

1052 No. 9817

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

**Exchange of letters constituting an agreement concerning the
Guarantee by the Government of the United Kingdom and
the maintenance of the Minimum Sterling Proportion by
the Government of Malaysia. Kuala Lumpur, 24
September 1968**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
26 August 1969.*

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

**Échange de lettres constituant un accord relatif à la garantie
par le Gouvernement du Royaume-Uni et au maintien par
le Gouvernement de la Malaisie d'un pourcentage mini-
mum de réserves en sterling. Kuala Lumpur,
24 septembre 1968**

Texte authentique: anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
26 août 1969.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF MALAYSIA CONCERNING THE GUARANTEE BY THE GOVERNMENT OF THE UNITED KINGDOM AND THE MAINTENANCE OF THE MINIMUM STERLING PROPORTION BY THE GOVERNMENT OF MALAYSIA

I

The Chancellor of the Exchequer to the Minister of Finance of Malaysia

TREASURY CHAMBERS

Great George Street, S.W.1

24th September 1968

Dear Minister of Finance,

I refer to discussions which have taken place between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Malaysia and record below the points which have been agreed between the two Governments on the Guarantee by the Government of the United Kingdom and the maintenance of the Minimum Sterling Proportion by Malaysia :

(1) Malaysia undertakes that during the operation of this Agreement it will maintain a Minimum Sterling Proportion of 40 per cent of total official external reserves (as defined by consultation between the two Governments). However, during the operation of this Agreement it will be the intention of Malaysia to hold appreciably more of its reserves in sterling than this minimum.

(2) The United Kingdom undertakes to maintain the sterling value in terms of the United States dollar of all official sterling reserves (defined as eligible by consultation between the two Governments) held by Malaysia in excess of 10 per cent of Malaysia's total official external reserves. The circumstances in which the guarantee would be implemented and the terms of implementation shall be defined in consultation between the two Governments.

(3) This Agreement shall remain in force for a period of three years and may be extended for a further two years with the agreement of the two Governments. This

¹ Came into force on 25 September 1968, in accordance with the provisions of the said letters.

Agreement may be reviewed at any time by agreement between the two Governments and shall be reviewed within six months prior to the expiry of a period of three years from the date of its entry into force.

If this proposal is acceptable to the Government of Malaysia, I suggest that this letter and your reply to that effect shall be regarded as constituting an Agreement between our two Governments in this matter, which shall enter into force on the 25th September, 1968.

Yours sincerely,

Roy JENKINS

II

The Minister of Finance of Malaysia to the Chancellor of the Exchequer

THE TREASURY

Kuala Lumpur, 24th September 1968

Dear Chancellor of the Exchequer,

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

[See letter I]

In reply I wish to inform you that this proposal is acceptable to the Government of Malaysia who therefore regard your letter and this reply as constituting an Agreement between our two Governments in this matter, which shall enter into force on the 25th September, 1968.

Yours sincerely,

TAN SIEW SIN