

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

MASTER FILES

ROOM C-120

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EBD/85/247

September 23, 1985

To: Members of the Executive Board
From: The Acting Secretary
Subject: Viet Nam - Exchange Arrangements

There is attached for the information of the Executive Directors a paper on a recent change in the exchange arrangements of Viet Nam.

Mr. Huh (ext. 8525) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Viet Nam--Exchange Arrangements

Prepared by the Asian Department
and the Exchange and Trade Relations Department

(In consultation with the Legal Department)

Approved by Tun Thin and Eduard Brau

September 23, 1985

In the attached telex dated September 17, 1985, the Viet Nam authorities notified the staff that, as from September 14, 1985, the State Bank of Viet Nam has been authorized to issue new dong and to withdraw old dong from circulation. The new dong has a value equal to 10 of the old dong. They have also informed that, effective September 15, 1985, the exchange rate of the new dong against the U.S. dollar has been adjusted to D 15 = US\$1; the official exchange rate of the old dong was D 12.06 = US\$1.

The staff will be in contact with the authorities to obtain further information. No action by the Executive Board is required at this time.

INTERFUND
WASHINGTON, D.C.

SEPTEMBER 17, 1985

WE WISH TO INFORM YOU THAT (1) IN ACCORDANCE WITH THE DECREE OF THE STATE COUNCIL AND THE DECISION OF THE COUNCIL OF MINISTERS OF THE GOVERNMENT OF THE S.R.V.N., THE STATE BANK OF VIET NAM IS AUTHORISED FROM SEPTEMBER 14, 1985 TO ISSUE NEW VIET NAM DONG AND TO WITHDRAW THE OLD ONES FROM CIRCULATION WITH THE PURCHASING POWER OF THE FORMER IS TEN TIMES OVER THE LATTER. (2) EFFECTIVE FROM SEPTEMBER 15, 1985 THE EXCHANGE RATE OF VIET NAM DONG AGAINST U.S. DOLLAR IS ADJUSTED TO DONG 15 = US DOLLAR 1.

BEST REGARDS
LE VAN CHAU
DIRECTOR-FOREIGN DEPT.
STATE BANK OF VIET NAM

Received in Cable Room September 17, 1985