

DOCUMENT OF INTERNATIONAL MONETARY FUND
AND NOT FOR PUBLIC USE

**IMMEDIATE
ATTENTION**

MASTER FILES

ROOM C-120

01

EBD/85/60

February 27, 1985

To: Members of the Executive Board

From: The Secretary

Subject: Equatorial Guinea - New Monetary Unit and Change in the
Representative Rate

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 Monday, March 4, 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.

Att: (1)

Other Distribution:
Department Heads

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INTERNATIONAL MONETARY FUND

Equatorial Guinea - New Monetary Unit
and Change in the Representative Rate

Prepared by the Treasurer's Department

(In consultation with the Legal and the African Departments)

Approved by W.O. Habermeier

February 27, 1985

As indicated in Attachment I, Banque des Etats de l'Afrique Centrale, Yaounde, as fiscal agency for Equatorial Guinea, has advised the Fund that a new monetary unit for the currency of Equatorial Guinea, the CFA franc, was introduced on January 1, 1985. The CFA franc replaces the "ekwele", which was the currency unit of Equatorial Guinea. The former currency was replaced at the rate of 4 bipkwele per 1 CFA franc.

Consultations have taken place with the authorities of Equatorial Guinea concerning the determination by the Fund of the representative rate for the official currency of Equatorial Guinea. As a result of these consultations, it is proposed that the Fund find that the representative rate for the CFA franc, the official currency of Equatorial Guinea, under Rule 0-2, paragraph (b) (ii), against the U.S. dollar is the rate obtained on the basis of the fixed relationship between the CFA franc and the French franc, and the representative rate of the French franc (see Attachment II). It is understood that Banque des Etats de l'Afrique Centrale will immediately inform 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 authorities of Equatorial Guinea, that the representative exchange rate for the CFA franc, the official currency of Equatorial Guinea, under Rule 0-2, paragraph (b) (ii), against the U.S. dollar is the rate obtained on the basis of the fixed relationship between the CFA franc and the French franc, and the representative rate of the French franc. Banque des Etats de l'Afrique Centrale will immediately inform the Fund of any change in the representative rate.

Attachments (2)



ATTACHMENT I

FROM BANK OF CENTRAL AFRICAN STATES YAOUNDE

INTERFUND

WASHINGTON, D.C.

NO. 89

IN ACCORDANCE WITH ARTICLE IV SECTION 2(A) OF FUND'S ARTICLES OF AGREEMENT, HEREBY INFORM YOU THAT THE REPUBLIC OF EQUATORIAL GUINEA HAS ALTERED ITS EXCHANGE ARRANGEMENTS. THE EKWELE WAS WITHDRAWN FROM CIRCULATION ON JANUARY 1, 1985 AND REPLACED BY THE CFA FRANC (FRANC FOR FINANCIAL COOPERATION IN AFRICA) ISSUED BY THE BANK OF CENTRAL AFRICAN STATES YAOUNDE (BEAC) AT THE RATE OF 4 BIPKWELE (4 BIPK) FOR 1 CFA FRANC.

THE CFA FRANC IS LEGAL TENDER THROUGHOUT THE TERRITORIES OF THE COUNTRIES WITHIN THE BEAC'S AREA OF ISSUE, I.E. CAMEROON, CENTRAL AFRICAN REPUBLIC, CONGO, GABON, EQUATORIAL GUINEA AND CHAD.

THE CFA FRANC IS PEGGED TO THE FRENCH FRANC AT THE FIXED RATE OF CFAF 1 = F 0.02.

BANETAC YAOUNDE

JANUARY 15, 1985

Received in Cable Room: January 15, 1985

FROM BANK OF CENTRAL AFRICAN STATES YAOUNDE

INTERFUND

WASHINGTON DC

NO. 111

ATTENTION TREASURER'S

REFERENCE YOUR TELEX GRA NO. 16 OF JANUARY 30, 1985

PLEASED TO INFORM YOU AS FOLLOWS

QUOTE

"THE REPRESENTATIVE RATE FOR THE CFA FRANC, THE OFFICIAL CURRENCY OF EQUATORIAL GUINEA SINCE JANUARY 1, 1985 UNDER RULE 0-2, PARAGRAPH (B)(II), AGAINST THE U.S. DOLLAR IS THE RATE OBTAINED ON THE BASIS OF THE FIXED RELATIONSHIP BETWEEN THE CFA FRANC AND THE FRENCH FRANC. THE BANQUE DES ETATS DE L'AFRIQUE CENTRALE, YAOUNDE, WILL IMMEDIATELY COMMUNICATE TO THE FUND ANY CHANGE IN THE REPRESENTATIVE RATE OF THE CFA FRANC"

UNQUOTE

BANETAC YAOUNDE

Received in Cable Room: January 31, 1985