



Treaty Series No. 12 (2024)

## Exchange of Notes

between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Argentina concerning the Clearance of Arrears (The United Kingdom/Argentina Debt Agreement No.6 (2014) Amendment No.1)

Buenos Aires, 6 and 11 April 2023

[The Amendment entered into force 11 April 2023]

*Presented to Parliament  
by the Secretary of State for Foreign, Commonwealth and Development Affairs  
by Command of His Majesty  
March 2024*



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ISBN 978-1-5286-4781-6  
E03100017 03/24

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Global on behalf of the Controller of His Majesty's Stationery Office

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
AND THE GOVERNMENT OF THE REPUBLIC OF ARGENTINA  
CONCERNING THE CLEARANCE OF ARREARS (THE UNITED  
KINGDOM/ARGENTINA DEBT AGREEMENT No.6 (2014) AMENDMENT  
No.1)**

**Note No. 1**

*British Embassy Buenos Aires to the Argentinian Ministry of Economy*

*Buenos Aires*

*6 April 2023*

I have the honour to refer to the Joint Declaration on Arrears Clearance with the Argentine Republic signed on 29 May 2014 ("the Joint Declaration"), the United Kingdom/Argentina Debt Agreement No.6 (2014) which entered into force on 29 January 2016 ("the Debt Agreement"), and to the Amendment to the Joint Declaration on Arrears Clearance with the Argentine Republic dated 29 May 2014 signed on 28 October 2022 ("the Amendment"), and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to defer certain payments due from the Government of the Republic of Argentina under the Debt Agreement.

Consequently, notwithstanding the provisions of the Debt Agreement, it is hereby agreed that:

Unless otherwise specified, the defined terms used in this Note shall have the same meaning, and shall apply mutatis mutandis, as the defined terms used in the Debt Agreement.

The debts to which this reorganisation is to apply are the repayments of Principal and Interest (including Compensatory Interest and Final Interest) due as a result of the Debt Agreement.

The treatment consists of a rescheduling of 100% of the amounts of Principal and Interest (including Final Interest at a rate of 9%) due and not paid as of 30 May 2022 inclusive and a revision of the Final Interest applicable.

100% of the amounts of Principal and Interest (including Final Interest at a rate of 9%) due and not paid as of 30 May 2022 inclusive on debts referred to above are to be rescheduled. Repayments, denominated in the original loan currencies, by the Republic of Argentina of the corresponding sums are to be made in 13 successive principal instalments as follows, the first one to be made on 20 December 2022 and the last one to be made on 30 September 2028.

7.74% on 20 December 2022	
7.76% on 30 March 2023	7.86% on 30 September 2023
8.63% on 30 March 2024	8.63% on 30 September 2024
9.97% on 30 March 2025	9.97% on 30 September 2025
6.98% on 30 March 2026	6.98% on 30 September 2026
6.69% on 30 March 2027	6.62% on 30 September 2027
6.35% on 30 March 2028	5.82% on 30 September 2028

The Final Interest rate, as described in Section 1 and Section 4 of the Debt Agreement, is fixed at an annual rate of 4.5% starting from 31 May 2022 to 30 September 2022, 3.90% starting from 1 October 2022 to 30 September 2023, 4.5% from 1 October 2023 to 30 March 2027 and 5.2 % from 31 March 2027.

Final interest at a rate of 4.5% will be capitalised from 31 May 2022 to 30 September 2022 and the repayment schedule defined above will apply to the stock of debt as of 1 October 2022, namely USD 11,584,650.97 and GBP 4,594.4

The Final Interest rates will apply to the calendar of semi-annual principal instalments referred to above.

For illustrative purposes the repayments described above are set out in Appendix A to this Note. In the event of any discrepancy between the information set out in Appendix A and the provisions as set out in the body of this Note, the provisions as set out in the body of this Note shall prevail.

The Government of the Republic of Argentina undertakes to ensure the provision by its other official bilateral creditors of new disbursements in line with the assumptions made in the second review of the Extended Fund Facility (EFF) arrangement with the International Monetary Fund (IMF) approved on 7 October 2022 and to continue implementing the EFF arrangement with the IMF approved on 25 March 2022 or any subsequent arrangement approved before 30 September 2028.

The Government of the Republic of Argentina intends to inform the Paris Club every six months on the progress accomplished in the disbursements made by the other creditors mentioned above. Specifically, every six months during the implementation of this Note, the Government of the Republic of Argentina intends to transmit to the Paris Club Chair a written document taking stock of the new disbursements made by the other creditors mentioned above including the name of each creditor concerned, and the corresponding amount of debt service paid to each creditor and the amount of new disbursements received; a description of possible or actual disbursement shortfalls as compared to the Annex to the Amendment consistent with the IMF arrangement; a description of backstop mechanisms, including existing swap lines, to cover any shortfall in planned project finance disbursement by the other creditors; and a description of strategies to ensure achieving the originally planned project financing disbursements (described in the Annex to the Amendment) by other creditors in the next six months.

In the event that shortfalls in planned project finance disbursements by the other creditors in a given six-month period between 2022 and 2025 are not remedied within the following six months, the Government of the Republic of Argentina commits to compensate Paris Club creditors and has the option to within one month make an anticipated limited principal payment equal to the unsettled shortfall up to 150 million US dollars, which will be deducted from the last instalments so as not to alter the agreed schedule above, or to mobilise any possible alternative financing sources from the other creditors, including existing swap lines, to compensate such shortfall. The Government of the Republic of Argentina commits to share the relevant additional drawn amounts and terms and conditions of alternative financing sources with the Paris Club in advance of activating them to ensure comparability of treatment. The commitments of the Government of the Republic of Argentina set out in this paragraph shall be referred to as the "Shortfall Conditions".

The Government of the Republic of Argentina undertakes not to impose any restriction other than those approved in the context of the IMF-supported programme to permit the transfer of foreign exchange due by private debtors in the Republic of Argentina for servicing their foreign debt owed to or guaranteed by the Government of the United Kingdom of Great Britain and Northern Ireland or its appropriate institutions and not subject to this consolidation. As regards to servicing external debt obligations not covered by this Note including private sector debts, the Government of the Republic of Argentina undertakes not to impose any restrictions other than those approved in the context of the IMF-supported programme which would prevent debtors in the Republic of Argentina from paying promptly their obligations overdue or falling due.

If the Government of the Republic of Argentina does not comply with its payment obligations under this Note; or if the Government of the Republic of Argentina does not continue to implement the EFF arrangement with the IMF approved on 25 March 2022 or any subsequent arrangement approved before 30 September 2028; or if the Government of the United Kingdom of Great Britain and Northern Ireland determines in good faith that the Shortfall Conditions outlined above are not met, then the Government of the United Kingdom of Great Britain and Northern Ireland may inform the participating Paris Club creditor countries to the Amendment, who may agree, from sixty days after one of the three breaches referred to above, to terminate the Amendment. In the event the Amendment is terminated, the Government of the United Kingdom of Great Britain and Northern Ireland shall be entitled forthwith to terminate The United Kingdom/Argentina Debt Agreement No.6 (2014) Amendment No. 1. If the treatment is terminated, the amounts already consolidated will become immediately due. In this situation, late interest of 5.2% will be charged on those amounts from the due date up to the effective repayment date and is immediately payable. Late interest is capitalised annually on 30 March.

All other provisions of the Debt Agreement shall remain in full force and effect.

The Government of the United Kingdom of Great Britain and Northern Ireland shall be able to disclose information in this Note and the Debt Agreement to any other UK government department, and to the extent it considers it necessary or appropriate to do so in connection with carrying out its public functions and duties. The Parties acknowledge and agree that nothing in this Note or in the Debt Agreement shall prevent the Government of the United Kingdom of Great Britain and Northern Ireland from carrying out the foregoing.

If these terms and conditions are acceptable to the Government of the Republic of Argentina, I have the honour to propose that this Note, and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which shall be known as "The United Kingdom/Argentina Debt Agreement No.6 (2014) Amendment No. 1" and which shall enter into force on the date of your reply.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

#### APPENDIX A

Repayment Date	Amount (USD) <sup>1</sup>	Amount (GBP) <sup>2</sup>
20 December 2022	997,052.29	394,887.01
30 March 2023	1,014,755.57	401,824.57
30 September 2023	1,105,681.57	437,454.90
30 March 2024	1,201,740.72	475,514.86
30 September 2024	1,180,965.96	467,388.42
30 March 2025	1,310,626.30	518,950.85
30 September 2025	1 286,641.15	509,568.61
30 March 2026	911,981.95	361,131.83
30 September 2026.	895,097.32	354,527.09
30 March 2027	841,796.92	333,495.13
30 September 2027	824,757.23	326,785.68
30 March 2028	772,688.78	306,248.20
30 September 2028	692,146.13	274,408.87

<sup>1</sup> USD denotes the lawful currency of the United States of America

<sup>2</sup> GBP denotes the lawful currency of the United Kingdom of Great Britain and Northern Ireland

**Note No. 2**

*Argentinian Ministry of Economy to the British Embassy Buenos Aires*

Buenos Aires

11 April 2023

I have the honour to acknowledge receipt of Your Excellency's Note of April 6<sup>th</sup> 2023 which reads as follows:

“As Above”

I have the honour to confirm that the terms and conditions set out in your Note are acceptable to the Government of the Republic of Argentina, 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/Argentina Debt Agreement No.6 (2014) Amendment No. 1" and which shall enter into force today.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

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978-1-5286-4781-6