

EBS/84/47
Supplement 3

CONFIDENTIAL

June 11, 1984

To: Members of the Executive Board
From: The Acting Secretary
Subject: Guyana - Complaint Under Rule K-1

There is attached the text of the Secretary's understanding of the decision taken by the Executive Board at EBM/84/88 on June 6, 1984.

Att: (1)

INTERNATIONAL MONETARY FUND

Guyana - Complaint Under Rule K-1

Executive Board Decision - June 6, 1984

1. The Managing Director has reported under Rule K-1 of the Fund's Rules and Regulations to the Executive Board the facts on the basis of which it appeared to him at the dates of these reports that Guyana was not fulfilling its obligations under the Articles of Agreement and submitted a complaint on April 4, 1984 (EBS/84/47, Supplement 2) in accordance with that rule. The complaint was that as of March 30, 1984 Guyana was not fulfilling its obligations relating to repurchases and the payment of charges in the General Department in the total amount of SDR 13,991,394 including both overdue repurchases and charges. These facts and the complaint of the Managing Director have been communicated to the authorities of Guyana.

2. On May 18, 1984 Guyana made a payment equivalent to SDR 506,196 to discharge part of the outstanding semiannual charges of SDR 1,505,295 due July 13, 1983, reducing this obligation to SDR 999,099. Since the submission by the Managing Director of the complaint on April 4, 1984, Guyana has become overdue in discharging additional obligations totaling SDR 2,557,213 in respect of two repurchases due April 16, 1984 and May 11, 1984 and quarterly charges due May 7, 1984. Taking into account the payments made by Guyana and the obligations that have become overdue since March 30, 1984, Guyana's overdue payments to the Fund have increased to a total amount of SDR 16,042,411 in the General Department.

3. Having considered the reports of the Managing Director, the complaint and the views of Guyana, the Fund finds that Guyana has failed to fulfill its obligations under the Articles of Agreement as stated in 1 and 2 above.

4. The Fund regrets the nonobservance by Guyana of its obligations and urges Guyana to resume their observance forthwith. The Fund decides, pursuant to Rule K-2 of the Fund's Rules and Regulations, that Guyana shall not make use of the general resources of the Fund until such time as Guyana is current on its obligations under the Articles of Agreement relating to repurchases and the payment of charges in the General Department.

5. The Fund also calls upon Guyana to adopt urgently additional economic and financial adjustment measures. The Fund staff will stand ready to provide technical assistance for this purpose.

6. The Fund shall review the present decision in connection with the forthcoming Article IV consultation, but not later than three months from the date of the present decision.