

discharged and the final payment of interest has been made, any surplus remaining in the account shall be transferred to the Subsidy Account of the Enhanced Structural Adjustment Facility Trust.

14. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Fund.

ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST—SUBSIDY ACCOUNT—INVESTMENT

Bank Negara Malaysia

Pursuant to Section IV, Paragraph 3 of the Instrument to Establish the Enhanced Structural Adjustment Facility Trust, the International Monetary Fund, in its capacity as Trustee of that Trust, approves the draft agreement and promissory note for an investment by the Bank Negara Malaysia with the Subsidy Account of the Trust as set out in Attachments I and II to EBS/94/135, and authorizes the Managing Director to take such action as is necessary to conclude and implement the agreement and issue the promissory note.

*Decision No. 10727-(94/59) ESAF
June 30, 1994*

Attachment I

Draft Agreement with the Bank Negara Malaysia on an Investment with the Subsidy Account of the ESAF Trust

I have been authorized to propose on behalf of the International Monetary Fund (the "Fund") as Trustee (the "Trustee") of the Enhanced Structural Adjustment Facility Trust (the "Trust") that the Bank Negara Malaysia (the "Bank") agree to invest with the Subsidy Account of the Trust, in accordance with Section IV, Paragraph 3(b) of the Instrument establishing the Trust (the "Instrument") adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF December 18, 1987, as amended, an amount in the equivalent of SDR 40 million on the following terms and conditions:

1. (a) The date of the investment shall be agreed between the Trustee and the Bank, but shall in any event not be made later than July 8, 1994. The proceeds of the investment by the Bank shall be

SELECTED DECISIONS: ANNEX

reinvested by the Trustee. The Fund, as Trustee of the Enhanced Structural Adjustment Facility Trust, shall issue to the Bank a nonnegotiable promissory note in the amount of the investment. The Bank agrees, subject to the conditions set out in this agreement, to purchase the promissory note on the issue date from the Trustee in the amount of the investment.

(b) The Trustee shall make a formal request for the investment by giving notice by tested telex at least seven (7) business days (Washington, D.C.) in advance of the investment date agreed between the Trustee and the Bank.

2. The amount of the investment shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amount shall be paid by the Bank, on the value date specified in the Trustee's notice, by transfer of the equivalent amount of U.S. dollars (Federal funds) to the account of the Trustee at the Federal Reserve Bank of New York, New York.

3. (a) Subject to the other provisions of this agreement, the Trustee shall repay to the Bank an amount equivalent to the SDR value of the investment from the proceeds of the investment ten years after the date of the investment.

(b) If the maturity period does not end on a business day in the place where payment is to be made, the maturity date shall be fixed to fall on the next succeeding business day in that place.

(c) The Bank intends to maintain its investment with the Trust for its full maturity. If the Bank represents that because of Malaysia's balance of payments and reserve position there is a need for the Bank to encash all or part of the investment and the Trustee, having given the representation the overwhelming benefit of any doubt, agrees, the investment may be encashed in whole or in part in advance of the final maturity date. The Bank agrees to restore the investment as soon as practicable in light of favorable developments in Malaysia's balance of payments and reserve position.

(d) The Trustee may repay all or part of the investment at any time in advance of the maturity date.

4. The Trustee shall pay interest on the Bank's investment under this agreement at an annual rate of 2 percent per annum calculated on an actual day basis using a 365 day year. Interest shall be paid in respect of the period from and including the date of the investment to but excluding the maturity date. Interest shall be paid on each

BANK NEGARA MALAYSIA

anniversary of the investment or upon repayment of the investment amount represented by the promissory note, from the proceeds of the Trust's investment.

5. Payment by the Trustee of the investment amount in respect of the promissory note and all accrued interest thereon shall be made in U.S. dollars or in other media as agreed between the Trustee and the Bank.

6. Payments in U.S. dollars shall be made by crediting the amount due to the account of the Bank at the Federal Reserve Bank of New York, New York. Payments in other currencies shall be made to accounts specified by the Bank.

7. Unless otherwise agreed between the Bank and the Trustee, the transfer under Paragraph 2, and all payments of the investment amount in respect of the promissory note and all accrued interest thereon, shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund for the third business day of the Fund before the value date of the transfer or payment.

8. If the Fund changes the method of valuing the SDR, all transfers, exchanges and payment of the investment amount in respect of the promissory note and all accrued interest thereon made three or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

9. Upon repayment of all or part of the investment and all accrued interest thereon, the promissory note shall be returned to the Trustee for cancellation, and if any balance of an investment remains outstanding, the Trustee shall issue a new promissory note for the remainder of the investment with the same maturity date.

10. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

11. If the foregoing proposal is acceptable to the Bank, this communication and your duly authenticated reply accepting the proposal shall constitute an agreement between the Bank and the Trustee, which shall enter into effect on the date the Trustee acknowledges receipt of your reply.*

* The agreement entered into effect on July 5, 1994.

Attachment II

Draft Form of Promissory Note

*International Monetary Fund
700 19th Street, N.W.
Washington, D.C. 20431*

The International Monetary Fund (hereinafter called the Fund), as Trustee (the Trustee) of the Enhanced Structural Adjustment Facility Trust (the Trust), for value received, hereby promises to pay to the Bank Negara Malaysia (hereinafter called the Bank) on surrender of this Note on [date], a principal sum equivalent to SDR 40 million and to pay interest on the said principal sum in accordance with paragraphs (5) and (6). This note represents an investment by the Bank in accordance with Section IV, paragraph 3(b) of the Instrument establishing the Trust adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, adopted December 18, 1987, as amended.

1. This promissory note is nonnegotiable.
2. If the maturity period does not end on a business day in the place where payment is to be made, the maturity date shall be fixed to fall on the next succeeding business day in that place.
3. The Bank intends to maintain its investment with the Trust for its full maturity. If the Bank represents that because of Malaysia's balance of payments and reserve position, there is a need for the Bank to encash all or part of the investment represented by this promissory note and the Trustee, having given the representation the overwhelming benefit of any doubt, agrees, the investment may be encashed in whole or in part in advance of the final maturity date. The Bank agrees to restore the investment as soon as practicable in light of favorable developments in Malaysia's balance of payments and reserve position.
4. The Trustee may repay all or part of the investment represented by this promissory note at any time in advance of the maturity date.
5. The Trustee shall pay interest on the Bank's investment at an annual rate of 2 percent calculated on an actual day basis and using a 365 day year. Interest shall be paid in respect of the period from

CENTRAL BANK OF MALTA

and including the investment date to but excluding the maturity date. Interest shall be paid on each anniversary of the investment or upon repayment of the principal amount.

6. Payments by the Trustee of the investment amount represented by this promissory note and all accrued interest thereon shall be made in U S dollars or in other media as agreed between the Trustee and the Bank. Payments in U.S. dollars shall be made by crediting the amount due to an account of the Bank at the Federal Reserve Bank of New York, New York. Payments in other currencies shall be made to accounts specified by the Bank.

7. Unless otherwise agreed between the Bank and the Trustee, all payments of the investment amount represented by this promissory note and all accrued interest thereon shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund for the third business day of the Fund before the value date of the transfer or payment.

8. Upon repayment of all or part of the investment and all accrued interest thereon, this promissory note shall be returned to the Trustee for cancellation, and if any balance of the investment remains outstanding, the Trustee shall issue a new promissory note for the remainder of the investment with the same maturity date.

9. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST—SUBSIDY ACCOUNT—INVESTMENT

Central Bank of Malta

Pursuant to Section IV, Paragraph 3 of the Instrument to Establish the Enhanced Structural Adjustment Facility Trust, the International Monetary Fund, in its capacity as Trustee of that Trust, approves the agreement and promissory note for an investment by the Central Bank of Malta with the Subsidy Account of the Trust in the terms of the draft agreement and promissory note set out in Attachments I and II to EBS/94/112, and authorizes the Managing Director to take such action as is necessary to conclude and implement the agreement and issue the promissory note.

*Decision No. 10697-(94/49) ESAF
May 27, 1994*

Attachment I

*Draft Agreement with the Central Bank of Malta on an
Investment with the Subsidy Account of the ESAF Trust*

I have been authorized to propose on behalf of the International Monetary Fund (the "Fund") as Trustee (the "Trustee") of the Enhanced Structural Adjustment Facility Trust (the "Trust") that the Central Bank of Malta (the "Bank") agree to invest with the Subsidy Account of the Trust, in accordance with Section IV, Paragraph 3(b) of the Instrument establishing the Trust (the "Instrument") adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, December 18, 1987, as amended, an amount equivalent to SDR 1.365 million on the following terms and conditions:

1. The investment shall be made in full on June 6, 1994 by transfer of SDRs to an account specified by the Fund and shall be denominated in SDRs. The proceeds of the investment by the Bank shall be invested by the Trustee. The Fund, as Trustee of the Enhanced Structural Adjustment Facility Trust, shall issue to the Bank a nonnegotiable promissory note in the amount of the investment.

2. (a) Subject to the other provisions of this agreement, the Trustee shall repay an amount equivalent to the investment on June 6, 2007 from the proceeds of the investment.

(b) The Bank intends to maintain its investment with the Trust for its full maturity. If the Bank represents that because of developments in Malta's balance of payments and reserve position there is a need for the Bank to encash all or part of the investment and the Trustee, having given the representation the overwhelming benefit of any doubt, agrees, the investment may be encashed in whole or in part in advance of maturity. The Bank agrees to restore the investment as soon as practicable in light of developments in Malta's balance of payments and reserve position.

(c) The Trustee may repay all or part of the investment at any time in advance of the maturity date.

3. The Trustee shall pay interest on the Bank's investment at an annual rate of 0.5 percent per annum calculated on an actual day

CENTRAL BANK OF MALTA

basis and using a 365 day year. Interest shall be paid in respect of the period from and including the date of the investment to but excluding the maturity date. Interest shall be paid annually or upon repayment of the principal amount, from the proceeds of the investment.

4. Payments by the Trustee of principal and interest shall be made in SDRs, or in other media as may be agreed between the Trustee and the Bank. Payments in SDRs shall be made by crediting Malta's holdings account in the Special Drawing Rights Department. Payments in currencies shall be made to accounts specified by the Bank.

5. Unless otherwise agreed between the Bank and the Trustee, payments in currency shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund for the third business day of the Fund before the value date of the payment.

6. If a payment date is not a business day in the place where payment is to be made, the payment date shall be the next succeeding business day in that place.

7. If the Fund changes the method of valuing the SDR, all transfers, exchanges and payment of the investment amount and all accrued interest thereon made three or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

8. Upon repayment of all or part of the investment and all accrued interest thereon, the promissory note shall be returned to the Trustee for cancellation, and if any balance of the investment remains outstanding, the Trustee shall issue a new promissory note for the remainder of the investment with the same maturity date.

9. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

10. If the foregoing proposal is acceptable to the Bank, this communication and your duly authenticated reply accepting the proposal shall constitute an agreement between the Bank and the Trustee, which shall enter into effect on the date the Trustee acknowledges receipt of your reply.*

* The agreement entered into effect on June 1, 1994.

Attachment II

Draft Form of Promissory Note

*International Monetary Fund
700 19th Street, N.W.
Washington, D.C. 20431*

The International Monetary Fund (hereinafter called the Fund), as Trustee of the Enhanced Structural Adjustment Facility Trust (the Trust), for value received, hereby promises to pay to the Central Bank of Malta (hereinafter called the Bank) on surrender of this Note on June 6, 2007, a principal sum equivalent to SDR 1.365 million and to pay interest on the said principal sum in accordance with paragraphs (4), (5) and (6). This note represents an investment by the Bank in accordance with Section IV, paragraph 3(b) of the Instrument establishing the Trust adopted by the Executive Board of the Fund by Decision No. 8759-(87/176)ESAF, adopted December 18, 1987, as amended.

1. This promissory note is nonnegotiable.
2. The Bank intends to maintain its investment with the Trust for its full maturity. If the Bank represents that because of Malta's balance of payments and reserve position, there is a need for the Bank to encash all or part of the investment represented by this promissory note and the Trustee, having given the representation the overwhelming benefit of any doubt, agrees, the investment may be encashed in whole or in part in advance of maturity. The Bank agrees to restore the investment as soon as practicable in light of developments in Malta's balance of payments and reserve position.
3. The Trustee may repay all or part of the investment represented by this promissory note at any time in advance of the maturity date.
4. The Trustee shall pay interest on the Bank's investment at an annual rate of 0.5 percent calculated on an actual day basis and using a 365 day year. Interest shall be paid in respect of the period from and including the investment date to but excluding the maturity date. Interest shall be paid annually or upon repayment of the principal amount.
5. Payments by the Trustee of principal and interest shall be made in SDRs, or in other media as may be agreed between the

Trustee and the Bank. Payments in SDRs shall be made by crediting Malta's holdings account in the Special Drawing Rights Department. Payments in currencies shall be made to accounts specified by the Bank.

6. Unless otherwise agreed between the Bank and the Trustee, payments in currency shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund for the third business day of the Fund before the value date of the payment.

7. If a payment date is not a business day in the place where payment is to be made, the payment date shall be the next succeeding business day in that place.

8. If the Fund changes the method of valuing the SDR, all transfers, exchanges and payment of the investment amount and all accrued interest thereon made three or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

9. Upon repayment of all or part of the investment and all accrued interest thereon, this promissory note shall be returned to the Trustee for cancellation, and if any balance of the investment remains outstanding, the Trustee shall issue a new promissory note for the remainder of the investment with the same maturity date.

10. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST—SUBSIDY ACCOUNT—INVESTMENT

State Bank of Pakistan

Pursuant to Section IV, Paragraph 3 of the Instrument to Establish the Enhanced Structural Adjustment Facility Trust, the International Monetary Fund, in its capacity as Trustee of that Trust, approves the agreement for an investment by the State Bank of Pakistan with the Subsidy Account of the Trust in the terms set out in Attachments I and II to EBS/94/86, and authorizes the Managing Director to inform

SELECTED DECISIONS: ANNEX

the State Bank of Pakistan that the agreement has entered into effect on the date of the approval by the Trustee.*

*Decision No. 10666-(94/38) ESAF
April 21, 1994*

Attachment I

March 31, 1994

Dear Mr. Camdessus,

The State Bank of Pakistan agrees to make an investment equivalent to SDR 10 million, with the Subsidy Account of ESAF Trust in accordance with section IV, para. 3(b) of the Instrument establishing the Trust (the "Instrument") adopted by the Executive Board of the Fund by decision No. 8759-(87/176) ESAF, December 18, 1987, as amended. The investment will be made on terms and conditions contained in the attached draft agreement prepared by the Fund. This communication together with draft agreement will constitute an agreement between the Bank and the Fund (Trustee).

With best regards,

Yours Sincerely,

/s/

(Muhammad Yaqub)

Mr. Michel Camdessus,
Managing Director,
International Monetary Fund,
700 19th Street, N.W.,
Washington, D.C. 20431,
U.S.A.

* The agreement entered into effect on April 21, 1994.

Attachment II

*Draft Agreement with the State Bank of Pakistan on
an Investment with Subsidy Account of the ESAF Trust*

I have been authorized to propose on behalf of the International Monetary Fund (the "Fund") as Trustee (the "Trustee") of the Enhanced Structural Adjustment Facility Trust (the "Trust") that the State Bank of Pakistan (the "Bank") agree to invest with the Subsidy Account of that Trust, in accordance with Section IV, paragraph 3(b) of the Instrument establishing the Trust (the "Instrument") adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, December 18, 1987 as amended. The total amount of the investment is to be the equivalent of SDR 10 million and the terms and conditions of this investment shall be as follows:

1. (a) The investment may be made in fifteen annual installments of the equivalent of SDR 0.667 million each. The date of disbursement of each investment shall be agreed between the Trustee and the Bank, but in any case the first disbursement shall be made not later than April 30, 1994. The fourteen subsequent installments shall be disbursed not later than April 30 in each of the subsequent fourteen years. The proceeds of each installment shall be invested by the Trustee.

(b) If interest is not paid to the Bank within a period of ten days after its due date, the Trustee shall not obtain further installments of the investment under this agreement pending consultations with the Bank on the matter. However, the Trustee may obtain further installments of investment under this agreement once any arrears to the Bank have been discharged.

2. The amount of each installment shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amounts shall be disbursed by the Bank on the value dates to be agreed, by transfer of the equivalent amount of U.S. dollars to the account of the Trustee at the Federal Reserve Bank of New York, New York.

3. All the fifteen installments shall mature at the end of the sixteenth year after the date of the first disbursement. If the maturity date does not fall on a business day either of the Fund or of the place where payment is to be made, the maturity date shall be the preceding business day of the Fund and the place of payment.

SELECTED DECISIONS: ANNEX

4. (a) Each installment shall bear interest at an annual rate of 0.5 percent per annum.

(b) The amount of interest payable shall be calculated on the basis of the actual number of days that interest has accrued and a 365-day year and shall be paid annually or on the date the principal amount is repaid, whichever is earlier, from the proceeds of the investment.

5. The Trustee shall repay the principal amount of all installments from the proceeds of the investment on the maturity date or on such earlier repayment date as may be established pursuant to paragraph 9 or 10 of this agreement.

6. Payments by the Trustee of principal and interest shall be made in SDRs or in other media as agreed between the Trustee and the Bank. Payments in SDRs shall be made by crediting the amount due to Pakistan's holdings account in the Special Drawing Rights Department. Payments in other media shall be made to accounts specified by the Bank.

7. Unless otherwise agreed between the Bank and the Trustee, all transfers and payments of principal and interest shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund for the third business day of the Fund before the value date of the transfer or payment.

8. If the Fund changes the method of valuing the SDR, all transfers, exchanges, and payment of principal and interest made three or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

9. The Bank intends to maintain each installment of the investment until the maturity date. However, if the Bank represents that because of Pakistan's balance of payments and reserve position there is a need for the Bank to suspend disbursement of any installment and/or to encash all or part of its investment with the Trust, and the Trustee, having given such representation(s) the overwhelming benefit of any doubt, agrees, such disbursement of an installment shall be suspended and/or the investment shall be encashed in whole or in part in advance of the maturity date. The Bank agrees to disburse the installment and/or to restore the investment as soon as practicable in light of developments in Pakistan's balance of payments and reserve position.

10. The Trustee may repay the principal amount of the investment in part or in full at any time in advance of the maturity date.

11. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST—SUBSIDY ACCOUNT—INVESTMENT

Banque Centrale de Tunisie

Pursuant to Section IV, Paragraph 3 of the Instrument to Establish the Enhanced Structural Adjustment Facility Trust, the International Monetary Fund, in its capacity as Trustee of that Trust, approves the agreement for an investment by the Banque Centrale de Tunisie with the Subsidy Account of the Trust in the terms of the draft agreement set out in the Attachment to EBS/94/94, and authorizes the Managing Director to take such action as is necessary to conclude and implement the agreement.

*Decision No. 10674-(94/41) ESAF
May 4, 1994*

Attachment

Draft Agreement with the Banque Centrale de Tunisie on an Investment with the Subsidy Account of the ESAF Trust

I have been authorized to propose on behalf of the International Monetary Fund (the "Fund") as Trustee (the "Trustee") of the Enhanced Structural Adjustment Facility Trust (the "Trust") that the Banque Centrale de Tunisie (the "Bank") agree to invest with the Subsidy Account of the Trust, in accordance with Section IV, Paragraph 3(b) of the Instrument establishing the Trust (the "Instrument") adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF December 18, 1987, as amended, an amount of SDRs equivalent to US\$5 million on the following terms and conditions:

1. (a) The date of the investment shall be agreed between the Trustee and the Bank, but shall in any event not be made later than

SELECTED DECISIONS: ANNEX

May 16, 1994. The proceeds of the investment by the Bank shall be reinvested by the Trustee.

(b) The Trustee shall make a formal request for the investment by giving notice by tested telex at least seven (7) business days (Washington, D.C.) in advance of the value date of the investment agreed between the Trustee and the Bank.

2. The amount of the investment shall be denominated in SDRs, and shall be equal to the SDR equivalent of US\$5 million three business days before the value date of the investment. Unless otherwise agreed between the Trustee and the Bank, on the value date specified in the Trustee's notice, the amount of U.S. dollars will be transferred to the account of the Trustee at the Federal Reserve Bank of New York, New York.

3. (a) Subject to the other provisions of this agreement, the Trustee shall repay to the Bank an amount equivalent to the SDR value of the investment from the proceeds of the investment ten years after the date of the investment.

(b) If the maturity period does not end on a business day either of the Fund or of the place where payment is to be made, the maturity date shall be fixed to fall on the preceding business day of the Fund and the place of payment.

(c) The Bank intends to maintain its investment with the Trust until its maturity. If the Bank represents that because of Tunisia's balance of payments and reserve position there is a need for the Bank to encash all or part of the investment and the Trustee, having given the representation the overwhelming benefit of any doubt, agrees, the investment may be encashed in whole or in part in advance of its maturity date. The Bank agrees to restore the investment as soon as practicable in light of favorable developments in Tunisia's balance of payments and reserve position.

(d) The Trustee may repay all or part of the investment at any time in advance of the maturity date.

4. The Trustee shall pay interest on the Bank's investment under this agreement at a rate of one-half of 1 percent per annum calculated on an actual day basis using a 365 day year. Interest shall be paid in respect of the period from and including the date of the investment to but excluding the maturity date. Interest shall be paid on each anniversary of the investment or upon repayment of the investment amount from the proceeds of the Trust's investment.

5. Payment by the Trustee of the investment amount and all accrued interest thereon shall be made in U.S. dollars or in other media as agreed between the Trustee and the Bank.

6. Payments in U.S. dollars shall be made by crediting the amount due to the account of the Bank at the Federal Reserve Bank of New York, New York. Payments in SDRs shall be made by crediting the amount due to Tunisia's holdings account in the Special Drawing Rights Department. Payments in other currencies shall be made to accounts specified by the Bank.

7. Unless otherwise agreed between the Bank and the Trustee, the transfer under Paragraph 2, and all payments of the investment amount and all accrued interest thereon, shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund for the third business day of the Fund before the value date of the transfer or payment.

8. If the Fund changes the method of valuing the SDR, all transfers, exchanges and payment of the investment amount and all accrued interest thereon made three or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

9. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

10. If the foregoing proposal is acceptable to the Bank, this communication and your duly authenticated reply accepting the proposal shall constitute an agreement between the Bank and the Trustee, which shall enter into effect on the date the Trustee acknowledges receipt of your reply.*

ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST—SUBSIDY ACCOUNT—INVESTMENT

Banco Central del Uruguay

Pursuant to Section IV, Paragraph 3 of the Instrument to Establish the Enhanced Structural Adjustment Facility Trust, the International Monetary Fund, in its capacity as Trustee of that Trust, approves the

* The agreement entered into effect on May 5, 1994.

draft agreement for an investment by the Banco Central del Uruguay with the Subsidy Account of the Trust as set out in the Attachment to EBS/94/147 (7/26/94), and authorizes the Managing Director to take such action as is necessary to conclude and implement the agreement.

*Decision No. 10759-(94/70) ESAF
July 27, 1994*

Attachment

*Draft Agreement with the Banco Central del Uruguay on
an Investment with the Subsidy Account of the ESAF Trust*

I have been authorized to propose on behalf of the International Monetary Fund (the "Fund") as Trustee (the "Trustee") of the Enhanced Structural Adjustment Facility Trust (the "Trust") that the Banco Central del Uruguay (the "Bank") agree to invest with the Subsidy Account of the Trust, in accordance with Section IV, Paragraph 3(b) of the Instrument establishing the Trust (the "Instrument") adopted by the Executive Board of the Fund by Decision No. 8759-(87/176) ESAF, December 18, 1987, as amended, an amount in the equivalent of SDR 7.2 million on the following terms and conditions:

1. (a) The date of the investment shall be agreed between the Trustee and the Bank, but shall in any case not be made later than August 10, 1994. The proceeds of the investment by the Bank shall be reinvested by the Trustee.

(b) The Trustee shall make a formal request for the investment by giving notice by tested telex at least seven (7) business days (Washington, D.C.) in advance of the value date of the investment agreed between the Trustee and the Bank.

2. The amount of the investment shall be denominated in SDRs. Unless otherwise agreed between the Trustee and the Bank, the amount shall be paid by the Bank, on the value date specified in the Trustee's notice, by transfer of the equivalent amount of U.S. dollars to the account of the Trustee at the Federal Reserve Bank of New York, New York.

3. (a) Subject to the other provisions of this agreement, the Trustee shall repay an amount equivalent to the SDR value of the

BANCO CENTRAL DEL URUGUAY

investment from the proceeds of the investment ten years after the date of the investment.

(b) If the maturity period does not end on a business day either of the Trustee or of the place where payment is to be made, the maturity date shall be fixed to fall on the preceding business day of the Trustee and the place of payment.

(c) The Bank intends to maintain its investment with the Trust for its full maturity. If the Bank represents that because of developments in Uruguay's balance of payments and reserve position there is a need for the Bank to encash all or part of the investment and the Trustee, having given the representation the overwhelming benefit of any doubt, agrees, the investment may be encashed in whole or in part in advance of maturity. The Bank agrees to restore the investment as soon as practicable in light of developments in Uruguay's balance of payments and reserve position.

(d) The Trustee may repay all or part of the investment at any time in advance of the maturity date, provided that the Trustee will give notice to the Bank at least three business days (Washington, D.C.) prior to any advance repayment.

4. (a) The Trustee shall pay interest on the Bank's investment at a rate equivalent to the interest rate for SDR-denominated deposits that is obtained by the Trustee (net of any cost) on this investment, less 2.6 percent per annum, subject to the condition that, if the interest rate obtained by the Trustee (net of any cost) is 2.6 percent per annum or less, the investment shall bear zero interest. The Trustee shall certify annually to the Bank the amount of net interest obtained on the investment, and such certification shall be final.

(b) The amount of interest payable in respect of the amount of the investment shall be calculated on the basis of the actual number of days that interest has accrued and a 365-day year and shall be paid from the proceeds of the investment on each anniversary of the investment or on the day the investment is repaid, whichever is earlier.

5. Payments by the Trustee of the investment amount and all accrued interest thereon shall be made in U.S. dollars or in other media as may be agreed between the Trustee and the Bank.

6. Payments in U.S. dollars shall be made by crediting the amount due to the account of the Bank at the Federal Reserve Bank of New York, New York. Payments in SDRs shall be made by

crediting Uruguay's holdings account in the Special Drawing Rights Department. Payments in other currencies shall be made to accounts specified by the Bank.

7. Unless otherwise agreed between the Bank and the Trustee, the transfer under paragraph 2, and all payments of the investment amount and accrued interest thereon, shall be made at the exchange rates for the relevant currencies in terms of the SDR established by the Fund for the third business day of the Fund before the value date of the transfer or payment.

8. If the Fund changes the method of valuing the SDR, all transfers, exchanges and payment of the investment amount and all accrued interest thereon made three or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

9. Any question arising hereunder shall be settled by mutual agreement between the Bank and the Trustee.

10. If the foregoing proposal is acceptable to the Bank, this communication and your duly authenticated reply accepting the proposal shall constitute an agreement between the Bank and the Trustee, which shall enter into effect on the date the Trustee acknowledges receipt of your reply.*

ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST—BORROWING AGREEMENT—LOAN ACCOUNT—SUSPENSION OF DRAWINGS

The Fund as Trustee of the ESAF Trust shall refrain from making further drawings under a borrowing agreement for the Loan Account of the ESAF Trust that was entered into before November 30, 1993 if any principal amount under that agreement is not paid within ten days after the due date, pending consultation with the creditor, provided however, that the Trustee may resume drawings under the agreement once arrears to the creditor have been paid.

*Decision No. 10790-(94/84) ESAF
September 13, 1994*

* The agreement entered into effect on July 29, 1994.