

**No. 4691**

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**JAPAN  
and  
INDONESIA**

**Exchange of notes constituting an agreement concerning  
commercial loans and investments. Djakarta, 20 Jan-  
uary 1958**

*Official text: English.*

*Registered by Japan on 2 March 1959.*

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**JAPON  
et  
INDONÉSIE**

**Échange de notes constituant un accord relatif aux prêts  
et investissements commerciaux. Djakarta, 20 janvier  
1958**

*Texte officiel anglais.*

*Enregistré par le Japon le 2 mars 1959.*

No. 4691. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA CONCERNING COMMERCIAL LOANS AND INVESTMENTS. DJAKARTA, 20 JANUARY 1958

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I

Djakarta, January 20, 1958

Excellency,

I have the honour to confirm the following arrangement which embodies the understanding reached between the representatives of the two Governments concerning commercial loans and investments which will be advanced by nationals (including private firms, wherever the term is used herein) of Japan to the Government and nationals of the Republic of Indonesia with a view to assisting in the further economic development of the Republic of Indonesia :

1. Commercial investments, long-term loans or similar credit arrangements (hereinafter referred to as "loans") to such amount in yen as shall be equivalent to four hundred million United States of America dollars (\$ 400,000,000) at present computed at one hundred forty-four billion yen (¥ 144,000,000,000) will be extended by nationals of Japan to the Government or nationals of the Republic of Indonesia through appropriate contracts that may be entered into.

2. Loans shall be extended on a commercial basis and in accordance with the applicable laws and regulations of the two countries.

The Government of the Republic of Indonesia reserves the right to determine the fields of investment and the various industries for which the loans may be contracted as well as the criteria governing the eligibility of Indonesian private firms or nationals desiring such loans.

3. The two Governments shall facilitate and expedite the extension of loans within the scope of pertinent laws and regulations. The facilitation and expedition the Government of Japan is required to offer as to loans will be similar to those which are currently provided to those loans contracted between nationals of Japan and the Government or nationals of the Republic of Indonesia and financed on an ordinary commercial basis by the Japanese banking institutions like the Export-Import Bank of Japan, within their then available funds.

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<sup>1</sup> Came into force on 15 April 1958, the date of the exchange of the instruments of ratification of the Treaty of Peace between Japan and the Republic of Indonesia, in accordance with the provisions of the said notes.

The two Governments shall jointly review from time to time the progress of the conclusion and performance of the loan contracts with a view to effecting the smooth operation of the present arrangement.

4. The terms and conditions of any loan shall be as agreed upon between the parties to the loan contract.

The loans shall be made principally in the form of machinery and equipment as well as the services incidental thereto.

5. Disputes arising out of or in connection with any loan contract shall be settled either through arbitration by agreement between the parties to the contract or in accordance with the ordinary judicial processes of the country having jurisdiction over such disputes.

6. The present arrangement shall remain in force for a period of twenty years. However, if, after the lapse of nineteen years from the coming into force of the arrangement, it appears likely that the amount mentioned in 1 above may not be reached by the end of such period, the two Governments may, upon request of either of them, enter into consultation with a view to extending the period of the present arrangement.

I have the honour to propose that the present note and Your Excellency's reply confirming the contents of the arrangement as stated therein shall be regarded as constituting an agreement between the two Governments which shall come into force on the date of exchange of the instruments of ratification of the Treaty of Peace<sup>1</sup> between Japan and the Republic of Indonesia.

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

Aiichiro FUJIYAMA  
Plenipotentiary of Japan

His Excellency Subandrio  
Plenipotentiary of the Republic of Indonesia

<sup>1</sup> United Nations, *Treaty Series*, Vol. 324, No. 4688.

## II

Djakarta, January 20, 1958

Excellency,

I have the honour to acknowledge receipt of your note of today's date, which reads as follows :

[See note I]

I have the honour to confirm the contents of the arrangement as stated in your note under acknowledgment, and to agree that the same and the present reply shall be regarded as constituting an agreement between the two Governments which shall come into force on the date of exchange of the instruments of ratification of the Treaty of Peace between the Republic of Indonesia and Japan.

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

SOEBANDRIO  
The Plenipotentiary  
of the Republic of Indonesia

His Excellency Aiichiro Fujiyama  
Plenipotentiary of Japan