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FOR
AGENDA

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ROOM C-120

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EBD/84/243

September 12, 1984

To: Members of the Executive Board
From: The Secretary
Subject: Mozambique - Report of the Committee on Membership

Attached is the report by the Chairman of the Committee on Membership for Mozambique, recommending the approval of a draft membership Resolution for submission to the Board of Governors for a vote at the 1984 Annual Meeting.

This matter is being placed on the agenda of an Executive Board meeting to be held on Friday, September 14, 1984.

Att: (1)

Other Distribution:
Department Heads

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September 11, 1984

To: The Chairman of the Executive Board

From: B. de Maulde, Chairman,
Committee on Membership - Mozambique

Subject: Mozambique - Report on Membership

At Meeting 84/92 (6/13/84), the Executive Board decided to proceed with the formal investigation of the application by the Government of Mozambique for membership in the Fund, and appointed this Committee to consider the application and prepare a draft report to the Board of Governors.

After considering the size and characteristics of the economy of Mozambique in relation to those of existing members and taking into account the existing structure of Fund quotas, the Committee concluded that a quota of SDR 61 million would be appropriate for Mozambique.

The Committee considers that, in order to permit sufficient time for the completion of certain technical arrangements, Mozambique should be permitted to pay its subscription within six months from the effective date of its membership.

The Committee recommends that Mozambique should make a payment in SDRs or in other currencies acceptable to the Fund equivalent to 21.7 percent of its quota. Such a payment would be in accordance with Article II, Section 2 of the Articles and the guidelines adopted by the Executive Board in September 1979 for the payment of reserve assets in connection with the initial quota payments.

The authorities of Mozambique have indicated that the proposed terms and conditions for the membership of Mozambique are acceptable to them.

The Committee recommends that the attached draft Resolution be approved for submission to the Board of Governors at the 1984 Annual Meeting. A draft letter of transmittal to the Chairman of the Board of Governors is also attached.

INTERNATIONAL MONETARY FUND

DRAFT RESOLUTION

MEMBERSHIP FOR MOZAMBIQUE

WHEREAS, Mozambique on May 3, 1984 requested admission to membership in the International Monetary Fund in accordance with Article II, Section 2 of the Articles of Agreement of the Fund;

WHEREAS, pursuant to Section 21 of the By-Laws of the Fund, the Executive Board has consulted with the representative of Mozambique and has agreed upon the terms and conditions which, in the opinion of the Executive Board, the Board of Governors may wish to prescribe for admitting Mozambique to membership in the Fund;

NOW, THEREFORE, the Board of Governors, having considered the recommendations of the Executive Board, hereby resolves that the terms and conditions upon which Mozambique shall be admitted to membership in the Fund shall be as follows:

1. Definitions: As used in this Resolution:
 - (a) The term "Fund" means the International Monetary Fund;
 - (b) The terms "Articles" means the Articles of Agreement of the International Monetary Fund, as amended;
2. Quota: The quota of Mozambique shall be SDR 61 million.
3. Payment of Subscription: The subscription of Mozambique shall be equal to its quota. Mozambique shall pay 21.7 percent of its subscription in SDRs or in the currencies of other members selected from those currencies that the Fund would receive in accordance with the operational budget in effect at the time of payment. The balance of the subscription shall be paid in the currency of Mozambique.
4. Timing of Payment and Subscription: Mozambique shall pay its subscription within six months after accepting membership in the Fund.
5. Exchange Transactions with the Fund and Remuneration: Mozambique may not engage in transactions under Article V, Section 3, or receive remuneration under Article V, Section 9, until its subscription has been paid in full.

6. Exchange Arrangements: Within 30 days after accepting membership in the Fund, Mozambique shall notify the Fund of the exchange arrangements it intends to apply in fulfillment of its obligations under Article IV, Section 1 of the Articles.
7. Representation and Information: Before accepting membership in the Fund, Mozambique shall represent to the Fund that it has taken all action necessary to sign and deposit the Instrument of Acceptance and sign the Articles as contemplated by paragraph 8(a) and 8(b) of this Resolution, and Mozambique shall furnish to the Fund such information in respect of such action as the Fund may request.
8. Effective Date of Membership: After the Fund shall have informed the Government of the United States of America that Mozambique has complied with the conditions set forth in paragraph 7 of this Resolution, Mozambique shall become a member of the Fund on the date when Mozambique shall have complied with the following requirements:
 - (a) Mozambique shall deposit with the Government of the United States of America an instrument stating that it accepts in accordance with its law the Articles and all the terms and conditions prescribed in this Resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this Resolution; and
 - (b) Mozambique shall sign the original copy of the Articles held in the Archives of the Government of the United States of America.
9. Period for Acceptance of Membership: Mozambique may accept membership in the Fund pursuant to this Resolution not later than six months after the effective date of this Resolution, which date shall be the date of its adoption by the Board of Governors; provided, however, that, if the circumstances of Mozambique are deemed by the Executive Board to warrant an extension of the period during which Mozambique may accept membership pursuant to this Resolution, the Executive Board may extend such period until such later date as it may determine.

DRAFT

Dear Mr. Chairman:

Pursuant to Section 6(b) of the By-Laws, I am submitting for inclusion on the Agenda of the 1984 Annual Meeting a proposed Resolution on the admission of Mozambique to membership in the Fund, which the Executive Board recommends for adoption by the Board of Governors.

Very truly yours,

J. de Larosière
Managing Director
and
Chairman of the Executive Board

Chairman of the Board of Governors
1984 Annual Meeting
International Monetary Fund