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**IMMEDIATE
ATTENTION**

SM/90/141
Supplement 3

December 31, 1990

To: Members of the Executive Board
From: The Acting Secretary
Subject: Valuation of the SDR - Rule 0-1

There is attached a report listing the currency amounts in the revised Rule 0-1 which deals with the valuation of the SDR. The currency amounts have been calculated in accordance with Executive Board Decision No. 9549-(90/146) G/S, Executive Board Decision No. 6631-(80/145) G/S, and the guidelines set out in Executive Board Decision No. 8160-(85/186) G/S. It is not intended to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests before 1:00 p.m. today, December 31, 1990. In the absence of such a request, the amendment to Rule 0-1 set forth in the attached report will be deemed approved by the Executive Board.

Mr. Fawzi (ext. 7808) or Mr. Tavlas (ext. 7493) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Valuation of the SDR--Amendment to Rule O-1

Prepared by the Treasurer's Department

(In consultation with the Legal Department)

Approved by David Williams

December 31, 1990

In accordance with paragraphs 3 and 4 of the Executive Board Decision No. 6631-(80/145) G/S, adopted September 17, 1980, Executive Board Decision No. 9549-(90/146) G/S adopted October 5, 1990, and the guidelines set forth in Executive Board Decision No. 8160-(85/186) G/S, adopted December 23, 1985, the amounts of each currency to be included in the SDR valuation basket, effective January 1, 1991 have been determined (see Table 1).

The SDR valuation under the revised basket, shown in Table 1, Col. (7) (i.e., the sum of the equivalents shown at the bottom of that column), is the same as the valuation today, December 31, 1990, under the existing Rule O-1. In addition, on the basis of the average exchange rates for the October-December period, the shares of the currencies in the value of the SDR, which are shown in parentheses in memorandum Col. (8), fall within the half-percentage point tolerance limit applied to the weights, shown in Col. (2), determined under paragraph 3c of the 1980 Decision and in accordance with the 1990 Decision.

Accordingly, Rule O-1, which specifies the amounts of the currencies in the SDR valuation basket, shall read as follows, effective January 1, 1991:

Rule O-1. The value of the SDR shall be the sum of the values of the following amounts of the following currencies:

U.S. dollar	0.572
Deutsche mark	0.453
Japanese yen	31.8
French franc	0.800
Pound sterling	0.0812

Table 1. Calculation of Amounts of Currency Units to be Listed
in Amended Rule 0-1, Effective January 1, 1991

Currencies (1)	Percentage weights <u>1/</u> (2)	Base	Transition date	Currency amounts		U.S. dollar	Memorandum: U.S.
		period average exchange rates (Oct. 1-Dec. 31) (In U.S. dollars per unit) (3)	exchange rates (Dec. 31, 1990) (4)	Unrounded <u>2/</u> (5)	Rounded <u>3/</u> (6)	equivalents on December 31, 1990 (Col. 4 x col. 6) (7)	dollar equiva- lents based on October-December exchange rates (Col. 3 x col. 6) <u>4/</u> (8)
U.S. dollar	40	1.0	1.0	0.573103	0.572	0.57200	0.57200 (39.9%)
Deutsche mark	21	0.665516	0.667913	0.452099	0.453	0.30256	0.30148 (21.0)
Japanese yen	17	0.00765086	0.00737735	31.83557	31.800	0.23460	0.24330 (17.0)
French franc	11	0.197516	0.196175	0.797927	0.800	0.15694	0.15301 (11.0)
Pound sterling	11	1.94532	1.92800	0.081016	0.0812	0.15655	0.15796 (11.0)
Total						1.42266 <u>5/</u>	1.43275 <u>6/</u> (100.0)

1/ As agreed by the Executive Board.

2/ See Step A, Appendix IV, SM/90/141 (7/16/90).

3/ Calculated according to the 1985 guidelines (Appendix IV, SM/90/141).

4/ Figures shown in parentheses are the percentage shares of each currency in the SDR valuation based on the average exchange rates in October-December 1990.

5/ U.S. dollar value of the SDR on December 31, 1990, expressed in six significant figures.

6/ SDR valuation based on the average exchange rates in October-December 1990.