

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

Exchange of notes constituting an agreement concerning an interest-free development loan by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Turkey (with annexes). Ankara, 4 March 1968

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Ankara, 2 May 1968

Official text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 1 October 1968.

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

Échange de notes constituant un accord relatif à l'octroi par le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord d'un prêt de développement sans intérêt au Gouvernement de la République turque (avec annexes). Ankara, 4 mars 1968

Échange de notes constituant un accord modifiant l'Accord susmentionné. Ankara, 2 mai 1968

Texte officiel anglais.

Enregistrés par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 1^{er} octobre 1968.

No. 9265. EXCHANGE OF NOTES • CONSTITUTING AN AGREEMENT¹ CONCERNING AN INTEREST-FREE DEVELOPMENT LOAN BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF TURKEY. ANKARA, 4 MARCH 1968

I

*Her Majesty's Chargé d'Affaires ad interim at Ankara
to the Turkish Minister of Finance*

BRITISH EMBASSY

Note No. 19

Ankara, 4 March 1968

Your Excellency,

I have the honour to refer to the discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Turkey and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Turkey on this question. The position of the Government of the United Kingdom with regard to the provision of finance, and the commitments of that Government and of the Government of Turkey as regards associated matters, shall be as respectively set out in Part A and Part B below:

A. The Government of the United Kingdom declare that it is their intention, acting by the Ministry of Overseas Development (hereinafter referred to as "the Ministry"), to make available to the Government of Turkey by way of an interest-free loan a sum not exceeding £1,000,000 (one million pounds sterling) towards the cost of the purchase of 300 buses, and spare parts, by the Istanbul Municipal Transport Authority.

B. (1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note in so far as they relate to things to be

¹ Came into force on 4 March 1968, the date of the note in reply, in accordance with the provisions of the said notes.

done by or on behalf of that Government. The Government of Turkey shall adopt the arrangements and procedures so described in so far as they relate to things to be done by or on behalf of that Government.

(2) (a) For the purposes of these arrangements the Government of Turkey shall, by a request in the form set out in Annex A to this Note, open a special account (hereinafter referred to as "the Account") with a bank in London (hereinafter referred to as "the Bank"). The Account shall be operated solely for the purposes of the loan and in accordance with the instructions contained in the said request.

(b) As soon as the Account is opened, and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Turkey shall furnish the Ministry with a copy of the Government's instructions to the Bank given in accordance with the foregoing provisions of this paragraph. The Government of Turkey shall at the same time, and so often as any change is made therein, notify the Ministry of the names of the officers who are duly authorised to sign on its behalf the Payment Authorities hereinafter provided, and shall furnish a specimen signature in duplicate of each such officer.

(c) The Government of Turkey shall ensure that the Bank forwards monthly to the Ministry a statement of receipts to and payments from the Account.

(d) Unless the Ministry otherwise agree, payments into the Account shall not be made after the 31st of March, 1972.

(3) Save to the extent (if any) to which the Ministry may otherwise agree, drawings from the loan shall be used only for:

(a) Payments under a contract between Leyland Motors Limited and the Istanbul Municipal Transport Authority (hereinafter referred to as "the Contract") for the purchase of 300 motor buses and spare parts wholly produced or manufactured in the United Kingdom, being a Contract which—

- (i) provides for payment in sterling in the United Kingdom; and
- (ii) is approved on behalf of the Government of Turkey and accepted by the Ministry for financing from the loan; and

(b) Repayment of principal monies and interest due to a British commercial bank from the Central Bank of Turkey under a commercial credit agreement, being monies loaned to the Central Bank of Turkey¹ for the purpose of its financing the purchase by the Istanbul Municipal Transport Authority from Leyland Motors Limited of 300 motor buses and spare parts (hereinafter referred to as "the Commercial Credit Agreement").

(4) (a) The Government of Turkey shall ensure that there are forwarded at the earliest opportunity to the Ministry:

- (i) a copy of the Contract; and
- (ii) a certificate from the contractor concerned in the United Kingdom in the form set out in Annex C to this Note; and
- (iii) a copy of the Commercial Credit Agreement.

(b) The Government of Turkey shall ensure that the Ministry is informed if at any time the Contract or the Commercial Credit Agreement is amended, or if liability is incurred or is to be incurred thereunder to a greater or lesser amount than the amount specified in the relevant documents so forwarded; and in any of these cases the Government of Turkey shall

¹ See amendment p. 328 of this volume.

ensure that there are forwarded as soon as possible to the Ministry the relevant supplementary or revised documents.

(5) (a) After the Ministry has considered the documents forwarded in pursuance of the procedure described in the foregoing provisions of this Note and any additional information which it may request from the Government of Turkey for this purpose (and which that Government shall then supply), the Ministry shall notify that Government of the amount of the loan allocated to payments under the Contract and the amount allocated to repayment of the principal monies and interest due under the Commercial Credit Agreement.

(b) To the extent that the Ministry so allocates the loan to the Contract or the Commercial Credit Agreement and agrees to payment from the Account, it shall, on receipt of a request from the Government of Turkey, in the form set out in Annex B to this Note, giving details of the payments due and about to be made, make payments in sterling into the Account, and each such payment shall constitute a drawing on the loan.

(6) Withdrawals from the Account shall be made in accordance with Payment Authorities in the form shown in Annex D hereto duly signed on behalf of the Government of Turkey and countersigned by the Ministry. Each Payment Authority shall be forwarded in duplicate to the Ministry for counter signature and shall be accompanied by (a) in the case of payments due under the Contract, the relevant invoices (or a photocopy or a duplicate of such invoices) from the Contractor for retention by the Ministry; and (b) in the case of payments due under the Commercial Credit Agreement, two copies of a certificate from the British commercial bank concerned, in the form shown in Annex E hereto.

(7) The Government of Turkey shall repay to the Ministry in pounds sterling in London the total sum borrowed under the arrangements set out in this Note, such repayment to be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified for that instalment, only the amount then outstanding shall be paid.

Instalments

<i>Date due</i>	<i>Amounts</i>
15th July 1970	4,000
15th January 1971	4,000
15th July 1971	8,000
15th January 1972	8,000
15th July 1972	12,000
15th January 1973	12,000
15th July 1973	16,000
15th January 1974	16,000
15th July 1974	20,000
15th January 1975	20,000
15th July 1975 and on the 15th July in each of the succeeding 17 years	24,500
15th January 1976 and on the 15th January in each of the succeeding 16 years	24,500
15th January 1993	22,500

(8) Notwithstanding the provisions of paragraph (7) of this Note, the Government of Turkey shall be free at any earlier time to repay to the Ministry in pounds sterling in London the whole or any part of the loan that is still outstanding.

2. If the foregoing proposals are acceptable to the Government of the Republic of Turkey, I have the honour to suggest that the present Note together with Your Excellency's reply in that sense shall be regarded as constituting an Agreement between the two Governments which shall enter into force on the date of your reply, and the Agreement shall be referred to as the United Kingdom/Turkey Loan, No. 1, 1968.

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

A. D. F. PEMBERTON-PIGOTT

ANNEX A

GOVERNMENT OF THE REPUBLIC OF TURKEY

To: The Manager

..... Bank Ltd.,

London

Dear Sir,

UNITED KINGDOM/TURKEY LOAN, No. 1, 1968

1. I have to request you on behalf of the Government of the Republic of Turkey (hereinafter called "the Government") to open an account in the name of the Government to be styled the United Kingdom/Turkey Loan No. 1, 1968 Account (hereinafter called "the Account").

2. Payments into the Account may be made from time to time by the Ministry of Overseas Development of Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland (hereinafter called "the Ministry").

3. Payments from the Account are to be made only against Payment Authorities in the form marked "D" attached hereto duly signed on behalf of the Government and countersigned on behalf of the Ministry.

4. You are to send to the Ministry at the end of each month a detailed statement showing all debits and credits to the Account during the month.

5. You will notify the Turkish Embassy in London from time to time of the amount required to be drawn from the loan so that the amount so drawn, together with any balance which may be available in the Account, will be sufficient to cover the total value of payments due under Payment Authorities duly signed on behalf of the Government and countersigned on behalf of the Ministry.