

4. LAO PEOPLE'S DEMOCRATIC REPUBLIC - INTERIM ARTICLE IV
CONSULTATION DISCUSSIONS - DECISION CONCLUDING 1989
ARTICLE XIV CONSULTATION

1. The Fund takes this decision relating to the Lao People's Democratic Republic's exchange measures subject to Article VIII, Sections 2(a) and 3, and in concluding the 1989 Article XIV consultation with the Lao People's Democratic Republic, in the light of the 1989 Article IV consultation with the Lao People's Democratic Republic conducted under Decision No. 5392-(77/63), adopted April 29, 1977, as amended (Surveillance over Exchange Rate Policies).

2. The Lao People's Democratic Republic imposes restrictions on the making of payments and transfers for current international transactions, subject to approval under Article VIII, Section 2(a), in the form of restrictive features under bilateral payments arrangements with Fund members, requirement of prior authorization for invisible payments, and limitations on travel allowances. It also imposes multiple currency practices, subject to approval under Article VIII, Sections 2(a) and 3, arising from a dual exchange rate system and a requirement of margins for the opening of letters of credit. The Fund approves the maintenance of the multiple currency practice arising from the requirement of margins until the completion of the next Article IV consultation with the Lao People's Democratic Republic or April 30, 1990, whichever is earlier, and urges the authorities to remove the other exchange restrictions and multiple currency practice as soon as possible. (SM/89/74, 4/25/89)

Decision No. 9140-(89/50), adopted
May 2, 1989