

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE
For Immediate Attention

SM/68/30

February 20, 1968

To: Members of the Executive Board

From: The Acting Secretary

Subject: United Kingdom - Article VIII - Restrictions on Current Payments
and Transfers in Nonmetropolitan Territories

Attached is the text of a memorandum from Mr. Maude to the Managing Director with respect to the extension by Gibraltar and Mauritius of restrictions on payments and transfers for current international transactions, together with the staff's recommendation. It is not proposed to bring this matter to the agenda for discussion unless an Executive Director so requests by the close of business on Friday, February 23, 1968. In the absence of such request the proposed decision will be deemed approved by the Executive Board and recorded in the minutes of the next meeting thereafter.

Att: (1)

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CONFIDENTIAL

INTERNATIONAL MONETARY FUND

UNITED KINGDOM

Article VIII--Restrictions on Current
Payments and Transfers in Nonmetropolitan Territories

Prepared by the European Department in consultation with the
Exchange and Trade Relations Department and the
Legal Department

Approved by L. A. Whittome and E. Sturc

February 19, 1968

On July 5, 1967 the Board adopted a decision (Decision No. 2306-67/53) to approve the application through October 31, 1967 of travel restrictions by Gibraltar and Mauritius (dependent territories on whose behalf the United Kingdom has accepted the obligations of Article VIII), similar to those approved on July 20, 1966, for the United Kingdom (Decision No. 2145-66/63).

On October 18, 1967 the Board approved a request by the United Kingdom to extend the restrictions for the year through October 31, 1968 (Decision No. 2367-67/81).

The United Kingdom authorities have informed the Fund (see attachment) that, following the action taken by the United Kingdom, the nonmetropolitan territories of Gibraltar and Mauritius, also extended their limitations on travel expenditure. It is anticipated, however, that Mauritius will be granted independence on March 12, 1968. This and other Fund decisions will cease to apply to it as of the attainment of independence.

In view of the Executive Board's decision with regard to the extension of U.K. restrictions, it is recommended that the Board adopt the following decision:

1. The Fund does not object to the application by Gibraltar through October 31, 1968 of the restrictions on payments and transfers for current international transactions as included in the memorandum dated February 14, 1968 to the Managing Director from the Executive Director appointed by the United Kingdom.
2. The Fund does not object, on a temporary basis, to the application by Mauritius of the restrictions on payments and transfers for current international transactions as included in the aforesaid memorandum.