

EBS/81/46
Supplement 1

CONFIDENTIAL

March 16, 1981

To: Members of the Executive Board

From: The Secretary

Subject: St. Vincent and the Grenadines - Purchase Transaction -
Compensatory Financing Facility

Attached is the request from St. Vincent and the Grenadines for a purchase equivalent to SDR 1.3 million referred to in EBS/81/46 which contains the staff's analysis and recommendation. This subject is scheduled for consideration on Friday, March 20, 1981

Att: (1)

IMF WASHINGTON

NO. 7

1. AS FISCAL AGENCY FOR THE GOVERNMENT OF ST. VINCENT AND THE GRENADINES, WE DESIRE TO PURCHASE FROM THE INTERNATIONAL MONETARY FUND THE EQUIVALENT OF SDR 1,300,000 IN TRINIDAD AND TOBAGO DOLLARS IN ACCORDANCE WITH TERMS OF ARTICLE V, SECTION 3 AND EXECUTIVE BOARD DECISION NO. 6224-(79/135), ADOPTED AUGUST 2, 1979. IN THIS CONNECTION WE STATE THAT WE WILL COOPERATE WITH THE INTERNATIONAL MONETARY FUND IN AN EFFORT TO FIND APPROPRIATE SOLUTIONS FOR THE BALANCE OF PAYMENTS DIFFICULTIES.
2. WE DO HEREBY REPRESENT THAT THIS PURCHASE IS NEEDED IN ACCORDANCE WITH PROVISIONS OF FUND AGREEMENT.
3. PLEASE PLACE TRINIDAD AND TOBAGO DOLLARS AT OUR DISPOSAL AT CENTRAL BANK OF TRINIDAD AND TOBAGO, PORT-OF-SPAIN AND REQUEST THIS INSTITUTION TO ARRANGE EXCHANGE OF CURRENCY INTO U.S. DOLLARS AND PAYMENT OF PROCEEDS TO OUR ACCOUNT WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK IN FAVOR OF ST. VINCENT AND THE GRENADINES ON VALUE DATE OF PURCHASE.
4. THE EQUIVALENT OF DESIRED PURCHASE NAMELY EAST CARIBBEAN DOLLARS 4,544,548.81 WILL BE CREDITED TO FUND'S NO. 1 ACCOUNT FOR ST. VINCENT AND THE GRENADINES WITH OURSELVES ON THE VALUE DATE OF PURCHASE.
5. WE STATE THAT REPURCHASE IN RESPECT OF THIS PURCHASE SHALL BE MADE IN ACCORDANCE WITH ARTICLE V, SECTION 7 AND THE FUND'S POLICIES AND PRACTICES AT THE TIME OF REPURCHASE. WE FURTHER STATE THAT, IF THE AMOUNT PURCHASED ON THE BASIS OF PARTIALLY ESTIMATED DATA EXCEEDS THE AMOUNT THAT COULD HAVE BEEN PURCHASED FOR THE FULL 12 MONTH PERIOD UNDER PARAGRAPH 5 OF EXECUTIVE BOARD DECISION NO. 6224-(79/135), WE WILL MAKE A PROMPT REPURCHASE IN RESPECT OF THIS PURCHASE IN AN AMOUNT EQUIVALENT TO THE EXCESS.
6. REGARDING THE SERVICE CHARGE PLEASE DEBIT SDR ACCOUNT OF ST. VINCENT AND THE GRENADINES WITH SDR 6,500 ON VALUE DATE OF PURCHASE.

CURRENCY, ST. KITTS

Received in Cable Room: March 12, 1981