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ATTENTION**

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May 18, 1995

To: Members of the Executive Board
From: The Secretary
Subject: Rwanda - Representative Exchange Rate for the Currency of Rwanda

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 Monday, May 22, 1995. 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.

Mr. Lake (ext. 37625) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Representative Exchange Rate for the Currency of Rwanda

Prepared by the Treasurer's Department

(In consultation with the African, Legal, and
Monetary and Exchange Affairs Department)

Approved by David Williams

May 18, 1995

The representative exchange rate for the Rwanda franc was determined on October 3, 1983, under Rule O-2(b)(iii) to be its fixed relationship to the SDR (Executive Board Decision No. 7545-(83/147)G/S, adopted October 3, 1983).

Effective March 6, 1995, the National Bank of Rwanda has revised and liberalized the exchange system. Two commercial banks and seven licensed foreign exchange bureaux now conduct foreign exchange transactions at rates that are freely agreed between themselves and with their customers. The authorities do not intervene in the market. The National Bank of Rwanda publishes the average market exchange rate for the Rwanda franc against the U.S. dollar for reference purposes.

The Fund staff has consulted with the authorities on the revision of the representative exchange rate. Accordingly, it is proposed that the representative exchange rate for the Rwanda franc against the U.S. dollar be the average market exchange rate as ascertained by the National Bank of Rwanda. On April 28, 1995, the average market exchange rate was 252.6979 Rwanda franc per U.S. dollar. It is understood that the National Bank of Rwanda will communicate to the Fund the representative exchange rate of the Rwanda franc at least once a month, including at the end of each month, and will promptly inform the Fund of any change in exchange arrangements that may affect the determination of the representative exchange rate (see attached communication from the National Bank of Rwanda).

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

The Fund finds, after consultation with the authorities of Rwanda, that the representative exchange rate under Rule O-2(b)(i) for the Rwanda franc against the U.S. dollar is the average market exchange rate, as ascertained by the National Bank of Rwanda.

Attachment

NATIONAL BANK OF RWANDA
B.P. 531 KIGALI, RWANDA

TO : INTERFUND, WASHINGTON

ATTENTION: TREASURER'S

REYRTEL GRA NO. 5 OF APRIL 17, 1995

1. WE PROPOSE THAT THE REPRESENTATIVE EXCHANGE RATE AS PER RULE O-2(B)(I) FOR THE RWANDA FRANC AGAINST THE U.S. DOLLAR BE THE AVERAGE MARKET EXCHANGE RATE, AS DETERMINED BY THE NATIONAL BANK OF RWANDA.
2. THE NATIONAL BANK OF RWANDA WILL COMMUNICATE TO THE FUND THE REPRESENTATIVE EXCHANGE RATE FOR THE RWANDA FRANC AT LEAST ONCE A MONTH AT THE END OF THE MONTH AND WILL PROMPTLY INFORM THE FUND OF ANY CHANGE IN THE EXCHANGE ARRANGEMENTS THAT COULD AFFECT THE DETERMINATION OF THE REPRESENTATIVE EXCHANGE RATE.
3. ON APRIL 28 1995, THE REPRESENTATIVE EXCHANGE RATE FOR THE RWANDA FRANC WAS 252.6979 TO ONE U.S. DOLLAR.

N.B. THE AVERAGE EXCHANGE RATE FOR THE U.S. DOLLAR VARIES FROM DAY TO DAY. IT IS OBTAINED BY CALCULATING THE AVERAGE RATES USED BY THE AUTHORIZED BANKS AND BUREAUX DE CHANGE ON THE PREVIOUS DAY.

BANKING OPERATIONS DEPARTMENT
RWANDABANK

Received in the Fund on May 4, 1995.