

**LAPSE OF
TIME**

EBD/16/57

October 27, 2016

To: Members of the Executive Board

From: The Secretary

Subject: **Tuvalu—Acceptance of Obligations of Article VIII, Sections 2(a), 3 and 4**

Board Action: Executive Directors' **consideration** on a lapse of time basis

Deadline to Request
Board meeting, after
which Proposed Decision
Deemed Approved:

**Thursday, November 3, 2016
12:00 (noon)**

Proposed Decision

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Questions:

Mr. Lopez Murphy, APD (ext. 37647)



TUVALU

ACCEPTANCE OF OBLIGATIONS OF ARTICLE VIII, SECTIONS 2(a), 3, AND 4

October 25, 2016

Approved By
Sean Hagan,
Ratna Sahay, and
Changyong Rhee

This paper was prepared by Annamaria Kokenyne (MCM), Gustavo Pinto (LEG), and Pablo Lopez Murphy (APD).

1. In the attached communication dated October 7, 2016, the authorities of Tuvalu notified the Fund that Tuvalu accepts the obligations of Article VIII, Sections 2(a), 3, and 4 of the Articles of Agreement, with effect from October 7, 2016.

2. Tuvalu joined the Fund on June 24, 2010, availing itself at that time of the transitional arrangements under Article XIV of the Articles of Agreement. The exchange system of Tuvalu was last reviewed by staff during the 2016 Article IV consultation discussions. The staff report for those consultations (SM/16/251, 8/29/16) noted that Tuvalu did not maintain exchange restrictions on payments and transfers for current international transactions or engage in multiple currency practices under Article XIV or Article VIII.

3. Accordingly, the following decision, which may be adopted by a majority of votes cast, is proposed for adoption by the Executive Board:

"The Fund notes with satisfaction that, with effect from October 7, 2016, Tuvalu has

accepted the obligations of Article VIII, Sections 2(a), 3, and 4 of the Articles of

Agreement."



TUVALU GOVERNMENT
OFFICE OF THE MINISTER FOR FINANCE AND ECONOMIC
DEVELOPMENT

Vaiaku, Funafuti, TUVALU

Phone: (688) 20408; Facsimile (688) 20210; Email: mtoafa@gov.tv

October 7, 2016

Mrs. Christine Lagarde
Managing Director
International Monetary Fund
700 19th Street, NW
Washington, DC 20431
USA

Dear Managing Director,

It is my pleasure to inform you that, pursuant to the terms of Article XIV, Section 1, of the Articles of Agreement of the IMF, Tuvalu hereby accepts the obligations of Article VIII, Sections 2(a), 3 and 4, of the Articles of Agreement, as of October 7, 2016.

Please accept the assurances of my highest consideration.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Maatia Toafa', written over a horizontal line.

Hon. Maatia Toafa
Deputy Prime Minister & Minister of Finance and Economic Development