

No. 11979

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**UNITED STATES OF AMERICA  
and  
MALAYSIA**

**Exchange of notes constituting an agreement regarding deposits  
under the United States Foreign Assistance Act of 1971.  
Kuala Lumpur, 8 March and 4 April 1972**

*Authentic text : English.*

*Registered by the United States of America on 26 September 1972.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
MALAISIE**

**Échange de notes constituant un accord relatif aux dépôts effectués  
en vertu de la loi de 1971 des États-Unis sur l'aide à l'étranger.  
Kuala Lumpur, 8 mars et 4 avril 1972**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 26 septembre 1972.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
MALAYSIA REGARDING DEPOSITS UNDER THE  
UNITED STATES FOREIGN ASSISTANCE ACT OF 1971

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I

No. 66

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Government of Malaysia and has the honor to refer to recent discussions regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment to the United States Government in Malaysian dollars of ten percent of the value of grant military assistance provided by the United States to the Government of Malaysia.

In accordance with that provision, it is proposed that the Government of Malaysia will deposit in an account to be specified by the United States Government an amount equal to ten percent of each grant of military assistance to the Government of Malaysia by the United States Government. The deposit shall be at a rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in Malaysia for Malaysian dollars on the date deposits are made. The Government of Malaysia will be notified quarterly of the rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, which request shall be made, if at all, within one year following the aforesaid notification.

It is further proposed that the amounts to be deposited may be used to pay all official costs of the United States Government payable in Malaysian dollars, including but not limited to all costs relating to the financing of international

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<sup>1</sup> Came into force on 4 April 1972 by the exchange of the said notes, with retroactive effect from 7 February 1972, in accordance with their provisions.

educational and cultural exchange activities under programs authorized by the United States Mutual Education and Cultural Exchange Act of 1961.

It is finally proposed that the Ministry's reply stating that the foregoing is acceptable to the Government of Malaysia shall; together with this note, constitute an agreement between our Governments on this subject effective from and after February 7, 1972 and applicable to the rendering of defense services funded or rendered on or subsequent to that date.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Government of Malaysia the assurances of its highest consideration.

Embassy of the United States of America

Kuala Lumpur, March 8, 1972.

## II

### *The Malaysian Ministry of Foreign Affairs to the American Embassy*

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The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honour to refer to the Embassy's note No. 66 dated 8th March, 1972, which reads as follows :

[See note I]

The Ministry has the honour to inform the Embassy that the proposal contained in the Embassy's note No. 66 dated March 8, 1972, is acceptable to the Malaysian Government and further agrees that the Embassy's note and this reply shall constitute an agreement between the two Governments effective from and after February 7, 1972, and applicable to the rendering of defence services funded or rendered on or subsequent to that date.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Kuala Lumpur, 4th April, 1972.