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Supplement 1

CONTAINS CONFIDENTIAL INFORMATION

August 12, 1994

To: Members of the Executive Board

From: The Secretary

Subject: Issues and Developments in the International Exchange and Payments System - Background Information

The attached paper provides background information to the paper on issues and developments in the international exchange and payments system, which was circulated as SM/94/202 on August 1, 1994.

This subject, together with the staff statement outlining and setting priorities with respect to the specific issues contained in SM/94/202 (BUFF/94/76, 8/1/94), will be discussed in a seminar on a date to be announced.

Mr. Quirk (ext. 38520) or Mr. Huh (ext. 38566) is available to answer technical or factual questions relating to this paper prior to the seminar discussion.

Att: (1)

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INTERNATIONAL MONETARY FUND

Issues and Developments in the International Exchange and Payments System--Background Information

Prepared by the Monetary and Exchange Affairs Department

(In Consultation with Other Departments)

Approved by Manuel Guitián

August 8, 1994

Contents | Page

Annex

Recent Technical Assistance in Exchange Systems 1

Statistical Appendices

I. Measures Affecting Exchange and Payments Systems, 1991-92 9

1. Imports and Import Payments 9
   a. Quantitative Import Controls 9
   b. Advance Import Deposits 14
   c. Other Import Measures 16
2. Exports and Export Proceeds 19
   a. Export Licensing 19
   b. Fiscal and Other Incentives 21
   c. Export Taxes 22
   d. Special Credit Facilities 23
   e. Other Incentives 23
   f. State Trading 27
3. Current Invisibles 28
   a. Foreign Exchange Allocations for Travel, Medical Treatment, Studies Abroad, and Family Maintenance 28
   b. Outward Transfers or Payments for Services Rendered by Nonresidents 31
   c. Import and Export of Foreign and Domestic Currency and Notes and Holdings of Foreign Currency Domestically 34

Contents | Page

3. Capital Controls 37
a. Commercial Banks' International Transactions 37
b. Nonresidents' Accounts and Residents' Foreign Exchange Accounts 44
c. Portfolio Investments 50
d. Direct Investments 56

II. Changes in Exchange Rate Regimes Affecting Classification, 1991-93 62

III. Inventory of Multiple Exchange Rates 75

IV. Countries Participating in Regional Payment Arrangements 86

Recent Technical Assistance in Exchange Systems

Technical assistance is provided by the Fund, inter alia, to assist the member countries in reforming their exchange systems. The assistance is normally provided in the context of broader programs of macroeconomic adjustment and structural reforms, which may also include extensive financial sector reforms. Fund-supported adjustment programs frequently incorporate actions recommended in the foreign exchange area as performance criteria, which has resulted in synergism between technical assistance and program discussions. Assistance in foreign exchange systems is also provided in the context of comprehensive programs of reforms of central banking designed to bring about effective and efficient implementation of monetary and exchange policies.

The main objective of technical assistance on exchange systems is to improve the public's access to foreign exchange and the efficiency of foreign exchange allocation through reforms of exchange market arrangements and exchange controls. Assistance has focused on the establishment of institutional arrangements for foreign exchange markets, the elimination of exchange restrictions on payments and transfers for current international transactions, the unification of multiple exchange rates, the liberalization of capital movements, and the establishment of multilateral cross-border payment arrangements.

The precise strategy recommended to reform exchange systems depends on country-specific circumstances. Therefore, the first priority in assisting members has been to arrive at a full understanding of the operation of the existing exchange system, the institutional capacity of the financial system, the structure of foreign exchange flows, the authorities' objectives for the exchange regime, as well as other socioeconomic and political constraints, and exchange regime preferences favored by the national authorities.

Depending on the institutional capacity of the financial system, and the structure of foreign exchange receipts and payments flows, the technical assistance mission may propose different institutional arrangements for the foreign exchange market. The final objective is normally an interbank market arrangement, since this is likely to be the most efficient system. However, depending on the capacity of domestic financial institutions, including the central bank, the potential volume of transactions, and the degree of concentration of export receipts or import payments, transitional arrangements have occasionally been proposed and a sequence of reforms outlined. In the case in which the foreign exchange market initially lacks volume, pricing efficiency has sometimes been improved by the central bank's or bankers association's offer of facilities for buying and selling orders in an organized foreign currency exchange, alongside freedom for interbank transactions. As the market becomes more developed and the volume of transactions increases, floor-based exchange trading is likely to be increasingly supplanted by competitive off-floor trading through the interbank market. Hence, the institutional arrangements have allowed for a natural evolution toward decentralized interbank arrangements, for example by allowing authorized dealers, both banks and nonbank, to establish freely their buying and selling rates with customers outside the foreign currency exchange. The introduction of nonbank trading has been an important feature of several instances of technical assistance, in preventing or countering collusion.

The transparency of any exchange arrangement is critically important in order to establish confidence in the arrangement. In many cases, technical assistance has been provided to amend exchange control regulations and procedures. The regulations and procedures may need to be simplified, and made more transparent as part of the process of improving access to foreign exchange, and of minimizing interference with the allocation mechanism. In the transition to a free system it has often been recommended that the responsibility for operating exchange control regulations be delegated to commercial banks.

Technical assistance is often provided on operational and supervisory issues, including on the central bank's intervention procedures and policies consistent with operating an interbank foreign exchange market. The assistance has included prudential supervisory and reporting requirements for the authorized dealers, codes of conduct for the interbank market, and back-office functions at the central bank.

Experience suggests that the reforms to the exchange system can proceed rapidly when the reforms are taken as part of a broader macroeconomic effort to stabilize the economy and are accompanied by necessary structural and institutional reforms. The effectiveness of existing exchange controls in protecting the balance of payments tends to be much overestimated, and technical assistance missions have often demonstrated this with estimates of capital flight and parallel market activities. Because of the existence of parallel exchange markets, the de facto degree of liberalization is usually greater than reflected in the official system. Exchange system liberalization has thus improved confidence, reducing capital flight and strengthening the balance of payments, in addition to eliminating distortions.

Annex Table 1 lists Fund member countries that were the main recipients of MAE technical assistance on exchange systems in the period 1991-93, and summarizes the main focus of this assistance. Substantial assistance has been provided in building the necessary regulatory, institutional, and operational framework in a number of other formerly centrally planned economies, including the countries of the former Soviet Union. In other countries, the technical assistance has focused on developing foreign exchange markets, reforming exchange controls, and institution building.

Technical assistance was provided in drafting new foreign exchange regulations (e.g., Belarus, Georgia, Kazakhstan, Lithuania, Mongolia, Turkmenistan, and Uzbekistan). The aim of the legal framework was to establish a unified foreign exchange market, and current account convertibility, and in the case of Lithuania, capital account convertibility as well.

A comprehensive reform of the foreign exchange system, in order to facilitate a market-based foreign exchange allocation, was the primary purpose of MAE assistance in Algeria, Burundi, Ethiopia, Madagascar, Malawi, Mauritania, Mongolia, Mozambique, Sudan, Tanzania, Tunisia, Uganda, and Zimbabwe. In most cases, advice was given on the development of interbank and dealer markets. In Ethiopia, Malawi, Mozambique, and Tanzania an auction or a centralized fixing arrangement was advised on as a transitional part of an emerging interbank foreign exchange market. In certain cases, the technical assistance focused on the convertibility for current payments and transfers (Bangladesh and Tunisia), convertibility for capital transfers (Fiji, Jamaica, and Trinidad and Tobago), improving the operation of the existing foreign exchange market (Albania, Bulgaria, China, Croatia, the Islamic Republic of Iran, and Romania), and reviewing forward exchange operations (Bangladesh).

Assistance on regional payment arrangements has included advice on the design and organization of payment arrangements, consistent with a multilateral system of international payments. Assistance has been provided to FSU countries on the establishment of an Interstate Bank (ISB), which could serve a transitional role while the multilateral system of payments is being developed. The assistance on the ISB aimed at developing a framework which would avoid new exchange restrictions or distortions to members' exchange systems, including avoiding undue delays in settlements, ensuring convertibility of receipts through the ISB, strictly limiting the credit provided through the ISB, and managing ISB positions consistent with a country's exchange arrangements and foreign exchange market development. In the context of the regional integration initiatives for southern and eastern African countries, the approach to regional integration in exchange and payments systems is also for the development of a liberal multilateral exchange and payment system.

Table 1. Main Instances of Technical Assistance on Exchange Systems, 1991-93

Country	Summary of Technical Assistance
Albania	Several areas of central bank operations were covered, including Central Bank's foreign exchange operations and reserve management policy; improvements in operations of the interbank market were proposed.
Algeria	Comprehensive reform of the foreign exchange system, including a floating rate regime in the context of an interbank market and liberal exchange system (current convertibility).
Armenia	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system and the introduction of own currency were covered.
Azerbaijan	Broad-based efforts to develop the basic operations of central bank, including foreign exchange operations; also development of foreign exchange market based on interbank system and introduction of own currency were covered.
Bangladesh	The reform of the foreign exchange market within the context of existing interbank system and liberalization of exchange system (to achieve current convertibility); also forward market operations of the Central Bank were reviewed.
Belarus	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, introduction of own currency, and the drafting of foreign exchange regulations were covered.
Bulgaria	Basic functions in developing the operations of the Central Bank were covered, including foreign exchange operations and policy, developing the foreign exchange market based on interbank system, also the calculation of the official exchange rate was covered.
Burundi	Broad-based assistance in helping the authorities to introduce market reforms in the foreign exchange system within the context of an interbank market was provided, including open position limits, retention allowances, establishing foreign exchange bureaux, and external accounts.

Table 1 (continued). Main Instances of Technical Assistance on Exchange Systems, 1991-93

Country	Summary of Technical Assistance
China	Comprehensive review of foreign exchange system, including the design of a strategy for unification of exchange rates, integration of foreign exchange trading and reform of foreign exchange regulations.
Croatia	Comprehensive review of foreign exchange operations of the Central Bank and the interbank market in order to improve efficiency.
Egypt	Developments of foreign exchange operations reviewed in order to improve the functioning of the market; also measures toward convertibility were included.
Ethiopia	Modernization of the Central Bank and the establishment of a market-based exchange system within the context of a foreign exchange auction system.
Fiji	Further liberalization of capital controls.
Georgia	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, introduction of own currency, and drafting of the foreign exchange regulations were covered.
Indonesia	Review of monetary and foreign exchange operations to facilitate the existing full convertibility.
Iran	Further reforms in the foreign exchange operations to develop interbank market and facilitate convertibility.
Jamaica	Review of foreign exchange market operations and the intervention policies of the Central Bank (achieved capital convertibility).
Kazakhstan	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, introduction of own currency, and drafting of the foreign exchange regulations were covered.
Kyrgyz Republic	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, and introduction of own currency were covered.
Latvia	Review of foreign exchange policy of the Central Bank and assistance in the currency reform (current convertibility).

Table 1 (continued). Main Instances of Technical Assistance on Exchange Systems, 1991-93

Country	Summary of Technical Assistance
Lithuania	Broad-based efforts to develop the basic operations of Central bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, introduction of own currency, and drafting of the foreign exchange regulations were covered (achieved full convertibility).
Malawi	Review of foreign exchange operations of the Central Bank and establishment of a market-based exchange system within the context of an interbank market, together with weekly fixings.
Madagascar	Comprehensive reform of the foreign exchange market in order to establish a market-based arrangement within the context of an interbank market, accompanied by exchange system liberalization.
Mauritania	Reform of the foreign exchange market in order to establish a market-based system; auctioning of import authorizations and freely determined exchange rate for certain transactions were included.
Moldova	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, supported by auction system, and the introduction of own currency were covered.
Mongolia	Broad-based efforts to develop the basic operations of the Central Bank, including foreign exchange operations; also development of the foreign exchange market based on an interbank system, introduction of a floating rate system, and drafting of foreign exchange regulations.
Mozambique	Comprehensive exchange market liberalization within the context of an interbank market, auctions for tied funds, together with improvements in operations of the central bank and reporting systems.
Romania	Review of the foreign exchange market operations and the fixing mechanism, improvements in foreign exchange regulations, and reserve management.

Table 1 (continued). Main Instances of Technical Assistance on Exchange Systems, 1991-93

Country	Summary of Technical Assistance
Russia	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also interbank market operations and exchange regulations were reviewed with the goal of enhancing the efficiency of foreign exchange markets.
Slovak Republic	Reforms of central bank's operations, including foreign exchange operations and reserve management.
Sudan	Comprehensive reform of the foreign exchange system in order to establish an interdealer market, together with a flexible exchange rate.
Tajikistan	Broad-based efforts to develop the basic operations of central bank, including foreign exchange operations; also development of foreign exchange market on the basis of an auction system.
Turkmenistan	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, including an auction market, introduction of own currency, and drafting of foreign exchange regulations.
Tanzania	Development of interbank foreign exchange market which includes foreign exchange bureaux and an auction market; Central Bank's operations were also reviewed.
Trinidad and Tobago	Further liberalization of foreign exchange system in the context of an interbank market and floating regime with achievement of full convertibility.
Tunisia	Comprehensive reform of the foreign exchange market in order to establish an interbank system and current convertibility.
Uganda	Exchange system reform to establish an interbank market and achieve current convertibility.
Ukraine	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, including an auction market, and introduction of own currency were covered.

Table 1 (concluded). Main Instances of Technical Assistance on Exchange Systems, 1991-93

Country	Summary of Technical Assistance
Uzbekistan	Broad-based efforts to develop the basic operations of Central Bank, including foreign exchange operations; also development of foreign exchange market based on interbank system, including a fixing system, introduction of own currency, and drafting of foreign exchange regulations were covered.
Zimbabwe	Reform of the foreign exchange system to establish an interbank market.

Source: Monetary and Exchange Affairs Department.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
1. Imports and Import Payments			
a. Quantitative Import Controls			
Albania	07/01/92	Liberalization	Import-licensing requirements were abolished except for hazardous materials and arms.
Algeria	03/14/92	Tightening	List of prohibited imports issued.
	03/26/92	Tightening	Importation of refrigerators and batteries suspended.
	03/30/92	Tightening	Importation of tropical fruits suspended.
Argentina	04/01/91	Liberalization	Prohibition on importation of automobiles lifted and replaced with a quota on models not produced domestically.
Australia	12/05/91	Liberalization	Changes in anti-dumping legislation.
Aruba	01/01/91	Liberalization	All products except eggs may be imported without restrictions; import restrictions to be administered liberally.
Bangladesh	08/30/92	Liberalization	One hundred items removed from Control List.
Bolivia	10/13/92	Liberalization	Licensing requirement on importation of sugar abolished.
Brazil	01/01/91	Liberalization	Two hundred fifty products used for data processing equipment on restricted import list liberalized.
	10/01/92	Liberalization	Restrictions on importation of information technology lifted.
Burkina Faso	01/01/91	Tightening	Several items added to the list of imported products subject to prior authorization.
	07/17/91	Tightening	Several items added to list of products subject to special import authorization.
	02/15/92	Liberalization	Import licenses merged into one single license.
	07/21/92	Liberalization	Number of product categories for which ASI is required reduced to 15, and that for which technical visa required reduced to 10.
Burundi	01/21/91	Liberalization	Value of import licenses commercial banks authorized to approve raised to FBu 50 million from Fbu 25 million.
	12/30/91	Liberalization	Limit on value of import licenses commercial banks are authorized to approve removed.
	04/01/92	Liberalization	Specific import licenses replaced with system of open general licenses.
Canada	06/15/92	Tightening	Imports of certain types of clothing from Cambodia, Lao People's Democratic Republic, Oman, Qatar, and Swaziland for the period restricted from June 15 to December 31, 1992.
Cape Verde	12/30/91	Liberalization	Import-licensing system liberalized; import procedures simplified.
	01/01/92	Liberalization	Quantitative restrictions on nonliberalized imports eliminated.
	07/01/92	Liberalization	Quantitative restrictions on imports of cement eliminated.
Côte d'Ivoire	01/29/92	Liberalization	Phosphates, fertilizers, reinforced concrete, milling machines, and light vehicles added in list of freely importable goods.
Czech and Slovak Federal Republic	06/13/91	Tightening	Quotas for 1991 for imports of cattle, beef, coal, butter, and nine other agricultural products established.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Ecuador	02/14/91 and 11/06/91	Liberalization	Number of prohibited imports reduced to 53 tariff nomenclatures from 900, and number of items subject to prior authorization reduced to 830 from 1,400.
	02/07/92	Liberalization	Ban on automobile imports lifted.
Grenada	08/16/91	Tightening	Mops and children's garments placed on negative list of imports.
	09/01/91	Liberalization	Import license requirement for goods originating from OECS countries eliminated.
Guyana	07/01/91	Liberalization	Processing of import license applications further simplified, and several items removed from prohibited list.
Haiti	05/01/91	Liberalization	Licensing requirement for importation of rice suspended.
Honduras	02/01/91	Liberalization	Import licensing requirement abolished for most goods.
	03/14/91	Tightening	Special foreign exchange allocations for imports for relief of flood damage abolished.
Hungary	02/01/91	Liberalization	Priority Enterprise System and SALDO (Normative Import Licensing System) for licensing imports abolished.
	01/01/92	Liberalization	Global import quota for consumer goods subject to import licensing for 1992 set at US$720 million, including number of automobiles at 140,000.
India	01/05/91	Tightening	Sixteen raw material and components removed from Open General License (OGL) list and permitted to be imported only against replenishment licenses or additional licenses.
	07/24/91	Liberalization	Procedures for importation of capital goods simplified.
	08/01/91	Liberalization	All items not on limited permissible restricted or canalized lists freely importable under EXIM scrip, instead of under OGL system. Nonresident Indian nationals returning to India permanently for purpose of setting up small industries permitted to import under OGL all raw materials, except for restricted and canalized items, subject to value limit. Prior clearance requirement on the cumulative value of imports abolished.
	02/18/92	Liberalization	Free use of foreign exchange up to Rs 5 million permitted for importation of capital goods.
	04/01/92	Liberalization	Regime of import restrictions liberalized and changed to negative list consisting mainly of consumer goods.
	04/01/92	Liberalization	List of canalized imports shortened.
Indonesia	06/03/91	Liberalization	Import restrictions on 322 items replaced by tariffs, reducing proportion of imports subject to administrative restrictions from 15 percent to 12 percent.
	08/15/91	Tightening	Imports of completely built trucks prohibited.
Israel	09/01/91	Liberalization	Imports from countries with which Israel does not have free trade agreement modified. Discretionary import licensing of industrial goods replaced with automatic licensing procedure.
Italy	1991	Tightening	EC authorizes Italy to exclude six categories of products from application of Article 115 of Rome Treaty.
	1992	Tightening	EC Commission authorizes Italy to exclude two categories of products from application of Article 115 of Rome Treaty.
Jamaica	06/17/91	Liberalization	Import licenses no longer required for basic foodstuffs, motor vehicles, wood products, and fertilizers. Permits required for imports of motor vehicles for statistical purposes.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Japan	04/01/91	Liberalization	Import quotas on several food products eliminated.
Kenya	06/13/91	Liberalization	Items shifted to less restrictive treatment Schedule IIIB, except for goods restricted for health, security, or environmental reasons. This transfer essentially removes quantitative restrictions on imports.
	02/01/93	Liberalization	Import and foreign exchange allocation licenses abolished.
Korea	07/01/91	Liberalization	Ninety-three items, mostly agricultural products, liberalized in accordance with 1989-91 import liberalization program.
Lebanon	12/17/92	Liberalization	Restriction on imports of wheat lifted.
Liberia	03/01/91	Liberalization	Monopoly right of Liberian National Petroleum Company (LNPC) to import petroleum products eliminated.
Malaysia	02/08/91	Liberalization	Ban on imports of steel bars lifted temporarily until July 31, 1991.
Mexico	01/26/91	Liberalization	Import license requirements for 12 items abolished.
	09/20/91	Liberalization	Import licensing requirement for processed coffee abolished.
	03/27/92	Tightening	Six items to be subject to import licensing requirements until March 31, 1993.
	08/15/92	Tightening	Imports of meat restricted and subjected to the prior approval.
	11/12/92	Liberalization	Licensing requirement for imports of lobster, shrimp, prawn, and similar species abolished.
Morocco	02/14/92	Liberalization	Products not on negative list permitted to be imported without prior authorization.
	03/25/92	Liberalization	Imports of investment goods and equipment turnkey contracts covering crude oil, gas, diesel fuel, cattle, and wood permitted.
Nepal	04/15/91	Liberalization	Goods permitted to be imported under import license auction system reclassified from 5 into 2 categories.
	08/05/91	Liberalization	System of special auctions of import licenses for small enterprises introduced.
	03/08/92	Liberalization	Most private sector imports transferred to the open general license (OGL) list.
Netherlands Antilles	04/01/91	Liberalization	Quantitative restrictions on imports of a number of products which are domestically produced replaced with tariffs, at rates ranging up to 100 percent.
New Zealand	07/01/92	Liberalization	Import-licensing requirement for clothing eliminated.
Nicaragua	03/04/92	Liberalization	All restrictions on imports of foodgrains eliminated.
	04/06/92	Liberalization	Quotas on the importation of rice, yellow corn, white maize, and sorghum replaced with variable levies.
Nigeria	03/24/92	Liberalization	Importation of medicine prescribed by physicians permitted.
	10/22/92	Liberalization	Ban on wheat imports temporarily lifted.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Pakistan	03/01/91	Liberalization	Import licensing requirement abolished, except for products on negative or restricted lists.
	04/03/91	Tightening	Acetic anhydride placed on restricted list.
	07/01/92	Tightening	Acetone, acetyl, chlorine ethylidene, and asbestos added to list of goods that may be imported only by industrial consumers.
	07/01/92	Liberalization	Ban on imports from South Africa lifted.
	07/01/92	Liberalization	Twenty-one categories of goods removed from negative list.
	08/24/92	Tightening	Benzidine and its derivatives placed on negative list.
	09/13/92	Liberalization	(1) Motorcar taxis allowed to be imported and exempted from import regulations; and (2) air-conditioned commuter vans allowed to be imported.
	10/14/92	Liberalization	Motorcars and other motor vehicles allowed to be imported in knocked-down condition by recognized assemblers.
	11/28/92	Liberalization	Large agricultural tractors of standardized makes permitted to be imported.
Panama	07/14/92	Liberalization	Importation of oil and oil products liberalized.
	09/15/92	Liberalization	Quantitative restrictions on importation of rice abolished and replaced by a minimum import price plus an import tariff at the rate of 90 percent.
Paraguay	06/07/91	Tightening	Merchandise goods intended for retail sale in domestic market no longer permitted to be imported as accompanied luggage, and required to be declared and identified in cargo invoice.
	06/24/92	Liberalization	Import ban on dairy products, oil, cement, iron, cocoa, corn, wheat, and rice abolished.
	07/10/92	Tightening	Ban on imports of broad list of agricultural and livestock products reinstated for 180 days.
Peru	03/23/91	Liberalization	All nontariff restrictions on imports (and exports) other than specific prohibitions for sanitary and security reasons eliminated.
	03/27/91	Liberalization	All state monopolies on production and internal and external marketing of certain products eliminated.
	03/29/91	Liberalization	Importation of used equipment authorized.
	02/23/92	Liberalization	Importation of used machinery and equipment for industrial use, motor vehicles and parts, and transport equipment permitted.
	05/26/92	Liberalization	New equipment used in productive processes, except transport vehicles, allowed to be imported temporarily by private enterprises.
	07/25/92	Tightening	Importation of ammonia nitrate restricted to one public enterprise.
	10/21/92	Liberalization	All restrictions on imports of used goods, except shoes and clothes, eliminated.
	12/11/92	Liberalization	Mining enterprises allowed to import ammonia nitrate.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Philippines	03/18/91	Liberalization	Qualified importers allowed to import nonessential producer items.
	03/19/91	Liberalization	Requirements for prior approval by government agencies lifted for 33 items.
	04/27/92	Liberalization	One hundred thirty-nine products exempted from prior approval requirements.
	07/27/92	Liberalization	Forty-two products exempted from prior approval requirements.
Romania	01/01/92	Liberalization	Import licensing requirements abolished, with a few exceptions.
Rwanda	05/01/91	Liberalization	All quantitative restrictions intended to protect local industries removed.
	06/01/91	Liberalization	Import licensing system simplified.
	06/01/91	Tightening	Nonrefundable 5 percent fee imposed on import licenses.
	07/01/92	Liberalization	OGL system for imports introduced.
Sierra Leone	02/17/92	Liberalization	Ban on importation of cigarettes abolished.
Spain	1991	Tightening	EC authorizes Spain to exclude certain products originating from People's Republic of China, Hong Kong, Japan, Republic of Korea, the Philippines, Taiwan Province of China and the states of the former U.S.S.R. from the application of Article 115 of the Rome Treaty.
Sri Lanka	07/12/91	Liberalization	Ceiling on importation of goods for personal use of importers and for raw materials for industry and for spare parts for machinery (not in commercial quantities) increased to US$1,000 from US$500.
	06/03/92	Tightening	Importers of potatoes and potato seeds required to obtain import license before authorized dealers can issue letters of credit.
	06/09/92	Tightening	Importers of rice and various inorganic chemicals and compounds required to obtain import license before authorized dealers can issue letters of credit.
Sudan	02/05/92	Liberalization	Import licensing requirement abolished, except for goods imported under defense or preferential trade agreements. Importers required to submit to authorized banks applications for imports of goods not included on negative list.
	07/04/92	Liberalization	Several products excluded from negative list of imports.
Sweden	07/31/91	Liberalization	Import restrictions on textiles removed, effective on the planned expiry date of the Multifiber Arrangement (MFA), although the MFA was extended for a period of 17 months.
Tanzania	01/01/91	Liberalization	Negative product list replaced positive list under the OGL system.
	12/01/92	Liberalization	Minimum value of imports not requiring import licenses raised.
Thailand	04/16/91	Tightening	Import licenses required for imports of certain types of diesel engines and used cars. Imports of gambling machines prohibited.
Togo	05/30/91	Tightening	Imports of potatoes suspended from August 31, 1991 to February 28, 1992.
	08/19/91	Tightening	Importation, stocking, or marketing of petroleum products by unauthorized entities prohibited.
	04/22/92	Liberalization	Importation of concrete reinforced bars permitted.
	04/28/92	Liberalization	Prohibition on imports of frozen chicken and meat lifted.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Trinidad & Tobago	07/16/92	Liberalization	Most quantitative restrictions on imports of non-oil manufactured goods replaced by equivalent tariffs ranging from 4-45 percent and surcharges of up to 100 percent.
Tunisia	01/31/92	Liberalization	List of liberalized imports expanded.
	05/29/92	Liberalization	Extension of list of liberalized imports expanded further.
Uganda	09/01/91	Liberalization	Firm-specific OGL system phased out.
	12/15/91	Liberalization	More broadly based import system introduced.
United States	01/03/91	Liberalization	Tariff quotas increased for sugars, syrups, and molasses for period 10/1/90 to 9/30/91.
	02/01/91	Tightening	Bangladesh and the United States agree to amend a multifiber agreement to include restrictions on exports of cotton shop towels from Bangladesh.
	07/01/91	Tightening	Uruguay and United States agree to extend restrictions on Uruguay's exports of textile and apparel to the United States under MFA.
	07/05/91	Liberalization	Import restrictions on peanuts temporarily relaxed; peanut import quota increased to 100 million pounds for the year ended July 31, 1991.
Viet Nam	04/01/92	Liberalization	Imports of motor vehicles and motorcycles permitted, subject to annual quotas.
	09/01/92	Tightening	Imports of 17 products temporarily prohibited for protective reasons.
	10/01/92	Tightening	Importation of several consumer products banned.
	12/01/92	Liberalization	Import bans on 7 of 17 products lifted.
Western Samoa	01/15/92	Liberalization	Six-month ban on imports of cigarettes and beer lifted.
Zambia	04/16/91	Tightening	Negative list of goods that could not be imported under export retention and no-fund import schemes published.
	04/23/91	Liberalization	Coverage of OGL system expanded to include import categories equivalent to about 90 percent of merchandise imports.
	05/08/92	Liberalization	Fertilizer added to list of products that may be imported under OGL.
	09/21/92	Tightening	OGL system shifted to negative list system.
Zimbabwe	07/17/91	Liberalization	An unrestricted open general import license (OGIL) list introduced.
b. Advance Import Deposits			
Bangladesh	02/19/91	Liberalization	Advance deposit requirement for commercial imports lowered to 25 percent from 50 percent.
	04/12/91	Liberalization	Advance deposit requirement for commercial imports lowered to 20 percent from 25 percent.
	10/02/91	Liberalization	Advance deposit requirement for commercial imports lowered to 10 percent from 20 percent.
	11/30/91	Liberalization	Ten percent advance deposit requirement for commercial imports abolished.
Colombia	01/09/91	Liberalization	Advance deposit requirement for imports abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Costa Rica	01/07/91	Tightening	Rate of advance import deposit increased to 30 percent from 1 percent.
	01/15/91	Tightening	Rate of advance import deposit increased to 70 percent.
	02/15/91	Liberalization	Rate of advance import deposit lowered to 50 percent.
	05/14/91	Liberalization	Rate of advance import deposit lowered to 30 percent.
Egypt	05/30/91	Liberalization	Advance import deposit rate for imports settled with letters of credit reduced to 10 percent from 35 percent in respect of imports for own use, and to 20 percent in respect of imports for resale.
	08/08/92	Liberalization	Advance import deposit requirements abolished.
Guinea	08/03/92	Liberalization	Twenty-five percent advance deposit eliminated.
India	03/19/91	Tightening	Advance deposit requirement (cash margins) for raw material imports financed on letters of credit extended to all imports, except for imports of capital goods, and the rates increased to between 50 percent and 133 1/3 percent. Imports by government departments and petroleum oil and lubricants, fertilizers, foodgrains, edible oil, newsprint, and life saving drugs exempted.
	04/01/91	Liberalization	Advance deposit requirement for imports by export-oriented units and exporters' imports against advance licenses, advance intermediate licenses, imprest licenses, and special imprest licenses for own consumption eliminated provided that exporters had no outstanding export bills exceeding six months of the export date. The ratio of advance deposits on imports against REP licenses, additional licenses and special additional licenses reduced to 50 percent from 100 percent, provided export proceeds fully realized.
	04/22/91	Tightening	Ratios of advance deposits increased up to 200 percent.
	04/22/91	Tightening	Prior clearance from the Reserve Bank required for letters of credit opened or remittances for imports by an individual exceeding Rs 20 million.
	06/06/91	Liberalization	Advance deposits for imports other than capital goods exempted for certain manufacturers exporters for up to 10 percent of actual export realizations during the previous accounting year, subject to ceiling of Rs 25 million. Noncapital goods imports under suppliers' credits for one year or longer exempted from advance deposit requirement.
India	08/01/91	Liberalization	Imports of raw materials and intermediate goods used in the manufacture of bulk drugs and formulations exempted from advance deposit requirement.
	08/09/91	Liberalization	Certain imports by manufacturers-exporters, export houses and trading houses exempted from advance deposit requirement. Limit on exemption from advance deposit requirement for noncapital goods imports by certain manufacturers-exporters raised to 20 percent of previous year's exports with a ceiling of Rs 50 million.
	09/13/91	Liberalization	Imports of noncapital goods under the EXIM scrip and of raw cashew nuts for processing exempted from advance deposit requirement.
	10/08/91	Liberalization	Advance deposit requirement on OGL imports lowered to 150 percent. Limit on exemption from the advance deposit requirement for noncapital goods imports by certain manufacturers-exporters raised to 30 percent of the previous year's exports with a ceiling of Rs 100 million.
	12/09/91	Liberalization	Rate of advance deposits on most imports lowered to 50 percent from 150 percent.
	02/12/92	Liberalization	Advance deposit requirement for noncapital goods imports abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Jordan	05/26/92	Liberalization	Advance deposit requirement for imports into Jordan, free zone, and transit imports abolished.
Maldives	01/20/92	Liberalization	Fifty percent margin requirement for opening letters of credit by private sector importers abolished.
Malta	01/01/93	Liberalization	Advance payments for imports not exceeding Lm 10,000 would no longer require submission of supporting customs entry forms.
Nepal	08/05/92	Liberalization	Statutory margin deposit requirement abolished.
Sri Lanka	08/13/92	Liberalization	One hundred percent cash margin requirement against letters of credit opened for certain categories of imports eliminated.
Syrian Arab Republic	03/25/92	Liberalization	Import licenses granted without requirement of advance import deposits at the Commercial Bank of Syria.
c. Other Import Measures			
Algeria	04/01/91	Liberalization	All regulations requiring prior authorization to import and controlling foreign exchange payments for imports abolished. All registered juridical and natural persons permitted to import goods not prohibited or restricted, without any prior authorization, provided importer is in possession of foreign exchange resources. Importers maintaining foreign currency accounts at authorized foreign intermediary banks allowed to use them to pay for imports.
	04/01/91	Tightening	Payments for imports of gold, other precious metals and precious stones allowed to be made only from foreign currency accounts.
Algeria	04/01/91	Tightening	External borrowing by importers for import financing purposes required to be arranged through authorized intermediary banks. External borrowing may not exceed import value. For imports of less than US$2 million in value, intermediary bank may combine import orders for combined financing. Imports of food products and other consumer goods, raw materials, semifinished goods, and capital goods used by essential industries encouraged to be financed with official lines of credit. For imports not eligible for official financing, and for those imports eligible for official lines of credit but for which available lines have been totally drawn, banks instructed to obtain credits with maturity of at least 3 years for capital goods and equipment and at least 18 months for other inputs. Short-term commercial credits may be obtained for wage goods. Imports with other financing arrangements must be referred to Bank of Algeria for review. Imports financed from foreign currency accounts exempted from above financing requirements, and payments from these accounts would not require prior review or approval.
	10/27/92	Tightening	Bank of Algeria introduced new guidelines concerning prioritization of imports and access to foreign exchange. Minimum financing maturity requirements apply.
Argentina	04/21/92	Liberalization	Imports and related payments by public sector no longer require prior approval from Central Bank.
Brazil	02/22/91	Liberalization	Official institutions in the field of education and technological research authorized to buy foreign exchange up to 360 days before due date of payments abroad.
	02/17/91	Liberalization	Minimum financing requirement for all imports abolished, and imports with financing terms from 361 to 720 days exempted from prior authorization by Central Bank.
Chile	08/27/92	Liberalization	Limit on import payments above which prior approval of Central Bank is required raised to US$100,000.
Colombia	10/01/91	Liberalization	Exchange licenses abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Cyprus	11/05/92	Liberalization	Limit on advance payments for imports authorized dealers are permitted to make without prior approval from Central Bank increased to £C 20,000.
Czech and Slovak Federal Republic	10/01/91	Liberalization	Regulations on import financing abolished.
Dominican Republic	03/20/92	Liberalization	Petroleum products, medicines, raw materials for the pharmaceutical industry, and basic food items transferred to interbank market.
Egypt	05/15/91	Liberalization	Requirement that letters of credit be opened for all imports abolished.
	08/07/92	Liberalization	Advance import deposit requirement abolished.
Fiji	12/01/92	Liberalization	Limit on advance payments for imports authorized dealers are permitted to make without approval from Reserve Bank increased to F$10,000 per application.
	12/01/92	Liberalization	Limit of F$500 on value of personal imports abolished.
Honduras	05/30/91	Liberalization	Ceilings on foreign exchange deposits and amount of these deposits that can be used to finance imports eliminated.
Hungary	02/01/91	Liberalization	Minimum value of imports above which contracts are required to be secured by letter of credit, raised from Ft 2 million to Ft 10 million. Importers permitted to enter into deferred payment arrangements.
	07/01/92	Liberalization	Requirement to secure import contracts by letter of credit was abolished.
India	03/19/91	Tightening	Letters of credit exceeding Rs 2.5 million and remittances for noncapital goods imports exceeding Rs 5 million require prior clearance from banks' head offices and Reserve Bank, respectively. Imports of capital goods permitted only against foreign exchange lines of credit available with financial institutions, and not against foreign exchange cash.
	04/25/91	Liberalization	Commercial banks permitted to honor letters of credit for imports of capital goods opened on or before March 19, 1991, and to provide foreign exchange for capital goods imports shipped on or before this date.
	06/06/91	Liberalization	Cumulative limit applicable to exporters for import payments requiring prior clearance by the Reserve Bank revised to Rs 20 million, plus 20 percent of the previous year's exports, subject to ceiling of Rs 50 million.
	07/04/91	Liberalization	System of import replenishment (REP) licenses for exporters enlarged, with exporters earning import entitlement (renamed EXIM scrip) equivalent to 30 percent of value of their exports compared to previous rates of between 5 and 20 percent. Coverage of EXIM scrip enlarged to include all items on limited permissible list, open general license (OGL) items for actual users, some nonsensitive items on canalized list, and non-OGL capital goods other than those on restricted list. All additional licenses abolished. Export and trading houses granted EXIM scrip rate of 35 percent. Supplementary licenses abolished except for small-scale sector and for producers of life-savings drugs/equipment. Replenishment rate for advance license exports increased from 10 percent to 20 percent of net foreign exchange earnings.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
India (continued)	08/13/91	Liberalization	Certain export items became eligible for an additional EXIM scrip entitlement of 10 percentage points, raising rate for these items to 40 percent of f.o.b. value. EXIM scrip rate of 30 percent made applicable, on a net foreign exchange basis, to certain service exports. Twenty import items decanalized. Replenishment rate for advance license exports increased to 30 percent.
	11/14/91	Liberalization	Letters of credit or remittances for imports of noncapital goods exempted from advance deposit requirement no longer required to be cleared by Reserve Bank.
	02/18/92	Liberalization	Free use of foreign exchange up to Rs 5 million permitted for importation of capital goods.
Israel	08/02/92	Liberalization	Advance payments for imports of goods to be supplied within one year permitted.
Kenya	01/15/91	Tightening	Processing fee for foreign exchange applications for imports raised to 2 percent from 1.5 percent.
Malawi	01/10/91	Liberalization	98.3 percent of nonpretroleum imports no longer subject to prior foreign exchange approval; remaining negative list covers certain luxury items.
Mauritius	07/01/92	Liberalization	Prior approval for advance payments for imports of goods other than spare parts and machinery abolished.
Mongolia	10/01/92	Liberalization	Private sector allowed to import petroleum products.
Mozambique	07/01/91	Liberalization	Product coverage under system of nonadministrative foreign exchange allocation expanded.
Pakistan	08/15/92	Liberalization	Spinning machinery excluded from purview of commercial imports against cash.
Peru	03/12/91	Liberalization	Temporary admission regime expanded to include all sectors of economy.
	03/13/91	Liberalization	Advance payments of up to 100 percent of value of imports authorized.
	04/06/91	Tightening	Restrictions imposed on imports of rice, sugar, wheat flour, soybean cakes, cotton, wheat, corn, fruits, and ornamental plants.
	04/30/91	Liberalization	National Committees for rice, coffee, wheat, milk products, and hydrobiological products eliminated.
	10/26/91	Liberalization	Operating rules for Industrial Free Trade Zones established.
Philippines	07/28/92	Liberalization	Revised rules governing foreign trade transactions promulgated.
	09/15/92	Liberalization	Requirement that all imports by public and private sector borrowers funded by duly approved foreign loans be referred to Central Bank for prior clearances abolished.
	11/23/92	Tightening	Finished products imported for direct resale no longer allowed to be financed under documents against acceptance or open account arrangements.
Senegal	11/14/91	Tightening	Merchandise import inspection program introduced.
	11/28/91	Tightening	Requirement of bank domiciliation for import transactions exceeding CFAF 500,000 introduced.
Sierra Leone	08/01/92	Liberalization	Invoice entry fee on imports abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Sri Lanka	12/11/91	Liberalization	Authorized dealers permitted to establish letters of credit on deferred payment terms for importation of goods in respect of high priority areas and for very essential items without prior approval.
	12/12/92	Liberalization	Limit on imports for personal use without letters of credit increased to the equivalent of US$2,000. Imports for commercial purposes without letters of credit allowed up to the equivalent of US$5,000.
Sudan	06/06/92	Liberalization	Authorized banks allowed to provide credit facilities for imports of specified capital goods, on certain conditions.
Syrian Arab Republic	03/25/92	Liberalization	A list of 34 miscellaneous import items, which previously could only be financed through the 180-day external credit, allowed to be financed from export proceeds retained at Commercial Bank of Syria.
	08/23/92	Liberalization	Imports eligible for financing with 180-day suppliers' credits allowed to be settled with foreign exchange deposits held in Syria by Syrians residing abroad, foreign exchange deposits held abroad by importer, and foreign exchange deposited with Commercial Bank of Syria in accordance with the regulations on retention of export earnings.
Tanzania	04/21/92	Tightening	Imports with values exceeding US$5,000 under OGL and effected through the foreign exchange bureaus required to be covered by letters of credit opened at commercial banks.
Thailand	02/07/91	Liberalization	License fees on imports of pigskin and scoured wool exempted.
Turkey	06/20/91	Liberalization	Banks permitted to extend foreign exchange credits to residents in Turkey for financing of capital goods imports; and to extend such credits for working capital purposes. Importers of capital goods allowed to finance their imports directly from their private foreign exchange deposit accounts held with banks. Exporters, tourism enterprises, international transporters, and contractors allowed to pay for imports from foreign exchange earned from their activities.
	11/20/92	Liberalization	Advance payments for all imports permitted for all products and without guarantees of importing firms. Unless specifically prohibited, all import payments allowed to be made from importers' foreign exchange deposit accounts.
	11/20/92	Liberalization	Importers allowed to utilize credits obtained from export credit institutions, or under their guarantees, to effect payments to suppliers through banks abroad.
Uruguay	07/07/92	Liberalization	Domestic content and compensatory export requirements for automobile assembly industry eliminated.
	11/12/92	Liberalization	Number of reference import prices reduced to 90, and the number of minimum export prices (applicable to goods imported into the country) reduced to 34.
Viet Nam	04/01/92	Liberalization	Private commercial trading houses permitted to engage in import and export activities.
Yugoslavia	07/04/91	Tightening	Commercial banks prohibited from making advance payments for imports of goods and services with certain exceptions.
Zambia	08/01/91	Tightening	Threshold value above which "no funds" imports are subject to preshipment inspection reduced to US$10,000 from US$15,000.
Zimbabwe	01/01/92	Liberalization	Supplementary allocations of foreign exchange to industrial exporters discontinued.

2. Exports and Export Proceeds

a. Export Licensing

Albania	07/01/92	Liberalization	Export-licensing requirements abolished except for 21 product groups.
Algeria	06/22/92	Tightening	Exportation of cast iron and some leather items suspended.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Bulgaria	07/01/92	Liberalization	All exports bans eliminated, and export quotas maintained on nine categories of goods. Export licenses granted automatically.
	12/01/92	Liberalization	Export quotas replaced by export duties.
	03/15/93	Tightening	Temporary ban on exports of grain to be in effect until September 30, 1993 introduced.
Burkina Faso	07/17/91	Tightening	Exports of maize, millet, sorghum, rice, and ivory prohibited.
	02/19/92	Liberalization	All export licenses merged into one single license.
	07/21/92	Liberalization	Number of product items for which autorisation spéciale d'exportation is required reduced to three.
Burundi	04/23/91	Liberalization	Commercial banks authorized to issue export licenses.
Cape Verde	01/01/92	Liberalization	Licensing requirement for export and re-exports eliminated.
Côte d'Ivoire	01/02/91	Tightening	List of wood products subject to export quotas expanded to include those that had undergone first stage of processing. A system of establishing export quotas through auction introduced.
	10/01/91	Tightening	A new system of export licensing for coffee and cocoa put into effect. New system of determining export price of coffee and cocoa introduced.
Czech and Slovak Federal Republic	05/01/91	Liberalization	Export licensing requirements for several products abolished.
Ethiopia	01/30/92	Liberalization	Importation of goods on a franco valuta basis liberalized.
Honduras	06/23/92	Liberalization	System of export permits eliminated.
Indonesia	06/03/91	Liberalization	All restrictions on exports of edible oils eliminated.
Lao People's Democratic Republic	08/01/91	Tightening	Exports of timber prohibited.
	09/10/91	Liberalization	Ban on timber exports lifted.
	06/01/92	Liberalization	Ban on exports of timber lifted.
Mauritius	07/01/92	Liberalization	Export permit requirement abolished.
Mexico	02/24/91	Liberalization	Limit over which export proceeds were required to be surrendered at the controlled market rate was increased to US$50,000 a week.
	09/20/91	Liberalization	Export license requirement for 11 items (including wheat, sorghum, and cotton sheets) abolished.
	05/04/92	Liberalization	Licensing requirement for cattle export abolished.
	06/02/92	Liberalization	Export-licensing requirements for 227 items abolished.
	06/02/92	Liberalization	Prohibition on trade with South Africa lifted, with some exceptions.
	07/03/92	Liberalization	Licensing requirement for tequila exports abolished.
	09/03/92	Liberalization	Licensing requirement for shrimp exports abolished.
Oman	09/01/91	Liberalization	All quantitative export restrictions eliminated.
Pakistan	07/01/91	Liberalization	Limit on the value of trade samples that can be exported without prior approval raised.
Papua New Guinea	07/01/92	Liberalization	Two-year ban on issuance of permits for timber operations eliminated.
Paraguay	01/28/91	Tightening	Exports of certain fine processed woods prohibited.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Peru	03/24/91	Liberalization	List of restricted exports abolished.
	06/04/92	Liberalization	Exports of mining products would no longer require special authorization.
Sri Lanka	01/01/92	Liberalization	Re-exportation of goods under entrepôt trade permitted.
	03/17/92	Liberalization	Limit on exportation of gifts and trade samples raised.
	01/15/93	Liberalization	Limits on exports of gifts, trade samples, and personal effects and jewelry to be reimported increased by 50 percent.
Sudan	10/27/92	Liberalization	Ban on exportation of sorghum and pearl millet lifted.
	11/05/92	Liberalization	Ban on exportation of cotton seed cake and wheat bran lifted.
Thailand	03/18/91	Liberalization	Maximum value for exports of jewelry, gold, and platinum raised.
	02/04/92	Liberalization	Export controls on certain products lifted.
Tonga	07/01/92	Tightening	Quota established for squash exports.
United States	02/04/91	Liberalization	Certain export documentation requirements for export licenses, re-export authorization, or amendment eliminated, except for exports of supercomputers to certain countries.
	02/12/91	Liberalization	Exports of certain dynamic random access memory chips to certain countries no longer require export licenses.
	03/20/91	Liberalization	Exports of certain gallium arsenide to certain countries would not require export licenses, except for those to Afghanistan and the People's Republic of China.
	04/25/91	Liberalization	Export controls against the Czech and Slovak Federal Republic, Hungary, and Poland liberalized.
	05/27/91	Tightening	Ban imposed on exports of high-speed computers and satellite-related equipment to People's Republic of China.
	09/01/91	Liberalization	New and less restrictive rules governing high-technology exports to Eastern Europe and the states of former Soviet Union implemented.
Uruguay	09/30/92	Liberalization	Ban on exportation of livestock abolished.
Viet Nam	04/01/92	Liberalization	Export quotas for rubber and coffee abolished.
	04/01/92	Tightening	Exports of logs and certain forestry products, previously subjected to quotas, prohibited for environmental reasons.
	10/01/92	Tightening	Importation of following products banned: batteries, bicycles, chinaware, cosmetics, electric bulbs, fans, glass sheets, plastic items, processed food, soap, and thermos flasks.
Western Samoa	01/01/92	Tightening	Exportation of taro banned from January 1 to May 31.

b. Fiscal and Other Incentives

Member	Date	Direction	Measures
Argentina	05/01/91	Liberalization	Duty rebate scheme modified, whereby payments to be made in cash instead of partly in austral-denominated bonds.
	11/01/92	Tightening	System of export rebates modified.
Bangladesh	07/01/92	Liberalization	Cash subsidy on jute exports abolished.
Bhutan	07/01/91	Liberalization	Cash subsidy for exports to countries other than India reduced.
Bolivia	03/15/91	Liberalization	Customs duty rebate certificate for exporters of nontraditional products, abolished and replaced by customs duty reimbursement at reduced rates.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
China	01/01/91	Liberalization	All export subsidies eliminated.
Ecuador	11/22/91	Liberalization	Scheme by which exporters were compensated for sucre devaluations eliminated.
El Salvador	11/26/92	Liberalization	Rate of drawback of taxes paid in the form of certificates on imported raw materials by exporters of nontraditional products to markets outside Central America reduced.
Kenya	01/10/92	Liberalization	Rate of export compensation for duties paid on imported inputs reduced.
Nigeria	12/01/92	Tightening	An export processing zone became operational.
Thailand	02/19/91	Tightening	Tax rebates on exports of passenger cars increased.
Turkey	02/05/91	Tightening	Incentive scheme for free trade zones and tourism sector amended to encourage investment.
	08/20/91	Tightening	Number of products eligible to receive premium payments from Support and Price Stabilization Fund increased. Direct monetary payments eliminated.

c. Export Taxes

Member	Date	Direction	Measures
Argentina	03/22/91	Liberalization	All export taxes eliminated, except those on sunflower seeds and soybeans.
	11/01/91	Elimination	Three percent statistical levy on f.o.b. value of exports abolished.
Brazil	03/01/91	Liberalization	Tax on exports of three-phase engines to Canada eliminated.
	02/01/92	Tightening	A tax of 3 percent levied on exchange contracts not supported by shipments.
China	08/15/91	Liberalization	Export duties on a number of products (e.g., lead ore, phosphorus, ferromanganes, aluminum, and zinc ore), were reduced from 50 percent to 30-20 percent.
Colombia	01/09/91	Liberalization	Taxes on coffee exports abolished and replaced by a coffee contribution.
El Salvador	12/17/92	Liberalization	Export tax on coffee exports replaced by an income tax on export earnings.
Ethiopia	12/15/92	Liberalization	All export taxes and duties on products other than coffee eliminated.
Honduras	12/31/91	Liberalization	Export tax on traditional exports eliminated.
	11/05/92	Tightening	Export tax on coffee raised to 20 percent.
Malaysia	03/01/91	Tightening	Export levy imposed on of sawn timber.
Mauritania	02/02/91	Tightening	Tax levied on exports of fish and crustaceans.
Mongolia	07/01/91	Liberalization	Export taxes eliminated.
Nicaragua	02/11/91	Liberalization	Coffee, cotton, sugar, some sesame, beef, and molasses exempted from export tax.
Paraguay	01/28/91	Tightening	A 1 percent surcharge was levied on exports of beef.
	02/22/91	Tightening	Temporary 3 percent surcharge imposed on reference price for certain exports of soybeans.
	09/05/91	Liberalization	Nontraditional exports exempted from export levies.
	10/03/91	Liberalization	List of nontraditional exports exempted from export levies expanded.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Peru	03/17/91	Liberalization	All export taxes eliminated.
	03/19/91	Liberalization	Temporary mechanism established, whereby exporters receive credit against their income and wealth taxes for taxes (tariffs, value added, and social security) paid on exported goods.
	04/03/91	Tightening	Taxes imposed on exports of copper, silver, zinc, and lead, and non-mining traditional exports.
Sudan	02/04/92	Liberalization	Export tax rates amended.
	02/18/92	Liberalization	Export tax rates amended.
	02/16/92	Liberalization	All exports to Egypt to be settled under the trade and payments agreement exempted from export tax.
	04/07/92	Tightening	Export tax rate on livestock raised to 40 percent.
	07/01/92	Liberalization	Export tax rates amended.
Venezuela	06/01/92	Liberalization	Export surcharge on petroleum exports reduced.
d. Special Credit Facilities			
Argentina	03/08/91	Liberalization	Regulations governing prefinancing and financing of "promoted exports" tightened.
	09/03/91	Tightening	Export financing regime introduced on temporary basis.
Brazil	06/01/91	Tightening	Export financing program.
	02/01/92	Tightening	Maximum period for pre-export financing that may be obtained against exchange contracts reduced from one year to 180 days.
Colombia	01/28/91	Liberalization	Surrender requirement eased.
Jordan	08/01/92	Liberalization	(1) Maximum coverage of preshipment rediscounting facility increased to 75 percent of total value of export credits; (2) maximum coverage of post-shipment rediscounting facility increased to 90 percent of total value of bills, bank drafts, and collections; (3) lending rate to banks on export financing set at 3.5 percent below prevailing discount rate; (4) maximum period on export credits for all countries extended to nine months; and (5) minimum percentage of local value-added tax accepted by the central bank for export financing purposes reduced to 25 percent.
Pakistan	07/01/92	Tightening	Export-output ratio required to qualify for the exporter scheme lowered to 50 percent in first two years and 60 percent subsequently.
Philippines	04/22/92	Liberalization	Exporters of services allowed to avail themselves of loans from U.S. dollar-based credit facility without obtaining prior approval from Central Bank.
Sri Lanka	08/15/91	Liberalization	Exporters permitted to borrow from foreign currency banking units to import inputs up to 75 percent of value of confirmed export orders.
Turkey	08/20/91	Tightening	Financing by the Support and Price Stabilization Fund through Turkish Eximbank introduced.
e. Other Incentives			
Albania	07/01/92	Liberalization	Surrender requirement on proceeds from exports abolished.
Algeria	03/22/92	Liberalization	Commercial banks no longer obliged to surrender to central bank foreign exchange deposited in foreign currency accounts, proceeds from exports other than hydrocarbons, or borrowed foreign exchange. In practice, however, this surrender requirement remains in place.
Argentina	04/08/91	Liberalization	Surrender requirements on export proceeds abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Bangladesh	07/01/92	Liberalization	Foreign exchange retention ratio for exporters increased from 2-2.5 percent to 10 percent, except for exporters of low value-added products, including garments, for which retention ratio set at 5 percent.
Bolivia	12/17/91	Liberalization	Export procedures simplified.
Brazil	06/01/91	Liberalization	Exporters allowed to issue medium-term debt instruments secured with future export receipts.
Chile	03/17/92	Liberalization	Rates at which foreign exchange exporters allowed to retain in special foreign exchange deposit accounts increased.
China	01/01/91	Liberalization	Foreign exchange retention on a uniform basis introduced, under which proportion of foreign exchange quotas no longer depend on its location.
Colombia	06/24/91	Liberalization	Surrender requirement modified.
	01/28/92	Liberalization	Export surrender requirements liberalized further; authorization to retain part of the export proceeds abroad extended to all exporters.
Costa Rica	03/01/92	Liberalization	Exporters allowed to keep up to 10 percent of earnings to meet their own foreign exchange needs.
Dominican Republic	03/20/92	Liberalization	Surrender requirement for proceeds from exports from Free Trade Zones suspended.
Ecuador	09/03/92	Tightening	Fifteen percent of private export receipts required to be surrendered against non-interest-bearing, U.S. dollar-denominated exchange certificates, with option of redeeming certificate in dollars at maturity (180 days) or selling them in the secondary market.
	10/14/92	Tightening	Option of early surrender of export receipts to Central Bank eliminated.
	11/26/92	Liberalization	Private sector exporters permitted to sell their export receipts in free market.
	11/26/92	Liberalization	Option of early surrender of export receipts reinstated but would be allowed only through authorized financial entities.
Egypt	02/27/91	Liberalization	Requirement that 50 percent of proceeds from certain exports must be sold to commercial banks abolished.
	10/08/91	Liberalization	Government, Suez Canal authorities, Sumed, Egyptian Petroleum Corporation, and cotton and rice exporters no longer required to sell their foreign exchange receipts exclusively to Central Bank.
Fiji	12/01/92	Liberalization	Exporters permitted to retain up to 10 percent of proceeds in foreign currency accounts held with authorized dealers or banks abroad and to use balances to make import payments.
Guinea	06/30/92	Liberalization	Exporters allowed to retain up to 25 percent of proceeds from exports in foreign exchange deposits with Guinean commercial banks.
Honduras	01/24/91	Liberalization	Time limit for surrendering foreign exchange proceeds from exports of minerals and nontraditional goods extended to 120 days.
	05/04/92	Tightening	Period for surrendering proceeds from exports of coffee and bananas shortened to 25 days and that for other exports to 25-85 days.
	10/04/92	Liberalization	Proportion of foreign exchange purchased by commercial banks required to transfer to the Central Bank reduced to 30 percent. Commercial banks would be allowed to sell up to one-third of this amount freely, with a maximum limit of US$1,500 a transaction.
Jordan	01/11/92	Tightening	Commission on all payments by Jordanian exporters through the Central Bank for commodities exported in accordance with bilateral trade agreements increased.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Kenya	02/01/93	Liberalization	Coverage of foreign exchange earnings that exporters may retain in their retention accounts extended.
	03/22/93	Tightening	Export retention scheme suspended. Import and foreign exchange allocations licenses reintroduced.
	05/14/93	Liberalization	Export retention scheme reintroduced at rate of 50 percent for all exports. Import and foreign exchange allocation licenses abolished, except for short negative list of goods prohibited for health, security, or environmental reasons.
Madagascar	10/01/91	Tightening	Proceeds from exports subjected to 100 percent surrender requirement. Authorized banks required to transfer immediately 40 percent of surrendered foreign exchange to Central Bank, and any balances not utilized within 72 hours also required to be transferred to Central Bank.
	10/01/92	Liberalization	A number of large enterprises permitted to retain all their foreign exchange receipts.
Malta	01/01/93	Liberalization	Export proceeds allowed to be credited to an authorized foreign currency account and used for any authorized transaction within three months, after which the balance converted to domestic currency.
Mauritius	07/01/92	Liberalization	Exporters made eligible to operate foreign exchange accounts with commercial banks.
Mexico	02/19/91	Liberalization	Measures announced to promote exports through deregulation and fiscal and customs measures.
	06/18/91	Liberalization	Measures to promote exports announced.
Mongolia	03/01/92	Liberalization	Ratios of surrender requirements applicable to proceeds of exports by state enterprises amended.
Mozambique	07/01/91	Liberalization	Proceeds from nontraditional exports allowed to be sold in secondary exchange market.
Myanmar	10/25/91	Liberalization	List of products not allowed in border exports expanded.
Nepal	07/15/92	Liberalization	Export retention ratio raised to 75 percent.
Nicaragua	09/02/91	Liberalization	All export transactions required to be handled through the commercial banking system. Maximum period for surrendering proceeds from exports to commercial banks reduced.
	06/25/92	Liberalization	Proceeds from exports from free zone and 75 percent of proceeds from exports of seafood products to countries outside the zone allowed to be retained in special account with a commercial bank and used for import payments.
Peru	03/12/91	Liberalization	Surrender requirements for export proceeds simplified.
	04/04/91	Liberalization	Firms producing inputs for domestic exports eligible to participate in temporary admission regime.
	04/17/91	Liberalization	System of sanctions for infractions of foreign exchange surrender requirements suspended.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Philippines	07/02/91	Liberalization	Exporters allowed to retain 2 percent of export receipts from each shipment in special foreign currency deposit account.
	08/28/91	Liberalization	Exporters allowed to submit to shipping documents within ten banking days (instead of seven days) after completion of loading.
	10/15/91	Tightening	Foreign exchange proceeds from commodity exports required to be repatriated within 90 days from date of shipment.
	01/03/92	Liberalization	Retention ratio for exporters raised to 40 percent.
	03/03/92	Liberalization	Requirement to file report of foreign sales by exporters abolished.
	04/01/92	Liberalization	Exporters allowed to use freely funds deposited in special foreign currency accounts.
	04/28/92	Liberalization	Retention privilege of exporters of goods extended to service exporters.
	07/28/92	Liberalization	Export transactions liberalized.
	08/13/92	Liberalization	Bulgaria, Cambodia, Cuba, Romania, and the states of the states of former U.S.S.R. removed from the list of socialist and other centrally planned economies and exports to and imports from these countries would no longer required clearance.
	08/24/92	Liberalization	Authorized banks allowed to issue Monthly Export Declaration without prior approval from Central Bank; (b) changes to Export Declaration allowed without prior approval from Central Bank; (c) Intercompany Open Account Offset Arrangements allowed without prior approval from Central Bank; (d) deductions from export bills permitted; (e) export clearance for exports payable beyond 180 days from shipment date do not require prior approval from Central Bank; (f) the retention rate of export receipts increased to 100 percent, and proceeds allowed to be used freely for any purpose; (g) all no-dollar exports no longer require prior approval from the Central Bank; and (h) authorized banks not required to submit to the Central Bank Export Department reports on the opening, closing, or outstanding balances of special foreign currency deposit accounts.
	08/24/92	Liberalization	Rules on intercompany open account arrangements, exports made on a consignment basis, inward remittances and payment periods, exports requiring prior approval from Central Bank, and the use of SFCDA and non-dollar exports requiring prior approval from Central Bank repealed.
	08/24/92	Tightening	Repatriation of export proceeds within 180 days from date of shipment required.
	08/24/92	Liberalization	Rules on intercompany open account arrangements, exports made on a consignment basis, inward remittances and payment periods, exports requiring prior approval from the Central Bank, and the use of SFCDA and no-dollar exports requiring prior approval from the Central Bank repealed.
Sierra Leone	03/19/91	Liberalization	Two percent preinspection fee waived on cocoa and coffee exports.
	01/01/92	Liberalization	Requirement that licensed diamond exporters must sell 20 percent of export proceeds to Bank of Sierra Leone abolished.
	03/12/92	Liberalization	Exporters of marine products no longer required to open letters of credit or surrender their export proceeds to Bank of Sierra Leone.
Spain	04/16/91	Liberalization	All foreign exchange proceeds allowed to be maintained in foreign accounts.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Sri Lanka	08/01/91	Liberalization	Exporters permitted to credit 5 percent of their incremental export earnings over the previous year to resident foreign currency accounts.
	03/29/93	Liberalization	Repatriation and surrender requirements in respect of export proceeds abolished; limits on export of gifts, trade samples, and personal effects, and jewelry to be reimported abolished.
Sudan	12/13/92	Tightening	Minimum export prices established for certain products.
	12/13/92	Liberalization	An export promotion scheme for exporters of goods subject to minimum export prices introduced.
Syrian Arab Republic	06/17/91	Tightening	An exceptions list of items for which public sector exporters can retain 50 percent of proceeds revoked.
Tanzania	04/01/92	Tightening	Surrender requirement ratio for traditional exports introduced at 10 percent and ratio for nontraditional products raised to 50 percent.
Thailand	05/20/91	Liberalization	Surcharges on exports of ball bearings to EC reduced.
	06/27/91	Liberalization	Business tax on certain exports of locally produced mineral products reduced.
	05/01/92	Liberalization	Exporters allowed to accept payments in domestic currency from nonresident baht accounts without prior approval from Central Bank. Exporters permitted to use proceeds to service external obligations and pay for imports without depositing proceeds in domestic banking accounts.
Turkey	08/20/91	Tightening	Number of products eligible to receive premium payments from Support and Price Stabilization Fund increased. Direct monetary payments, including Support and Price Stabilization Fund premiums eliminated.
	11/20/92	Tightening	(1) Twenty percent of export proceeds required to be sold to commercial banks within 180 days; (2) when export proceeds are repatriated within 90 days of shipments, exporters allowed to use proceeds to make import and export-related invisible payments.
Uganda	03/31/91	Liberalization	An export certificate system streamlining procedures introduced. Based on this system, exporters required to complete an application for an export certificate valid for six months and renewable.
Zambia	03/11/92	Liberalization	Percentage of export earnings that exporters of nontraditional products may retain raised to 100 percent.
Zimbabwe	12/31/91	Liberalization	Export retention scheme (ERS) expanded and modified.
	12/29/92	Liberalization	ERS extended to cover payments for invisibles, specifically business travel, commissions, and professional, technical, training, marketing, and administration fees.
f. State Trading			
Burundi	06/30/91	Liberalization	Private traders permitted to export up to 30 percent of the current (1991/92) coffee crop.
India	08/13/91	Liberalization	Sixteen export items previously reserved for state trading enterprises decanalized.
	04/01/92	Liberalization	List of canalized exports shortened.
Viet Nam	04/01/92	Liberalization	Private commercial trading houses permitted to engage in export and import activities.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
3. Current Invisibles			
a. Foreign Exchange Allocations for Travel, Medical Treatment, Studies Abroad, and Family Maintenance			
Bangladesh	06/15/91	Liberalization	Foreign exchange allowances for travel by Bangladeshi nationals increased.
Belize	11/01/91	Liberalization	Limit on foreign exchange allowances abroad abolished, and authorized dealers permitted to provide foreign exchange for correspondence courses.
	03/01/92	Liberalization	Foreign exchange allowances for travel increased.
Brazil	09/30/92	Liberalization	Foreign exchange to pay for medical treatment abroad allowed to be purchased in floating exchange market.
	10/14/92	Liberalization	Foreign exchange to pay for expenses relating to sports events allowed to be purchased in floating exchange market.
	10/21/92	Liberalization	Foreign exchange to pay for exhibits abroad allowed to be purchased in floating exchange market.
Bulgaria	12/23/91	Liberalization	Residents traveling abroad allowed to purchase foreign exchange up to the equivalent of leva 10,000 a year.
Chile	03/17/92	Liberalization	Limit on foreign exchange for tourist travel to Latin American countries, study abroad, subscriptions to magazines and books, registrations for seminars, social security payments, medical treatment, or remittances of rents earned by real estate owners living abroad increased.
China	12/01/91	Liberalization	Chinese residents allowed to purchase foreign exchange with domestic currency in order to travel, live or study abroad.
Czech and Slovak Federal Republic	04/01/91	Liberalization	Annual foreign exchange entitlement for travel abroad by private citizens increased.
Fiji	12/01/92	Liberalization	Limits on foreign exchange authorized dealers are permitted to provide without approval from Reserve Bank increased for family maintenance expenses, subscription payments, travel allowances, royalties, commissions, patents, brokerage, and copyrights, gifts, etc, increased.
	12/01/92	Liberalization	Prior approval from Reserve Bank not required to make payments for medical treatment, by shipping companies to foreign crew members, advertising and movie film rental and news services.
Greece	05/01/91	Liberalization	Travel allowances for travel to EC countries raised.
	03/04/92	Liberalization	(1) Liberalization of travel payments and use of international credit cards by residents of Greece traveling to EC countries extended to non-EC countries; (2) payments by residents traveling abroad for business liberalized; and (3) exchange allowance for education abroad liberalized. Authorized banks allowed to provide amounts in excess of monthly indicative limits on the basis of appropriate documentary proof.
Guinea	02/28/91	Liberalization	Daily foreign allowance for government officials traveling abroad on official business raised.
Hungary	12/23/91	Liberalization	Additional allowances granted for private travel arranged through travel agents. New regulations introduced for business travel.
	07/01/92	Liberalization	Travel allowances for tourism raised. Official travel subject to same allowances as those applicable to business travel.
India	06/01/92	Liberalization	Fifteen percent tax on foreign exchange sold for travel abroad abolished.
Israel	01/01/93	Liberalization	Tax on NIS250 on travel abroad by residents was abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Jamaica	09/25/91	Liberalization	Limits on remittances of dividends and profits, transfers abroad for family maintenance purposes, and foreign exchange allowance for personal and business travel eliminated.
Kenya	12/23/92	Liberalization	Adult pilgrimage allowance raised.
Lesotho	09/30/91	Liberalization	Basic annual exchange allowance for travel increased.
Malawi	05/01/92	Liberalization	Maximum amount of foreign exchange authorized dealers permitted to provide for business travel increased.
Malta	01/01/93	Liberalization	Travel allowance system based on length of trips taken abolished.
	02/01/93	Liberalization	Ten percent levy on foreign exchange for travel services removed.
Mauritania	10/18/92	Liberalization	Foreign exchange allowance for travel and medical treatment increased.
	12/06/92	Liberalization	Foreign exchange allowances for certain invisibles increased.
Mauritius	07/01/91	Liberalization	Limit on personal travel allowance raised.
	07/01/92	Liberalization	Travel allowance limit for residents of Mauritius of Rs 200,000 a person during a period of two calendar years abolished.
Morocco	09/17/91	Liberalization	Installation allowance of Moroccan students pursuing studies abroad increased to DH 10,000.
	11/01/91	Liberalization	Annual foreign exchange allowances for business travel introduced.
	09/02/92	Liberalization	Authorized banks, postal services, and office of Treasury Collector allowed to transfer living expenses in favor of Moroccan students abroad.
	09/16/92	Liberalization	Moroccans traveling abroad as tourists or for religious purposes granted foreign exchange allowances equivalent to DH 5,000 a year.
	01/13/93	Liberalization	Authorized banks allowed to provide foreign exchange allowances equivalent to DH 20,000 for professional travel by individuals covered under existing allowance system.
Namibia	09/01/92	Liberalization	Limits on annual allowances for tourist and business travel raised.
Nepal	03/08/92	Liberalization	Restrictions on payments for most invisibles abolished.
Pakistan	02/07/91	Liberalization	Foreign exchange made available for all correspondence courses.
	02/13/91	Liberalization	Restrictions on remittances abroad for undergraduate studies eliminated.
Papua New Guinea	11/20/92	Liberalization	Authorized foreign exchange dealers allowed to approve invisibles payments and transfers for amounts up to the equivalent of K 500,000 a year per resident for any purpose.
Peru	02/09/91	Liberalization	All quantitative limits on payments for services eliminated.
	12/24/92	Liberalization	Tax on travel abroad abolished.
Philippines	01/03/92	Liberalization	Amounts of foreign exchange available to residents for certain purposes without prior central bank approval increased.
	04/28/92	Liberalization	Retention privilege of exporters of goods extended to exporters of services.
	08/24/92	Liberalization	All quantitative limits on amount of foreign exchange authorized banks may sell to residents for travel, education, and medical expenses eliminated.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Romania	05/13/91	Liberalization	Physical persons resident in Romania permitted to take out of the country foreign exchange or to transfer it abroad through banks for current account transactions. All economic agents allowed to transfer abroad foreign exchange purchased with lei through authorized commercial banks for current account transactions; transfers exceeding the equivalent of US$10,000 would require prior authorization of NBR.
Sierra Leone	10/09/92	Liberalization	Amount of exchange allowance for travel, studies, and medical treatment abroad, commercial banks may provide without prior approval from Central Bank increased.
Solomon Islands	01/20/92	Tightening	Delegated authority of commercial banks to provide foreign exchange without referring to Central Bank reduced.
South Africa	10/01/91	Liberalization	Limits on travel allowances raised.
	09/01/92	Liberalization	Limits on allowances for travel increased further.
Sri Lanka	03/20/91	Liberalization	Authorized dealers permitted to release foreign exchange for all types of education abroad, except for primary school education.
	03/27/91	Liberalization	Requirement of continuous residence period of six months for eligibility of basic travel allowance withdrawn.
	03/28/91	Liberalization	Special allowance of US$600 a person permitted for pilgrimages proceeding to India and Nepal on group travel.
	04/04/91	Liberalization	Commercial banks and authorized travel agents permitted to approve, purchase of tickets for travel abroad.
	06/14/91	Liberalization	Allowances for business and conference travel increased.
	06/14/91	Liberalization	Annual travel allowances increased for Indian group of countries.
	11/01/91	Liberalization	Annual tourist travel allowances increased for non-Indian group of countries.
	03/10/92	Liberalization	Annual basic foreign exchange travel allowance to countries other than the Indian group raised.
	03/25/92	Liberalization	Authorized dealers permitted to provide foreign exchange for primary education abroad and allowances for all students living abroad.
	03/29/92	Liberalization	Restrictions on payments for invisibles eliminated in respect of travel, education expenses overseas, and remittances for other miscellaneous purposes. Permission granted to authorized dealers to issue international credit cards and effect such payments.
Swaziland	09/15/92	Liberalization	Limits on foreign exchange authorized banks are permitted to sell increased.
Tunisia	01/29/91	Liberalization	Authorized dealers allowed to grant foreign exchange allocations for mission and training expenses abroad.
	08/09/91	Liberalization	Transfers for educational expenses abroad increased.
	11/08/91	Liberalization	Foreign exchange allowances for Tunisians traveling abroad for business increased.
	01/06/93	Liberalization	Foreign exchange allowance for Tunisians traveling abroad for tourist, business, or study purposes increased. Central Bank grants approval for all bona fide exchange applications for purpose of tourist travel, educational expenses, and business travel in excess of specified limits.
Turkey	11/20/92	Liberalization	Residents allowed to use credit cards on a revolving basis for travel and expenses abroad.
Viet Nam	09/15/92	Liberalization	Foreign exchange allocation for travel abroad raised.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Zambia	06/19/92	Liberalization	Documentation requirements for purchases of foreign exchange for business travel streamlined, and requirement of prior approval from Bank of Zambia eliminated for certain travel.
	12/01/92	Liberalization	Restrictions on the purchase of foreign exchange from foreign exchange market for medical treatment lifted.
Zimbabwe	12/01/91	Liberalization	Basic foreign exchange allowance for holiday and business travel increased.
	12/29/92	Liberalization	Foreign exchange allowance for medical treatment increased.
b. Outward Transfers or Payments for Services Rendered by Nonresidents			
Bangladesh	07/01/92	Liberalization	Authorized banks permitted to remit technical fees and royalties without prior approval from Bangladesh Bank.
Botswana	12/01/91	Liberalization	(1) period during which temporary residents allowed to remit their earnings abroad extended to 36 months, or period of employment, whichever is shorter; (2) maximum amount of foreign exchange authorized dealers allowed to sell to temporary resident contractual workers without reference to Bank of Botswana increased; (3) amount of foreign exchange authorized dealers permitted to sell to self-employed temporary residents as part of their annual remittable allowance out of eligible income without reference to Bank of Botswana increased; and (4) authorized dealers empowered to approve, without reference to the Bank of Botswana, applications for remittance of unutilized balances of remittable allowance of self-employed temporary residents or temporary resident contractual workers.
	01/03/92	Liberalization	Limit on remittances of dividends abolished.
	01/03/92	Liberalization	Limit on transfers, dividends, and profits to nonresidents without referring to Bank of Botswana abolished.
Brazil	01/01/91	Liberalization	Central Bank allows private sector and nonfinancial public sector access to foreign exchange for purpose of servicing debts, including those owed to nonresident banks.
	04/18/91	Liberalization	Remittance abroad of profits and dividends on investments still in process of registration in Central Bank of Brazil allowed.
Burundi	08/01/91	Liberalization	Limit on transfer abroad of salaries by foreign nationals increased. Returns on foreign capital and profits allocated to foreign directors allowed to be freely transferred abroad.
	11/04/92	Liberalization	Foreign workers permitted to transfer abroad up to 70 percent of their net annual income.
Chile	05/29/92	Liberalization	Applications for advance remittances of profits earned on foreign investments under Chapter XIX of Chilean Compendium of Rules on International Exchange allowed, until April 30, 1993.
Colombia	01/09/91	Liberalization	Eighty-day waiting period requirement for redemption of exchange certificates for transfers and service payments abolished.
	01/28/91	Liberalization	Limit on profits foreign investors registered with Banco de la Republica allowed to transfer abroad raised to 100 percent of value of registered capital.
Equatorial Guinea	12/01/91	Liberalization	New regulation governing remittances by expatriate workers introduced.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Fiji	12/01/92	Liberalization	With prior approval from Reserve Bank: (1) nonresident-owned companies allowed to remit current year's profits and two years' retained earnings that had not previously been remitted; (2) emigrants allowed to transfer full amount of current year's dividends and profits earned on assets left in Fiji.
	12/01/92	Liberalization	Prior approval from Reserve Bank not required to make following payments if accompanied by supporting documentary proof: (1) medical treatment; (2) wage payments by shipping companies to foreign crew members, up to F$20,000; (3) advertising fees, up to F$10,000; and (4) payments of charges for movie film rental and news services.
Greece	01/01/92	Liberalization	Transfers abroad of profits earned on investments undertaken by residents of non-EC member countries and after-tax rental income from real estate located in Greece and owned by individuals or legal entities permanently residing abroad liberalized.
	01/28/92	Liberalization	Transfer abroad of profits from investments undertaken in Greece by non-EC residents permitted without restriction.
	07/22/92	Liberalization	All remaining restrictions on current payments and transfers eliminated.
Hungary	12/23/91	Liberalization	Certain institutions free to pay for membership and participation fees at conferences, including travel and hotel expense.
India	04/23/91	Tightening	Clearance of Reserve Bank required for payments to any person resident outside India exceeding the equivalent of Rs 25 million, except for repayments of balances in foreign currency nonresident accounts, nonresident external rupee accounts, and interbank transactions.
Israel	05/01/91	Liberalization	External loans allowed to be prepaid at any time after six months.
	11/28/91	Liberalization	Limit for Israeli resident, while in Israel, to pay for imports with credit cards increased.
Jamaica	09/25/91	Liberalization	Limits on remittances of dividends and profits, transfers abroad for family maintenance purposes, and foreign exchange allowance for personal and business travel eliminated.
Morocco	01/10/91	Liberalization	Maximum limit on wages and salaries foreign employees are permitted to transfer abroad increased.
	08/02/91	Liberalization	Foreign spouses of Moroccans permitted to transfer up to the equivalent of DH 5,000 a year.
	01/17/92	Liberalization	Commercial banks authorized to transfer abroad net earnings of foreign airline companies.
	03/25/92	Liberalization	Purchase of insurance policies abroad for imports financed with external funds under contracts that stipulate such purchases permitted.
	05/0592	Liberalization	Moroccan film distribution companies authorized to remit abroad through banking system, without prior approval, cinematographic royalties and incidental costs in favor of foreign film producers and distributors.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Morocco (continued)	08/27/92	Liberalization	Moroccan enterprises authorized to enter freely into technical assistance contracts with foreign partners and remit relevant user fees without prior authorization of Exchange Office.
	10/23/92	Liberalization	Authorized banks allowed to transfer abroad insurance and reinsurance operations on behalf of nonresidents.
	11/13/92	Liberalization	Authorized banks allowed to transfer abroad payments due on various current operations.
	11/27/92	Liberalization	Authorized banks allowed to make all payments due with respect to sea transportation on behalf of shipowners, consignees, and maritime agents.
	12/08/92	Liberalization	Road transportation companies, consignees, and forwarding agents authorized, without restriction, to transfer funds for expenditures related to international road transportation.
	12/24/92	Liberalization	Authorized banks allowed to transfer pensions paid by public or private agencies in favor of retired persons residing abroad permanently.
Nepal	03/08/92	Liberalization	Restrictions on payments for most invisibles abolished.
Pakistan	02/11/91	Liberalization	Requirement of prior approval for remitting profits by certain branches of foreign companies other than banks and those engaged in insurance, shipping, and airline businesses abolished.
Papua New Guinea	08/01/91	Tightening	Remittance overseas of premiums on all insurance policies of permanent residents covering risks in Papua New Guinea, with approval from the Commissioner of Insurance.
	11/20/92	Liberalization	Authorized foreign exchange dealers allowed to approve invisible payments and transfers for amounts up to the equivalent of K 500,000 a year per resident for any purpose.
Peru	03/12/91	Liberalization	Insurance companies permitted to freely enter into reinsurance agreements with foreign and domestic companies.
Philippines	08/24/92	Liberalization	Authorized banks permitted to sell foreign exchange without prior approval from Central Bank for any payment on foreign exchange transactions, except for those related to external loans.
Romania	05/13/91	Liberalization	Physical persons resident in Romania permitted to take out of the country foreign exchange or to transfer it abroad through banks for current account transactions. All economic agents allowed to transfer abroad foreign exchange purchased with lei through authorized commercial banks for current account transactions; transfers exceeding the equivalent of US$10,000, require prior authorization.
	11/11/91	Liberalization	Limits on transfers of profits removed.
Spain	02/01/92	Liberalization	All restrictions on payments for invisibles abolished.
Sri Lanka	03/20/91	Liberalization	Commercial banks authorized to remit consultancy, licensing, royalty, and management fees to foreign firms and individuals in terms of their agreements with local companies.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Sudan	01/01/92	Liberalization	Schedule of minimum annual transfers to Sudan by expatriate laborers, civil servants, professionals, professors and experts, and businessmen working abroad abolished.
	04/12/92	Tightening	Airline companies prohibited from selling their tickets in Sudan in foreign currency, except for certain individuals.
	06/18/92	Liberalization	Airline companies permitted to sell tickets and freight services in foreign currency in Sudan only to specified categories of foreigners; airline companies permitted to receive payments for tickets and freight services in foreign currency on condition that payments be made in the form of deposits to their closed foreign currency accounts; transfers of foreign exchange deposited in closed foreign currency accounts to company's head office abroad permitted with the approval of the Civil Aviation Authority.
Sweden	01/01/91	Liberalization	Residents allowed to purchase life insurance policies abroad without restriction.
Tunisia	01/06/93	Liberalization	Private enterprises allowed to make service payments in foreign exchange through approved intermediaries.
	01/06/93	Liberalization	Prior approval from Central Bank for payments of living allowances and retirement pensions for residents in countries that have reciprocal arrangements with Tunisia eliminated.
Zambia	06/19/92	Liberalization	Requirement of prior approval from Bank of Zambia eliminated for a wide range of service payments, up to maximum of US$500 a transaction.
c. Import and Export of Foreign and Domestic Currency and Notes and Holdings of Foreign Currency Domestically			
Algeria	04/01/91	Liberalization	Requirements that nonresident Algerian nationals and foreigners must convert foreign exchange on arrival in Algeria abolished.
Bangladesh	06/15/91	Liberalization	Upper limit on foreign exchange that may be brought into Bangladesh without declaration at time of arrival increased.
China	12/01/91	Liberalization	Chinese citizens and permanent foreign residents permitted to sell their foreign exchange remitted from abroad, foreign currency deposits in Chinese banks, or foreign currency bank notes to designated banks.
Colombia	01/09/91	Liberalization	Surrender of foreign exchange receipts from tourism, labor contracts abroad, and donations of up to US$20,000 abolished.
	05/31/91	Tightening	Three percent tax imposed on foreign exchange receipts from personal services.
Czech and Slovak Federal Republic	01/01/91	Liberalization	Obligatory conversion of minimum amount of foreign exchange for tourists abolished.
Egypt	02/27/91	Liberalization	Amount of Egyptian bank notes that could be taken out of country increased.
	05/27/92	Liberalization	Regulation governing amount of foreign exchange travelers may take out abolished.
El Salvador	03/01/92	Liberalization	Restrictions on amount of foreign currency travellers can take out eliminated.
	03/01/92	Liberalization	Exchange houses authorized to purchase proceeds from invisibles.
Guinea	01/02/92	Tightening	Proceeds from foreign bank notes subjected to surrender requirement of 20 percent.
	06/08/92	Liberalization	Twenty percent surrender requirement on proceeds from foreign bank notes abolished and replaced by a fee of 1.5 percent on transfers of foreign bank notes to Central Bank.
Guyana	09/01/92	Liberalization	Requirement that nonresidents must pay their hotel expenses in foreign currency abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Hungary	08/01/92	Liberalization	Limits on exports and imports of forint bank notes raised.
India	03/24/92	Liberalization	Authorized dealers permitted to sell foreign exchange to officials, other than chief executives, of companies, up to US$2,000 a person for each business trip, to enable them to meet their entertainment expenses.
Iraq	07/07/92	Tightening	Importation of Iraqi bank notes by travelers limited.
Israel	05/01/91	Liberalization	Nonresidents allowed to buy back foreign currency converted into new sheqalim during visit to Israel.
	05/12/91	Liberalization	Inward transfers of persons visiting occupied territories liberalized; transfers exceeding US$2,000 must be declared.
Jamaica	09/25/91	Liberalization	Requirement that tourists must pay their hotel bills and certain other expenses in Jamaica dollars abolished. Resident travelers no longer required to sell their holdings of foreign currencies to authorized dealers upon return.
Jordan	03/31/92	Liberalization	Amount of Jordanian bank notes and coins residents and nonresidents are permitted to take abroad increased.
	11/08/92	Liberalization	Annual amount of foreign exchange that can be taken out or transferred abroad by residents and nonresidents increased.
Kenya	11/11/91	Liberalization	Requirement that visitors or returning residents must declare foreign currency in their possession abolished.
Namibia	06/01/91	Liberalization	Maximum amount of South African Reserve Bank notes allowed to be brought in from countries outside Common Monetary Area increased.
Nepal	09/10/91	Tightening	Minimum amount of foreign exchange non-Indian tourists are required to spend daily increased.
Pakistan	06/08/91	Liberalization	Limit on foreign exchange that resident Pakistani nationals may hold abroad increased.
Philippines	07/29/91	Liberalization	Tourist and nonresident visitors allowed to take out full amount of foreign exchange they brought in.
	01/03/92	Liberalization	Mandatory surrender requirement eliminated for most earnings from services, but retained for 15 types of services.
	08/24/92	Liberalization	Residents of the Philippines no longer required to sell foreign exchange receipts to authorized banks, and foreign exchange receipts allowed to be deposited in foreign currency accounts in the Philippines or abroad.
	08/24/92	Liberalization	Departing tourists allowed to reconvert at airports or other ports of exist unspent pesos up to maximum of US$200 or equivalent amount in other foreign exchange without proof of conversion.
St. Vincent and the Grenadines	01/01/93	Liberalization	One percent tax on exportation of domestic bank notes abolished.
Sierra Leone	12/01/91	Liberalization	Requirement that all incoming travelers declare their foreign exchange holdings abolished.
	10/09/92	Liberalization	Nonresident travelers allowed to take out any amount of foreign currency notes they declared on arrival.
Spain	02/01/92	Tightening	Exportation of bank notes, coins, gold, and other means of payment in excess of the equivalent of Ptas 1 million subject to declaration, and exportation of amounts exceeding the equivalent of Ptas 5 million require authorization.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Sri Lanka	03/27/91	Liberalization	Resident Sri Lankans permitted to bring in unlimited amounts of nonconvertible currencies on arrival in Sri Lanka, subject to declaration to customs and to import and export in person foreign currency up to US$5,000 or its equivalent in other designated currencies, without declaring to customs.
	05/02/91	Liberalization	Foreigners arriving in Sri Lanka permitted to bring in foreign currency up to the equivalent of US$5,000 without declaring to customs.
	03/19/92	Liberalization	Resident and nonresident Sri Lankan nationals permitted to export in person foreign currencies up to the equivalent of US$5,000 without declaration to customs authorities.
	03/25/92	Liberalization	Resident and nonresident Sri Lankan nationals permitted to import in person foreign currencies equivalent to US$5,000 without declaration to customs authorities.
Sudan	02/27/92	Liberalization	Shipping agencies permitted to accept foreign currency in payment for any services, but required to sell all of their foreign currency proceeds to authorized banks one day after receipt at unified exchange rate.
	06/06/92	Liberalization	Sudanese and foreign travelers allowed to leave country with unlimited amount of foreign exchange.
	06/06/92	Liberalization	Requirement to register foreign currency on customs declaration upon entry to Sudan abolished; Sudanese and foreign travelers allowed to enter (and leave) country with unlimited amount of foreign exchange.
Swaziland	01/02/92	Liberalization	Limit on amount of traveler's checks denominated in UAPTAs travelers to PTA are allowed to purchase abolished.
Syrian Arab Republic	12/19/91	Liberalization	Residents traveling abroad, other than to Jordan and Lebanon, allowed to take with them foreign exchange up to US$2,000 a trip; travelers to Jordan and Lebanon allowed to take with them up to LS 5,000 a trip.
	12/19/91	Tightening	Nonresidents entering Syrian Arab Republic required to declare foreign exchange in their possession if amount exceeds US$5,000.
Republic of Yemen	08/01/91	Tightening	Non-Yemeni nationals required to pay hotel bills in foreign currency.
	11/01/91	Tightening	Payments of airline tickets by non-Yemeni nationals required in foreign currency.
Zaïre	08/19/91	Liberalization	Exportation of Zaïrian bank notes and coins by residents and nonresidents permitted without authorization of Bank of Zaïre, within limits. Resident and nonresident travelers leaving country permitted to have in their possession an unlimited amount of foreign currency.
	08/19/91	Liberalization	Importation of Zaïrian bank notes and coins by residents and nonresidents permitted up to the equivalent of US$100 without authorization of Bank of Zaïre.
Zambia	06/19/92	Liberalization	Limit on amount of Zambian currency that may be brought into Zambia increased to the equivalent of US$100 at retention market rate; and currency declaration form previously required of all travelers entering Zambia eliminated.
	12/01/92	Liberalization	Surrender requirement for foreign currency remittances from abroad for embassies, other diplomatic missions, and international organizations abolished; these funds allowed to be sold to commercial banks or foreign exchange bureaus at the market rate.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Zimbabwe	12/20/91	Liberalization	Maximum amount of Zimbabwean currency travelers leaving Zimbabwe can take out as part of their travel allowance increased to Z$150, and corresponding amount in foreign bank notes increased to the equivalent of Z$150.
	12/20/91	Liberalization	Maximum amount of Zimbabwean currency that travelers can bring in increased.
	12/29/92	Liberalization	Amount of Zimbabwean currency notes departing travelers can take out increased.
	12/29/92	Liberalization	Amount of Zimbabwean currency notes arriving travelers can bring in further increased.
3. Capital Controls			
a. Commercial Banks' International Transactions			
Australia	04/19/91	Liberalization	Government announced relaxation of restrictions on borrowings in the Australian capital market by foreign governments, their agencies, and international organizations.
	05/21/92	Liberalization	Reserve Bank began considering applications from foreign banks seeking authorization for branches and subsidiaries. All foreign corporations seeking authorization to conduct banking business in Australia must satisfy Reserve Bank of their willingness and capacity to adhere to high standards of prudential management. Foreign bank branches not to be required to maintain "endowed capital" in Australia and, consequently, Reserve Bank would not impose any capital-based large exposure limits.
Austria	11/04/91	Liberalization	All foreign exchange controls abolished.
Bangladesh	02/26/91	Liberalization	Upper limit on borrowing by foreign owned or controlled manufacturing companies incorporated in Bangladesh on the domestic capital market removed.
	06/15/91	Liberalization	Requirement to obtain permission from Bangladesh Bank to issue and transfer shares in favor of nonresidents against foreign investment in industrial ventures in Bangladesh waived, except for the requirement to meet certain procedural formalities.
	06/14/92 and 07/18/92	Liberalization	Authorized banks permitted (1) to lend to foreign-owned and controlled industrial firms operating in Bangladesh without prior approval from Bangladesh Bank, and (2) to transfer savings of expatriates, at the time of completion of employment in Bangladesh, provided their salaries and benefits were initially certified by the Board of Investment.
Brazil	09/25/91	Liberalization	Borrowing abroad for financing of agricultural development permitted.
	04/01/92	Tightening	Limit on authorized banks' sold position in foreign exchange markets reduced by relating it to net foreign assets position of each institution.
	05/18/92	Liberalization	Depository receipts authorized to be issued abroad by depository institutions with backing in securities held in specific custody in Brazil.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Chile	06/05/91	Tightening	Reserve requirement of 20 percent was imposed on all new foreign borrowing, except for credits that are provided directly to Chilean exporters by foreign importers.
	06/20/91	Liberalization	Credits granted by foreign commercial banks to Chilean commercial banks as part of restructuring packages exempted from the 20 percent reserve requirement.
	06/27/91	Liberalization	An alternative means of satisfying the 20 percent reserve requirement on new foreign borrowing in the form of a special repurchase agreement with the Central Bank established.
	07/11/91	Tightening	Twenty percent reserve requirement extended to existing credits, except for credits with maturity of less than six months; requirement on existing credits maturing between July 11 and December 31, however, would be phased.
	05/29/92	Tightening	Reserve requirement on foreign currency deposits at commercial banks increased to 30 percent from 20 percent.
	05/29/92	Liberalization	Commercial banks authorized to sell foreign exchange, using their term deposits in foreign exchange.
	07/14/92	Liberalization	Exchange arbitrage operations undertaken abroad by banks liberalized; commercial banks authorized to increase their foreign exchange exposure and sell their excess holdings to other banks instead of only to Central Bank.
Colombia	06/24/91	Liberalization	Central Bank transferred to commercial banks and financial corporations all direct foreign exchange transactions with the private sector. The intermediaries were required to hold a minimum net foreign position of 20 percent of their capital.
	10/09/91	Tightening	Minimum net foreign exchange position for commercial banks and financial institutions increased to 30 percent.
	04/30/92	Tightening	Minimum net foreign exchange position for commercial banks and financial corporations increased to 45 percent.
Costa Rica	03/01/92	Liberalization	All controls on capital transactions eliminated.
Cyprus	07/03/92	Liberalization	List of customers to whom loans or other credit facilities in foreign currency may be issued by banks further widened.
	12/15/92	Liberalization	Amount that may be released annually from blocked accounts for transfer abroad increased from £C 5,000 to £C 10,000, effective January 1, 1993.
Egypt	02/26/91	Liberalization	Import accounts in foreign exchange abolished.
El Salvador	08/01/91	Liberalization	Capital transactions liberalized.
Finland	01/01/91	Liberalization	All remaining foreign exchange controls, except those relating to contracting of loans abroad by private individuals and comparable corporate entities abolished.
	10/01/91	Liberalization	Exchange controls on contracting of loans abroad by private individuals and comparable corporate entities abolished.
Gambia	11/30/92	Liberalization	Exchange Control Act suspended in 1986 repealed in the context of a revised Central Bank Act which liberalized capital controls.
Ghana	05/17/91	Tightening	Net open foreign exchange positions of all authorized foreign exchange dealers (which included some nonbank foreign exchange bureaus) subjected to limits.
Greece	06/17/92	Liberalization	Credit institutions established in Greece allowed to lend to individuals permanently residing abroad with their own resources or with borrowing in foreign exchange for acquisition of real estate in Greece.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Grenada	03/15/91	Liberalization	All restrictions on transfers of Eastern Caribbean dollars from Grenada to countries served by the Eastern Caribbean Central Bank eliminated.
Guinea	01/02/91	Tightening	Commercial banks required to surrender 20 percent of foreign exchange they have purchased from the public to Central Bank.
Honduras	06/18/92	Liberalization	Commercial banks authorized to purchase and sell foreign exchange at freely negotiated exchange rates; the percentage of foreign exchange to be transferred from commercial banks to the Central Bank reduced from 40 percent to 30 percent.
Iceland	01/01/92	Liberalization	Annual limit on funds that may be re-lent or on credits that may be extended by a resident financial institution to any resident was raised from ISK 5.625 million to ISK 7.500 million or its equivalent in other currencies. Annual limits on the following types of investment by residents were raised: (1) direct investments abroad and the purchase of real estate abroad, from ISK 5.625 million to ISK 7.5 million or its equivalent in other currencies; (2) portfolio investments abroad, from ISK 562,000 to ISK 750,000 or its equivalent in other currencies; and (3) investment in mutual funds in foreign exchange by members of the Icelandic Securities Exchange, from ISK 112.5 million to ISK 150 million.
India	03/17/92	Liberalization	Limit of Rs 50 million a transaction for authorized dealers abolished; all restrictions on use of foreign currency loans and credit lines with financial institutions for the purpose of financing capital goods imports, including the limit on foreign currency loans by banks, abolished.
	03/27/92	Liberalization	Authorized dealers permitted to offer forward cover for all transactions permitted under exchange control regulations.
Indonesia	03/01/91	Tightening	Limits on banks' net open position in foreign currency and on their outstanding stock of swaps reduced from 25 percent to 20 percent of capital. Bank Indonesia ceased to accept swaps with one-month or shorter maturities.
	10/10/91	Tightening	Annual ceilings announced for commercial borrowings over the next five years, with subceilings for individual sectors.
	11/01/91	Tightening	Banks were required to keep the net open position in foreign currency including their off-balance sheet accounts at or below 20 percent of capital; and the swap facility was modified, with Bank Indonesia relinquishing obligation to accept swaps with maturities of less than two years.
	11/05/91	Liberalization	Bank Indonesia limited banks' short-term foreign exchange liabilities (up to two years, excluding trade-related financing) to 30 percent of capital, and required that at least 80 percent of all foreign exchange loans be allocated to businesses earning foreign exchange.
Italy	05/12/91	Liberalization	Reserve requirement on the increase in net foreign currency deposits by residents abolished.
	10/23/92	Liberalization	Reserve requirement on lira-denominated interbank deposits held by nonresident banks with Italian banks abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Jamaica	05/13/91	Liberalization	Rate of commercial banks' surrender requirement of foreign exchange to Bank of Jamaica reduced from 50 percent to 40 percent.
	09/25/91	Liberalization	All inward and outward capital transfers permitted, with the exception that financial institutions (such as life insurance companies, commercial banks, merchant banks, trust companies, finance houses, building societies, unit trusts, pension funds, credit unions, and other organizations which are repositories for domestic financial savings) must match their Jamaica dollar liabilities to their clients with Jamaica dollar assets.
	08/06/92	Tightening	Authorized foreign exchange dealers began to sell voluntarily to Bank of Jamaica 5 percent of their daily purchases of foreign exchange. Each authorized dealer entitled to buy back up to 50 percent of the amount it had sold, with a monthly limit of one-third of the amount of its sales.
Jordan	03/18/91	Liberalization	Authorized banks and financial companies allowed to extend credit facilities to residents and nonresidents against their foreign currency deposits up to JD 100,000 without the prior approval from the Bank of Jordan. Credits exceeding JD 100,000 may also be extended without prior approvals, provided they are fully backed by deposits in foreign currency.
	07/23/91	Tightening	A reserve ratio of 15 percent imposed on offshore banks belonging to Jordanian banks and financial companies.
Korea	07/01/91	Liberalization	Required ratio of overbought foreign exchange position of foreign exchange banks was reduced to 1 percent of preceding month's average total value of foreign exchange bought from 2 percent.
	07/01/91	Liberalization	Documentation requirements for foreign exchange transactions between a foreign exchange bank and a nonbank customer (both spot and forward) liberalized.
	09/01/92	Liberalization	Regulations on forward exchange transactions liberalized as follows: (1) transactions of less than US$1 million exempted from documentation requirements, provided they are declared and conform to "real demand" principle, and transactions of between US$1 million and US$3 million would require documentation only after the fact; (2) branches of foreign insurance companies allowed to engage in forward foreign exchange transactions up to limit of their capital base (as in the case of branches of foreign banks and securities firms); and (3) transactions related to investment of foreign funds in Korean stocks permitted.
	09/01/92	Liberalization	Foreign exchange used to hedge exchange risk on capital transactions exempted from limit on overall overbought position; limit on the overall oversold position was raised to greater of 20 percent of the average outstanding amount of foreign exchange bought in previous month or US$10 million (previously US$5 million), whichever is greater; oversold position for spot transactions allowed, with a limit of 5 percent of average outstanding amount of foreign exchange bought in previous month or US$5 million, whichever is greater.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Malaysia	04/20/92	Tightening	Total borrowing by residents in foreign currency from domestic commercial banks and merchant banks to finance imports of goods and services restricted to the equivalent of RM 1 million (previously there were no limits); total borrowing by residents in foreign currency from domestic sources to pay interest or repay principal on loans in foreign currency obtained previously from a licensed bank subjected to same limit (previously there were no limits).
	10/24/92	Tightening	Offshore guarantees obtained by residents to secure domestic borrowing, except offshore guarantees (whether denominated in ringgit or foreign currency) without recourse to Malaysian residents and obtained from the licensed offshore banks in Labuan to secure domestic borrowing would be deemed as foreign borrowing, in cases where an offshore guarantee is denominated in ringgit, it would be subject to condition that, in the event guarantee is called on, licensed offshore banks in Labuan must make payments in foreign currency (except the currencies of Israel, South Africa, and the Federal Republic of Yugoslavia (Serbia and Montenegro), not in ringgit.
Mauritius	07/01/91	Liberalization	Domestic banks allowed to hold foreign currency balances of companies operating in Mauritius with offshore banks in Mauritius, and the placement of such funds abroad or in offshore banks exempted from the payment of 15 percent transfer tax.
Morocco	05/22/91	Liberalization	Authorized banks empowered to issue international credit cards to Moroccan nationals holding convertible dirham accounts.
Paraguay	12/20/91	Tightening	Banks required to maintain a daily net position in foreign exchange equivalent to no more than 50 percent of their capital and reserves.
Peru	03/13/91	Liberalization	Restrictions on transfers abroad of foreign exchange by the private sector eliminated. Banks permitted to transfer funds for domestic residents to establish foreign exchange deposits overseas and to make financial and nonfinancial investments. The restrictions on frozen foreign currency deposits in domestic banking system lifted.
	03/22/91	Liberalization	Blocked deposits at the Central Bank established for purposes of servicing private sector debts, permitted to be withdrawn.
	04/25/91	Liberalization	Legal framework for the domestic financial industry revised, whereby foreign investments in the banking, financial and insurance sectors would be treated on the same basis as domestic investments.
	12/02/91	Liberalization	Requirements established in 1983 prohibiting the servicing of working capital loans were abrogated and banks were permitted to withdraw up to US$12 million of deposited proceeds from the Central Bank.
Philippines	01/28/91	Tightening	Limits placed on the foreign exchange position of commercial banks. In general banks required to maintain a balanced position, with the excess of assets over liabilities ("overbought" position) being limited to the average of banks negotiated letters of credit for the immediately preceding three months.
	02/22/91	Liberalization	Allowable overbought position increased. Banks' foreign assets allowed to exceed liabilities by as much as their average monthly payments for merchandise imports and invisibles. Cumulative net overbought (oversold) positions must be reported daily and settled weekly.
	03/04/91	Tightening	Forward purchases without any corresponding foreign exchange obligation excluded from consideration as part of a bank's foreign exchange assets; cash letter of credit collateralized with confirming banks would be included under foreign exchange liabilities.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Philippines (continued)	04/20/91	Tightening	Banks' oversold position limited to US$500,000.
	04/20/91	Tightening	Additional guidelines covering peso blocking requirements on foreign loans subject to Paris Club Rescheduling issued.
	02/27/91	Liberalization	Exporters allowed to avail themselves of U.S. dollar loans from a local commercial bank to meet their peso or foreign exchange requirements.
	06/14/91	Tightening	Regulations governing commercial banks' permissible open foreign exchange positions promulgated. Banks' long foreign exchange positions may not exceed 25 percent of their unimpaired capital while their short foreign exchange positions may not exceed 15 percent of such capital.
	01/30/92	Liberalization	Authorized banks permitted to sell foreign exchange for repatriation of all types of investments without prior approval from Central Bank.
	01/30/92	Liberalization	Commercial banks allowed to maintain open foreign exchange positions, subject to certain limits. Their long and short foreign exchange positions may not exceed 25 percent and 15 percent, respectively, of their unimpaired capital.
	06/22/92	Liberalization	Foreign exchange payments for principal, interest, fees, and related charges on foreign credit approved by and registered with Central Bank and not subject to or covered by rescheduling with foreign creditors allowed to be remitted through authorized banks without prior approval from the Central Bank.
	07/10/92	Tightening	Administrative sanctions imposed on banks violating net open foreign exchange position limits.
	08/21/92	Liberalization	Revised policy guidelines on short-term foreign currency loans promulgated, and banks allowed to extend following short-term foreign currency loans without prior approval from Central Bank: (a) normal interbank transactions; (b) borrowings by commodity and service exporters; and (c) borrowings by resident depositors against their own deposits, subject to certain conditions.
Portugal	11/26/92	Liberalization	Contracting of short-term financial credits from abroad liberalized.
	12/16/92	Liberalization	Restrictions on forward purchases from or sales of escudos to nonresidents not directly associated with trade in goods and services or for authorized capital transfers abolished.
	12/16/92	Liberalization	Foreign exchange operations between nonbank residents and nonresidents permitted (with effect from January 1, 1993); short-term lending in escudos to nonresidents permitted.
Sierra Leone	09/10/92	Liberalization	Amount of deposit required to operate a foreign exchange bureau reduced from US$25,000 to US$5,000.
Slovenia	04/01/92	Liberalization	The ratios of foreign exchange deposits that deposit money banks are required to hold abroad as cover against domestically held foreign exchange deposits changed to 5-90 percent, depending on maturity of deposits.
	04/24/92	Liberalization	Commercial banks allowed to extend foreign exchange credits to resident juridical persons.
	07/05/92	Liberalization	Forward exchange transactions allowed.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Solomon Islands	01/20/91	Tightening	Maximum allowable foreign currency position of authorized dealers at the close of each business day was reduced to SI$250,000.
	01/20/92	Liberalization	The delegated authority of authorized foreign currency dealers to provide foreign exchange without referring to the Central Bank was reduced to SI$5,000 a transaction, SI$5,000 a customer a week, and SI$25,000 a customer a year. However, on February 18, 1993 the limit on individual transactions was raised to SI$25,000. These limits would also apply to the use of credit card accounts. Authorized foreign currency dealers are required to notify the Central Bank of all inward foreign currency transactions exceeding SI$100,000 a day.
	01/20/92	Tightening	Foreign exchange position the commercial banks allowed to hold at close of each business day reduced to SI$250,000.
Spain	09/24/92	Tightening	A compulsory one-year, non-interest-bearing deposit to be held at Bank of Spain introduced against increments from the September 22 level of long positions taken against peseta in foreign exchange markets and in peseta-denominated lending to nonresidents; the reserve requirement ratio on increases in peseta-denominated liabilities of domestic credit entities (national or foreign) with their branches, subsidiaries, or parent companies abroad raised to 100 percent.
	10/05/92	Liberalization	Measure introduced on September 24 abolished, and replaced by a compulsory non-interest-bearing deposit, to be held by commercial and savings banks or with Bank of Spain, against increase in peseta lending to nonresidents through swaps on foreign exchange markets.
	11/24/92	Liberalization	The measure introduced on October 5 abolished.
Sri Lanka	03/29/93	Liberalization	Authorized dealers permitted to enter into forward exchange contracts for periods of up to 360 days irrespective of the purpose.
Sweden	01/01/92	Liberalization	Requirement that all capital transactions must be conducted through authorized currency traders abolished.
Tonga	07/01/92	Tightening	A tax of 0.7 percent levied on all foreign exchange transactions.
	11/17/92	Liberalization	The 0.7 percent foreign exchange tax introduced in July was abolished.
Trinidad and Tobago	04/13/93	Liberalization	All exchange controls relating to capital and current account transactions eliminated.
Turkey	06/20/91	Liberalization	Residents in Turkey permitted to sell freely abroad securities issued by companies in Turkey; banks allowed to extend foreign exchange credits to other banks without maturity restriction; residents in Turkey allowed to issue sureties and guarantees in foreign currency; the minimum capital requirement for companies authorized to conduct foreign exchange transactions raised to LT 2 billion liras; and banks and foreign exchange dealers required to notify authorities within 30 days of any transfers in excess of US$50,000 or its equivalent that are unrelated to foreign trade or invisible transactions.
	04/01/92	Liberalization	Liquidity ratio of foreign currency-denominated assets to the foreign currency liabilities applied to banks lowered to 16 percent from 20 percent.
	11/20/92	Liberalization	Liquidity ratio for financial institutions with respect to foreign exchange liabilities reduced to 10 percent from 20 percent; and (2) the exchange rate risk ratios of foreign currency denominated assets to foreign currency liabilities applied to banks reduced by 5 percentage points in respect of each category of liabilities.
Zaïre	08/19/91	Liberalization	Bureaux de change must open accounts with approved commercial banks, and foreign exchange in excess of US$50,000 held by individuals or US$100,000 held by corporations in these accounts for more than five working days must be exchanged for zaïres. Cash holdings in foreign exchange by bureaux de change may not exceed US$10,000 for individuals or US$50,000 for corporations.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
b. Nonresidents' Accounts and Residents' Foreign Exchange Accounts			
Algeria	02/20/91	Liberalization	Juridical and physical persons of foreign nationality authorized to open foreign exchange accounts in a convertible currency of their choice, with limits on permissible debits and credits.
Angola	04/03/92	Liberalization	Nonresidents permitted to hold accounts in new kwanzas under certain conditions, subject to prior authorization from Central Bank.
	08/12/92	Liberalization	Resident enterprises authorized to open foreign currency accounts with domestic institutions.
Argentina	12/01/92	Liberalization	Acceptance of current account deposits in U.S. dollars permitted. Reserve requirement allowed to be met partially in foreign or domestic currency, and same reserve requirement ratio would apply to foreign and domestic currency deposits. Banks and other authorized intermediaries allowed to extend credits in local currency against current account deposits in U.S. dollars and other foreign exchange resources, except those in a savings bank or a fixed-term account, up to 25 percent of their capital, subject to regulations governing their net overall foreign exchange position (effective in early 1993).
Bangladesh	06/15/91	Liberalization	Time limit for maintaining Nonresident Foreign Currency Deposit (NFCD) accounts by Bangladesh nationals on their permanent return to Bangladesh increased from 1 to 5 years; Bangladesh Bank may consider request for further extension of the time limit in cases of necessity. These returning Bangladesh nationals may maintain foreign currency account/NFCD account/education foreign currency account within six months from the date of their return with foreign exchange they brought in with them provided they did not maintain foreign currency accounts during their stay abroad.
	05/15/91	Liberalization	Resident Bangladeshis allowed to open and maintain foreign currency accounts with foreign exchange brought into Bangladesh at the time of their return from travel abroad. Amounts that are declared and up to US$2,500 that are not declared to the Customs Authority would be allowed to be credited to these accounts. Crediting of proceeds from exports of goods or services or commissions earned on businesses in Bangladesh to these accounts would not be allowed. These accounts may be maintained for up to five years from the date of deposit. Interest payments would be allowed on a prescribed minimum balance.
Colombia	01/09/91	Liberalization	Colombian residents authorized to maintain assets and earned income abroad, provided that assets owned before September 1, 1990 or have been acquired from exchange receipts that do not have to be surrendered.
	06/24/91	Liberalization	Residents of Colombia authorized to open foreign exchange accounts abroad, and were granted a six-month period to legalize foreign exchange accounts held abroad through payments of a 3 percent tax amnesty on the amount held abroad; after June 26, the rate of tax payment to be raised to 5 percent.
Cyprus	03/01/91	Liberalization	Central Bank delegated authority to authorized dealers to open and operate foreign currency accounts in the name of resident manufacturers; exporters may deposit up to 50 percent of export proceeds in these accounts and use balances to pay for imports of raw materials used in production; account holders would be required to convert into Cyprus pounds at the end of each year any balances they had not used to pay for imports.
	05/31/91	Liberalization	Central Bank delegated authority to authorized dealers to open and operate foreign currency accounts in the name of residents who are engaged in transit trade.
	09/03/92	Liberalization	Central Bank delegated authority to authorized dealers to open and operate foreign currency accounts in the name of resident hoteliers, who may deposit in these accounts part of their earnings in foreign currency and use balances to repay foreign currency loans.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Dominican Republic	04/12/92	Liberalization	Financial institutions authorized to accept savings and time deposits in foreign currency.
Greece	01/02/92	Liberalization	Interest on sight deposits in convertible drachma accounts allowed to be negotiated between banks and account holders.
	01/28/92	Liberalization	All restrictions on withdrawals and payments abroad from blocked accounts of funds derived from rents and pensions abolished.
	08/07/92	Liberalization	Residents of Greece allowed to open and maintain deposit accounts in foreign exchange with bank notes without reporting the sources of acquisition. Principal and interest earned on these accounts may be withdrawn in foreign bank notes or drachmas but may not be transferred abroad.
Grenada	07/15/91	Liberalization	Sales of foreign exchange repatriated by Grenadians living abroad exempted from the foreign exchange tax.
Hungary	07/01/92	Liberalization	Resident and nonresident exporters allowed to accept domestic currency, and nonresident holders of such proceeds allowed to open foreign trade forint accounts; balances in these accounts prohibited to be converted into foreign exchange but can be used by residents to pay for goods bought in Hungary or for their living expenses while staying in Hungary.
Iceland	01/01/92	Liberalization	Residents who have lawfully acquired foreign exchange permitted to maintain accounts with nonresident institutions up to ISK 3.75 million (the previous limit was ISK 1.5 million).
	01/01/92	Liberalization	Limits on deposits in foreign banks by domestic entities increased to ISK 3.75 million from ISK 1.5 million; amount that domestic entities are authorized to borrow abroad increased to ISK 7.5 million from ISK 5.625 million. (These limits abolished at the beginning of 1993.)
India	02/28/92	Liberalization	Authorization given for: (1) foreign currency-denominated accounts; (2) nonresident rupee accounts for purposes of operating securities investments; (3) transfers of balances between foreign currency accounts and the rupee accounts; and (4) transfers abroad of repatriated capital, capital gains, dividends, and interest income.
	06/04/92	Liberalization	Nonresident rupee nonrepatriable deposit scheme introduced to encourage foreign investment. Under this scheme, accounts may be opened by nonresident Indian nationals, overseas corporate bodies predominately owned by nonresident Indian nationals, and foreign citizens of non-Indian origin (except Pakistani and Bangladeshi nationals).
India	06/04/92	Liberalization	Residents allowed to hold up to US$500 in foreign currencies for numismatic purposes.
	09/22/92	Liberalization	The Resident Foreign Currency Account Scheme replaced the Returning Indians Foreign Exchange Entitlement Scheme. Under this scheme, Indian nationals permanently returning to India from abroad would be permitted, within three months of their arrival, to open and operate resident foreign currency accounts in any permitted currency with authorized dealers in India; all foreign exchange transferred from abroad may be credited to these accounts.
Iraq	09/19/92	Liberalization	Residents and nonresidents of Iraqi and Arab nationality allowed to open foreign currency accounts at the commercial banks and to use the balances in these accounts without restriction, provided the accounts have been credited with foreign bank notes.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Ireland	06/01/91	Liberalization	Resident individuals permitted to operate personal foreign currency accounts with financial institutions in Ireland, subject to following conditions: (1) deposits made with funds converted from Irish pounds must be for fixed terms of at least three months; (2) withdrawals in foreign currency would be permitted only when payment is to be made either to an Approved Agent or to a nonresident for permitted purposes; and (3) checking facilities would not be permitted. The deposit interest retention tax that applied to domestic deposits is also extended to cover foreign currency deposits.
	01/01/92	Liberalization	Nonresidents allowed to maintain deposits in Irish pounds without restriction. Restriction that residents may only hold foreign currency accounts in Ireland in deposits of a fixed term of longer than three months was abolished.
Israel	05/01/91	Liberalization	Regulations governing the use of funds in certain foreign currency deposits with Israeli banks were simplified.
	01/30/92	Liberalization	Nonresidents' eligibility to hold nonresident local currency deposits convertible at Israeli banks.
	01/30/92	Liberalization	Nonresidents' permitted to maintain convertible domestic currency deposits at authorized banks.
	07/01/92	Liberalization	All residents permitted to open and maintain foreign currency deposit accounts (previously only the business sector was allowed to operate these accounts).
Jamaica	09/25/91	Liberalization	Residents and nonresidents allowed to maintain foreign currency accounts with domestic banking system or abroad. All balances held in "A" Accounts by residents as at September 20, 1991 would continue to be eligible for privileges under the account, namely tax-free interest and freedom to use the funds for whatever purpose, but residents prohibited from opening new "A" Accounts or from making new deposits in such accounts. Residents and nonresidents continued to be allowed to hold "B" Accounts. However, resident accounts restricted to certificates of deposits with a minimum maturity of one year, and withdrawal before the end of the one-year period would nullify tax-free status. However, residents permitted to hold foreign exchange in any other form or accounts.
	09/25/91	Liberalization	Opening of nonresident external accounts in Jamaica dollars would no longer require specific approval of Bank of Jamaica.
	09/25/91	Liberalization	Requirement that all payments from abroad to Jamaican hoteliers must be paid into a special account of the Bank of Jamaica abolished.
Jordan	08/06/91	Liberalization	Maximum balance residents are permitted to hold in foreign currency accounts with authorized banks and financial companies increased.
Kenya	06/17/91	Liberalization	Enterprises operating in export promotion zone permitted to hold foreign currency accounts abroad or with authorized banks in Kenya and to open external accounts in Kenya shillings with an authorized bank.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Korea	07/01/91	Liberalization	Documentation requirements for foreign currency deposits in nonresident accounts were liberalized, and firms whose annual external transactions exceed US$10 million were exempted from documentation requirements for foreign currency deposits up to 10 percent of the amount of their annual foreign currency transactions (up to a limit of US$100 million).
	09/16/91	Liberalization	Residents permitted to carry out all current transactions in Korean won, provided that settlements would be made in designated foreign currencies.
	09/16/91	Liberalization	Korean subsidiaries abroad permitted to obtain offshore financing without prior approval of their prime credit bank for loans amounting up to US$5 million.
	12/18/91	Liberalization	Prohibition on sales of foreign currencies from accounts for purposes of making domestic payments abolished. Nonresidents not required to obtain approval from the Bank of Korea to convert more than the equivalent of US$50,000 in foreign exchange into won.
	07/01/92	Liberalization	Documentation requirements for foreign currency deposits in nonresident accounts liberalized, and firms whose annual external transactions exceed US$10 million exempted from documentation requirements for foreign currency deposits up to 10 percent of the amount of their annual foreign currency transactions (up to a limit of US$100 million).
	09/01/92	Liberalization	Ceiling on foreign currency deposits maintained by resident firms (which is based on the amount of external transactions) increased to 10 percent; companies with records of external transactions exempted from documentation requirements irrespective of amount of annual transactions.
Kuwait	03/24/91	Tightening	Limit of KD 4,000 a month placed on withdrawals from accounts at local banks to transfer into foreign currency. Exemptions to this limit allowed for import payments, interest payments or other foreign obligations, profit transfers of foreign companies, transfers of the diplomatic community, and medical and educational expenses. This control would expire at the end of June 1991.
	07/01/91	Liberalization	Limit on withdrawals and transfers from local banks raised to KD 6,000 from KD 4,000 a month. Exemptions to this limit remained unchanged.
	08/03/91	Liberalization	All limits on withdrawals and transfers from local banks abolished.
Mauritius	07/01/92	Liberalization	Tax applicable to capital transfers by residents and nonresidents reduced from 15 percent to 5 percent. All foreign investors became eligible to repatriate capital, including capital gains, without prior approval from Bank of Mauritius and payment of a 5 percent tax.
Morocco	03/29/91	Liberalization	Exporters of goods and services allowed to open and maintain convertible dirham accounts and to keep 20 percent and 10 percent, respectively, of their earnings in these accounts to cover promotional and representational expenses abroad.
	01/24/92	Liberalization	Blocking of funds belonging to the capital accounts of nonresident foreigners abolished; these accounts replaced with convertible term accounts, and transfers of funds out of these accounts would be allowed after three years.
Myanmar	10/13/91	Liberalization	Transfers of balances between foreign currency account holders permitted with approval.
Nepal	12/01/91	Liberalization	Regulations governing foreign currency deposits liberalized to include deposits in Swiss francs, deutsche mark, and Japanese yen. In addition, eligibility requirements for Nepalese residents to open foreign currency accounts liberalized.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Pakistan	02/13/91	Liberalization	Residents of Pakistan allowed to open and maintain foreign currency accounts with banks in Pakistan on the same basis as nonresidents. Such accounts may be funded by remittances from abroad, travelers' checks, foreign currency notes, and certain other proceeds. No questions would be asked regarding the sources of acquisition of foreign exchange. Receipts from exports of goods and services, earnings of overseas branches of companies resident in Pakistan, and foreign exchange released from Pakistan for any specified purpose may not be credited to foreign currency accounts. Balances held in such accounts freely transferrable abroad, and there are no limits on amount of withdrawal.
	08/29/91	Liberalization	Resident firms and companies, including investment banks, permitted to maintain foreign currency accounts.
	08/31/91	Liberalization	Pakistani as well as foreign nationals residing abroad and visiting Pakistan for short periods allowed to operate freely their nonresident accounts in Pakistan during their stay in Pakistan.
Papua New Guinea	11/20/92	Liberalization	Regulations governing overseas borrowing by residents liberalized. Under the new regulations, authority to approve new foreign currency borrowing of up to a maximum amount of K 5 million equivalent for a resident delegated to authorized foreign exchange dealers, and maximum debt to equity ratio for borrowers was raised to 5:1 from 3:1.
Peru	03/11/91	Liberalization	Interest rates for foreign exchange deposits and loans from the domestic banking system freed.
	03/27/91	Liberalization	Natural and juridical persons resident in the country permitted to hold and dispose internally or externally foreign exchange without restriction.
Portugal	12/31/91	Liberalization	Opening of interest-bearing foreign currency accounts at the domestic banks liberalized.
	09/01/92	Liberalization	(1) Contracting of medium- and long-term financial credits from abroad was liberalized; and (2) compulsory deposit requirement against deposits in foreign currency abolished, and the existing balances maintained at the Banco de Portugal were released.
	12/16/92	Liberalization	Following transactions permitted freely: (1) opening of interest-bearing escudo deposits by nonresidents (and the elimination of the corresponding reserve requirement against such deposits), and (2) demand and term deposits abroad by residents;
Romania	11/11/91	Tightening	Juridical persons with state-owned or privately-owned capital no longer permitted to maintain or to open foreign currency accounts with commercial banks.
	06/08/92	Liberalization	Exporters allowed to retain 100 percent of receipts in foriegn currency accounts with domestic banks.
Sierra Leone	11/05/91	Liberalization	Restrictions on the use of foreign currency accounts for current transactions removed. Deposits to, and withdrawals from, these accounts for current transactions were permitted without prior approval from Central Bank.
Sri Lanka	01/09/91	Liberalization	Commercial banks permitted to open nonresident foreign currency accounts for Sri Lankan and foreign nationals.
	03/20/91	Liberalization	Nonresident foreign currency account holders permitted to invest funds in approved enterprises and to credit profits and dividends earned and sale proceeds of such investments received in foreign currency to foreign currency accounts.
	04/02/91	Liberalization	Funds in blocked accounts of nonresident foreign citizens and foreign companies, excluding Sri Lankan citizens who have emigrated or acquired foreign citizenship, and Indian and Pakistan's repatriates, permitted to be repatriated in foreign currency.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Sri Lanka (continued)	08/01/91	Liberalization	Residents of Sri Lanka permitted to open resident foreign currency accounts subject to a minimum balance of US$500 or equivalent in other designated currencies, without prior approval and without documentary evidence of customs clearance.
	12/12/91	Liberalization	Rupee loan facilities for third parties against nonresident foreign currency balances were permitted.
	06/30/92	Liberalization	All funds from the nonresident accounts of nonresident Sri Lankans who emigrated and acquired foreign citizenship, or who acquired permanent resident status abroad and had their nonresident accounts blocked for five or more years as of June 30, 1992, allowed to be withdrawn.
	03/29/92	Liberalization	Export proceeds permitted to be credited to resident foreign currency accounts that do not qualify for tax exemption or amnesty in the domestic banking units of commercial banks.
Sudan	02/03/92	Tightening	Most transfers between foreign currency accounts within country prohibited.
	02/09/92	Liberalization	Following transfers between foreign exchange accounts within country permitted: (1) transfers from specified institutions (Arab Organization for Agricultural Development, Arab Bank for Economic Development in Africa, Arab Authority for Investment and Agricultural Development, Arab Sugar Association, Khartoum International Institute for Arabic Language, Arab Center for Social Security, international organizations, embassies, and foreign companies) to their employees; (2) deposits to and withdrawals from the Duty-Free Shops Corporation accounts; and (3) transfers from accounts of airline companies.
	02/26/92	Liberalization	Transfers between foreign exchange accounts within country temporarily permitted until May 30, 1992 if these accounts were owned by those who have commercial investment authorizations for which banking procedures have been completed.
	02/27/92	Tightening	Authorized banks required to close foreign currency accounts of shipping agencies and prohibited from issuing bank checks payable to the Duty-Free Shops Corporation against foreign currency accounts owned by individuals.
	03/17/92	Liberalization	Authorized banks permitted to open special foreign currency accounts in foreign currency and local currency for specified bodies, including diplomatic and foreign missions and organizations, international and regional organizations, voluntary and charitable foreign organizations, foreign companies and branches of foreign companies, foreign constructors and subconstructors, and for employees of these organizations; these accounts may be credited with transfers from abroad for the organizations' accounts and with salaries for their employees' accounts, and they may be debited for transfers abroad, withdrawals for the purpose of travel by the account holder or his family, and local payments in Sudanese pounds, provided foreign exchange is converted at the unified exchange rate. Special local currency accounts of organizations may be credited with transfers from their special foreign currency accounts or with checks issued by government bodies; special local currency accounts of employees may be credited with transfers from their special foreign currency accounts.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Sudan (continued)	03/29/92	Liberalization	Authorized banks allowed to issue bank checks payable to Duty-Free Shops Corporation against foreign currency accounts owned by individuals from whom Corporation requires payment for purchases of automobiles that it has imported on their behalf after obtaining the consent of the Ministry of Commerce, Corporation, and Supply.
	05/12/92	Tightening	Authorized banks required to close foreign currency accounts of airline companies and keep balances in closed foreign currency accounts; use of balances from these accounts would be granted only with respect to transfers to the headquarters of the airline companies abroad with approval from Bank of Sudan. Airline companies allowed to open current accounts with any authorized bank for purpose of keeping their revenues with approval of Bank of Sudan; these accounts may be debited to meet local expenditures. Airline companies required to open "closed local currency accounts", which were to be credited with the net revenues from sales every three months after obtaining approval from Bank of Sudan. These accounts may be debited with (1) transfers to the company's headquarters abroad, (2) withdrawals to meet local commitments with approval from Bank of Sudan, and (3) payments of transit and landing fees for scheduled flights to Sudan after approval from the Civil Aviation Authority.
	05/20/92	Liberalization	Authorized banks temporarily allowed to issue bank checks payable to the Duty-Free Shops Corporation against foreign currency accounts owned by individuals and companies until May 31, 1992.
	06/01/92	Tightening	Authorized banks prohibited from issuing bank checks payable to the Duty-Free Shops Corporation against foreign currency accounts owned by individuals.
	06/06/92	Liberalization	Restrictions on use of free foreign exchange accounts were liberalized. Requirement to declare sources of foreign exchange used to replenish free foreign exchange accounts held by Sudanese nationals with domestic banks abolished. Free foreign exchange accounts thus allowed to be credited with any means of payment without submitting any documents. Withdrawals in cash in foreign currency from these accounts exceeding US$5,000 (or its equivalent) would be subject to a fee of one Sudanese pound per US$1.
	06/18/92	Liberalization	Airline companies allowed to open foreign currency accounts without the consent of Bank of Sudan.
	07/04/92	Liberalization	Withdrawals from special accounts in the form of traveler's or cashier's checks or cash to finance travel expenses of account holders and their immediate family members allowed without restrictions.
Trinidad and Tobago	04/01/92	Liberalization	Designated exporters permitted to retain all of their eligible export earnings in foreign currency accounts (previously, 20 percent of such earnings required to be surrendered to the commercial banks).
Turkey	06/20/91	Liberalization	Nonresidents allowed to purchase foreign exchange from banks and other authorized dealers in Turkey and transfer it abroad without limitation. Nonresidents were also allowed to transfer Turkish liras abroad through banks and authorized institutions without limitation.
Viet Nam	05/01/91	Introduction	Foreign currency savings account facility for households was introduced. Accounts would offer interest rates of 9.6 percent per annum on time deposits and 6 percent per annum on sight deposits.
c. Portfolio Investments			
Algeria	02/24/91	Liberalization	Algerian banks began to offer three-year interest-free bonds in dinars, which entitle the subscriber to exchange 20 percent of the placement value annually into a convertible currency at the official exchange rate.
Australia	07/25/91	Liberalization	Foreign investors may acquire any residential real estate within a designated Integrated Tourism Resort (ITR) without the need to obtain approval under the foreign investment guidelines. Foreign investment regulations amended accordingly.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Botswana	11/02/92	Liberalization	(1) Nonresident-controlled companies permitted to invest in securities of companies listed in the Botswana Share Market with funds not originating from a nonresident source; (2) maximum limit for aggregate portfolio investments by nonresidents and nonresident-controlled companies (including their nominees) increased from 25 percent to 49 percent of the "free stock" (defined as total stock issued and paid up less stock held by direct investors); and (3) as a result of the changes in (2) above, eligibility of nonresident-controlled companies to borrow locally would be determined by applying the debt-to-equity limitation after deducting company's internal portfolio holding from equity.
Brazil	02/08/91	Liberalization	Criteria for conversion of debt into equity for the private sector debt with maturities beginning 1991 announced.
	03/02/91	Liberalization	Conversion of external debt instruments of the federal public sector, bonds and deposits denominated in foreign currency for use in the national privatization program authorized.
	05/31/91	Liberalization	Access to stock market by foreign institutional investors liberalized, by exempting profits from income taxes; these investments to be exempted from the capital gains tax, but to be subject to a 15 percent tax from the income which would be collected at the time of remittance abroad.
	06/01/91	Liberalization	Issuance of debentures that are convertible into stocks in domestic enterprises authorized.
	07/16/91	Liberalization	Facility for externally funded nonprofit organizations to undertake debt for nature swaps was introduced, with an initial limit on the total amount of US$100 million.
	03/12/92	Liberalization	Central Bank announced that, in order to be eligible for tax exemptions, minimum average maturity of foreign funding obtained through issuance of securities must be 30 months.
	04/23/92	Liberalization	Central Bank announced (1) that it would permit companies to arrange foreign funding through issuance of foreign debt instruments (such as Eurobonds and commercial paper) only if minimum maturity is 30 months; and (2) that, in order to benefit from tax exemptions, average period of amortization must be at least 60 months.
	04/30/92	Liberalization	Resident private sector companies and selected public sector companies authorized to hedge against changes in international interest rates.
	06/30/92	Liberalization	Foreign investors represented by funds, investment companies, and institutional investors authorized to operate in options and futures markets related to securities, exchange, and interest rates.
	07/16/92	Liberalization	Central Bank authorized corporations established in Brazil to issue and place abroad securities that can be converted into equities.
	10/01/92	Liberalization	Issues and placement of securities that can be converted into stocks by companies and institutions headquartered in Brazil allowed, subject to prior authorization from Central Bank.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Brazil (continued)	10/14/92	Liberalization	Private nonfinancial Brazilian residents authorized to invest abroad up to US$1 million without prior authorization; for investments in excess of US$1 million, Brazilian investors must provide information to the Central Bank, which will authorize the transaction within 30 days.
	10/29/92	Liberalization	Minimum maturity of external debt contracted under Resolution No. 63 and Law No. 4131, other than bonds, notes, and commercial papers, lengthened from one year to 30 months.
	05/13/92	Liberalization	A-rated Chilean enterprises and banks authorized to issue bonds in foreign markets.
Chile	05/29/92	Liberalization	(1) Pension funds authorized to invest abroad up to 1.5 percent of total value of pension fund; (2) period of application of the reserve requirement on external credits entering under Chapter XIV increased to 1 year from 90 days, but reserve requirement ratio for these capital inflows left unchanged at 20 percent until August 18.
	08/18/92	Liberalization	Reserve requirement on external credits entering under Chapter XIV increased to 30 percent from 20 percent.
	10/01/92	Tightening	Limit on investment that pension funds are allowed to undertake abroad increased to 3 percent of total value of pension fund from 1.5 percent.
China	09/26/91	Introduction	"Regulations on Borrowing Overseas of Commercial Loans by Resident Institutions" and "Rules on Foreign Exchange Guarantee by Resident Institutions in China" issued.
Columbia	01/09/91	Liberalization	Eighty-five percent advance deposit requirement for all capital transfers abroad abolished.
	01/15/92	Liberalization	Requirement to maintain the investments made in mutual funds for at least one year was abolished. In addition, Colombian residents were allowed to hold foreign stocks and other portfolio investments abroad.
	02/05/92	Liberalization	Minimum maturity on foreign loans contracted by private Colombian individuals or firms reduced from five years to one year, and limit on contractual interest rates (2.5 percent over LIBOR) eliminated for private sector.
El Salvador	08/01/91	Liberalization	Capital transactions liberalized.
Finland	01/01/92	Liberalization	Foreign private individuals, foreign corporate entities, and Finnish corporate entities owned by nonresidents permitted to own shares in Finnish investment trusts.
Greece	05/01/91	Liberalization	Greek residents permitted to freely invest in securities and real estate in other EC markets.
	06/11/92	Liberalization	Residents of Greece allowed to acquire dividends, bonds, and shares issued by legal entities established in non-EC member countries under the same terms and conditions as those applied in EC member countries.
Iceland	01/01/92	Liberalization	Annual limit on funds that may be re-lent or on credits that may be extended by resident financial institution to any resident raised from ISK 5.625 million to ISK 7.500 million or its equivalent in other currencies. Annual limit on portfolio investments abroad by residents raised from ISK 562,000 to ISK 750,000 or its equivalent in other currencies; annual limit on investment in mutual funds in foreign exchange by members of the Icelandic Securities Exchange raised from ISK 112.5 million to ISK 150 million.
	01/01/93	Liberalization	All restrictions on long-term borrowing abroad by residents and long-term lending by residents to nonresidents removed.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
India	02/28/92	Liberalization	Foreign institutional investors, including institutions (e.g., pension funds, mutual funds, investment trusts, asset management companies, nominee companies and incorporated or institutional portfolio managers) permitted to make investments in all securities traded on the primary and secondary markets, including equity and other securities or instruments of companies listed on the stock exchange in India; required to register initially with the Securities Exchange Board of India and with the Reserve Bank.
Ireland	01/01/91	Liberalization	A number of regulations pertaining to transactions with non-EC residents relaxed as follows: (1) the limit on outward direct investment which may be made by conversion of Irish pounds into foreign exchange increased from 25 percent to 50 percent of total investment; (2) the upper limit of £Ir 50,000 on purchases of personal property for personal use outside the EC removed; and (3) all restrictions on the amount of transfers which may be made to residents of non-EC countries removed, although prior reference to the Central Bank required (transfers exceeding £Ir 20,000, however, must be referred to the Central Bank for statistical purposes). Investments by residents in foreign securities were liberalized as follows: (1) residents would be permitted to purchase with domestic currency foreign UCITS (Undertaking for Collective Investment in Transferable Securities) which are registered under the EC UCITS Coordination Directive; (2) resident persons would be permitted to purchase foreign securities with an original maturity of less than two years with domestic currency up to a maximum limit of £Ir 10,000 an individual and up to a total of £Ir 50 million during 1991; and (3) resident persons would be permitted to purchase futures and options in foreign securities through an Approved Agent for hedging purposes. All forms of lending to nonresidents permitted, provided the maturity is longer than five years.
	01/01/92	Liberalization	Residents permitted to (1) purchase (through approved agents) foreign securities issued on a foreign market without restriction; (2) to loan in domestic currency with maturities of more than one year to nonresidents without restriction; (3) to borrow in foreign currency for nontrade purposes without restriction; and (4) to guarantee loans to nonresidents on behalf of Irish residents or nonresidents without restriction and to purchase or sell commodity future contracts. Companies registered with the International Financial Services Center were allowed to convert their capital from Irish pounds to a foreign currency on a one-of basis.
Israel	01/30/92	Liberalization	(1) Proceeds from sales of bonds and mutual funds originally purchased with foreign currency by nonresidents permitted to be converted into foreign currency; and (2) nonresidents permitted to borrow in domestic currency from authorized banks against foreign currency collateral.
	01/30/92	Liberalization	(1) Resident individuals permitted to invest in a wide range of foreign-traded securities (recognized foreign securities), provided that the securities purchased are held in a safe-keeping deposit with an authorized dealer; and (2) individuals were allowed to engage in financial options trading (previously such transactions were permitted only for risk-hedging purposes).
Kenya	10/01/91	Liberalization	A system of foreign exchange bearer certificates (FEBCs) introduced. Residents and nonresidents may use convertible foreign exchange to purchase FEBCs, which are denominated in U.S. dollars, with denominations ranging from US\$500 to US\$10,000 without revealing the source of funds that are used to purchase them.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Korea	01/01/92	Liberalization	Foreign investors permitted to invest in domestic stock market, subject to restriction that foreign ownership of listed firms may not exceed 10 percent of total equity and individual foreign investors may not hold more than 3 percent of total equity.
	07/01/92	Liberalization	Investments in stocks by resident foreign financial institutions subjected to same limits as those by institutions owned by nationals. Resident foreign financial institutions allowed to undertake over-the-counter transactions in listed bonds.
	09/01/92	Liberalization	Limit on investments in securities, insurance, and investment trust companies raised from US$10 million to US$50 million, and limit on similar investments by companies with international business licenses and insurance companies with assets of over W 5 trillion raised from US$50 million to US$100 million.
Malta	01/01/93	Liberalization	Ten percent tax on portfolio investments abroad by residents abolished.
Pakistan	02/07/91	Liberalization	Investments by foreign nationals in shares of industries were made repatriable.
	04/22/91	Liberalization	U.S. dollar bearer certificates introduced, to supplement the existing foreign exchange bearer certificates scheme by allowing asset holders to hold a one-year maturity instrument denominated in U.S. dollars.
Peru	07/27/91	Tightening	Restrictions on amortization of working capital loans, in effect since 1983, extended at least to February 1992.
Philippines	01/03/91	Liberalization	Regulations governing commercial banks' permissible open foreign exchange positions promulgated. Banks' long foreign exchange positions may not exceed 25 percent of their unimpaired capital while their short foreign exchange positions may not exceed 15 percent of such capital.
	08/24/92	Liberalization	Investors allowed to purchase foreign exchange up to US$1 million annually from banking system for investments abroad, without prior approval from Central Bank; all limits on repatriation of capital from foreign direct equity investments removed; foreign banks permitted to grant short-term foreign currency loans to eligible borrowers without prior approval from Central Bank, and commercial banks allowed to extend both short- and long-term foreign currency loans without prior approval from Central Bank.
	10/23/92	Liberalization	Policies, rules, and regulations governing medium- and long-term loans obtained by residents from foreign creditors and local banks consolidated as follows: (1) negotiations of public sector loans would require prior approval from Central Bank; (2) negotiations of private sector loans would require prior approval from Central Bank, and the purpose of these loans must be registered with Central Bank in order to service such loans with foreign exchange purchased from authorized agent banks; (3) private sector loans to finance projects must cover up to 50 percent of the local cost components; and (4) medium- and long-term loans must be made at interest rate prevailing in international capital markets.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Portugal	06/14/91	Liberalization	All foreign direct investments and investments in real estate abroad by residents liberalized, as was the acquisition of foreign shares not quoted in stock exchange. However, residents must channel such investments through a resident bank by establishing custody accounts. Banks required to withhold taxes as necessary and to verify payment of all taxes.
	07/05/91	Tightening	Purchase by nonresidents of indexed-coupon securities in escudos whenever interest rate adjustments are effected at intervals of less than one year or shares in mutual funds specializing in such securities was subject to the prior authorization from the Banco de Portugal; restriction would remain in effect until December 31, 1991.
	01/01/92	Tightening	Restrictions on purchases by nonresidents of indexed-coupon securities, which have been subject to prior authorization from the Banco de Portugal, extended up to April 30, 1992.
	11/01/92	Liberalization	Ban on purchases by nonresidents of floating rate securities in escudos for which interest adjustments were effected at intervals of less than one year was lifted.
	12/16/92	Liberalization	Acquisition of money-market instruments by nonresidents permitted.
Sri Lanka	05/08/91	Liberalization	Companies incorporated abroad permitted to invest in securities traded at the Colombo Stock Exchange, subject to the same terms and conditions as those applicable to such investments by approved national funds, approved regional funds, and nonresident individuals, including Sri Lankans resident abroad.
	06/29/92	Liberalization	Purchase of securities issued by companies incorporated in Sri Lanka was permitted through "Share Investment External Rupee Accounts", with certain conditions and limitations.
Sweden	01/01/92	Liberalization	Requirements that foreign securities must be purchased or sold through a securities trading institution or a currency trader that has special approval from the Riksbank and that foreign securities must be deposited with a currency trader or through a currency trader that has special approval from the Riksbank abolished.
	12/31/92	Liberalization	Prohibition on depositing funds in accounts with foreign banks or transacting through these accounts abolished.
Trinidad and Tobago	04/01/91	Liberalization	Cross-border trading permitted among the residents of Barbados, Jamaica, and Trinidad and Tobago purchases and sales of shares of companies listed on the respective Stock Exchanges.
Turkey	06/20/91	Liberalization	Residents in Turkey permitted to sell freely abroad securities issued by companies in Turkey; banks allowed to extend foreign exchange credits to other banks without maturity restriction; residents in Turkey allowed to issue sureties and guarantees in foreign currency; the minimum capital requirement for companies authorized to conduct foreign exchange transactions raised to LT 2 billion liras; and banks and foreign exchange dealers required to notify authorities within 30 days of any transfers in excess of US$50,000 or its equivalent that are unrelated to foreign trade or invisible transactions.
Venezuela	04/10/91	Liberalization	Regime for converting external public debt into equity investment amended.
	09/28/92	Tightening	Regulation providing for conversion of certain external public debt into equity came into effect.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
d. Direct Investments			
Aruba	01/03/92	Liberalization	Resident natural persons permitted to purchase officially listed foreign securities up to the equivalent of Af. 100,000 a year, provided funds borrowed on the domestic capital market are not used for these purchases.
Botswana	12/01/91	Liberalization	Nonresident-controlled companies in Botswana allowed to invest their funds in pula that were generated in the country as well as those from external sources in any securities issued by the Bank of Botswana.
Brazil	01/01/92	Liberalization	Maximum withholding tax rate set for remittances of profits and dividends abroad at 25 percent, irrespective of their relationship to registered capital base; basic rate may be lowered if companies remitting abroad furnish proof that comparable tax rates in their home countries are lower.
	01/09/92	Liberalization	Participation by foreigners in privatization process liberalized. Period that investments relating to privatization financed through foreign debt instruments are required to remain in Brazil reduced to 6 years from 12 years. Minimum holding period of two years before assets acquired in the process of privatization can be sold to invest in other assets in Brazil abolished.
	09/30/92	Tightening	Leasing contracts covering goods and real estate authorized to be made for a minimum term of two years; to benefit from total tax exemption, term must be at least five years.
Chile	10/14/91	Liberalization	Under Chapter XIX, after paying a fee to the Central Bank, foreign investors allowed to sell their investments to domestic residents.
China	04/09/91	Liberalization	Law concerning the income tax of foreign-funded enterprises and foreign enterprises unifies tax rates for Chinese foreign equity joint ventures, Chinese foreign contractual joint ventures and wholly-owned foreign enterprises.
	03/01/92	Liberalization	A large number of inland and border areas open to foreign investments.
Colombia	01/09/91	Liberalization	New foreign direct investments would receive the same tax treatment as domestic investments, but the tax on profit and income remittances would continue to be levied.
Greece	05/01/91	Liberalization	Greek residents permitted to freely invest in securities and real estate in other EC markets.
	06/11/92	Liberalization	Residents of Greece allowed to invest in real estate located in non-EC member countries under the same terms and conditions as those applied to real estate investments in EC member countries.
Guinea-Bissau	09/30/91	Liberalization	Applications for foreign direct investment simplified.
Honduras	06/20/92	Liberalization	Repatriation of capital and remittances of dividends and profits unrestricted.
Hungary	01/01/91	Liberalization	Licensing requirement for joint ventures abolished.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Iceland	03/25/91	Liberalization	Nonresidents would be free to make investments in Iceland, subject to the conditions laid down in general legislation governing foreign investment or, as the case may be, in sector-specific legislation.
	3/25/91	Tightening	Regulations governing foreign direct investments modified as follows: (1) only resident Icelandic citizens or domestically registered companies wholly owned by resident Icelandic citizens may fish within the Icelandic fishing limit or operate primary fish processing; (2) only Icelandic state and local authorities, resident Icelandic citizens, or domestically registered Icelandic companies wholly owned by resident Icelandic citizens may acquire the right to harness waterfalls and geothermic energy (the same restrictions may apply to power production and distribution companies); (3) investment by nonresidents in domestic airlines would be restricted to 49 percent; (4) investment by nonresidents in domestic incorporated commercial banks would be restricted to 25 percent, but foreign commercial banks and be allowed to open branches in Iceland as of January 1, 1992; (5) total investment by a single nonresident or by financially linked nonresidents in excess of ISK 250 million a year subjected to authorization by the Minister of Commerce. Total investment by nonresidents in any sector subjected to authorization by the Minister of Commerce; and (6) in all cases, nonresidents would be required to satisfy a reciprocity requirement to invest in Iceland.
	01/01/91	Liberalization	Annual limit on funds that may be re-lent or on credits that may be extended by a resident financial institution to any resident was raised from ISK 5.625 million to ISK 7.500 million or its equivalent in other currencies. Annual limits on the following types of investment by residents were raised: (1) direct investments abroad and the purchase of real estate abroad, from ISK 5.625 million to ISK 7.5 million or its equivalent in other currencies; (2) portfolio investments abroad, from ISK 562,000 to ISK 750,000 or its equivalent in other currencies; and (3) investment in mutual funds in foreign exchange by members of the Icelandic Securities Exchange, from ISK 112.5 million to ISK 150 million. Residents who have lawfully acquired foreign exchange were permitted to maintain accounts with nonresident institutions up to ISK 3.75 million (the previous limit was ISK 1.5 million).
	01/01/92	Liberalization	Annual limit on direct investments abroad and purchase of real estate abroad by residents raised from ISK 5.625 million to ISK 7.5 million or its equivalent in other currencies.
	01/01/93	Liberalization	Ceilings on direct investments and purchases of real estate abroad abolished.
India	06/03/91	Liberalization	Regulations governing the activity of firms with foreign capital equity participation exceeding 40 percent relaxed.
	04/16/92	Liberalization	Regulations on foreign direct investments liberalized as follows: (1) foreign capital participation of up to 51 percent in high priority industries would be given prompt approval, provided equity inflows would be sufficient to cover the foreign exchange requirement for imported capital goods; (2) dividend payments would be monitored by the Reserve Bank to ensure that dividend transfers would be balanced by export earnings over a period of time; (3) foreign equity investments would be allowed for trading companies primarily engaged in export activities; (4) other equity investments, including those involving 51 percent foreign equity which do not meet the criterion above, would continue to need prior clearance but clearance procedures simplified; and (5) a special board would be established to negotiate with large international firms and approve foreign direct investments in selected areas.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Indonesia	06/03/91	Liberalization	Investment licensing requirements were liberalized. Number of activities included in the negative list reduced from 70 to 60, and another 31 activities partially deregulated by allowing granting of licenses to domestic and foreign investors under pre-specified conditions.
	04/16/92	Liberalization	(1) Full foreign ownership of foreign direct investments by nonresidents permitted; (2) foreign direct investments with a minimum capital of US$250,000 would be permitted in certain cases; and (3) foreign investors would be allowed to reinvest profits in the shares of other foreign firms.
Ireland	01/01/91	Liberalization	A number of regulations pertaining to transactions with non-EC residents relaxed as follows: (1) the limit on outward direct investment which may be made by conversion of Irish pounds into foreign exchange increased from 25 percent to 50 percent of total investment; (2) the upper limit of £Ir 50,000 on purchases of personal property for personal use outside the EC removed; and (3) all restrictions on the amount of transfers which may be made to residents of non-EC countries removed, although prior reference to the Central Bank required (transfers exceeding £Ir 20,000, however, must be referred to the Central Bank for statistical purposes). Investments by residents in foreign securities were liberalized as follows: (1) residents would be permitted to purchase with domestic currency foreign UCITS (Undertaking for Collective Investment in Transferable Securities) which are registered under the EC UCITS Coordination Directive; (2) resident persons would be permitted to purchase foreign securities with an original maturity of less than two years with domestic currency up to a maximum limit of £Ir 10,000 an individual and up to a total of £Ir 50 million during 1991; and (3) resident persons would be permitted to purchase futures and options in foreign securities through an Approved Agent for hedging purposes. All forms of lending to nonresidents permitted, provided the maturity is longer than five years.
Iraq	12/29/92	Liberalization	Arab nationals permitted to bring capital into Iraq in Iraqi currency for industrial and agricultural investment purposes under certain conditions; such inflows would be treated as working capital.
Ireland	01/01/92	Liberalization	Residents allowed to undertake financial investments and purchase properties in non-EC countries.
Japan	04/26/91	Liberalization	Amendment to the law governing foreign direct investment promulgated. Under the revised law, foreign investors required to report only after undertaking investment, with the exception of cases in which national security interest is involved and of four industries as reserved under the Capital Movements Liberalization Code of the OECD (agriculture, forestry and fishery; mining and petroleum industry; and leather and leather products).
	01/01/92	Liberalization	Foreign investors required to report only ex post all investments, except for those in industries involving national security (i.e., aircraft, weapons, nuclear power, and space development), four industries as reserved under the Capital Movement Liberalization Code of the OECD (agriculture, forestry and fishery, mining and petroleum, and leather and leather products), and those in several specified sectors.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Korea	01/01/91	Liberalization	Foreign direct investments permitted in ventures involving importation of alcoholic beverages wholesale.
	03/01/91	Liberalization	A notification system introduced simplifying procedures for approval of foreign direct investment. Under the new system, applications for foreign investment, except those industries on the negative list and in certain other categories, would be deemed approved 30 days after date of submission of notification, unless notification is not accepted for reasons of national security, environmental protection, or violation of antitrust or fair trade laws.
	07/01/91	Liberalization	Restrictions on the scope of foreign direct investment in the retail sector eased, with increase in number of retail shops per investment to ten from one, and increase in maximum floor space per shop.
	09/01/92	Liberalization	Regulations on direct investments abroad liberalized as follows: (1) investments of up to US$5 million would not require prior approval from Bank of Korea but only notification to Bank of Korea (previous limit was US$2 million), while investments of between US$5 million and US$10 million would require approval of Bank of Korea, and investments of more than US$10 million would require approval from the Bank of Korea and the Deliberation Committee for Overseas Investment; (2) restrictions on investments in countries with which Korea does not have diplomatic ties eased; (3) investments in foreign joint ventures in which Korean investors own less than 20 percent of total equity would be treated as overseas direct investments, provided Korean investors establish special relationships with foreign ventures (e.g., helping to appoint executives and supplying raw materials); (4) direct investments in high-technology and major resource developments would be encouraged and treated favorably; (5) Korean firms merging with, or taking over, a foreign company would be allowed to obtain offshore financing; and (6) restrictions on local financing of Korean-owned companies relaxed.
Malawi	04/01/92	Tightening	Investments by nonresident-controlled firms in technical and specialized service areas (e.g., architecture, quantity surveying, consulting and civil engineering, and auditing and accounting) restricted.
Malaysia	11/01/92	Liberalization	Guidelines on foreign equity capital ownership liberalized as follows: (1) companies exporting at least 80 percent of their production no longer subject to any equity requirements; (2) companies exporting between 50 percent and 79 percent of their production permitted to hold 100 percent equity, provided they have invested US$50 million or more in fixed assets or completed projects with at least 50 percent local value added and company's products do not compete with those produced by domestic firms. These guidelines would not apply to sectors in which limits on foreign equity participation have been established.
Mali	02/26/91	Liberalization	A new investment code introduced, simplifying procedures for foreign and domestic investors to obtain preferential treatment with regard to domestic taxes for investments that meet specific criteria on employment creation, domestic content of production, location, and value of investment.
Mexico	06/01/92	Liberalization	Constitutional amendment permitting foreign individuals and corporations to own land and to establish joint ventures (up to 49 percent of capital stock) with Mexican farmers.
Morocco	09/15/92	Liberalization	Foreign direct investments fully liberalized, and repatriation of proceeds from liquidation or sale of investments, including profits, would be permitted without restriction.
Nepal	06/01/92	Liberalization	Liberalization of foreign investment regulations announced. Applications for foreign direct investments would be processed through a one window system within 30 days of application, and foreign investors would be allowed to own 100 percent of capital in large- and medium-scale industries.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Pakistan	02/07/91	Liberalization	The requirement of government approval for issues of capital to nonresidents and central bank approval for issue and export of shares to nonresidents were abolished.
Peru	03/14/91	Liberalization	Foreign investment regime simplified and authorization granted to direct investment in all sectors of the economy, except those expressly reserved by law. Foreign capital would remain subject to restrictions under the Andean Pact.
	10/12/92	Liberalization	Rights and guarantees that are accorded to domestic investors are extended to foreign investors.
Philippines	06/13/91	Liberalization	A new foreign investment law promulgated: number of sectors open to full foreign ownership, expanded investment approval process, and restrictions on foreign investments more clearly defined; streamlined foreign firms would be allowed to invest in all sectors, except for those on three negative lists.
	01/03/92	Liberalization	Full and immediate repatriation privileges for all types of investments allowed to be serviced directly by Authorized Agent banks' without obtaining prior approval from Central Bank.
Poland	07/04/91	Liberalization	A new foreign investment law adopted, which simplified administrative procedures for establishment and taxation of new joint ventures, eliminated general tax holidays and removed all restrictions on transfers of profits and repatriation of capital.
Portugal	06/14/91	Liberalization	All foreign direct investments and investments in real estate abroad by residents liberalized, as well as the acquisition of foreign shares not quoted in stock exchange. Residents must channel such investments through a resident bank by establishing custody accounts. Banks required to withhold taxes as necessary and to verify payment of all taxes.
	01/01/92	Tightening	Restrictions on purchases by nonresidents of indexed-coupon securities, which have been subject to prior authorization from the Banco de Portugal, extended up to April 30, 1992.
Romania	05/03/91	Introduction	Foreign investments allowed in all sectors of economy, except in areas where environment or Romania's national security and defense interests must be protected. There are no limits on foreign equity participation in a commercial company set up in Romania, and foreign investors would be allowed to participate in management of investment operation or assign contractual rights and obligations to other Romanian or foreign investors. Foreign investors allowed to transfer abroad (1) their share of profits earned in convertible currencies or in lei; and (2) proceeds in freely convertible currencies obtained from total or partial proceeds from sale of stocks, shares, bonds, and other securities, as well as from the liquidation of investments; and the proceeds in lei obtained from the liquidation of investments in freely convertible currencies in three annual installments. Imported machinery, equipment, installations, means of transport, and any other goods in kind, constituted as participation of the foreign investor, exempted from import custom duties. Foreign investors also benefit from certain tax advantages.
Sao Tome and Principe	10/15/92	Liberalization	A new investment code introduced, permitting foreign direct investments in all sectors except hydrocarbons and other mining industries and repatriation of capital with authorization; annual transfers of profits would be restricted to 15 percent of invested capital.
Syrian Arab Republic	05/04/91	Liberalization	A new investment law aimed at encouraging all private investment in Syria, including direct foreign investment, came into force.
Sweden	12/31/92	Liberalization	Prohibition on depositing funds in accounts with foreign banks or transacting through these accounts abolished.
Tonga	07/01/91	Liberalization	Foreign investors in the manufacturing sector granted a 15-year tax holiday.

Measures Affecting Exchange and Payments Systems, 1991-92

Member	Date	Direction	Measures
Viet Nam	12/23/92	Liberalization	(1) Duration of joint ventures extended to 50 years from 20 years and, exceptionally, to 70 years; (2) private Vietnamese enterprises were permitted to join foreign joint ventures; and (3) foreign joint ventures in priority sectors exempted from payment of the profit tax (which ranges from 15 percent to 25 percent) during the first two years in which they are eligible and granted a 50 percent reduction of tax payments during the following two years.
Zimbabwe	12/29/92	Liberalization	Use of Export Retention Scheme funds extended to cover repatriation of foreign direct investments and cross-border investments. Applicants for repatriation of foreign direct investments through medium of six-year external government bonds given option to remit approved amount through the market.

Source: Annual Report on Exchange Arrangements and Exchange Restrictions, 1992 and 1993 editions.

Includes measures affecting import controls administered both through the exchange and customs systems.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Argentina	Independently Floating	Pegged Single Currency: U.S. dollar	QI91	Austral linked to U.S. dollar within a band for exchange market intervention.
Bulgaria	Pegged Currency Composite: Other	Independently Floating	QI91	Multiple exchange rate system replaced by a unified floating interbank exchange rate.
Dominican Republic	Pegged Single Currency: U.S. dollar	Independently Floating	QI91	Introduction of a temporary dual exchange rate system comprising a pegged official rate and a freely floating rate in an interbank market for most transactions.
Guyana	Pegged Single Currency: U.S. dollar	Independently Floating	QI91	Official exchange rate devalued to the level prevailing in the cambio market, effectively unifying the two exchange rates, and the special exchange rate applicable to CARICOM transactions abolished. Transactions in the cambio market are conducted freely.
Mongolia 1/	--	Pegged Single Currency: U.S. dollar	QI91	Currency of Mongolia is the tugrik. The official rate is pegged to the U.S. dollar. A market rate is determined by parallel market transactions that are officially tolerated.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Nicaragua	Other Managed Floating	Pegged Single Currency: U.S. dollar	QI91	Currency conversion.
Tonga	Pegged Single Currency: Other	Pegged Currency Composite: Other	QI91	Link between the pa'anga and the Australian dollar, which had existed since 1976 terminated, and the Pa'anga repegged to a weighted basket of currencies.
Poland	Pegged Single Currency: U.S. dollar	Pegged Currency Composite: Other	QII91	Arrangement of pegging the zloty to the U.S. dollar replaced with a peg to a basket of 5 currencies (the U.S. dollar, the deutsche mark, the Pound sterling, the French franc, and the Swiss franc).
Romania	Pegged Currency Composite: Other	Independently Floating	QII91	Participation in the dual inter-bank market extended to non-commercial entities, residents, and nonresident individuals through introduction of foreign exchange bureaus. An official foreign exchange rate is also in effect.
Haiti	Pegged Single Currency: U.S. dollar	Independently Floating	QIII91	Dual exchange market unified, by transferring all transactions effected at the official rate to the free market rate.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Sao Tome and Principe	Pegged Currency Composite: Other	Other Managed Floating	QIII91	A crawling peg policy aimed at achieving a nominal devaluation of 3.8 percent a month introduced.
Afghanistan	Pegged Single Currency: U.S. dollar	Independently Floating	QIV91	Most convertible currency transactions effected at the freely floating commercial exchange rate.
Albania 1/	--	Pegged Currency Composite: Other	QIV91	Dual exchange rate system in effect. A "basic rate" pegged to the ECU and a market determined exchange rate.
Israel	Pegged Currency Composite: Other	Other Managed Floating	QIV91	Crawling exchange rate band system introduced, aimed at achieving a nominal depreciation equal to the difference between the official domestic inflation target and a forecast of foreign inflation for that year.
Maldives	Independently Floating	Other Managed Floating	QIV91	The exchange rate of the rufiyaa was allowed to float broadly in line with market prices, albeit with varying degrees of periodic official intervention.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Poland	Pegged Currency Composite: Other	Other Managed Floating	QIV91	Crawling peg system comes into effect, aimed at achieving a depreciation of 1.8 percent a month by depreciating the exchange rate Zl 9 each business day.
Romania	Independently Floating	Other Managed Floating	QIV91	Temporary dual exchange rate system unified. The unified exchange rate is determined daily at a fixing in the interbank market, in which the National Bank of Romania and authorized commercial banks participate.
Costa Rica	Other Managed Floating	Independently Floating	QI92	Crawling peg system replaced by a regime under which the exchange rate is determined by market forces.
Honduras	Other Managed Floating	Independently Floating	QI92	Foreign exchange houses authorized to buy and sell foreign exchange for all transactions at freely determined exchange rates.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Sudan	Pegged Single Currency: U.S. dollar	Independently Floating	QI92	Multiple exchange rate regime abolished and replaced by a unified free exchange market in which the exchange rate is determined in an interbank market.
Uganda	Pegged Currency Composite: Other	Independently Floating	QII92	Auction system for allocating donor import support introduced and the allocation of all foreign exchange based on a market-determined exchange rate.
Yugoslavia, Federal Republic of	Pegged Single Currency: Other	Pegged Single Currency: U.S. dollar	QII92	Currency conversion effected and the new dinar was pegged to the U.S. dollar rather than the deutsche mark.
Romania	Other Managed Floating	Independently Floating	QII92	Fixing session replaced with an foreign exchange auction system; free functioning of this system on a market basis did not occur continuously from September 30, 1992 onward.
Portugal	Other Managed Floating	Flexibility Limited	QII92	Portugal joined the Exchange Mechanism (ERM) of the European Monetary System and set margins of 6 percent above or below the central rates for the other ERM members' currencies.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Mozambique	Adjusted According to a set of indicators	Independently Floating	QII92	All foreign exchange transactions shifted to the secondary market where the exchange rate is market-determined.
Marshall Islands 1/	--	Independently Floating	QII92	The currency of the Marshall Islands is the U.S. dollar.
Burundi	Pegged Currency	Pegged Currency Composite: Other	QII92	The composite peg arrangement of the Burundi franc to the SDR replaced by a peg arrangement to an undisclosed basket of currencies that reflects the pattern of Burundi's international trade.
Estonia 1/	--	Pegged Currency Composite: Other	QII92	Since the introduction of a currency board system, the convertibility of the kroon has been guaranteed by the Bank of Estonia; the exchange rate of the kroon has been pegged to the deutsche mark at the rate of EEk 8 per DM 1.
Latvia 1/	--	Pegged Currency Composite: Other	QII92	The Latvian ruble is initially pegged to the Russian ruble at the rate of Latvian ruble 1 per Russian ruble 1. Both currencies circulate as legal tenders.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Albania	Pegged Currency Composite: Other	Independently Floating	QII92	The official exchange rate, which had been pegged to the ECU, abolished, and the exchange rate allowed to be determined by market prices.
Armenia	--	Pegged Single Currency: Other	QIII92	The Armenian ruble is pegged to the Russian ruble.
Belarus	--	Pegged Single Currency: Other	QIII92	Belarus introduces the rubel, which is pegged to and circulates alongside the ruble. Multiple exchange rates in effect at this time.
Georgia	--	Pegged Single Currency: Other	QIII92	The currency of Georgia is the Russian ruble.
Kyrgyz Republic	--	Pegged Single Currency: Other	QIII92	The currency of the Kyrgyz Republic is the Russian ruble.
Latvia	Pegged Single Currency: Other	Independently Floating	QIII92	The Latvian ruble is made the only legal tender and was allowed to float.
Lithuania	--	Independently Floating	QIII92	The ruble and the general purpose coupons talonas circulate as legal tender. A multiple exchange rate system is in effect at this time.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Moldova	--	Pegged Single Currency: Other	QIII92	The Russian ruble circulates as legal tender in Moldova. A dual exchange rate system is abolished.
Russia	--	Independently Floating	QIII92	Several exchange rates are in effect at this time.
Ukraine	--	Independently Floating	QIII92	The karbovanets becomes the sole legal tender in Ukraine.
Italy	Flexibility Limited	Independently Floating	QIII92	Following a devaluation of the Italian lira against other EMS currencies, the lira is withdrawn from the ERM.
United Kingdom	Flexibility Limited	Independently Floating	QIII92	In the context of the withdrawal of the pound sterling from the ERM.
Switzerland 1/	--	Independently Floating	QIII92	The Swiss franc is determined on the basis of underlying demand and supply.
Finland	Pegged Currency Composite: Other	Independently Floating	QIII92	The authorities cease to peg the markka to the ECU.
Sweden	Pegged Currency Composite: Other	Independently Floating	QIV92	The authorities cease to peg the krona to the ECU.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified		Date	Remarks
	From	To		
Norway	Pegged Currency Composite: Other	Independently Floating	QIV92	The authorities discontinue the peg to the ECU.
Zambia	Adjusted According to a Set of indicators	Independently Floating	QIV92	A dual exchange rate system is introduced. The bureau de change exchange rate, applied to most transactions, is market-determined.
Kazakhstan 1/	--	Pegged Single Currency: Other	QI93	The Russian ruble circulates as legal tender. A dual exchange rate system is in effect at the time.
India	Other Managed Floating	Independently Floating	QI93	The dual exchange rate system unified and the exchange rate of the rupee allowed to float.
Iran, Islamic Republic of	Pegged Currency Composite: SDR	Independently Floating	QI93	The multiple exchange rate system unified and the exchange rate allowed to be determined by market forces.
Nepal	Pegged Currency Composite: Other	Independently Floating	QI93	The official and market-determined exchange rates were unified at the level of the market-determined exchange rate.
Nicaragua	Pegged Single Currency: U.S. dollar	Other Managed Floating	QI93	A crawling peg system introduced; the rate of the crawl set at 5 percent on an annual basis.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Trinidad & Tobago	Pegged Single Currency: U.S. dollar	Independently Floating	QII93	Licensed authorized dealers were allowed to conduct all types of foreign exchange transactions; all exchange controls relating both to current and capital transactions were eliminated.
Croatia 1/	--	Other Managed Floating	QII93	The Croatian dinar is pegged to a basket of seven currencies weighted by their share in external payments and managed flexibly.
Slovenia 1/	--	Other Managed Floating	QII93	The Slovenian tolar is managed flexibly in an interbank market for foreign exchange.
Turkmenistan 1/	--	Pegged Single Currency: Other	QII93	The Russian ruble circulates as legal tender in Turkmenistan.
Ethiopia	Pegged Single Currency: U.S. dollar	Independently Floating	QII93	A foreign exchange auction administered by the National Bank of Ethiopia was introduced. The official rate continues to be pegged to the U.S. dollar.
Kyrgyz Republic	Pegged Single Currency: Other	Independently Floating	QII93	A new national currency, the som, becomes legal tender. The som is freely floating.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Mongolia	Pegged Single Currency: U.S. dollar	Independently Floating	QII93	The dual exchange rate system is unified and the exchange rate for the turgik allowed to float.
Nepal	Independently Floating	Pegged Currency Composite: Other	QII93	The exchange rate relative to the Indian rupee is fixed.
Venezuela	Independently Floating	Other Managed Floating	QII93	The Central Bank of Venezuela is the recipient and the supplier of most of the foreign exchange and its actions can influence the exchange rate in this market. Further information made available to the Fund staff indicates that the Central Bank has been managing the exchange rate flexibly.
Georgia	Pegged Single Currenty: Other	Independently Floating	QIII93	Allows the Georgian coupon, determined by market forces to be the only legal tender circulation in the country.
Moldova	Pegged Single Currency: Other	Indpendently Floating	QIII93	The Moldovan coupons, determined by market forces, become the only legal tender in Moldova. Subsequently, the Moldovan leu replaced the coupons as sole legal tender and unified and previous dual exchange market.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
San Marino 1/	--	Pegged Single Currency: Other	QIII93	The currency of San Marino is the Italian lira.
Tanzania	Pegged Currency Composite: Other	Independently Floating	QIII93	Dual exchange market unified and weekly auctions introduced.
Armenia	Pegged Single Currency: Other	Independently Floating	QIV93	A new currency, the dram, was introduced.
Belarus	Pegged Single Currency: Other	Other Managed Floating	QIV93	Dual exchange rate system eliminated. Unified exchange rate set twice weekly on the basis of the convertible currency auction.
Kazakhstan	Pegged Single Currency: Other	Independently Floating	QIV93	A new currency, the tenge, was introduced. Its exchange rate is determined weekly in foreign currency auctions.
Turkmenistan	Pegged Single Currency: Other	Other Managed Floating	QIV93	A new national currency, the manat determined in weekly auctions, was introduced as sole legal tender.
Croatia	Other Managed Floating	Independently Floating	QIV93	In the context of a new foreign exchange law, a market-determined exchange rate arrangement was introduced.

Changes in Exchange Rate Regimes Affecting Classification, 1991-93

Country	Classified From	Classified To	Date	Remarks
Czech Republic 1/	--	Pegged Currency Composite: Other	QIV93	The currency of the Czech Republic is the Czech koruna, the external value of which is determined on the basis of a basket of currencies comprising the deutsche mark and the U.S. dollar.
Kenya	Pegged Currency Composite: Other	Independently Floating	QIV93	The dual exchange rate system unified. All transactions take place in the interbank foreign exchange market.
Macedonia, 1/ former Yugoslav Republic of	--	Independently Floating	QIV93	The currency of the former Yugoslav Republic of Macedonia is the denar. The denar's exchange rate is determined by the interplay of supply and demand in the foreign exchange market, which includes foreign exchange bureaus.
Micronesia, 2/ Federated States of	--	Pegged Single Currency: U.S. dollar.	QIV93	The currency of Micronesia is U.S. dollar
Sudan	Independently Floating	Other Managed Floating	QIV93	A dual exchange rate system is introduced, comprising a central and a commercial exchange rate.

Sources: Data provided by National authorities and staff estimates.
1/ Initial notification of member's exchange rate arrangement.
2/ Notification dated January 26, 1994.

Inventory of Multiple Exchange Rates

This annex briefly describes the multiple currency practices which were maintained by member countries as of December 31, 1993 unless otherwise indicated.

Afghanistan

Afghanistan maintains a multiple exchange rate system. Based on the free market exchange rate its exchange rate arrangement is classified as independently floating. The various exchange rates comprise: (1) the free exchange rate in the bazaar, in which most foreign currency transactions take place; (2) the official exchange rate, which is pegged to the U.S. dollar, applicable to certain official transactions, mainly debt-service payments; (3) the commercial exchange rate, which is set monthly at a level equivalent to a three-month moving average of the market exchange rate, and applies to five essential commodities; and (4) an exchange rate at which transactions with international organizations, aid agencies, and embassies are conducted, which is set at the level of 80 percent of the commercial exchange rate.

Angola

The dual exchange rate system in effect consists of the official and the floating exchange rates. The official exchange rate, pegged to the U.S. dollar, applies mainly to public sector transactions and to traditional exports (oil and diamonds). The floating exchange rate, administered by the Central Bank, applies to nonessential imports and purchases of foreign exchange, checks, traveler's checks, payment orders, and other instruments used in international transactions by individuals, organizations, firms, and tourist operators, and to sales of foreign exchange for travel and special expenses or transfers abroad. Angola's exchange rate arrangement is based on the official exchange rate pegged to the U.S. dollar. 1/

Bahamas

The official exchange rate of the Bahamian dollar is pegged to the U.S. dollar at B$1 per US$1.

The Central Bank administers an "investment currency market" in which residents may purchase foreign exchange for capital transactions at a premium through the Central Bank. At end-1993, the premium was $B1.20 per US$1 (bid) and $B1.25 per US$1 (offer).

1/ On April 25, 1994, the Central Bank of Angola unified the dual exchange rate system and adopted a single official exchange rate determined through foreign exchange auctions.

Bangladesh

The official exchange rate vis-à-vis the U.S. dollar is determined with reference to a weighted basket of currencies. A multiple currency practice arises from outstanding contracts entered into under the inoperative forward cover and Nonresident Foreign Currency Deposit schemes that continue to be in effect.

Botswana

The external value of the pula, the currency of Botswana, is determined with reference to a weighted basket of currencies comprising currencies of the country's major trading partners. A foreign exchange risk-sharing scheme which applies to borrowing by parastatals outstanding as of December 1, 1990 gives rise to a multiple currency practice.

Brazil

The exchange rate is determined by demand and supply in the interbank market. However, a dual exchange market results from the official foreign exchange interbank market, the rate of which applies to the following transactions: imports, exports, remittances of profits and dividends, capital repatriation, debt service, approved foreign investment, and the tourist exchange market, in which the exchange rate for receipts from tourism is freely determined by participants in the market.

Purchases for a number of current invisibles are subject to the financial transaction tax of 25 percent.

Cambodia

The exchange rate system comprises two rates; the official and the parallel market rates. The official exchange rate is managed flexibly by the National Bank of Cambodia, adjusting the rate frequently so as to limit the spread between the official and parallel market rates to about 3 percent, and applies mainly to external transactions conducted by the Government and state-owned enterprises. The parallel exchange rate, which is not legal but is officially tolerated, is market determined. 1/

Chile

The exchange rate of the Chilean peso is adjusted at daily intervals according to a schedule established on the basis of the domestic rate of inflation during the previous month, less the estimated world rate of inflation. Dual foreign exchange markets are in effect; the official foreign exchange market, which comprises commercial banks, exchange houses,

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1/ Beginning in 1994, the spread between the official and parallel exchange rates was narrowed to no more than 2 percent and with effect from March 1994 the spread has been maintained at no more than 1 percent, thus effectively unifying the dual exchange rate system.

and other entities licensed by the Central Bank, and an informal foreign exchange market, through which all transactions not required to be channeled through the official foreign exchange market are allowed to take place. In both markets, economic agents are free to negotiate exchange rates.

China

Dual exchange rates consisted of (1) an administered exchange rate, which was set by the Government based on developments in the country's balance of payments, the costs and exchange rates of China's major competitors, and fluctuations in the exchange rates of major currencies, and (2) an exchange rate for retention foreign exchange, which was freely negotiated in foreign exchange adjustment centers by eligible participants. 1/

Colombia

The Colombian authorities follow a policy of adjusting the peso in small amounts at short intervals, taking into account price movements in Colombia relative to those in its major trading partners, the level of Colombia's foreign exchange reserves, and overall balance of payments performance. Two exchange rates are in effect; a market-determined exchange rate and the reference exchange rate. Additionally, there are other effective exchange rates that arise from tax credit certificates granted for most export proceeds. 2/

Czech Republic

The currency of the Czech Republic 3/ is the Czech koruna, the external value of which is determined on the basis of a basket of currencies comprising the deutsche mark and the U.S. dollar. This exchange rate is permitted to fluctuate within margins of ±0.5 percent and it applies to all transactions, except for transactions with the Slovak Republic. A market-determined exchange rate applies to tourist transactions with the Slovak Republic.

1/ With effect from January 1, 1994, the dual exchange rate system was unified; the new arrangement constitutes a unified, market-determined, managed floating exchange rate system.

2/ Effective January 21, 1994, the Central Bank no longer issues exchange certificates against foreign exchange proceeds, effectively abolishing the official exchange rate and unifying the dual exchange system. Under the new system, the Colombian authorities conduct a managed float of the peso/dollar exchange rate within a band (currently, the band has a 14 percentage point width).

3/ The Czech Republic and the Slovak Republic became members of the Fund on January 1, 1993, through the membership of the former Czech and Slovak Federal Republic.

All transactions with the Slovak Republic, except for re-exports, must go through a clearing account with the two central banks; transactions are converted from the currency of the contract into clearing ECUs at a rate set by the respective central banks, which can differ by up to 5 percent from the market rate against the clearing ECU. Special exchange arrangements apply to settlements of balances under terminated bilateral payments agreements with some socialist and former socialist countries outside the former CMEA.

Ecuador

The multiple exchange rate system in effect consists of the following three exchange rates: (1) the free market rate; (2) the central bank exchange rate; and (3) the official exchange rate (used for accounting purposes only and equal to the central bank selling rate). The central bank selling rate, which is established weekly as the average of the free market rate of the preceding week, is applied to the public sector's external payments and to foreign exchange transactions of foreign petroleum companies. The same rate also applies for disbursements of external credits and grants to the public sector, but a separate central bank buying rate, which is S/. 250 per U.S. dollar lower than the selling rate, is applied to all other foreign exchange receipts of the public sector.

There is a spread of more than 2 percent between the official buying and selling rate in the intervention market, which is applied to foreign credits disbursements or guarantees by public sector, public sector purchases of foreign exchange, and transactions of the private oil company.

Egypt

From November 28, 1991 a unified free market exchange rate has been applied to all transactions. A special exchange rate of LE 1.30 per U.S. dollar, however, applies to transactions effected under the bilateral payments agreement with Sudan. Additionally, an exchange rate of LE 0.3913 per U.S. dollar is used for the liquidation of balances related to past bilateral payments agreements.

Ethiopia

Ethiopia maintains a dual exchange rate regime comprising an official exchange rate, which is pegged to the U.S. dollar and applies to a limited number of payments such as imports of petroleum products, pharmaceuticals, and fertilizers, and for the Government's foreign exchange contributions to international organizations and official debt service payments. The auction exchange rate, the marginal auction exchange rate established on a fortnightly basis, applies to all current and capital account transactions. Ethiopia's exchange rate arrangement, based on the auction exchange rate, is classified as independently floating.

India

Since March 1, 1993, the exchange rate of the rupee has been determined on the basis of underlying demand and supply. India maintains an exchange rate guarantee on interest payments on existing nonresident Indian deposits of less than two years' maturity which results in a multiple currency practice.

Iran, Islamic Republic of

The currency of the Islamic Republic of Iran is the Iranian rial. The Bank Markazi Jomhouri Iran (the central bank) announces daily the official exchange rate on the basis of the free market exchange rate, which is set freely by foreign exchange brokers and money changers. An advance import deposit requirement related to certain import payments gives rise to a multiple currency practice.

Lao People's Democratic Republic

The official exchange rate is managed by the Central Bank based on the developments in the parallel market and is applied to all transactions between the Central Bank and the commercial banks. Commercial banks and foreign exchange bureaus are permitted to sell and buy foreign exchange at freely determined rates.

Lesotho

The official (commercial) exchange rate is pegged to the South African rand at par. The financial rand scheme, under which the balances of the financial rand are transferable among nonresidents at freely determined exchange rates and may be used for purchasing securities and for financing investments in new firms and certain properties, constitutes a multiple currency practice, because the practice involves some current account transactions.

Liberia

The official exchange rate is pegged to the U.S. dollar at par, and the U.S. dollar is also allowed to circulate as legal tender; most government transactions go through the official exchange market. There is a parallel market recognized de facto by the authorities through which a much larger amount of transactions, including some government transactions, is effected. The parallel market gives rise to a multiple currency practice.

Libya, Socialist People's Arab Jamahiriya

The currency of the Socialist People's Libyan Arab Jamahiriya is the Libyan dinar, which is pegged to the SDR. Two multiple currency practices are in effect as a result of a 10 percent fee that has been levied since 1985 on outward foreign exchange transfers for the purpose of financing the

Great Man-made River Project, and since 1989 importers have been required to put an advanced import deposit equal to 20 percent of the import value before a letter of credit may be opened.

Malta

The external value of the Maltese lira, the currency of Malta, is determined on the basis of a weighted basket of currencies consisting of the pound sterling, the U.S. dollar, and the European Currency Unit. Since 1983 an exchange rate guarantee scheme for British and Irish tour operators has been in effect, giving rise to a multiple currency practice.

Mauritania

The currency of Mauritania is the ouguiya, the external value of which is determined on the basis of a weighted basket of currencies comprising the Belgian franc, the deutsche mark, the French franc, the Italian lira, the Spanish peseta, and the U.S. dollar. A dual exchange rate regime emerges from use of the official exchange rate for most transactions and the free market rate, which is applicable to transactions of foreign currency notes and traveler's checks.

Mauritius

Multiple currency practices arise from balance outstanding inoperative under (1) forward cover facilities, which were provided by the Central Bank for industries operating in the Export Processing Zone and banks which are engaged in foreign borrowing for lending to the sugar sector, and (2) the inoperative exchange rate guarantee by the Central Bank for nonresident foreign currency deposit accounts.

Moldova

The exchange rate system consists of: the official exchange rate against the U.S. dollar for noncash transactions which is established in the fixing sessions at the Chisinau Interbank Foreign Currency Exchange and the exchange rate for cash transactions which is freely determined in the exchange market operated by exchange bureaus and other authorized dealers. The official exchange rate is applied to foreign exchange surrendered to the National Bank of Moldova and to official external debt service payments and used for accounting and tax valuation purposes.

Myanmar

The currency of Myanmar is the Myanmar kyat, which is pegged to the SDR. An export retention scheme and the issuance of foreign exchange certificates issued at par with the U.S. dollar for tourists entering Myanmar gives rise to multiple currency practices.

Namibia

As a member of the Common Monetary Area (CMA), Namibia participates in the "financial rand" system, under which local sales and redemption proceeds of CMA member country securities and other investments owned by non-CMA residents are transferable among non-CMA residents at a freely negotiated exchange rate (usually at a discount from the commercial rand rate) through financial rand balances maintained at authorized banks. The financial rand scheme gives rise to multiple currency practice.

Nicaragua

The dual exchange rate system in effect consists of (1) the official exchange rate, which is pegged to the U.S. dollar and devalued daily at an annual rate of 12 percent, and (2) the foreign exchange house rate, which was introduced in September 1991, and is determined freely based on market forces.

Nigeria

Two exchange rates are in effect as follows: (1) the fixed official exchange rate of ₦ 22 per U.S. dollar; and (2) the foreign exchange bureaus rate, which was introduced in August 1989 and is limited to transaction of bank notes and traveler's checks. The spread between the official and the bureaus exchange rates widened to about 110 percent at the end of December 1993.

Pakistan

A managed floating exchange rate system is operated under which the State Bank of Pakistan sets the daily rate at which it will purchase and sell U.S. dollars in its dealings with authorized dealers. Multiple currency practices result from the forward exchange cover operations and the advanced income tax in the form of a 5 percent charge on the purchases of foreign exchange for travel. 1/

Poland

Dual exchange rates consist of the official exchange rate, pegged to a basket of five currencies and managed flexibly and applicable to most transactions, while individuals may make payments and transfers which are not eligible for foreign exchange at the official exchange rate with foreign exchange acquired at the parallel rate determined by market forces.

1/ Both inoperative as of June 1994.

Romania

A dual exchange market is in effect consisting of an interbank market for legal persons in which the exchange rate is determined based on the results of foreign exchange auction; and an authorized foreign exchange bureau market for natural persons. 1/

Slovak Republic

The currency of the Slovak Republic is the Slovak crown or koruna, the external value of which is determined on the basis of a basket of five major currencies with the largest share in external transactions, and applies to all transactions, except those with the Czech Republic. Transactions with the Czech Republic must go through a clearing account with the two central banks, in which transactions are converted from the currency of the contract into "clearing ECUs" at a rate set by the respective central banks that may differ by up to 5 percent from the official rate against the ECU. Special arrangements apply to settlements of balances under terminated bilateral payments agreements with some socialist countries outside the former CMEA.

Somalia 2/

The dual exchange rate system consists of (1) the official exchange rate, which is pegged to a basket of currencies and is adjusted weekly by the Central Bank; it applies to imports of goods and services and debt-service payments of the Government, and (2) the free market exchange rate, which is negotiated freely between resident holders of foreign exchange accounts.

A 10 percent levy is imposed on all applications for purchases of foreign exchange under the commodity import program. In addition, a non-interest-bearing cash advance deposit of 100 percent is required to open letters of credit for private sector imports; the deposit is retained until the letters of credit are settled.

South Africa

A dual exchange rate system emerges from the "financial rand" scheme, which operates with respect to: (1) the local sale and redemption proceeds of South African securities and other investments in South Africa owned by nonresidents; (2) outward remittances by emigrants; inward remittances by immigrants, and certain investment capital transfers; and (3) approved outward capital transfers by residents. The exchange rate for the financial rand is depreciated with respect to the commercial rand exchange rate.

1/ In April 1994, the bureau and auction exchange rates were unified.
2/ Since December 31, 1991, the staff has not received information on the exchange and trade system from the Somali authorities.

Sudan

A dual managed exchange rate system consists of (1) a central bank exchange rate, which applies to all exports and official receipts and payments; and (2) a commercial bank exchange rate, adjusted periodically by a committee of bankers, at which all other transactions take place. A special exchange rate applies to transactions under the bilateral payments agreement with Egypt. 1/

Suriname

Multiple exchange rates are in effect in Suriname, as follows: (1) the official exchange rate applicable to official and officially guaranteed debt-service payments, (2) the bauxite exchange rate applicable to transactions of the bauxite companies and to imports of basic consumer goods by the health and education sectors and the public utilities; (3) the fuel exchange rate applied to imports of fuel; (4) the auction exchange rate applicable to imports of productive sectors and to export proceeds from banana, shrimp, and oil; (5) the rice exchange rate, which applies to transactions of the rice sector; and (6) the interbank exchange rate applied to all other transactions. 2/

Syrian Arab Republic

The multiple exchange rate regime consists of the following three rates: (1) the official exchange rate applies, on the receipts side, to government transactions, public sector exports of oil, and certain agricultural products; and on the payments side, to government transactions, public sector imports of certain agricultural commodities, public sector invisibles payments, and capital transactions; (2) the promotion exchange rate applies only to some student allowances; and (3) the rate in neighboring countries, which is determined by the Central Bank and the Commercial Bank of Syria and applied to tourist receipts, private remittances, the valuation of external loans and grants, the 25 percent export proceeds surrendered by the private sector from most exports, and 100 percent of proceeds surrendered by the private sectors from exports of fruits, vegetables, and a number of other agricultural items, to travel allowances, medical expenses, remittances abroad, imports by the public sector enterprises, and domestic expenditures of non-oil foreign companies; In addition to these three exchange rates, a separate exchange rate, for customs duty purposes is used to value imports of nonessential goods.

1/ On July 1, 1994 the dual exchange rate system was abolished and a new unified exchange rate, determined in an interbank market comprising Sudan's 27 commercial banks, introduced.

2/ On July 8, 1994, the multiple exchange rate system was unified and a single exchange rate, determined by market forces, introduced.

Ukraine

A dual administered exchange rate applies to foreign exchange earnings not subject to surrender at the official rate. Since late December 1993, the Government began to hold foreign exchange auctions. Broken cross rates also arise from the establishment of the official exchange rate by the Central Bank against both the U.S. dollar and the Russian ruble.

Uzbekistan

The **sum-coupon** was introduced as an additional means of payment with effect from November 15, 1993. Russian rubles circulate in parallel with the sum-coupons. Multiple currency practices arise from the divergence among the official exchange rate, the rate quoted by the Central Bank of Uzbekistan for its sales of foreign exchange to the banking system and other commercial rates; and from the emergence of broken cross rates in the setting of the official rates by the Central Bank of Uzbekistan.

Viet Nam

The exchange rate is managed flexibly, with all exchange transactions taking place at the rate established at foreign exchange trading floors located in Hanoi and Ho Chi Minh City. A 5-10 percent tax is imposed on profit remittances from foreign direct investment.

Republic of Yemen

The foreign exchange market in Yemen consists of the official market, in which multiple rates apply, and the parallel market. An official exchange rate applies essentially only to government transactions--oil trade; government imports and service payments and receipts; official external financial flows and debt servicing, and is also used for valuing the banking system's foreign positions. A basic food exchange rate applies to central bank financing of three food imports--wheat, flour, and rice. An incentive exchange rate applies to imports by public enterprises and entities and under bilateral and multilateral assistance; those purchases of local currency by oil companies which must be made at the Central Bank; and on a more or less voluntary basis to local embassies and tourists. The parallel market operations outside the banking system, is the venue for the majority of non-oil external transactions, and is fully accessible for all purposes.

Zaïre

The official and the parallel market rate were unified in August 1991. However, despite the unification, informal arrangements under which exporters transact with importers at freely negotiated rates outside the free exchange market are still in effect. This segmentation of the exchange market gives rise to a multiple currency practice.

Zambia

The exchange system consists of a dual exchange rate arrangement. Conversion of receipts from nontraditional exports and invisibles, and most parastatal and private sector foreign exchange payments, take place in the bureau de change/export retention market, where the exchange rate is market determined. Foreign exchange transactions of the government and the state copper company, take place at the primary official exchange rate which is equal to the bureau de change exchange rate. The Bank of Zambia sets a separate exchange rate applied to imports under the OGL system; the differential between the bureau/retention and the OGL exchange rates varies depending on the nature of the external assistance being relied upon at the time to finance OGL imports.

Zimbabwe

A dual exchange rate regime was introduced with effect from January 1, 1994, comprising a market-determined and an official exchange rate applied to most private sector payments and government transactions, respectively. The Export Retention Scheme was transformed into a system whereby foreign exchange is retained and traded in an interbank market at market-determined exchange rates. In June 1993, the use of Foreign Currency Accounts (FCAs) for the retention of export proceeds by individuals was introduced; the use of FCAs was extended to corporations on January 1, 1994. The retention rate in effect is 60 percent. The sales of outstanding ERS entitlements at a premium in the secondary market and the introduction of FCAs give rise to multiple currency practices. 1/

1/ On July 2, 1994 the dual exchange system was unified. All foreign exchange transactions are conducted on the basis of a market-determined exchange rate.

Countries Participating in Regional Payment Arrangements 1/

Name and dates of regional arrangements	1950 1955 1960 1965 1970 1975 1980 1985 1990
EPU <1950-58>	(15) 2/
CACH <1961-1992>	(3) (5)
LAFTA/LAIA <1965/1980->	(12) LAFTA LAIA
RCD/ECO <1967-90>	(3) RCD ECO
ACU <1975->	(7)
WACH <1976->	(12) (14) (15)
CARICOM <1977-83>	(13)
CEPGL <1978->	(3)
Central African CH <1982->	(7)
PTA <1984->	(15) (17) (18)

Total number of countries involved in arrangements 3/	1950	'60	'65	'70	'75	'80	'85	'88	'90
	15	0	17	20	25	54	60	60	60

Memorandum	
CMEA <1949-91>	(6) (7) (8) (9) (10)

1/ Figures in parenthesis shows the number of member countries and the figures below the parenthesis denote the year when new member(s) joined the arrangement.
2/ Excluding Sterling Area other than United Kingdom and Ireland.
3/ Some members participate in two arrangements, including Burundi and Rwanda (CEPGL and PTA), Pakistan and Iran, Islamic Republic of (ACU and ECO), and Zaïre (CEPGL and Central African Clearing House).