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CONFIDENTIAL

December 17, 1992

To: Members of the Executive Board

From: The Secretary

Subject: Yugoslavia - Cessation of Membership, Allocation of Assets and Liabilities, and Succession to Membership in the Fund

Attached for the records of Executive Directors is the decision taken at Executive Board Meeting 92/150 (12/14/92), together with the statement by the Chairman at the conclusion of the meeting, which will be recorded in the minutes of EBM/92/150.

Att: (2)

Other Distribution:
Department Heads



INTERNATIONAL MONETARY FUND

Yugoslavia - Cessation of Membership,
Allocation of Assets and Liabilities,
and Succession to Membership in the Fund

Executive Board Decision - December 14, 1992

1. The Fund finds that the Socialist Federal Republic of Yugoslavia (hereinafter "the SFRY") has ceased to exist and has therefore ceased to be a member of the Fund.

2. (a) The Fund also finds that the Republic of Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Slovenia, and the Federal Republic of Yugoslavia (Serbia/Montenegro) are the successors to the assets and liabilities of the SFRY in the Fund (hereinafter "successor(s)"), including those in the SDR Department, and determines that their respective shares in such assets and liabilities are as follows:

Republic of Bosnia and Herzegovina	13.20 percent
Republic of Croatia	28.49 percent
Former Yugoslav Republic of Macedonia	5.40 percent
Republic of Slovenia	16.39 percent
Federal Republic of Yugoslavia (Serbia/Montenegro)	36.52 percent

(b) If a successor successfully challenges its share in assets and liabilities as determined in (a) above before an arbitral tribunal established under Article XXIX(c), the shares of the other successors that have not been modified as a result of arbitration shall be adjusted on a pro rata basis.

3. Each successor may succeed to the membership of the SFRY in the Fund in accordance with the following terms and conditions:

(a) A successor shall succeed to membership in the Fund when:

(i) it has notified the Fund within the period prescribed in the proviso in (d) below that it agrees that its share in the assets and liabilities of the SFRY in the Fund is as specified in paragraph 2 of this decision;

(ii) it has notified the Fund that it agrees, in accordance with its law, to succeed to the membership of the SFRY in the Fund in accordance with all the terms and conditions prescribed in this decision, and that it has taken all steps necessary to enable it to succeed to such membership and carry out all of its obligations under the Articles of Agreement;

(iii) it has been found by the Fund to be able to meet its obligations under the Articles of Agreement; and

(iv) it has no overdue financial obligation to the Fund or in the SDR Department.

(b) The quota of a successor shall be as follows:

(in millions of SDRs)

Republic of Bosnia and Herzegovina	76.9
Republic of Croatia	180.1
Former Yugoslav Republic of Macedonia	33.5
Republic of Slovenia	99.0
Federal Republic of Yugoslavia (Serbia/Montenegro)	223.5

(c) The quota of each successor in (b) above shall be increased under the Ninth General Review of Quotas upon payment of the following amounts in accordance with the terms and conditions of Resolution No. 45-2 of the Board of Governors:

(in millions of SDRs)

Republic of Bosnia and Herzegovina	44.3
Republic of Croatia	81.5
Former Yugoslav Republic of Macedonia	16.1
Republic of Slovenia	51.5
Federal Republic of Yugoslavia (Serbia/Montenegro)	111.9

(d) A successor may succeed to the membership of the SFRY in the Fund pursuant to this decision not later than six months after the date of this decision, provided that the Fund has received the notification referred to in paragraph (a)(i) above not later than one month after the date of this decision. The Fund may decide to extend either or both periods until such later dates as it may determine.

4. For purposes of this decision, membership in the Fund shall include participation in the SDR Department.

5. The designation "former Yugoslav Republic of Macedonia" shall be used provisionally by the Fund until a name is agreed upon between the former Yugoslav Republic of Macedonia and the Fund.

Statement by the Chairman
at EBM/92/150, December 14, 1992

At today's meeting on the status of the Socialist Federal Republic of Yugoslavia (SFRY) in the Fund and related issues, the Executive Board adopted a decision finding that the SFRY has ceased to be a member of the Fund, determining the successors of the SFRY and their respective shares in its assets and liabilities in the Fund, and enabling each successor to succeed to the membership of the SFRY in the Fund.

The determination of the successors of the SFRY by the Fund would be without prejudice to the recognition or nonrecognition of any successor by individual members of the Fund.

On the basis of the decision, it will be possible for each successor to succeed individually to the membership of the SFRY in the Fund, for its own share of the quota of the SFRY. In order to succeed to membership, the conditions specified in the decision will have to be fulfilled. These conditions are the same for all the successors. They will have to be fulfilled individually by each successor, but its membership will not be delayed by the failure or delay of other successors in meeting these conditions. In assessing the ability of each successor to meet its membership obligations, the Fund will take into account all relevant factors, and particular attention will be given to the effect of sanctions imposed by the Security Council of the United Nations.

