

**FOR
AGENDA**

SM/14/63
Supplement 2

March 28, 2014

To: Members of the Executive Board

From: The Secretary

Subject: **Islamic Republic of Iran—Staff Report for the 2014 Article IV Consultation—
Revised Proposed Decision**

Attached for consideration by the Executive Directors is a revised proposed decision relating to the staff report for the 2014 Article IV consultation with the Islamic Republic of Iran (SM/14/63, 3/14/14), which is scheduled for discussion today, **Friday, March 28, 2014**. The proposed decision is being revised to correct the reference in paragraph 1.

Questions may be referred to Mr. Cerisola (ext. 38314) and Mr. Demirkol (ext. 35936) in MCD.

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

Revised Proposed Decision

The following revised 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 the Islamic Republic of Iran's exchange measures subject to Article VIII, in light of the 2014 Article IV Consultation with the Islamic Republic of Iran conducted under the Decision on Bilateral and Multilateral Surveillance (Executive Board Decision No. 15203-(12/72), July 18, 2012.
2. The Islamic Republic of Iran maintains the following measures subject to Fund approval under Article VIII, Sections 2(a) and 3: (i) exchange restrictions arising from limitations on the availability of foreign exchange for travel and studies abroad as well as for the payment of imports based on priority lists; (ii) an exchange restriction arising from limitations on the transferability of rial profits from certain investments under the Foreign Investment Promotion and Protection Act and from limitations on other investment-related current international payments under this act; (iii) a multiple currency practice and an exchange restriction arising from the establishment of an official exchange rate for use in all exchange transactions which in practice differs by more than 2 percent from the rate used by foreign exchange bureaus and (iv) A multiple currency practice arising from budget subsidies for foreign exchange purchases in connection with payments of certain letters of credit opened prior to March 21, 2002.
3. In the circumstances of the Islamic Republic of Iran, the Fund grants approval for the retention of the exchange measures set forth in paragraph 2 above until June 30, 2015, or the conclusion of the next Article IV Consultation with the Islamic Republic of Iran, whichever is earlier.