

MASTER FILES

ROOM C-120

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EBD/85/74

March 12, 1985

To: Members of the Executive Board
From: The Secretary
Subject: France - Relaxation of Exchange Controls

The staff has received from the Office of the French Executive Director the following information from the Ministry of Economy, Finance and Budget concerning measures of relaxation of exchange controls which recently entered into force in France:

TRANSLATION

Relaxation of Foreign Exchange Regulations

The Minister of Economy, Finance and Budget recently eased the exchange controls through two further measures:

On February 25, 1985, the threshold for foreign investments in France not requiring prior authorization was raised from F 5 million to F 10 million, unless notice is given within one month from the date on which they are declared.

On March 2, 1985, importers were authorized to purchase forward foreign exchange for a period not exceeding six months, in settlement for foreign goods invoiced in ECUS and the incidental expenses pertaining to their importation.

Text of Press Release

To facilitate expansion of the use of the ECU in international trade transactions, Mr. Pierre Beregovoy, Minister of Economy, Finance, and Budget, has resolved to effect a further relaxation of the foreign exchange regulations, by authorizing importers to obtain forward cover not exceeding six months in settlement for imports invoiced in ECUS.

March 4, 1985

Text of Circulars

1. J. O. of February 28, 1985

Circular of February 25, 1985 amending the amended Circular of August 6, 1980 on direct French investment abroad and direct foreign investment in France.

Paris, February 25, 1985

The Minister of Economy, Finance and Budget
to Authorized Intermediaries

The purpose of this Circular is to raise the amount specified in Art. 4 ter (1,C) of Decree No. 67-78 of January 27, 1967 as amended, from the present F 5 million to F 10 million.

Pierre Beregovoy

2. J. O. of March 3, 1985

Circular of March 2, 1985 on forward foreign exchange cover

Paris, March 2, 1985

The Minister of Economy, Finance and Budget
to Authorized Intermediaries

This Circular supplements the provisions of the Circular of July 12, 1976 on forward foreign exchange cover (Journal Officiel of July 14, 1976) as amended on September 19, 1981 (Journal Officiel of September 20, 1981), November 10, 1981 (Journal Officiel of November 11, 1981) and January 4, 1982 (Journal Officiel of January 10-11, 1982), by authorizing forward purchases of foreign exchange in general and under certain conditions in settlement for merchandise imports.

Therefore, paragraph 2 (Forward Foreign Exchange Purchases by Residents) of the aforementioned Circular of July 12, 1976 has been amended through the addition of the following language to subparagraphs 1 and 2:

1. "...Residents may, however, make forward purchases of foreign exchange from authorized intermediaries in settlement for any merchandise imports invoiced in ECUS and the incidental expenses directly related thereto, whether or not separately invoiced."

2. "...However, the forward cover acquired in settlement for imports invoiced in ECUS must be obtained at not more than six months."

This Circular shall be published in the Journal Officiel and shall enter into effect immediately.

Other Distribution:
Department Heads

