

**IMMEDIATE  
ATTENTION**

EBD/09/91  
Revision 1  
Correction 1

December 29, 2009

To: Members of the Executive Board

From: The Secretary

Subject: **Report on Delayed Article IV Consultations, Request for Extension of Approval of Exchange Measures, and Outstanding 2009 Article XIV Consultations**

The attached corrections to EBD/09/91, Revision 1 (12/23/09) have been provided by the staff.

**Factual Errors Not Affecting the Presentation of Staff's Analysis or Views**

**Page 7, Table 2, Column 1, item 3:** for "Other members" read "Others"

**Page 7, Table 2, Column 2, line 16:** for "Hong Kong" read "Hong Kong SAR<sup>4/</sup>"  
With footnote text below to read: "4/ Hong Kong SAR is a special administrative region of the People's Republic of China which is the member in the Fund."

Questions may be referred to Mr. Bakhache (ext. 37141) and Mr. Cogliardi (ext. 37568) in SPR.

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

Att: (1)

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Department Heads



particularly long delays.<sup>3</sup> In fact, aside from these two cases, on average the lag (61 days) was about 30 days less than the expectation.

- For the rest of the membership, the average lag was 44 days—21 days less than the 65-day expectation—a decrease of six days from the previous quarter.

**Table 2. Lag between End of Staff Discussions with the Authorities and Board Completion of Article IV Consultations  
(October – December 2009)**

	Country Name	Discussion End Date	Board Date <sup>1/</sup>	Lag <sup>2/</sup>	Delay <sup>3/</sup>
<b>PRGF eligible members</b>	Mongolia	11/10/2009	12/22/2009	42	-
	Zambia	10/28/2009	12/14/2009	47	-
	Bhutan	10/27/2009	12/15/2009	49	-
	Kenya	10/31/2009	12/22/2009	52	-
	Cambodia	9/23/2009	11/18/2009	56	-
	Grenada	9/25/2009	11/25/2009	61	-
	Cote d'Ivoire	9/17/2009	11/18/2009	62	-
	C.A.R.	10/1/2009	12/4/2009	64	-
	Eritrea	9/29/2009	12/7/2009	69	-
	Burkina Faso	10/2/2009	12/14/2009	73	-
	Solomon Islands	7/30/2009	10/16/2009	78	-
	Nigeria	7/29/2009	10/16/2009	79	-
	Maldives	8/19/2009	12/4/2009	107	15
	Congo, Dem. Rep. of the	8/18/2009	12/11/2009	115	23
<b>Average</b>				<b>68</b>	
<b>Others</b>	Hong Kong SAR <sup>4/</sup>	10/22/2009	11/23/2009	32	-
	Guatemala	11/13/2009	12/16/2009	33	-
	Macedonia, FYR	10/27/2009	12/11/2009	45	-
	Belarus	9/2/2009	10/21/2009	49	-
	Dominican Republic	9/18/2009	11/9/2009	52	-
	Uruguay	9/17/2009	11/9/2009	53	-
<b>Average</b>				<b>44</b>	

Source: Strategy, Policy, and Review Department.

1/ Actual date of Executive Board consideration (including on lapse of time) of the consultation during October-December, 2009.

2/ Measures the period (in days) between the end of discussions with the authorities and the date of the completion of the consultation with the Executive Board.

3/ Measures the time elapsed beyond the expected applicable period for completion of the consultation and the actual Executive Board date. If the deadline of the three-month/65 day expectation falls during the Board recess, the Friday of the week immediately following such a period would be regarded as the applicable deadline.

4/ Hong Kong SAR is a special administrative region of the People's Republic of China which is the member in the Fund.

<sup>3</sup> The lags for Democratic Republic of Congo and Maldives were 115 and 107 days respectively. For both countries the Article IV consultations were combined with requests for new arrangements which mostly contributed to the long lags. In addition, Board scheduling issues related to the Annual Meetings contributed to the relatively long delay for Nigeria

#### **IV. EXCHANGE RESTRICTIONS AND MULTIPLE CURRENCY PRACTICES UNDER ARTICLE VIII**

10. *Sudan* maintains two restrictions which are subject to approval under Article VIII Sections 2(a) and 3:

- On February 17, 2009, the Central Bank of Sudan issued a circular requiring 100 percent cash margin for letters of credit on most imports. Certain medical, agricultural, and industrial items are exempted from this requirement. The measure, which was introduced to curb the demand for imports and, by extension, for foreign exchange, gives rise to both an exchange restriction and a multiple currency practice subject to Fund approval under Article VIII, Sections 2(a) and 3 of the Fund's Articles of Agreement; and
- On March 17, 2009, the Central Bank of Sudan issued another circular limiting the amount of foreign currency that could be purchased for travel outside of Sudan to €3,000 (or the equivalent in other currencies) per person per visit. This absolute ceiling on the amount of foreign exchange that could be purchased for travel abroad constitutes an exchange restriction subject to Fund approval under Article VIII, Section 2(a).

11. These measures were implemented for balance of payments reasons and are nondiscriminatory in nature. The authorities had committed to removing them by end-2009, but were not able to due to continued balance of payments pressures. They request approval of the retention of these measures for a period of six months, to allow them time to remove them. The staff considers that the grounds for the approval of these restrictions and multiple currency practices continue to be in place and recommends their approval.

#### **Proposed Decision**

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

1. The Fund takes this decision relating to Sudan's exchange measures subject to Article VIII.