

No. 11585

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
and  
CEYLON**

**Exchange of notes constituting an agreement concerning a loan by the Government of the United Kingdom to the Government of Ceylon for the purchase of defence equipment in the United Kingdom. Colombo, 25 July 1971**

*Authentic text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 10 February 1972.*

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

**Échange de notes constituant un accord relatif à un prêt consenti par le Gouvernement du Royaume-Uni au Gouvernement ceylanais pour l'achat de matériel de défense au Royaume-Uni. Colombo, 25 juillet 1971**

*Texte authentique: anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 10 février 1972.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT <sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED KING-  
DOM OF GREAT BRITAIN AND NORTHERN IRELAND  
AND THE GOVERNMENT OF CEYLON CONCERNING  
A LOAN BY THE GOVERNMENT OF THE UNITED  
KINGDOM TO THE GOVERNMENT OF CEYLON FOR  
THE PURCHASE OF DEFENCE EQUIPMENT IN THE  
UNITED KINGDOM

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I

*The United Kingdom High Commissioner at Colombo to the Permanent Secretary  
of the Ceylon Ministry of Planning and Employment*

BRITISH HIGH COMMISSION  
COLOMBO

25 July 1971

Sir,

I have the honour to inform you that, in pursuance of discussions between our two Governments, the Government of the United Kingdom of Great Britain and Northern Ireland will make to the Government of Ceylon a Credit for ten years of an amount not exceeding £748,000 (hereinafter referred to as "the loan") on the following terms and conditions:

- (a) Subject to the limit of £748,000 referred to above the loan shall be used to meet 90 per cent of the cost of defence equipment, including the cost of its transportation to Ceylon, purchased by the Government of Ceylon from the Government of the United Kingdom.
- (b) Issues from the loan as payment for 90 per cent of the cost of equipment already delivered or to be delivered shall be made by the United Kingdom Government to the authorities which supplied the equipment or provided transport. Copies of accounts against which payments are made shall be forwarded to the Government of Ceylon.

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<sup>1</sup> Came into force on 25 July 1971, the date of the note in reply, in accordance with the provisions of the said notes.

- (c) Interest on the total amount issued under paragraph (b) shall be paid by the Government of Ceylon at the rate of  $7\frac{3}{8}$  per cent per annum, and shall accrue with effect from 1 July 1971.
- (d) The Government of Ceylon shall repay to the Government of the United Kingdom on 1 July in each year a sum equivalent to one tenth of the total amount issued under paragraph (b) together with interest due to that date, the first instalment and interest to be paid on 1 July 1972 and the last instalment and interest to be paid on 1 July 1981.
- (e) The Government of Ceylon may, however, at any time before 1 July 1981 repay the outstanding balance of the loan to the Government of the United Kingdom by paying the amount then outstanding together with the interest due thereon.

I have the honour to request your confirmation that the Government of Ceylon accept the loan on the foregoing terms and conditions and that this Note and your reply in that sense shall constitute an Agreement between our two Governments which shall enter into force on the date of your reply.

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

A. M. MACKINTOSH  
High Commissioner for the United Kingdom

## II

*The Permanent Secretary of the Ceylon Ministry of Planning and Employment  
to the United Kingdom High Commissioner at Colombo*

MINISTRY OF PLANNING AND EMPLOYMENT  
COLOMBO

25 July, 1971

Sir,

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

[See note I]

In reply I have the honour to confirm that the Government of Ceylon accepts the loan on the terms and conditions set out in your Note and that

therefore your Note and this reply shall constitute an Agreement between our two Governments in this matter which shall enter into force today.

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

H. A. DE S. GUNASEKERA  
Permanent Secretary  
Ministry of Planning and Employment

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