



Treaty Series No. 14 (1990)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Federal Executive Council of the Assembly
of the Socialist Federal Republic of Yugoslavia,
the Government of Yugoslavia,

further amending the Agreement on
Certain Commercial Debts, signed at
Belgrade on 29 July 1987

(The United Kingdom/Yugoslavia Debt Agreement No. 3 (1986))

Belgrade, 11 January 1989

[The Exchange of Notes entered into force on 20 November 1989]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
January 1990*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE FEDERAL EXECUTIVE COUNCIL OF THE ASSEMBLY OF THE
SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA, THE GOVERNMENT OF
YUGOSLAVIA, FURTHER AMENDING THE AGREEMENT ON CERTAIN
COMMERCIAL DEBTS, SIGNED AT BELGRADE ON 29 JULY 1987
(THE UNITED KINGDOM/YUGOSLAVIA DEBT AGREEMENT NO. 3 (1986))**

No. 1

*Her Majesty's Ambassador at Belgrade to the Director in the Federal Secretariat for Finance
of the Socialist Federal Republic of Yugoslavia*

*British Embassy
Belgrade
11 January 1989*

Sir,

I have the honour to refer to the United Kingdom/Yugoslavia Debt Agreement No. 3 (1986) constituted by Notes exchanged at Belgrade on 29 July 1987¹ as amended by Notes exchanged at Belgrade on 8 March 1988² (hereinafter referred to as "the Agreement") and to inform you that following the agreement reached during the meeting of the Paris Club in July the Government of the United Kingdom of Great Britain and Northern Ireland now consider it necessary for debts covered by the Agreement to be rescheduled rather than refinanced.

Accordingly I have the honour to propose

- (a) that in the Annex to the Agreement there shall be deleted paragraphs (1)(m), (1)(n), (1)(q) and (1)(t) of Section 1, the reference to "Section 1(1)(t)" in paragraph (1)(s) of Section 1, paragraph (1)(d) of Section 2, and Section 3, and
- (b) that Section 1(1)(b), Section 4, paragraphs (1) and (2) of Section 5 and paragraph (1) of Section 6 of the Annex to the Agreement shall be amended to read as follows:

"SECTION 1

(1)(b) "the Bank" means Udruzena Beogradska Banka of 2-4 Knez Mihajlova Beograd, Yugoslavia which has been nominated by the Federal Executive Council to act as its agent and also acts on behalf of the Debtors;

SECTION 4

Transfer Scheme

(1) The Department acknowledges that 15 per cent of principal and 100 per cent of contractual interest of each Debt which fell due during the First Consolidation Period has been paid in full and the Bank agrees to pay to the Department in accordance with the provisions of Section 6(1) the remaining 85 per cent of principal in respect of each such Debt by 10 equal half-yearly instalments commencing on 30 April 1991.

(2) The Department acknowledges that 16 per cent of principal and 100 per cent of contractual interest of each Debt which fell due during the Second Consolidation Period has been paid in full and the Bank agrees to pay to the Department in accordance with the provisions of Section 6(1) the remaining 84 per cent of principal in respect of each such Debt by 10 equal half-yearly instalments commencing on 31 March 1992.

¹Treaty Series No. 35 (1988), Cm 384.

²Treaty Series No. 61 (1988), Cm 471.

SECTION 5

Interest

(1) Interest shall be deemed to have accrued and shall accrue on the unpaid portion of each Debt during, and shall be payable in respect of, the period from Maturity until the settlement of that Debt by payment to the Department in accordance with Section 4.

(2) The Bank shall pay to the Department in accordance with the provisions of this Section and of Section 6(1) interest on each Debt to the extent that it has not been settled by payment to the Department in the United Kingdom pursuant to Section 4. Such interest shall be paid to the Department half-yearly on 30 April and 31 October each year commencing on 31 October 1987.

SECTION 6

Payments to the Department

(1) As and when payments become due under the terms of Sections 4 and 5, the Bank shall arrange for the necessary amounts to be paid and transferred in the Currency of the Debt to the Department in the United Kingdom to an account details of which shall be notified by the Department to the Bank. In this respect the Department shall be regarded as acting as agent for each Creditor concerned."

If the proposals set out above are acceptable to the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia, the Government of Yugoslavia, I have the honour to propose that the present Note and your reply in that sense shall constitute an Agreement between the two Governments in this matter which shall apply provisionally from the date of your reply and shall enter into force definitively on ratification, in accordance with the laws in force in Yugoslavia.

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

A. M. WOOD

The Director in the Federal Secretariat for Finance of the Socialist Federal Republic of Yugoslavia to Her Majesty's Ambassador at Belgrade

Belgrade

11 January 1989

Vaša Ekselencijo,

Čast mi je da se pozovem na Notu Vaše Ekselencije od 11. januara 1989. godine koja glasi kako sledi:

“Gospodine,

Čast mi je da se pozovem na Sporazum o dugu br. 3(1986) između Ujedinjenog Kraljevstva i Jugoslavije koji se sastojao iz Nota čija je razmena izvršena u Beogradu 29. jula 1987. godine i dopune koja je izvršena razmenom Nota u Beogradu 8. marta 1988. godine (u daljem tekstu: Sporazum) i da Vas obavestim da nakon dogovora postignutog za vreme održavanja sastanka Pariskog kluba u julu mesecu, Vlada Ujedinjenog Kraljevstva Velike Britanije i Severne Irske sada smatra da je potrebno *da dugovi pokriveni ovim Sporazumom budu reprogramirani, a ne refinansirani.*

Prema tome, čast mi je da predložim: (a) da u Aneksu uz Sporazum budu izbrisane tačke (1)(m), (1)(n), (1)(q) i (1)(t) odeljka 1, pozivanje na “odeljak 1(1)(t)” u tački (1)(s) odeljka 1, tački (1)(d) odeljka 2, i odeljak 3, i (b) da odeljak 1(1)(b), odeljak 4, tačke (1) i (2) odeljka (5) i tačka (1) odeljka (6) Aneksa uz Sporazum budu izmenjene i da glase:

“ODELJAK 1

(1)(b) “Banka” podrazumeva Udruženu beogradsku banku, Knez Mihajlova 2–4, Beograd, Jugoslavija koju je Savezno izvršno veće ovlastilo kao svog zastupnika, kao i zastupnika dužnika;

ODELJAK 4

Šema transfera

(1) Agencija potvrđuje da je 15 procenata glavnice i 100% ugovorne kamate za svaki dug koji je dospeo za plaćanje za vreme prvog perioda konsolidacije isplaćeno u celosti i da je Banka saglasna da plati Agenciji, u skladu sa odredbama odeljka 6(1) preostalih 85% glavnice u 10 jednakih polugodišnjih rata počev od 30. aprila 1991. godine u odnosu na svaki dug.

(2) Agencija potvrđuje da je 16 procenata glavnice i 100 procenata ugovorne kamate za svaki dug koji je dospeo za plaćanje za vreme drugog perioda konsolidacije isplaćeno u celosti i da je Banka saglasna da isplati Agenciji, u skladu sa odredbama odeljka 6(1), preostalih 84 procenata glavnice u odnosu na svaki dug, u 10 jednakih polugodišnjih rata počev od 31 marta 1992. godine.

ODELJAK 5

Kamata

(1) Smatraće se da je kamata kumulirana i da će se dalje kumulirati na neotplaćeni deo svakog zajma za vreme perioda, i biće plativa u vezi sa periodom, od dospeća do vraćanja duga na osnovu plaćanja izvršenih u korist Agencije u skladu sa odeljkom 4.

(2) Banka će izvršiti plaćanje Agenciji u skladu sa odredbama ovog odeljka i odeljka 6(1) na ime kamate po svakom dugu u meri u kojoj ono nije izvršeno plaćanjima Agenciji u Ujedinjenom Kraljevstvu u skladu sa odeljkom 4. Takva kamata će se plaćati Agenciji polugodišnje, i to 30. aprila i 31. oktobra svake godine počev sa 31. oktobrom 1987. godine.

ODELJAK 6

Plaćanje Agenciji

(1) Kako i kada plaćanja budu dospevala po osnovu uslova iz odeljka 4 i 5 Banka će urediti da se potrebni iznosi plate i transferišu u valuti u kojoj je dug iskazan u korist Agencije u Ujedinjenom Kraljevstvu, i to na račun čiječe detalje Agencija dostaviti Banci. S ovim u vezi će se Agencija smatrati da ima svojstvo zastupnika za svakog dotičnog poverioca ”.

Ukoliko su napred dati predlozi prihvatljivi za Savezno izvršno veće Skupštine Socijalističke Federativne Republike Jugoslavije, Vladu Jugoslavije, čast mi je da predložim da ova Nota i Vaš odgovor u tom smislu predstavljaju Sporazum između dve vlade po ovom pitanju, koji će se privremeno primenjivati od dana Vašeg odgovora i definitivno stupiti na snagu po ratifikaciji, u skladu sa zakonskim odredbama na snazi u Jugoslaviji.

Koristim ovu priliku da Vam uputim izraze svog najdubljeg poštovanja.”

Čast mi je da potvrdim da je napred izneseno prihvatljivo za Savezno izvršno veće Skupštine Socijalističke Federativne Republike Jugoslavije, Vladu Jugoslavije, i da vaša Nota i ovaj odgovor predstavljaju sporazum između dve Vlade po ovom pitanju, koji će se privremeno primenjivati od danas i definitivno stupiti na snagu po ratifikaciji, u skladu sa zakonskim odredbama na snazi u Jugoslaviji.

Koristim ovu priliku da obnovim Vašoj Ekselenciji izraze svog najdubljeg poštovanja.

NIKOLA JELIĆ
NAČELNIK U SAVEZKOM
SEKRETARIJATU ZA
FINANSIJE

[Translation of No. 2]

Your Excellency,

I have the honour to refer to Your Excellency's Note of 11 January 1989 which reads as follows:

[As in No. 1]

I have the honour to confirm that the foregoing is acceptable to the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia, the Government of Yugoslavia, and that your Note and this reply shall constitute an Agreement between the two Governments in this matter which shall apply provisionally from today and shall enter into force definitively on ratification, in accordance with the laws in force in Yugoslavia.

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

N. JELIĆ
DIRECTOR IN THE
FEDERAL SECRETARIAT
FOR FINANCE



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