

DOCUMENT OF INTERNATIONAL MONETARY FUND
AND NOT FOR PUBLIC USE

**FOR
AGENDA**

EBS/82/205
Supplement 1

CONFIDENTIAL

December 6, 1982

To: Members of the Executive Board

From: The Secretary

Subject: Hungarian People's Republic - Purchase Transaction -
Compensatory Financing Facility

Attached is the request from the Hungarian People's Republic for a purchase equivalent to SDR 72.0 million referred to in EBS/82/205 which contains the staff's analysis and recommendation. This subject is scheduled for consideration on Wednesday, December 8, 1982.

Att: (1)

ATTACHMENT

BUDAPEST 3.12.1982 TIME HERE 1640

FROM NATIONALBANK OF HUNGARY
TO INTERFUND WASHINGTON DC

ATTN TREASURERS DEPARTMENT
RE YOUR TELEX GRA CF NO 10 DD 29TH NOVEM1982
REQUEST FOR PURCHASE UNDER CFF

1. AS FISCAL AGENCY FOR THE GOVERNMENT OF HUNGARY WE DESIRE TO PURCHASE FROM THE INTERNATIONAL MONETARY FUND SDR 72,000,000 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 WHERE REQUIRED APPROPRIATE SOLUTIONS FOR THE BALANCE OF PAYMENTS DIFFICULTIES.
2. WE DO HEREBY REPRESENT THAT THIS PURCHASE IS NEEDED IN ACCORDANCE WITH THE PROVISIONS OF FUND AGREEMENT.
3. PLEASE CREDIT HUNGARY'S SDR ACCOUNT WITH SDR 72,000,000 ON VALUE DATE OF PURCHASE.
4. THE EQUIVALENT OF DESIRED PURCHASE NAMELY HUNGARIAN FORINT 2,981,736,861.72 WILL BE CREDITED TO FUNDS NO. 1 ACCOUNT 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 FUNDS POLICIES AND PRACTICES AT THE TIME OF REPURCHASE.
6. REGARDING SERVICE CHARGE PLEASE DEBIT HUNGARY'S SDR ACCOUNT WITH SDR 360,000 ON VALUE DATE OF PURCHASE.
7. PLEASE ARRANGE TO CREDIT OUR ACCOUNT WITH FEDERAL RESERVE BANK OF NEW YORK, NEW YORK WITH US DOLLARS EQUIVALENT TO SDR 67,900,000 ON VALUE DATE OF PURCHASE.
8. WE STATE THAT ANY USE OF SDRS AT THIS TIME UNDER ARTICLE XIX SECTION 2(A) IS IN ACCORDANCE WITH SECTION 3(A) OF THIS ARTICLE.
9. HOWEVER WE AUTHORIZE YOU TO ARRANGE ON OUR BEHALF FOR ALL OR PART OF THIS AMOUNT TO BE SOLD TO PARTICIPANTS OR PRESCRIBED HOLDERS THAT AGREE TO ACQUIRE THEM UNDER ARTICLE XIX, SECTION 2(B).

BEST REGARDS
EDE BAKO, MANAGING DIRECTOR
NATIONAL BANK OF HUNGARY, BUDAPEST

Received in Cable Room December 3, 1982.