

1. PEOPLE'S REPUBLIC OF CHINA - 1989 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, Sections 2(a) and 3, and in concluding the 1989 Article XIV consultation with China, in the light of the 1989 Article IV consultation with China conducted under Decision No. 5392-(77/63), adopted April 29, 1977, as amended (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/90/14. In addition, the authorization for trading of foreign exchange in foreign exchange adjustment centers and the tax on remitted profits of certain foreign investment enterprises give rise to multiple currency practices subject to approval under Article VIII, Sections 2(a) and 3. The Fund urges China to implement further reforms in the exchange system with a view to unifying the exchange rates. The Fund also encourages China to eliminate the exchange restrictions maintained in accordance with Article XIV, including those arising from bilateral payments agreements with Fund members, as soon as possible.

Decision No. 9375-(90/27), adopted
February 28, 1990