

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

For Immediate Attention

SM/69/30

March 6, 1969

To: Members of the Executive Board

From: The Secretary

Subject: Nonmetropolitan Areas of the United Kingdom - Par Values -
Qatar and Dubai, and Tonga

It is not proposed to bring the attached memorandum to the agenda for discussion unless an Executive Director so requests by the close of business on Tuesday, March 11, 1969. In the absence of such request, the decisions proposed by the staff will be deemed approved by the Executive Board and recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Department Heads
Division Chiefs

INTERNATIONAL MONETARY FUND

Nonmetropolitan Areas of the United Kingdom--
Par Values--Qatar and Dubai, and Tonga

Prepared by the European, Exchange and Trade Relations,
Legal, and Treasurer's Department

March 6, 1969

In the attached memorandum the Executive Director for the United Kingdom has informed the Fund that in a review of the situation with respect to the currencies of the nonmetropolitan territories in respect of which the United Kingdom has accepted the Articles of Agreement, it has come to light that no par value had been communicated by the United Kingdom for the Qatar/Dubai riyal and that no proposal for a change in par value had been made in connection with the introduction of a new monetary unit in Tonga.

The Qatar/Dubai riyal was introduced on September 18, 1966 in the Sheikdoms of Qatar and Dubai, which had used as their local currency the Indian rupee until June 6, 1966 when the rupee was devalued. Since its introduction, the Qatar/Dubai riyal has had the same exchange value as the Indian rupee prior to June 6, 1966.

The Tonga pa'anga was introduced on April 3, 1967 on the Island of Tonga to replace the Tongan pound, for which a par value had been communicated by the United Kingdom. The Tongan pound used to have the same par value as the former Australian pound and the change-over to the new unit re-established the old relationship of the Tongan currency with the Australian currency.

The following decisions are submitted for the consideration of the Executive Board.

- I. 1. The United Kingdom has communicated the following initial par value for the Qatar/Dubai riyal, the monetary unit of the Sheikdoms of Qatar and Dubai which are nonmetropolitan territories in respect of which it has accepted the Articles of Agreement of the Fund:

0.186 621 gram of fine gold per Qatar/Dubai riyal.
166.667 Qatar/Dubai riyal per troy ounce of fine gold.
4.761 90 Qatar/Dubai riyal per U.S. dollar.
21.000 0 U.S. cents per Qatar/Dubai riyal.

2. The Fund agrees to this initial par value.

- II. 1. The United Kingdom has proposed the following par value for the Tonga pa'anga, the monetary unit of Tonga which is a non-metropolitan territory in respect of which it has accepted the Articles of Agreement of the Fund:

0.995 310 gram of fine gold per pa'anga.
31.250 0 pa'anga per troy ounce of fine gold.
0.892 857 pa'anga per U.S. dollar.
112.000 U.S. cents per pa'anga.

2. The Fund concurs in this proposal.

ATTACHMENT

OFFICE MEMORANDUM

To: The Secretary

Date: 24 February 1969

From: Evan W. Maude

Subject: U.K. Non-Metropolitan Territories -
Qatar and Dubai and Tonga

In a review of the situation with respect to separate currencies of some non-metropolitan territories, for which the United Kingdom has accepted responsibility under Article XX, Section 2(g) of the Articles of Agreement, two omissions came to light, which need to be rectified. My Government regrets these delays in notification.

Qatar and Trucial States.

On September 18, 1966 the Sheikdoms of Qatar and Dubai introduced a new currency known as the Qatar/Dubai Riyal. Of the other Trucial States, Abu Dhabi uses the Bahrain Dinar and the Qatar/Dubai Riyal is used in Sharjah, Ajman, Umm al Qawain, Ras al Khaiman and Fujairah.

The Sheikdoms of Qatar and Dubai used, as their local currency, the Indian Rupee until June 6, 1966, when the rupee was devalued. As a temporary measure the Sheikdoms used the Saudi Arabian Riyal after June 6, 1966. The new currency unit, the Qatar/Dubai Riyal, has an exchange value the same as the Indian rupee before June 6, 1966.

Until the present time, no par value for the Qatar/Dubai Riyal has been established with the Fund. In order to rectify this situation, the United Kingdom Government proposes that, with effect from September 18, 1966, the following par value be established for the Qatar/Dubai Riyal in terms of gold and in terms of the U.S. dollar of the weight and fineness in effect on July 1, 1944.

0.186 21 gram of fine gold per Qatar/Dubai Riyal
166.067 Qatar/Dubai Riyal per troy ounce of fine gold
4 761 90 Qatar/Dubai Riyal per U.S. dollar
21.000 0 U.S. cents per Qatar/Dubai Riyal.

Tonga

On April 3, 1967 the island of Tonga introduced a new decimal currency unit to replace the former Tongan Pound. The official name of the new unit is the pa'anga. The Tongan Pound used to have the same par value as the former Australian pound and the change-over to the new unit, the pa'anga, in effect re-established the old relationship with the Australian currency, the Australian dollar, introduced on February 14, 1966.

The United Kingdom Government proposes that, with effect from April 3, 1967, the following par value be established for the Tongan pa'anga in terms of gold and in terms of the U.S. dollar of the weight and fineness in effect on July 1, 1944:

0.995 310 gram of fine gold per pa'anga
31.250 0 pa'anga per troy ounce of fine gold
0.892 857 pa'anga per U.S. dollar
112.000 U.S. cents per pa'anga