

EBS/84/114

CONFIDENTIAL

May 18, 1984

To: Members of the Executive Board

From: The Acting Managing Director

Subject: Viet Nam--Overdue Payments to the Fund

The Executive Board was informed in EBS/84/74 (April 2, 1984) that Viet Nam was overdue in discharging payments to the Fund totaling SDR 4,079,367. Further obligations totaling SDR 6,125,726 that became due between April 11 and May 7, 1984 are now also outstanding. Viet Nam's overdue payments to the Fund now total SDR 10,205,093 in respect of the following obligations:

<u>Type of obligation</u>	<u>Date Due</u>	<u>SDR Equivalent</u>
Net SDR Charges	February 1, 1984	1,037,692
Quarterly charges	February 6, 1984	471,934
Trust Fund repayment	February 14, 1984	2,569,741
CT Repurchase	April 11, 1984	3,550,000
Assessment in SDR Dept.	April 30, 1984	6,671
Net SDR charges	May 1, 1984	2,108,218
Quarterly charges	May 7, 1984	<u>460,837</u>
		<u>10,205,093</u>

As indicated in EBS/84/74, the authorities in Viet Nam inquired at the time of the Article IV consultation about the possibility of rescheduling obligations then overdue to the Fund and obligations falling due later this year. The staff and the Managing Director have explained to the authorities on several occasions, most recently in late April, the Fund's practice with respect to rescheduling or postponement of payments due to the Fund. The Managing Director has indicated that he is not in a position to recommend Executive Board approval of a rescheduling of Viet Nam's obligations to the Fund, and has urged the authorities to make a prompt settlement of Viet Nam's overdue obligations to the Fund.

I do not propose action by the Executive Board at this time. The Executive Board will be kept informed on the matter. Unless in the near future payment is made, or reasonable assurance of prompt settlement of all overdue obligations is received, the Vietnamese authorities will be informed that the Managing Director will soon have to consider issuing a complaint to the Executive Board under Rules K-1 and S-1.