

1. PAKISTAN - 1989 ARTICLE IV CONSULTATION - DECISION CONCLUDING ARTICLE XIV CONSULTATION

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

2. Pakistan maintains a number of restrictions on the making of payments and transfers for current international transactions as discussed in EBS/89/228. These are maintained in accordance with the transitional arrangements of Article XIV, except for the restriction evidenced by bilateral payments agreements with Fund members, mandatory minimum margin requirements for opening import letters of credit, and the system of Foreign Exchange Bearer Certificates. The latter two measures also give rise to multiple currency practices that are subject to approval under Article VIII. The Fund welcomes the authorities' intention to eliminate by June 30, 1990 the mandatory minimum margin requirements for opening import letters of credit. In view of this intention, the Fund grants approval for the retention of this restriction until June 30, 1990, or the completion of the second review under the stand-by arrangement for Pakistan, whichever is earlier.

Decision No. 9332-(89/168), adopted
December 22, 1989