



Treaty Series No. 29 (2006)

# Implementation Agreement

between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Russian Federation concerning the Prepayment of Certain Debt Obligations of the Government of the Russian Federation

London, 10 August 2006 and Moscow, 16 August 2006

[The Implementation Agreement entered into force on 16 August 2006]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
November 2006*

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**IMPLEMENTATION AGREEMENT BETWEEN THE GOVERNMENT OF  
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN  
IRELAND AND THE GOVERNMENT OF THE RUSSIAN FEDERATION  
CONCERNING THE PREPAYMENT OF CERTAIN DEBT OBLIGATIONS  
OF THE GOVERNMENT OF THE RUSSIAN FEDERATION**

The Government of the United Kingdom of Great Britain and Northern Ireland (the “Government of the United Kingdom”) and the Government of the Russian Federation, in order to implement the recommendations of the Paris Club Agreed Minutes of 16 June 2006 on the Early Repayment of the Debt of the Russian Federation have agreed as follows:

ARTICLE 1

**Preliminary provision**

1. The Government of the United Kingdom agrees to accept the early repayment in full on the terms set forth herein (the “Early Repayment”) of the entirety of the Eligible Debt of the Russian Federation referred to in Article II below.
2. It is understood that the maturities of principal and interest falling due on 20 August 2006 are not part of this Agreement and are to be paid in accordance with the Bilateral Agreements referred to in Article II below.

ARTICLE II

**Debts concerned**

The debts of the Russian Federation to the United Kingdom subject to Early Repayment (“Eligible Debts”) are the debts due under the Bilateral Agreements between the Government of the Russian Federation and the Government of the United Kingdom (each, a “Bilateral Agreement”) implementing:

- Articles II-2/A, II-2/B, II-3/A and II-3/B of the Paris Club Agreement with the Government of the Russian Federation on the Debt Due to Foreign Official Creditors of 29 April 1996 (The United Kingdom/Russia Debt Agreement No. 4 (1996) of 9 June 2000)<sup>1</sup>; and
- Articles II-2/A-1, II-2/A-2 and II-2/B-1.b of the Paris Club Agreed Minute on the Reorganization of the Debt of the Russian Federation of 1 August 1999 (The United Kingdom/Russia Debt Agreement No. 5 (1999) of 22 November 2000)<sup>2</sup>.

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<sup>1</sup> Treaty Series No. 108 (2000) Cm 4854

<sup>2</sup> Treaty Series No. 8 (2001) Cm 5041

## ARTICLE III

### **Terms of the Early Repayment**

1. The Early Repayment will be made by the Government of the Russian Federation on 21 August 2006 (the "Settlement Date").
2. The Early Repayment will be made in cash in accordance with the procedures and in the currencies and to the accounts specified in or pursuant to the Bilateral Agreements in force on 16 June 2006.
3. (a) On the Settlement Date, the Government of the Russian Federation will at the request of the Government of the United Kingdom made hereby, purchase each Eligible Debt at the relevant percentage of its face amount set out in the Annex to this Agreement, for a total Early Repayment purchase price of £292,971,824.93 and US\$142,445,334.96 calculated in accordance with the methodology set out in Annex 1 and Annex 2 of the Paris Club Agreed Minutes of 16 June 2006 on the Early Repayment of the Debt of the Russian Federation.  
  
(b) On the Settlement Date, the Government of the Russian Federation will pay all of the unpaid interest accrued under the Bilateral Agreements up to the Settlement Date to the extent not included in the interest maturity falling due on 20 August 2006.
4. The amount of the Eligible Debt referred to above excludes the principal and interest payments referred to in Article 1-2 above.

## ARTICLE IV

### **Discharge**

Upon payment in full in accordance with the terms of this Agreement by the Government of the Russian Federation of the Early Repayment amount referred to in Article III above and the amounts referred to in Article 1-2 above, the Government of the United Kingdom acknowledges that the Eligible Debt will be discharged in full and that the Bilateral Agreements will be deemed terminated and of no further legal effect.

## ARTICLE V

### **Communication of this Agreement**

The Government of the United Kingdom and the Government of the Russian Federation agree to provide a copy of this Agreement to the Chairman of the Paris Club.

ARTICLE VI

**Implementation**

This Agreement shall be implemented by the Export Credits Guarantee Department, acting on behalf of the Government of the United Kingdom, on the one hand, and by Vnesheconombank, acting as Reconciliation and Paying Agent for the Government of the Russian Federation, on the other hand.

ARTICLE VII

**Annex**

The Annex referred to in this Agreement forms an integral part of this Agreement.

ARTICLE VIII

**Entry into force**

This Agreement shall enter into force upon signature by both parties.

For the Government of the United Kingdom  
of Great Britain and Northern Ireland:

For the Government of  
the Russian Federation:

**DAVID HAVELOCK**

**SERGEJ STORCHAK**

Place: London

Place: Moscow

Date: 10/08/06

Date: 16 August, 2006

**Purchase Price as a Percentage of Face Amount**

<b>Moratorium Interest Rate</b>	<b>Final Stated Maturity</b>	
	<u>2016</u>	<u>2020</u>
7.083%	103.079%	103.107%
7.5%	107.168%	107.282%
LIBOR plus 0.5%	100%	100%





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