

**IMMEDIATE
ATTENTION**

EBD/92/293

December 4, 1992

To: Members of the Executive Board

From: The Secretary

Subject: San Marino - Representative Rate for the Italian Lira
as Currency of San Marino

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 9, 1992. 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.

Mrs. Ecevit (ext. 37582) 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 San Marino

Prepared by the Treasurer's Department

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

Approved by David Williams

December 4, 1992

The Republic of San Marino became a member of the Fund on September 23, 1992 with a quota equivalent to SDR 6.5 million (SDR 10.0 million under the Ninth General Review of Quotas).

The currency of San Marino is the Italian lira. Consultations have taken place with the authorities of San Marino concerning the determination by the Fund of a representative rate for the currency of San Marino. As a result, it is considered that the representative rate for the Italian lira (as currency of San Marino) under Rule 0-2 (b) (i) against the U.S. dollar shall be the quotation at the closing of the Milan and Rome markets if the quotation in each market is identical, or the middle rate between the two quotations when they differ. If official quotations of foreign currencies against the Italian lira are suspended by the Italian monetary authorities, the representative rate for the Italian lira under Rule 0-2 (b) (i) will be the daily indicative rate as established and published by the Banca d'Italia on the basis of rates communicated between central banks at 2:15 p.m. (see attached communication from Istituto di Credito Sammarinese). It is understood that the Istituto di Credito Sammarinese will immediately inform the Fund of any change in the exchange arrangements which may affect the determination of the representative rate.

In view of the foregoing, the following draft decision is proposed for adoption by the Executive Board:

The Fund finds, after consultation with the authorities of San Marino, that the representative rate under Rule 0-2 (b) (i) for the Italian lira (as currency of San Marino) against the U.S. dollar is the quotation at the closing of the Milan and Rome markets if the quotation in each market is identical, or the middle rate between the two quotations when they differ. If official quotations of foreign currencies against the Italian lira are suspended by the Italian monetary authorities, the representative rate for the Italian lira under Rule 0-2 (b) (i) will be the daily indicative rate as established and published by the Banca d'Italia on the basis of rates communicated between central banks at 2:15 p.m.

Attachment

MESSAGE TO:
THE TREASURER OF THE
INTERNATIONAL MONETARY FUND
WASHINGTON

DISPATCHED BY:
ISTITUTO DI CREDITO SAMMARINESE
SAN MARINO

FRIDAY, NOVEMBER 20, 1992

SIR,
WE REFER TO YOUR TELEX OF NOVEMBER 14, CONCERNING THE ESTABLISHMENT OF A REPRESENTATIVE EXCHANGE RATE FOR THE CURRENCY OF SAN MARINO. AS THE ITALIAN LIRA IS THE CURRENCY OF LEGAL TENDER IN SAN MARINO, WE AGREE WITH YOU THAT THE REPRESENTATIVE EXCHANGE RATE SHOULD BE BASED ON THE REPRESENTATIVE EXCHANGE RATE FOR THE ITALIAN LIRA, AS QUOTED BY ITALIAN AUTHORITIES. CONSEQUENTLY, WE AGREE ON THE FOLLOWING DEFINITION OF THE REPRESENTATIVE EXCHANGE RATE FOR SAN MARINO'S CURRENCY, AS QUOTED IN YOUR TELEX.

QUOTE:
THE REPRESENTATIVE EXCHANGE RATE FOR THE ITALIAN LIRA (AS THE CURRENCY OF SAN MARINO) UNDER THE RULE 0-2 B(I) AGAINST THE U.S. DOLLAR IS THE QUOTATION AT THE CLOSING OF THE MILAN AND ROME MARKETS IF THE QUOTATION IN EACH MARKET IS IDENTICAL, OR THE MIDDLE RATE BETWEEN THE TWO QUOTATIONS WHEN THEY DIFFER. IF OFFICIAL QUOTATIONS OF FOREIGN CURRENCIES AGAINST THE ITALIAN LIRA ARE SUSPENDED BY THE ITALIAN MONETARY AUTHORITIES, THE REPRESENTATIVE RATE FOR THE ITALIAN LIRA UNDER THE RULE 0-2 B(I) WILL BE THE DAILY INDICATIVE RATE AS ESTABLISHED AND PUBLISHED BY THE BANCA D'ITALIA ON THE BASIS OF RATES COMMUNICATED BETWEEN CENTRAL BANKS AT 2:15 P.M.
UNQUOTE

YOURS SINCERELY,
MAURIZIO MURARI
GENERAL MANAGER
ISTITUTO DI CREDITO SAMMARINESE

Received in Fund on November 20, 1992.