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ATTENTION**

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EBD/93/182

December 7, 1993

To: Members of the Executive Board

From: The Secretary

Subject: Republic of Moldova - Representative Rate for the Moldovan Leu

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by the close of business on Wednesday, December 8, 1993. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Mr. Flinch (ext. 36620) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Representative Rate for the Currency of the Republic of Moldova

Prepared by the Treasurer's Department

(In consultation with the European II, Legal, and
Monetary and Exchange Affairs Departments)

Approved by David Williams

December 6, 1993

The representative rate for the Moldovan ruble against the U.S. dollar was defined on September 10, 1993 under Rule 0-2(b)(i) as the official exchange rate as ascertained weekly by the National Bank of Moldova (Executive Board Decision No. 10462-(93/128) G/S, adopted September 10, 1993).

On November 29, 1993, a new national currency, the Moldovan leu, became the sole legal tender for payments on the territory of Moldova. Exchange rates of the leu against the U.S. dollar and other foreign currencies are set at the fixing session of the Moldovan Interbank Foreign Currency Exchange, which is held at least once a week.

The Fund staff has consulted with the authorities on the establishment of a representative rate for the leu. Accordingly, it is proposed that the representative exchange rate for the leu against the U.S. dollar be the rate set at the fixing session of the Moldovan Interbank Foreign Currency Exchange. On November 29, 1993 the rate so defined was equal to 3.85 lei per U.S. dollar. It is understood that the National Bank of Moldova will communicate to the Fund the representative rate at least once a month and promptly inform the Fund of any change in exchange arrangements that may affect the determination of the representative exchange rate (see attached communication from the National Bank of Moldova).

The following draft decision is proposed for adoption by the Executive Board:

The Fund finds, after consultation with the authorities of the Republic of Moldova, that the representative rate under Rule 0-2(b)(i) for the leu against the U.S. dollar is the rate established at the fixing session of the Moldovan Interbank Foreign Currency Exchange.

Attachment

TO: IMF TREASURER'S INTERFUND
FROM: NATIONAL BANK OF MOLDOVA
DATE: DECEMBER 2, 1993
YOUR REF NO. OCR10689

1. WE PROPOSE THAT THE REPRESENTATIVE RATE UNDER RULE O-2(B)(I) FOR THE MOLDOVAN LEU AGAINST THE U.S.DOLLAR BE THE RATE SET AT THE FIXING SESSION OF THE MOLDOVAN INTERBANK FOREIGN CURRENCY EXCHANGE.
2. THE NATIONAL BANK OF MOLDOVA WILL COMMUNICATE TO THE FUND THE REPRESENTATIVE EXCHANGE RATE OF THE MOLDOVAN LEU AT LEAST ONCE A MONTH AT THE END OF THE MONTH AND WILL PROMPTLY INFORM THE FUND OF ANY CHANGES IN EXCHANGE ARRANGEMENTS WHICH MAY AFFECT THE DETERMINATION OF THE REPRESENTATIVE EXCHANGE RATE.
3. ON NOVEMBER 29, 1993, THE REPRESENTATIVE EXCHANGE RATE OF THE MOLDOVAN LEU WAS 3.85 LEI TO ONE U.S.DOLLAR.

NATIONAL BANK OF MOLDOVA

Received in Fund December 2, 1993