

**AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BULGARIA CONCERNING A DEFINITIVE SETTLEMENT OF CERTAIN BULGARIAN BONDS HELD BY THE GOVERNMENT OF CANADA OR BY CANADIAN NATURAL OR JURIDICAL PERSONS FORMING PART OF OLD EXTERNAL PUBLIC LOANS OF THE FORMER PRINCIPALITY OF BULGARIA AND OF THE FORMER KINGDOM OF BULGARIA**

The Government of Canada and the Government of the People's Republic of Bulgaria (the parties) have agreed as follows:

**ARTICLE I**

The Government of the People's Republic of Bulgaria shall pay to the Government of Canada as a definitive settlement of claims in respect of the bonds defined in Article II and delivered in accordance with Article IV an amount determined in accordance with Article III.

**ARTICLE II**

The bonds to which the present Agreement applies are bonds that form part of loans representing the Bulgarian external public debt, issued or guaranteed by the former Principality of Bulgaria or the former Kingdom of Bulgaria, denominated in United States Dollars, French Francs or Pounds Sterling, whether or not they are denominated in any other currency (hereinafter referred to as "the bonds"), held by the Government of Canada or by Canadian natural or juridical persons.

**ARTICLE III**

1. The definitive settlement shall be determined only in respect of the bonds held by the Government of Canada and the bonds delivered to the Government of Canada within six months of the entry into force of this Agreement by or on behalf of owners who have accepted the terms of settlement herein, provided that the bonds are accepted for payment in accordance with the provisions of Article IV(3) below.

2. The amount of the definitive settlement in respect of the bonds shall be determined as follows:

- (a) where the bonds were denominated in United States Dollars at the time of issue, 40% of the face value shall be payable in United States Dollars;
- (b) where the bonds were denominated in French Francs but not Pounds Sterling at the time of issue, 35 new French Francs shall be payable for each 500 Francs of the face value;