

**LAPSE OF
TIME**

EBD/20/38

December 16, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Principality of Andorra—Designation of Depository**

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

Deadline to Request a Board meeting, after which Proposed Decision Deemed Approved: **Monday, January 4, 2021
12:00 (noon)**

Proposed Decision: Page 2

Questions: Ms. Manno, FIN (ext. 38175)
Ms. Mburu, FIN (ext. 38443)
Mr. Cooney, FIN (ext. 38355)
Ms. Saperstein, FIN (ext. 38737)



December 15, 2020

PRINCIPALITY OF ANDORRA—DESIGNATION OF DEPOSITORY

Approved By
Andrew Tweedie

Prepared by the Finance Department in consultation with the European and Legal Departments.

1. Article XIII, Section 2(a) of the Articles of Agreement provides that “Each member shall designate its central bank as a depository for all the Fund’s holdings of its currency, or if it has no central bank it shall designate such other institution as may be acceptable to the Fund.”
2. The Board of Governors approved the membership of the Principality of Andorra (“Andorra”) on August 21, 2020 and Andorra became the 190th member of the Fund on October 16, 2020. As Andorra has no central bank that can serve as its designated depository, Andorra needs to designate an institution acceptable to the Fund, in accordance with Article XIII, Section 2(a).
3. The Minister of Finance and Government Spokesman confirmed in a letter to the Fund dated September 24, 2020 that Banc Sabadell d’Andorra is able to perform the necessary functions of a depository (see attachment).
4. It is recommended that the Fund accept Banc Sabadell d’Andorra as the depository for its holdings of the currency of the Principality of Andorra.

Proposed Decision

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

The Fund accepts Banc Sabadell d'Andorra as the depository, under Article XIII, Section 2(a), for all the Fund's holdings of the currency of the Principality of Andorra.

Attachment



Govern d'Andorra
Ministeri de Finances

Andorra la Vella, 24 September 2020

Mr. Andrew Tweedie
Director
Finance Department
International Monetary Fund
Washington, D.C. 20431

Dear Mr. Tweedie:

As the Principality of Andorra does not have a central bank, the Government of the Principality of Andorra hereby proposes to designate Banc Sabadell d'Andorra as the depository for the International Monetary Fund's holdings of the currency of the Principality of Andorra (euros) in accordance with Article XIII, Section 2(a) of the Articles of Agreement of the Fund. We do hereby confirm that Banc Sabadell d'Andorra, can readily perform the functions of a depository on behalf of the Fund, which include the following:

- (I) To hold currency for the Fund;
- (II) To pay currency on demand and without delay to any payee in the Principality of Andorra named by the Fund;
- (III) If the Principality of Andorra issues nonnegotiable noninterest-bearing notes under Article III, Section 4 of the Fund's Articles of Agreement, to hold such securities for safe custody on behalf of the Fund;
- (IV) To arrange for the issuance of such notes and for their encashment within 24 hours after any payment by the Fund which draws the balance of the Fund's holdings of the Principality of Andorra's currency below the minimum amount required.

We request that this proposal be submitted to the Fund's Executive Board for consideration.

Sincerely,


Eric Jover Comas



Minister of Finance and Government Spokesman