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0401

EBD/88/300

October 25, 1988

To: Members of the Executive Board
From: The Secretary
Subject: Portugal - Suspension of the Maximum Lending Rate

The Secretary has received the following memorandum dated October 21, 1988 from Mr. Zecchini:

I wish to inform the Executive Board that the Bank of Portugal, pursuing a policy of gradual liberalization of the money and financial markets, has determined the suspension of the maximum lending rate applicable to most banking operations. The suspension became effective as of September 20, 1988. Until then, credit institutions in Portugal could not grant credit at a rate above 17 percent.

Other Distribution:
Department Heads