

EBS/86/266
Supplement 1

CONFIDENTIAL

December 24, 1986

To: Members of the Executive Board

From: The Secretary

Subject: Management of the Fund's Liquidity in Connection with the Borrowing Agreement with Japan and the Extension of Drawdown Periods Under the Borrowing Agreements with the Saudi Arabia Monetary Agency (SAMA)

Attached for the records of Executive Directors is the text of the decision, adopted at EBM/86/205 (12/19/86), on the use of ordinary and borrowed resources under the policy on enlarged access.

Att: (1)

INTERNATIONAL MONETARY FUND

Use of Ordinary and Borrowed
Resources Under Policy on Enlarged Access

Executive Board Decision - December 19, 1986

The Fund decides that, after December 31, 1986, the proportions of ordinary and borrowed resources to be used under stand-by or extended arrangements approved in accordance with Decision No. 6783-(81/40) on the Policy of Enlarged Access will be as follows:

a. Under a stand-by arrangement, purchases will be made with ordinary and borrowed resources in the ratio of 2 to 1 in the first credit tranche, and 1 to 2 in the next three credit tranches. Thereafter, purchases will be made with borrowed resources only.

b. Under an extended arrangement, purchases will be made with ordinary resources and borrowed resources in the ratio of 1 to 2 until the outstanding use of the upper credit tranches and the extended Fund facility equals 140 percent of quota. Thereafter, purchases will be made with borrowed resources only.