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**IMMEDIATE
ATTENTION**

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EBD/90/360

October 26, 1990

To: Members of the Executive Board
From: The Acting Secretary
Subject: The Gambia - Change in Representative Rate for the Dalasi

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by noon on Thursday, November 1, 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. Bhuiyan (ext. 7627) or Mr. Gluski (ext. 7637) is available to answer technical or factual questions relating to this paper.

Att: (1)

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Department Heads

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INTERNATIONAL MONETARY FUND

Change in Representative Rate for the Currency of The Gambia

Prepared by the Treasurer's Department

(In consultation with African, Exchange and Trade
Relations and Legal Departments)

Approved by David Williams

October 25, 1990

The representative exchange rate for the Gambian currency was established in November 1974 based on a fixed relationship to the pound sterling (Executive Board Decision No. 4503-(74/143)S November 8, 1974). The Gambian dalasi is, however, no longer pegged to the pound sterling and its exchange rate is determined in the inter-bank market and a weekly fixing session is conducted by the Central Bank of The Gambia. This fixing rate is reported to the Fund in terms of the U.S. dollar as the representative exchange rate for the Gambian dalasi. The Fund has been using this rate to revalue the Fund's holdings of Gambian dalasis.

In accordance with Rule 0-2(c), the Fund has consulted with the Gambian authorities to change the procedure to establish the representative rate to reflect the present practice. As a result of these consultations, it is proposed that the representative exchange rate for the Gambian dalasi under Rule 0-2(b)(i) against the U.S. dollar be the midpoint of buying and selling rates for the U.S. dollar as determined by the Central Bank of The Gambia (see Attachment). As advised by the Gambian authorities, this rate on September 28, 1990 was Gambian dalasis 7.60 per U.S. dollar. The Central Bank of The Gambia agrees to periodically notify the Fund of the representative exchange rate for the Gambian dalasi.

The following draft decision is proposed for adoption by the Executive Board:

The Fund finds, after consultation with the authorities of The Gambia, that the representative exchange rate for the Gambian dalasi under Rule 0-2, paragraph (b)(i), against the U.S. dollar, is the midpoint of the buying and selling rates for the U.S. dollar as determined by the Central Bank of The Gambia.

Attachment

INTERNATIONAL MONETARY FUND
WASHINGTON D C

ATTN: TREASURER'S DEPARTMENT
REF: REPRESENTATIVE RATE OF GAMBIAN DALASI

YOUR GRA NO. 46 OF 15 OCTOBER.

AS POINTED OUT IN YOUR MESSAGE, THE CURRENT DEFINITION NO LONGER REFLECTS THE ACTUAL RATE SINCE THE DALASI IS NOT PEGGED TO THE POUND STERLING.

WE WOULD THEREFORE AGREE TO THE REPRESENTATIVE RATE BEING MODIFIED APPROPRIATELY BY THE DEFINITION UNDER RULE 0-2 OF THE FUND'S RULES AND BY-LAWS BEING CHANGED TO THE FOLLOWING:

QUOTE

THE REPRESENTATIVE EXCHANGE RATE FOR THE GAMBIAN DALASI UNDER RULE 0-2, PARAGRAPH (B)(1), AGAINST THE U.S. DOLLAR, IS THE MIDPOINT OF BUYING AND SELLING RATES FOR THE U.S. DOLLAR AS DETERMINED BY THE CENTRAL BANK OF THE GAMBIA.

UNQUOTE.

WE NOTE THAT YOU WILL NOW PROPOSE THE CHANGE TO THE EXECUTIVE BOARD FOR APPROVAL.

REGARDS

CENTRAL BANK OF THE GAMBIA

Received in Cable Room October 16, 1990