



Treaty Series No. 86 (1995)

# Exchange of Notes

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

## Concerning Certain Commercial Debts

(The United Kingdom/Costa Rica Debt Rescheduling Agreement (1989))

San Jose, 5 July 1991

[The Agreement entered into force on 1 October 1993]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
November 1995*

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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 COSTA RICA  
CONCERNING CERTAIN COMMERCIAL DEBTS  
(THE UNITED KINGDOM/COSTA RICA DEBT RESCHEDULING  
AGREEMENT (1989))**

No. 1

*Her Majesty's Ambassador at San Jose to the Minister of Finance of the  
Republic of Costa Rica*

*British Embassy  
San Jose  
5 July 1991*

Your Excellency,

1. I have the honour to refer to discussions between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter known as the Government of the United Kingdom) and the Government of the Republic of Costa Rica (hereinafter known as the Government of Costa Rica) under the terms of the Agreed Minute on the consolidation of the Debt of the Government of Costa Rica signed in Paris on 26 May 1989 concerning the Exchange of Notes (EON), constituting the following loan:

- (a) United Kingdom/Costa Rica Loan 1973 (EON signed at San Jose and dated 15 February 1973)<sup>1</sup>, as amended by (EON signed at San Jose and dated 30 September 1974<sup>2</sup>, 25 and 26 June 1975<sup>3</sup>, 8 April and 3 May 1976<sup>4</sup>, 5 January and 20 March 1978<sup>4</sup>, 30 July and 11 September 1979<sup>4</sup> and 27 February and 24 March 1981)<sup>4</sup> hereinafter referred to as "The Aid Loan";
- (b) United Kingdom/Costa Rica Loan 1973 Debt Rescheduling Agreement (Consolidation 1984), (EON signed at San Jose and dated 20 and 25 September 1984)<sup>5</sup> hereinafter referred to as "The Consolidation Agreement 1984";
- (c) United Kingdom/Costa Rica Loan 1973 Debt Rescheduling Agreement (Consolidation 1985) (EON signed at San Jose and dated 3 November 1989)<sup>6</sup>; hereinafter referred to as "The Consolidation Agreement 1985".

2. I have the honour to propose that the repayment schedule of the Aid Loans in respect of those repayments of principal and interest (excluding late interest) due on or after 1 April 1989 up to and including 31 May 1990, and which remain unpaid shall be revised as follows:

- (a) 100% of the amounts of principal and interest (excluding late interest), due from 1 April 1989 to 31 May 1990 inclusive (hereinafter referred to as "deferred amounts"), shall be paid by the Government of Costa Rica in pounds sterling in London to the Government of the United Kingdom in 10 equal and consecutive semi-annual instalments on 30 April and 31 October each year, the first payment to be made on 30 April 1995 (end of grace period), and the final payment to be made on 31 October 1999 (end of the repayment period).

3. The sums to be paid in accordance with paragraphs 2(a) above are specified in Annex I and II to this Note.

4. I also have the honour to propose that amounts due as at 31 March 1989 which remain unpaid shall be revised as follows:

- (a) 100% of the amounts of principal and interest (including late interest), due as at 31 March 1989 inclusive and not paid (hereinafter referred to as "outstanding amounts"), shall be paid by the Government of Costa Rica in pounds sterling

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<sup>1</sup>Treaty Series No. 105 (1973), Cmnd. 5436.

<sup>2</sup>Treaty Series No. 13 (1978), Cmnd. 7075.

<sup>3</sup>Treaty Series No. 14 (1978), Cmnd. 7085.

<sup>4</sup>Treaty Series No. 38 (1982), Cmnd. 8647.

<sup>5</sup>Treaty Series No. 19 (1987), Cm 135.

<sup>6</sup>Not Published.

in London to the Government of the United Kingdom in eight equal and consecutive semi-annual instalments on 31 March and 31 September each year, the first payment to be made on 31 March 1994 (end of grace period), and the final payment to be made on 30 September 1997 (end of repayment period).

5. The sums to be paid in accordance with paragraph 4(a) above are specific in Annex III and IV to this Note.

6. I further have the honour to propose that amounts due as at 31 March 1989 as a result of the Consolidation Agreements of 1984 and 1985 concluded in accordance with Paris Club Agreed Minutes dated 11 January 1983 and 22 April 1985 which remain unpaid shall be revised as follows:

(a) 100% of the amounts of principal and interest (including late interest), due as at 31 March 1989 inclusive and not paid (hereinafter referred to as "outstanding amounts"), shall be paid by the Government of Costa Rica in pounds sterling in London to the Government of the United Kingdom in three successive annual payments on 30 June 1990, on 30 June 1991 and on 30 June 1992.

7. The sums to be paid in accordance with paragraph 6(a) above are specific in Annex V and VI to this Note.

8. The sums not covered by this rescheduling Agreement and the dates at which they become payable are shown in Annex VII to this Note. The implementation of this Agreement shall be subject to payment by the Government of Costa Rica, of all debt service due and not paid and not covered by the Consolidation Agreements of 1984 and 1985 as soon as possible and in any case not later than 30 June 1991.

9. Notwithstanding the provisions of paragraphs (9)b of the 1973 Loan, the Government of Costa Rica shall pay interest to the Government of the United Kingdom in pounds sterling in London and on the deferred amounts and on the outstanding amounts as follows:

(a) the rate of interest in respect of each deferred amount and outstanding amount shall be six per cent per annum commencing from the original repayment date of each deferred amount and outstanding amount;

(b) moratorium interest at six per cent per annum shall be calculated on a day to day basis on the amount of the deferred amounts and outstanding amounts for the time being due and outstanding, after deduction of the total repayments made under the provisions of the deferred amounts and outstanding amounts being reduced in chronological order by such repayments for the purpose of the calculations;

(c) moratorium interest as detailed in paragraph 2(a) above shall be paid in semi-annual instalments on 30 April and 31 October each year, the first payment to be made on 30 April 1991, and the final payment to be made on 31 October 1999 as specified in Annex II to this Note; and

(d) moratorium interest as detailed in paragraph 4(a) above shall be paid in semi-annual instalments on 31 March and 30 September each year, the first payment to be made on 31 March 1991, and the final payment to be made on 30 September 1997 as specified in Annex IV to this Note.

(e) moratorium interest as detailed in paragraph 6(a) above shall be paid in semi-annual instalments on 30 June and 31 December each year, the first payment to be made on 30 June 1990 and the final payment to be made on 30 June 1992 as specified in Annex V and VI to this Note.

10. Notwithstanding the provisions of paragraph 8 of the Loan the Government of Costa Rica shall be free to repay at any earlier time to the Government of the United Kingdom in pounds sterling in London any portion of the deferred amounts that are outstanding.

11. In all other respects the terms and conditions of the Aid Loan shall continue in force.

12. If the foregoing proposals are acceptable to the Government of Costa Rica. I have the honour to suggest that this Note, together with its Annex, and Your Excellency's reply to that effect shall constitute an Agreement between our two Governments in this matter, which shall be known as "the United Kingdom/Costa Rica Debt Rescheduling Agreement 1989" and shall enter into force on the date on which the Government of Costa Rica shall have notified the Government of the United Kingdom that the legal requirements necessary to implement this Agreement have been met.<sup>1</sup>

I avail myself of this opportunity to convey to Your Excellency the assurances of my highest consideration.

5 July 1991

WILLIAM MARSDEN

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<sup>1</sup>The Agreement entered into force on 1 October 1993.

## UK/COSTA RICA DEBT RESCHEDULING 1989

A. As regards those amounts due between 1 April 1989 and 31 May 1990 inclusive and not paid, 100% of principal and interest shall be rescheduled.

Repayment shall be made in 10 equal and successive semi-annual payments, the first payment on 30 April 1995 (end of grace period) and the final payment on 31 October 1999 (end of repayment period).

<i>Loan Title</i>	<i>Due date</i>	<i>Interest</i>	<i>Principal</i>	<i>Total</i>
UK/Costa Rica	15/08/89	50,725.24	95,200.00	145,925.24
Loan 1973	15/02/90	47,869.24	95,200.00	143,069.24
		98,594.48	190,400.00	288,994.48

## UK/COSTA RICA DEBT RESCHEDULING 1989

Deferred interest	98,594.48
Deferred principal	190,400.00
Total deferred	<u>288,994.48</u>

<i>Due date</i>	<i>Deferred interest</i>	<i>Deferred principal</i>	<i>Moratorium interest 6%</i>	<i>Total</i>
30/04/91			25,316.36	25,316.36
31/10/91			8,741.09	8,741.09
30/04/92			8,598.58	8,598.58
31/10/92			8,741.09	8,741.09
30/04/93			8,598.58	8,598.58
31/10/93			8,741.09	8,741.09
30/04/94			8,598.58	8,598.58
31/10/94			8,741.09	8,741.09
30/04/95	9,859.44	19,040.00	8,598.58	37,498.02
31/10/95	9,859.44	19,040.00	7,866.98	36,766.42
30/04/96	9,859.44	19,040.00	6,878.86	35,778.30
31/10/96	9,859.44	19,040.00	6,118.77	35,018.21
30/04/97	9,859.44	19,040.00	5,159.15	34,058.59
31/10/97	9,859.44	19,040.00	4,370.55	33,269.99
30/04/98	9,859.44	19,040.00	3,439.43	32,338.87
31/10/98	9,859.44	19,040.00	2,622.33	31,521.77
30/04/99	9,859.44	19,040.00	1,719.72	30,619.16
31/10/99	9,859.52	19,040.00	874.12	29,773.64
	98,594.48	19,400.00	133,724.94	422,719.42

## UK/COSTA RICA DEBT RESCHEDULING 1989

A. As regards those amounts due as at 31 March 1989 and not paid, 100% of principal and interest (including late interest) shall be rescheduled.

Repayment shall be made in eight equal and successive semi-annual payments, the first payment on 31 March 1994 (end of grace period) and the final payment on 30 September 1997 (end of repayment period).

<i>Loan Title</i>	<i>Due date</i>	<i>Interest</i>	<i>Principal</i>	<i>Total</i>
UK/Costa Rica	15/08/86	67,861.24	95,200.00	163,061.24
Loan 1973	15/02/87	65,005.24	95,200.00	160,205.24
	15/08/87	62,149.24	95,200.00	157,349.24
	15/02/88	59,293.24	95,200.00	154,493.24
	15/08/88	56,437.24	95,200.00	151,637.24
	15/02/89	53,581.24	95,200.00	148,781.24
		<u>364,327.44</u>	<u>571,200.00</u>	<u>935,527.44</u>

## Annex IV

## UK/COSTA RICA DEBT RESCHEDULING 1989

Deferred interest	364,327.44
Deferred principal	571,200.00
Total deferred	<u>935,527.44</u>

<i>Due date</i>	<i>Deferred interest</i>	<i>Deferred principal</i>	<i>Moratorium interest 6%</i>	<i>Total</i>	<i>Deferred outstanding</i>
31/03/91			190,963.98	190,963.98	935,527.44
30/09/91			28,142.72	28,142.72	935,527.44
31/03/92			27,988.93	27,988.93	935,527.44
30/09/92			28,142.72	28,142.72	935,527.44
31/03/93			27,988.93	27,988.93	935,527.44
30/09/93			28,142.72	28,142.72	935,527.44
31/03/94	45,540.93	71,400.00	27,988.93	144,929.86	818,586.51
30/09/94	45,540.93	71,400.00	24,624.88	141,565.81	701,645.58
31/03/95	45,540.93	71,400.00	20,991.70	137,932.63	584,704.65
30/09/95	45,540.93	71,400.00	17,589.20	134,530.13	467,763.72
31/03/96	45,540.93	71,400.00	13,994.47	130,935.40	350,822.79
30/09/96	45,540.93	71,400.00	10,553.52	127,494.45	233,881.86
31/03/97	45,540.93	71,400.00	6,997.23	123,938.16	116,940.93
30/09/97	45,540.93	71,400.00	3,517.84	120,458.77	0.00
	<u>364,327.44</u>	<u>571,200.00</u>	<u>457,627.77</u>	<u>1,393,155.21</u>	

## UK/COSTA RICA DEBT RESCHEDULING 1989

A. As regards those amounts due as at 31 March 1989 and not paid, 100% of principal and interest (including late interest) shall be rescheduled.

Repayment shall be made in three annual instalments, the first payment on 30 June 1990 (end of grace period) and the final payment on 30 June 1992 (end of repayment period).

<i>Loan title</i>	<i>Due date</i>	<i>Deferred interest</i>	<i>Interest moratorium</i>	<i>Deferred principal</i>	<i>Total deferred</i>
UK/Costa Rica	30/09/84	28,424.99	65,616.10	28,560.00	122,601.09
Debt Rescheduling	31/12/84	0.00	4,883.53	0.00	4,883.53
1984 (Schedule I)	30/06/85	0.00	9,687.44	0.00	9,687.44
	30/12/85	20,134.35	9,687.44	20,230.00	50,051.79
	30/06/86	20,134.35	8,476.51	20,230.00	48,840.86
	31/12/86	20,134.35	7,265.58	20,230.00	47,629.93
	30/06/87	20,134.35	6,054.65	20,230.00	46,419.00
	31/12/87	20,134.35	4,843.72	20,230.00	45,208.07
	30/06/88	20,134.35	3,632.79	20,230.00	43,997.14
	31/12/88	20,134.35	2,421.86	20,230.00	42,786.21
UK/Costa Rica	30/09/84	26,304.61	53,738.55	28,560.00	108,603.16
Debt Rescheduling	31/03/85	0.00	14,813.44	0.00	14,813.44
1984 (Schedule II)	30/09/85	13,152.30	14,813.45	14,280.00	42,245.75
	31/03/86	0.00	13,990.48	0.00	13,990.48
	30/09/86	0.00	13,990.48	0.00	13,990.48
	31/03/87	0.00	13,990.48	0.00	13,990.48
	30/09/87	22,358.90	13,990.50	24,276.00	60,625.40
	31/03/88	22,358.90	12,591.45	24,276.00	59,226.35
	30/09/88	22,358.90	11,192.40	24,276.00	57,827.30
	31/03/89	22,358.90	9,793.35	24,276.00	56,428.25
UK/Costa Rica	30/09/88	16,142.64	0.00	19,040.00	35,182.64
Debt Rescheduling	15/02/89	14,528.38	99,645.29	17,136.00	131,309.67
1985 (Schedule I)					
UK/Costa Rica	01/06/86	4,414.40	0.00	5,712.00	10,126.40
Debt Rescheduling	01/06/87	8,828.80	0.00	11,424.00	20,252.80
1985 (Schedule II)	01/06/88	8,828.80	0.00	11,424.00	20,252.80
		<u>351,000.97</u>	<u>395,119.49</u>	<u>374,850.00</u>	<u>1,120,970.46</u>

## UK/COSTA RICA DEBT RESCHEDULING 1989

Deferred interest	746,120.46
Deferred principal	374,850.00
Total deferred	<u>1,120,970.46</u>

<i>Due date</i>	<i>Deferred interest</i>	<i>Deferred principal</i>	<i>Moratorium interest 6%</i>	<i>Total</i>	<i>Deferred outstanding</i>
30/06/90	248,706.82	124,950.00	221,551.62	595,208.44	1,120,970.46
30/12/90	0.00	0.00	22,603.68	22,603.68	747,313.64
30/06/91	248,706.82	124,950.00	22,235.14	395,891.96	747,313.64
30/12/91	0.00	0.00	11,301.84	11,301.84	373,656.82
30/06/92	248,706.82	124,950.00	11,117.57	384,774.39	373,656.82
	<u>746,120.46</u>	<u>374,850.00</u>	<u>288,809.85</u>	<u>1,409,780.31</u>	

## Annex VII

## DEBTS NOT COVERED BY THE RESCHEDULING

<i>Loan Title</i>	<i>Due date</i>	<i>Deferred interest</i>	<i>Deferred principal</i>	<i>Total Deferred</i>
UK/Costa Rica Loan 1973	15/08/90	45,013.24	95,200.00	235,413.24
UK/Costa Rica Debt Rescheduling 1984 (Schedule I)	30/06/89	21,346.25	20,230.00	61,806.25
UK/Costa Rica Debt Rescheduling 1984 (Schedule II)	30/09/89 31/03/90 30/09/90	30,753.23 29,354.16 27,955.11	24,276.00 24,276.00 24,276.00	79,305.23 77,906.16 76,507.11
UK/Costa Rica Debt Rescheduling 1985 (Schedule I)	15/08/89 15/02/90 15/08/90	23,007.49 22,190.29 21,123.25	17,136.00 17,136.00 17,136.00	57,279.49 56,462.29 55,395.25
UK/Costa Rica Debt Rescheduling 1985 (Schedule II)	15/08/89 15/02/90 15/08/90	115,590.62 13,782.99 13,558.27	0.00 0.00 0.00	115,590.62 13,782.99 13,558.27
		<u>363,674.90</u>	<u>239,666.00</u>	<u>843,066.90</u>



No. 2

*The Minister of Finance of the Republic of Costa Rica to Her Majesty's Ambassador  
at San Jose*

*Ministry of Finance  
San Jose  
5 July 1991*

Excellency,

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

[As in No. 1]

I have the honour to inform that the foregoing terms and conditions are acceptable to the Government of Cost Rica and that your Note and this reply shall constitute an Agreement between our two Governments in this matter which shall be known as the "United Kingdom/Costa Rica Debt Rescheduling Agreement Consolidation 1989" and which shall enter into force on the date which the Government of Costa Rica shall have notified the Government of the United Kingdom that the legal requirements necessary to implement this Agreement have been met.

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

THELMO VARGAS MADRIGAL

[Annexes as in No. 1]



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