

No. 4958

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
(ON BEHALF OF BRUNEI)  
and  
FEDERATION OF MALAYA**

**Exchange of notes constituting an agreement regarding a loan by the Government of the State of Brunei to the Government of the Federation of Malaya. Kuala Lumpur, 26 March, 7 and 15 April and 1 May 1959**

*Official text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 16 November 1959.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD  
(AU NOM DE BRUNÉI)  
et  
FÉDÉRATION DE MALAISIE**

**Échange de notes constituant un accord relatif à un emprunt contracté par le Gouvernement de la Fédération de Malaisie auprès du Gouvernement de l'État de Brunéi. Kuala Lumpur, 26 mars, 7 et 15 avril et 1<sup>er</sup> mai 1959**

*Texte officiel anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 16 novembre 1959.*

No. 4958. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE STATE OF BRUNEI AND THE GOVERNMENT OF THE FEDERATION OF MALAYA REGARDING A LOAN BY THE GOVERNMENT OF THE STATE OF BRUNEI TO THE GOVERNMENT OF THE FEDERATION OF MALAYA. KUALA LUMPUR, 26 MARCH, 7 AND 15 APRIL AND 1 MAY 1959

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I

OFFICE OF THE MINISTER OF FINANCE  
THE TREASURY  
KUALA LUMPUR

Our Reference : Try.Y.325/86

26th March, 1959

The Hon'ble the British Resident  
Brunei

Sir,

*Sterling loans equivalent to M\$100 million  
by the State of Brunei to the Federation*

I have the honour to refer to the discussions which took place in Brunei on the 16th of November, 1958 regarding the proposal that the Government of the State of Brunei should subscribe in Sterling a sum equivalent to M\$100 million to loans to be issued by the Government of the Federation of Malaya, and should be grateful if you would confirm that the Government of the State of Brunei will subscribe a sum in Sterling equivalent to M\$100 million to loans to be issued by the Federation on the following terms and conditions :

- (i) The loans shall be paid and redeemed in Sterling;
- (ii) The loans shall be issued by the Federation and subscribed for by the State of Brunei as follows :
  - (a) On the 2nd of April, 1959, M\$40 million expressed in Sterling at 2s 4d to M\$1;
  - (b) On the 2nd of April, 1960, M\$40 million expressed in Sterling at 2s 4d to M\$1;
  - (c) On the 2nd of April, 1961, M\$20 million expressed in Sterling at 2s 4d to M\$1;

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<sup>1</sup> Came into force on 1 May 1959 by the exchange of the said notes.

- (iii) Each loan shall be for a period of 30 years; the first loan of M\$40 million (expressed in Sterling) will be repayable on the 2nd of April, 1989, the second loan of M\$40 million (expressed in Sterling) on the 2nd of April, 1990, and the third loan of M\$20 million (expressed in Sterling) on the 2nd of April, 1991;
- (iv) Interest on each loan will run from the date of payment and will be at the rate of 3½% per annum for the first 15 years and 4½% per annum for the remaining 15 years;
- (v) The loans will be raised by the Federation Government under the authority of the Loan (State of Brunei) Ordinance, 1959;
- (vi) The loans will be issued in London and all expenses of issue will be met by the Federation;
- (vii) The Federation Government will take all steps necessary to obtain trustee status in the United Kingdom for the loans;
- (viii) The Federation Government will make contributions to the sinking funds which will be established for each loan at the rate of 1½% per annum, commencing not later than 12 months after the date of the issue of the loan in respect of which such fund is to be established.

I have the honour to be, Sir,  
Your obedient servant,

H. S. LEE  
Minister of Finance

## II

OFFICE OF THE MINISTER OF FINANCE  
THE TREASURY  
KUALA LUMPUR

Our Reference : Try.Y.325/91

7th April, 1959

The Hon'ble the British Resident  
Brunei, N. Borneo

Sir,

*Sterling loans equivalent to M\$100 million  
by the State of Brunei to the Federation*

I have the honour to refer to your telegram No. BR.129 and to confirm my agreement to the amendment of section (iv) of my letter of 26th March, 1959, by the addition of the following words :

“ Interest will be payable half-yearly in sterling. ”

I have the honour to be, Sir,  
Your obedient servant,

H. S. LEE  
Minister of Finance

## III

## BRITISH RESIDENT'S OFFICE

Ref : BRO/C7506/55

Brunei, 15th April 1959

The Hon'ble the Minister of Finance  
Federation of Malaya  
Kuala Lumpur

Sir,

*Sterling loans equivalent to M\$100 million  
by the State of Brunei to the Federation*

I have the honour to refer to your letter Try.Y.325/86 dated 26th March, 1959 and to confirm that the Government of the State of Brunei will subscribe a sum in Sterling equivalent to M\$100 million to loans to be issued by the Government of the Federation of Malaya on the following terms and conditions :

[See note I]

- (iv) Interest on each loan will run from the date of payment and will be payable in Sterling half-yearly on the 2nd of April and the 2nd of October at the rate of  $3\frac{1}{2}\%$  for the first 15 years in each case and thereafter at the rate of  $4\frac{1}{2}\%$ ;

[See note I]

I have the honour to be, Sir,  
Your obedient servant,

D. C. WHITE  
British Resident, Brunei

## IV

OFFICE OF THE MINISTER OF FINANCE  
THE TREASURY  
KUALA LUMPUR

Our Reference : Try.Y.325/97

1st May, 1959

The Hon'ble the British Resident  
Brunei

Sir,

*Sterling loans equivalent to M\$100 million  
by the State of Brunei to the Federation*

I have the honour to refer to your letter dated 15th April, 1959, reference BRO/C 7506/55 setting out the terms and conditions upon which the Government of the State of Brunei is prepared to subscribe a sum in Sterling equivalent to M\$100 million to loans to be issued by the Government of the Federation of Malaya, and to confirm that these terms and conditions are acceptable to the Government of the Federation of Malaya.

I have the honour to be, Sir,  
Your obedient servant,

H. S. LEE  
Minister of Finance