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ROOM C-120

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EBD/84/99

March 27, 1984

To: Members of the Executive Board

From: The Secretary

Subject: Equatorial Guinea - Extension of Approval of Exchange
Restrictions and Multiple Currency Practices

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by the close of business on Friday, March 30, 1984. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

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Department Heads

INTERNATIONAL MONETARY FUND

Equatorial Guinea--Extension of Approval of Exchange
Restrictions and Multiple Currency Practices

Prepared by the African Department and the Exchange
and Trade Relations Department

(In consultation with the Legal Department)

Approved by J.B. Zulu and S. Kanesa-Thasan

March 27, 1984

At the conclusion of the 1982 Article IV consultation discussions with Equatorial Guinea, the Executive Board granted approval until March 31, 1984 for the maintenance by Equatorial Guinea of exchange restrictions arising from a system of exchange allocation for payments of current invisibles, and multiple currency practices stemming from the imposition of taxes of 8 percent to 35 percent on transfers abroad of net investment income and patent, trademark, and royalty income (Decision No. 7326-(83/30), adopted February 16, 1983).

A staff mission is scheduled to visit Malabo in April 1984 to conduct discussions for the 1984 Article IV consultation with Equatorial Guinea. The staff report on these discussions is expected to be placed on the agenda of the Executive Board for discussion in the third quarter of 1984. In the meantime, the staff recommends that the Executive Board grant an extension of approval of the restrictions arising from the system of exchange allocation and the multiple currency practices arising from taxation of certain current payments until September 30, 1984 or the completion of the 1984 Article IV consultation with Equatorial Guinea, whichever is the earlier.

The following decision is proposed for adoption by the Executive Board:

The approval by Decision No. 7326-(83/30), adopted February 16, 1983, of Equatorial Guinea's restrictions on payments and transfers for current international transactions and multiple currency practices as described in SM/33/4 is extended until September 30, 1984 or the completion of the 1984 Article IV consultation with Equatorial Guinea, whichever is the earlier.