

**IMMEDIATE
ATTENTION**

SM/00/180
Supplement 3

December 29, 2000

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Valuation of the SDR—Amendment to Rule O-1**

Attached for the consideration of the Executive Directors is a report and proposed decision to amend Rule O-1, which deals with the amounts of each currency in the valuation of the SDR. It is not intended to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests before 12:00 noon today, December 29, 2000. In the absence of such a request, the amendment to Rule O-1 set forth in the attached report will be deemed approved by the Executive Board.

Questions may be referred to Mr. Wattleworth (ext. 38765) and Mr. Elizalde (ext. 37796).

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Valuation of the SDR – Amendment to Rule O-1

Prepared by the Treasurer's and Legal Departments

Approved by Barry Newman and François Gianviti

December 29, 2000

In accordance with Decision No. 12281-(00/98), adopted October 11, 2000, on the method of valuation of the SDR, and Decision No 8160-(85/186), adopted December 23, 1985, on the guidelines for the calculation of currency amounts in the SDR valuation basket, the amounts of each currency to be included in the SDR valuation basket, effective January 1, 2001, have been determined (see Table 1).

The SDR valuation under the revised basket, shown in Table 1, column (5), as the sum of the U.S. dollar equivalents, is the same as the valuation basket today, December 29, 2000, under the existing Rule O-1. Moreover, on the basis of average exchange rates for the three month period to December 29, 2000, the shares of the currencies in the value of the SDR, which are shown in column (7), fall within the half-percentage point tolerance limit applied to the agreed weights, shown in column (1), determined in accordance with Decision No. 12281-(00/98).

Accordingly, the following decision, which can be adopted by a majority of the votes cast, is proposed for adoption:

Effective January 1, 2001, Rule O-1, which specifies the amounts of the currencies in the SDR valuation basket, shall be amended to read as follows:

Rule O-1. The value of the SDR shall be the sum of the values of the following amounts of the following currencies:

U.S. dollar	0.577
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984