

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

2. The Fund notes that Hungary maintains restrictions on payments and transfers for current international transactions and a multiple currency practice in accordance with Article XIV. The Fund encourages Hungary to pursue policies that would permit their elimination. In particular, the Fund encourages Hungary to take early steps to eliminate its bilateral payments agreements with Fund members. In this respect, the Fund notes with satisfaction the announced termination of the bilateral payments arrangement with a Fund member. The Fund also welcomes the change in the method of setting the exchange rate of the forint against convertible currencies, which eliminates a practice that has given rise to broken cross-rates in the past.

Decision No. 7923-(85/37), adopted  
March 8, 1985