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June 5, 1991

To: Members of the Executive Board  
From: The Secretary  
Subject: Finland - Exchange Arrangements

The Secretary has received the following memorandum dated June 4, 1991 from Mr. Fridriksson:

Please be informed that, on the recommendation of the Bank of Finland, the Finnish Government has presented a bill to the Parliament, according to which, the markka is to be pegged to the European Currency Unit (ECU). The decision to peg the markka to the ECU will be a unilateral one.

The Finnish Government and the Board of Management of the Bank of Finland fully agree and the Board of Management of the Bank of Finland fully agree that the amendment is not to involve any change in the fluctuation range of the markka ( $\pm 3$  percent). The new fluctuation margins and the midpoint are to be set so as to correspond with the fluctuation margins and midpoint applied to the present currency index.

The Fund will, in due course, be informed of the formal decision to link the markka to the ECU.

Other Distribution:  
Department Heads