

**IMMEDIATE
ATTENTION**

EBS/08/20
Corrected: 2/27/08*

CONFIDENTIAL

February 19, 2008

To: Members of the Executive Board

From: The Secretary

Subject: **Liberia—Amendment of SDR Suspension Decision**

Attached for consideration by the Executive Directors is a paper on the Amendment of SDR Suspension Decision for Liberia. It is not intended to publish this paper on the Fund's external website.

It is not proposed to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests by **the close of business on Wednesday, February 27, 2008**. In the absence of such a request, the draft decision that appears on page 2 will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Questions may be referred to Mr. Steinki, LEG (ext. 38222) and Mr. Njoroge, FIN (ext. 38785).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

* Reissued to provide a corrected lapse of time date and time.

CONFIDENTIAL

INTERNATIONAL MONETARY FUND

Liberia—Amendment of SDR Suspension Decision

Prepared by the Legal and Finance Departments

Approved by Sean Hagan and Michael G. Kuhn

February 19, 2008

1. It is proposed to amend the decision suspending Liberia's right to use SDRs to allow for the use of SDRs by Liberia for the settlement of its overdue financial obligations to the Fund.
2. Liberia's right to use SDRs has been suspended since 1986 because of its arrears to the SDR Department.¹ Liberia intends to clear its arrears to the Fund, including to the SDR Department, with SDRs acquired under a bridge loan from another participant in the SDR Department.
3. For arrears clearance to be possible with an SDR bridge loan, the decision suspending the use of SDRs by Liberia would need to be amended to exclude from the suspension the use of SDRs for settlement of financial obligations to the Fund. The amendment would bring Liberia's suspension decision in line with suspension decisions taken after January 7, 1987, when the Fund decided to qualify SDR suspension decisions to allow for the use of SDRs for settlement of financial obligations to the Fund.²

¹ Decision No. 8134-(85/169) G/S/TR, adopted November 25, 1985. In accordance with paragraph 4 of the decision, the suspension became effective on January 24, 1986.

² See Summing-Up, EBM/87/3 (1/7/87), page 34, and "*Overdue Financial Obligations to the Fund—Six-Monthly Report*" (EBS/86/255, 11/20/86), page 12.

PROPOSED DECISION

Accordingly, the following draft decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

Decision No. 8134-(85/169) G/S/TR, adopted November 25, 1985, shall be amended by adding at the end of paragraph 4: “, other than for settlement of financial obligations to the Fund.”