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SM/83/213
Supplement 1

CONTAINS CONFIDENTIAL
INFORMATION

November 22, 1983

To: Members of the Executive Board

From: The Secretary

Subject: People's Republic of China - 1983 Consultation

Attached is the Secretary's record of the decision taken by the Executive Board at Meeting 83/157, November 21, 1983, in concluding the 1983 Article XIV consultation, in the light of the 1983 Article IV consultation, with the People's Republic of China. This text will be transmitted to the member after the close of business on Wednesday, November 23, 1983.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

People's Republic of China - 1983 Consultation

Executive Board Decision - November 21, 1983

1. The Fund takes this decision relating to China's exchange measures subject to Article VIII, Section 3, in concluding the 1983 Article XIV consultation with China, in the light of the 1983 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 termination by China of two bilateral payments arrangements with members of the Fund and the intention of the authorities to eliminate the remaining 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/83/213 (10/25/83) and in SM/83/221 (11/3/83).