No. 10786

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

and INDONESIA

Exchange of notes constituting an agreement concerning an interest-free development loan by the Government of the United Kingdom to the Government of Indonesia — United Kingdom/Indonesia No. 2 Loan (1970) (with annexes and related notes). Djakarta, 13 April 1970

Authentic text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 12 October 1970.

ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD

et INDONÉSIE

Échange de notes constituant un accord relatif à l'octroi d'un prêt au développement sans intérêt par le Gouvernement du Royaume-Uni au Gouvernement indonésien — Prêt Royaume-Uni/Indonésie nº 2 de 1970 (avec annexes et notes connexes). Djakarta, 13 avril 1970

Texte authentique: anglais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 12 octobre 1970.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT 1 THE GOVERNMENT OF THE BETWEEN OF GREAT BRITAIN **NORTHERN** KINGDOM AND **GOVERNMENT** THE IRELAND AND THE OF CONCERNING AN REPUBLIC OF INDONESIA LOAN THE INTEREST-FREE DEVELOPMENT BYGOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF INDONESIA

Ι

Her Majesty's Ambassador at Djakarta to the Minister for Foreign Affairs ad interim of Indonesia

BRITISH EMBASSY DJAKARTA

13 April, 1970

Your Excellency,

I have the honour to refer to the discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Indonesia and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Indonesian Government on this question. The position of the Government of the United Kingdom with regard to the provision of finance and the commitments of that Government and of the Government of Indonesia as regards associated matters shall be as respectively set out in Part A and Part B below:

A. The Government of the United Kingdom declare that it is their intention to make available to the Government of Indonesia by way of an interest-free loan a sum not exceeding £1,500,000 (one million five hundred thousand pounds sterling) for the purchase in the United Kingdom of British goods.

¹ Came into force on 14 April 1970, the date of the note in reply, in accordance with the provisions of the said notes.

- B. (1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note in so far as they relate to things to be done by or on behalf of that Government. The Government of Indonesia shall adopt the arrangements and procedures so described in so far as they relate to things to be done by or on behalf of that Government.
- (2) (a) For the purpose of these arrangements, the Government of Indonesia through the Central Bank of Indonesia (Bank Indonesia) shall, by a request in the form set out in Annex A to this Note, open special Accounts (hereinafter referred to as "the Accounts") with several Banks in London (hereinafter referred to as "the Banks"). These Accounts shall be operated solely for the purposes of the loan and in accordance with the instructions contained in the said request.
- (b) As soon as these Accounts are opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Indonesia shall furnish the Government of the United Kingdom with a copy of the Government's instructions to the Banks given in accordance with the foregoing provisions of this paragraph. The Government of Indonesia shall, at the same time, and so often as any change is made therein, ensure that the Government of the United Kingdom is notified of the names of the officers who are duly authorised to sign on its behalf the Requests for Drawings hereinafter provided and shall also ensure that a specimen signature in duplicate of each such officer is provided.
- (c) The Government of Indonesia shall ensure that the Banks shall forward monthly to the Government of the United Kingdom statements of receipts to and payments from the Accounts.
- (d) Unless the Government of the United Kingdom otherwise agree, payments into the accounts shall not be made after the 31st March 1971.
- (3) Save to the extent (if any) to which the Government of the United Kingdom may otherwise agree, drawings from the loan shall be used only:
- (a) to reimburse any bank in the U.K. for payments, made in pursuance of irrevocable letters of credit which are opened or advised after the date of this Note, to facilitate the carrying out of a contract for the purchase in the United Kingdom (which expression in this Note shall be deemed to include the Channel Islands and the Isle of Man) of goods wholly produced or manufactured in the United Kingdom or, in the case of chemical and allied products goods which are duly declared to be of United Kingdom origin on the form set out in Annex C (Chemicals) to this Note, being goods that appear in Parts 'A' and 'B' of Appendix I to the Decree of the Minister of Commerce, No. 05/SK/1/68 of 29 January 1968 and its amendments, the Indonesian official list of goods for which payment by means of "Export Bonus" foreign exchange from foreign credits is authorised by the Government of Indonesia, being a contract which:

- (i) provides for payment in sterling to persons carrying on business in the United Kingdom; and
- (ii) is approved by the Government of Indonesia and accepted by the Government of the United Kingdom for financing from the loan; and
- (iii) is entered into after the date of this Note and before the 31st December 1970.
- (b) for payment of sterling bank charges and commissions payable in the United Kingdom to:
 - (i) the Banks in respect of their services in connection with this loan; and
 - (ii) any bank in the United Kingdom in respect of letters of credit referred to in this paragraph.
- (4) (a) Where the Government of Indonesia proposes that part of the loan shall be applied to a contract that Government shall ensure that there are forwarded at the earliest opportunity to the Government of the United Kingdom:
 - (i) a copy of the contract, or of a letter of credit relating to the contract; and
 - (ii) two copies of a certificate from the supplier concerned in the United Kingdom in the form set out in Annex C or Annex C (Chemicals) (whichever is appropriate) to this Note.
- (b) The Government of Indonesia shall ensure that the Government of the United Kingdom is informed if at any time a contract (being a contract in respect of which documents have been submitted in accordance with the foregoing provisions) is amended or if liability is incurred or is to be incurred thereunder to a greater or lesser amount than the amount specified in the contract certificate and, in either of these cases the Government of Indonesia shall ensure that there are forwarded as soon as possible to the Government of the United Kingdom the relevant supplementary or revised documents.
- (5) (a) After the Government of the United Kingdom has considered the documents forwarded in pursuance of the procedure described in the foregoing provisions of this Note and any additional information which it may request for this purpose from the Banks acting on behalf of the Government of Indonesia (and which shall then be supplied on behalf of that Government) the Government of the United Kingdom shall notify the Banks in the form set out in Annex C (i) to this Note whether and to what extent it accepts that a contract is eligible for payment from the loan.
- (b) to the extent that the Government of the United Kingdom so accepts a contract and agrees to payment from the Account, it shall on receipt of a request duly signed by one of the Banks on behalf of the Government of Indonesia, in the form set out in Annex B to this Note, giving details of payment due and about to be made, make payments in sterling into the Account and each payment shall constitute a drawing on the loan.
- (6) Withdrawals from the Account shall be made only in the manner and subject to the conditions hereinafter set out in this paragraph:

- (a) for the reimbursement to a bank in the cases to which paragraph 3 (a) refers, withdrawals shall be made only on receipt by the Bank of the relevant documents including:
 - (i) a Payment Certificate in the form shown in Annex D hereto and the invoices referred to therein; or
 - (ii) the invoices only for contracts in respect of which a Contract Certificate in the form shown in Annex C (Chemicals) hereto has been provided; and provided that
 - (iii) the amount of reimbursement made in respect of any one contract excluding the sterling bank charges and commissions referred to in paragraph 3 (b) above, shall not exceed the amount specified in relation to that contract in the notification in the form set out in Annex C (i); and
 - (iv) the bank shall forward to the Government of the United Kingdom the relevant Payment Certificate (where applicable) and invoices immediately any such reimbursements have been made; and
 - (v) where the amount shown in paragraph (ii) of a payment Certificate exceeds the amount specified in paragraph 4 of the Contract Certificate relating to that contract the Government of Indonesia, at the request of the Government of the United Kingdom, shall pay an amount equal to the difference into the Account;
- (b) for payments to which paragraph (3) (b) refers, the Bank shall debit the Account and inform the Government of the United Kingdom of the amount so debited. In respect of the bank charges incurred under paragraph (3) (b) (ii) they shall relate the bank charges to the contract concerned;
- (c) photocopies or duplicates of invoices may be submitted instead of the originals for the purposes of this paragraph.
- (7) If any monies that have been paid out of the Account are subsequently refunded either by the Supplier or by a guarantor, the Government of Indonesia shall, so long as there are payments or reimbursements to be made from the Account, pay an equivalent of such sums into the Account and, in any other case, apply the refunds to the reduction of the loan.
- (8) The Government of Indonesia shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under the arrangements set out in this Note, such repayment to be made by instalments paid on the dates and in the amounts specified below, except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified for that instalment, only the amount outstanding shall be paid:

Amount

Date Due

INSTALMENTS

	£
1st November 1977 and on the 1st November in each of the suc-	
ceeding 17 years	41,700

(9) Notwithstanding the provisions of paragraph (8) of this Note, the Government of Indonesia shall be free at any earlier time to repay to the Government of the United Kingdom in pounds sterling in London the whole or any part of the loan that is still outstanding.

If the foregoing proposals are acceptable to the Government of the Republic of Indonesia, I have the honour to suggest that the present Note, together with your reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of your reply and the Agreement shall be referred to as the United Kingdom/Indonesia No. 2 Loan, (1970)—Provision of Goods and Services from the United Kingdom.

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

H. C. HAINWORTH Her Britannic Majesty's Ambassador

ANNEX A

BANK INDONESIA

The Manager,	
,,,,,,	Bank Ltd.,
Dear Sirs,	

United Kingdom/Indonesia No. 2 Loan (1970) Provisions of Goods and Services from the United Kingdom

I confirm your appointment as agents of the Central Bank of Indonesia (Bank Indonesia) on behalf of the Government of Indonesia (hereinafter called "the Government") in connection with the administration of a portion, amounting to £500,000, of the above-mentioned loan which is for the sum of £1,500,000 (one million five hundred thousand pounds sterling).

2. I have to request you on behalf of the Government to open an account in the name of the Bank Indonesia, to be styled United Kingdom/Indonesia No. 2 (B.E.) Loan (1970) Account (hereinafter called "the Account").

- 3. Five blank copies of either a Contract Certificate and of a Payment Certificate in the form marked Annex C and Annex D respectively, attached hereto or of a Contract Certificate in the form of Annex C (Chemicals) attached hereto, will be attached by the advising bank (i.e., the London bank which is requested to advise the relative letter of credit) to each irrevocable letter of credit opened or advised in respect of contracts which the Government desire to be financed from the loan. It will be a condition of each letter of credit that on receipt the beneficiary must complete and return to the advising bank urgently four copies of the Contract Certificate. The advising bank will forward to you three copies of the completed Contract Certificate and two copies of the contract (or of the letter of credit in lieu) and you will retain one copy of each document and submit the remainder, on behalf of the Government, to the Government of the United Kingdom who will inform you in the form marked Annex C (i) hereto whether and to what extent it accepts that a contract is eligible for payment from the loan.
- 4. Any amendment necessary to a contract, which affects the details of the relevant Contract Certificate, after the contract has been accepted in whole or in part by the Government of the United Kingdom for financing from the loan, must be submitted to the Government of the United Kingdom. The advising bank will accordingly be required to submit to you three copies of a fresh Contract Certificate duly signed by the supplier together with two copies of the proposed amendment and action will then proceed as in paragraph 3 above.
- 5. Payments into the Account will be made from time to time by the Government of the United Kingdom on receipt by them of requests in the form shown in Annex B hereto and which you are authorised to present on behalf of the Government. The amount of the loan to be drawn on any one occasion will be sufficient, together with any balance which may be available in the Account, to cover the total payments made or about to be made under the contracts referred to in paragraph 3 above. It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.
 - 6. Payments from the Account are to be made from time to time only:
 - (i) to make reimbursement to any bank in the United Kingdom in respect of payments made in accordance with a letter of credit which has been marked FXUK/70/II for the purpose of establishing that recovery is to be effected from the Government's special loan account with your bank and in respect of which you have received the relevant documents including:
 - (a) A Contract Certificate in accordance with the procedure described in paragraph 3 above; and

- (b) either a Payment Certificate in the form marked Annex D attached hereto, duly signed by the Supplier and the Invoices referred to therein or the invoices only in respect of contracts for the purchase of chemicals and allied products; or
- (ii) to meet the charges and commissions due to you in respect of your services as the agent of the Government in the administration of this loan; or
- (iii) to meet sterling bank charges payable in the United Kingdom in respect of letters of credit referred to above.
- 7. The amount of reimbursement under paragraph 6 (i) above will not exceed the amount specified in the notification in the form marked Annex C (i) supplied to you by the Government of the United Kingdom in relation to the contract that is the subject of the letter of credit. Any balance required to meet the full value of the letter of credit will be met from a separate account of the Government. You will send to the Government of the United Kingdom for their retention the Payment Certificate (where applicable) and invoices mentioned in paragraph 6(i) (b) immediately the reimbursements to which they relate have been made.
- 8. You will debit the Account with the charges referred to in paragraph 6 (ii) and 6 (iii) and inform the Government of the United Kingdom of the amounts so debited and supply details of the contract to which each charge under paragraph 6 (iii) relates.
- 9. You will send to the Government of the United Kingdom and to the Bank Indonesia, Head Office, Djakarta, at the end of each month a detailed statement showing all debits and credits to the Account during the month. A copy of the statement should be forwarded to the Representative's Office of the Bank Indonesia for Europe, in London.
- 10. You will send to the Government of the United Kingdom with copies to the Bank Indonesia specimen signatures of the officers of the Bank authorised to sign as Agent of the Central Bank of Indonesia on behalf of the Government, Requests for Drawings in the form at Annex B hereto.
- 11. A copy of this letter has been addressed to the Government of the United Kingdom.

Yours faithfully,

ANNEX B

United Kingdom/Indonesia No. 2 Loan (1970)

REQUEST FOR DRAWING

Sums amounting to £ are expected to fall due within the next two weeks (approximately) under contracts accepted by you under the terms of the above-mentioned loan.

The amount available in the Special Account to meet the above payments is £ and a further payment into the Account of £ is hereby requested.

The sum of £ now requested shall on payment into the Account constitute a drawing on the loan.

Signed on behalf of the Government of the Republic of Indonesia:

Date

ANNEX C

United Kingdom/Indonesia No. 2 Loan (1970)

CONTRACT CERTIFICATE

Particulars of Contracts

1. Date of Contract Contract Number Non-United Kingdom United Kingdom Origin Origin 2. Description of Goods to be supplied to the Purchaser Other Currency, Sterling if anv 3. Total [estimated] contract price payable by Purchaser Amount Description 4. Estimated amounts, if any, In respect of non-United paid (or to be paid) by the Kingdom goods Supplier in respect of goods services or Services of non-United Kingdom origin procured (a) goods or materials (or to be procured) for the (b) work to be done or purposes of the contract services performed Purchaser's country (c) Know-how (d) plans, designs technical documentation (e) other services

5.	I hereby declare that I am employed in the United Kingdom by the Supplier
	named below and I have the authority to sign this certificate. I hereby undertake
	that in performance of the Contract, no goods or services which are not of
	United Kingdom origin will be supplied by the Supplier other than those
	specified in paragraph 4 above.

Signed Position held Name and address of Supplier Date

Notes:

For the purpose of this declaration, the United Kingdom includes the Channel Islands and the Isle of Man.

For CHEMICALS AND ALLIED PRODUCTS use certificate overleaf.

ANNEX C (CHEMICALS)

United Kingdom/Indonesia No. 2 Loan (1970)

CONTRACT CERTIFICATE FOR CHEMICAL AND ALLIED PRODUCTS ONLY

1.	Date of Contract		C	ontract No
2.	Description of Products to be submitted to Purchaser (Note A)	Price £	United Kingdom Tariff Classification No. (Note B)	Is the product of United Kingdom origin? (See Note C) State "Yes" or "No"
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	***************************************		***************************************
	The state of the s	***************************************		
3.	Total [estimated] Contract Pr	rice Payal	ole by Purchaser in S	terling £
4.	(Declaration) I hereby declar the Contractor named below that the above information is	and have		
			Signed	
			Position held	
	Name	and add	ess of Contractor	
			Date	

Notes:

- A. This form is only to be used for Chemical and Allied Products, most of which are covered by the appropriate sub-headings of Chapters 15, 25, 28-35 and 37-40 of the United Kingdom Tariff.
- B. See:
 - (i) Her Majesty's Customs and Excise Tariff, H.M.S.O.
 - (ii) Classification of Chemicals in Brussels Nomenclature, H.M.S.O.
- C. (i) A product is regarded as of "United Kingdom origin" if made either wholly from indigenous United Kingdom materials or according to the appropriate EFTA qualifying process using imported materials wholly or in part.
 - (ii) The EFTA qualifying processes are set out in Schedule I of the "EFTA Compendium for the Use of Exporters", H.M.S.O.
 - (iii) For the purpose of this declaration it is to be emphasised that the "alternative percentage criterion" DOES NOT APPLY.
 - (iv) The words "Area Origin" where they appear in the above schedule must be taken to mean "United Kingdom Origin" only.
 - (v) For the purposes of this declaration, the "Basic Materials List" (Schedule III of the EFTA Compendium) does not apply.
 - (vi) If a qualifying process is not listed for the material in question, advice should be sought from Loans Administration Section, Finance Department, Ministry of Overseas Development, Eland House, Stag Place, London, S.W.1.
- D. For the purpose of this declaration, the United Kingdom includes the Channel Islands and the Isle of Man.

ANNEX C (i)

United Kingdom/Indonesia No. 2 Loan (1970)

011111	ab anti-obstiquition and	,
To: The Manager,	Bank Ltd.,	London
We regret to info	o inform you that we accept rm you that we cannot accept th certificate attached hereto, as e to the extent of £	

Signed on behalf of the Government of the United Kingdom

ANNEX D

United Kingdom/Indonesia No 2 Loan (1970)

PAYMENT CERTIFICATE

of which accompany respect of Contract N below and	this payment cert lo dated (Purchaser) and ed in the contract	tificate, fall due a betwe I are in accordan	below, which or copies and are to be made in en the Supplier named ce with the particulars I on behalf of the said
Contractor's Invoice No.	Date	Amount £	Short description of goods
in respect of the non- of the contract certific (a) £ (b) £ (c) £ (d) £	United Kingdom į		s the following amounts specified in paragraph 4
specified in paragraph Kingdom origin.	ı (i) are payable in	n respect of goods	oh (ii) all the amounts and services of United
(iv) I have the au below:		Signed Position held	lf of the Supplier named i r

Note: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

II

The Minister for Foreign Affairs ad interim of Indonesia to Her Majesty's Ambassador at Djakarta

Djakarta, 13 April, 1970

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note dated April 13, 1970, reading as follows:

[See note I]

In reply to the above, I have the honour to inform Your Excellency that the above-mentioned proposals are acceptable to the Government of the Republic of Indonesia and that Your Excellency's Note and this reply shall be regarded as constituting an Agreement between the two Governments on this matter.

Please accept, Your Excellency, the assurances of my highest consideration.

For the Government of the Republic of Indonesia:

Oemar Seno Adji

Minister for Foreign Affairs a.i.

[Annexes as under note I]

RELATED NOTES

I, a

Her Majesty's Ambassador at Djakarta to the Minister for Foreign Affairs ad interim of Indonesia

BRITISH EMBASSY DJAKARTA

13 April, 1970

Your Excellency,

I have the honour to refer to the Agreement on development aid concluded to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Indonesia.

In discussions on the agreement the question of shipping charges and insurance charges on goods imported with the aid was raised. As this is not covered specifically in the Agreement, the position is set out below for further clarification and to enable your Government to inform importers and banks.

Shipping

Goods should be shipped in accordance with normal commercial competitive practice and not directed to ships of any particular flag. Provided shipping costs are paid in sterling in the United Kingdom they may be met from aid funds and the flag of the vessel is immaterial.

Insurance

On a c.i.f. contract, where the insurer is not revealed, insurance is assumed to have been placed with a United Kingdom company and the whole contract price may be met from aid funds. In all other cases insurance costs may be met from aid funds provided it is placed with an insurance company carrying on business in the United Kingdom and payment is made in the United Kingdom in sterling.

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

H. C. HAINWORTH Her Britannic Majesty's Ambassador

II, a

The Minister for Foreign Affairs ad interim of Indonesia to Her Majesty's Ambassador at Djakarta

Djakarta, 13 April, 1970

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note dated April 13, 1970, reading as follows:

[See note I, a]

I have the honour to inform Your Excellency that the arrangement as set out above correctly stated the position on these matters.

Please accept, Your Excellency, the assurances of my highest consideration.

For the Government of the Republic of Indonesia:

OEMAR SENO ADJI

Minister for Foreign Affairs a.i.

I, b

Her Majesty's Ambassador at Djakarta to the Minister for Foreign Affairs ad interim of Indonesia

BRITISH EMBASSY DJAKARTA

13 April, 1970

Your Excellency,

I have the honour to refer to the Agreement on development aid concluded to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Indonesia.

In order to simplify the administration of the loan provided for under the terms of the Agreement, it had been agreed that a list should be published showing those items on parts A and B of the current Bonus Export List which are either unobtainable from the United Kingdom or ineligible under the terms of the loan. A list of those items is attached divided into:

- (a) items which are not normally produced in or exported from the United Kingdom; and
- (b) items which will not qualify as being of United Kingdom origin.

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

H. C. HAINWORTH Her Britannic Majesty's Ambassador

PART A

Import Tariff Item No.	Import Tariff Item No.	Import Tariff Item No.
40	61-I-III	281
57	12I-1a, b	357-I
58	179	449-I
59-I - III		

PART B

PARI B			
Import Tariff Item No.	Import Tariff item No.	Import Tariff Item No.	
70	369	634	
127 Tale	374-I	636-I	
128 Puzzelana	377	640-Ia, b	
131 Infusorial earth, trass,	378	641-I-II	
emery, pumice stone, tripoli,	379-I-II	642-Ia, b	
cryolite, magnesite, ordinary	381	643	
feldspars, asbestos, mica and	382	644	
graphite.	383	645	
135-I-III	391-I-II	647	
132 (unless produced in the	408	648-I-II	
United Kingdom)	449-II	652-I-II	
137	451	653-I	
140	455-Ia, b-II	654	
141	457	655	
143	518	656	
145	597	657	
196-II	598-1	658	
230	600	663	
231	601	664	
258-I	602	667	
283	603 (if metal in question is non-	668	
284	ferrous)	669	
285	604	670	
300	605-I	671	
305	607-I	694	
307-I-II	609	706	
308-I-II	610-II	707	
315-I	611	708	
331-I-II	619	813-I-IIa, b	
343	620	815	
347	621-I	817	
349 (unless based on United	624	908-IIa, b	
Kingdom materials)	627	834-Ia 1 (Jeeps are not ad-	
353-I-II	628	missible as of United States	
355-I-IIb	629	origin. Similar vehicles such	
355-IIa (unless the foreign	630-Ia, bII	as Land Rover and Austin	
content is 10 per cent or less)	631	Gipsy of United Kingdom	
356-IIa, bI, 2-III	632-I-II	origin will be permitted)	
362-I	633		
363-I			

II, b

The Minister for Foreign Affairs ad interim of Indonesia to Her Majesty's Ambassador at Djakarta

Djakarta, 13 April, 1970

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note dated April 13, 1970, reading as follows:

[See note I, b]

Please accept, Your Excellency, the assurances of my highest consideration.

For the Government of the Republic of Indonesia:

Oemar Seno Adji

Minister for Foreign Affairs a.i.

[Enclosure as under note I, b]