

**IMMEDIATE  
ATTENTION**

EBD/81/332

December 23, 1981

To: Members of the Executive Board

From: The Acting Secretary

Subject: Zaire - Extension of Approval of Exchange Restrictions

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 noon on Wednesday, December 30, 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

ZAIRE

Extension of Approval of Exchange Restrictions

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

(In consultation with the Legal Department)

Approved by J.B. Zulu and W.A. Beveridge

December 23, 1981

In concluding the 1978 Article IV consultation with Zaire, the Executive Board granted approval until December 31, 1980 for the retention of the restrictive exchange practices maintained by Zaire, as described in SM/79/50 and SM/79/85 (Decision No. 6244-(79/146), adopted August 27, 1979). The approved exchange practices consisted of a multiple currency practice, external payments arrears, and a number of other restrictions on payments and transfers for current international transactions. In view of the removal of the multiple currency practice, the considerable reduction in arrears through both rescheduling and cash payments, the increased flexibility in the foreign exchange allocation system, and some easing of other exchange restrictions (EBD/80/334), the Executive Board extended its approval until June 30, 1981 for the retention by Zaire of the remaining exchange restrictions (Decision No. 6717-(81/1), adopted December 24, 1980). Since the beginning of 1981, Zaire has taken further measures in this area, the details of which are presented in EBS/81/126 and EBD/81/172. Accordingly, the Executive Board extended its approval until December 31, 1981 for the retention by Zaire of the remaining exchange restrictions (Decision No. 6896-(81/96), adopted June 22, 1981).

A staff mission visited Kinshasa in August-September 1981 to conduct Article IV consultation discussions with Zaire and to review Zaire's progress in the implementation of an adjustment program supported by an extended arrangement. In addition, a mission visited Kinshasa in November-December 1981 to further review progress in the implementation of the program. The staff report on the discussions (SM/81/241, 12/15/81), which is expected to be brought to the agenda of the Executive Board in the very near future, presents a full description of Zaire's exchange and trade system. In the circumstances, it is proposed that the Fund's approval for Zaire's remaining exchange restrictions be extended until the completion of the 1981 Article IV consultation.

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The following decision is therefore proposed for adoption by the Executive Board:

The approval of Zaire's exchange restrictions under Decision No. 6244-(79/146), extended by Decision No. 6717-(81/1), with changes as described in EBS/81/126 and EBD/81/172, and extended by Decision No. 6896-(81/96), is further extended until the completion of the 1981 Article IV consultation.