

Record of Discussions

In connection with the arrangement between the Government of Japan and the Government of the Dominican Republic for the rescheduling of commercial debts of the Dominican Republic insured by the Government or public institutions of Japan dated May 25th, 2006 (hereinafter referred to as "the Arrangement"), the representatives of the Delegations of Japan and of the Dominican Republic wish to record the following:

1. The representative of the Japanese Delegation stated that:

(1) For the purposes of the Arrangement, the Government of Japan may be deemed to be included in the Creditors to the extent that the Government of Japan is subrogated into rights of the original creditors concerned by virtue of the payment made to the original creditors concerned under the insurance assumed in accordance with the relevant laws and regulations of Japan.

(2) With regard to paragraphs 2. and 3. of the Arrangement, the institution designated by the Ministry of Finance of the Dominican Republic will transfer funds to the account of the bank designated by the authorities concerned of the Government of Japan (hereinafter referred to as "the Bank"), in accordance with the payment scheme set forth in sub-paragraph (4) of paragraph 2. and sub-paragraph (1) of paragraph 3. of the Arrangement and pursuant to the following procedures.

(a) The institution designated by the Ministry of Finance of the Dominican Republic will send payment instructions to the Bank two (2) business days (when banks and financial institutions are open for domestic and foreign exchange business in Tokyo) before the due date to transfer the due funds to the Bank by noon, Tokyo time, on the due date. Any payment made thereafter on the due date will be deemed to have been made on the next business day and accordingly the late interest will be payable pursuant to sub-paragraph (4) of paragraph 3. of the Arrangement.

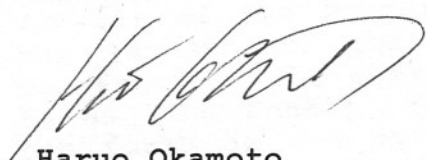
(b) In case where the due date falls on the day which is not a business day, the nearest business day subsequent to that date will be the date of payment.

(c) The Ministry of Finance of the Dominican Republic will send to the authorities concerned of the Government of Japan a detailed statement which identifies the debts contained in the payment seven (7) days before the due date.

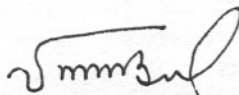
(d) The authorities concerned of the Government of Japan will take necessary measures to split the amount of the transferred funds and make payments accordingly to each of original creditors concerned without any charges to the institution designated by the Ministry of Finance of the Dominican Republic.

(e) If the amount of the funds transferred by the institution designated by the Ministry of Finance of the Dominican Republic is less than the total amount of the payment required by the Arrangement, the transferred funds will be applied first to the payment of late interest, then to the payment of rescheduling interest and then to the payment of principal.

2. The representative of the Delegation of the Dominican Republic stated that his delegation has no objection to the statement mentioned in 1. above.



Haruo Okamoto
Ambassador Extraordinary
and Plenipotentiary of Japan
in the Dominican Republic



Lic. Vicente Bengoa Albizu
Minister of Finance of the
Dominican Republic

Santo Domingo, D.N., May 25th, 2006.

EMBAJADA DEL JAPON

SANTO DOMINGO
REPUBLICA DOMINICANA

No. - 192

May 25th, 2006.

Excellency,

I have the honour to refer to the recent negotiations between the representatives of the Government of Japan and of the Government of the Dominican Republic that were held on the basis of the conclusions reached during the consultations between the representatives of the Government of the Dominican Republic and of the Governments of the creditor countries concerned held in Paris on October 20 and 21, 2005. I have further the honour to confirm the following arrangement reached in the course of the said negotiations:

1. (1) The present arrangement will apply to the total amount of the following principal of, rescheduling interest on and late interest on the commercial debts, with a repayment period of more than one year, owed or guaranteed by the Government or public institutions of the Dominican Republic, under the contracts concluded before June 30, 1984 between the debtors concerned resident in the Dominican Republic and the creditors concerned resident in Japan (hereinafter referred to as "the Creditors"), and insured by the Government or public institutions of Japan (hereinafter referred to as "the Rescheduled Commercial Debts"):

For the debts previously rescheduled pursuant to the arrangement made by the Notes exchanged between the Government of Japan and the Government of the Dominican Republic on February 10, 1993,

one hundred per cent (100%) of the principal and rescheduling interest having fallen due between January 1, 2005 and December 31, 2005, both dates inclusive, and not paid.

(2) The total amount of the Rescheduled Commercial Debts referred to in sub-paragraph (1) above will be one billion one hundred and thirty-one million three hundred and thirty-six thousand eight hundred and seventy yen (¥1,131,336,870).

Your Excellency
Lic. Vicente Bengoa Albizu
Minister of Finance of the
Dominican Republic

(3)

(3) Modifications may be made to the total amount referred to in sub-paragraph (2) above by agreement between the authorities concerned of the Government of Japan and of the Government of the Dominican Republic, after the final verification to be made by the authorities concerned of the two Governments.

2. (1) The Government of the Dominican Republic will notify the Government of Japan, through the Ministry of Finance of the Dominican Republic, of the amount and the dates of payments which will be made in order to settle the Rescheduled Commercial Debts in accordance with the payment scheme as set out in sub-paragraph (4) below (hereinafter referred to as "the Payment Scheme").

(2) The Government of the Dominican Republic will pay the total amount of the Rescheduled Commercial Debts to the Creditors in the currency designated in the contracts concerned through the Ministry of Finance of the Dominican Republic in accordance with the Payment Scheme.

(3) The Government of Japan will take possible measures, within the scope of the relevant laws and regulations in force in Japan, to facilitate the settlement of the commercial debts concerned by the payment to be made in accordance with the Payment Scheme.

(4) The total amount of the Rescheduled Commercial Debts will be paid in fourteen (14) semi-annual installments beginning on April 1, 2011 in accordance with the payment schedule shown in the Annex I attached hereto.

3. (1) The Government of the Dominican Republic will pay to the Creditors, on April 1 and October 1 each year, interest to be calculated as described in sub-paragraph (3) below on each of the commercial debts concerned to the extent that they have not been settled. The first payment of the interest will be made on October 1, 2006.

(2) (a) (i) The rate of interest on the Rescheduled Commercial Debts applied for the period between January 1, 2005 or each original due date, whichever is the later, and the previous day of the date of exchange of the present Notes, both dates inclusive, will be eight point five per cent (8.5%) per annum.

(ii)

(ii) The rate of interest on the Rescheduled Commercial Debts applied from the date of exchange of the present Notes will be nought point five per cent (0.5%) per annum above the applicable five-year Japanese Government Bond yield (hereinafter referred to as "the Bond yield")

(b) (i) The dates April 1 and October 1 each year are hereinafter referred to as "the base dates". The period between a base date and the day immediately preceding the next base date, both dates inclusive, is hereinafter referred to as "the rate fixation period".

(ii) The applicable Bond yield with respect to a particular rate fixation period means, whenever used in this Note, the yield applied on the first business day during the rate fixation period.

(iii) Each Bond yield is applicable only during the corresponding rate fixation period, insofar as the debt concerned remains unsettled.

(3) (a) The amount of interest to be paid with respect to a particular rate fixation period will be calculated by multiplying the amount of the debt unsettled by the product of the number of the days the debt has not been settled in the said rate fixation period and the applicable daily interest rate. The applicable daily interest rate is calculated by dividing the rate of interest referred to in sub-paragraph (2)(a) above by three hundred and sixty-five (365). The illustration in the form of numerical formula of the method of calculation mentioned above is shown in the Annex II attached hereto.

(b) In case where the debt concerned has remained unsettled beyond one rate fixation period, the amount of interest to be paid will be the total of the amount of interest calculated with respect to each of the rate fixation periods concerned.

(4) In case where any payment under the Payment Scheme or the payment schedule of interest as set out in sub-paragraph (1) above is delayed for not more than thirty (30) days, the Government of the Dominican Republic will pay the late interest accruing from the overdue amount at the rate of interest referred to in (ii) of sub-paragraph (2) (a) above.

(5) In case where any payment under the Payment Scheme or the payment schedule of interest as set out in sub-paragraph (1) above is delayed for more than thirty (30) days, the Government of the Dominican Republic will pay the late interest accruing from the overdue amount at the rate of nought point five per cent (0.5%) per annum above the rate of interest referred to in (ii) of sub-paragraph (2) (a) above.

4. The interest paid will be exempted from all taxes and duties of the Dominican Republic.

5. The Government of the Dominican Republic will pay bank charges incidental to the settlement of the commercial debts concerned.

6. It is confirmed that the terms and conditions of the contracts concerned not mentioned in this Note will remain applicable, unless otherwise agreed upon by the parties to the contracts concerned.

7. If the Government of the Dominican Republic accords to creditors resident in any third country terms and conditions more favourable than those referred to in sub-paragraph (4) of paragraph 2. with regard to debt relief measures, in relation to comparable debts, the Government of the Dominican Republic will forthwith accord to the Creditors the terms and conditions not less favourable than those accorded to creditors resident in such third country.

8. If the representative of the Government of the Dominican Republic and the representatives of the Governments of the creditor countries concerned come to a new conclusion in connection with reorganization of the debts of the Dominican Republic including the debts covered by the present arrangement, consultations will be held between the Government of Japan and the Government of the Dominican Republic in order to discuss the matter of continuation or modification of the present arrangement.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Dominican Republic the foregoing arrangement shall constitute an agreement between the two Governments, which will become effective on the date of receipt by the Government of Japan of the written notification from the Government of the Dominican Republic of the completion of necessary domestic procedures for the entry into force of such agreement.

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

A handwritten signature in dark ink, appearing to read 'Haruo Okamoto', written in a cursive, flowing style.

Haruo Okamoto
Ambassador Extraordinary
and Plenipotentiary of Japan
in the Dominican Republic

ANNEX I

5.50%	on	April 1,	2011
5.71%	on	October 1,	2011
5.94%	on	April 1,	2012
6.17%	on	October 1,	2012
6.41%	on	April 1,	2013
6.66%	on	October 1,	2013
6.92%	on	April 1,	2014
7.19%	on	October 1,	2014
7.47%	on	April 1,	2015
7.76%	on	October 1,	2015
8.06%	on	April 1,	2016
8.38%	on	October 1,	2016
8.75%	on	April 1,	2017
9.08%	on	October 1,	2017

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ANNEX II

Numerical formula of the method of calculation of the amount of interest on the Rescheduled Commercial Debts

$$I = A \times D \times R \times 1/365$$

- I : The amount of interest
- A : The amount of the debt unsettled
- D : The number of the days the debt has not been settled
- R : The rate of interest (per annum)

(NOTE)

- (1) With respect to the first payment of the interest on October 1, 2006,

D is equal to the number of the days from each original due date to September 30, 2006, both dates inclusive.

- (2) With respect to the consecutive payments of the interest after the first payment, D is equal to the number of the days from the day of the previous payment to the previous day of the payment, both dates inclusive.



No.- 193

May 25th, 2006.

Excellency,

I have the honour to refer to the recent negotiations between the representatives of the Government of Japan and of the Government of the Dominican Republic that were held on the basis of the conclusions reached during the consultations between the representatives of the Government of the Dominican Republic and of the Governments of the creditor countries concerned held in Paris on October 20 and 21, 2005. I have further the honour to confirm the following arrangement reached in the course of the said negotiations:

1. A debt relief measure in the form of rescheduling will be taken in accordance with the relevant laws and regulations of Japan by Japan Bank for International Cooperation (hereinafter referred to as "the Bank").

2. (1) The debts to be rescheduled consist of the following debts which the Government of the Dominican Republic owes to the Bank.

The debts payable under the Loan Agreements concluded before June 30, 1984 between the Government of the Dominican Republic and the Overseas Economic Cooperation Fund (hereinafter referred to as "the Fund") on the extension of the Yen Loan or under the rescheduling agreement concluded between the Government of the Dominican Republic and the Fund (hereinafter referred to as "the Rescheduled Debts") are as follows:

(a) For the debts not previously rescheduled,

the principal and contractual interest having fallen due between January 1, 2005 and December 31, 2005, both dates inclusive, and not paid, the breakdown of which is shown in the List 1 attached hereto.

Your Excellency
Lic. Vicente Bengoa Albizu
Minister of Finance of the
Dominican Republic

(b)

(b) For the debts previously rescheduled pursuant to the arrangement made by the Notes exchanged between the Government of Japan and the Government of the Dominican Republic on February 10, 1993 concerning the debt relief measures with respect to the debts the Government of the Dominican Republic owed to the Fund,

the principal and rescheduling interest having fallen due between January 1, 2005 and December 31, 2005, both dates inclusive, and not paid, the breakdown of which is shown in the List 2 attached hereto.

(2) The total amount of the Rescheduled Debts will be one billion three hundred and fifty-six million one hundred and fifty-nine thousand nine hundred and seventy-eight yen (¥1,356,159,978).

(3) Modifications may be made to the total amount referred to in sub-paragraph (2) above and to the Lists 1 and 2 attached hereto by agreement between the authorities concerned of the Government of Japan and of the Government of the Dominican Republic, after the final verification to be made by the authorities concerned of the Government of the Dominican Republic and the Bank.

3. The terms and conditions of the rescheduling will be stipulated in the rescheduling agreement to be concluded between the Government of the Dominican Republic and the Bank, which will contain, inter alia, the following principles:

(1) The total amount of the Rescheduled Debts will be paid in fourteen (14) semi-annual installments beginning on April 1, 2011 in accordance with the payment schedule shown in the Annex attached hereto.

(2) The rate of interest on the Rescheduled Debts will be one point five per cent (1.5%) per annum beginning respectively from January 1, 2005 or from each due date whichever is the later.

4. If the representative of the Government of the Dominican Republic and the representatives of the Governments of the creditor countries concerned come to a new conclusion in connection with reorganization of the debts of the Dominican Republic including the debts covered by the present arrangement, consultations will be held between the Government of Japan and the Government of the Dominican Republic in order to discuss the matter of continuation or modification of the present arrangement.

(I)

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Dominican Republic the foregoing arrangement shall constitute an agreement between the two Governments, which will become effective on the date of receipt by the Government of Japan of the written notification from the Government of the Dominican Republic of the completion of necessary domestic procedures for the entry into force of such agreement.

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

A handwritten signature in dark ink, appearing to read 'Haruo Okamoto', written in a cursive style.

Haruo Okamoto
Ambassador Extraordinary
And Plenipotentiary of Japan
in the Dominican Republic

List 1

Particulars of Debts	Principal	Contractual Interest	Total (in Yen)
1. The principal and contractual interest payable under the Loan Agreement concluded between the Government of the Dominican Republic and the Fund on the extension of Yen Loan pursuant to the Notes exchanged between the Governments of Japan and of the Dominican Republic on June 10, 1980	91,246,000	1,933,665	93,179,665
2. The principal and contractual interest payable under the Loan Agreement concluded between the Government of the Dominican Republic and the Fund on the extension of Yen Loan pursuant to the Notes exchanged between the Governments of Japan and of the Dominican Republic on March 29, 1983	468,146,000	64,621,783	532,767,783
Total	559,392,000	66,555,448	625,947,448

List 2

Particulars of Debts	Principal	Rescheduling Interest	Total (in Yen)
1. The principal and rescheduling interest payable under the rescheduling agreement concluded between the Government of the Dominican Republic and the Fund pursuant to the Notes exchanged between the Governments of Japan and of the Dominican Republic on February 10, 1993	556,708,000	173,504,530	730,212,530
Total	556,708,000	173,504,530	730,212,530

ANNEX

5.50%	on	April 1,	2011
5.71%	on	October 1,	2011
5.94%	on	April 1,	2012
6.17%	on	October 1,	2012
6.41%	on	April 1,	2013
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