

INTERNATIONAL MONETARY FUND

Minutes of the Executive Board Meeting 19/38

May 13, 2019

1. **The Investment Account—Introducing Private Fixed Income in the Endowment Subaccount**
2. **Sri Lanka - Fifth Review Under the Extended Arrangement Under the Extended Fund Facility, Request for Waivers of Nonobservance of Performance Criteria, Extension of the Arrangement and Rephasing of Purchases**
3. **Morocco - 2019 Article IV Consultation**

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**DECISIONS ADOPTED AT EBM/19/38 (5/13/2019)**

Any decisions adopted in formal meetings of the Executive Board are recorded below.

**1. The Investment Account - Introducing Private Fixed Income in the Endowment Subaccount**

The Rules and Regulations for the Investment Account, adopted under Decision No. 15314-(13/16), January 23, 2013, as amended, are further amended as set forth in the Annex I of SM/19/80. (SM/19/80, 04/10/19)

Decision No. 16507-(19/38), adopted  
May 13, 2019

*Confidential*

**2. Sri Lanka - Fifth Review Under the Extended Arrangement Under the Extended Fund Facility, Request for Waivers of Nonobservance of Performance Criteria, Extension of the Arrangement and Rephasing of Purchases**

1. Sri Lanka has consulted with the Fund in accordance with paragraph 3(c) of the Extended Arrangement for Sri Lanka (EBS/16/37, 05/20/2016) in order to review program implementation.

2. The letter dated April 25, 2019 from the Minister of Finance and Mass Media, and the Governor of the Central Bank of Sri Lanka (the “April 2019 Letter”), together with its attached Memorandum of Economic and Financial Policy (the “April 2019 MEFP”) and Technical Memorandum of Understanding (the “April 2019 TMU”) shall be attached to the

Extended Arrangement for Sri Lanka, and the letter dated May 12, 2016 from the Minister of Finance and the Governor of the Central Bank of Sri Lanka, together with its attachments, shall be read as further supplemented and modified by the April 2019 Letter and its attachments.

3. Accordingly, Extended Arrangement for Sri Lanka shall be amended as follows:

a. The reference in paragraph 1 of the Extended Arrangement to “three years” will be replaced by a reference to “four years.”

b. Paragraph 2(a) of the Extended Arrangement shall be replaced to read as follows:

“2(a) Purchases under this extended arrangement shall not, without the consent of the Fund, exceed the equivalent of SDR 119.894 million until November 18, 2016, the equivalent of SDR 239.788 million until April 20, 2017, the equivalent of SDR 359.682 million until November 20, 2017, the equivalent of SDR 537.456 million until April 20, 2018, the equivalent of SDR 715.230 million until April 3, 2019, the equivalent of SDR 833.730 million until October 20, 2019, and the equivalent of SDR 952.230 million until April 3, 2020.”

c. Paragraph 2(c) of the Extended Arrangement shall be replaced to read as follows:

“2(c). Until the end of the third year of this arrangement, purchases shall not, without the consent of the Fund, exceed the equivalent of SDR 833.730 million.”

d. The performance criteria set forth in paragraphs 3(a)(i) and 3(a)(ii) of the Extended Arrangement for June 30, 2019 and December 31, 2019 shall be as specified in Table 1 of the April 2019 MEFP and as further specified in the April 2019 TMU.

e. The continuous performance criterion set forth in paragraph 3(b) of the Extended Arrangement shall be as specified in Table 1 of the April 2019 MEFP and as further specified in the April 2019 TMU.

f. Paragraph 3(c) of the Extended Arrangement shall be amended to read as follows:

“(c) after November 17, 2016, April 19, 2017, November 19, 2017, April 19, 2018, April 2, 2019, October 20, 2019 and April 3, 2020 until the respective reviews contemplated in paragraph 38 of the April 2019 MEFP are completed, or”

g. The consultation set forth in paragraph 3(e) of the Extended Arrangement shall be as specified in Table 1 of the April 2019 MEFP and as further specified in Paragraph 13 of the April 2019 TMU.

4. The Fund decides that the fifth review contemplated in paragraph 3(c) of the Extended Arrangement for Sri Lanka is completed and Sri Lanka may make purchases under the Extended Arrangement, notwithstanding the non-observance of (i) the floor on the central government primary balance as specified in paragraph 3(a)(i) of the Extended Arrangement, (ii) the floor on the program net official international reserves of the Central Bank of Sri Lanka as specified in paragraph 3(a)(ii) of the Extended Arrangement, and (iii) the continuous performance criteria on the imposition or intensification of restrictions on the making of payments and transfers for current international transactions as specified in paragraph 3(d)(i) of the Extended Arrangement, on the condition that the information provided by Sri Lanka on performance under these criteria is accurate; and on the further condition that the information provided by Sri Lanka on the implementation of the measure specified as a prior action in Table 2 of the April 2019 MEFP is accurate. (EBS/19/25, 04/29/19)

Decision No. 16508-(19/38), adopted  
May 13, 2019

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#### **DECISIONS ADOPTED SINCE PREVIOUS BOARD MEETING**

Any decisions adopted by the Executive Board without meeting in the period between EBM/19/37 (5/8/2019) and EBM/19/38 (5/13/2019) are recorded below.