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ATTENTION**

MASTER FILES

ROOM C-120

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EBD/83/246

September 26, 1983

To: Members of the Executive Board  
From: The Secretary  
Subject: Italy - Extension of Approval of Exchange Restriction

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 Thursday, September 29, 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

Italy--Extension of Approval of Exchange Restriction

Prepared by the European Department and the Exchange and  
Trade Relations Department

(In consultation with the Legal Department)

Approved by L.A. Whittome and C. David Finch

September 23, 1983

At the conclusion of its discussion on the 1982 Article IV consultation with Italy, the Executive Board approved Italy's retention of a restriction on the amount of foreign exchange made available for tourist travel until September 30, 1983 or the next Article IV consultation, whichever comes first (Executive Board Decision No. 7202-(82/124), adopted September 22, 1982). The intention of the authorities to keep the restriction under review, and to eliminate it as soon as the balance of payments permitted, was noted. The Executive Board was informed on May 12, 1983 that the Italian authorities had raised the amount of foreign exchange available to Italian residents for tourist travel from the equivalent of Lit. 1,100,000 to the equivalent of Lit. 1,600,000 per person per year with effect from May 9, 1983.

A staff team will be visiting Rome in October to conduct the 1983 Article IV consultation discussions with Italy. The report on these discussions, including a review of the exchange system, will be submitted to the Board shortly thereafter. In the meantime, the following draft decision is proposed for adoption by the Executive Board:

The Fund's approval under Decision No. 7202-(82/124) of Italy's restriction on the amount of foreign exchange made available for tourist travel is extended until February 28, 1984 or the completion of the 1983 Article IV consultation with Italy, whichever is the earlier.