FOR AGENDA

SM/84/263
Correction 1

CONTAINS CONFIDENTIAL INFORMATION

December 3, 1984

To: Members of the Executive Board

From: The Secretary

Subject: Cyprus - Staff Report for the 1984 Article IV Consultation

The following correction has been made in the proposed decision contained in SM/84/263 (11/29/84):

Page 13, para. No. 2, line 5: for "current political and economic circumstances"
read "current economic circumstances"

A corrected page is attached.

Att: (1)

Other Distribution:
Department Heads

IV. Proposed Decision

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

1. The Fund takes this decision relating to Cyprus's exchange measures subject to Article VIII, Sections 2 and 3, and in concluding the 1984 Article XIV consultation with Cyprus, in the light of the 1984 Article IV consultation with Cyprus conducted under Decision No. 5392-(77/63) adopted April 29, 1977 (Surveillance over Exchange Rate Policies).

2. Cyprus maintains a restriction on the amount of foreign exchange made available for foreign travel. The Fund notes that the authorities have decided to raise the amount of the allowance effective January 1, 1985 and, in the light of the current economic circumstances of the country, it grants approval for its retention until the conclusion of the next Article IV consultation with Cyprus.

Fund Relations with Cyprus

(As of October 31, 1984; in millions of SDRs)

I. Membership status

Cyprus became a member of the Fund on December 21, 1961. Cyprus continues to avail itself of the transitional arrangements under Article XIV of the Articles of Agreement.

A. Financial Relations

II. General department

(a) Quota: SDR 69.7 million.
(b) Total Fund holdings of Cyprus pounds: SDR 69.27 million (99.38 percent of quota).
(c) Fund credit: SDR 4.24 million (6.1 percent of quota) arising from the stand-by. No resources used under enlarged access and no compensatory financing.
(d) Reserve tranche position: SDR 4.675 million.
(e) Current operational budget: no use of the Cyprus pound is planned in the current budget.
(f) Lending to the Fund: Cyprus is not a participant.

III. Stand-by or Extended Arrangements and Special Facilities

A one-year stand-by program (first credit tranche) equivalent to SDR 8.5 million covered the period June 1980-June 1981 with one purchase of SDR 8.5 million in August 1980.

IV. SDR Department

(a) Net cumulative allocation: SDR 19.4 million.
(b) Holdings: SDR 0.592 million or 3.04 percent of net cumulative allocation.
(c) Current designation plan: Cyprus is not included in the current plan.

V. Administered accounts

Not applicable.

VI. Overdue obligations to the Fund

None.