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**FOR
AGENDA**

EBD/59/111

September 22, 1959

To: Members of the Executive Board
From: The Secretary
Subject: Indonesia--Payment of Currency Part of Quota Increase

There is attached a cable from Indonesia and a proposed decision of the Executive Board. This matter has been placed on the agenda of the meeting scheduled for Wednesday, September 23, 1959.

Att: (1)

Other Distribution:
Department Heads
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COPY

MANAGING DIRECTOR IMF WASHINGTON, D.C.

FOR THE PURPOSE OF THE PAYMENT OF CURRENCY PORTION OF QUOTA
INCREASE GOVERNMENT OF INDONESIA PROPOSES AS PROVISIONAL
EXCHANGE RATE PRESENT RATE RUPIAH 45 TO US DOLLAR PLEASE
ADVISE US OF EXECUTIVE BOARDS DECISION

MINFIN

INTERNATIONAL MONETARY FUND

Indonesia--Payment of Currency Part of Quota Increase

Prepared by the Legal Department

in consultation with the Asian Department

and with the Office of the Treasurer

September 21, 1959

Indonesia consented to an increase in its quota from U.S.\$110 million to U.S.\$165 million on August 11, 1959. Therefore, the member has to pay its additional subscription within thirty days after September 15, 1959.

A par value for the Indonesian currency has not been agreed as yet. The Fund is presently holding Indonesian currency at the rate of Rupiah 11.40 per U.S. dollar. In the attached cable of September 21, 1959 Indonesia proposes to pay the currency part of its quota increase at the provisional exchange rate of Rupiah 45 per U.S. dollar. Reference is made to the staff paper on Indonesia--Exchange Reform (EBS 59/66, Supplement 3, September 17, 1959) for an analysis of Indonesia's rates of exchange. In the light of that paper the basic rate proposed appears appropriate for the payment of the currency part of Indonesia's quota increase.

Payment to the Fund by Indonesia at the rate of Rupiah 45 per U.S. dollar will require the revaluation of the present Fund's holdings of Indonesian currency on the same basis since all of the Fund's holdings of this currency must be held at the same rate.

Accordingly, the following decision is submitted for the consideration of the Executive Board:

"1. The Fund agrees to the proposal made by Indonesia for payment of the currency portion of Indonesia's quota increase at the provisional rate of Rupiah 45 per U.S. dollar.

2. The Fund's holdings of Rupiah shall be provisionally adjusted in accordance with the rate of Rupiah 45 per U.S. dollar. The adjustment shall take effect on a date to be agreed with the Indonesian authorities."