

EBD/62/16

January 25, 1962

To: Members of the Executive Board
From: The Secretary
Subject: United Arab Republic - Changes in the Exchange System

Attached for the information of the Executive Board is a copy of a letter dated January 11, 1962 received from the Central Bank of Egypt, Cairo, summarizing the regulations issued in the United Arab Republic on January 4, 1962 concerning the premium collectible on foreign receipts and payments. It is proposed to deal with this subject in a paper to be produced by the staff after the Fund mission, at present in the United Arab Republic, returns to Washington.

Att:(1)

Other Distribution:
Department Heads
Division Chiefs

Central Bank of Egypt
Head Office

Cairo, 11th January 1962

TO OUR CORRESPONDENTS

Dear Sirs,

Ministerial Decree No. 1492 of 1961
relating to the premium on Payments
and Receipts.

We send you herewith, for your information, a summary
of the regulations issued by our Central Exchange Control on
January 4, 1962 in implementation of the above mentioned Minis-
terial Decree.

Yours faithfully,
For the Central Bank of Egypt

/s/

A. Nazmy Abdel Hamid
Sub-Governor

PREMIUM ON PAYMENTS AND RECEIPTS

In accordance with the provisions of the Ministerial Decree No. 1492 of 1961 all payments and receipts are subject to the following:

1) A premium of 20% should be collected on all payments from the United Arab Republic to other countries effected either in foreign currencies or in Egyptian Pounds to the credit of Bankers' Non-Resident Accounts maintained with the Central Bank of Egypt or the authorised local Banks.

Payments for the purposes enumerated in the attached list are not subject to the above premium.

2) A premium of 20% is to be paid on all receipts either in Foreign currencies or in Egyptian Pounds by the debit of Bankers' Non-Resident Accounts maintained with the Central Bank of Egypt or the authorised local banks. Receipts by the debit of free non-resident accounts in the name of individuals enjoy the same premium.

As exception to the above, the following receipts do not enjoy any premium:

- a) Receipts for the purposes enumerated in the attached list.
- b) Receipts in Egyptian Pounds by the debit of the "Austrian Collector Account", Swiss "B" Accounts, Dutch "B" Accounts, Belgian Accounts and Lebanese Non-Resident Accounts.
- 3) Receipts in settlement of exports for which the relative export forms were approved before the coming into force of the Ministerial Decree No. 1492, enjoy only the premium at the rate prevailing at the time of approval of such forms.

PAYMENTS AND RECEIPTS WHICH ARE NOT SUBJECT TO PREMIUM

PAYMENTS

- 1 - Imports for ships' stores.
- 2 - Transfers in settlement of the expenses and requirements of Egyptian airlines and shipping companies, the cost of their bunkering and the cost price of high seas steamers.
- 3 - The surplus of shipping and airlines companies in the United Arab Republic.
- 4 - Premia, claims and surplus of Insurance and re-insurance operations.
- 5 - Cost of tickets for travel by railways and other means of communication sold by agencies of Foreign companies in the United Arab Republic.
- 6 - Educational expenses within £60.- monthly.
- 7 - Instalments paid in repayment of the Government obligations and loans together with interest due which are to be settled by the Central Bank of Egypt on behalf of the Government.

RECEIPTS

- 1 - Amounts received covering expenses for ships and planes in the United Arab Republic - as well as amounts received to the credit of the shipping accounts.
- 2 - Surplus of Egyptian shipping and airlines companies abroad.
- 3 - Premia, claims and surplus of Insurance and re-insurance operations.
- 4 - Periodical settlements to postal telegraph and telephone organisations.
- 5 - Suez Canal dues.