FOR
AGENDA

MASTER FILES
ROOM C-525   0450

SM/90/141
Supplement 1

October 4, 1990

To: Members of the Executive Board

From: The Secretary

Subject: <u>Review of the Method of Valuation of the SDR - Proposed Decisions</u>

        Attached for consideration by the Executive Directors are draft
proposed decisions relating to the review of the method of valuation of
the SDR.

        Mr. Elizalde (ext. 7796) is available to answer technical or
factual questions relating to this paper prior to the Board discussion
tomorrow, Friday, October 5, 1990.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Review of the Method of Valuation of the SDR--Proposed Decisions

Prepared by the Legal Department

(In consultation with the Treasurer's Department)

Approved by François Gianviti

October 3, 1990

To give effect to the proposals made in SM/90/141 (7/16/90), the following draft decisions, requiring a 70 percent majority of the total voting power, are proposed for adoption by the Executive Board:

Proposed Decisions

I.   SDR Valuation Basket

The Executive Board, having reviewed the list of the currencies,

and the weights of these currencies, that determine the value of the

special drawing right, in accordance with Decision No. 6631-(80/145)G/S

adopted September 17, 1980, decides that, with effect from

January 1, 1991, the list of the currencies in the SDR valuation basket

shall remain the same, and the weight of each of these currencies to be

used to calculate the amount of each of these currencies in the basket

will be as follows:

Currency	Weight (In percent)
U.S. dollar	40
Deutsche mark	21
Japanese yen	17
French franc	11
Pound sterling	11

II. SDR Interest Rate

Effective January 1, 1991, the reference in Rule T-1(c) of the Fund's Rules and Regulations to the French franc and Japanese yen shall be as follows:

"French franc   Three-month rate for Treasury bills

Japanese yen   Three-month rate on certificates of deposit"