

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 13-25

March 21, 2013

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**DECISIONS SINCE PREVIOUS BOARD MEETING**

The following decisions were adopted by the Executive Board without meeting in the period between EBM/13/24 (3/18/2013) and EBM/13/25 (3/21/2013):

**2. Iceland—Request for Approval of Exchange Measures Subject to Article VIII Section 2(a)**

1. Iceland maintains three exchange restrictions subject to Fund jurisdiction under Article VIII, Section 2(a) of the Fund's Articles of Agreement arising from the rules governing Iceland's capital controls regime that restrict the conversion and transfer of (i) interest on bonds whose transfer the rules apportion depending on the period of the holding, (ii) amortized principal on bonds, and (iii) the indexed portion of the principal on bonds.

2. In the circumstances of Iceland, the Fund grants approval of the retention of these exchange restrictions for a period of twelve months from the date of this decision. (EBD/13/11, 03/12/13)

Decision No. 15335-(13/25), adopted  
March 19, 2013

**3. Sudan—Review of Overdue Financial Obligations to the Fund and Complaint with Respect to the Suspension of Voting Rights**

1. In accordance with Decision No. 15235-(12/92) adopted on September 21, 2012, the Fund has reviewed further Sudan's overdue financial obligations to the Fund and the Managing Director's complaint with respect to the suspension of Sudan's voting and related rights in the Fund.

2. The Fund notes that the package of measures that was adopted in June 2012 to address the post-secession challenges, while a step in the right direction, was not sufficient to reestablish macroeconomic stability and address the post-secession challenges. The Fund

encourages the authorities to adopt further corrective measures, including a unification of the exchange rate, an increase in fiscal revenues, a further adjustment in fuel prices, and cuts in non-priority spending.

3. The Fund notes that payments to the Fund have dropped considerably since 2008 and that Sudan's arrears have increased since the last review. However, the Fund welcomes the authorities' recent payment of about US\$1 million and their intention to make regular payments in 2013. While recognizing Sudan's difficult economic situation, the Fund strongly encourages Sudan to continue to make payments to the Fund that are at least sufficient to cover its obligations falling due, to make them on a regular basis, and to increase them as Sudan's payment capacity improves.

4. The Fund will again review Sudan's overdue financial obligations to the Fund and the Managing Director's complaint with respect to the suspension of Sudan's voting and related rights in the Fund within six months of the date of this decision. (EBS/13/20, 03/11/13)

Decision No. 15336-(13/25), adopted  
March 18, 2013

*Confidential*

#### **4. Approval of Minutes**

The minutes of Executive Board Meetings 12/56-1, 12/52-1, 12/49-1, 12/114-1, 12/110-3, 12/108-1, 12/107-1, 12/107-2, 12/43-1, 12/115-2, 12/113-1, 12/113-2, 12/50-1, 12/50-3, 12/111-4, 12/111-1, 12/116-1 are approved.