

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

MASTER FILES

ROOM C-120

01

EBD/83/97

March 30, 1983

To: Members of the Executive Board
From: The Secretary
Subject: France - Exchange System

The attached communication dated March 28, 1983 from the Executive Director for France is circulated for the information of Executive Directors. A staff team is presently visiting Paris to conduct the 1983 Article IV consultation discussions with France. The consultation report will contain an appraisal of these measures, including their position with respect to Article VIII of the Fund's Articles of Agreement.

Att: (1)

Other Distribution:
Department Heads

ATTACHMENT

TO: The Managing Director
FROM: Bruno de Maulde
SUBJECT: France - Exchange Measures

March 28, 1983

Pursuant to Article VIII Section 5 of the Articles of Agreement, I wish to inform you that the Minister of Economy and Finance of France has decided on the following exchange control measures:

1) Effective March 25, 1983, and as a general rule, transfers by International Trading firms resulting from any given purchase of foreign goods will have to be offset by the proceeds of the subsequent sale of such goods within a period not in excess of 8 days, instead of 3 months.

2) The present ceiling of 10 million francs applicable to external borrowings by residents, other than for trade purposes, will be raised to 50 million francs shortly.

3) The basic exchange allocation for tourist travel to foreign countries by residents will be reduced to 2000 francs. This limit will be implemented on an annual basis and will replace the present allocation of 5000 francs per trip.

The texts corresponding to the above measures will be forwarded to you at the time of their publication.