

1. PEOPLES'S REPUBLIC OF CHINA - 1986 ARTICLE IV CONSULTATION -
DECISION CONCLUDING ARTICLE XIV CONSULTATION

1. The Fund takes this decision relating to the People's Republic of China's exchange measures subject to Article VIII, Section 3, and in concluding the 1986 Article XIV consultation with China, in the light of the 1986 Article IV consultation with China conducted under Decision No. 5392-(77/63), adopted April 29, 1977 (Surveillance over Exchange Rate Policies).

2. China continues to maintain restrictions on the making of payments and transfers for current international transactions in accordance with Article XIV, as described in SM/86/260. The maintenance of an exchange tax on remitted profits of joint ventures, excluding most ventures in designated areas, gives rise to a multiple currency practice subject to approval under Article VIII, Section 3. The Fund welcomes China's efforts to continue to simplify its exchange system and notes with satisfaction the intention of the authorities to eliminate the remaining bilateral payments arrangements with Fund members.

Decision No. 8446-(86/181), adopted
November 12, 1986