

3. SAO TOME AND PRINCIPE - 1995 ARTICLE IV CONSULTATION -

1. The Fund takes this decision relating to S o Tome and Principe's exchange measures subject to Article VIII, Sections 2(a) and 3, and in concluding the 1995 Article XIV consultation with S o Tome and Principe, in the light of the 1995 Article IV consultation with S o Tome and Principe conducted under Decision No. 5392-(77/63), adopted April 29, 1977, as amended (Surveillance over Exchange Rate Policies).

2. As described in SM/95/125, S o Tome and Principe maintains restrictions on the making of payments and transfers for current international transactions in accordance with Article XIV, Section 2. S o Tome and Principe also maintains restrictions arising from unsettled balances owed under a bilateral payments agreement with a Fund member and multiple currency practices arising from a tax on payments for invisibles and from the existence of a free market rate with a spread of more than 2 percent with respect to the official rate, which are subject to Fund approval under Article VIII, Sections 2(a) and 3. The Fund encourages the authorities to eliminate all remaining restrictions and multiple currency practices as soon as possible.

Decision No. 10994-(95/56), adopted
June 7, 1995