

1. ZAIRE - OVERDUE FINANCIAL OBLIGATIONS - REPORT AND COMPLAINT
UNDER RULE K-1 AND NOTICE OF FAILURE TO SETTLE TRUST FUND
OBLIGATIONS

1. On September 2, 1988, the Managing Director submitted a report and complaint to the Executive Board (EBS/88/189), under Rule K-1 of the Fund's Rules and Regulations, setting out the facts on the basis of which it appeared to him at that time that Zaire was not fulfilling its obligations under the Articles of Agreement relating to repurchases and the payment of charges and interest in the General Department. In addition, the Managing Director issued a notice of the facts on the basis of which it appeared to him that as of September 2, 1988, Zaire was not fulfilling its obligations under Decision No. 5069-(76/72) with regard to the Trust Fund to repay disbursements and to pay interest under its Trust Fund loans, and pursuant to Decision No. 8165-(85/189) G/TR to pay special charges that are overdue to the Trust Fund. These facts and the complaint under Rule K-1 and notice of failure to settle Trust Fund obligations were communicated to the authorities of Zaire on September 9, 1988.

2. Having considered the report of the Managing Director, the complaint under Rule K-1 and notice of failure to settle Trust Fund obligations, and the views of Zaire, the Fund finds that Zaire has failed to fulfill its obligations under the Articles of Agreement as stated in paragraph 1 above.

3. The Fund regrets the nonobservance by Zaire of its financial obligations, urges Zaire to give these obligations the highest priority and to resume their observance forthwith, and decides: (a) pursuant to Rule K-2 of the Fund's Rules and Regulations that Zaire shall not make use of the general resources of the Fund until such time as Zaire has become current in its obligations under the Articles of Agreement relating to repurchases and the payment of charges and interest in the General Department, and (b) if Zaire were otherwise eligible to make use of the general resources of the Fund, to take account of the existence of any overdue obligation to the Trust Fund in considering any request by Zaire for the use of the general resources.

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

Decision No. 8996-(88/153) G/TR, adopted
October 12, 1988