

DOCUMENT OF INTERNATIONAL MONETARY FUND
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ATTENTION**

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EBD/83/5

January 4, 1983

To: Members of the Executive Board

From: *The Secretary*

Subject: Mexico - Change in Representative Rate for the Mexican Peso

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 noon on Friday, January 7, 1983. 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)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Change in Representative Rate for the Mexican Peso

Prepared by the Treasurer's Department

(In consultation with the Legal and Western Hemisphere Departments)

Approved by W.O. Habermeier

January 4, 1983

The representative rate for the Mexican Peso against the U.S. dollar under Rule 0-3 in effect before the Second Amendment was established as the middle rate between the average buying and selling rate of U.S. dollars reported by the main commercial banks to the Banco de Mexico S.A. at the close of each business day (Executive Board Decision No. 2966-(70/8) S, adopted February 2, 1970).

In view of recent changes in the exchange system, the Fund has consulted with the authorities of Mexico concerning a change in the determination of the representative rate for the Mexican Peso in the domestic exchange market for spot delivery of the U.S. dollar. As a result, it is considered that the representative rate under Rule 0-2 (b)(i) for the Mexican peso against the U.S. dollar is the mid-point between the buying and selling rates in the controlled market for spot delivery of U.S. dollars. On December 28, 1982 these rates were Mexican Peso 96.04 buying and 96.14 selling per U.S. dollar. It is understood that the Banco de Mexico will immediately inform the Fund of any change in the representative rate.

In view of the foregoing, the following draft decision is proposed for adoption by the Executive Board:

The Fund finds, after consultation with the authorities of Mexico, that the representative exchange rate for the Mexican peso under Rule 0-2 (b)(i), against the U.S. dollar is the mid-point between the buying and selling rates in the controlled market for spot delivery of U.S. dollars. The Banco de Mexico will immediately inform the Fund of any change in the representative rate.

Attachment

ATTACHMENT

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THE TREASURER
INTERFUND
WASHINGTON D C

NO. 34

REFERENCE YOUR CABLE DECEMBER 27, 1982 IN RELATION WITH REPRESENTATIVE RATE TO BE USED FOR FUND TRANSACTIONS AND OPERATIONS FOR THE MEXICAN PESO IN LIGHT OF THE NEW EXCHANGE MARKET SYSTEM. THE BANCO DE MEXICO STATES THAT THE REPRESENTATIVE RATE FOR THE MEXICAN PESO AGAINST THE US DOLLAR IS THE MID-POINT BETWEEN THE BUYING AND SELLING RATE IN THE CONTROLLED MARKET. AT DECEMBER 28, THE RATES OF EXCHANGE PER US DOLLAR ARE 96.04 BUYING AND 96.14 SELLING. THE FUND WILL BE NOTIFIED OF CHANGES IN THE RATE. THE BANCO DE MEXICO WILL NOTIFY THE FUND IMMEDIATELY OF ANY CHANGE IN THE ABOVE DEFINITION OF THE REPRESENTATIVE RATE.

BANXICO

Received in Fund December 28, 1982