

# INTERNATIONAL MONETARY FUND

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Yesterday the Executive Board of the International Monetary Fund considered the status of the Socialist Federal Republic of Yugoslavia's (SFRY) membership in the IMF. Consideration of this issue was made particularly urgent by the tragic situation in this area where the IMF, together with other multilateral institutions, could play an important role in contributing to the economic recovery which is so badly needed.

In the light of its consideration of the issue, the IMF has found that the SFRY has ceased to exist and has therefore ceased to be a member of the IMF. At the same time, the IMF has decided that the Republic of Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia, 1/ 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 IMF, and has determined that their respective shares in such assets and liabilities are as follows: 2/

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

Each successor will be asked to notify the IMF within one month whether it agrees to its share.

The determination of the successors of the SFRY by the IMF is without prejudice to the recognition or nonrecognition of any successor by individual members of the IMF.

Each successor may formally succeed to the membership of the SFRY in the IMF when the following conditions have been met: it has notified the IMF, within one month, that it agrees to its share in the assets and liabilities of the SFRY in the IMF; it has notified the IMF that it agrees,

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1/ The designation "former Yugoslav Republic of Macedonia" will be used provisionally until a name is agreed upon with the IMF.

2/ If a successor successfully challenges its share in assets and liabilities as determined above before an arbitral tribunal established under Article XIX(c) of the IMF's Articles of Agreement, the shares of the other successors that have not been modified as a result of the arbitration will be adjusted on a pro rata basis.

in accordance with its law, to succeed to the membership in accordance with the terms and conditions specified by the IMF and has taken all the necessary steps to enable it to succeed to such membership and carry out all of its obligations under the Articles of Agreement; it has been found by the IMF to be able to meet its obligations under the Articles; and it has no overdue financial obligations to the IMF or in the SDR Department. In assessing the ability of each successor to meet its membership obligations, the IMF 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.

Succession to membership will confer on each successor a specified share in the present quota of the SFRY as calculated under the Eighth General Review of quotas. Each successor may subsequently increase its quota to the equivalent of a specified share in the proposed quota for the SFRY under the Ninth General Review of quotas. The quotas for each successor would be (in millions of SDRs):

	<u>Eighth Review</u>	<u>Ninth Review</u>
Republic of Bosnia and Herzegovina	76.9	121.2
Republic of Croatia	180.1	261.6
Former Yugoslav Republic of Macedonia	33.5	49.6
Republic of Slovenia	99.0	150.5
Federal Republic of Yugoslavia (Serbia/Montenegro)	<u>223.5</u>	<u>335.4</u>
TOTAL <u>1/</u>	613.0	918.3

The quota of each successor will be increased under the Ninth General Review of Quotas on payment of the additional subscription, of which 25% is payable in SDRs or currencies acceptable to the IMF.

Succession to membership will be open for a period of six months, although this, and the period for consent to the allocation of assets and liabilities in the IMF, may be extended by the IMF. Until the membership is effective, a successor will not exercise the rights nor be subject to the obligations of membership in the IMF.

Once membership is effective, the successor will be considered to have been a member without interruption since the dissolution of the SFRY and to have continued, for its share, the membership of the SFRY in the IMF.

The Socialist Federal Republic of Yugoslavia has been a member of the IMF since 1945. Its outstanding financial obligations to the IMF resulting from past operations and transactions in the General Department currently total SDR 155.59 million (about US\$216.76 million). Its net use of SDRs in the SDR Department is SDR 155.16 million (about US\$216.16 million), or equivalent to its net cumulative allocation.

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1/ Equals SFRY's quota under the Eighth and Ninth Review of Quotas.