

1. The Government of Yugoslavia has consulted in accordance with paragraph 3(d) of Executive Board Decision No. 7363-(83/47), March 11, 1983, and paragraph 12 of the letter from the Governor of the National Bank of Yugoslavia and the Federal Secretary for Finance of Yugoslavia dated December 30, 1982 in order to establish performance criteria subject to which purchases may be made by Yugoslavia during the remaining period of the stand-by arrangement for Yugoslavia (EBS/81/5, Supplement 2 (2/2/81)).

2. The letter from the Governor of the National Bank of Yugoslavia and the Federal Secretary for Finance of Yugoslavia, dated July 8, 1983, setting forth the policies and measures which the authorities of Yugoslavia will pursue for the remaining period of the stand-by arrangement, shall be annexed to the stand-by arrangement for Yugoslavia, and the letter of December 30, 1982, annexed to the stand-by arrangement as supplemented by the letters of February 18, 1983 and May 4, 1983, shall be read as supplemented by the letter of July 8, 1983.

3. Yugoslavia will not make any purchase under the stand-by arrangement that would increase the Fund's holdings of its currency in the credit tranches to more than 25 percent of quota or increase the Fund's holdings of its currency resulting from purchases of supplementary financing to more than 12.5 percent of quota:

(a) during any period in which the data for the preceding period indicate that the limit on outstanding net domestic assets of the banking system described in sentence 6 of paragraph 9 of the annexed letter, and as specified in the attached memorandum of understanding, has been exceeded; or

(b) until the availability date for the first advance under the medium-term external bank financing agreement with Yugoslavia has been communicated by the International Coordinating Committee to the Fund.

4. The Fund waives until September 30, 1983, the application of the performance criterion specified in paragraph 3(b)(iv) of Executive Board Decision No. 7363, adopted March 11, 1983 and extends until September 30, 1983 the waiver of the application of the performance criterion in paragraph 3(c)(i) of the stand-by arrangement in EBS/81/5, Supplement 2, February 2, 1981, in respect of the arrears existing during 1983.

5. For purchases after September 30, 1983, and in accordance with the letter from the Governor of the National Bank of Yugoslavia and the Federal Secretary for Finance of Yugoslavia, dated July 8, 1983, the intentions relating to public sector expenditures referred to in paragraph 3(b)(iv) of Executive Board Decision No. 7363-(83/47), March 11, 1983, shall be supplemented and modified in accordance with the last three sentences of paragraph 7 of the annexed letter.

Decision No. 7483-(83/114), adopted
July 29, 1983