

**DOCUMENT OF INTERNATIONAL MONETARY FUND
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**IMMEDIATE
ATTENTION**

MASTER FILES
ROOM C-525

0451

EBS/90/111

CONFIDENTIAL

June 15, 1990

To: Members of the Executive Board
From: The Acting Secretary
Subject: Panama - Settlement of Overdue Financial Obligations to the
Fund and Termination of Suspension of Right to Use SDRs

It is not proposed to bring the attached memorandum from the Managing Director to the agenda of the Executive Board for discussion unless an Executive Director so requests by the close of business on Monday, June 18, 1990. 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.

Mr. Blalock (ext. 8341) is available to answer technical or factual questions relating to this paper.

Att: (1)

June 15, 1990

To: Members of the Executive Board

From: The Managing Director

Subject: Panama - Settlement of Overdue Financial Obligations to the Fund and Termination of Suspension of Right to Use SDRs

As Executive Directors were informed at EBM/90/83, 5/30/90, on May 23, 1990 Panama made a payment of SDR 6.5 million to the Fund. The authorities attributed part of this payment to the full settlement of Panama's overdue net SDR charges and SDR assessments and Panama thereby became current in its obligations to the Fund with respect to SDRs.

In light of the full settlement of Panama's overdue obligations with respect to SDRs, I propose that the suspension of Panama's right to use SDRs, as provided in Executive Board Decision No. 9205-(89/85) G/S, adopted June 30, 1989, as amended, be terminated. This would be accomplished by the adoption of the proposed decision set out below, which provides for the termination of the suspension with effect on May 23, 1990, the date payment was made.

Proposed Decision

The Fund decides that the suspension of the right of Panama to use its SDRs, as provided in Executive Board Decision No. 9205-(89/85) G/S, adopted June 30, 1989, as amended, is terminated with effect on May 23, 1990.