

**FOR
AGENDA**

EBD/11/34

June 14, 2011

To: Members of the Executive Board

From: The Secretary

Subject: **Republic of Mozambique—Acceptance of Obligations of Article VIII,
Sections 2(a), 3, and 4**

Attached for consideration by the Executive Directors is a paper on the Republic of Mozambique's acceptance of the obligations of Article VIII, Sections 2(a), 3, and 4. A draft decision appears on page 1. This paper, together with the staff report for the 2011 Article IV consultation with the Republic of Mozambique, the second review under the Policy Support Instrument for the Republic of Mozambique, and its request for modification of assessment criteria (EBS/11/80, 5/26/11), is tentatively scheduled for discussion on **Friday, June 17, 2011.**

Questions may be referred to Ms. Kwak, LEG (ext. 37705), Mr. Mueller, AFR (ext. 35638) and Ms. Kokenyne Ivanics, MCM (ext. 36114).

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

INTERNATIONAL MONETARY FUND

REPUBLIC OF MOZAMBIQUE

Acceptance of Obligations of Article VIII, Sections 2(a), 3 and 4

Prepared by the Legal, African, Monetary and Capital Markets Departments

Approved by Sean Hagan, Antoinette Monsio Sayeh and José Vinãls

June 14, 2011

1. In the attached communication dated May 20, 2011, the authorities of Mozambique notified the Fund that Mozambique accepts the obligations of Article VIII, Sections 2(a), 3 and 4 of the Articles of Agreement.

2. Fund staff has undertaken a comprehensive review of the Mozambican exchange system and its assessment finding exchange measures inconsistent with Article VIII is reflected in the Informational Annex to the 2011 Article IV consultation report for the Republic of Mozambique (EBS/11/80, Supplement 2). Staff is currently assisting the authorities with respect to the elimination of the identified exchange measures, which are expected to take place shortly. Staff will report to the Executive Board in due course.

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

“The Fund notes with satisfaction that, with effect from May 20, 2011, the Republic of Mozambique has accepted the obligations of Article VIII, Sections 2(a), 3 and 4 of the Articles of Agreement.”

— Banco de Moçambique —
Governador

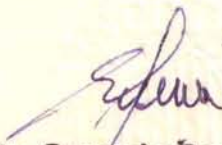
Of. nº 181/G/ap/2011
Maputo, May 20, 2011

Mr. John Lipsky
Acting Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Mr. Lipsky,

It is my pleasure to inform you that the Republic of Mozambique has decided to accept the obligations of Article VIII, Sections 2(a), 3 and 4 of the IMF's Articles of Agreement as of May 20, 2011. Accordingly, Republic of Mozambique has taken the necessary actions to remove all remaining exchange restrictions on payments and transfers for current international transactions and multiple currency practices.

Please accept, Mr. Acting Managing Director, the assurances of my highest consideration.



Ernesto Gouveia Gove
Governor of the Banco de Moçambique

C/c: Mr. Manuel Chang, Minister of Finance
Mr. Victor Lledo, IMF Resident Representative (Maputo) ✓