

DOCUMENT OF INTERNATIONAL MONETARY FUND
AND NOT FOR PUBLIC USE

**FOR
AGENDA**

EBS/83/36
Supplement 1

CONFIDENTIAL

February 24, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Malaysia - Purchase Transaction - Buffer Stock Financing
Facility - Compulsory Contributions to the Buffer Stock
of the Sixth International Tin Agreement

Attached is the request from Malaysia for a purchase equivalent to SDR 45,200,000 referred to in EBS/83/36 which contains the staff's analysis and recommendation. This subject is scheduled for consideration on Friday, March 11, 1983.

Att: (1)

FEBRUARY 8 AND 10, 1983.

TO: TREASURER,
INTERNATIONAL MONETARY FUND, WASHINGTON, D.C.

FROM: BANK NEGARA MALAYSIA, KUALA LUMPUR

PRIMO. 1. ON VALUE DATE THE PURCHASE REQUESTED BELOW IS EFFECTED, YOU ARE AUTHORIZED TO DEBIT MALAYSIA'S SDR ACCOUNT WITH SDR 45,200,000 AND APPLY THIS AMOUNT TO DISCHARGE THE REPURCHASE EXPECTATION ARISING FROM MALAYSIA'S CONTRIBUTION TO THE SIXTH ITA BY WAY OF TRANSFER OF TIN FROM THE 5TH ITA.

2. AS FISCAL AGENCY FOR THE GOVERNMENT OF MALAYSIA, WE DESIRE TO PURCHASE FROM THE INTERNATIONAL MONETARY FUND SDR 45,200,000 IN ACCORDANCE WITH THE TERMS OF ARTICLE V, SECTION 3 OF THE FUND AGREEMENT, PARAGRAPH 1 OF DECISION NO. 2772-(69/47), ADOPTED JUNE 25, 1969 AS AMENDED BY DECISION NO. 4913-(75/207) ADOPTED DECEMBER 24, 1975, AND DECISION NO. 7247-(82/147) ADOPTED NOVEMBER 12, 1982. IN THIS CONNECTION, WE STATE THAT WE WILL COOPERATE WITH THE INTERNATIONAL MONETARY FUND IN AN EFFORT TO FIND APPROPRIATE SOLUTIONS FOR THE BALANCE OF PAYMENT DIFFICULTIES.

3. WE DO HEREBY REPRESENT THAT THIS PURCHASE IS NEEDED IN ACCORDANCE WITH THE PROVISIONS OF THE FUND AGREEMENT, AND RELATES TO THE OBLIGATION OF MALAYSIA TO MAKE COMPULSORY CONTRIBUTION TO THE BUFFER STOCK OF THE SIXTH INTERNATIONAL TIN AGREEMENT.

4. PLEASE CREDIT MALAYSIA'S SDR ACCOUNT WITH SDR 45,200,000 ON VALUE DATE OF PURCHASE.

5. WE STATE THAT REPURCHASE IN RESPECT OF THIS PURCHASE WILL BE MADE IN ACCORDANCE WITH ARTICLE V, SECTION 7 AND THE FUND'S POLICIES AND PRACTICES AT THE TIME OF REPURCHASE. WE FURTHER STATE THAT MALAYSIA WILL REPURCHASE IN ACCORDANCE WITH PARAGRAPH 1(A) OF EXECUTIVE BOARD DECISION NO. 5703-(78/39) ADOPTED MARCH 22, 1978 AS AMENDED, IT BEING UNDERSTOOD THAT MALAYSIA WILL REPURCHASE AT AN EARLIER DATE UNDER PARAGRAPH 3(B) OF DECISION NO. 7247-(82/147) (I) WHEN AND TO THE EXTENT THAT THE INTERNATIONAL TIN COUNCIL MAKES REFUNDS AND (II) IF THE SIXTH INTERNATIONAL TIN AGREEMENT TERMINATES WITHOUT BEING REPLACED BY A NEW INTERNATIONAL TIN AGREEMENT PROVIDING FOR A BUFFER STOCK, WHEN TRANSFERS IN LIQUIDATION ARE MADE TO MALAYSIA.

6. REGARDING SERVICE CHARGE PLEASE DEBIT MALAYSIA'S SDR ACCOUNT WITH SDR 226,000 ON VALUE DATE OF PURCHASE.

7. IN THE CIRCUMSTANCES OF THIS REQUEST, IT IS OUR UNDERSTANDING THAT THE REQUEST WILL BE PROCESSED BY THE EXECUTIVE BOARD IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED TO PERMIT CONSIDERATION OF EXECUTIVE BOARD PAPERS.

8. ON THE VALUE DATE OF THE PURCHASE AND THE REPURCHASE, THE FUND'S NO. 1 ACCOUNT WITH OURSELVES WILL BE CREDITED AND DEBITED WITH MALAYSIAN RINGGIT 112,112,906.63 RESPECTIVELY.

DR. LIN SEE YAN,
DEPUTY GOVERNOR,
BANK NEGARA MALAYSIA