

No. 29645

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
ECUADOR**

Exchange of notes constituting an agreement concerning certain commercial debts (the United Kingdom/Ecuador Debt Agreement No. 5 (1992)) (with annex). London, 30 July 1992

Authentic texts: English and Spanish.

Registered by the United Kingdom of Great Britain and Northern Ireland on 22 March 1993.

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
ÉQUATEUR**

Échange de notes constituant un accord concernant certaines dettes commerciales [Accord n° 5 (1992) relatif aux dettes entre le Royaume-Uni et l'Équateur] (avec annexe). Londres, 30 juillet 1992

Textes authentiques : anglais et espagnol.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 22 mars 1993.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF ECUADOR CONCERNING CERTAIN COMMERCIAL DEBTS (THE UNITED KINGDOM/ECUADOR DEBT AGREEMENT No. 5 (1992))

I

The Secretary of State for Foreign and Commonwealth Affairs to the Ambassador of the Republic of Ecuador at London

FOREIGN AND COMMONWEALTH OFFICE

London, 30 July 1992

Your Excellency

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Ecuador which was signed at the Conference held in Paris on 20 January 1992, 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 Republic of Ecuador on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Republic of Ecuador, I have the honour to propose that this Note together with its Annex, and your reply to that effect, shall constitute an Agreement between the two Governments in this matter which shall be known as “The United Kingdom/Ecuador Debt Agreement No. 5 (1992)” 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.

A. J. BEAMISH
For the Secretary of State

¹ Came into force on 30 July 1992, the date of the note in reply, in accordance with the provisions of the said notes.

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 Ecuador which was signed at the Conference held in Paris on 20 January 1992;
 - (b) “Appropriate Market Rate” means the Reference Rate plus a margin of 0.5 per cent;
 - (c) “the Bank” means the Central Bank of Ecuador or any other institution which the Government of Ecuador 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 in both London and New York City in the case of US dollars;
 - (e) “the Consolidation Period” means the period from 1 January 1992 to 31 December 1992 inclusive;
 - (f) “Contract” means a contract, or any agreement supplemental thereto, entered into before 1 January 1983, the parties to which include a Debtor and a Creditor and which either was for the sale of goods and/or services from outside Ecuador to a buyer in Ecuador, 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;
 - (g) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom, including the Channel Islands and the Isle of Man, or any successor in title thereto;
 - (h) “Currency of the Debt” means the currency specified in the relevant Contract or in the First Agreement, the Second Agreement, the Third Agreement or the Fourth Agreement as being the currency in which that Debt is to be paid;
 - (i) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
 - (j) “Debtor” means the Government of Ecuador or any public sector body (being any enterprise in which, at 20 January 1992, the Government of Ecuador, either directly or indirectly held a majority share holding) whether as primary debtor or as guarantor carrying on business in Ecuador, or any successor in title thereto;
 - (k) “the Department” means the Secretary of State of the Government of the United Kingdom acting through 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;
 - (l) “Ecuador” means the Republic of Ecuador;
 - (m) “the First Agreement” means the Agreement between the Government of the United Kingdom and the Government of Ecuador on Certain Commercial Debts signed on 18 June 1984 ;¹

¹ United Nations, *Treaty Series*, vol. 1416, p. 211.

- (n) “the Fourth Agreement” means the Agreement between the Government of the United Kingdom and the Government of Ecuador on Certain Commercial Debts signed on 30 May 1990;¹
- (o) “Maturity” in relation to a Debt:
- (i) specified in Section 2(1)(a) means 31 December 1991,
 - (ii) specified in Sections 2(1)(b) and 2(i)(c) means the date for payment specified in either the Second Agreement, the Third Agreement or the Fourth Agreement, and
 - (iii) specified in Section 2(1)(d) 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;
- (p) “Reference Rate” means the arithmetic mean (rounded upwards where necessary to the nearest multiple of 1/16th (one sixteenth) of one per cent) of the rates quoted to the Department by three banks to be agreed upon by the Department and the Bank as the mean rate at which those banks are offering 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 any other currency, in the London Interbank Market at 11 a.m. (London time) two Business Days before the commencement of the relevant interest period;
- (q) “the Second Agreement” means the Agreement between the Government of the United Kingdom and the Government of Ecuador on Certain Commercial Debts signed on 29 January 1986;²
- (r) “the Third Agreement” means the Agreement between the Government of the United Kingdom and the Government of Ecuador on Certain Commercial Debts signed on 8 August 1988;³
- (s) “the United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.
- (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 360 days, in the case of Debts denominated in US dollars, or 365 days in the case of Debts denominated in any other currency.
- (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:

¹ United Nations, *Treaty Series*, vol. 1640, No. I-28199.

² *Ibid.*, vol. 1555, No. I-27028.

³ *Ibid.*, vol. 1576, No. I-27527.