

EBD/82/265

October 26, 1982

To: Members of the Executive Board
From: The Acting Secretary
Subject: St. Lucia - Exchange Arrangements

There is attached for the information of the Executive Directors
a paper on changes in the exchange arrangements of St. Lucia.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

ST. LUCIA

Exchange Arrangements

Prepared by the Western Hemisphere Department and the
Exchange and Trade Relations Department

(In consultation with the Legal Department)

Approved by S. T. Beza and W. A. Beveridge

October 25, 1982

The St. Lucia authorities have informed the Fund that St. Lucia has imposed a 2 per cent tax on private sector purchases of foreign exchange from commercial banks, effective September 18, 1982. This tax applies to foreign exchange transactions with all countries, including other members of the East Caribbean Currency Authority (ECCA). The St. Lucia authorities have also informed the Fund that the imposition of this tax is viewed as a temporary measure to satisfy fiscal requirements, and that they will continue efforts to harmonize exchange control mechanisms within the ECCA region. The 2 per cent tax does not constitute a multiple currency practice subject to Article VIII, Section 3.

A full report on St. Lucia's exchange system will be made at the time of the next Article IV consultation with St. Lucia, scheduled for early 1983. No action by the Executive Board is proposed at this time.