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**IMMEDIATE
ATTENTION**

EBD/81/192

July 27, 1981

To: Members of the Executive Board
From: The Secretary
Subject: Cyprus - 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 Thursday, July 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)

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Department Heads

INTERNATIONAL MONETARY FUND

Cyprus--Extension of Approval of Exchange Restrictions

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

(in consultation with the Legal Department)

Approved by L. A. Whittome and S. Kanesa-Thasan

July 27, 1981

In Decision No. 6566-(80/105), adopted July 16, 1980, the Executive Board extended approval until July 16, 1981 of the retention of the restriction maintained by Cyprus on the amount of foreign exchange available for tourist travel, as described in SM/80/155 (7/1/80) and SM/80/166 (7/10/80).

A staff mission will be visiting Cyprus in October to conduct the 1981 Article IV consultations with Cyprus. The retention of the restriction will be reviewed at that time with the Fund. In these circumstances, the staff proposes that existing Board approval of the restriction on the provision of foreign exchange for tourist travel be continued to December 31, 1981, or the completion of the 1981 Article IV consultations with Cyprus, whichever is earlier.

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

The Fund extends approval of Cyprus's restriction on payments and transfers for current international transactions, as described in SM/80/155 (7/1/80) and SM/80/166 (7/10/80), until December 31, 1981, or the completion of the 1981 Article IV consultations with Cyprus, whichever is earlier.