

1. The Managing Director has reported under Rule K-1 and Rule S-1 of the Fund's Rules and Regulations to the Executive Board the facts on the basis of which it appeared to him at the dates of these reports that Viet Nam was not fulfilling its obligations under the Articles of Agreement and submitted complaints on July 25, 1984 (EBS/84/142, Sup. 1) in accordance with those rules. The complaint under Rule K-1 was that as of July 24, 1984 Viet Nam was not fulfilling its obligations relating to repurchases and the payment of charges in the General Department in the total amount of SDR 8,032,771. The complaint under Rule S-1 was that as of July 24, 1984 Viet Nam was not fulfilling its obligation to pay charges in the SDR Department in the total amount of SDR 3,152,581. Furthermore, the Managing Director added to his complaints a notice of the facts on the basis of which it appeared to him that as of July 24, 1984 Viet Nam was not fulfilling its obligations under Decision No. 5069-(76/72) on the Trust Fund to repay a disbursement and to pay interest in the total amount of SDR 2,720,389. These facts, and the complaints and notice of the Managing Director have been communicated to the authorities of Viet Nam.

2. Taking into account the further obligations of Viet Nam that have become overdue since July 24, 1984, Viet Nam's overdue obligations to the Fund have increased to SDR 8,532,399 in the General Department, SDR 4,324,189 in the SDR Department, and SDR 5,290,130 under the Trust Fund.

3. Having considered the reports of the Managing Director, the complaints and the notice, and the views of Viet Nam, the Fund finds that Viet Nam has failed to fulfill its obligations under the Articles of Agreement and the Trust Fund as stated in 1 and 2 above.

4. The Fund regrets the nonobservance by Viet Nam of its obligations and urges Viet Nam to resume their observance forthwith. The Fund decides

- (a) pursuant to Rule K-2 of the Fund's Rules and Regulations that Viet Nam shall not make use of the general resources of the Fund until such time as Viet Nam is current on its obligations under the Articles of Agreement relating to repurchases and the payment of charges in the General Department,
- (b) pursuant to Article XXIII, Section 2(b) of the Articles of Agreement to suspend the right of Viet Nam to use SDRs it acquires after the suspension until such time as Viet Nam is fulfilling its obligations to which that provision applies, and
- (c) if Viet Nam were otherwise eligible to make use of the general resources of the Fund, to take into account the existence of any overdue obligation to the Trust Fund in considering any request by Viet Nam for the use of the general resources.

5. The Fund shall review this decision within a period of three months from the date of the decision.

Decision No. 7791-(84/129), adopted

August 29, 1984