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**IMMEDIATE
ATTENTION**

EBD/83/137

May 12, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Mexico - Extension of Approval of Multiple Currency Practices
and Exchange Restrictions

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 the close of business on Monday, May 16, 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

Mexico--Extension of Approval of Multiple Currency
Practices and Exchange Restrictions

Prepared by the Western Hemisphere Department and the
Exchange and Trade Relations Department

(In consultation with the Legal Department)

Approved by S.T. Beza and Manuel Guitián

May 12, 1983

At the conclusion of its discussion of Mexico's request for an extended arrangement on December 23, 1982 the Executive Board approved Mexico's multiple currency practices and exchange restrictions, as described in Appendix V of EBS/82/208, Supplement 1, until May 15, 1983, or the completion of the first review under the extended arrangement, whichever is earlier (Executive Board Decision No. 7282-(82/168), adopted December 23, 1982). A staff team visited Mexico City on March 7-26, 1983 to conduct discussions for the first review under the EFF arrangement and for the 1983 Article IV consultation. The Staff Report for the 1983 Article IV Consultation and Review Under the Extended Arrangement (SM/83/70) will be considered by the Executive Board at the same time. The report contains an appraisal of Mexico's exchange system, and proposes a decision approving the multiple currency practices and exchange restrictions. This paper has already been circulated to the Executive Directors and is to be scheduled for Board discussion shortly. In the meantime, the staff proposes that approval of Mexico's multiple currency practices and exchange restrictions, as described in Section V of SM/83/70, be extended until the completion of the 1983 Article IV consultation and the review under the extended arrangement.

The following draft decision is therefore proposed for adoption by the Executive Board:

The Fund's approval under Decision No. 7282-(82/168) of Mexico's multiple currency practices and restrictions, as described in Section V of SM/83/70, is extended until the completion of the 1983 Article IV consultation and the first review under the extended arrangement.