

DOCUMENT OF INTERNATIONAL MONETARY FUND
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**IMMEDIATE
ATTENTION**

EBD/81/245

September 23, 1981

To: Members of the Executive Board

From: The Secretary

Subject: Greece - Extension of Approval of Exchange Restrictions and
Multiple Currency Practice

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by the close of business on Friday, September 25, 1981. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Greece--Extension of Approval of Exchange Restrictions
and Multiple Currency Practice

Prepared by the European Department and the Exchange
and Trade Relations Department

(In consultation with the Legal Department)

Approved by Brian Rose and S. Mookerjee

September 22, 1981

In concluding the 1980 Article IV consultation with Greece, the Executive Board granted approval until October 1, 1981 of the exchange restrictions and multiple currency practice resulting from the maintenance by Greece of various import deposit requirements, as described in SM/80/200 (Decision No. 6616-(80/131), adopted September 5, 1980). In accordance with its obligation under the Accession Treaty with the European Community (EC) to eliminate the advance import deposit requirements, Greece has in the meantime reduced by 25 per cent the schedule of rates for the prepayment and security deposit requirements with effect from January 1, 1981 (see Annex). Further reductions of 25 per cent from the original level of rates are scheduled each January 1 until the two requirements are eliminated on January 1, 1984.

In preparation of full membership in the EC on January 1, 1981, Greece also terminated its remaining eight bilateral payments agreements, including those with the People's Republic of China and Romania, with effect from December 31, 1980. A transitional period of six months was set for the liquidation of all clearing balances outstanding on January 1, 1981 with the exception of the agreement with the People's Republic of China, for which the liquidation period was four months.

The staff will be in contact with the Greek authorities during the Annual Meetings in order to agree on the timing of the next Article IV consultation mission, which will also provide an opportunity to review recent developments in Greece's exchange and trade system. In the meantime, the following decision is proposed for adoption by the Executive Board:

The approval under Decision No. 6616-(80/131) of Greece's exchange restrictions and multiple currency practice, with the changes described in EBD/81/245, is extended until June 30, 1982 or the completion of the next Article IV consultation with Greece, whichever is the earlier.

Greece: Schedule of Rates for Prepayment and
Security Deposits from January 1, 1981

(In per cent of invoice values)

Import List <u>1/</u>	Prepayment	Security for Import Duties and Other Taxes	Total
List F50/1 <u>2/</u>	37.5	15.0	52.5
List F50/2 <u>3/</u>	12.0	4.8	16.8
List F100/1 <u>4/</u>	75.0	30.0	105.0
List F100/2 <u>5/</u>	24.0	9.6	33.6

Source: Ministry of Commerce, Athens.

1/ The given percentage rates apply to settlements by sight draft. If the foreign supplier requires preremittance or letter of credit covering part or all of the merchandise value, the importer is obliged to deposit the required amount in addition to the above advance deposit.

2/ Including filets of fish, fresh milk, tea, sugar beets, manganese ore, bars of iron and steel.

3/ Including lard, paraffin, candles, matches, tires and inner tubes, fuel wood and wood charcoal, toothpicks, plywood, lorries and vans.

4/ Including dates, pulses, rice flour, eggs, fish, fats, oils, citrus fruit, certain steel products.

5/ Including bread, macaroni, chocolate, canned condensed milk, cotton fabrics, glass and glassware, electric refrigerators, brooms and brushes, beverages (alcoholic and nonalcoholic), cigarettes, furniture, soap and perfumery products.