

DOCUMENT OF INTERNATIONAL MONETARY FUND  
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**IMMEDIATE  
ATTENTION**

EBS/85/164

CONFIDENTIAL

July 3, 1985

To: Members of the Executive Board

From: The Acting Secretary

Subject: Transitional Investment of Balances in the Special Disbursement  
Account with the Federal Reserve Bank of New York

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, July 11, 1985. 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. Tran (ext. 7820) is available to answer technical or factual questions relating to this paper.

Att: (1)

INTERNATIONAL MONETARY FUND

Transitional Investment of Balances in the Special Disbursement  
Account With the Federal Reserve Bank of New York

Prepared by the Treasurer's Department

(In consultation with the Legal Department)

Approved by W. O. Habermeier

July 3, 1985

On May 28, 1985 the Executive Board approved the placement of currencies received by the Special Disbursement Account in SDR-denominated investments with the Bank for International Settlements (BIS) pending their use. 1/ Because these transactions are conducted on the basis of three-day value, it will be necessary to hold U.S. dollars received by the Special Disbursement Account with the Federal Reserve Bank of New York for a few days prior to actual transfers to the BIS. It is intended that these balances be held in interest-earning form as is the case in other Fund operations of this nature, and the United States has provided the necessary concurrence. Accordingly, the following draft decision is proposed for adoption by the Executive Board: 2/

Pending placement in SDR-denominated investments with the Bank for International Settlements in accordance with Executive Board Decision No. 7990-(85/81), adopted May 28, 1985, the Managing Director is hereby authorized to invest with the Federal Reserve Bank of New York the U.S. dollars held by the Special Disbursement Account.

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1/ See EBS/85/127, 5/14/85.

2/ As the proposed decision pertains to the adoption of rules and regulations for the administration of the Special Disbursement Account, its adoption by the Executive Board would require 70 percent majority of the Fund's total voting power in accordance with Article V, Section 12(j).