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SM/87/117
Supplement 1

CONTAINS CONFIDENTIAL
INFORMATION

June 5, 1987

To: Members of the Executive Board

From: The Secretary

Subject: Consultation Procedures - Initiation of the Bicyclic Procedure
and Proposed Changes in Cycles for Article IV Consultations

The attached supplementary material on proposed consultation cycles has been prepared at the request of several Executive Directors.

Mr. Belanger (ext. 8671) is available to answer technical or factual questions relating to this paper prior to the Board discussion, which is scheduled for Monday, June 8, 1987.

Att: (1)

Other Distribution:
Department Heads

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INTERNATIONAL MONETARY FUND

Consultation Procedures - Initiation of the Bicyclic
Procedure and Proposed Changes in Cycles for Article IV
Consultations--Supplementary Material

Prepared by the Exchange and Trade Relations Department

(In consultation with other departments)

Approved by L. A. Whittome

June 4, 1987

Inquiries have been received from several Executive Directors concerning the cycles for Article IV consultations proposed in "Consultation Procedures - Initiation of the Bicyclic Procedure and Proposed Changes in Cycles for Article IV Consultations" (SM/87/117, 5/20/87). The attached table provides additional information concerning the proposed cycles.

Proposed Consultation Cycles in SM/87/117
and Underlying Reasons

(Number of Cases)

Cases in which 12-month intervals until the next consultation are proposed	
Largest Fund quotas	20
Regionally important	4
SBA/SAF arrangements	
Current arrangement	27
Preliminary discussions	31 <u>1/</u>
Member's request	5 <u>2/</u>
Other	24 <u>3/</u>
Subtotal	111 <u>2/</u>
Cases in which a bicyclic procedure is proposed	25
Cases in which a longer (18- or 24-month) interval is proposed	<u>14</u>
Total	150 <u>4/</u>

1/ At various preliminary stages of discussion.

2/ Includes Lebanon which has notified the staff subsequent to the issuance of SM/87/117 that it wished to continue holding full Article IV consultations at regular 12-month intervals.

3/ Mostly because of concerns related to balance of payments viability or high level of external debt. Also includes some cases in which the balance of payments or debt are not an immediate issue in part because severe trade or payments restrictions are maintained.

4/ Not including three members for which no interval has been set for the next consultation (Democratic Kampuchea, Islamic Republic of Iran, and Iraq). However, includes the Netherlands Antilles and Aruba with whom separate consultations are held.