



Treaty Series No.8 (2008)

Agreement

between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Hashemite Kingdom of Jordan concerning the Early Repayment of Certain Debt Obligations of the Government of the Hashemite Kingdom of Jordan

Amman, 30 March 2008

[The Agreement entered into force on 30 March 2008]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
June 2008*

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**AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE
HASHEMITE KINGDOM OF JORDAN CONCERNING THE EARLY
REPAYMENT OF CERTAIN DEBT OBLIGATIONS OF THE GOVERNMENT
OF THE HASHEMITE KINGDOM OF JORDAN**

The Government of the United Kingdom of Great Britain and Northern Ireland and the Hashemite Kingdom of Jordan and, in order to implement the recommendations of the Paris Club Agreement on the Early Repayment of the debt of the Hashemite Kingdom of Jordan dated 18 October 2007, have agreed as follows:

ARTICLE I

Preliminary Provision

1. The Government of the United Kingdom of Great Britain and Northern Ireland agrees to accept the early repayment of the debts of the Hashemite Kingdom of Jordan referred to in Article II below (the "Early Repayment") on the terms set forth herein.
2. For the purpose of this Agreement, a debt denominated in the same currency, having the same interest rate conditions, paid over the same repayment profile and consolidated under the same bilateral agreement constitutes a "Category of Debt".

ARTICLE II

Selected Debts

The debts of the Hashemite Kingdom of Jordan subject to the Early Repayment (the "Selected Debts") are listed in the attached annex and are 100% of the maturities falling due after 1st January 2008 under the bilateral agreements implementing Paris Club Agreed Minutes dated 28 June 1994, 23 May 1997, 20 May 1999 and 10 July 2002 and not granted under Official Development Assistance conditions.

ARTICLE III

Terms of the Early Repayment

1. The Early Repayment of the Selected Debts due to the Government of the United Kingdom of Great Britain and Northern Ireland by the Government of the Hashemite Kingdom of Jordan will be implemented on the basis of the market value of each debt, calculated on the basis of the relevant tables provided in Annex 2 attached to the Paris Club Agreement on the Early Repayment of the debt of the Hashemite Kingdom of Jordan dated 18 October 2007, elaborated according to the Paris Club methodology described in Annex 1 of that Agreement.
2. The Early Repayment will be made by the Government of the Hashemite Kingdom of Jordan at market value on 31 March 2008
3. On 31 March 2008 the Government of the Hashemite Kingdom of Jordan will pay:
 - (i) the market value of the Selected Debts, calculated for each Category of Debt according to the conditions set in Annex 2 attached to the Paris Club Agreement dated 18 October 2007, in the amount of UK Sterling £303,025,789.56 and US Dollar \$11,244,079.82
 - (ii) the interest accrued on the Selected Debts between the date of the last interest instalment and 31 March 2008 in the conditions set in the bilateral agreements mentioned in Article II above, in the amount of UK Sterling £6,878,407.39 and US Dollar \$208,492.75
4. The Early Repayment shall be made in cash in the currency and to the payment accounts pursuant to the bilateral agreements mentioned in Article II.

ARTICLE IV

Comparability of Treatment

1. Unless otherwise agreed by all Paris Club Creditor Countries, the Government of the Hashemite Kingdom of Jordan agrees not to enter into any early repayment on debts not granted under ODA conditions resulting from Paris Club Agreed Minutes dated 28 June 1994, 23 May 1997, 20 May 1999 and 10 July 2002 or from agreements concluded with non Paris Club creditors and covered by the comparability of treatment clauses of the above mentioned Agreed Minutes, above the market value of these debts assessed at the date of a new offer to make an early repayment.

2. This market value shall be assessed on the basis of the net present value of the debts, discounted on the basis of the relevant risk free rate and a spread representing the specific creditworthiness of the Hashemite Kingdom of Jordan. This spread shall be estimated on the basis of market references available for the Hashemite Kingdom of Jordan at the date of the estimation (classification by rating agencies, spread on sovereign debt, if any), taking into consideration its macroeconomic situation.

ARTICLE V

Communication of this Agreement

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Hashemite Kingdom of Jordan agree to provide a copy of this Agreement to the Chairman of the Paris Club upon request.

ARTICLE VI

Annex

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

ARTICLE VII

Entry into force

This Agreement shall enter into force on the date of its signature by both parties. In the event that the payments referred to in Article III are not made on 31 March 2008, this Agreement shall be deemed null and void.

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

James Watt
H.M. Ambassador, Amman

For the Government
of the Hashemite
Kingdom of Jordan

Dr Hamed A. Kasasbeh
Minister of Finance

Annex to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Hashemite Kingdom of Jordan

| <u>STERLING</u> | | | |
|---------------------------------|---|--|------------------------------|
| | Selected Debts | Amounts Payable | |
| Paris club Agreed Minute | Total Principal due after 31/12/07 | Total Principal Due After Prepayment Discount | Prepayment Discount % |
| 28 June 1994 | 84,148,044.34 | 78,653,177.04 | 6.53 |
| 23 May 1997 | 36,629,915.58 | 33,457,764.89 | 8.66 |
| 20 May 1999 | 79,236,666.57 | 70,568,175.25 | 10.94 |
| 10 July 2002 | 139,322,380.62 | 120,346,672.38 | 13.62 |
| Total | 339,337,007.11 | 303,025,789.56 | |
| | | | |
| | | | |
| <u>US DOLLAR</u> | | | |
| Paris club Agreed Minute | Total Principal due after 31/12/07 | Total Principal After Pre-Payment Discount | Prepayment Discount % |
| 28 June 1994 | 1,209,108.23 | 1,129,790.73 | 6.56 |
| 23 May 1997 | 999,181.59 | 913,951.40 | 8.53 |
| 20 May 1999 | 3,633,217.26 | 3,242,283.08 | 10.76 |
| 10 July 2002 | 6,894,300.63 | 5,958,054.60 | 13.58 |
| Total | 12,735,807.71 | 11,244,079.82 | |



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