

EBS/76/502

CONFIDENTIAL

December 6, 1976

To : Members of the Executive Board

From : The Managing Director

Subject: Afghanistan - Repurchase Obligation as of April 30, 1976

This is to notify the Executive Directors that the staff has computed Afghanistan's monetary reserves position as of April 30, 1976 for purposes of Article V, Section 7(b) of the Fund Agreement. This calculation resulted in a repurchase obligation equivalent to SDR 17,495,000 in the following media and amounts:

	<u>In SDR equivalents</u>
Gold	1,562,000
Special drawing rights	526,000
French francs	78,000
Deutsche mark	1,329,000
Japanese yen	2,000
U.K. pounds	1,314,000
U.S. dollars	12,684,000

Pursuant to Article V, Section 7(c)(iv), the part of this repurchase obligation which is to be discharged forthwith is limited to the equivalent of SDR 9,250,000.

Afghanistan has agreed with the staff's calculation and has advised the Fund that it has elected to discharge the amount payable forthwith in accordance with paragraph 2(c) of Executive Board Decision No. 3049-(70/44), adopted May 20, 1970. As a result of the distribution made in accordance with paragraph 2(c), the obligation is payable in the following media and amounts:

	Actual amounts of special drawing rights and currencies ^{1/}	In SDR equivalents ^{1/}
Special drawing rights	187,000	187,000
French francs	219,899.28	41,000
Deutsche mark	2,139,021.83	733,000
Japanese yen	344,519.00	1,000
U.K. pounds	492,979.72	790,000
U.S. dollars	8,627,941.04	<u>7,498,000</u>
		9,250,000

In accordance with the limitation set forth in Article V, Section 7(c)(iii), the Fund cannot accept U.K. pounds in repurchase as of April 30, 1976. Pursuant to Schedule B, paragraph 1(d) and Executive Board Decision No. 3049-(70/44), adopted May 20, 1970, the amount calculated in this currency equivalent to SDR 790,000 must be discharged in other convertible currency or currencies.

On August 9 and 30, 1976 Afghanistan repurchased the equivalent of SDR 3,500,000 with Brazilian cruzeiros and the equivalent of SDR 4,000,000 with U.S. dollars, respectively. It was understood that if Afghanistan incurred a repurchase obligation under Article V, Section 7(b) of the Fund Agreement as of April 30, 1976, these repurchases totaling the equivalent of SDR 7,500,000 would be regarded as constituting a discharge pro tanto of such repurchase obligation, subject to any substitution of any media that might be necessary in accordance with Schedule B, paragraph 1.

The part of the repurchase obligation accrued in U.S. dollars equivalent to SDR 7,498,000 converted at the rate of SDR 0.869037 per U.S. dollar in accordance with Executive Board Decision No. 3637-(72/41) G/S, adopted May 8, 1972 amounts to US\$8,627,941.04. The total amount of U.S. dollars paid on August 30, 1976 amounting to US\$4,591,774.66 has been applied toward the discharge of the amount accrued in U.S. dollars leaving a balance of US\$4,036,166.38 to be paid by Afghanistan. Upon payment of the amounts payable forthwith, the Fund will return to Afghanistan Brazilian cruzeiros equivalent to SDR 3,500,000.

^{1/} Currencies converted at rates in accordance with Executive Board Decision No. 3637-(72/41) G/S, adopted May 8, 1972.

In accordance with Rule I-6(d), a formal request for payment of the amount due forthwith is being forwarded to Afghanistan.

The balance of the repurchase obligation calculated for Afghanistan amounting to the equivalent of SDR 8,245,000 is payable at the end of the subsequent financial year in accordance with Schedule B, paragraph 1(e) in the following media and amounts:

	<u>Actual amounts of gold, special drawing rights and currencies^{1/}</u>	<u>In SDR equivalents^{1/}</u>
Gold (in fine ounces)	44,628.583	1,562,000
Special drawing rights	339,000	339,000
French francs	198,445.69	37,000
Deutsche mark	1,739,231.94	596,000
Japanese yen	344,519.00	1,000
U.K. pounds	326,989.08	524,000
U.S. dollars	5,967,524.97	<u>5,186,000</u>
		8,245,000

^{1/} Currencies converted at rates in accordance with Executive Board Decision No. 3637-(72/41) G/S, adopted May 8, 1972.