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EBD/85/130

May 21, 1985

To: Members of the Executive Board

From: The Acting Secretary

Subject: Peru - Exchange Arrangements - Introduction of a New Monetary Unit

There is attached for the information of the Executive Directors a paper on the introduction of a new monetary unit in Peru.

Mr. Flickenschild (ext. 8621) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

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INTERNATIONAL MONETARY FUND

Peru - Exchange Arrangements--Introduction of a New Monetary Unit

Prepared by the Western Hemisphere Department

(In consultation with the Exchange and Trade Relations,
Legal, and Treasurer's Departments)

Approved by S. T. Beza and Manuel Guitian

May 20, 1985

In the attached letter the Central Reserve Bank of Peru informed the Fund of the phased introduction of a new monetary unit. With effect from February 1, 1985 the "inti" has started to replace the "sol" (sol de oro) as the currency unit of Peru. The inti, which is divisible into one hundred "centimos", is equivalent to 1,000 soles (I/.1=S/.1,000).

Coins and bank notes denominated in intis will start to be put into circulation shortly, and for some time the old and the new means of payment will circulate together. The financial system will continue to express its operations in soles until December 31, 1985. The staff also has been informed that transactions with the Treasury and public utility bills will continue to be denominated in soles until the end of 1985. Up to that time, individuals and corporations also may continue to maintain their accounts in soles. However, starting January 1, 1986, any reference to the national currency of Peru must be made exclusively in intis.

No action by the Executive Board is necessary.

Attachment

ATTACHMENT

Lima, April 30, 1985
3.00.0.0.0/096-85

Mr. Jacques de Larosiere
Managing Director
International Monetary Fund
Washington, D.C.
U. S. A.

Dear Sir:

I have pleasure to address you to inform you that, as of February 1, 1985 and by virtue of Law N° 24064, Peru established its new monetary unit called "INTI", whose symbol will be "I/.". The monetary unit is divisible in 100 centimos and their equivalence will be as follows:

S/. 50,000	=	I/. 50
S/. 10,000	=	I/. 10
S/. 5,000	=	I/. 5
S/. 1,000	=	I/. 1
S/. 500	=	I/. 0.50
S/. 100	=	I/. 0.10
S/. 50	=	I/. 0.05
S/. 10	=	I/. 0.01

It is important to emphasize that until December 1985 credit institutions will continue to carry their books and accounting records in Soles Oro. The banking documents in national currency issued and received by those institutions for their own use as well as for third parties' use will also be expressed in Soles Oro until that same date.

As of January 1, 1986 any reference made in national currency will be exclusively denominated in Intis.

Thanking in advance for your kind attention to this communication, I remain,

Yours truly,

Hector Neyra Chavarry
General Manager