

EBS/82/145
Supplement 1

CONFIDENTIAL

November 3, 1982

To: Members of the Executive Board

From: The Secretary

Subject: Borrowing Agreement with the Saudi Arabian Monetary Agency -
Proposed Change in Conversion Arrangements

There is attached a note informing Executive Directors that the Saudi Arabian Monetary Agency's request for a change in conversion arrangements set forth in EBS/82/145 (8/13/82) has become operational.

Att: (1)

CONFIDENTIAL

INTERNATIONAL MONETARY FUND

Borrowing Agreement with the Saudi Arabian Monetary Agency--
Proposed Change in Conversion Arrangements

Prepared by the Treasurer's Department

(In consultation with the Legal Department)

Approved by W. O. Habermeier

November 3, 1982

Executive Directors will recall that SAMA recently indicated to the Fund that, whenever an exchange of Saudi riyals is requested under its medium-term borrowing agreement with the Fund concluded on May 7, 1981, it would like to be free to provide not only U.S. dollars as hitherto, but also, at its option, deutsche mark, French francs, pounds sterling, or Japanese yen. This option was requested to facilitate SAMA's cash flow planning and to give it greater flexibility in the use of its liquid resources. The Executive Board authorized the Managing Director to agree to the option as soon as the necessary operational arrangements had been made. 1/

Formal concurrence for transfers of their respective currencies, as required to implement SAMA's request, has now been obtained from France, Germany, Japan, Saudi Arabia and the United Kingdom, and Borrowed Resources Suspense Accounts have been opened with the Bank of England, Banque de France, Deutsche Bundesbank and Bank of Japan. Accordingly, the Managing Director has conveyed to SAMA the Fund's agreement to its request, as authorized by the Executive Board.

1/ "Borrowing Agreement with the Saudi Arabian Monetary Agency - Proposed Change in Conversion Arrangements," EBS/82/145, dated August 13, 1982.