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**IMMEDIATE
ATTENTION**

MASTER FILES

ROOM C-120

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EBD/86/112

April 16, 1986

To: Members of the Executive Board

From: The Secretary

Subject: Socialist People's Libyan Arab Jamahiriya - Change in
Representative Rate for the Libyan Dinar

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 Tuesday, April 22, 1986. 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.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Socialist People's Libyan Arab Jamahiriya - Change in the
Representative Rate for the Libyan Dinar

Prepared by the Treasurer's Department

(In consultation with the Legal, Middle Eastern, and
Exchange and Trade Relations Departments)

Approved by David Williams

April 16, 1986

The representative rate for the Libyan dinar against the U.S. dollar was established as the midpoint between the buying and selling rates of the Central Bank of Libya (Executive Board Decision No. 4752-(75/126)S, adopted on July 18, 1975).

The Libyan authorities have proposed that the representative rate for the Libyan dinar under Rule 0-2(b)(iii) be its fixed relationship to the SDR, which at present is one Libyan dinar equals SDR 2.80 (see Attachment). This fixed relationship is used to determine the midpoint between buying and selling exchange rates quoted by the Central Bank of Libya for spot delivery of Libyan dinars against U.S. dollars and other currencies. Calculations of exchange rates against currencies are based on the fixed value of the SDR in terms of Libyan dinars and the SDR value of the U.S. dollar and other currencies published by the Fund on the previous business day.

Subject to approval by the Executive Board of the proposal by the Libyan authorities, and in accordance with Executive Board Decision No. 5590-(77/163), adopted December 5, 1977, the fixed relationship between the Libyan dinar and the SDR would be the basis for all computations by the Fund relating to the Libyan dinar in the General Resources Account. It is understood that the Central Bank of Libya will promptly advise the Fund of any change in the representative rate.

In view of the foregoing, the following draft decision is proposed for adoption by the Executive Board:

The Fund finds, after consultation with the Libyan authorities, that the representative exchange rate for the Libyan dinar, under Rule 0-2(b)(iii), is its fixed relationship to the SDR. The Central Bank of Libya will promptly advise the Fund of any change in the representative rate.

Attachment

NO. 2711

7/4/86

ATT. MANAGING DIRECTOR

(1) WITH FURTHER REFERENCE TO OUR TLX NO. 2223 DATED 18TH
ULTIMO. THIS IS TO PROPOSE THAT THE REPRESENTATIVE EXCHANGE
RATE FOR THE LIBYAN DINAR UNDER RULE 0-2(B)(III) BE ITS FIXED
RELATIONSHIP TO THE SDR WHICH AT PRESENT, IS ONE LIBYAN DINAR
EQUALS SDR 2.80. THIS RATE WILL BE USED TO DETERMINE THE
MIDPOINT BETWEEN BUYING AND SELLING RATES QUOTED BY CENTRAL
BANK OF LIBYA FOR SPOT DELIVERY OF LIBYAN DINARS AGAINST U.S.
DLS AND OTHER CURRENCIES, BASED ON THE SDR VALUE OF THE U.S.
DOLLAR AND OTHER CURRENCIES PUBLISHED BY THE FUND ON THE
PREVIOUS BUSINESS DAY. THE CENTRAL BANK OF LIBYA WILL ADVISE
THE FUND OF ANY CHANGE IN THE REPRESENTATIVE RATE.

REGARDS.

SALEM M. JUEILY
D/GOVERNOR

CENTRAL BANK OF LIBYA

Received in Cable Room: April 7, 1986