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SM/84/221
Supplement 2

CONTAINS CONFIDENTIAL
INFORMATION

November 8, 1984

To: Members of the Executive Board
From: The Secretary
Subject: People's Republic of China - 1984 Consultation

Attached for the records of the Executive Directors is the decision taken in concluding the 1984 Article XIV consultation, in the light of the 1984 Article IV consultation, with China at Executive Board Meeting 84/162, November 7, 1984.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

People's Republic of China - 1984 Consultation

Executive Board Decision - November 7, 1984

1. The Fund takes this decision relating to the People's Republic of China's exchange measures subject to Article VIII, Section 3, in concluding the 1984 Article XIV consultation with China, in the light of the 1984 Article IV consultation with China conducted under Decision No. 5392-(77/63), adopted April 29, 1977 (Surveillance over Exchange Rate Policies).

2. China continues to maintain restrictions on the making of payments and transfers for current international transactions in accordance with Article XIV. The Fund notes with satisfaction the intention of the authorities to eliminate the remaining bilateral payments arrangements with Fund members. The maintenance by China, in addition to the official rate, of an internal settlement rate for trade transactions and an exchange tax on remitted profits of joint ventures, gives rise to a multiple currency practice subject to approval under Article VIII, Section 3. The exchange restrictions, multiple currency practices and bilateral payments arrangements that relate to this decision are described in SM/84/221 (10/3/84) and in SM/84/229 (10/24/84).