

EBS/83/229
Supplement 1

CONFIDENTIAL

November 21, 1983

To: Members of the Executive Board
From: The Secretary
Subject: Ecuador - Purchase Transaction - Compensatory Financing
Facility

Attached is the request from Ecuador for a purchase equivalent to SDR 85,400,000 referred to in EBS/83/229 which contains the staff's analysis and recommendation. This subject is scheduled for consideration on Wednesday, November 23, 1983.

Att: (1)

QUITO 15 DE NOVIEMBRE DE 1983

TREASURER'S
INTERFUND

WASHINGTON D.C. USA
SDR NO. 7

1. AS FISCAL AGENCY FOR THE GOVERNMENT OF ECUADOR, WE DESIRE TO PURCHASE THE INTERNATIONAL MONETARY FUND SDR 618,575 AND THE EQUIVALENTS OF SDR 49,781,425 IN ITALIAN LIRE AND SDR 35,000,000 IN POUNDS STERLING TOTALING THE EQUIVALENT OF SDR 85,400,000 IN ACCORDANCE WITH TERMS OF ARTICLE V, SECTIONS 3 AND 4 EXECUTIVE BOARD DECISION NO. 6224-(79/135), ADOPTED AUGUST 2, 1979. 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 PAYMENTS DIFFICULTIES.
2. WE DO HEREBY REPRESENT THAT THIS PURCHASE IS NEEDED IN ACCORDANCE WITH THE PROVISIONS OF FUND AGREEMENT.
3. PLEASE CREDIT ECUADOR'S SDR ACCOUNT WITH SDR 618,575 ON VALUE DATE OF PURCHASE.
4. PLEASE PLACE ITALIAN LIRE AND POUNDS STERLING AT OUR DISPOSAL AT BANCA D'ITALIA, ROME AND BANK OF ENGLAND, LONDON, RESPECTIVELY, AND REQUEST THESE INSTITUTIONS TO ARRANGE EXCHANGE OF CURRENCIES INTO U.S. DOLLARS AND PAYMENT OF PROCEEDS TO OUR ACCOUNT WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK ON VALUE DATE OF PURCHASE.
5. THE EQUIVALENT OF DESIRED PURCHASE NAMELY ECUADORIAN SUQUES 4,618,088,414.22 WILL BE CREDITED TO FUND'S NO. 1 ACCOUNT WITH OURSELVES ON THE VALUE DATE OF PURCHASE.
6. WE STATE THAT REPURCHASE IN RESPECT OF THIS PURCHASE SHALL BE MADE IN ACCORDANCE WITH ARTICLE V, SECTION 7 AND THE FUND'S POLICIES AND PRACTICES AT THE TIME OF REPURCHASE.
7. REGARDING SERVICE CHARGE, PLEASE DEBIT ECUADOR'S SDR ACCOUNT WITH SDR 427,000 ON VALUE DATE OF PURCHASE.

BEST REGARDS

ECON. ABELARDO PACHANO B.
GERENTE GENERAL
BANCENTRAL ECUADOR

Received in Cable Room November 15, 1983.