with regard to the projects mentioned in 1, 3 and 5 of the Project List from the date of the signing of the relevant loan agreement."

3. Paragraph 1 of Part II of the said Exchange of Notes shall be amended as follows:

"Sixteen billion four hundred and seventy-three million yen (¥16,473,000,000)" shall be deleted and replaced by "Thirty-two billion eight hundred and ninety-five million yen (¥32,895,000,000)".

4. Project List of the said Exchange of Notes shall be deleted and replaced by the following:

"Project List

	(Maximum Amount in Million Yen)
1. Rural Water Supply Improvement Project (III)	2,555
2. Airport Facilities Modernization Project	7,595