

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

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

2. Poland's exchange restrictions and multiple currency practices are maintained under Article XIV, Section 2, except that the multiple currency practices listed below, as well as restrictions on certain payments and transfers by enterprises are subject to approval under Article VIII, Section 2(a). The multiple currency practices that arise from the operation of the parallel exchange market, the convertible foreign exchange coupon scheme, and the currency-specific surcharges on foreign exchange sales for travel to CMEA countries that are members of the Fund are subject to approval under Article VIII, Section 3. The latter practice constitutes a discriminatory multiple currency practice, which the Fund urges Poland to eliminate. The Fund also encourages Poland to take the necessary steps to avoid the emergence of broken cross rates. The Fund welcomes the Government's intention to reduce reliance on the other restrictions subject to Article VIII and on bilateral payments arrangements and hopes that early progress can be made in this respect. In the meantime, the Fund grants approval of the multiple currency practices that arise from the operation of the parallel market and from the convertible foreign exchange coupon scheme until May 15, 1990.

Decision No. 9358-(90/15), adopted
February 5, 1990