

No. 12977

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

Exchange of notes constituting an agreement concerning an interest-free development loan by the Government of the United Kingdom to the Government of Jordan (with annexes). Amman, 11 and 14 June 1973

Authentic text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 18 January 1974.

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

Échange de notes constituant un accord relatif à un prêt de développement sans intérêt du Gouvernement du Royaume-Uni au Gouvernement jordanien (avec annexes). Amman, 11 et 14 juin 1973

Texte authentique : anglais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 18 janvier 1974.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN CONCERNING AN INTEREST-FREE DEVELOPMENT LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF JORDAN

I

*Her Majesty's Ambassador at Amman to the President
of the National Planning Council of Jordan*

BRITISH EMBASSY
AMMAN

11 June, 1973

Your Excellency,

1. I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Hashemite Kingdom of Jordan and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an agreement with the Government of Jordan in the following terms. 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 Jordan 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 Jordan by way of an interest-free loan a sum not exceeding £10,000,000 (ten million pounds sterling) towards the cost of development projects to be agreed.

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 Jordan 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.

INITIAL PROCEDURE

(2) (a) For the purposes of these arrangements the Government of Jordan shall, by a request in the form set out in annex A to this note, open a special account (hereinafter referred to as "the Account") with the Crown Agents for Oversea Governments and Administrations, 4 Millbank, London SW1 (hereinafter referred to as "the Crown Agents"). The Account shall be operated solely for the purposes of the loan and in accordance with the instructions contained in the said request.

¹ Came into force on 14 June 1973, the date of the note in reply, in accordance with the provisions of the said notes.

(b) As soon as the Account is opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Jordan shall furnish the Government of the United Kingdom with a copy of the Government's instructions to the Crown Agents given in accordance with the foregoing provisions of this paragraph. The Government of Jordan or the Crown Agents on their behalf shall at the same time and so often as any change is made therein, notify the Government of the United Kingdom of the names of the officers who are duly authorised to sign on its behalf the Payment Orders and Requests for Drawing hereinafter provided and shall furnish a specimen signature in duplicate of each such officer.

(c) The Crown Agents shall forward monthly to the Government of Jordan a statement of receipts to and payments from the Account.

PROJECT APPROVAL

(3) (a) Where the Government of Jordan propose that part of the loan shall be allocated to the costs of a project, they shall forward to the Government of the United Kingdom through the British Embassy a description of the project and its location and shall provide such further details as the Government of the United Kingdom may require.

(b) The Government of the United Kingdom shall notify the Government of Jordan whether their proposal to allocate part of the loan to the costs of a project is approved, the amount of the loan approved as provisionally allocated towards the offshore sterling costs and the local costs, and any special conditions attached to such approval. If the project has not previously been agreed between the Government of Jordan and the Government of the United Kingdom the approval of the Government of the United Kingdom of a proposal under this item shall constitute the agreement of the project.

(c) For the purposes of the loan "offshore sterling costs" are costs payable outside Jordan, and "local costs" (which exclude import duty, sales tax or any other tax levied directly in Jordan) are costs payable within Jordan.

ELIGIBLE CONTRACTS

(4) 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) for payments under 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 chemicals 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 or for work to be done or for services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom or for two or more of such purposes, being a contract which—

(i) provides for payment in sterling to persons carrying on business in the United Kingdom; and

(ii) is approved on behalf of the Government of Jordan and accepted by the Crown Agents acting on behalf of the Government of the United Kingdom for financing from the loan;

(b) for reimbursing the Government of Jordan a proportion of payments made by them, or an appropriate authority or agency charged with responsibility for an agreed project, which complies with the conditions stipulated by the Government of the United Kingdom under paragraph (5) of this note, being such proportion as is accepted by the Government of the United Kingdom for financing from the loan.

(c) for reimbursing the Government of Jordan a proportion of the costs of consultancy services (including the services of architects and quantity surveyors) provided by a firm

of consultants carrying on business in the United Kingdom or Jordan and selected in consultation with, and on terms approved by, the Government of the United Kingdom, being such proportion as is accepted by the Government of the United Kingdom for financing from the loan;

(d) for payment of the charges and commissions due to the Crown Agents in respect of their services on behalf of the Government of Jordan in connection with this loan.

(5) The Government of the United Kingdom may stipulate in respect of any agreed project involving work to be carried out in Jordan that tenders shall be called for and that some or all of the following conditions shall apply:

- (a) the draft contract documents and the list of undertakings invited to tender shall be approved by the Government of the United Kingdom before an invitation to tender is issued and the contract shall be put out to tender in accordance with such approval;
- (b) the contract shall be awarded only to a company incorporated or registered in, or a partnership created in, the United Kingdom or in Jordan and then only with the approval of the Government of the United Kingdom;
- (c) the contract shall provide that except to the extent that may be otherwise agreed,
 - (i) all goods imported by the contractors for the purposes of the contract shall be wholly produced or manufactured in the United Kingdom and that all contractor's plant, machinery and equipment used for the purposes of the contract, whether new or part used, shall as far as practicable be of United Kingdom manufacture; and
 - (ii) subject to item (i) above all goods purchased under the contract shall be wholly produced or manufactured in the United Kingdom or in Jordan; and
 - (iii) all work done or services rendered under the contract shall be carried out by persons who are citizens of the United Kingdom and Colonies or citizens of Jordan;
 - (iv) each contractor shall attach to his tender a statement setting out details of any amount included in the tender in respect of any goods and services which will not comply with sub-paragraphs (i), (ii), (iii) above and must therefore be designated foreign; (such costs shall be known as the "Foreign content" element of the tender);
- (d) a firm or firms of consultants, carrying on business in the United Kingdom or in Jordan, selected in consultation with and whose terms of reference have been agreed with the Government of the United Kingdom, shall be appointed to supervise the execution of the contract.

CONTRACT DOCUMENTATION

(6) Where a project has been agreed and the Government of Jordan proposes that part of the loan shall be applied to a contract in connection therewith that Government shall ensure that the Crown Agents acting on their behalf, obtain at the earliest opportunity:—

- (i) a copy of the contract or of a notification thereof in the form set out in annex B to this note; and
- (ii) two copies of a certificate from the contractor concerned in the United Kingdom in the form set out in annex C or annex C (Chemicals) (whichever is appropriate) to this note.

DRAWING THE LOAN

(7) (a) After the Crown Agents acting on behalf of the Government of the United Kingdom have considered the documents described in the foregoing provisions of this note, they shall decide whether and to what extent a contract is eligible for payment from the loan.

(b) To the extent that the Crown Agents acting on behalf of the Government of the United Kingdom so accept a contract and agree to payment from the Account, and to the

extent that reimbursement of costs incurred by the Government of Jordan is properly due from the Account the Government of the United Kingdom shall, on receipt of a request from the Crown Agents acting on behalf of the Government of Jordan, in the form set out in annex C (i) to this note, make payments in sterling into the Account and each such payment shall constitute a drawing on the loan.

PAYMENTS FROM THE ACCOUNT

(8) Withdrawals from the Account shall be made only in the manner and subject to the conditions set out hereunder:

- (a) For payments due under a contract in the cases to which paragraph B (4) (a) refers, withdrawals shall be made on receipt by the Crown Agents of Payment Certificates from the contractors concerned in the form shown in annex E hereto and the invoices referred to therein or the invoices only relating to contracts in respect of which a Contract Certificate in the form shown in annex C (Chemicals) has been provided.
- (b) For reimbursement to the Government of Jordan in the cases to which paragraphs B (4) (b) and B (4) (c) refer, withdrawals shall be made in accordance with Payment Orders in the form shown in annex D hereto duly signed on behalf of the Government of Jordan and countersigned on behalf of the Government of the United Kingdom. Each Payment Order shall be forwarded in duplicate to the Government of the United Kingdom for countersignature and shall be accompanied by:
 - (i) in the cases to which paragraph B (4) (b) refers, a certificate from the consultants in the form shown in annex F hereto together with a photocopy or a duplicate copy of the consultant's certificate authorising payment to the contractor;
 - (ii) in the cases to which paragraph B (4) (c) refers, a copy of the invoice from the firm or firms of consultants concerned.
- (c) In the cases to which paragraph B (4) (d) refers, the Crown Agents shall debit the Account and inform the Government of Jordan of the amount so debited.
- (d) Photocopies or duplicates of invoices be submitted instead of the originals for the purposes of this paragraph.

PAYMENTS REFUNDED

(9) If any monies that have been paid out of the Account are subsequently refunded either by a contractor or by a guarantor, the Government of Jordan shall, so long as there are payments 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.

REPAYMENT

(10) The Government of Jordan 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:

INSTALMENTS

<i>Date due</i>	<i>Amount £</i>
14 December, 1980 and on 14 December in each of the succeeding 17 years	277,750
14 June, 1981 and on 14 June in each of the succeeding 16 years	277,750
14 June, 1998	278,750

(11) Notwithstanding the provisions of paragraph (10) of this note, the Government of Jordan 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.

LOCAL CONTRIBUTION TO COSTS

(12) The Government of Jordan shall ensure the provision of such finance additional to the loan finance provided in accordance with the arrangements set out in this note, as may be needed to complete each project.

VISITS TO THE PROJECTS

(13) The Government of Jordan shall permit officers of the British Embassy and other servants or agents of the Government of the United Kingdom to visit any project for which any part of the loan is allocated and shall furnish such officers, servants and agents with such information relating to the projects and the progress and financing thereof as the latter may reasonably require.

ECGD INSURANCE

(14) Where the Government of Jordan has provided a Certificate in the form shown in annex G to this note in respect of any contract accepted by the Crown Agents, acting on behalf of the Government of the United Kingdom, as eligible for payment from the loan an amount equal to the aggregate of those parts of the contract price specified in the Certificate shall be allocated out of the loan and reserved for payment of the items concerned; but an amount so reserved shall not be paid into the Account until the procedure described in paragraph 7 (b) shall have been completed.

ACCOUNTING

(15) The Government of Jordan shall supply to the Government of the United Kingdom an annual statement in duplicate in respect of local costs incurred on each project. The statement shall be countersigned by the appropriate Jordanian Audit Authority and shall show the loan drawings made and the actual expenditure incurred during each financial year of the Government of Jordan for the purposes of sub-paragraphs (4) (b) and (4) (c) of this note and will certify that the expenditure was incurred in accordance with the terms and conditions set out in this note and any conditions on which the project was accepted for financing from the loan. Such statements will be forwarded to the Government of the United Kingdom as soon as possible, and, in any event, not later than 12 months after the end of each Jordanian financial year.

2. If the foregoing is acceptable to the Government of Jordan, I have the honour to suggest that the present note together with Your Excellency's 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/Jordan Development Loan (1973).

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

H. G. BALFOUR PAUL

ANNEX A

GOVERNMENT OF JORDAN

TO: The Crown Agents for Oversea
Governments and Administrations
4 Millbank
London, S.W.1

Dear Sir,

United Kingdom/Jordan Development Loan (1973)

I confirm your appointment as agents of the Government of Jordan (hereinafter called "the Government") in connection with the payment for goods, works and/or services under the terms of the above loan to the value of _____ and with the purchase of some of these goods and/or services.

2. I have to request you on behalf of the Government to open a special account in the name of the Government to be styled the United Kingdom/Jordan Loan Account.

3. Payments into the Account will be made from time to time by the Government of the United Kingdom on receipt by the Government of the United Kingdom of requests in the form shown in the annex C (i) to the Exchange of Notes between the British Embassy in Jordan and the Government of Jordan (a copy of which is attached hereto) and which you are authorised to present on behalf of the Government. 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.

4. Payments from the Account are to be made only in respect of the payments and reimbursements falling due under the contracts and transactions described in paragraph 4 of the Exchange of notes referred to above and on the authority, in the manner and subject to the conditions described in paragraph 8 of the said Exchange of Notes.

5. You are to send to the Government of Jordan at the end of each month a detailed statement showing all debits and credits to the Account during the month.

6. You are to send to the Government of the United Kingdom specimen signatures of the officers of the Crown Agents authorised to sign Requests for Drawing on behalf of the Government.

7. Specimen signatures of the officers who are severally authorised to sign Payment Orders on behalf of the Government in respect of claims originated in Jordan are attached hereto.

8. Specimen signatures of the officers authorised to countersign Payment Orders on behalf of the Government of the United Kingdom will be sent to you direct.

9. Your charges and commissions for acting as our agents in connection with contracts payable from funds provided under this loan shall be chargeable to the Account.

10. A copy of this letter together with the specimen signatures in duplicate referred to in paragraph 7 above has been sent to the Government of the United Kingdom.

Yours faithfully,

A N N E X B

NOTIFICATION OF CONTRACT

UNITED KINGDOM/JORDAN DEVELOPMENT LOAN (1973)

To: The Government of the United Kingdom

Notification of Contract No

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above loan.

1. Name and address of
United Kingdom Contractor:
2. Date of Contract:
3. Name of Purchaser:
4. Short description of goods:

and/or works or services:

5. Value of Contract: £
6. Terms of Payment:

Signed on behalf of the Government
of Jordan:

Date

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A N N E X C

Acceptance

CONTRACT CERTIFICATE

(for CHEMICALS AND ALLIED PRODUCTS use alternative "certificate" overleaf)

Particulars of Contract

1. Date of Contract
2. Contract No
3. Description of goods or services to be supplied to the purchaser

If a number of items are to be supplied, a detailed list should be appended to this certificate.

4. Total contract price payable by purchaser (state CIF, C & F or FOB) £

If goods are to be supplied the following sections must be completed. If the contractor is exporting agent only, the information requested should be obtained from manufacturer.

5. Estimated % of the FOB value of the goods not originating in the United Kingdom, but purchased by the contractor directly from abroad, i.e. % of imported raw material or components used to manufacture:

- (a) % FOB value
- (b) Description of items and brief specifications

6. If any raw material or components used originated from abroad, e.g. copper, asbestos, cotton, wood pulp, etc., but have been purchased in the United Kingdom by the contractor for this contract, specify:

- (a) % FOB value
- (b) Description of items and brief specifications

If services are to be supplied, the following section should also be completed.

7. State the estimated value of any work to be done or services performed in the purchaser's country by:

- (a) Your firm (site engineer's charges, etc.)
- (b) Local contractor

8. Qualifying remarks as necessary in respect of paragraph 5, 6 or 7 above

9. I hereby declare that I am employed in the United Kingdom by the Contractor named below and 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 Contractor other than those specified in paragraphs 5, 6, 7 and 8 above.

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

Signed

Position held

Name and Address of Contractor

Date

Contractors should note that goods should not be manufactured until acceptance has been notified.

FOR OFFICIAL USE ONLY

Name or number of Project

Amount committed	Date of entry	Acceptance		Payments			
		Date	Initials	Date	Amount	PA No.	Initials

£

A N N E X C (CHEMICALS)

Rqn. No.....

CONTRACT CERTIFICATE
FOR CHEMICAL AND ALLIED PRODUCTS ONLY

1. Date of Contract Contract No.....
Project Title (if appropriate).....

<i>Description of Product(s) to be supplied to Purchaser (Note A)</i>	£ Price	<i>United Kingdom Tariff Classification No. (Note B)</i>	<i>Is the product of United Kingdom origin? (See note C) State Yes or No</i>
.....
.....
.....

3. Total [estimated] Contract Price payable by Purchaser in Sterling—£.....

4. (Declaration) I hereby declare that I am employed in the United Kingdom by the contractor named below and have the authority to sign this certificate, and that the above information is correct.

Signed

Position held

Name and address 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) *H.M. 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 "U.K. origin" if made either wholly from indigenous U.K. 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 Use of Exporters*", H.M.S.O.
 - (iii) For the purposes 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 "U.K. 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 Crown Agents for Oversea Governments and Administrations, CS4 Department, 4, Millbank, London, S.W.1.
- D. For the purpose of this declaration the U.K. includes the Channel Islands and the Isle of Man.

A N N E X C (i)

UNITED KINGDOM/JORDAN DEVELOPMENT LOAN (1973)

REQUEST FOR DRAWING

D.F. No

Dear Sirs,

Please pay the sum of £ to the United Kingdom/Jordan Development Loan (1973) Account at the Crown Agents.

This sum shall on payment into the Account constitute a drawing on the loan.

The balance in hand is £

.....
For the Crown Agents acting
on behalf of the Government of Jordan

Funding approved ODA
Finance Department
Foreign and Commonwealth Office
Overseas Development Administration

A N N E X D

UNITED KINGDOM/JORDAN DEVELOPMENT LOAN (1973)

PAYMENT ORDER

Serial No.

Dear Sir,

..... *Account*

I have to request authority to make reimbursement out of the above-mentioned account to the account of the Government of Jordan of the following amounts in respect of the under-mentioned contracts:

<i>Name and Address of Contractors</i>	<i>Project/Contract No./Reference</i>	<i>Date of Payment</i>	<i>Amount of Payment</i>
--	---	----------------------------	------------------------------

This is to certify that the payments stated above have been made on the date as shown under the contracts noted to the Contractors named.

Signed on behalf of the Government
of Jordan:

Date

To: To the Government of the United Kingdom
Reimbursement agreed,

Signed on behalf of the Government
of the United Kingdom:

Date

To: The Crown Agents for Oversea Governments and Administrations
4 Millbank
London, SW1P 3JD

A N N E X E

Crown Agents Reqn. No.
Suppliers Contract Ref.

PAYMENT CERTIFICATE

I hereby certify that

(i) The payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are due to be made in respect of Contract No. dated between the contractor named below and (Purchaser) and are in accordance with particulars of this contract notified in the contract certificate signed on behalf of the said contractor on

<i>Contractor's Invoice No.</i>	<i>Date</i>	<i>Amount £</i>	<i>Short description of goods, works and/or services</i>
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(ii) The amounts specified in paragraph (i) do not include any additional foreign content to that already declared in paragraph 5, 6 or 7 of the contract certificate.

(iii) I have the authority to sign this certificate on behalf of the contractor named below.

Signed

Position held

For and on behalf of

Name and address of Contractor

Date

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

A N N E X F

UNITED KINGDOM/JORDAN DEVELOPMENT LOAN (1973)

Project

Sub-Division of Contract Expenditure between costs of Imports from the United Kingdom and other Costs

To: Address Date

Certificate for the period ended

We hereby certify that the amounts certified by us in respect of work carried out by Messrs..... on the above-named project are apportioned as follows between costs of United Kingdom imports and other costs.

A. Imports from United Kingdom (Identifiable Items)

Table with 2 columns for currency (£) and rows for Previous total, Amount now certified, and Total to date.

B. Imports from sources other than United Kingdom— Indicate Source Country

C. Other Costs

Table with 2 columns for currency (£) and rows for Previous total and Amount now certified.

Total certificate expenditure

Signed (Name of Consultants)

A N N E X G

THE CERTIFICATE

UNITED KINGDOM/JORDAN DEVELOPMENT LOAN (1973)

Whereas..... (hereinafter called "the Buyer") has entered into a contract with..... (hereinafter called "the Exporter") for the sale of...../for the supply and erection of..... which the Government of Jordan has proposed and the Crown Agents for Oversea Governments and Administrations acting on behalf of the Government of the United Kingdom have accepted as being a contract for which finance can be provided under the above mentioned Loan.

And whereas a copy of the Contract No..... is attached.

And whereas those parts of the contract price payable in sterling in respect of goods wholly manufactured in the United Kingdom and payable in sterling for services provided from the United Kingdom amount to £ to which may be added a sum not exceeding £ in respect of any price increases provided by the contract for the said goods and services (but excluding contract variations which are required to be or may be agreed between the Buyer and the Exporter and which will be the subject of separate certification).

The Government of Jordan hereby undertakes to take all steps necessary to ensure that payment to the Exporter in respect of the said parts of the contract price together with the said price increases to the extent that they occur (that is a maximum total sum of £) will be made out of monies to be provided by the Government of the United Kingdom in accordance with the procedure laid down in the exchange of notes covering the above mentioned Loan whether or not the Buyer shall have paid the equivalent amount to the Government of Jordan.

Dated this day of 197

For and on behalf of the Government
of Jordan:
.....

Enc.

II

*The President of the National Planning Council of Jordan
to Her Majesty's Ambassador at Amman*

THE HASHEMITE KINGDOM OF JORDAN
NATIONAL PLANNING COUNCIL
AMMAN

14 June, 1973

Excellency,

I acknowledge with thanks the receipt of Your Excellency's note dated 11 June, 1973 which reads as follows:

[See note I]

I have the honour to inform Your Excellency that the foregoing is acceptable and correctly states the intentions of the Government of the Hashemite Kingdom of Jordan.

Accept, Your Excellency, the assurance of my highest consideration,
Sincerely yours,

K. SALIM
President

[Annexes as under note I]