

FOR
AGENDA

EBS/86/101
Correction 1

CONFIDENTIAL

May 13, 1986

To: Members of the Executive Board
From: The Secretary
Subject: Uruguay - Staff Report for the 1986 Article IV Consultation
and Review Under Stand-By Arrangement

The date of the letter of intent referred to in EBS/86/101
(5/1/86) should read "May 9, 1986" instead of "April 30, 1986."

Corrected pages 27 and 39 are attached.

Att: (2)

VI. Proposed Decision

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

1. Uruguay has consulted with the Fund in accordance with paragraph 4(d) of the stand-by arrangement for Uruguay (EBS/85/210) and paragraph 19 of the Memorandum of Understanding on Economic Policy dated August 28, 1985 attached to the stand-by arrangement, in order to review progress made in the implementation of the program and to reach understandings as specified in paragraph 4(d) of the stand-by arrangement.

2. The letter and the attached Memorandum of Understanding on Economic Policies for 1986 dated May 9, 1986 from the Minister of Economy and Finance and the President of the Central Bank of Uruguay shall be annexed to the stand-by arrangement for Uruguay, and the letter and Memorandum of August 28, 1985 attached to the stand-by arrangement shall be read as supplemented and modified by the letter and the Memorandum of Understanding of May 9, 1986.

3. Accordingly, Uruguay will not make purchases under the stand-by arrangement that would increase the Fund's holdings of Uruguay's currency in the credit tranches beyond 25 percent of quota or increase the Fund's holdings of that currency resulting from purchases of borrowed resources beyond 12 1/2 percent of quota: