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on
Exchange Arrangements
and Exchange Restrictions

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**Letter of Transmittal to Members
and Governors of the Fund**

October 12, 2007

Dear Sir or Madam:

I have the honor of transmitting to you a copy of the International Monetary Fund's *Annual Report on Exchange Arrangements and Exchange Restrictions, 2007*, which has been prepared in accordance with the provisions of Article XIV, Section 3 of the Articles of Agreement.

On behalf of the Executive Board, I would like to express our appreciation to the countries for their cooperation in the preparation of the Report.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'R. de Rato', written in a cursive style with a large flourish at the end.

Rodrigo de Rato
*Chairman of the Executive Board
and Managing Director*

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Note: The term “country,” as used in this publication, does not in all cases refer to a territorial entity that is a state as understood by international law and practice; the term also covers some territorial entities that are not states but for which statistical data are maintained and provided internationally on a separate and independent basis.

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PREFACE

The *Annual Report on Exchange Arrangements and Exchange Restrictions* has been published by the IMF since 1950. It draws on information available to the IMF from a number of sources, including that provided in the course of official staff visits to member countries, and has been prepared in close consultation with national authorities. The information is presented in a tabular format.

This project was coordinated in the Monetary and Capital Markets Department by a staff team directed by Karl F. Habermeier and comprising Judit Vadasz, Annamaria Kokeny, Jahanara Zaman, and Maria Zenaida M. de Mesa. It draws on the specialized contribution of that department (for specific countries), with assistance from staff members of the IMF's five area departments, together with staff of other departments. The report was edited by Linda Griffin Kean of the External Relations Department and produced by Mrs. de Mesa and the IMF Multimedia Services Division.

ABBREVIATIONS

ACP	Atlantic, Caribbean, and Pacific countries
ACU	Asian Clearing Union (integrated by Bangladesh, Bhutan, India, Islamic Republic of Iran, Myanmar, Nepal, Pakistan, and Sri Lanka)
AD	Authorized dealer
AEC	African Economic Community
AFTA	ASEAN free trade area (see ASEAN, below)
AGOA	African Growth and Opportunity Act (United States)
AMU	Asian monetary unit
ANZCERTA	Australia-New Zealand Closer Economic Relations and Trade Agreement
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations (integrated by Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, and Thailand)
ATC	Agreement on Textiles and Clothing
BCEAO	Central Bank of West African States; the West African states are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo
BEAC	Bank of Central African States; the Central African states are Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, and Gabon
CACM	Central American Common Market (integrated by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua)
CAEMC	Central African Economic and Monetary Community (integrated by the members of the BEAC)
CAP	Common agricultural policy (of the EU)
CARICOM	Caribbean Community and Common Market (integrated by Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago). The Bahamas is also a member of CARICOM, but it does not participate in the Common Market.
CB	Central bank
CEEAC	Economic Community of Central African States (integrated by Angola, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Republic of Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe)
CEFTA	Central European Free Trade Area (integrated by Bulgaria, Hungary, Poland, Romania, Slovak Republic, and Slovenia)
CEPGL	Economic Community of the Great Lakes Countries (integrated by Burundi, Democratic Republic of the Congo, and Rwanda)
CEPT	Common effective preferential tariff of the AFTA
CET	Common external tariff
CFA	Communauté financière d'Afrique (administered by the BCEAO) and Coopération financière en Afrique centrale (administered by the BEAC)
CIMA	CIMA Code of Ethics for Professional Accountants
CIS	Commonwealth of Independent States (integrated by Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan)
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLS	Continued Linked Settlement (integrated by Denmark, Norway, and Sweden)
CMA	Common Monetary Area (a single exchange control territory comprising Lesotho, Namibia, South Africa, and Swaziland)
CMCF	Caribbean Multilateral Clearing Facility
CMEA	Council for Mutual Economic Assistance (dissolved; formerly integrated by Bulgaria, Cuba, Czechoslovakia, Hungary, Mongolia, Poland, Romania, the U.S.S.R., and Vietnam)
COMESA	Common Market for Eastern and Southern Africa (integrated by Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe)
CPZ	Commercial processing zone
EAC	East African Community
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
ECC	European Community Council
ECCB	Eastern Caribbean Central Bank (Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines)
ECCU	Eastern Caribbean Currency Union
ECOWAS	Economic Community of West African States (integrated by Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo)
ECSC	European Coal and Steel Community

Note: This list does not include abbreviations of purely national institutions mentioned in the country chapters.

EEA	European economic area
EFTA	European Free Trade Association (integrated by Iceland, Liechtenstein, Norway, and Switzerland)
EIB	European Investment Bank
EMU	European Economic and Monetary Union (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Slovenia, and Spain)
EPZ	Export processing zone
ERM	Exchange rate mechanism (of the European monetary system)
EU	European Union (formerly European Community; integrated by Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, the United Kingdom, and, effective May 1, 2004, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic, and Slovenia)
FATF	Financial Action Task Force on Money Laundering (of the OECD)
FII	Foreign institutional investor
GAFTA	Greater Arab Free Trade Agreement
GCC	Gulf Cooperation Council (Cooperation Council for the Arab States of the Gulf; integrated by the Kingdom of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates)
GSP	Generalized system of preferences
IBRD	International Bank for Reconstruction and Development (World Bank)
IDB	Inter-American Development Bank
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
LAIA	Latin American Integration Association (integrated by Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and República Bolivariana de Venezuela)
LC	Letter of credit
LIBID	London interbank bid rate
LIBOR	London interbank offered rate
MERCOSUR	Southern Cone Common Market (integrated by Argentina, Brazil, Paraguay, and Uruguay)
MFA	Multifiber Arrangement
MFN	Most-favored nation
MOF	Ministry of Finance
NAFA	North American Framework Agreement (integrated by Canada, Mexico, and the United States)
NAFTA	North American Free Trade Agreement
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States (integrated by Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines)
OGL	Open general license
PACER	Pacific Agreement on Closer Economic Relations (of the Pacific Islands Forum; integrated by Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu)
PARTA	Pacific Regional Trade Agreement (of the Pacific Islands Forum)
PICTA	Pacific Island Countries Trade Agreement (of the Pacific Islands Forum; integrated by Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu)
RCPSFM	Regional Council on Public Savings and Financial Markets (an institution of WAEMU countries that is involved in the authorization for issuance and marketing of securities)
RIFF	Regional Integration Facilitation Forum (formerly the Cross-Border Initiative; integrated by Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe)
SACU	Southern African Customs Union (integrated by Botswana, Lesotho, Namibia, South Africa, and Swaziland)
SADC	Southern Africa Development Community (integrated by Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe)
SCP	Scandinavian Cash Pool (integrated by Denmark, Norway, and Sweden)
SDR	Special drawing right
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement (signed by Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu)
UCAC	Central African Units of Accounts
UCITS	Undertakings for the Collective Investment of Transferable Securities

UDEAC	Central African Customs and Economic Union (integrated by Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, and Gabon)
UN	United Nations
UNITA	National Union for the Total Independence of Angola
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union (formerly WAMU; integrated by the members of the BCEAO)
WAMA	West African Monetary Agency (formerly WACH)
WAMZ	West African Monetary Zone
W-ERM II	Exchange rate mechanism (of the WAMZ)
WTO	World Trade Organization

INTRODUCTION

This volume (the fifty-eighth edition) of the *Annual Report on Exchange Arrangements and Exchange Restrictions* (AREAER) provides a description of the foreign exchange arrangements, exchange and trade restrictions, and relevant prudential measures of individual IMF member countries.¹ Publication of the AREAER is based on Article XIV, Section 3, of the IMF's Articles of Agreement, which mandates annual reports on the restrictions in force, as well as on the Review of the 1977 Surveillance Decision that requires IMF staff to review "(a) the introduction, substantial intensification, or prolonged maintenance, for balance of payments purposes, of restrictions on, or incentives for, current transactions or payments, or (b) the introduction or substantial modification for balance of payments purposes of restrictions on, or incentives for, the inflow or outflow of capital."

The 2007 edition attempts to provide a full and complete description of exchange and trade systems, going beyond exchange restrictions or exchange controls. To this end, a few changes have been made to the structure and content of the report in order to provide a more accurate and up-to-date description of the regulatory framework for current and capital account transactions.² In general, the descriptions relate to exchange and trade systems as of end-2006, but in some cases reference is made to significant developments that occurred through mid-July 2007. As in the 2006 AREAER, this year's report provides information related to restrictions on current international payments and transfers and multiple currency practices (MCPs), other than those imposed solely for international security considerations.³ This information consists of verbatim quotes from the latest IMF staff reports issued as of December 31, 2006, and represents the views of IMF staff, which may not necessarily have been endorsed by the IMF Executive Board.⁴

The report also includes a De Facto Classification of Exchange Rate Regimes and Monetary Policy Framework (Table 5). The classification is based on the information available on members' de facto arrangements, as analyzed by IMF staff, which may differ from countries' officially announced arrangements. The table on Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries (which appears at the end of this Introduction) provides an overview of the characteristics of the exchange and trade systems of IMF member countries. The Country Table Matrix (which comprises the Appendix) provides a complete listing of the categories used in the database, and the Compilation Guide (which follows this Introduction) includes definitions and explanations for the consistent application and interpretation of the categories.

I. OVERALL DEVELOPMENTS

This report documents a continuing trend toward liberalization of controls on current and capital account transactions during 2006 and until mid-July 2007 and toward a strengthening of prudential rules. In general, few countries introduced new controls or limitations on foreign exchange transactions during this period. The major trends and significant overall developments highlighted in this report are the following:

- One country became an IMF member and notified the IMF of its acceptance of the obligations of Article VIII, Sections 2, 3, and 4, of the IMF's Articles of Agreement, bringing the number of IMF member countries to 185 and the number of countries covered by this report accepting these obligations to 166.
- Following the trend observed in previous years, exchange rate arrangements continued to become less flexible, with an increase in arrangements such as conventional pegs or crawling pegs. A number of countries used interventions to control appreciation pressures on exchange rates stemming primarily from foreign exchange inflows.⁵ As a result, excluding changes in methodology, the number of independent and managed floats declined by end-April 2007 compared with end-April 2006, respectively, by four and eight countries. The change in the approach to monetary unions, as explained below, resulted in a structural break in the data. A backward revision of the database using the new definition is being implemented.
- Other changes in exchange arrangements not related to exchange rate regimes (such as rules for the operation of markets or taxes levied on exchange transactions) moved generally in the direction of liberalization, by simplifying the exchange rate structure and developing forward exchange markets.

¹In addition to the 185 IMF member countries, the report also includes Hong Kong SAR (People's Republic of China), as well as Aruba and the Netherlands Antilles (both Kingdom of the Netherlands).

²These include (1) a change in the name of the category "Restrictions imposed in accordance with UN sanctions" to "Other security restrictions" under category II.2 ("International Security Restrictions"); (2) the addition of a "Reference to legal instruments and hyperlinks" at the end of the section on "Exchange Measures"; (3) the inclusion of two subcategories—"Surrender to the central bank" and "Surrender to authorized dealers"—in the category "Surrender requirements" under categories "Export and Export Proceeds" and "Proceeds from Invisible Transactions and Current Transfers"; (4) the inclusion of the categories "Repatriation requirements" and "Surrender requirements" in the section on "Capital Transactions"; (5) reclassification of exchange arrangements of countries in currency unions to reflect the behavior of the common currency; and (6) the explicit inclusion of the criteria for the classification of the exchange rate structure.

³The information on exchange measures imposed for security reasons is based solely on the information directly provided by the country authorities.

⁴If restrictions in any country have changed since the date of issuance of the relevant document (i.e., countries have implemented changes after this date), these changes will be reflected in the next edition of this report.

⁵The IMF also strengthened its internal procedures for the classifications of the exchange rate arrangements and reclassified several previously contested cases.

- The number of exchange restrictions, other than those imposed solely for security reasons, continued to decline, with an increase in the number of countries that do not maintain any exchange restrictions or MCPs to 148 from 143 at end-2005. Only 34 countries reported exchange restrictions and/or MCPs at end-2006.
- Among controls on the current account, both trade-related measures and controls on invisible transactions were liberalized to a significant extent.
- In the area of capital account transactions, changes reported by countries until mid-July 2007 show a general trend toward easing of controls. However, a few countries introduced market-based capital controls mainly to stem capital inflows (the topic of the differentiation of controls in the context of handling foreign exchange inflows is discussed in more detail in the Annex to this Introduction).
- A significant portion of the measures introduced in the financial sector were of a prudential nature,⁶ while some affected capital controls. Whereas the majority of the changes in this category affecting capital account transactions aimed at relaxing rules and controls, the prudential measures for banks and other credit institutions were primarily geared toward tightening them.

The sections below highlight developments in the major areas covered in this edition. Details of the exchange arrangements and regulatory frameworks for current and capital transactions in member countries are presented in the individual country chapters.

A. Developments in Exchange Arrangements

The exchange arrangements maintained by members are classified into eight categories.⁷ These categories are based on the flexibility of the arrangement and how it operates in practice—i.e., the *de facto* regime is described instead of following the *de jure* or official description of the arrangement. The individual categories are defined in detail in the Compilation Guide.

- In 2006, there was a continuing shift to tighter control of nominal exchange rates in several member countries. Table 1 shows the change in exchange rate arrangements of IMF members since 2006, and Table 5 provides the current classification of countries and their monetary policy framework. There was an increase in less flexible exchange rate arrangements, such as conventional pegs, while the number of independent and managed floaters decreased. The list of countries and the changes observed in 2006 are described in Table 6. The main change in classifications (not considering changes resulting from the reclassification of the monetary unions discussed below) encompassed the increase in the number of conventional pegs to 56 countries, mainly reflecting tighter control over the exchange rates of countries previously classified as managed floating (e.g., Argentina), and the decrease in the rate of crawl of some crawling pegs (e.g., Bolivia and the Islamic Republic of Iran). In most of these cases, the authorities have not made official commitments to maintaining the exchange rate level, and the *de facto* peg arose because the authorities resisted appreciation pressures while managing their currency with reference to the U.S. dollar.
- The 2007 report implements a new treatment of monetary unions. They are now classified based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. As a result, members of the European Union became independent floaters (13 countries), members of the CAEMC (6 countries) and members of the WAEMU (8 countries) became conventional fixed pegs, and members of the ECCU became currency boards (6 countries). For the latter three monetary unions, the reclassification emphasized the external anchors and the specificities of the monetary regime (the currency board).
- The dollar remained the most common reference currency for pegs. The SDR is now rarely used. The role of the euro remains limited to countries with historical (CFA franc zone) or geographic links with the EMU. Some members began to rely more heavily on the euro in their foreign exchange reserves management and their exchange rate policy (Kuwait, Russia, and Tunisia). This has not yet amounted to an observable classification trend, but the reason some members aim to shift to such an arrangement is to cope with dollar depreciation pressures while continuing to tightly manage their exchange rate with respect to an external anchor.
- The number of crawling pegs increased with the addition of countries that decided to let their exchange rate appreciate but, at the same time, wanted to closely control the pace of the appreciation and limit volatility (Azerbaijan, China). Appreciation pressures can be explained for the most part by large external inflows. These inflows, in conjunction with relatively thin foreign exchange markets, can lead to disruptive fluctuations of the exchange rate.
- Against the backdrop of strong external pressures (most often for appreciation), several independent floaters, such as Armenia, Tanzania, and Uganda, used intervention policies that go beyond limiting very short-run volatility in the exchange rate. Accordingly, their exchange rate arrangements have been reclassified from independent to managed float.

⁶The AREAER distinguishes between controls that are prudential in nature and controls that are applied to the financial sector but are akin to capital controls. The report covers only cross-border or cross-currency prudential regulations. Hence, it does not cover prudential measures that do not differentiate between domestic currency and foreign exchange and/or residents and nonresidents.

⁷The categories comprise (1) exchange arrangement with no separate legal tender, (2) currency board arrangement, (3) conventional pegged arrangement, (4) pegged exchange rate within horizontal bands, (5) crawling peg, (6) crawling band, (7) managed floating with no predetermined path for the exchange rate, and (8) independently floating.

Other exchange rate arrangements did not change much during the period April 2006–April 2007. On balance, the changes tended to ease controls (Table 2).

- On January 1, 2007, Slovenia adopted the euro as its sole legal tender.
- The most noticeable change in exchange rate structure is the increase in the number of countries maintaining dual or multiple exchange rates. Four countries were reclassified to having dual or multiple exchange rate structures because they introduced exchange measures that may lead to spreads exceeding 2% between exchange rates applied for different transactions. Conversely, the Syrian Arab Republic reduced the number of its exchange rates, and hence the exchange rate structure has been reclassified to dual from multiple. In addition, the exchange rate structure in some countries was reclassified as of January 1, 2006. The new classification reflects only a technical correction and does not imply that there has been a significant change in the exchange rate regime of these countries affecting the exchange rate structure.⁸
- Finally, Brazil, China, India, Malaysia, and Vietnam changed their regulations to facilitate the development of their forward exchange markets.

Table 1. Changes in Exchange Arrangements, 2006–2007 (In percent of member countries)¹

	End-April 2006	End-April 2007
Exchange arrangement with no separate legal tender	21.9	5.3
Currency board arrangement	3.7	6.9
Other conventional fixed peg arrangements	26.2	37.2
<i>Against a single currency</i>	23.5	33.5
<i>Against a composite</i>	2.7	3.7
Pegged exchange rate within horizontal bands	3.2	2.7
Crawling peg	2.7	3.2
Crawling band	0.0	0.5
Managed floating with no predetermined path for the exchange rate	28.3	25.5
Independently floating	13.9	18.6
	100.0	100.0

¹Includes Aruba, Hong Kong SAR, and the Netherlands Antilles along with the 185 IMF members.

⁸The technical reclassification involved Guinea and República Bolivariana de Venezuela, their exchange rate structures having been reclassified as dual, while the exchange rate structures of Belize, Botswana, Cambodia, and Turkmenistan became unitary.

Table 2. Changes in Exchange Arrangements, 2006–June 2007¹

	Changes	Type of Change
Argentina	The exchange rate structure became dual in 2006 as a result of an exchange measure that applied different exchange rates for the surrender of certain foreign exchange proceeds. The measure was meanwhile eliminated.	Tightening of controls
Azerbaijan	The old banknotes are out of circulation from the beginning of 2007.	Neutral/institutional change
The Bahamas	Commercial banks' open spot or forward positions may not exceed 10% of the respective bank's capital base instead of the previous limit of B\$500,000.	Neutral/institutional change
Brazil	Banks are permitted to trade on a forward basis. Such transactions must be settled within 750 days instead of 360 days as it was previously.	Neutral/institutional change
Burundi	Effective July 5, 2006, the exchange rate structure was reclassified to multiple, because the exchange rates at the auction, the official exchange rate, and the market exchange rate may differ by more than 2%. The deviation of the auction rates was meanwhile eliminated.	Tightening of controls
China	Effective October 20, 2006, any foreign exchange transaction that is eligible for spot settlement under the regulations became eligible for forward settlement.	Easing of controls
Colombia	Effective May 7, 2007, the overall gross exposure of each participant in the derivative foreign exchange market may not exceed 500% of their total capital.	Tightening of controls
India	Outstanding forward contracts of importers and exporters booked on the basis of past performance must not exceed at any point in time 100% of the eligible limit, and any amount in excess of 50% of the eligible limit (effective December 13, 2006; previously, 25%) must be deliverable.	Easing of controls
India	Effective December 13, 2006, ADs are allowed to provide forward cover to hedge the economic exposure of importers in the customs duty payable on imports.	Easing of controls
India	Effective February 8, 2007, ADs may allow foreign institutional investors (FIIs) to cancel and rebook forward contracts up to 2% of the market value of their entire investment in equity and/or debt in India.	Easing of controls
Lebanon	Forward operations for the accounts of clients are allowed, provided a minimum margin deposit of 20% is made by the client for each speculative operation.	Tightening of controls
Malawi	Effective August 16, 2006, the exchange rate structure of Malawi was reclassified to dual because there is a significant spread between the commercial banks' exchange rate and the rates at foreign exchange bureaus.	Tightening of controls
Malaysia	Effective April 1, 2007, hedging is allowed for any committed capital inflows or outflows such as drawdown or repayment of permitted foreign currency credit facilities and payment for permitted investment in foreign currency assets. Previously, hedging of foreign currency loan repayments was allowed only up to 24-month commitments.	Easing of controls
Malaysia	Effective April 1, 2007, licensed onshore banks may appoint overseas branches of their banking group as vehicles to facilitate the settlement of any ringgit assets of their nonresident clients.	Easing of controls
Peru	Because the Central Reserve Bank of Peru used bonds indexed to the exchange rate and denominated in local currency as an instrument to cover forward sales of dollars (CDRs) to deal with unusual volatility in the spot exchange rate associated with pressures arising from the sale of dollars in the futures market, as of December 31, 2006, no CDRs remained outstanding.	Neutral/institutional change
São Tomé and Príncipe	Effective December 29, 2006, the exchange rate structure was reclassified to dual because the exchange rate applied by the commercial banks may differ by more than 2% from the Banco Central de São Tomé and Príncipe reference rate in between auctions.	Tightening of controls
Slovenia	Effective January 1, 2007, the currency of Slovenia is the euro (previously, the Slovenian tolar).	Neutral/institutional change

Table 2 (Continued)

	Changes	Type of Change
Sri Lanka	Forward sales and purchases of foreign exchange by ADs are permitted up to a period of 360 days in payments and receipts in foreign exchange for trade in goods and services instead of the prior rule of 720 days.	Tightening of controls
Syrian Arab Republic	Given the reduction in the number of exchange rates, the arrangement has been reclassified from multiple to dual exchange rate.	Easing of controls
Ukraine	On January 1, 2007, the fee on purchases of non-cash foreign exchange used for government pension insurance was reduced to 1%.	Easing of controls
Vietnam	In 2007, option transactions with negotiated fees were introduced as a pilot.	Easing of controls

¹Changes not directly linked to the easing or tightening of rules are recorded as neutral changes. These are considered mainly to allow the setting up or development of instruments, institutions, and markets.

II. ACCEPTANCE OF ARTICLE VIII OBLIGATIONS AND EXCHANGE MEASURES

This section provides a brief overview of the status in accepting Article VIII obligations and describes the recent developments in exchange measures, including exchange restrictions and multiple currency practices (MCPs) subject to the provisions of Article VIII of the Fund's Articles of Agreement. In addition, this section also covers the restrictions that countries impose to protect national and international security.

A. Article VIII Obligations

Accepting the obligations of the IMF's Article VIII, Sections 2, 3, and 4, members commit to refrain from imposing restrictions on the making of payments and transfers for current international transactions and from engaging in discriminatory currency arrangements or MCPs, except with IMF approval. The continued trend toward acceptance of Article VIII obligations observed until December 2005 came to a halt in 2006. In early 2007, the Republic of Montenegro became an IMF member⁹ and accepted the obligations of Article VIII. As a result, since 2005 the number of IMF member countries increased to 185, and the number of countries in Article VIII status increased by one to 166 (out of the 188 in this report). The number of countries that have not yet accepted the obligations of Article VIII, Sections 2, 3, and 4, and continue to avail themselves of the transitional arrangements of Article XIV remained unchanged at 19.

B. Exchange Measures

Restrictions and/or Multiple Currency Practices

Major findings on the existence of exchange restrictions during 2006 are the following:

- The number of countries that do not maintain any restrictions on the making of payments and transfers for current international transactions or do not engage in discriminatory currency arrangements or MCPs increased to 148 (79%) from 143 (76%) in 2005.¹⁰
- Out of the 34 countries that maintain some type of exchange restrictions,¹¹ the majority have already accepted the obligations of Article VIII, while a few of the countries are under the transitional arrangements of Article XIV.
- Among countries maintaining exchange restrictions, the most widely used restrictions are different types of controls on the making of payments and transfers for current invisible transactions (Tables 3 and 7). In general, most countries that maintain restrictions apply quantitative limits (for example, Mozambique and Myanmar) and documentary requirements on foreign exchange allowance for certain current international transactions, including payments for travel and profit remittances (for example, Ethiopia and Lao P.D.R. require tax certification for these transactions). In total, 16 countries (including Botswana, Burundi, Colombia, the Islamic Republic of Iran, and São Tomé and Príncipe) also maintained MCPs in 2006. In addition, a few countries maintained restrictions in the form of frozen foreign currency deposits (for example, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia), margin deposit requirements for certain imports (for example, Sri Lanka), or as evidenced by the accumulation of private external payment arrears (for example, Malawi).

⁹On June 3, 2006, the State Union of Serbia and Montenegro ceased to exist following Montenegro's declaration of independence.

¹⁰For three countries, information is not available on the existence of exchange restrictions or MCPs.

¹¹Information on exchange restrictions and MCPs in the AREAER does not report on whether such exchange restrictions or MCPs have been approved by the IMF.

Table 3. Types of Exchange Restrictions, 2006¹

	Member under			Total
	Article XIV Status		Article VIII Status	
Total number of restrictions maintained by members	42		42	84
Restrictions on payments for invisibles and other current transfers:	27		23	50
Foreign exchange budgets	2		4	6
Limited foreign exchange allowances for:	17		7	24
Education	2		1	3
Medical expenses	2		1	3
Remittances	4		3	7
Travel	4		1	5
Other transfers	5		3	8
Freezing of foreign exchange deposits or inconvertibility of other deposits for current payments	3		3	6
Tax clearance certification	2		3	5
Other restrictions	3		4	7
Restrictions on payments for imports	4		1	5
Advance import deposits	...		1	1
Prior import payment requirements	4		1	5
Restrictions arising from bilateral or regional payment, clearing, or barter arrangements	1		3	4
Restrictions evidenced by external payment arrears	1		5	6
Arrears to commercial creditors	1		1	2
Arrears to official creditors	1		...	1
Arrears not specified	...		4	4
Multiple currency practices	4		8	16
Memorandum items:				
Average number of restrictions per member	3.5		1.9	2.4
Number of countries with restrictions	12		22	34

Sources: AREAER database; and IMF staff reports.

¹Countries include IMF members plus Aruba, the Netherlands Antilles, and Hong Kong SAR. However, I. R. of Afghanistan, Iraq, and Somalia are excluded, because recent and comprehensive information on restrictions in these countries is not available. The data do not include security-related exchange restrictions.

Countries continued to eliminate exchange restrictions in 2006 in order to gain the benefits of liberalization.¹² For example, Burundi eliminated an exchange restriction on May 30, 2006. Mauritania removed an exchange restriction under Article VIII arising from foreign exchange rationing and thus maintains an exchange system free of restrictions.

- The number of countries (such as Iraq and Nigeria) for which sufficient information was not available in 2006 to assess the existence of exchange restrictions has been reduced to six from nine in 2005.¹³ For three countries in this category (including Egypt), staff review of the foreign exchange system concluded that the relevant exchange system was free of exchange restrictions and MCPs as of December 31, 2006.
- Only two countries introduced new exchange restrictions or MCPs during the reporting period.

International Security Restrictions

The trend toward more regularly notifying the IMF of restrictions introduced for national and international security reasons continued in 2006. Exchange restrictions have to be reported to the IMF, irrespective of their purpose.¹⁴ In 2006 and early 2007, 16 country authorities fulfilled this obligation and notified the IMF of security-related restrictions. All these countries (consisting mostly of developed industrial countries) reported that they imposed financial sanctions and restrictions to fight against financial terrorism, in accordance with relevant UN Security Council resolutions and EU regulations.

¹²See the Board paper for information, "Article VIII Acceptance by IMF Members—Recent Trends and Implications for the Fund, May 16, 2006," www.imf.org/external/pp/longres.aspx?id=568.

¹³The standard review of the exchange systems of some of these countries was under way in 2006.

¹⁴A member should notify the IMF before imposing such measures. The notifications are immediately circulated to the Board. The member may assume that the IMF has no objection unless the IMF informs the member otherwise within 30 days of the notification. The IMF's approval of an exchange restriction pursuant to Decision No. 144-(52/51) is granted for an unlimited period of time.

III. REGULATORY FRAMEWORK FOR FOREIGN EXCHANGE TRANSACTIONS

This section documents the major developments and changes in a large number of categories, including arrangements for payments and receipts, trade-related (export/import) measures, payments for invisible transactions and current transfers, regulations on resident and nonresident accounts, and capital account transactions. The following are the broad features of these measures in three major categories.

A. Trade Measures

The category of trade-related measures covers exchange and trade restrictions on exports and imports. Overall, there was an easing of trade-related measures during 2006 and until mid-July 2007. Out of the 140 measures reported by 52 countries in the category of imports and import payments, the majority aimed at liberalization of controls, by lifting import bans on certain goods, reducing tariff rates, and eliminating documentation requirements for certain imports. Tightening of measures on imports and import payments mostly took the form of import prohibitions and increases in import duty rates on certain goods. A similar easing of controls was observed in the category of exports and export proceeds. Most changes in this category in 2006 were in repatriation and surrender requirements of export proceeds. Out of 30 countries reporting changes in this category, 12 countries relaxed the repatriation and surrender requirements and only 3 countries introduced or increased controls on these transactions.

B. Regulations Related to Current Invisible Transactions

In general, the extent of exchange controls on current invisible transactions declined during 2006 and until mid-July 2007. Out of 50 countries that liberalized controls on payments and transfers for current account transactions, the majority either abolished or raised the quantitative limits on the availability of foreign exchange for making payments for these transactions. A number of countries in this category also relaxed the documentation and/or approval requirements for current invisible transactions. With respect to regulations related to resident and nonresident accounts, countries most often moved to ease controls, allowing residents and nonresidents more access to foreign currency accounts to facilitate their current international transactions.

C. Capital Controls

As in 2005 and as in other categories, during 2006 and until mid-July 2007 the general trend toward easing of controls was also seen in controls on capital transactions. Sixty-five countries informed the IMF of about 200 changes in different categories of capital controls, including controls on capital and money market instruments, credit operations, foreign direct investment (FDI), real estate, and personal capital transactions. Of these changes, only 38 entailed the introduction of limitations on some capital transactions. A few countries introduced market-based capital controls mainly to stem capital inflows. For example, Colombia introduced a 40% unremunerated reserve requirement (URR) on portfolio inflows. Similarly, effective December 19, 2006, Thailand imposed a 30% URR on certain types of capital inflows.¹⁵ Among the measures intended to liberalize capital controls, the majority eased controls on capital and money market and derivatives instruments. The controls on FDI were also liberalized in several members. For example, India allowed FDI inflows up to 100% in certain sectors, while Korea raised the limit on outward FDI to US\$10 million from US\$3 million. In addition, several members eased controls on real estate transactions, allowing residents (nonresidents) to acquire real estate abroad (locally). In contrast, as part of broad measures to stem capital flight, investments abroad were suspended and limits on credit operations were decreased in Fiji.

IV. PROVISIONS FOR COMMERCIAL BANKS AND INSTITUTIONAL INVESTORS

This section reviews the major developments related to provisions specific to commercial banks and institutional investors, with a focus on some prudential measures which are in the nature of capital controls.¹⁶ The category "Provisions specific to the financial sector" describe monetary, prudential, and foreign exchange controls.¹⁷ For example, some of these items (among others, borrowing abroad, lending to nonresidents, purchase of locally issued securities denominated in foreign exchange, and investment regulations) may be similar or identical to the entries under respective categories of controls on capital and money market instruments, credit operations, or direct investments, if the same regulations apply to commercial banks as to other residents. In such case, the entry also appears in the respective category in the Section "Capital Transactions."

The main changes in the measures under this category during 2006 and until mid-July 2007 are presented in Table 4 and can be summarized as follows:

¹⁵The following transactions were exempted from the URR: (1) direct investment, government loans, and investments in immovable assets; (2) foreign loans signed prior to December 19, 2006; (3) sales of foreign exchange agreed to before December 19, 2006; (4) interbank transactions on their own account; (5) foreign currencies sold or exchanged by embassies and international organizations; (6) rollover of hedging swap transactions; (7) foreign currency loans or foreign currencies from the issuance of debt instruments; (8) foreign currencies for the purchase of nonperforming loans or for payments of guarantee obligations under court order; and (9) traveler's checks and foreign banknotes.

¹⁶Capital controls and prudential measures are highly intertwined owing to the many overlaps in their application. For example, some of the prudential measures (such as application of discriminatory reserve requirements to deposit accounts held by residents and nonresidents) can actually be regarded as capital controls because they distinguish between transactions with residents and nonresidents and hence influence capital flows.

¹⁷Inclusion of an entry in this category does not necessarily indicate that the aim of the measure is to control the flow of capital.

- For provisions specific to commercial banks and other credit institutions, the majority of the changes reported by 55 countries were prudential-type controls (79 of the total 106 measures in this category could be categorized as prudential controls). Although most countries moved toward liberalization of capital controls in this category, the changes in the prudential regulations were primarily geared toward tightening. The most important types of tightening include increases in reserve requirements for commercial banks and other credit institutions (for example, Botswana, India, and Georgia); limits on loans in foreign currency (for example, Lebanon), and tighter limits on foreign exchange positions (for example, Kazakhstan and the Philippines).
- As with changes in the provisions specific to commercial banks and other credit institutions, the majority of changes in the provisions specific to nonbank financial institutions were related to changes in prudential regulations (of the total 32 measures undertaken, only 12 were capital controls). However, the direction of changes in these measures was different from those in commercial banks, with 17 measures (6 prudential controls and 11 capital controls) moving toward easing. The most notable of these was the easing of controls on unit trust management companies and insurers, allowing them to invest abroad a larger proportion of the assets under their management. For example, Malaysia increased the investment limit for resident institutional investors in foreign currency assets. Similarly, Thailand allowed selected institutional investors to invest without limits in securities issued abroad by Thai juridical persons.

A number of reported changes in the provisions specific to the financial sector could not be linked directly to the easing or tightening of rules because they were made mainly to allow the creation or development of instruments and institutions of prudential oversight. These changes are recorded as neutral and institutional changes and include most of the changes to the methods of calculating net open positions of banks, setting limits on securities exposure, and establishing prescriptions for determining the technical provisions of insurance companies. Some other measures simply reflect new circumstances, most notably changes in the remuneration of reserves (except when the remuneration was eliminated, which was considered tightening).

Table 4: Changes in the Provisions Specific to Financial Sector, 2006-Mid-July 2007

Provisions Specific to Financial Sector	Type of Controls					
	Prudential			Capital		
	Easing	Tightening	Neutral	Easing	Tightening	Neutral
Commercial banks and other credit institutions	26	32	2	15	7	5
Institutional investors	6	0	14	11	1	0

ANNEX: CAPITAL CONTROLS AND CAPITAL INFLOWS

In recent years, capital inflows in emerging market economies have once again been on the upswing, reflecting both domestic and global developments. While capital inflows are often beneficial to recipient countries and an indicator of increased integration of these economies in the global market, the sheer magnitude of the flows, their more volatile nature, and recent episodes of market turbulence have led to some concerns about the risks. Risk are seen as arising not so much from growing foreign direct investment, but from significant surges in short-term and more volatile flows, particularly portfolio equity investment flows, and in certain countries, banks' foreign borrowings.

The policy response to increasing capital inflows has focused on macroeconomic measures, such as fiscal consolidation, reserve accumulation, greater exchange rate flexibility, and monetary easing. In addition, countries have adopted prudential measures to affect the magnitude and composition of flows and mitigate financial sector risks.

Capital controls, by contrast, have been used in relatively few instances, as seen in Section III.C. When controls were tightened, they consisted mainly of indirect measures rather than the more traditional administrative controls. This section provides some background information on capital controls and their use, with a special emphasis on indirect controls on inflows.

Capital Controls—An Overview

The aim of capital controls is to affect the volume and/or the composition of cross-border capital flows, often to gain greater room of maneuver for domestic macroeconomic policies or reduce risks to the domestic financial sector. Depending on policymakers' objectives, controls may seek to limit inflows, outflows, or both. Often, controls on inflows have been introduced because of concerns about the damage that a sudden stop or reversal of capital flows might cause.

Capital controls can take two main forms: direct or administrative controls and indirect or market-based controls.¹⁸

Direct controls

Direct or administrative controls usually take the form of regulations on cross-border financial transactions. Typically, they restrict capital transactions and/or the associated payments and transfers of funds through outright prohibitions, explicit quantitative limits, or an approval procedure (which may be rule-based or discretionary). A common characteristic of such controls is that they impose administrative obligations on the banking system to control transactions and often involve significant documentation requirements. Enforcement of direct controls also requires adequate administrative capacity in the foreign exchange authority (usually the central bank). The specific categories of administrative controls correspond to the balance of payments categories in the AREAER's Country Table Matrix (Appendix) and are not repeated here.

Indirect controls

Indirect or market-based controls discourage capital movements by making the associated transactions more costly. Such controls may take various forms, including dual or multiple exchange rate systems, explicit or implicit taxation of cross-border financial flows,¹⁹ and other, predominantly price-based, measures. Depending on their specific type, market-based controls may affect the price or the volume of a given transaction.

In dual (two-tier) or multiple exchange rate systems, different exchange rates apply to different types of transactions. In essence, the two-tier market attempts to raise the cost of certain outward or inward investments by applying a more depreciated (appreciated) exchange rate to such transactions than that used for other transactions. Thus, a less favorable exchange rate may be applied to domestic credit needed to establish a net short domestic currency position for transactions identified as speculative, while other domestic credit demand can be satisfied at a more favorable exchange rate. Two-tier foreign exchange markets have typically been established when the authorities have seen high short-term interest rates as imposing an unacceptable burden on residents. Sometimes they also asked or instructed domestic financial institutions not to lend to borrowers engaged in speculative activity, leading to the development of another market with different exchange rates for such transactions. The use of this type of control has diminished over time, and there are only 13 countries that still apply different exchange rates to some foreign exchange transactions. In the AREAER, this type of control is covered under exchange restrictions and/or the exchange rate structure. The IMF considers most of these measures to be not just capital controls, but also MCPs, insofar as they cover transactions defined as current in the IMF's Articles of Agreement,²⁰ as explained in the Annex to the Introduction of the 2006 AREAER.

¹⁸See, for instance, Ariyoshi, and others, *Capital Controls: Country Experiences with Their Use and Liberalization*, IMF Occasional Paper No. 190 (Washington: International Monetary Fund, 2000).

¹⁹This type of tax is often called a "Tobin tax," as the idea of an international currency transactions tax was first advanced by the late economist James Tobin ("A Proposal for Monetary Reform," *Eastern Economic Journal*, Volume IV, No. 3–4, July/October 1978, pp. 153–59), who proposed a small tax on all foreign exchange dealings. He advocated putting "sand in the wheels of international finance" by increasing transaction costs. Because the tax burden increases with the frequency of transactions carried out, theoretically short-term investments are discouraged, whereas trade credit, FDI, and longer-term instruments in general are affected only marginally.

²⁰The definition of current payments and transfers in the IMF's Articles of Agreement does not fully correspond to the balance of payments definition. It also includes normal short-term banking and credit facilities, moderate amounts for amortization of loans, and depreciation of direct investments.

Explicit taxation of cross-border flows similarly aims at limiting the attractiveness of external financial transactions by reducing their rate of return or raising their cost. Tax rates can be differentiated to discourage certain transaction types or maturities. Such taxation could be considered a control on cross-border activities if it discriminates between domestic and external assets or between nonresidents and residents. In the AREAER, this type of control appears in the category “Exchange tax.”

Indirect taxation of cross-border flows, in the form of non-interest-bearing compulsory reserve/deposit requirements (or unremunerated reserve requirements, URRs) has been one of the most frequently used market-based controls. Under such schemes, nonresidents or residents are required to deposit with the central bank or commercial banks an amount of domestic or foreign currency equivalent to a proportion of the inflows or net positions in foreign currency at zero interest.²¹ Because the structure of the AREAER is based on capital account transactions as they appear in the balance of payments, and URRs usually cover several transactions at the same time, they appear in more than one category of capital transactions.

URRs may function as a selective exchange tax that may be differentiated to discourage particular types of transactions. The effective rate of the tax depends on the period of time during which the funds stay in the country, as well as on the opportunity cost of these funds.

Because the duration of the investment is inversely related to the implied tax rate, URRs represent a higher burden on short-term investments than on those with a longer term. Hence, URRs were often applied to discourage short-term capital flows, thereby tilting the composition of the flows to long-term investments, which are considered to be more stable.

Frequently, URRs are applied in conjunction with minimum holding periods, during which the capital may not be repatriated without what would often be a stiff penalty. Country practices vary on the possibility of transferring the income from the investment during the holding period. Residents or nonresidents participating in certain external financial transactions may be required to channel the transactions through dedicated accounts. The mandatory use of the accounts allows the authorities to monitor the amount and composition of capital flows and facilitates the administration of the URR.

The coverage of transactions subject to URRs can vary, according to the perceived risks. Thus, in some cases, URRs are applied only to external loans, in other cases to all capital inflows. The rules might vary over time even in the same country. If the URR originally encompassed all capital transactions, the rules might be relaxed to exempt certain favored categories of inflows (like FDI or trade credits). If this happens or if the original URR already differentiated among different transaction types and maturities, the market might adopt derivatives strategies based on exempted inflows to circumvent the controls. As a result, similarly to other capital controls, URRs tend to lose their effectiveness over time and in many cases become ever more complicated.

URRs can be difficult to differentiate from reserve, liquidity, and deposit requirements that are considered monetary policy instruments or prudential rules. The key criterion for distinguishing them is that capital controls are applied asymmetrically to residents and nonresidents. Measures differentiating between domestic and foreign currency transactions are usually understood to be prudential or monetary in nature. Thus, if a central bank does not pay interest on the compulsory reserves of deposit-taking institutions, this does not necessarily mean that the measure is a URR, even though it might still be considered an indirect tax. However, if reserve requirements on nonresidents' deposits are unremunerated, while those on residents' deposits bear interest or are exempted from the reserve requirement altogether, the measure would be considered a capital control.

Other indirect regulatory controls have the characteristics of both price- and quantity-based measures and involve discrimination between different types of transactions or investors. Although they may influence the volume and nature of capital flows, such regulations may at times be motivated by domestic monetary control considerations or prudential concerns. Such controls include provisions for the net external position of commercial banks, asymmetric open position limits that discriminate between long and short currency positions or between residents and nonresidents, and certain credit-rating requirements to borrow abroad. Although not a regulatory control in the strict sense, reporting requirements for specific transactions have also been used to monitor and control capital movements (for example, derivative transactions and non-trade-related transactions with nonresidents).

²¹URRs may also be used to limit capital outflows by making them more sensitive to domestic interest rates. For example, a 100% URR imposed on banks for capital outflows undertaken on their own account would lead to a loss of double the interest income of the equivalent domestic currency transaction, minus the interest income derived from the foreign currency transaction.

Table 5. De Facto Classification of Exchange Rate Regimes and Monetary Policy Framework, End-April 2007¹

Exchange Rate Regime (Number of countries)	Monetary Policy Framework					
	Exchange rate anchor		Monetary aggregate target	Inflation targeting framework	IMF-supported or other monetary program	Other ²
Exchange arrangements with no separate legal tender (10)	Another currency as legal tender					
	Ecuador El Salvador ³ Kiribati Marshall Islands Micronesia, Fed. States of	Montenegro, Rep. of Palau Panama San Marino Timor-Leste, Dem. Rep. of				
Currency board arrangements (13)	Bosnia and Herzegovina Brunei Darussalam Bulgaria Hong Kong SAR Djibouti Estonia ⁴ Lithuania ⁴	ECCU (6) Antigua and Barbuda Dominica Grenada* St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines				
Other conventional fixed peg arrangements (70)	Against a single currency (49)					
	Angola ⁵ Argentina ⁵ Aruba Bahamas, The ⁷ Bahrain, Kingdom of Barbados Belarus ⁵ Belize Bhutan Bolivia ^{5,8} Cape Verde Comoros ⁹ Egypt ⁵ Eritrea Ethiopia ⁵ Guyana* ^{5,6} Honduras† ⁵ Jordan ⁵ Kuwait ⁵ Latvia ⁴ Lebanon ⁵ Lesotho Macedonia, FYR* ⁵ Maldives Malta ⁴ Mauritania* ⁵	Mongolia ⁵ Namibia Nepal* Netherlands Antilles Nigeria ^{5,12,7} Oman Pakistan† ⁵ Qatar Rwanda* Saudi Arabia Solomon Islands ⁵ Suriname ^{5,7} Swaziland Syrian Arab Rep. ⁷ Trinidad and Tobago ⁵ Turkmenistan ⁵ Ukraine ⁵ United Arab Emirates Uzbekistan ⁵ Venezuela, Rep. Bolivariana de ⁷ Vietnam ⁵ Yemen, Rep. of ⁵ Zimbabwe ⁷	Guyana* ^{5,6} Suriname ^{5,6,7}		Pakistan† ⁵	

Table 5 (Continued)

Exchange Rate Regime (Number of countries)	Monetary Policy Framework						
	Exchange rate anchor			Monetary aggregate target	Inflation targeting framework	IMF-supported or other monetary program	Other ²
			CFA franc zone (14)				
			WAEMU Benin* Burkina Faso* Côte d'Ivoire Guinea-Bissau Mali* Niger* Senegal Togo	CAEMC Cameroon* Central African Rep.* Chad* Congo, Rep. of* Equatorial Guinea Gabon			
	Against a composite (7)						
	Fiji Libyan Arab Jamahiriya Morocco		Samoa Vanuatu Iran, I.R. of ⁵ Seychelles				
Pegged exchange rates within horizontal bands (5)¹⁰	Within a cooperative arrangement (3) Cyprus ⁴ Denmark ⁴ Slovak Rep.† ⁴		Other band arrangements (2) Hungary† Tonga			Hungary† Slovak Rep.† ⁴	
Crawling pegs (6)	Azerbaijan ⁵ Botswana China† ⁵ Iraq* ⁵ Nicaragua Sierra Leone* ⁵		China† ⁵				
Crawling bands (1)	Costa Rica						
Managed floating with no predetermined path for the exchange rate (48)				Bangladesh Guinea ^{5,7} Haiti* ⁵ Jamaica ⁵ Lao P.D.R. Madagascar* ⁵ Malawi* ⁷ Mauritius Moldova* Mozambique* ⁵ Sri Lanka ⁵ Tajikistan Tanzania ⁵	Colombia Czech Rep. Ghana Guatemala ⁵ Indonesia Peru* Romania Serbia, Rep. of Thailand	Afghanistan, I.R. of* Armenia* ⁵ Dominican Rep.* ⁵ Gambia, The ⁵ Georgia* Kenya* Kyrgyz Rep.* ⁵	Algeria Burundi* ⁷ Cambodia Croatia India Kazakhstan ⁵ Liberia ⁵ Malaysia Myanmar ^{5,7} Papua New Guinea ⁵ Paraguay*

Table 5 (Continued)

Exchange Rate Regime (Number of countries)	Monetary Policy Framework					
	Exchange rate anchor		Monetary aggregate target	Inflation targeting framework	IMF-supported or other monetary program	Other ²
			Tunisia Uganda Uruguay ⁵ Zambia* ⁵			Russian Federation São Tomé and Príncipe* ⁷ Singapore Sudan
Independently floating (35)			Albania* Congo, Dem. Rep. of	Australia Brazil Canada Chile Iceland Israel Korea Mexico New Zealand Norway Philippines Poland South Africa Sweden Turkey* United Kingdom		Japan Somalia ^{7,11} Switzerland United States Euro area Austria Belgium Finland France Germany Greece Ireland Italy Luxembourg Netherlands Portugal Slovenia Spain
Sources: IMF staff reports; IMF <i>Recent Economic Developments</i> ; and IMF staff estimates						

¹An asterisk (*) indicates that the country has an IMF-supported or other monetary program. A dagger (†) indicates that the country adopts more than one nominal anchor in conducting monetary policy (it should be noted, however, that it would not be possible, for practical reasons, to include in this table which nominal anchor plays the principal role in conducting monetary policy).

²Includes countries that have no explicitly stated nominal anchor, but rather monitor various indicators in conducting monetary policy.

³The printing of new colones, the domestic currency, is prohibited, but the existing stock of colones will continue to circulate along with the U.S. dollar as legal tender until all colón notes wear out physically.

⁴The member participates in the ERM II.

⁵The regime operating de facto in the country is different from its de jure regime.

⁶There is no evidence of direct intervention by the authorities in the foreign exchange market.

⁷The member maintains an exchange arrangement involving more than one foreign exchange market. The arrangement shown is that maintained in the major market.

⁸This is a de facto classification resulting from the methodology described in Appendix II of this document. The Bolivian authorities consider their regime as a crawling peg and have not committed to the current level of the exchange rate.

⁹Comoros has the same arrangement with the French Treasury as the CFA franc zone countries.

¹⁰The bands for these countries are as follows: Cyprus ±15%, Denmark ±2.25%, Hungary ±15%, Slovak Republic ±15%, and Tonga ±5%.

¹¹Insufficient information on the country is available to confirm this classification, and so the classification of the last official consultation is used.

¹²This classification is based on the exchange rate performance up to end-April 2007. The authorities have indicated that their current policy is to pursue a managed float.

Classification of Exchange Rate Arrangements and Monetary Policy Frameworks

The classification system is based on the members' actual, de facto regimes, which may differ from their officially announced arrangements. The scheme ranks exchange rate arrangements on the basis of their degree of flexibility and the existence of formal or informal commitments to exchange rate path. It distinguishes among the more rigid forms of pegged regimes (such as currency board arrangements), other conventional fixed peg regimes against a single currency or a basket of currencies, exchange rate bands around a fixed peg, crawling peg arrangements, and exchange rate bands around crawling pegs, in order to help assess the implications of the choice of exchange rate regime for the degree of independence of monetary policy. This includes a category to distinguish the exchange arrangements of those countries that have no separate legal tender. The system presents members' exchange rate regimes against alternative monetary policy frameworks in order to present the role of the exchange rate in broad economic policy and to illustrate that different forms of exchange rate regimes could be consistent with similar monetary frameworks. The monetary policy frameworks listed are as follows:

Exchange rate anchor

The monetary authority stands ready to buy or sell foreign exchange at given quoted rates to maintain the exchange rate at its predetermined level or within a range (the exchange rate serves as the nominal anchor or intermediate target of monetary policy). These regimes cover exchange rate regimes with no separate legal tender, currency board arrangements, fixed pegs with or without bands, and crawling pegs with or without bands, where the rate of crawl is set in a forward-looking manner.

Monetary aggregate target

The monetary authority uses its instruments to achieve a target growth rate for a monetary aggregate, such as reserve money, M1, or M2, and the targeted aggregate becomes the nominal anchor or intermediate target of monetary policy.

Inflation targeting framework

This involves the public announcement of medium-term numerical targets for inflation, with an institutional commitment by the monetary authority to achieve these targets. Additional key features include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for obtaining its inflation objectives. Monetary policy decisions are guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.

IMF-supported or other monetary program

This involves implementation of monetary and exchange rate policies within the confines of a framework that establishes floors for international reserves and ceilings for net domestic assets of the central bank. As the ceiling on net domestic assets limits increases in reserve money through central bank operations, indicative targets for reserve money may be appended to this system. Countries that maintain nominal anchors, exchange rate anchors, monetary anchors, or inflation targeting frameworks are classified under those respective rubrics.

Other

The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy. This is also used when no relevant information on the country is available.

Table 6. Changes and the Resulting Reclassifications of Exchange Rate Regimes, End-April 2007

	Change Recorded	Arrangement in the 2006 AREAER¹	Current De Facto Regime
Angola	Effective June 1, 2005, reflecting the stability of the kwanza exchange rate owing to Banco Nacional de Angola interventions, the de facto exchange rate arrangement of Angola was reclassified as a conventional fixed peg from managed floating with no predetermined path for the exchange rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement
Argentina	Effective June 1, 2006, reflecting the stability of the peso exchange rate owing to Central Bank of the Argentine Republic interventions, the de facto exchange rate arrangement has been reclassified as a conventional pegged arrangement from managed floating with no predetermined path for the exchange rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement
Armenia	Since May 2006, the Central Bank of Armenia increased the size and frequency of interventions in an effort to resist appreciation. As a result, the exchange arrangement has been reclassified, effective June 1, 2006, to the category managed floating with no predetermined path for the exchange rate from the category independently floating.	Independently floating	Managed floating with no predetermined path for the exchange rate
Azerbaijan	Since early 2006, the Azerbaijan National Bank (ANB) has started to appreciate the exchange rate along a smooth path. In September 2006, the minister of finance indicated that the exchange rate was expected to be at manat 0.85–0.87 per US\$1 by end-2006. As a result, the exchange arrangement has been reclassified, effective January 1, 2006, to the category crawling peg from the category conventional pegged arrangement.	Conventional pegged arrangement	Crawling peg
Bolivia	Although Bolivia continues to maintain a de jure crawling peg arrangement, the rate of crawl of the exchange rate has been near zero vis-à-vis the U.S. dollar from January 2006 to January 2007 because of appreciation pressures from hydrocarbons exports. Starting January 2007, the central bank gradually appreciated the currency but at a very moderate pace until end-April 2007. As a result, the exchange rate arrangement has been reclassified, effective January 1, 2006, to the category conventional pegged arrangement from the category crawling peg.	Crawling peg	Conventional pegged arrangement

Table 6 (Continued)

	Change Recorded	Arrangement in the 2006 AREAER¹	Current De Facto Regime
CFA Franc Zone	Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender.	Exchange arrangement with no separate legal tender	Conventional pegged arrangement
China	Since the July 2005 revaluation, the exchange rate has appreciated by about 5% until end-April 2007, while the rate has remained in a 2% crawling band. The observed path of the exchange rate and information on intervention and reserves buildup suggest that the exchange rate is determined mainly by official action, resulting in a classification as a crawling peg, effective August 1, 2006.	Conventional pegged arrangement	Crawling peg
Costa Rica	On October 17, 2006, the central bank of Costa Rica replaced the crawling peg with a crawling band. The edges of the band are periodically adjusted. On January 31, 2007, the rate of crawl of the band's floor was reduced by C 0.06 a day to zero and that of the ceiling by C 0.03 a day to C 0.11, allowing for a faster widening of the band. As a result, the arrangement has been reclassified, effective October 1, 2006, to a crawling band arrangement from a crawling peg.	Crawling peg	Crawling band
ECCU	Effective January 1, 2007, the exchange arrangement of the ECCU countries has been reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender.	Exchange arrangement with no separate legal tender	Currency board arrangement
Ethiopia	The exchange rate of the birr vis-à-vis the U.S. dollar remains very stable despite minor incremental adjustments at end-April 2007. As a result, the exchange rate arrangement has been reclassified, effective October 1, 2003, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement

Table 6 (Continued)

	Change Recorded	Arrangement in the 2006 AREAER¹	Current De Facto Regime
Euro Area	Effective January 1, 2007, the exchange arrangement of the European Economic and Monetary Union countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender.	Exchange arrangement with no separate legal tender	Independently floating
Iran, I. R. of	Although the Islamic Republic of Iran continues to maintain a de jure crawling peg arrangement based on a basket, the rate of crawl of the exchange rate has been near zero vis-à-vis the U.S. dollar since October 2006. As a result, the exchange rate arrangement has been reclassified effective October 1, 2006, to the category conventional pegged arrangement to a composite from the category crawling peg.	Crawling peg	Conventional pegged arrangement
Iraq	Under a policy of pursuing exchange rate stability, the Central Bank of Iraq (CBI) limited the fluctuations of the dinar to within $\pm 1\%$, until October 2006. Since then the CBI has changed its monetary stance and allowed the exchange rate to gradually appreciate following a predetermined path. As a result, the exchange arrangement of Iraq has been reclassified, effective November 1, 2006, to the category crawling peg from the category conventional pegged arrangement.	Conventional pegged arrangement	Crawling peg
Mongolia	Effective June 1, 2006, reflecting the stability of the togrog exchange rate owing to Bank of Mongolia interventions, the de facto exchange rate arrangement of Mongolia was reclassified to a conventional pegged arrangement from managed floating with no predetermined path for the exchange rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement
Montenegro, Rep. of	The euro circulates as legal tender.	New member	Exchange arrangement with no separate legal tender
Nigeria	Effective January 1, 2006, reflecting the stability of the naira exchange rate owing to Central Bank of Nigeria interventions, the de facto exchange rate arrangement of Nigeria was reclassified to a conventional pegged arrangement from managed floating with no predetermined path for the exchange rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement

Table 6 (Continued)

	Change Recorded	Arrangement in the 2006 AREAER¹	Current De Facto Regime
Rwanda	The exchange rate of the Rwanda franc has remained very stable vis-à-vis the U.S. dollar. As a result, the exchange rate regime has been reclassified, effective January 1, 2006, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate. The exchange rate of the Rwanda franc is determined in the foreign exchange market; however, the authorities intervene to influence the rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement
Seychelles	Effective October 9, 2006, the appreciation limit of SR 5.50 per US\$1 has been removed. Consequently, the exchange rate arrangement has been reclassified to the category conventional pegged arrangement against a composite from the category conventional pegged arrangement against a single currency.	Conventional pegged arrangement against a single currency	Conventional pegged arrangement against a composite
Sierra Leone	The authorities have adopted a policy of gradually adjusting the central exchange rate vis-à-vis the U.S. dollar. As result, the exchange rate regime has been reclassified, effective January 1, 2006, to the category crawling peg from the category independently floating.	Independently floating	Crawling peg
Slovenia	In July 2006, the council of the European Union adopted a decision allowing Slovenia to join the euro area as from January 1, 2007, and set the permanent conversion at 239.640 tolar to the euro. Consequently, effective January 1, 2007, the exchange arrangement of Slovenia has been reclassified to the category independently floating from the category pegged exchange rate within horizontal bands.	Pegged exchange rate within horizontal bands	Independently floating
Tanzania	The Central Bank of Tanzania (BOT) has to deal with substantial official inflows in a shallow foreign exchange market, frequently making the BOT a very large intervener. Given that interventions under an independent float are limited to avoid disruptive exchange rate fluctuations, the exchange rate arrangement has been reclassified to managed floating with no predetermined path for the exchange rate from independently floating, effective April 30, 2007.	Independently floating	Managed floating with no predetermined path for the exchange rate

(Continued)

	Change Recorded	Arrangement in the 2006 AREAER¹	Current De Facto Regime
Uganda	To deal with official inflows and for monetary policy purposes, the Bank of Uganda extended its intervention policy beyond avoiding market-disruptive exchange rate fluctuations. As a result, the exchange rate arrangement has been reclassified, effective April 30, 2007, to managed floating with no predetermined path for the exchange rate from independently floating.	Independently floating	Managed floating with no predetermined path for the exchange rate
Uzbekistan	Since mid-2006, the sum has been very stable vis-à-vis the dollar within a 2% band while the Central Bank of Uzbekistan's (CBU) one-sided interventions resulted in steady reserve accumulation. As a result, the exchange rate regime has been reclassified, effective May 31, 2006, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement
Yemen, Republic of	Although the de jure regime is an independent float, the Yemeni rial was remarkably stable against the dollar, remaining within a 2% band. As a result the exchange rate regime has been reclassified, effective February 1, 2006, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.	Managed floating with no predetermined path for the exchange rate	Conventional pegged arrangement

¹As indicated in the 2006 AREAER.

Table 7. Type of Restrictions and/or Multiple Currency Practices Maintained by Countries, December 31, 2006 (Based on information in published IMF staff reports)¹

Country	Restrictions and/or Multiple Currency Practices
Albania	The staff report for the 2006 Article IV consultation with Albania states that as of July 10, 2006, Albania's exchange rate arrangement was free from exchange restrictions and multiple currency practices subject to Fund jurisdiction under Article VIII. However, the country still availed itself of the transitional arrangements under Article XIV and maintained exchange restrictions in the form of outstanding debit balances on inoperative bilateral payment agreements, which were in place before Albania became a Fund member. These relate primarily to debt in nonconvertible and formerly nonconvertible currencies, which the authorities are working to resolve by mid-2007 for official creditors, and by end-2007 for private sector creditors. (Country Report No. 06/286)
Aruba	The staff report for the 2005 Article IV consultation with the Kingdom of the Netherlands-Aruba states that as of April 11, 2005, Aruba maintained a foreign exchange restriction arising from the foreign exchange tax on payments by residents to nonresidents. This tax, which amounts to 1.3% of the transaction value, was introduced when Aruba was part of the Netherlands Antilles, to generate revenue for the government. Aruba adopted it after gaining autonomy (status aparte) in 1986. Since then, it has served as a source of general tax revenue for the central government of Aruba. (Country Report No. 05/204)
Bangladesh	The staff report for the fifth review under the Three-Year Arrangement under the Poverty Reduction and Growth Facility with Bangladesh states that as of October 10, 2006, Bangladesh maintained a restriction on the convertibility and transferability of proceeds from nonresident taka accounts. (Country Report No. 06/406)
Bosnia and Herzegovina	The staff report for the 2006 Article IV consultation with Bosnia and Herzegovina states that as of September 29, 2006, Bosnia and Herzegovina maintained restrictions arising from measures taken with respect to frozen foreign currency deposits, mainly on the transferability of balances and interest accrued for nonresidents. (Country Report No. 06/371)
Botswana	The staff report for the 2006 Article IV consultation with Botswana states that as of December 4, 2006, Botswana maintained a multiple currency practice subject to Fund approval under Article VIII, Sections 2(a) and 3, arising from the Foreign Exchange Risk-Sharing Scheme (FERSS) applicable to outstanding external loans obtained by certain public enterprises before October 1, 1990. (Country Report No. 07/227)
Burundi	The staff report for the 2006 Article IV consultation with Burundi states that as of July 5, 2006, Burundi maintained two multiple currency practices inconsistent with Article VIII, Section 3, arising from or in connection with the current Dutch auction system, and one exchange restriction inconsistent with Article VIII, Section 2 (a), resulting from the authorization process that is applied to certain current international transactions. One multiple currency practice results from the fact that no mechanism limits the potential variation of winning bids from differentiating from each other by more than 2 percent. The other multiple currency practice results from the fact that the exchange rate used for government transactions takes place at a rate that may differ by more than 2 percent from market exchange rates. The exchange restriction results from the central bank having discretion to refuse to authorize the sale of foreign exchange for reasons other than in connection with verifying the bona fide nature of the transaction. An exchange restriction was eliminated on May 30, 2006. (Country Report No. 06/311)
Colombia	The staff report for the 2006 Article IV consultation with Colombia states that as of October 16, 2006, Colombia maintained the following two exchange measures subject to Fund approval under Article VIII: (a) an exchange restriction arising from a special foreign exchange regime for the hydrocarbon sector that limits the availability of foreign exchange for branches of foreign corporations that choose to participate in the regime and (b) a multiple currency practice and an exchange restriction arising from a tax on remittances abroad of nonresident income which is withheld when the foreign exchange is purchased. (Country Report No. 06/408)
Congo DR	The staff report for the Staff Monitored Program states that as July 5, 2006, the Democratic Republic of the Congo maintained measures that give rise to one restriction and one multiple currency practice (MCP) subject to Fund approval under Article VIII of the Fund's Articles of Agreement. The exchange restriction involves an outstanding net debit position vis-à-vis other contracting members under the inoperative regional payments agreement with the Economic Community of the Great Lakes Countries (CEPGL). The multiple currency practice involves a fixed exchange rate set on a quarterly basis applying to transactions through the bilateral payments agreement (BPA) with Zimbabwe. (Country Report No. 06/259)
Ecuador	The staff report for the 2005 Article IV consultation with Ecuador states that as of January 5, 2006, Ecuador maintains an exchange restriction subject to Fund approval under Article VIII, Section 2 (a), in the form of a freeze on demand and savings deposits held in closed banks managed by the Deposit Guarantee Agency. (Country Report No. 06/98).

Table 7 (Continued)

Country	Restrictions and/or Multiple Currency Practices
Ethiopia	The staff report for the 2005 Article IV consultation with the Federal Democratic Republic of Ethiopia states that as of March 6, 2006, Ethiopia maintained exchange restrictions relating to (a) the tax certification requirement for repatriation of investment income; (b) restrictions on repayment of legally entered into external loans and supplies and foreign partner's credits; (c) rules for issuance of import permits; and (d) the requirement to provide a clearance certificate from the National Bank of Ethiopia (NBE) to obtain import permits. (Country Report No. 06/159)
Guinea	The staff report for the 2005 Article IV consultation with Guinea states that as of December 5, 2005, Guinea maintained a multiple currency practice arising from the potential divergence of the official reference rate and the interbank market rate of more than 2%. (Country Report No. 06/37)
India	The staff report for the 2006 Article IV consultation with India states that as of November 29, 2006, India maintained the following restrictions on the making of payments and transfers for current international transactions, which are subject to Fund approval under Article VIII, Section 2(a): restrictions related to the non-transferability of balances under the India-Russia debt agreement; restrictions arising from unsettled balances under inoperative bilateral payments arrangements with two Eastern European countries; and a restriction on the transfer of amortization payments on loans by non-resident relatives. (Country Report No. 07/63)
Iran, I. R. of	The staff report for the 2005 Article IV consultation with the Islamic Republic of Iran states that as of March 8, 2006, the Islamic Republic of Iran maintained one exchange restriction and two multiple currency practices subject to Fund jurisdiction under Article VIII, Sections 2(a) and 3. The exchange restriction arises from limitations set out in the by-laws adopted to implement the Foreign Investment and Promotion Act on the transferability of (periodic) rial profits from certain foreign direct investments. The multiple currency practices arise from: budget subsidies for foreign exchange purchases in connection with payments of certain letters of credit opened prior to March 21, 2002, under the previous multiple exchange rate system; and obligation of entities that had received allocation of foreign exchange for payments based on subsidized "allocated rates" under the previous multiple exchange rate system to surrender unused allocations to the Central Bank of Iran (CBI) at the allocation rate. (Country Report No. 06/154)
Lao P.D.R.	The staff report for the 2005 Article IV consultation with the Lao People's Democratic Republic states that as of February 22, 2006, the Lao P.D.R. maintained a restriction subject to Fund approval under Article VIII (tax payment certificates are required for some transactions). (Country Report No. 06/399)
Macedonia, FYR	The staff report for the 2006 Article IV consultation with the Former Yugoslav Republic of Macedonia states that as of July 14, 2006, FYR Macedonia maintained an exchange restriction subject to the Fund's approval under Article VIII, Section 2(a), arising from restrictions imposed on the transferability of proceeds from current international transactions contained in the former frozen foreign currency savings deposits. (Country Report No. 06/344)
Malawi	The staff report for the second review under the Poverty Reduction and Growth Facility and Request for Waiver of Performance Criteria with Malawi states that as of August 16, 2006, Malawi maintained an exchange restriction (as evidenced by the private external payment arrears) and a multiple currency practice under Article VIII (arising from the significant spread between the commercial bank exchange rate and the rates at foreign exchange bureaus). (Country Report No. 06/445)
Mozambique	The staff report for the fifth review under the Three-Year Arrangement under the Poverty Reduction and Growth Facility with the Republic of Mozambique states that as of December 4, 2006, Mozambique maintained restrictions on the making of payments and transfers for current international transactions subject to Fund approval under Article VIII as evidenced by: (i) the discretionary prior approval for remittances of family living expenses; (ii) the authorization for the purchase of foreign exchange in excess of US\$5,000 for certain transactions; (iii) the prohibition for the conversion of balances of nonresidents' domestic currency accounts into foreign currency or transfer abroad; and (iv) the need for proof of performance of a service prior to authorizing its payment. (Country Report No. 07/36)
Myanmar	The staff report for the 2006 Article IV consultation with Myanmar states that as of September 20, 2006, Myanmar maintained exchange restrictions and multiple currency practices subject to Fund approval under Article VIII. These include (i) limits on the availability of foreign exchange for foreign travel by residents, (ii) limits on remittances of wage income by nonresidents, and (iii) limits on payments and transfers for certain other invisible transactions, and a multiple currency practice resulting from the divergence between the official exchange rate and the parallel market-determined FEC rate.
Pakistan	The staff report for the 2006 Article IV consultation with Pakistan states that as of November 1, 2006, Pakistan maintained an exchange restriction on payments for current international transactions subject to Fund approval under Article VIII, Section 2a, resulting from limitations on advance payments for certain imports. (Country Report No. 06/426)

Table 7 (Continued)

Country	Restrictions and/or Multiple Currency Practices
São Tomé and Príncipe	The staff report for the third review of the Three-Year Arrangement with São Tomé and Príncipe states that as of December 29, 2006, São Tomé and Príncipe maintained exchange restrictions and multiple currency practices subject to Fund approval under Article VIII. The authorities intend to remove the exchange restriction on transfers abroad of dividends with the new Investment Code. The remaining exchange restriction and multiple currency practice is related to the possibility of rationing at the auctions by the central bank, and of commercial bank rates deviating, temporarily, by more than 2 percent from the Banco Central de São Tomé and Príncipe reference rate in-between auctions. In 2006, the multiple currency practice spread between the central bank buying and selling rate was eliminated and the spread was set at 2 percent. (Country Report No. 07/102)
Sri Lanka	The staff report for the 2006 Article IV consultation with Sri Lanka states that as of November 2, 2006, Sri Lanka maintained an exchange restriction inconsistent with Article VIII, Section 2(a), of the Fund's Articles by requiring importers to deposit with commercial banks margins of 50% of the total invoice value with respect to the import of certain goods (and 100% with respect to certain vehicles). In particular, these measures restrict current payments due in connection with letters of credit (which are normal short-term banking and credit facilities under Article XXX(d)). (Country Report No. 06/466)
Suriname	The staff report for the 2005 Article IV consultation with Suriname states that as of February 8, 2006, Suriname maintained multiple currency practices subject to Fund approval arising from (i) the absence of a mechanism to prevent a possible deviation of more than 2 percent between the official exchange rate used for government transactions and the market-determined bank/cambios rate and (ii) the preferential exchange rate for infant formula imports. (Country Report No. 06/135)
Syrian Arab Republic	The staff report for the 2006 Article IV consultation with the Syrian Arab Republic states that as of July 14, 2006, Syria maintained under Article XIV restrictions on payments and transfers for current international transactions, including administrative allocation of foreign exchange. Syria also maintains exchange measures that are subject to Fund approval under Article VIII: (i) a prohibition against purchases by private parties of foreign exchange from the banking system for some current international transactions; (ii) a multiple currency practice resulting from divergences of more than 2% between the official exchange rate and officially recognized exchange rates; (iii) a non-interest-bearing advance import deposit requirement of 75% to 100% for public sector imports as well as private sector imports which are not financed from abroad; and (iv) an exchange restriction arising from the net debt under inoperative bilateral payments arrangements with the Islamic Republic of Iran and Sri Lanka. (Country Report No. 06/294)
Tunisia	The staff report for the 2006 Article IV consultation with Tunisia states that as of May 10, 2006, Tunisia maintained a multiple currency practice resulting from honoring exchange rate guarantees extended prior to August 1988 to development banks, which will automatically expire after the existing commitments have matured. (Country Report No. 06/207)
Zimbabwe	The staff report for the 2005 Article IV consultation with Zimbabwe states that as of August 1, 2005, Zimbabwe maintained restrictions on the making of transfers and payments for current international transactions, and multiple currency practices, inconsistent, respectively, with Article VIII, Sections 2(a) and 3, of the Fund's Articles of Agreement. Zimbabwe maintains multiple currency practices (MCP) arising from the lack of a mechanism to prevent a divergence of more than 2 percent between (i) the exchange rates in the official and parallel markets, (ii) the exchange rates applicable for private sector imports and government imports, (iii) the exchange rates paid by successful bidders in the same tender, (iv) the exchange rate used for surrender of export receipts, including from international gold sales (weighted average rate from each auction) and the other rates in the exchange market, and (v) the exchange rate applicable to inward remittances of foreign exchange. Zimbabwe also maintains exchange restrictions arising from (i) limitations on the availability of foreign exchange, in the form of priority lists that limit the provision of foreign exchange for certain specified transactions which are subject to the approval of the Reserve Bank of Zimbabwe (RBZ), and (ii) the existence of private sector external payment arrears inconsistent with Article VIII, Section 2(a). (Country Report No. 05/360).
Source: IMF staff reports.	

¹The measures described in this table may have changed subsequent to the date mentioned. The table does not include countries maintaining exchange restrictions or multiple currency practices whose staff reports are unpublished.

COMPILATION GUIDE

Following a standardized approach, the description of each system is broken down into similar categories, and the coverage for each country includes a final section that lists chronologically the significant changes during 2006 and, in the case of some countries, those that occurred through end-June 2007. The Compilation Guide provides the definitions and methodology used to bring together information under each heading.

The report is presented in a tabular format that enhances transparency and uniformity of treatment of information across countries and includes coverage on the regulatory framework. The information serves to update the exchange arrangements and exchange restrictions database maintained by IMF staff.¹ The country chapters present an abstract of the relevant information that is available to the IMF.

Status under IMF Articles of Agreement

Article VIII	The member country has accepted the obligations of Article VIII, Sections 2, 3, and 4, of the IMF's Articles of Agreement.
Article XIV	The member country continues to avail itself of the transitional arrangements of Article XIV, Section 2.

Exchange Measures

Restrictions and/or multiple currency practices	Exchange restrictions and multiple currency practices maintained by a member country under Article VIII, Sections 2, 3, and 4, or under Article XIV, Section 2, of the IMF's Articles of Agreement, as specified in the latest IMF staff reports issued as of December 31, 2006.
International security restrictions	Restrictions on payments and transfers in connection with international transactions imposed by member countries for reasons of national or international security.
In accordance with IMF Executive Board Decision No. 144-(52/51)	International security restrictions on the basis of IMF Executive Board Decision No. 144-(52/51), which establishes the obligation of members to notify the IMF before imposing such restrictions or, if circumstances preclude advance notification, as promptly as possible.
Other security restrictions	Other restrictions imposed for security reasons (e.g., in accordance with UN or EU regulations) but not notified to the IMF under Board Decision 144-(52/51).
References to legal instruments and hyperlinks	Specific references to the underlying legal materials and hyperlinks to the legal texts. The category is included at the end of each section.

Exchange Arrangement

Currency	The official legal tender of the country.
Other legal tender	The existence of another currency that is officially allowed to be used in the country.
Exchange rate structure	If there is one exchange rate, the system is called unitary; if there is more than one exchange rate that may be used simultaneously for different purposes and/or by different entities, and these exchange rates give rise to multiple currency practices or differing rates for current and capital transactions, the system is called dual or multiple. Different effective exchange rates resulting from exchange taxes or subsidies, excessive exchange rate spreads between buying and selling rates, bilateral payments agreements, and broken cross rates are not included in this category.
Classification	As the de facto methodology for classification of exchange rate regimes is based on a backward-looking approach that relies on past exchange rate movement and historical data, some countries are reclassified retroactively to a date when the behavior of the exchange rates changed and matched the criteria for reclassifications to the appropriate category. For these countries, if the retroactive date of reclassification is prior to the period covered in this report, then the effective date of change to be entered in the country chapter and the changes section is deemed to be the first day of the year in which the decision of reclassification took place.

¹The exchange arrangements and exchange restrictions database includes all measures in this report.

Exchange arrangement with no separate legal tender	The currency of another country circulates as the sole legal tender (formal dollarization). Adopting such regimes implies the complete surrender of the monetary authorities' control over domestic monetary policy. Effective January 1, 2007, exchange arrangements of the countries that belong to a monetary or currency union in which the same legal tender is shared by the members of the union are classified under the arrangement governing the joint currency. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.
Currency board arrangement	A monetary regime based on an explicit legislative commitment to exchange domestic currency for a specified foreign currency at a fixed exchange rate, combined with restrictions on the issuing authority to ensure the fulfillment of its legal obligation. This implies that domestic currency will be issued only against foreign exchange and that it remains fully backed by foreign assets, eliminating traditional central bank functions such as monetary control and lender-of-last-resort, and leaving little scope for discretionary monetary policy. Some flexibility may still be afforded, depending on the strictness of the banking rules of the currency board arrangement.
Conventional pegged arrangement	The country (formally or de facto) pegs its currency at a fixed rate to another currency or a basket of currencies, where the basket is formed from the currencies of major trading or financial partners, and weights reflect the geographic distribution of trade, services, or capital flows. The currency composites can also be standardized, as in the case of the SDR. There is no commitment to irrevocably keep the parity. The exchange rate may fluctuate within narrow margins of less than $\pm 1\%$ around a central rate—or the maximum and minimum value of the exchange rate may remain within a narrow margin of 2% —for at least three months. The monetary authority stands ready to maintain the fixed parity through direct intervention (i.e., via sale or purchase of foreign exchange in the market) or indirect intervention (e.g., via aggressive use of interest rate policy, imposition of foreign exchange regulations, exercise of moral suasion that constrains foreign exchange activity, or intervention by other public institutions). The flexibility of monetary policy, though limited, is greater than in the case of exchange arrangements with no separate legal tender and currency boards because traditional central banking functions are still possible, and the monetary authority can adjust the level of the exchange rate, although relatively infrequently.
Pegged exchange rate within horizontal bands	The value of the currency is maintained within certain margins of fluctuation of at least $\pm 1\%$ around a fixed central rate, or the margin between the maximum and minimum value of the exchange rate exceeds 2% . It also includes arrangements of countries in the ERM of the European Monetary System (EMS), which was replaced with the ERM II on January 1, 1999. There is a limited degree of monetary policy discretion, depending on the width of the band.
Crawling peg	The currency is adjusted periodically in small amounts at a fixed rate or in response to changes in selective quantitative indicators, such as past inflation differentials vis-à-vis major trading partners or differentials between the inflation target and expected inflation in major trading partners. The rate of crawl can be set to generate inflation-adjusted changes in the exchange rate (backward looking) or set at a predetermined fixed rate and/or below the projected inflation differentials (forward looking). Maintaining a crawling peg imposes constraints on monetary policy in a manner similar to a fixed peg system.
Crawling band	The currency is maintained within certain fluctuation margins of at least $\pm 1\%$ around a central rate—or the margin between the maximum and minimum value of the exchange rate exceeds 2% —and the central rate or margin is adjusted periodically at a fixed rate or in response to changes in selective quantitative indicators. The degree of exchange rate flexibility is a function of the width of the band. Bands either are symmetric around a crawling central parity or widen gradually with an asymmetric choice of the crawl of upper and lower bands (in the latter case, there may be no predetermined central rate). The commitment to maintain the exchange rate within the band imposes constraints on monetary policy, with the degree of policy independence being a function of the width of the band.
Managed floating with no pre-determined path for the exchange rate	The monetary authority attempts to influence the exchange rate without having a specific exchange rate path or target. Indicators for managing the rate are broadly judgmental (e.g., balance of payments position, international reserves, parallel market developments), and adjustments may not be automatic. Intervention may be direct or indirect.

Independently floating	The exchange rate is market determined, with any official foreign exchange market intervention aimed at moderating the rate of change and preventing undue fluctuations in the exchange rate, rather than establishing a level for it.
Exchange tax	Foreign exchange transactions are subject to a special tax. Bank commissions charged on foreign exchange transactions are not included in this category; rather, they are listed under the exchange arrangement classification.
Exchange subsidy	Foreign exchange transactions are subsidized by using separate, nonmarket exchange rates.
Forward exchange market	The existence of a forward exchange market.
Official cover of forward operations	Official coverage of forward operations refers to the situation in which an official entity (the central bank or the government) assumes the exchange risk of certain foreign exchange transactions.

Arrangements for Payments and Receipts

Prescription of currency requirements	The official requirements affecting the selection of currency and the method of settlement for transactions with other countries. When a country has payments agreements with other countries, the terms of these agreements often lead to a prescription of currency for specified categories of payments to, and receipts from, the countries concerned. This category includes information on the use of domestic currency in transactions between residents and nonresidents, both domestically and abroad; it also indicates any restrictions on the use of foreign currency among residents.
Payments arrangements	
Bilateral payments arrangements	Two countries have an agreement to prescribe specific rules for payments to each other, including cases in which private parties are also obligated to use specific currencies. These agreements can be either operative or inoperative.
Regional arrangements	More than two parties participate in a payments agreement.
Clearing agreements	The official bodies of two or more countries agree to offset with some regularity the balances that arise from payments to each other as a result of the exchange of goods, services, or—less often—capital.
Barter agreements and open accounts	The official bodies of two or more countries agree to offset exports of goods and services to one country with imports of goods and services from the same country, without payment.
Administration of control	The authorities' division of responsibility for monitoring policy, administering exchange controls, and determining the extent of delegation of powers to outside agencies (banks are often authorized to effect foreign exchange transactions).
Payments arrears	Official or private residents of a member country default on their payments or transfers in foreign exchange to nonresidents. This category includes only the situation in which domestic currency is available for residents to settle their debts, but they are unable to obtain foreign exchange—for example, because of the presence of an officially announced or unofficial queuing system; it does not cover nonpayment by private parties owing to bankruptcy of the party concerned.
Controls on trade in gold (coins and/or bullion)	Separate rules for trading in gold domestically and with foreign countries.
Controls on exports and imports of banknotes	Regulations governing the physical movement of means of payment between countries. Where information is available, the category distinguishes between separate limits for the (1) export and import of banknotes by travelers and (2) export and import of banknotes by banks and other authorized financial institutions.

Resident Accounts

Indicates whether resident accounts that are maintained in the national currency or in foreign currency, locally or abroad, are allowed and describes how they are treated and the facilities

and limitations attached to such accounts. When there is more than one type of resident account, the nature and operation of the various types of accounts are also described; for example, whether residents are allowed to open foreign exchange accounts with or without approval from the exchange control authority, whether these accounts may be held domestically or abroad, and whether the balances on accounts held by residents in domestic currency may be converted into foreign currency.

Nonresident Accounts

Indicates whether local nonresident accounts maintained in the national currency or in foreign currency are allowed and describes how they are treated and the facilities and limitations attached to such accounts. When there is more than one type of nonresident account, the nature and operation of the various types of accounts are also described.

Blocked accounts

Accounts of nonresidents, usually in domestic currency. Regulations prohibit or limit the conversion and/or transfer of the balances of such accounts.

Imports and Import Payments

Describes the nature and extent of exchange and trade restrictions on imports.

Foreign exchange budget

Information on the existence of a foreign exchange plan, i.e., prior allocation of a certain amount of foreign exchange, usually on an annual basis, for the importation of specific types of goods and/or services; in some cases, also differentiating among individual importers.

Financing requirements for imports

Information on specific import-financing regulations limiting the rights of residents to enter into private contracts in which the financing options differ from those in the official regulations.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirements

The obligation to domicile the transactions with a specified (usually domestic) financial institution.

Preshipment inspection

Most often a compulsory government measure aimed at establishing the veracity of the import contract in terms of volume, quality, and price.

Letters of credit

Parties are obligated to use letters of credit (LCs) as a form of payment for their imports.

Import licenses used as exchange licenses

Import licenses are used not for trade purposes but to restrict the availability of foreign exchange for legitimate trade.

Import licenses and other nontariff measures

Positive list

A list of goods that may be imported.

Negative list

A list of goods that may not be imported.

Open general licenses

Indicates arrangements whereby certain imports or other international transactions are exempt from the restrictive application of licensing requirements.

Licenses with quotas

Refers to situations in which a license for the importation of a certain good is granted, but a specific limit is imposed on the amount to be imported.

Other nontariff measures

May include prohibitions on imports of certain goods from all countries or of all goods from a certain country. Several other nontariff measures are used by countries (e.g., phytosanitary examinations, setting of standards), but these are not covered fully in the report.

Import taxes and/or tariffs

A brief description of the import tax and tariff system, including taxes levied on the foreign exchange made available for imports.

Taxes collected through the exchange system	Indicates if any taxes apply to the exchange side of an import transaction.
State import monopoly	Private parties are not allowed to engage in the importation of certain products, or they are limited in their activity.

Exports and Export Proceeds

	Describes restrictions on the use of export proceeds, as well as regulations on exports.
Repatriation requirements	The obligation of exporters to repatriate export proceeds.
Surrender requirements	Regulations requiring the recipient of repatriated export proceeds to sell, sometimes at a specified exchange rate, any foreign exchange proceeds in return for local currency to the central bank, commercial banks, foreign exchange markets, or exchange dealers authorized for this purpose.
<i>Surrender to the central bank</i>	
<i>Surrender to authorized dealers</i>	
Financing requirements	Information on specific export-financing regulations limiting the rights of residents to enter into private contracts in which the financing options differ from those in the official regulations.
Documentation requirements	The same categories as in the case of imports are used.
Export licenses	Restrictions on the right of residents to export goods. These restrictions may take the form of quotas (where a certain quantity of shipment abroad is allowed) or the absence of quotas (where the licenses are issued at the discretion of the foreign trade control authority).
Export taxes	A brief description of the export tax system, including any taxes that are levied on foreign exchange earned by exporters.

Payments for Invisible Transactions and Current Transfers

	Describes the procedures for effecting payments abroad in connection with current transactions in invisibles, with reference to prior approval requirements, the existence of quantitative and indicative limits, and/or bona fide tests. Detailed information on the most common categories of transactions is provided only when regulations differ for the various categories. Indicative limits establish maximum amounts up to which the purchase of foreign exchange is allowed on declaration of the nature of the transaction, mainly for statistical purposes. Amounts above those limits are granted if the bona fide nature of the transaction is established by the presentation of appropriate documentation. Bona fide tests also may be applied to transactions for which quantitative limits have not been established.
Trade-related payments	Includes freight and insurance (including possible regulations on non-trade-related insurance payments and transfers), unloading and storage costs, administrative expenses, commissions, and customs duties and fees.
Investment-related payments	Includes profits and dividends, interest payments (including interest on debentures, mortgages, etc.), amortization of loans or depreciation of foreign direct investments, and payments and transfers of rent.
Payments for travel	Includes international travel for business, tourism, etc.
Personal payments	Includes medical expenditures abroad, study expenses abroad, pensions (including regulations on payments and transfers of pensions by both state and private pension providers on behalf of nonresidents, as well as the transfer of pensions due to residents living abroad), and family maintenance and alimony (including regulations on payments and transfers abroad of family maintenance and alimony by residents).
Foreign workers' wages	Transfer abroad of earnings by nonresidents working in the country.
Credit card use abroad	Use of credit and debit cards to pay for invisible transactions.

Other payments Includes subscription and membership fees, authors' royalties, consulting and legal fees, etc.

Proceeds from Invisible Transactions and Current Transfers

Describes regulations governing exchange receipts derived from transactions in invisibles—including descriptions of any limitations on their conversion into domestic currency—and the use of those receipts.

Repatriation requirements The definitions of repatriation and surrender requirements are similar to those applied to export proceeds.

Surrender requirements

Surrender to the central bank

Surrender to authorized dealers

Restrictions on use of funds Refers mainly to the limitations imposed on the use of receipts previously deposited in certain types of bank accounts.

Capital Transactions

Describes regulations influencing both inward and outward capital flows. The concept of controls on capital transactions is interpreted broadly. Thus, controls on capital transactions include prohibitions; need for prior approval, authorization, and notification; dual and multiple exchange rates; discriminatory taxes; and reserve requirements or interest penalties imposed by the authorities that regulate the conclusion or execution of transactions or transfers; or the holding of assets at home by nonresidents and abroad by residents. The coverage of the regulations applies to receipts as well as to payments and to actions initiated by nonresidents and residents. In addition, because of the close association with capital transactions, information is also provided on local financial operations conducted in foreign currency, describing specific regulations in force that limit residents' and nonresidents' issuing of securities denominated in foreign currency or, generally, limitations on contract agreements expressed in foreign exchange.

Repatriation requirements The definitions of repatriation and surrender requirements are similar to those applied to export proceeds.

Surrender requirements

Surrender to the central bank

Surrender to authorized dealers

Controls on capital and money market instruments Refers to public offerings or private placements on primary markets or their listing on secondary markets.

On capital market securities

Refers to shares and other securities of a participating nature, and bonds and other securities with an original maturity of more than one year.

Shares or other securities of a participating nature

Includes transactions involving shares and other securities of a participating nature if they are not effected for the purpose of acquiring a lasting economic interest in the management of the enterprise concerned. Investments for the purpose of acquiring a lasting economic interest are addressed under foreign direct investments.

Bonds or other debt securities

Refers to bonds and other securities with an original maturity of more than one year. The term "other securities" includes notes and debentures.

On money market instruments

Refers to securities with an original maturity of one year or less and includes short-term instruments, such as certificates of deposit and bills of exchange. The category also includes treasury bills and other short-term government paper, bankers' acceptances, commercial papers, interbank deposits, and repurchase agreements.

On collective investment securities	Includes share certificates and registry entries or other evidence of investor interest in an institution for collective investment, such as mutual funds, and unit and investment trusts.
Controls on derivatives and other instruments	Refers to operations in other negotiable instruments and nonsecured claims not covered under the above subsections. These may include operations in rights; warrants; financial options and futures; secondary market operations in other financial claims (including sovereign loans, mortgage loans, commercial credits, negotiable instruments originating as loans, receivables, and discounted bills of trade); forward operations (including those in foreign exchange); swaps of bonds and other debt securities; credits and loans; and other swaps (e.g., interest rate, debt/equity, equity/debt, foreign currency, as well as swaps of any of the instruments listed above). Controls on operations in foreign exchange without any other underlying transaction (spot or forward trading on the foreign exchange markets, forward cover operations, etc.) are also included.
Controls on credit operations	
Commercial credits	Covers operations directly linked with international trade transactions or with the rendering of international services.
Financial credits	Includes credits other than commercial credits granted by all residents, including banks, to nonresidents, or vice versa.
Guarantees, sureties, and financial backup facilities	Includes guarantees, sureties, and financial backup facilities provided by residents to nonresidents and vice versa. It also includes securities pledged for payment or performance of a contract—such as warrants, performance bonds, and standby letters of credit—and financial backup facilities that are credit facilities used as a guarantee for independent financial operations.
Controls on direct investment	Refers to investments for the purpose of establishing lasting economic relations both abroad by residents and domestically by nonresidents. These investments are essentially for the purpose of producing goods and services, and, in particular, investments that allow investor participation in the management of the enterprise. The category includes the creation or extension of a wholly owned enterprise, subsidiary, or branch and the acquisition of full or partial ownership of a new or existing enterprise that results in effective influence over the operations of the enterprise.
Controls on liquidation of direct investment	Refers to the transfer of principal, including the initial capital and capital gains, of a foreign direct investment as defined above.
Controls on real estate transactions	Refers to the acquisition of real estate not associated with direct investment, including, for example, investments of a purely financial nature in real estate or the acquisition of real estate for personal use.
Controls on personal capital transactions	Covers transfers initiated on behalf of private persons and intended to benefit other private persons. It includes transactions involving property to which the promise of a return to the owner with payments of interest is attached (e.g., loans or settlements of debt in their country of origin by immigrants), and transfers effected free of charge to the beneficiary (e.g., gifts and endowments, loans, inheritances and legacies, or emigrants' assets).

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions	Describes regulations that are specific to these institutions, such as monetary, prudential, and foreign exchange controls. Inclusion of an entry in this category does not necessarily signify that the aim of the measure is to control the flow of capital. Some of these items (e.g., borrowing abroad, lending to nonresidents, purchase of locally issued securities denominated in foreign exchange, investment regulations) may be repetitions of the entries under respective categories of controls on capital and money market instruments, on credit operations, or on direct investments, when the same regulations apply to commercial banks as well as to other residents.
Open foreign exchange position limits	Describes regulations on certain commercial bank balance sheet items (including capital) and on limits covering commercial banks' positions in foreign currencies (including gold).
Provisions specific to institutional investors	Describes controls specific to institutions, such as insurance companies, pension funds, investment firms (including brokers, dealers, or advisory firms), and other securities firms (including collective investment funds). Incorporates measures that impose limitations on

the composition of the institutional investors' foreign or foreign currency assets (reserves, accounts) and liabilities (e.g., investments in equity capital of institutional investors or borrowing from nonresidents) and/or that differentiate between residents and nonresidents. Examples of such controls are restrictions on investments because of rules regarding the technical, mathematical, security, or mandatory reserves; solvency margins; premium reserve stocks; or guarantee funds of nonbank financial institutions. Inclusion of an entry in this category does not necessarily signify that the aim of the measure is to control the flow of capital.

Insurance companies

Pension funds

Investment firms and collective
investment funds

Listing conventions used in the report are as follows:

- When it is unclear whether a particular category or measure exists—because pertinent information is not available at the time of publication—the category is displayed with the notation “n.a.”
- If a measure is known to exist but specific information on it is not available, the category is displayed with the notation “yes.”
- When information is available on all but a particular item or items within a category, these items are not included in the table.
- In cases where members have provided the IMF staff with information indicating that a category or an item is not regulated, these are marked by “n.r.”
- When relevant documents have not been published and the authorities have not consented to the publication of the information as included in the staff report, the text reads: “Information is not publicly available.”

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)¹

	Total number of member countries with this feature	Afghanistan, I.R. of	Albania	Algeria	Angola	Antigua and Barbuda	Argentina	Armenia	Australia	Austria	Azerbaijan, Republic of	The Bahamas	Bahrain, Kingdom of	Bangladesh	Barbados	Belarus	Belgium	Belize	Benin	Bhutan	Bolivia	Bosnia and Herzegovina	Botswana
Status under IMF Articles of Agreement																							
Article VIII	166			•		•	•	•	•	•	•	•	•	•	•	•	•	•	•		•		•
Article XIV	19	•	•		•															•		•	
Exchange rate arrangements																							
Exchange arrangement with no separate legal tender	10																						
Currency board arrangement	12					◊																	▲
Conventional pegged arrangement	68				◊		◊					◊	◊		◊	◊		◊	▲	+	◊		
Pegged exchange rate within horizontal bands	5																						
Crawling peg	6										◊												*
Crawling band	1																						
Managed floating with no pre-determined path for the exchange rate	48	•		•				•						•									
Independently floating	35		•						•	⊕							⊕						
Exchange rate structure																							
Dual exchange rates	9						•					•											
Multiple exchange rates	4																						
Arrangements for payments and receipts																							
Bilateral payments arrangements	64	•		•	•		•	•			•		•	•	-	•			•	•			•
Payments arrears	46	-	•		•	•	•	-															
Controls on payments for invisible transactions and current transfers																							
	90	•	•	•	•	•					•	•		•	•	•		•	•	•	•		
Proceeds from exports and/or invisible transactions																							
Repatriation requirements	89	-	•	•	•	-	•				•	•		•	•	•		•	•	•			•
Surrender requirements	61	-		•	•		•				•			•	•	•		•	•	•			
Capital transactions																							
Controls on:																							
Capital market securities	135	-	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Money market instruments	113	•	•	-	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•
Collective investment securities	111	-	•	•	•		•			•	•	•	•	•	•	•	•	•	•	•	•		
Derivatives and other instruments	93	-	•	•	■		•	•	•	■	•	•	•	•	•	•	•	•	•	•	•		
Commercial credits	93	-	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Financial credits	121	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Guarantees, sureties, and financial backup facilities	79	-	•	•	•						•		•	•				•	•	•			
Direct investment	147	-	•	•	•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Liquidation of direct investment	48	-		•	•								•	•				•	•	•		•	
Real estate transactions	140	-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	■
Personal capital transactions	92	-	•	-	•	-	•		•		•	•		•	•	•		•	•	•	•	•	
Provisions specific to:																							
Commercial banks and other credit institutions	159	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Institutional investors	113	•	-	-	-	-	•	-	•	•	-	•	-	•	•	•	•	-	•	•	•	•	•

For key and footnote, see page liii.

**Summary Features of Exchange Arrangements and Regulatory
(As of date shown on**

	Brazil	Brunei Darussalam	Bulgaria	Burkina Faso	Burundi	Cambodia	Cameroon	Canada	Cape Verde	Central African Republic	Chad	Chile	China, People's Rep. of	Colombia	Comoros	Congo, Dem. Rep. of	Congo, Republic of	Costa Rica	Côte d'Ivoire	Croatia	Cyprus	Czech Republic	Denmark	Djibouti	Dominica	Dominican Republic	
Status under IMF Articles of Agreement																											
Article VIII	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Article XIV					•																						
Exchange rate arrangements																											
Exchange arrangement with no separate legal tender																											
Currency board arrangement		+	▲																					◊	◊		
Conventional pegged arrangement				▲			▲		▲	▲	▲				▲		▲		▲								
Pegged exchange rate within horizontal bands																					✱		✱				
Crawling peg													◊														
Crawling band																		◊									
Managed floating with no pre-determined path for the exchange rate					•	•							•						•			•				•	
Independently floating	•								•			•				•											
Exchange rate structure																											
Dual exchange rates																											
Multiple exchange rates					•																						
Arrangements for payments and receipts																											
Bilateral payments arrangements			•	•	•				•							•				•						•	
Payments arrears			•	—	•	•			•						•	•			•					•	•		
Controls on payments for invisible transactions and current transfers		•		•	•		•		•	•	•		•		•	•	•		•								
Proceeds from exports and/or invisible transactions																											
Repatriation requirements	•			•	•	•	•		•	•	•		•	•	•	•	•		•						•		
Surrender requirements	•			•			•		•	•	•		•		•	•	•		•						•		
Capital transactions																											
Controls on:																											
Capital market securities	•			•	•	■	•	•	•	•	•		•	•	•	•	•		•	•		•			•	•	
Money market instruments				•	•	■	•		•	•	•		•	•	■	•	•		•	•		•			•	•	
Collective investment securities	■			•	■	■	•			•	•		•	•	■	•	•		•	•		•			•	•	
Derivatives and other instruments	•			•	■	■	—		■	•	•		•	•	■	•	•		•	•		•			—	•	
Commercial credits				•	•		•		•	•	•		•	•	•	•	•		•	•				•	•		
Financial credits	•			•	•		•		•	•	•		•	•	•	•	•		•	•		•		•	•	•	
Guarantees, sureties, and financial backup facilities				•	•		—		•	—	—		•	•	•	•	—		•	•				•	•	•	
Direct investment	•	•		•	•	•	•	•	•	•	•		•	•	•	•	•		•		•	•	•	•	•	•	
Liquidation of direct investment				•			•			•	•		•	•	•	•	•										
Real estate transactions	•	•		•	•	•	•		•	•	•		•		•	•	•		•	•		•			•	•	
Personal capital transactions	•			•	•		•		•	•	•		•	•	•	•	•		•	•					•	•	
Provisions specific to:																											
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	—	•	•	•	•	•	•	—		•	•	•	•	•		•	•	•
Institutional investors	•	—	•	•	—		•	•	—	—	—	•	•	•	—	•	—		•	•	•	•	•	•	—	•	

For key and footnote, see page liii.

Frameworks for Current and Capital Transactions in Member Countries
first country page)¹

	Ecuador	Egypt	El Salvador	Equatorial Guinea	Eritrea	Estonia	Ethiopia	Fiji	Finland	France	Gabon	Gambia, The	Georgia	Germany	Ghana	Greece	Grenada	Guatemala	Guinea	Guinea-Bissau	Guyana	Haiti	Honduras
Status under IMF Articles of Agreement																							
Article VIII	•	•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Article XIV					•		•																
Exchange rate arrangements																							
Exchange arrangement with no separate legal tender	◊		◊																				
Currency board arrangement						✦											◊						
Conventional pegged arrangement		◊		▲	◊		◊	*			▲									▲	◊		◊
Pegged exchange rate within horizontal bands																							
Crawling peg																							
Crawling band																							
Managed floating with no pre-determined path for the exchange rate												•	•		•			•	•			•	
Independently floating									⊕	⊕				⊕		⊕							
Exchange rate structure																							
Dual exchange rates																				•			
Multiple exchange rates																							
Arrangements for payments and receipts																							
Bilateral payments arrangements	•	•				•		—							•			•	•	•	•	•	•
Payments arrears	•				•	•		—											•	•	•	•	•
Controls on payments for invisible transactions and current transfers																							
				•	•		•	•			•		•		•		•		•	•			
Proceeds from exports and/or invisible transactions																							
Repatriation requirements				•	•		•	•			•				•		•		•	•			•
Surrender requirements				•	•		•	•			•				•		•		•	•			•
Capital transactions																							
Controls on:																							
Capital market securities	•			•	•		•	•	•	•	•			•	•	•	•		•	•			•
Money market instruments				•	•		•	•	•	•	•			•	•	•	•		•	•			•
Collective investment securities				•	—		■	•	•	•	•			•	•	•	•		•	•			•
Derivatives and other instruments	■			•	—		■	•	•		•		•	•	•	•	•		•	•		—	•
Commercial credits	•			•	•		•	•			•						•		•	•	•	•	•
Financial credits	•			•	•		•	•	•		•	•		•		•	•		•	•	•	•	•
Guarantees, sureties, and financial backup facilities	•			•	—		•	•			•						—		•	•	•		•
Direct investment	•	•	•	•		•	•	•	•	•	•			•	•	•	•		•	•			•
Liquidation of direct investment				•			•	•			•						•						•
Real estate transactions				•		•	•	•	•		•			•		•	•		•	•			•
Personal capital transactions				•	•	•	•	•			•						•		•	•			•
Provisions specific to:																							
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•		•	•		•		•		•	•	•	•	•	•
Institutional investors	•	•	•	•	—	•	•	•	•	•	•	—	•	•	•	•	—	•	•	•	—	—	•

For key and footnote, see page liii.

Summary Features of Exchange Arrangements and Regulation
(As of date shown)

	Hungary	Iceland	India	Indonesia	Iran, I.R. of	Iraq	Ireland	Israel	Italy	Jamaica	Japan	Jordan	Kazakhstan	Kenya	Kiribati	Korea, Republic of	Kuwait	Kyrgyz Republic	Lao People's Dem. Rep.	Latvia	Lebanon	Lesotho	Liberia	Libyan Arab Jamahiriya
Status under IMF Articles of Agreement																								
Article VIII	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Article XIV						•													•					•
Exchange rate arrangements																								
Exchange arrangement with no separate legal tender																+								
Currency board arrangement																								
Conventional pegged arrangement					*						◊						◊			✦	◊	+		◉
Pegged exchange rate within horizontal bands	▲																							
Crawling peg						◊																		
Crawling band																								
Managed floating with no pre-determined path for the exchange rate				•	•					•			•	•				•	•					•
Independently floating		•					⊕	•	⊕		•					•								
Exchange rate structure																								
Dual exchange rates																								
Multiple exchange rates																								
Arrangements for payments and receipts																								
Bilateral payments arrangements											•							•	•					•
Payments arrears						•				—				•				•	—				•	
Controls on payments for invisible transactions and current transfers																								
			•		•	•							•						•			•		•
Proceeds from exports and/or invisible transactions																								
Repatriation requirements			•										•		■	•			•			•		•
Surrender requirements			•																•			•		•
Capital transactions																								
Controls on:																								
Capital market securities	•	•	•	•	•	—				•	•		•	•	•	•	•	•	•	•	•	•	•	•
Money market instruments	•	•	•	•	•	—				•	•		•	•	•	•	•	•	•	•	•	•	•	•
Collective investment securities	•	•	•	•	•	—			•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
Derivatives and other instruments		•	•	•	—	—				•	•		•	•	•	•	•	■	•		•	■		—
Commercial credits			•	•	•	—							•		•				•		•	•	•	•
Financial credits	•		•	•	•	—					•		•		•	•			•		•	•	•	•
Guarantees, sureties, and financial backup facilities				•	•	—									•					•				•
Direct investment	•	•	•	•	•	•	•		•		•	•	•		•	•	•		•	•	•	•	•	•
Liquidation of direct investment			•		•	—									■									•
Real estate transactions	•	•	•	•	•	•	•				•	•	•	•	•	•	•	•	•	•	•	•	•	•
Personal capital transactions			•		•	—				■			•		■				•	•		•		—
Provisions specific to:																								
Commercial banks and other credit institutions		•	•	•	•	•		•		•		•	•	•	■	•	•	•	•	•	•	•	•	—
Institutional investors	•	•	•	•	—	—	—	—	•	•	•	•	•	•	—	•	—	•	—	•	•	•	•	—

For key and footnote, see page liii.

	Lithuania	Luxembourg	Macedonia, fmr. Yugoslav Rep.	Madagascar	Malawi	Malaysia	Maldives	Mali	Malta	Marshall Islands, Rep. of the	Mauritania	Mauritius	Mexico	Micronesia, Fed. States of	Moldova	Mongolia	Montenegro, Rep. of	Morocco	Mozambique	Myanmar	Namibia	Nepal	
Status under IMF Articles of Agreement																							
Article VIII	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•				•	•
Article XIV							•												•	•			
Exchange rate arrangements																							
Exchange arrangement with no separate legal tender									◇				◇				▲						
Currency board arrangement	✦																						
Conventional pegged arrangement			▲			◇	▲	✦	◇						◇		*			+	+		
Pegged exchange rate within horizontal bands																							
Crawling peg																							
Crawling band																							
Managed floating with no pre-determined path for the exchange rate				•	•	•						•			•				•	•			
Independently floating	⊕												•										
Exchange rate structure																							
Dual exchange rates					•																•		
Multiple exchange rates																							
Arrangements for payments and receipts																							
Bilateral payments arrangements	•		•	•		•					•		•		•	•							
Payments arrears				•												•	—		•	•			
Controls on payments for invisible transactions and current transfers			•		•			•			•				•		•	•	•	•	•	•	•
Proceeds from exports and/or invisible transactions																							
Repatriation requirements				•	•	•		•			•				•			•	•	•	•	•	•
Surrender requirements					•			•										•	•		•	•	•
Capital transactions																							
Controls on:																							
Capital market securities		•	•	•	•	•	•	•	—	•	•	•	•	•	•	•	•	•	•	—	•	•	•
Money market instruments		•	•	■	•	•		•	—	•		•	■	•	•		•	•	—	•			
Collective investment securities		•	•	■	•	•		•	—	•		•		•	•		•	•	—	•			—
Derivatives and other instruments		•	•	■	•	•	■	•	—	•		•		•	•		•	•	—	•			•
Commercial credits			•	•	•	•		•	—	•			■	•	•		•	•	•	•	•	•	•
Financial credits		•	•	•	•	•	•	•	—	•		•	■	•	•		•	•	•	•	•	•	•
Guarantees, sureties, and financial backup facilities			•	—	•	•		•	—	•		•	■	•			•	•	•	•	•	•	•
Direct investment	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Liquidation of direct investment				•					—						•			•	•	•	•	•	•
Real estate transactions	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Personal capital transactions	•		•	—	•	•	•	•	—	•		•	■	•	•		•	•	•	•	•	•	•
Provisions specific to:																							
Commercial banks and other credit institutions	•		•	•	•	•	•	•	—	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Institutional investors	•	•	•	—	—	•	—	•	•	—	—	—	•	—	•	—	■	—	•	—	•	—	—

For key and footnote, see page liii.

Summary Features of Exchange Arrangements and Regulatory
(As of date shown on

	Netherlands	New Zealand	Nicaragua	Niger	Nigeria	Norway	Oman	Pakistan	Palau	Panama	Papua New Guinea	Paraguay	Peru	Philippines	Poland	Portugal	Qatar	Romania	Russian Federation	Rwanda	St. Kitts and Nevis	St. Lucia	St. Vincent and the Grenadines	Samoa	San Marino
Status under IMF Articles of Agreement																									
Article VIII	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Article XIV					•																				
Exchange rate arrangements																									
Exchange arrangement with no separate legal tender									◊	◊															▲
Currency board arrangement																					◊	◊	◊		
Conventional pegged arrangement				▲	◊		◊	◊									◊			◊				*	
Pegged exchange rate within horizontal bands																									
Crawling peg			◊																						
Crawling band																									
Managed floating with no pre-determined path for the exchange rate											•	•	•					•	•						
Independently floating	⊕	•				•								•	•	⊕									
Exchange rate structure																									
Dual exchange rates																									
Multiple exchange rates					•																				
Arrangements for payments and receipts																									
Bilateral payments arrangements			•								•	•	•	•			—	•	•						
Payments arrears			•										•					•	•				•		
Controls on payments for invisible transactions and current transfers				•	•			•			•	•	•	•						•	•	•	•	•	•
Proceeds from exports and/or invisible transactions																									
Repatriation requirements				•	•			•											•	•	•	•	•	•	•
Surrender requirements				•	•			•													•	•	•	•	•
Capital transactions																									
Controls on:																									
Capital market securities		•		•		•	•	•			•			•	•	•	•		•	•	•	•	•	•	•
Money market instruments				•	•			•			•	■		•	•				•	•	•	•	•	•	•
Collective investment securities				•				•			•			•	•	•			•	•	•	•	•	•	•
Derivatives and other instruments				•		•		•			•	■		•	•				•		■	•	•	•	•
Commercial credits				•	•			•			•			•					•		•	•	•	•	•
Financial credits				•				•			•			•	•				•	•	•	•	•	•	•
Guarantees, sureties, and financial backup facilities				•				•			•			•	•				•	•	•	•	—		
Direct investment	•	•	•	•		•	•	•	•		•			•	•	•	•		•	•	•	•	•	•	•
Liquidation of direct investment				•	•						•											—		•	
Real estate transactions		•	■	•		•	•	•	•		•	■		•	•				•		•	•	•	•	•
Personal capital movements				•	•			•			•			•	•				•	•	•	•	—	•	•
Provisions specific to:																									
Commercial banks and other credit institutions			•	•	•	•	•	•			•	•	•	•	•	•		•	•	•	•	•	•	•	•
Institutional investors	—	—	•	•	—	•	—	•	—	—	•	—	•	•	•	•	•	■	—	—	—	•	—	•	•

For key and footnote, see page liii.

Frameworks for Current and Capital Transactions in Member Countries
first country page)¹

	São Tomé and Príncipe	Saudi Arabia	Senegal	Serbia, Rep. of	Seychelles	Sierra Leone	Singapore	Slovak Republic	Slovenia	Solomon Islands	Somalia	South Africa	Spain	Sri Lanka	Sudan	Suriname	Swaziland	Sweden	Switzerland	Syrian Arab Republic	Tajikistan	Tanzania	Thailand	Timor-Leste, Dem. Rep. of
Status under IMF Articles of Agreement																								
Article VIII		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Article XIV	•										•									•				
Exchange rate arrangements																								
Exchange arrangement with no separate legal tender																								◊
Currency board arrangement																								
Conventional pegged arrangement		◊	▲		*					◊							◊	+			◊			
Pegged exchange rate within horizontal bands									✦															
Crawling peg						◊																		
Crawling band																								
Managed floating with no pre-determined path for the exchange rate	•			•			•							•	•							•	•	•
Independently floating									⊕		•	•	⊕					•	•					
Exchange rate structure																								
Dual exchange rates	•										•										•			
Multiple exchange rates																•								
Arrangements for payments and receipts																								
Bilateral payments arrangements	•				•	•		•			—				•	—					•		•	
Payments arrears	•			•	•	•					—										•	•	•	
Controls on payments for invisible transactions and current transfers			•	•	•	•		•		•	•	•		•	—	•	•			•	•	•		
Proceeds from exports and/or invisible transactions																								
Repatriation requirements	•	•	•	•	•	•				•	•	•		•	•	•				•	•	•	•	•
Surrender requirements		•		•						•	•	•				•				•	•	•	•	•
Capital transactions																								
Controls on:																								
Capital market securities		•	•	•		•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Money market instruments		•	•	•		•				•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Collective investment securities		•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	■	•	•	•
Derivatives and other instruments	—	•	•	•		■				•	—	•	•	•	•	•	•	•	•	•	•	•	•	•
Commercial credits	—	•	•	•						•	•	•		•	•	•	•			•	•	•		
Financial credits	—	•	•	•		•	•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Guarantees, sureties, and financial backup facilities	—	•	•	•		•				•	•	•		•	•	•	•			•	•	•	•	
Direct investment	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Liquidation of direct investment				•				■		•	•			•		•				•	•	•		
Real estate transactions	—	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Personal capital transactions	—		•	•		■				•	—	•		•	•	•	•			—	•	•	•	
Provisions specific to:																								
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	•	—	•	•	•	•	•	•	•	•	•	•	•	•	•
Institutional investors	—	•	•	•	—	—	•	•	•	—	—	•	•	•	—	•	•	•	•	—		•	•	—

For key and footnote, see page liii.

Summary Features of Exchange Arrangements and Regulatory
(As of date shown on

	Togo	Tonga	Trinidad and Tobago	Tunisia	Turkey	Turkmenistan	Uganda	Ukraine	United Arab Emirates	United Kingdom	United States	Uruguay	Uzbekistan	Vanuatu	Venezuela, Rep. Bolivariana de	Vietnam	Yemen, Republic of	Zambia	Zimbabwe	<i>Memorandum: Nonmembers</i>		
																				Aruba	China, P.R.: Hong Kong SAR	Netherlands Antilles
Status under IMF Articles of Agreement																						
Article VIII	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Article XIV						•																
Exchange rate arrangements																						
Exchange arrangement with no separate legal tender																						
Currency board arrangement																					◊	
Conventional pegged arrangement	▲		◊			◊		◊	◊				◊	*	◊	◊	◊		◊		◊	◊
Pegged exchange rate within horizontal bands		*																				
Crawling peg																						
Crawling band																						
Managed floating with no pre-determined path for the exchange rate				•			•				•							•				
Independently floating					•				•	•												
Exchange rate structure																						
Dual exchange rates															•							
Multiple exchange rates																						•
Arrangements for payments and receipts																						
Bilateral payments arrangements					•	•	•	•			•	•		■	•	•						■
Payments arrears	•					•	•							■			•	•	•			
Controls on payments for invisible transactions and current transfers																						
	•	•		•	•	•		•					•	■	•	•					•	■
Proceeds from exports and/or invisible transactions																						
Repatriation requirements	•	•		•	•	•		•					•	■	•	•					•	■
Surrender requirements	•	•		•	•								•	■	•						•	■
Capital transactions																						
Controls on:																						
Capital market securities	•	•		•	•	•		•	•		•		•	■	•	•					•	•
Money market instruments	•	•		•	•	•		•	•		•		■	■		•					•	•
Collective investment securities	•	•		•	•	•		•	•		•		•	■	•	•					•	•
Derivatives and other instruments	•	•		•	•	—		•				■	■	■	•	•					•	•
Commercial credits	•	•		•	•	•		•					•	■		•	•				•	•
Financial credits	•	•		•	•	•		•					•	■		•	•				•	•
Guarantees, sureties, and financial backup facilities	•	•		•				•						■		•					•	•
Direct investment	•	•	•	•	•	•		•	•	•			•	■	•	•					•	•
Liquidation of direct investment		•				•							•	■	•	—					•	•
Real estate transactions	•	•	•	•	•	•	•	•	•				•	■		•					•	■
Personal capital movements	•	•		•	•	•		•					•	■	•	•					•	•
Provisions specific to:																						
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	•		•	•	■	•	•	•	•	•		•	•
Institutional investors	•	—	•	•	•	•	•	•	—	—	•	•	•	■	•	•	—	—	•		•	•

For key and footnote, see page liii.

Key and Footnote

- Indicates that the specified practice is a feature of the exchange system.
- Indicates that data were not available at time of publication.
- Indicates that the specific practice is not regulated.
- Indicates that member uses the currency of another member as legal tender.
- ⊕ Indicates that the member participates in the euro area.
- ❖ Indicates that the country participates in the ERM II.
- ◇ Indicates that flexibility is limited vis-à-vis the U.S. dollar.
- ▲ Indicates that flexibility is limited vis-à-vis the euro.
- ✚ Indicates that flexibility is limited vis-vis another single currency.
- Indicates that flexibility is limited vis-à-vis the SDR.
- * Indicates that flexibility is limited vis-à-vis another basket of currencies.

¹ Usually December 31, 2006.

ISLAMIC REPUBLIC OF AFGHANISTAN

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices The staff report for the seventh review under the staff-monitored program and request for a three-year arrangement under the Poverty Reduction and Growth Facility states that as of May 15, 2006, based on information available to the staff, no exchange restrictions and multiple currency practices were currently in place. (Country Report No. 06/251)

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Islamic Republic of Afghanistan is the Afghani.

Exchange rate structure

Unitary Da Afghanistan Bank (DAB), the CB, maintains a daily official Afghani–U.S. dollar rate based on the average early morning rates in the free market of the money changers.

Classification

Managed floating with no predetermined path for the exchange rate The CB follows a policy of regular intervention in the market in the form of a foreign exchange auction twice a week with a view to smoothing fluctuations in the exchange rate and in the growth of the money supply.

Exchange tax No.

Exchange subsidy No.

Forward exchange market There are no arrangements for forward cover against exchange rate risk.

References to legal instruments and hyperlinks Law of Da Afghanistan Bank, 2003 (Article 35).

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency The Afghani must be used for all transactions and settlements of accounts unless the use of another currency is specified by the parties concerned. In practice, foreign currency is widely used.

For current transactions and payments n.a.

For capital transactions n.a.

Use of foreign exchange among residents Yes.

ISLAMIC REPUBLIC OF AFGHANISTAN

Payments arrangements

Bilateral payments arrangements

Operative

Yes.

Inoperative

Following the Paris Club rescheduling agreement on July 31, 2006, the agreement with the Russian Federation has been superseded and the authorities are in the process of concluding agreements with Paris Club members.

Regional arrangements

n.a.

Clearing agreements

n.a.

Barter agreements and open accounts

n.a.

Administration of control

The DAB is solely responsible for the formulation, adoption, and execution of the exchange rate policy and the exchange arrangements of the Islamic Republic of Afghanistan. Before adopting an exchange rate policy or an exchange arrangement, the DAB is required to consult with the MOF. The DAB acts as the agent for the Islamic Republic of Afghanistan in the administration of all laws relating to exchange control. All returns, statements, accounts, and information required by the provision of any such law are transmitted through the DAB (Article 71, DAB Law).

Payments arrears

n.a.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports and reexports of gold are permitted, subject to regulations. Exports of gold bullion, silver, and jewelry require permission from the DAB and the MOF. Commercial exports of gold and silver jewelry and other articles containing small quantities of gold or silver do not require a license. Customs duties are payable on imports and exports of silver in any form, unless the transaction is made by, or on behalf of, the monetary authorities.

Controls on exports and imports of banknotes

Any person who (1) leaves or arrives in the Islamic Republic of Afghanistan with, or (2) imports or exports by mail, courier, or otherwise more than Af 1 million in cash or negotiable bearer instruments without first having reported the fact in writing to the relevant authority is guilty of an offense and is punishable on conviction by a fine of an amount equal to the cash held.

On exports

Yes.

On imports

Yes.

References to legal instruments and hyperlinks

Anti-Money Laundering Law (2005); Supreme Council Resolution on Usage of Foreign Currency under DAB Law.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Approval required

Yes.

Held abroad

Yes.

Approval required

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

n.a.

ISLAMIC REPUBLIC OF AFGHANISTAN

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Approval required	n.a.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	Although the government projects future foreign exchange requirements, there is no mechanism in place for allocating actual foreign exchange holdings.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Trading licenses are issued by the Ministry of Commerce.
Positive list	n.a.
Negative list	n.a.
Open general licenses	n.a.
Licenses with quotas	n.a.
Other nontariff measures	n.a.
Import taxes and/or tariffs	
Taxes collected through the exchange system	n.a.
State import monopoly	n.a.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	n.a.
Documentation requirements	n.a.
Export licenses	All exporters must obtain a license from the Ministry of Commerce to engage in export trade.
Without quotas	n.a.
With quotas	n.a.
Export taxes	n.a.

ISLAMIC REPUBLIC OF AFGHANISTAN

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Foreign exchange for most private purposes may be acquired in the money bazaar from money changers licensed by the DAB or from licensed commercial banks.
Trade-related payments	n.a.
Investment-related payments	n.a.
Payments for travel	n.a.
Personal payments	n.a.
Foreign workers' wages	n.a.
Credit card use abroad	n.a.
Other payments	n.a.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	n.a.
Surrender requirements	n.a.
Restrictions on use of funds	n.a.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Controls are applied based on the Anti-Money Laundering Law.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	n.a.
On money market instruments	Capital Notes (issued by the DAB) auctions are restricted to commercial banks and licensed money changers.
<i>Purchase locally by nonresidents</i>	Yes.
On collective investment securities	n.a.
Controls on derivatives and other instruments	n.a.
Controls on credit operations	
Commercial credits	n.a.
Financial credits	
<i>By residents to nonresidents</i>	n.a.
<i>To residents from nonresidents</i>	For these transactions, banks need prior DAB approval.

ISLAMIC REPUBLIC OF AFGHANISTAN

Guarantees, sureties, and financial backup facilities	n.a.
Controls on direct investment	n.a.
Controls on liquidation of direct investment	n.a.
Controls on real estate transactions	n.a.
Controls on personal capital transactions	n.a.
References to legal instruments and hyperlinks	Investment Law; Transfer of Property Law; Banking Law; Anti-Money Laundering Law.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	These transactions require prior approval of the DAB (based on the Banking Law).
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	n.a.
<i>Interest rate controls</i>	n.a.
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	n.a.
Open foreign exchange position limits	Individual currency limitations are $\pm 20\%$ of regulatory capital for convertible currencies and $\pm 5\%$ of regulatory capital for nonconvertible currencies. The overall limitation is $\pm 40\%$ for all currencies and $\pm 10\%$ for nonconvertible currencies.

Provisions specific to institutional investors

Insurance companies	The Insurance Law passed by the Cabinet in December 2005 does not contain any currency-matching regulations.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
Pension funds	n.a.

ISLAMIC REPUBLIC OF AFGHANISTAN

Investment firms and collective investment funds	<p>The DAB is exclusively responsible for the regulation and supervision of securities service providers in accordance with the objectives specified.</p> <p>The DAB may supervise securities service providers and may according to regulation (1) subject securities service providers to prudential conditions and requirements under which securities services or any category of such services may be provided, including conditions and requirements designed to facilitate supervision by the DAB of securities service providers and to preserve the safety of the assets entrusted by the public to their care; (2) require securities service providers to report transactions exceeding in value a minimum amount set by the regulation to the Department of Agency of the State, designated by the regulation for that purpose; and (3) require that the funds and securities owed by a securities service provider (other than a bank) to its customers be segregated from the funds and securities credited to the accounts of other customers and from the assets and liabilities of that securities service provider. No such funds or securities may be used to discharge liabilities of other customers or liabilities of that securities service provider.</p>
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	Insurance Law (2005); DAB Law, Chapter 10; Banking Law.

Changes during 2006

Arrangements for payments and receipts	<i>July 31.</i> The inoperative bilateral payments arrangement with Russia has been superseded following the Paris Club rescheduling agreement.
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ALBANIA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with Albania states that as of July 10, 2006, Albania's exchange rate arrangement was free from exchange restrictions and multiple currency practices subject to Fund jurisdiction under Article VIII. However, the country still availed itself of the transitional arrangements under Article XIV and maintained exchange restrictions in the form of outstanding debit balances on inoperative bilateral payment agreements, which were in place before Albania became a Fund member. These relate primarily to debt in nonconvertible and formerly nonconvertible currencies, which the authorities are working to resolve by mid-2007 for official creditors, and by end-2007 for private sector creditors. (Country Report No. 06/286)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Albania is the Albanian lek.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the lek is determined on the basis of supply and demand in the foreign exchange market. The Bank of Albania (BOA) intervenes occasionally in the exchange market only to smooth excessive fluctuations of the exchange rate and to meet foreign currency reserve targets. The BOA may also intervene to ensure that the exchange rates reflect macroeconomic fundamentals. The BOA calculates and announces the daily average exchange rates for the dollar and 10 other major currencies and the prices of gold and silver. No margins are set between buying and selling rates for the official exchange rate, but commercial banks charge commissions ranging from 0.2% to 2%, depending on the amount, for cashing traveler's checks. Government transactions are conducted at market rates.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

Law No. 8269 of December 23, 1997, on the Bank of Albania; Regulation on the Procedure of Intervention of the Bank of Albania in the Domestic Foreign Exchange Market; www.bankofalbania.org.

Arrangements for Payments and Receipts

Prescription of currency requirements

Payment for all merchandise trade is made in convertible currencies. All transactions under bilateral payments agreements were suspended in 1992, and the settlement of clearing accounts is awaiting the outcome of negotiations. All contracts denominated and payable in foreign currencies are valid.

Controls on the use of domestic currency

n.a.

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Use of foreign exchange among residents	n.a.
Payments arrangements	
Clearing agreements	Albania maintains outstanding balances under inoperative bilateral clearing agreements in nonconvertible currencies with Bulgaria, Cuba, the Democratic People's Republic of Korea, Poland, and Vietnam. Albania also maintains outstanding balances under inoperative bilateral clearing agreements in convertible currencies with Algeria, Bulgaria, Cuba, Egypt, Greece, the Democratic People's Republic of Korea, the Republic of Montenegro, the Republic of Serbia, and Vietnam.
Administration of control	<p>The BOA is vested with the powers to administer exchange controls. The BOA is the only authority that has the right to (1) license, authorize, regulate, supervise, and revoke the licenses of foreign exchange market participants, as well as second-tier banks; (2) define the limits of their activities; and (3) regulate and supervise foreign exchange operations and international payments in order to prevent any participant from dominating the market and undermining the value of the lek through speculation.</p> <p>In accordance with anti-money laundering legislation, banks are required to maintain records of all cash transactions in excess of the equivalent of lek 2 million and of all other transactions in excess of lek 20 million, and to report these to the authority in the MOF responsible for the prevention of money laundering.</p>
Payments arrears	
Official	Albania has outstanding debit balances under inoperative bilateral agreements with Algeria, Cuba, Greece, the Republic of Montenegro, Poland, the Republic of Serbia, and Vietnam. Arrears with Hungary, the Czech Republic, the Slovak Republic, and Romania have been rescheduled.
Private	Albania has incurred private payments arrears with creditors (banks and companies) in Austria, Belgium, the Czech Republic, Denmark, Greece, India, the Netherlands, Sweden, Switzerland, and the United Kingdom. An agreement has been reached to reschedule arrears to private creditors in Germany. Arrears with private creditors in the former Yugoslav Republic of Macedonia have been rescheduled.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	n.r.
On external trade	<p>Residents and nonresidents may transfer standardized gold and precious metals to and from Albania only through entities specially licensed by the BOA.</p> <p>Residents and nonresidents are entitled to transfer nonstandardized gold and precious metals to and from Albania, subject to documentary requirements regarding the source; the purpose of the transfer; the quantity; and whether the transfer involves the returning of the precious metals and, if so, the form in which they should be returned. There is no requirement for transfers of jewelry for personal use.</p>
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Natural and juridical persons are allowed to take out up to lek 50,000 a person in banknotes and coins. The BOA may authorize larger amounts.
<i>Foreign currency</i>	Foreign natural persons may take abroad in cash or traveler's checks foreign exchange in an amount equal to the amount declared when entering the country. Albanian natural or juridical persons are not allowed to export amounts larger than lek 3.5 million or its equivalent. For export of amounts larger than lek 1 million or its equivalent, a declaration of the source is required.
On imports	
<i>Domestic currency</i>	Natural and juridical persons are allowed to import up to lek 50,000 in domestic banknotes and coins. The BOA may authorize larger amounts.

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Foreign currency

On entering or exiting Albania, resident and nonresident individuals are required to declare cash, traveler's checks, precious stones or metals, and antiques valued at lek 1 million or more.

References to legal instruments and hyperlinks

Regulation No. 64 on Foreign Exchange Activities, dated July 30, 2003;
www.bankofalbania.org.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Regulation No. 64 on Foreign Exchange Activities, dated July 30, 2003, amended by decision of the Supervisory Council of the Bank of Albania, dated December 12, 2003;
www.bankofalbania.org.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

Letters of credit

Yes.

Import licenses used as exchange licenses

Yes.

Other

For imports equal to or larger than the equivalent of lek 3.5 million, the following documents must be submitted: (1) an application for carrying out the transaction as well as a declaration specifying in detail the nature of the transaction; (2) a contract and an invoice (or a pro forma invoice) issued by the natural or juridical person supplying the goods; (3) a declaration that the underlying document has not been used to support previous transactions, which is to be issued by the natural or juridical person wishing to carry out the transaction with the bank; and (4) a customs clearance document (within 3 to 12 months, depending on the settlement of the invoice).

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Import licenses and other nontariff measures

Positive list	Yes.
Open general licenses	Yes.
Licenses with quotas	Automatic licensing restrictions are applied on fuel products to support the implementation of domestic technical standards.
Other nontariff measures	The import of the following products is prohibited: (1) dangerous waste, such as toxic corrosives, residual waste from explosives, and radioactive materials; (2) military poisons, chemical weapons, and other strong poisons; (3) narcotics and psychotropic substances; and (4) animal products from countries with cases of livestock diseases.

Import taxes and/or tariffs

Excise taxes on domestic and imported goods are unified. Customs tariffs are applied to the c.i.f. value at rates of zero, 2%, 5%, 10%, and 15%. Effective January 1, 2006, a new customs tariff rate of 8% (previously, 6%) applies to the c.i.f. value.

State import monopoly

No.

References to legal instruments and hyperlinks

Law No. 9461, dated December 21, 2005, for the Nomenclature of Goods and Custom Tariffs; Guideline No. 7, dated December 21, 2005, on the Value-Added Tax of the Ministry of Finance.

Exports and Export Proceeds

Repatriation requirements

All private and public companies or individuals operating in the export sector are required to repatriate their foreign exchange receipts.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Export bans apply on copper and articles made thereof; works of art; arms and ammunitions, as well as their parts and accessories; and explosives and pyrotechnic products.

Without quotas

Yes.

Export taxes

No.

References to legal instruments and hyperlinks

Guideline No. 3, dated January 30, 2006, on the Value-Added Tax of the Ministry of Finance.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Supporting documents are required for transactions exceeding the equivalent of lek 3.5 million, including on the reasons for the transfer, the source of funds, and the payment of taxes.

Trade-related payments

Indicative limits/bona fide test

Yes.

Investment-related payments

Indicative limits/bona fide test

Yes.

Payments for travel

Indicative limits/bona fide test

Yes.

Personal payments

Indicative limits/bona fide test

Yes.

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Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Regulation No. 64 on Foreign Exchange Activities, dated July 30, 2003, amended by Decision No. 101, dated December 10, 2003; www.bankofalbania.org .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Regulation No. 64 on Foreign Exchange Activities, dated July 30, 2003, amended by Decision No. 101, dated December 10, 2003; www.bankofalbania.org .

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Purchases of these instruments abroad by residents may be conducted through entities licensed by the BOA, subject to documentary requirements. For prudential reasons and money laundering prevention, the BOA monitors and reviews these transactions.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.

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Controls on derivatives and other instruments

Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.r.

Controls on credit operations

Commercial credits	
<i>By residents to nonresidents</i>	Yes.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Yes.

Controls on direct investment

Outward direct investment The regulations governing capital and money market instruments apply.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents	The regulations governing capital and money market instruments apply.
Purchase locally by nonresidents	Controls relate only to the purchase of land.

Controls on personal capital transactions

Loans	The regulations governing capital and money market instruments apply.
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	These transactions are subject only to anti-money laundering regulations.
Gifts, endowments, inheritances, and legacies	
<i>To residents from nonresidents</i>	These transactions are subject only to anti-money laundering regulations.

References to legal instruments and hyperlinks

Regulation No. 64 on Foreign Exchange Activities, dated July 30, 2003, amended by Decision No. 101, dated December 10, 2003; www.bankofalbania.org.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)	Lending is subject to capital controls.
Differential treatment of deposit accounts held by nonresidents	
<i>Credit controls</i>	Yes.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.

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Open foreign exchange position limits The limit is 20% of the bank's capital for a single currency and 30% for all currencies.

Provisions specific to institutional investors

Insurance companies n.r.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks

Regulation on Credit Risk Management, applicable as of August 5, 2004; Regulation on Foreign Exchange Activities; Instruction No. 69 on Reporting of Foreign Exchange Transactions, as of August 23, 2003.

Changes during 2006

Imports and import payments *January 1.* The customs tariff rate was increased to 8% from 6% of the c.i.f. value.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 15, 1997.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks Ordinance 03-11 of August 26, 2003, on Money and Credit (Articles 62 and 127); Regulation 95-08 of December 23, 1995, on the Exchange Market; Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Exchange Arrangement

Currency The currency of Algeria is the Algerian dinar.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The external value of the Algerian dinar is determined in the interbank foreign exchange market, where the CB is the main buyer and seller. No margin limits are imposed on the buying and selling exchange rates in this market. However, a margin of DA 0.015 has been established between the buying and selling rates of the Bank of Algeria (BA) for the Algerian dinar against the dollar.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Authorized banks may provide forward cover to clients. However, they may cover the resulting positions only through foreign currency loans to nonfinancial entities.

References to legal instruments and hyperlinks Regulation on Foreign Investment, June 6, 2005.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements with countries with which no payments agreements are in force are made in convertible currencies. Payments under foreign supply contracts may be made in either the currency in use at the headquarters of the supplier or that of the country of origin of the merchandise, except for transactions with Morocco, which may be effected in dollars through special clearing accounts maintained at the CBs of each country.

Controls on the use of domestic currency All invoicing and sales of goods and services in the national customs territory must be in Algerian dinars, except as provided by the prevailing regulations (Art. 5 of Regulation 07-01).

For current transactions and payments Yes.

For capital transactions n.a.

Use of foreign exchange among residents n.a.

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Payments arrangements

Bilateral payments arrangements

Operative n.a.

Inoperative n.a.

Clearing agreements

Specified commercial settlements with Morocco and Tunisia are made through a Moroccan dirham account at the Bank of Morocco and a Tunisian dinar account at the Bank of Tunisia.

Administration of control

The Council on Money and Credit (monetary authority) delegates implementation of the exchange regulations to banks and financial institutions, which are exclusively authorized to handle foreign trade and exchange operations. The financial services of the Algerian Post Office are authorized, within the limits of the powers devolved to them by law (the law applicable to these services), to make some payments and transfers and repatriations of funds. The BA provides ex post control to ensure the legitimacy of transactions.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents may purchase, hold, and sell gold coins in Algeria for numismatic purposes. Unworked gold for industrial and professional use is distributed by the Agence nationale pour la distribution et la transformation de l'or et des autres métaux précieux (AGENOR); this agency is also authorized to purchase gold in Algeria and to hold, process, and distribute other precious metals.

On external trade

AGENOR is authorized to import and export precious metals, including gold. Gold used by dentists and goldsmiths is imported by AGENOR. Gold and other precious metals are included on the list of items importable by concessionaires.

Controls on exports and imports of banknotes

On exports

Unless expressly authorized by the BA, the export and import of any means of payment denominated in domestic currency is prohibited. However, travelers are authorized to export and/or import banknotes and coins in Algerian dinars up to an amount set by instruction of the BA.

Domestic currency

Resident travelers may take out up to DA 200 a person.

Foreign currency

Nonresident travelers may reexport any foreign currency they declared on entry, less any amounts legitimately surrendered to authorized intermediaries and exchange bureaus. Resident travelers may export foreign currency withdrawn from their foreign currency accounts up to €7,642.25 a trip for an unlimited number of trips a year.

On imports

Domestic currency

Resident travelers may reimport up to DA 200 a person. Residents are not permitted to bring in Algerian dinar banknotes.

Foreign currency

There are no restrictions on the importation of foreign banknotes or traveler's checks, but residents and nonresidents must declare any amount in excess of a threshold set by the BA when they enter Algeria.

References to legal instruments and hyperlinks

Regulation 91-03 of February 20, 1991, Governing Imports and Exports of Goods and Services; Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

These accounts may be freely credited with book transfers of convertible foreign exchange from abroad through the postal system, by banks in convertible foreign exchange that was

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imported and declared by the account holder on entry into the country, or with domestic book transfers from banks to accounts held by individuals. The accounts are remunerated at rates representing the average of the rates observed on the euro-currency market, not including margins between -2% and +1.25%, or for call deposits only, at rates representing the average of the overnight rates of either the discount rate or the monetary market rates prevailing in the country of the currency involved. Foreign exchange assets owned by banks and their clients are currently deposited in accounts at the BA, which manages these assets and pays interest on them. Accounts may be debited freely for book transfers abroad only through the banking system. They may also be debited for purchases of Algerian dinars, book transfers in dinars, and purchases of convertible foreign exchange that will be physically exported by the account holder.

Companies may also open foreign exchange accounts for receiving and making foreign exchange transfers, including the retained portion of their export proceeds. They may transfer funds in these accounts to other foreign exchange accounts, or use them to make payments in Algeria or abroad for goods and services needed for their activities.

Held abroad

No.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

These accounts are permitted in limited cases, such as for embassies.

References to legal instruments and hyperlinks

Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Nonresident Accounts

Foreign exchange accounts permitted

These accounts may be credited with foreign currency banknotes and other means of payment denominated in foreign currency, as well as other Algerian-dinar-denominated funds that meet all requirements for transfers abroad. They may be debited without restrictions to make transfers abroad, to export through withdrawals of foreign banknotes, and to make dinar payments in Algeria. These accounts are remunerated at the same rates as resident foreign exchange accounts. Foreign exchange assets owned by banks and their clients are currently deposited in accounts at the BA, which manages these assets and pays interest on them. These accounts may not show a debit balance.

Domestic currency accounts

Embassies and foreign firms in Algeria may open accounts without prior authorization for making and receiving payments in relation to other business activity. Accounts pay no interest and cannot be in overdraft.

Convertible into foreign currency

Yes.

Approval required

Outward transfers require individual approval from the BA.

Blocked accounts

Individual suspense accounts may be opened without authorization and may be credited with payments from any country.

References to legal instruments and hyperlinks

Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Payments for imports of gold, other precious metals, and precious stones must be made from foreign currency accounts. External borrowing by importers for import financing purposes must be arranged through an authorized intermediary bank.

Advance payment requirements

Except when otherwise indicated by the BA, down payments for imports may not exceed 15% of the total value of imports. When a public agency, public enterprise, or ministry incurs

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	expenditures for imports deemed to be urgent or exceptional, the bank may effect payment before exchange and trade control formalities have been completed.
Advance import deposits	Although not mandatory, domiciled banks may require from the importer, as part of their normal commercial operations, a deposit in Algerian dinars up to the full value of the imports.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	All imports are subject to obligatory domiciliation at an authorized intermediary bank, which an importer must establish by submitting to an authorized bank a commercial contract or pro forma invoice. Import payments may be made freely but only through the domiciled bank, which effects payments in foreign exchange and debits the importer's account with corresponding amounts in Algerian dinars valued at the official exchange rate.
Preshipment inspection	Yes.
Letters of credit	Yes.
Other	Importers willing to insure merchandise or capital goods transported by air or sea must purchase insurance from authorized Algerian insurers. However, this requirement does not apply to the following: (1) gift items; (2) material and equipment imported under the temporary admission regime; (3) goods, including capital goods, financed by international and regional institutions; and (4) goods imported under an agreement that renders the vendor liable for transportation risks.
Import licenses and other nontariff measures	
Negative list	There are no legal restrictions against imports from Israel, but there are no such imports in practice. A small number of imports are prohibited for religious or security reasons.
Other nontariff measures	Juridical and natural persons registered under the Commercial Register (including dealers and wholesalers) and having the required minimum capital may import goods and services without prior authorization.
Import taxes and/or tariffs	Imports are subject to tariffs of zero, 5%, 15%, and 30%. A temporary additional duty on certain categories of imports was introduced in July 2001, initially at 60% and reduced annually by 12 percentage points starting January 1, 2002. On January 1, 2005, this duty was reduced to 12% and it was eliminated January 1, 2006.
State import monopoly	No.
References to legal instruments and hyperlinks	Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Exports and Export Proceeds

Repatriation requirements	For all exports, excluding hydrocarbons, proceeds must be repatriated within 120 days of delivery date of the goods.
Surrender requirements	
<i>Surrender to the central bank</i>	All export proceeds from crude and refined hydrocarbons, by-products from gas, and mineral products must be surrendered to the BA. Proceeds from hydrocarbon exports are considered to be surrendered when deposited in the BA foreign correspondent banks. The value date of the deposit is the payment due date indicated in the invoice and/or trade contract.
<i>Surrender to authorized dealers</i>	Fifty percent of proceeds from export of products other than crude and refined hydrocarbons, by-products from gas, and mineral products must be surrendered to the commercial banks; the remaining portion may be retained in a foreign currency account held in Algeria. Exporters may use the funds in these accounts for imports or other payments pertaining to their business, or they may transfer the funds to another foreign currency account.

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Financing requirements	No.
Documentation requirements	The requirements are enforced in accordance with the terms of the contract.
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.
Preshipment inspection	Yes.
Export licenses	All exports to Israel are prohibited, and certain exports are prohibited for social or cultural reasons regardless of destination.
Export taxes	No.
References to legal instruments and hyperlinks	Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Indicative limits/bona fide test Yes.

Investment-related payments

The transfer abroad of profits is permitted, but only through an authorized intermediary and provided tax obligations have been met. Authorized intermediaries review requests for transfers and execute without delay transfers of dividends, profits, and proceeds from the sale of foreign investments and attendance and percentage fees for foreign directors.

Payments for travel

Residents traveling abroad receive an annual foreign exchange allowance, and pilgrims traveling to Saudi Arabia receive an allowance in Saudi Arabian riyals; the amount may be provided in the form of checks that are cashed on arrival for those traveling by air or by sea. Tickets purchased by nonresidents for travel abroad must be paid for with imported foreign exchange.

Prior approval

Bona fide requests for amounts in excess of established limits are authorized on a case-by-case basis.

Quantitative limits

The limit for nonbusiness trips is DA 15,000 or its equivalent a person a year. For business trips, per diem and transport allowances, respectively, are (1) DA 16,000 and DA 10,000 for executives, (2) DA 12,000 and DA 8,000 for mid-level staff, and (3) DA 10,000 and DA 6,000 for technical staff. For nonbusiness trips, the BA reviews and approves all bona fide requests for foreign exchange above the established threshold.

Indicative limits/bona fide test

Yes.

Personal payments

Prior approval

Transfers of alimony payments are permitted, provided the arrangement was issued by an Algerian court and is enforceable in Algeria. BA authorization is required for payments relating to family support payments; limits are set on a case-by-case basis.

Quantitative limits

The limits for medical costs are the equivalent of DA 15,900 for adults and DA 7,600 for children under 15 years of age. The limit for studies abroad is DA 9,000 a month between September 1 and June 30. Bona fide requests for amounts in excess of these annual limits are subject to review and approval by the BA.

Indicative limits/bona fide test

Yes.

Foreign workers' wages

Subject to the laws and regulations governing the recruitment and employment of foreigners in Algeria, foreign workers recruited by the government and Algerian economic agents have the right to transfer savings from their wages under conditions established by instruction of the BA.

Indicative limits/bona fide test

Yes.

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Other payments	
<i>Prior approval</i>	Payments for imports of technical, economic, and scientific magazines and periodicals are made in the context of domiciliation procedures. Payments of subscription fees are made on presentation of a subscription contract at the domiciliation window.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Fifty percent of receipts must be surrendered to banks.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Regulation 07-01 of January 9, 2007, Regulating Current Transactions with the Rest of the World and Foreign Currency Accounts.

Capital Transactions

Controls on capital transactions	Residents may transfer capital abroad to finance activities that are complementary to those undertaken in Algeria. The Monetary and Credit Council sets the conditions for implementation of this article and issues authorization.
Repatriation requirements	Yes.
Surrender requirements	n.a.
Controls on capital and money market instruments	Nonresidents may invest in shares or other investment securities. Transfers abroad of proceeds from the sale of these investments on the stock exchange or the revenue generated by these investments are allowed, as long as they are conducted through an authorized intermediary.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	n.a.
<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.r.

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<i>Sale or issue locally by nonresidents</i>	n.r.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.r.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
Controls on credit operations	There are controls on all credit transactions, guarantees, sureties, and financial backup facilities.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Foreign direct investment is permitted freely except in certain specified sectors, provided it conforms to the laws and regulations governing regulated activities, and prior declaration is made to the authorities.
Controls on liquidation of direct investment	Proceeds from disinvestment following the closing or relocation of a business operation may be transferred abroad through authorized banks and financial intermediaries only up to the verified portion of the foreign investment out of the total liquidated investment.
Controls on real estate transactions	The regulations governing capital market instruments apply.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	n.a.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	n.a.
References to legal instruments and hyperlinks	Ordinance 03-11 of August 26, 2003, on Money and Credit (Article 126); Regulation 2000-03 on Foreign Investment; Regulation 2000-04 on Capital Transfers for Nonresident Portfolio Investment.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	n.a.
Lending locally in foreign exchange	Banks and financial institutions may on-lend foreign funds borrowed abroad.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Interest rate controls</i>	Yes.

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Differential treatment of deposit accounts held by nonresidents

Interest rate controls

Yes.

Open foreign exchange position limits

Banks and financial institutions are required to meet the following: (1) a maximum spread of 10% between their position (short or long) in each currency and the amount of their equity capital, and (2) a maximum spread of 30% between total exposure (short and long positions, whichever is highest) for all foreign currencies and their equity capital.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

n.a.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Imports and import payments

January 1. The temporary additional duty on certain imports was eliminated.

ANGOLA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Angola is the Angolan kwanza.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The exchange rate of the kwanza is market-determined. However, the Banco Nacional de Angola (BNA) intervenes actively in the foreign exchange market, to sterilize foreign currency inflows in the form of taxes paid by oil companies. Effective June 1, 2005, reflecting the stability of the kwanza exchange rate owing to BNA interventions, the de facto exchange rate arrangement of Angola was reclassified to a conventional pegged arrangement from managed floating with no predetermined path for the exchange rate. The BNA publishes a reference rate daily, which is computed as the transaction-weighted average of the day's rates negotiated with commercial banks. ADs (banks and exchange bureaus) are authorized to deal in foreign exchange among themselves and with their customers at freely negotiated rates.

Exchange tax Foreign exchange operations are subject to a stamp duty of 0.15%. Transactions between banking institutions or involving banknotes and traveler's checks are exempt from this duty.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Transactions with other countries may be made through bank transfers, LCs, or financing and banking agreements.

Use of foreign exchange among residents Yes.

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Payments arrangements

Bilateral payments arrangements

Operative

Agreements with Brazil, China, and Israel are in effect.

Administration of control

The BNA is the exchange authority and may delegate its powers to other entities that are authorized to engage in foreign exchange activities. All capital transactions and current invisible operations exceeding \$500,000 are subject to prior BNA authorization. The BNA has authorized banks and foreign exchange bureaus to carry out certain transactions in the foreign exchange market. Foreign exchange bureaus that are licensed to conduct foreign exchange transactions may deal only in banknotes and traveler's checks and execute current invisible operations of a private nature.

Payments arrears

Official

Yes.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents are permitted to hold and trade gold only in the form of jewelry.

On external trade

Imports and exports of gold in coin and bullion form are subject to BNA monopoly.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of domestic currency are prohibited.

Foreign currency

Effective January 10, 2006, residents may take out up to the equivalent of \$15,000 (previously, \$10,000) in foreign currency. Amounts exceeding this limit require proof of purchase from a bank, including clear statements regarding the reason for the purchase pursuant to the legislation in force. Nonresidents may take out up to \$15,000 (previously, \$5,000) in foreign currency; amounts exceeding this limit may be taken out up to the declared amount on submission of a copy of the customs declaration completed on arrival.

On imports

Domestic currency

Imports of domestic currency are effected only by the BNA.

Foreign currency

Effective January 10, 2006, residents may bring in up to the equivalent of \$15,000 (previously, \$10,000) in foreign currency or traveler's checks. Amounts in excess of this limit may be brought in with proof of the legal nature of the funds. For nonresidents, amounts in excess of \$15,000 (previously, \$5,000) must be declared to customs on arrival. Banking institutions are free to import banknotes and traveler's checks, but they must submit a monthly report to the BNA.

References to legal instruments and hyperlinks

Notice 1/06 of January 10, 2006.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

These accounts may be opened by resident individuals and legal persons.

Held abroad

For natural persons, no approval is required for holding these accounts. With BNA approval, juridical persons are allowed to open foreign exchange accounts abroad that may be credited with their export receipts and may be debited for payments for imports of goods and services and debt-service payments. With BNA authorization, diamond and other mineral companies are allowed to retain escrow accounts in banks abroad as a guarantee against foreign borrowing.

Approval required

Yes.

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Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be credited with foreign currency imported from abroad, with the accrued interest, or with sums from nonresidents' type A domestic currency accounts. They may be debited for the withdrawal or sale of foreign currency, payments for foreign currency expenditures, or the repatriation of amounts authorized by the BNA.
Domestic currency accounts	Nonresidents may open two types of domestic currency accounts: type A and type B. Type A accounts may be credited with the proceeds from sales of funds from foreign exchange accounts and, after obtaining prior BNA authorization, with receipts from the nonresident's activities in Angola. These accounts may be debited for payments of local expenses and against purchases of foreign currency to be deposited in a foreign currency account held by the same entity. Type B accounts may be credited only with receipts from the nonresident's activity in the country (when authorized by the BNA) and may be debited for payment of local expenses.
Convertible into foreign currency	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Preshipment inspection	Preshipment inspection is required in the following cases: (1) imports by government institutions and public companies, as well as any other merchandise selected by the National Directorate of Customs for preshipment inspection; (2) imports of new and used cars; light-duty, cargo, and passenger vehicles; yachts and other leisure or sports boats and vessels; any other motorized vehicle as well as their parts and accessories; scrap metal; and receivers and transistors for radiotelephone and radio or television broadcasting; and (3) imports by juridical and natural persons of goods valued at more than the equivalent of \$5,000 and \$10,000, respectively. Imports of goods valued between \$1,000 and \$10,000 must be registered with the preshipment inspection company for statistical purposes. Goods valued at less than \$5,000 and \$10,000 that do not require preshipment inspection may be imported only once every quarter.
Import licenses and other nontariff measures	
Negative list	The legal framework lists the goods that may not be imported, which include plants and animals from infected areas, toxic products, and certain drugs. There is a list of goods that require specific licenses from either the Ministry of Health, Industry, or Agriculture. Imports of arms and ammunition are subject to authorization by the Ministry of the Interior. Imports for specific purposes may be exempted from customs tariffs.

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Open general licenses	Imports must be registered under the REM (entry merchandise registration) system for statistical purposes.
Other nontariff measures	n.r.
Import taxes and/or tariffs	The tariff system consists of eight rates: 1%, 2%, 5%, 10%, 20%, 25%, 30%, and 35%.
Taxes collected through the exchange system	The 0.15% stamp tax is collected through the exchange system.
State import monopoly	Oil products and derivatives may be imported only by the public oil company. Arms and ammunition for warfare may be imported only by the state.
References to legal instruments and hyperlinks	Decreto-Lei No. 2/05.

Exports and Export Proceeds

Repatriation requirements	Foreign oil companies are allowed to retain their export receipts abroad for payment of imports of goods and services, interest and profits transfer, and the amortization of capital. These companies must use funds from abroad for payment of royalties, taxes, and local expenses.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Foreign exchange earnings from exports of goods and services by the non-oil sector must be surrendered to domestic banks. Diamond companies are allowed to retain in local banks the receipts from exports for payment for imports of goods and services. They may also retain part of their receipts abroad in escrow accounts, with BNA authorization, as a guarantee against foreign borrowing.
Financing requirements	No.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.
Preshipment inspection	Yes.
Export licenses	Exports are not subject to licenses, but must be registered under the RSM (exit merchandise registration) for statistical purposes. Reexports of goods other than personal belongings are prohibited. Exports of arms, ammunition, and cultural artifacts are prohibited. Special export regimes apply to aircraft, animals and animal products, works of art, and petroleum.
Export taxes	Export taxes consist of six rates: 1%, 2%, 3%, 4%, 5%, and 10%.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	
Trade-related payments	Service contracts with nonresidents in excess of \$500,000 or its equivalent are subject to licensing.
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	n.r.

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Investment-related payments	
<i>Prior approval</i>	Foreign investors are authorized by the BNA to remit profits and dividends, after payment of taxes and fulfillment of other legal requirements.
<i>Indicative limits/bona fide test</i>	n.r.
Payments for travel	
<i>Quantitative limits</i>	The noncumulative monthly limit on outward transfers, a person a trip, for personal travel or for business, health, educational, scientific, or cultural purposes, in accordance with the subcategories that include private transactions, is set at \$15,000 or its equivalent in other currency, up to a maximum of \$60,000 over a 12-month period. Submission of proof of boarding, or of a passport with an entry visa in the country of destination, and the travel ticket is required.
Personal payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Outward transfers are allowed up to \$15,000 a month or its equivalent in other currency, a person, up to a maximum of \$60,000 over a 12-month period, for expenses on maintenance of Angolans or foreigners residing abroad who are direct ascendants or descendants in the first degree of residents of Angola, with the submission of a certificate of residency and of documents proving the family relationship. Submission of proof of boarding, or of a passport with an entry visa in the country of destination, and the travel ticket is required.
Foreign workers' wages	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	n.r.
<i>Indicative limits/bona fide test</i>	n.r.
Credit card use abroad	Only banks may issue credit cards.
<i>Quantitative limits</i>	Use of credit cards abroad is limited to the equivalent of \$10,000.
<i>Indicative limits/bona fide test</i>	n.r.
Other payments	n.r.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Service earnings must be surrendered to a bank, unless the depositor is authorized by the BNA to retain a certain proportion of the proceeds.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	All capital transactions are subject to BNA licensing. Capital transactions must be conducted through banks and require BNA approval and issuing of a capital import or export license.
Repatriation requirements	n.a.
Surrender requirements	n.a.

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Controls on capital and money market instruments	Controls apply to all these transactions.
Controls on derivatives and other instruments	n.r.
Controls on credit operations	
Commercial credits	Operations are subject to prior licensing by the BNA for registration purposes only.
<i>By residents to nonresidents</i>	Suppliers' credits must be reported to the BNA for statistical purposes.
<i>To residents from nonresidents</i>	Suppliers' credits must be reported to the BNA for statistical purposes.
Financial credits	Financial credits are subject to licensing from the BNA.
Guarantees, sureties, and financial backup facilities	Controls apply to all these transactions.
Controls on direct investment	
Outward direct investment	Angolan citizens are permitted to invest abroad, in accordance with the Exchange Law.
Inward direct investment	Foreign investments are subject to the provisions of the Private Investment Law as well as foreign exchange laws and regulations, which are implemented by the National Agency for Private Investment. Special laws regulate investment in certain areas, including (1) oil and mineral exploration and (2) financial institutions. Foreign investment is prohibited in the following areas: (1) defense, domestic public order, and state security; (2) central banking and currency issue; and (3) other areas reserved for the state.
Controls on liquidation of direct investment	Foreign investors are guaranteed the right to transfer abroad the proceeds of the sale of investments, including gains and amounts owed to them after payment of taxes due.
Controls on real estate transactions	
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	Private Investment Law (2003); BNA Instruction 01/2003 of February 7, 2003.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending locally in foreign exchange	Banks may lend locally in foreign exchange.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	The reserve requirement for demand deposits in foreign and domestic currencies is 15%. The reserve requirement coefficient is calculated weekly, based on the average deposits held

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in the previous week. All required reserves must be settled in domestic currency. Up to 50% of the reserve requirement base may be held in direct public debt securities (treasury bonds and bills) with maturities of 65 days or longer. The coefficient of the reserve requirement for central government deposits in local currency is 100% and for local government deposits, 50%.

<i>Liquid asset requirements</i>	The liquid asset requirement is 50% of the foreign exchange portfolio.
Differential treatment of deposit accounts held by nonresidents	
<i>Credit controls</i>	n.r.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	Banks may hold daily foreign exchange positions of up to 20% of their own funds. Foreign exchange bureaus may hold active foreign exchange positions of up to 10 times their capital.
Provisions specific to institutional investors	
Insurance companies	n.r.
Pension funds	n.a.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	BNA Notice 06/2003 of February 7, 2003; BNA Notice 15/2003 of October 17, 2003.

Changes during 2006

Exchange arrangement	<i>August 1.</i> Effective June 1, 2005, the exchange rate arrangement of Angola was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.
Arrangements for payments and receipts	<i>January 10.</i> The limits for exports and imports of foreign currency banknotes were increased to \$15,000, from \$10,000 for residents and \$5,000 for nonresidents.

ANTIGUA AND BARBUDA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 22, 1983.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with UN Security Council resolutions, measures have been taken to freeze the assets of terrorists and terrorist organizations.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Antigua and Barbuda is the Eastern Caribbean dollar, issued by the ECCB.

Exchange rate structure

Unitary.

Classification

Currency board arrangement

Antigua and Barbuda participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar is pegged to the U.S. dollar, under a currency board arrangement, at EC\$2.70 per US\$1. Effective January 1, 2007, the exchange arrangement of the ECCU countries has been reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements with residents of member countries of CARICOM must be made either in the currency of the country concerned or in Eastern Caribbean dollars. Exports to Jamaica are settled in U.S. dollars. Settlements with residents of other countries may be made in any foreign currency or in Eastern Caribbean dollars.

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Controls on the use of domestic currency	
<i>For capital transactions</i>	
Transactions in derivatives and other instruments	n.r.
Use of foreign exchange among residents	Yes.
Payments arrangements	
Regional arrangements	Antigua and Barbuda is a member of CARICOM and the OECS.
Clearing agreements	Yes.
Administration of control	The MOF applies controls to all foreign exchange transactions.
Payments arrears	
Official	Yes.
Private	n.a.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports of domestic currency outside the ECCU are subject to limits prescribed by the ECCB.
<i>Foreign currency</i>	Yes.
On imports	
<i>Foreign currency</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	External accounts may be opened, especially in tourist-oriented industries or in export trade where receipts are primarily in foreign currency and a large number of inputs are imported or financed in foreign currency.
Held domestically	Commercial banks are required to report external accounts operations to the MOF on a monthly basis.
<i>Approval required</i>	Yes.
Held abroad	n.a.
<i>Approval required</i>	n.a.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

ANTIGUA AND BARBUDA

Nonresident Accounts

Foreign exchange accounts permitted	External accounts may be maintained in any currency and may be credited with receipts from sales of merchandise (whether from exports or local sales) or from remittances. Commercial banks are required to report external accounts operations to the MOF on a monthly basis.
Approval required	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Approval required	Yes.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	n.a.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Payments for authorized imports are permitted on application and submission of documentary evidence. All bona fide import payments are approved.
Domiciliation requirement	Yes.
Letters of credit	Yes.
Other	n.a.
Import licenses and other nontariff measures	Certain goods require individual licenses, unless imported from CARICOM countries. Antigua and Barbuda follows the CARICOM rules of origin.
Open general licenses	Most goods may be freely imported under OGLs granted by the MOF and the Ministries of Industry and Commerce. Nonautomatic licensing is applied on products subject to quantitative restrictions.
Licenses with quotas	Quantitative restrictions are applied to carbonated beverages, beer, stout, ale, and porter. In agriculture, quantitative restrictions are applied if there is domestic supply.
Other nontariff measures	n.a.
Import taxes and/or tariffs	Customs duty rates range from zero to 35% for nearly all items. The CARICOM CET is applied. As a result, tariffs on imports from CARICOM countries range from zero to 20%. There are no customs duties on a number of items, including milk and poultry. Some goods, including basic foods and agricultural goods, are exempt from customs duties. Other exemptions for machinery, equipment, and raw materials are granted on a case-by-case basis. There is a customs service charge with a maximum rate of 10%.
Taxes collected through the exchange system	n.a.
State import monopoly	There is a monopoly on imports of petroleum products.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	n.a.
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ANTIGUA AND BARBUDA

Financing requirements	n.a.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.
Other	Yes.
Export licenses	No.
Export taxes	Reexports are not subject to any tax if transactions take place within the bonded area.
Collected through the exchange system	n.a.
Other export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments for certain categories of invisibles (related to authorized imports) do not require prior MOF approval. Approval is granted for all bona fide payments for invisibles. No controls apply on payments for freight, insurance, unloading and storage costs, administrative expenses, commissions, and profits and dividends.
Investment-related payments	Profits may be remitted in full after compliance with corporate income tax payments. Verification is not applied in practice; the authorities, however, can decide to undertake such verification.
Personal payments	Information is not available on the transfer of pensions.
<i>Prior approval</i>	Payments related to family maintenance are permitted. Payments for alimony are allowed if provided for by contract.
<i>Quantitative limits</i>	Payments related to medical expenses and studies abroad are permitted.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Prior approval</i>	These remittances are allowed, if provided for in the contract.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	n.a.
Other payments	
<i>Prior approval</i>	Payments for consulting and legal fees are allowed, if provided for in the contract.
<i>Quantitative limits</i>	The limit for subscriptions and membership fees is EC\$10,000 a year.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.

ANTIGUA AND BARBUDA

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements n.a.

Surrender requirements n.a.

Controls on capital and money market instruments No.

Controls on derivatives and other instruments No.

Controls on credit operations

Financial credits

By residents to nonresidents MOF approval is required for lending to nonresidents by commercial banks.

Controls on direct investment

Outward direct investment Large transfers abroad for investment purposes may be made in phases over time by the financial secretary.

Controls on liquidation of direct investment No.

Controls on real estate transactions

Purchase locally by nonresidents An alien landholding license is required, and the purchase must be approved by the cabinet.

Controls on personal capital transactions

Transfer of gambling and prize earnings n.a.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions Under the laws governing offshore financial institutions (1) the International Financial Sector Authority was created, with responsibility for licensing offshore financial institutions; (2) annual inspections of offshore financial institutions are conducted; (3) the minimum capital requirement for offshore banks is the equivalent of US\$5 million, of which US\$1.5 million is to be deposited in the domestic banking system; (4) all directors of a bank are to be natural persons, at least one of whom must be a national of Antigua and Barbuda; and (5) offshore banks are allowed to extend credit to the Antiguan and Barbudan government.

Borrowing abroad n.a.

Maintenance of accounts abroad n.a.

Lending to nonresidents (financial or commercial credits) MOF approval is required for these transactions. Loans are not subject to a 3% stamp duty.

Lending locally in foreign exchange n.a.

Purchase of locally issued securities denominated in foreign exchange n.a.

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Investment regulations	n.a.
Open foreign exchange position limits	n.a.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the ECCU countries was reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

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(Position as of May 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 14, 1968.

Exchange Measures

Restrictions and/or multiple currency practices

Information is not publicly available.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Effective June 23, 2006, Argentina notified the IMF that it maintains restrictions in accordance with UN Security Council resolutions and European Council regulations, on the prevention of the financing of terrorism.

Other security restrictions

The Central Bank of the Argentine Republic (BCRA) has instituted a system for enforcing sanctions of this type, whereby financial and exchange institutions are required, in accordance with decrees issued by the Argentine executive branch pertaining to UN Security Council decisions on combating terrorism, to abide by the resolutions (and annexes thereto) issued by the Ministry of External Relations, International Trade, and Religious Affairs, once they are published in the Boletín Oficial.

References to legal instruments and hyperlinks

Consolidated regulation on prevention of financing terrorism (Communications A 4218 4273, 4273, 4342, 4384, 4425, 4459, 4521, 4548, and 4599, and C 40646).

The aforementioned provisions (in Spanish) are available at the institutional website of the CB (www.bkra.gov.ar) by searching for “normativa” and “textos ordenados” or “comunicaciones,” as applicable.

Exchange Arrangement

Currency

The currency of Argentina is the Argentine peso.

Exchange rate structure

Dual

All foreign exchange transactions must take place in the free and unified foreign exchange market (MULC), according to Decree 260/2002, Communication A 3471.

Beginning July 17, 2006, the exchange rate structure became dual as a result of a measure that exporters who failed to surrender their export proceeds within the prescribed period of time surrender the proceeds to the BCRA at the reference rate on the date of surrender or the reference rate on the day the surrender should have taken place, whichever is less favorable. Effective May 17, 2007, the measure was suspended.

Classification

Conventional pegged arrangement

Generally, the exchange rate of the Argentine peso is determined in the free and unified foreign exchange market (MULC) as a result of the free interplay of supply and demand. However, effective June 1, 2006, reflecting the stability of the peso exchange rate owing to the BCRA interventions, the de facto exchange rate arrangement of Argentina was reclassified as a conventional pegged arrangement from managed floating with no predetermined path for the exchange rate.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

There are three forward markets; transactions in these markets are settled by netting in domestic currency.

References to legal instruments and hyperlinks

Communication A 3471; Decree 260/2002; www.bkra.gov.ar.

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Arrangements for Payments and Receipts

Prescription of currency requirements	Transactions must be settled in freely convertible currencies.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	Argentina has agreements with Cuba, Malaysia, and the Russian Federation. Payments between Argentina and these countries are settled on a voluntary basis through accounts opened at the BCRA and the other CBs concerned, with the exception of Cuba, for which settlement through the accounts specified in the agreement concerned is obligatory.
Regional arrangements	Within the framework of the multilateral clearing system of the LAIA, payments between Argentina and other LAIA countries are settled voluntarily through payments agreements and a reciprocal credit mechanism.
Clearing agreements	Yes.
Administration of control	Exchange regulations are established by the BCRA in accordance with the policy set by the national executive. All exchange transactions must be carried out through specially authorized entities. These authorized entities include banks, exchange agencies, exchange houses, exchange offices, and financial companies. Each type of institution is subject to separate regulations.
Payments arrears	There have been no exchange restrictions on the payment of financial debts abroad since May 6, 2003 (Communication A 3944).
Official	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Sales of gold coins or bullion are subject to MULC exchange regulations.
On external trade	Imports of gold bars are not restricted. Imports of gold by industrial users are subject to a statistical duty of 0.5% and a sales tax. Exports of coins and precious metal coins exceeding US\$10,000 require BCRA approval and must be made through entities subject to supervision by the Superintendency of Financial and Exchange Entities.
Controls on exports and imports of banknotes	
On exports	
<i>Foreign currency</i>	Exports of foreign currency exceeding US\$10,000 require prior BCRA authorization and must be made through entities subject to supervision by the Superintendency of Financial and Exchange Entities.
On imports	
<i>Domestic currency</i>	Imports of domestic currency through outward transfers of foreign exchange are subject to BCRA approval if the amount exceeds US\$5,000 a calendar month.
<i>Foreign currency</i>	The only limitation relates to the nature of the transaction counterpart.
References to legal instruments and hyperlinks	Communication A 3661; Communication A 3826; Communication A 3940; Communication A 3944; www.bkra.gov.ar .

Resident Accounts

Foreign exchange accounts permitted	Authorized banks may open time deposit accounts in dollars and euros. Authorized banks may open deposit accounts in foreign currencies other than dollars with BCRA approval. In addition, they may accept deposits of public and private securities and term investments
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	in dollars and euros. In all cases, the appropriate identification requirements must be met (among other things, to prevent money laundering).
Held domestically	Yes.
<i>Approval required</i>	Authorized banks may open deposit accounts in foreign currencies other than dollars with BCRA approval.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	The regulations governing resident accounts apply.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payment for import of goods is permitted; however, there must be evidence that the goods have entered the national economy within 365 days of the advance payment or within 90 days of the spot payment (A 4605).
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Nonautomatic import licenses are required for paper products, toys, washing machines, footwear, carpets, bicycles, motorcycles, refrigerators, and stoves.
Negative list	Restrictions are in effect for security, hygiene, or public health reasons.
Open general licenses	OGLs are required for a limited list of products.
Licenses with quotas	Trade with Brazil in the automobile sector is subject to an administered trade agreement. Under bilateral agreements, there are quotas with preferential tariffs for automobile sector products.
Other nontariff measures	Nontariff barriers are not applied to intra-MERCOSUR trade. Argentina, however, applies a special regime to sugar imports with the authorization of MERCOSUR, pending agreement on a common regime for this sector. Imports of secondhand clothing, used and retreaded tires, and some used capital goods are prohibited, except by nonprofit organizations.
Import taxes and/or tariffs	Argentina and MERCOSUR apply a CET to imports from the rest of the world that encompasses all products. CET rates currently range from zero to 20%. Argentina is following a timetable for convergence with the CET by 2006 for a list of computer and

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telecommunications products. The national list of exceptions, in accordance with Decision 38/05, now covers 100 products, with a maximum tariff of 35%.

State import monopoly

No.

References to legal instruments and hyperlinks

Communication A 4605; www.bcr.gov.ar.

Exports and Export Proceeds

Repatriation requirements

Yes.

Surrender requirements

Surrender to the central bank

Effective May 17, 2007, the requirement that exporters who failed to surrender their export proceeds within the prescribed period of time surrender the proceeds to the BCRA at the reference rate on the date of surrender or the reference rate on the day the surrender should have taken place, whichever was less favorable, was suspended.

Surrender to authorized dealers

Export proceeds must be surrendered within certain time periods outlined in the MULC (A 3473, A 4361, and A 4404). Exceptions apply to hydrocarbon exports (Decree 2703/2002) and minerals (Decree 417/2003).

Financing requirements

No.

Documentation requirements

No.

Export licenses

Without quotas

Licenses are required for exports of arms, sensitive goods, and military materials.

With quotas

There are quantitative restrictions on exports of protected animal species.

Export taxes

Export duties ranging from 5% to 20% apply to all exports, except for some fuels, for which an export duty of 25% applies. However, this duty is subject to a surcharge based on the international price of oil.

References to legal instruments and hyperlinks

Communication A 3473; Communication A 3608; Communication A 3978; Communication A 3990; Communication A 4361; Communication A 4404; Communication A 4415; Communication A 4420; Communication A 4443; Communication A 3500; Decree 2703/2002; Decree 417/2003; www.bcr.gov.ar.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Yes.

Surrender requirements

Surrender to the central bank

Effective May 17, 2007, the requirement that exporters who failed to surrender their export proceeds within the prescribed period of time surrender the proceeds to the BCRA at the reference rate on the date of surrender or the reference rate on the day the surrender should have taken place, whichever was less favorable, was suspended.

Surrender to authorized dealers

All foreign currency proceeds received for exports of services are required to be sold in the MULC, net of withheld amounts or discounts made abroad by the customer, within 135 business days of receipt (Communications A 3473 and A 4361).

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Restrictions on use of funds

No.

References to legal instruments and hyperlinks

Communication A 3473; Communication A 3608; Communication A 4361; www.bcra.gov.ar.

Capital Transactions

Controls on capital transactions

Capital inflows are required to be sold in the MULC if the foreign exchange is from financial debt operations of the nonfinancial private sector and the financial sector.

A minimum retention period must be agreed on and the foreign exchange must be held for a minimum of 365 consecutive days.

New financial debt entering the local foreign exchange market and extensions of foreign debt by the resident financial sector and nonfinancial private sector entities (with the exception of primary issues of debt securities in public offerings) must be listed on self-regulated markets (Decree 616/05—Communication A 4359).

Unremunerated foreign currency deposits must be placed in local financial institutions in dollars and must cover 30% of the operation (the list of items is included in Communications A 4359, A 4377, and B 8599). Exceptions have been established by Communications A 4359, A 4377, A 4386, A 4427, A 4447, A 4507, A 4554, A 4574, B 8814, C 42303, C 42884, C 43075, C 44048, C 44670, and C 46394. The above legal documents give detailed rules of the provisions adopted through Decree 616/05, Ministry of Economy and Production Resolutions 365/05, 637/05, and 731/06.

As for outflows, resident individuals and legal entities not included in the financial sector may access the MULC, subject to monthly caps, to purchase foreign exchange for the following purposes: real estate investments abroad, loans to nonresidents, direct investment abroad by residents, portfolio investments abroad by individuals, other investments abroad by residents, portfolio investments abroad by legal entities, purchases of foreign banknotes for domestic holdings, and purchases of traveler's checks, portfolio investments in mutual funds, banknotes from mutual funds, and grants (Communication A 4306).

The monthly ceiling across all financial institutions is currently US\$2 million, which may be greater if the peso amount paid by customers to purchase foreign exchange for these various transactions does not exceed the peso equivalent of the sum of export duty payments plus three times the taxes on bank current account credits and debits paid by taxpayers to the Federal Public Revenue Administration during the second to last calendar month before the reporting month (Communication A 4128).

The MULC may be accessed under these rules and limits only if, on the date of access, there are no overdue foreign obligations pending for debt service of any kind. This condition is not applicable to purchases of banknotes and traveler's checks in amounts not exceeding the equivalent of US\$10,000 a calendar month (Communication A 4349).

These limits are waived for purchases of foreign assets for (1) cancellation of debts within 360 days of accessing the MULC (Communications A 4178 and A 4307), and (2) resident individuals and legal entities not included in the financial sector, provided the funds acquired over the above limits are used to underwrite primary issues of public securities by the national government in foreign currency.

The regulations for financial debt include Communication A 4177 and supplementary communication 4359; and financial derivatives Communication A 4285 and supplementary communications.

Sales of foreign exchange to nonresidents require prior BCRA approval if the amount exceeds US\$5,000 a calendar month except for (1) international organizations and official lending agencies, (2) income received within the country from current operations, (3) sale or liquidation of foreign direct investment in the nonfinancial private sector (within the limits established in Communication A 4129), and (4) portfolio investment inflows (within the limits established in Communication A 4129).

Repatriation requirements

Yes.

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Surrender requirements

Surrender to authorized dealers Foreign exchange proceeds from private sector external debt must be surrendered in the MULC within one year.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents A 30% unremunerated deposit requirement (URR) over a year applies, in accordance with Decree 616/2005.

Sale or issue locally by nonresidents Under the regulations of the National Securities Commission (CNV), foreign and Argentine issuers must meet the same requirements to make a public offering of securities in Argentina. Both must establish a permanent representative office and a domicile in Argentina to receive notices. Foreign issuers must state whether the securities are also being offered to the public in their country of origin and specify the initial and periodic information requirements to which they are subject. If the CNV believes that the regulations in the country of origin properly protect local investors and guarantee an adequate flow of information, the CNV may lower the requirements for these issuers. The CNV may authorize foreign issuers on a case-by-case basis to submit only such information as they are periodically required to submit to the corresponding authority in their jurisdiction of origin.

Issuers of public offerings of securities domestically and abroad must submit (in Spanish) to the CNV the same information required by the entities authorizing the public offering and listing abroad.

Purchase abroad by residents Yes.

Bonds or other debt securities

Purchase locally by nonresidents A 30% URR over a year applies, in accordance with Decree 616/2005.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Foreign exchange proceeds of issues abroad must be surrendered within one year (Communication A 3820). A minimum maturity requirement of 365 days also applies (except for primary issues of debt securities that are publicly offered and listed on self-regulated markets—Communication A 4359).

On money market instruments

The regulations governing bonds or other debt securities apply. In accordance with Communication A 4359, the only foreign borrowing operations with a maturity shorter than a year that may be carried out are primary issues of debt securities that are publicly offered and listed on self-regulated markets.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Foreign exchange proceeds of issues abroad must be surrendered (Communication A 3820).

On collective investment securities

The regulations governing bonds or other debt securities apply.

Sale or issue locally by nonresidents Approval by the CNV is required for public offerings.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Foreign exchange proceeds of issues abroad must be surrendered (Communication A 3820).

Controls on derivatives and other instruments

There are no limits on private financial and nonfinancial sector arrangements within the country related to operations involving futures in regulated markets and forward transactions, provided they are settled domestically by netting in domestic currency. Also, there are no limits on the following foreign transactions mentioned in Communication A 4285: (1) purchases of options to hedge variable-yield term deposits that comply with the requirements and modalities stated in point 2.5 of the rules on term deposits and investments, once they meet the approval requirement in point 2.5.3 of these rules; (2) foreign exchange hedging contracts by financial institutions to cover their own long positions in the general exchange position; (3) foreign exchange and interest rate hedging contracts by financial institutions and the nonfinancial private sector to cover foreign liabilities declared and

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validated in accordance with Communication A 3602 and related provisions; (4) commodity price hedging contracts by local exporters and/or importers providing coverage exclusively for Argentine foreign trade operations; (5) external financing transactions in the form of repos, provided they are arranged at the minimum terms applicable on the date of their negotiation—the minimum maturity for such transactions is 365 days; and (6) hedge contracts between foreign currencies by exporters to cover the risk of shipments pending payment.

The operations carried out with the rest of the world through the exchange market, to cover the transactions listed in points 1–6 above, may be executed only as follows: (1) in institutionalized markets in international financial centers; (2) with foreign banks that meet the requirements set out in point b of Communication A 3661 and relevant provisions; and (3) with financial institutions authorized under the regulations for this type of operation, if they are controlled by banks that meet the requirements in the preceding point.

Access to the foreign exchange market for the remaining futures, forward options, and other derivatives transactions and their subsequent payment is subject to BCRA approval.

One condition for accessing the MULC to pay premiums and/or establish the guarantee margins required in hedging contracts between foreign currencies, interest rates, and commodity prices is that the entity must join the MULC and sell, within five business days following the close of the operation, the proceeds earned by the domestic customer from such operations or from the release of the established guarantees.

Purchase locally by nonresidents
Sale or issue locally by nonresidents
Purchase abroad by residents

Yes.
Approval by the CNV is required for public offerings.

Yes.

Controls on credit operations

Financial credits

By residents to nonresidents

Yes.

To residents from nonresidents

Borrowing is allowed with a 365-day minimum indebtedness period. The incoming foreign exchange must be surrendered. If applicable, a nontransferable URR must be established covering 30% of the amount settled (Decree 616/05; Communication A 4359).

Controls on direct investment

Inward direct investment

The deposit and minimum retention time requirements do not apply to foreign exchange imported by nonresidents for direct investment in the country. Foreign exchange imported for direct investment covers only those amounts that nonresidents apply to direct investment in the country, and the amounts they use specifically to purchase domestic assets that qualify as direct investment, in accordance with internationally accepted international accounting terms, provided the importing institution can certify that the funds were specifically used in such transactions, based on its documentation.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

Purchases of real estate in border areas by foreign investors require prior approval for the project from the Border Superintendency of the Ministry of Defense, for national security reasons.

Controls on personal capital transactions

The rules governing legal entities apply.

Loans

By residents to nonresidents

Yes.

To residents from nonresidents

Borrowing is allowed with a 365-day minimum indebtedness period. The incoming foreign exchange must be surrendered. If applicable, a nontransferable URR must be established covering 30% of the amount settled (Decree 616/05; Communication A 4359).

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References to legal instruments and hyperlinks

Communications A 3602, 3712, 3820, 4129, 4177, 4285, 4359, 4377, 4386, 4427, and 4447; Communication A 4507; Communication A 4574; Communications B 8599 and 8814; Communications C 42203, 42884, 43075, 44048, 46670, and 46394; www.bcra.gov.ar.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

The regulations governing the nonfinancial sector apply.

Lending to nonresidents (financial or commercial credits)

Credits granted by financial intermediaries must be used in the country and must finance investment, production, commercialization, or consumption of goods and services for internal consumption or export.

Lending locally in foreign exchange

Regulations on the allocation of funds in foreign currencies establish that under certain conditions lending capacity from foreign currency deposits must be applied to any one of the following: (1) prefinancing and financing of exports to be made directly or through principals, trustees, or other brokers; (2) financing of investment projects, working capital, or goods that increase the value of or are related to the production of goods to be exported; (3) financing to manufacturers of goods to be exported, as final products or as part of other goods, by third party purchasers, provided such transactions are secured or collateralized in foreign currency by the third party purchasers; (4) financing to commercial borrowers importing capital goods that increase the production of goods to be sold domestically. Borrowers should show a capacity to withstand an exchange rate depreciation in at least two scenarios; (5) debt securities or financial trust participation certificates whose underlying assets are loans made by the above-mentioned financial entities; (6) loans made from one financial entity to another; and (7) foreign currency debt securities or financial trust participation certificates, publicly listed under an authorization by the National Securities Commission, whose underlying assets are securities bought by the fiduciary and guaranteed by reciprocal guarantee companies, in order to finance export transactions.

Lending capacity surpluses (exceeding the above-mentioned designations) produce an additional cash requirement in that currency to be held in cash or as deposits with the BCRA.

Purchase of locally issued securities denominated in foreign exchange

There are limits on the maximum amount of securities a bank may hold from a particular issuer; however, purchases of securities against delivery of assets require prior BCRA approval.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Demand deposits are subject to a cash requirement of 19% or 30%, depending on whether they are denominated in pesos or in foreign currency, respectively. Fixed-term deposits are subject to a differential requirement, depending on the deposit currency, that decreases according to the residual maturity.

Investment regulations

Abroad by banks

Transactions are prohibited by policies on general lending.

Open foreign exchange position limits

The overall foreign exchange position of financial institutions is made up of all the institution's liquid foreign assets; namely, gold coins and bullion, foreign currency notes, demand deposits in banks abroad, investments in foreign public securities issued by OECD member countries with a sovereign debt rating of at least AA, and banking correspondents' debit and credit balances. Also included are agreed purchases and sales of such assets pending settlement through exchange transactions with customers at terms of no more than 48 hours.

The upper limit of the overall foreign exchange position is recalculated monthly and the update takes effect on the first business day of each month. The limit on banks' dollar exposure is 15% of a bank's net worth (responsabilidad patrimonial computable—RPC) and the upper limit of the overall foreign exchange position is set at 15% at the end of the second to last month preceding the month of the deadline for submission of the foreign exchange to the BCRA, under the rules of the corresponding reporting regime. It is increased by 5% of the institution's turnover of foreign exchange purchases and sales to customers in the

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second to last preceding calendar month, and by 2% of total demand and term deposits established and payable domestically in foreign exchange, excluding deposits held in custody, reported by the institution at the close of the second to last preceding calendar month. If the maximum calculated is less than US\$5 million, this latter amount will be considered the lower limit of the established maximum. This lower limit will be increased by US\$7 million when the financial institution in question deals in foreign exchange and operates at 15 or more locations. In addition, and cumulatively, it is increased by a maximum of the equivalent of US\$2 million for holdings of banknotes in foreign currencies other than the U.S. dollar and the euro; up to a maximum of US\$1 million for checks drawn on foreign banks purchased from third parties and not yet credited to the correspondent accounts; and by up to a maximum of the equivalent of US\$3 million for the balances of dollar or euro banknotes remitted to the U.S. Federal Reserve or the European Central Bank that are still pending deposit 72 hours after their shipment (Communications A 3645, 4347, and 4552).

The negative overall net position in foreign exchange—as a monthly average of daily balances converted to pesos at the reference exchange rate—may not exceed 30% of the net worth (RPC) of the preceding month.

Excesses are subject to a charge of up to the equivalent of twice the accrued nominal annual interest rate resulting from auctions of BCRA instruments in dollars or twice the 30-day LIBOR for operations in dollars, as reported for the last working day of the relevant month, whichever is greater. The overall net position in foreign exchange includes total assets and liabilities from financial intermediation in foreign currency and in foreign currency securities (spot and forward transactions), including derivative contracts related to these items, items recorded in the foreign exchange position, deposits in such currency in accounts held at the BCRA, as well as gold holdings and BCRA bills in dollars. Also included are forward operations entered into under master agreements within self-regulated markets in the country under the cash settlement system, without physical delivery of the underlying asset.

The position in currencies other than dollars is expressed in the relevant currency by applying the exchange rate published by the BCRA.

This list excludes assets that are deductible for purposes of determining net worth (RPC).

The regulations governing the nonfinancial private sector apply.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

The limit is the greater of 50% of the capital requirement or 50% of net commitments. The Superintendency of Insurance (SSN) may approve exceptions to this limit (Point 35.4 of the Insurance Sector General Regulations—SSN Resolution 29,211).

Limits (max.) on investment portfolio held abroad

The limit is the greater of 50% of the capital requirement or 50% of net commitments. The SSN may approve exceptions to this limit (Point 35.4 of the Insurance Sector General Regulations—SSN Resolution 29,211).

Limits (min.) on investment portfolio held locally

This limit depends directly on the parameters established in the previous point.

Currency-matching regulations on assets/liabilities composition

Insurers with liabilities derived from insurance and reinsurance contracts payable in foreign currency are required to establish appropriate technical reserves in the same currencies or other allowed currencies, as determined by the supervisory authorities (Law 20.091, Article 33).

Pension funds

Limits (max.) on securities issued by nonresidents

Securities issued by nonresidents are subject to a limit of 25% of the total series of liabilities constituted through the issue or 2.5% of the total resources managed by the pension fund.

Limits (max.) on investment portfolio held abroad

The share of foreign instruments in the investment portfolio may not exceed 10% of the total resources managed by the pension fund.

Limits (min.) on investment portfolio held locally

A 5% limit applies to eligible funds for investment in debt securities, financial trust participation certificates, and assets or other debt securities for the purpose of financing medium- and long-term production or infrastructure projects in Argentina.

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<i>Currency-matching regulations on assets/liabilities composition</i>	There are no regulations because the system operates on a defined contribution basis, which does not create an asset-liability mismatch.
Investment firms and collective investment funds	Effective December 9, 2006, Resolution 731 of the Ministry of Economy and Production eliminated the 30% one-year required reserves when issuing trust securities in the primary market for infrastructure projects, as established in Decree 616/05.
<i>Limits (max.) on securities issued by nonresidents</i>	There is a 25% limit on investment for mutual fund portfolios in securities that are publicly offered outside the purview of the CNV, but this limit does not apply to MERCOSUR countries and Chile.
<i>Limits (max.) on investment portfolio held abroad</i>	There is a 25% limit on securities issued abroad (with the exception of MERCOSUR countries and Chile, which are considered local issues). If a subsidiary of a nonresident issues securities and requests authorization from the CNV to offer them publicly, the issue is considered local because the issue principle applies.
<i>Limits (min.) on investment portfolio held locally</i>	When a mutual fund consists of negotiable securities, a minimum of 75% of the investment must be made in assets issued and traded in Argentina, including those issued by MERCOSUR countries and Chile.
References to legal instruments and hyperlinks	Communications A 3645, 4347, and 4552; www.bcra.gov.ar .

Changes during 2006

Exchange measures	<i>June 23.</i> Argentina notified the IMF that restrictions had been imposed in accordance with UN Security Council resolutions and European Council regulations, on the prevention of financing terrorism.
Exchange arrangement	<i>June 1.</i> The exchange arrangement was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate. <i>July 17.</i> The exchange rate structure was reclassified to dual from unitary as a result of a measure that applied different exchange rate for surrender of foreign exchange proceeds after the due date.
Provisions specific to the financial sector	
Provisions specific to institutional investors	<i>December 9.</i> Resolution 731 of the Ministry of Economy and Production eliminated the 30% one-year required reserves when issuing trust securities in the primary market for infrastructure projects, as established in Decree 616/05.

Changes during 2007

Exchange arrangement	<i>May 17.</i> The requirement that exporters who failed to surrender their export proceeds within the prescribed period of time surrender the proceeds to the BCRA at the reference rate on the date of surrender or the reference rate on the day the surrender should have taken place, whichever was less favorable, was suspended.
Exports and export proceeds	<i>May 17.</i> The requirement that exporters who failed to surrender their export proceeds within the prescribed period of time surrender the proceeds to the BCRA at the reference rate on the date of surrender or the reference rate on the day the surrender should have taken place, whichever was less favorable, was suspended.
Proceeds from invisible transactions and current transfers	<i>May 17.</i> The requirement that exporters who failed to surrender their export proceeds within the prescribed period of time surrender the proceeds to the BCRA at the reference rate on the date of surrender or the reference rate on the day the surrender should have taken place, whichever was less favorable, was suspended.

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(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 29, 1997.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Financial transactions are restricted and accounts are frozen if they involve individuals or organizations included in the lists of terrorists maintained pursuant to (1) the relevant UN Security Council resolutions and (2) the list of current terrorist organizations designated by the U.S. Secretary of State.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Armenia is the Armenian dram.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

Effective January 1, 2006, the Central Bank of Armenia (CBA) pursues a policy of implicit inflation targeting (IT) with the objective of moving to a full-fledged IT over the medium-term. The refinancing interest rate is the operational target and the CBA intervenes in the foreign exchange market only for smoothing excessive exchange rate volatility. Foreign exchange transactions take place in the interbank and stock exchange markets. The CBA acts mainly in the stock exchange market. Since May 2006, the CBA increased the size and frequency of interventions in an effort to resist appreciation. As a result, the exchange arrangement has been reclassified, effective June 1, 2006, to the category managed floating with no predetermined path for the exchange rate from the category independently floating.

Purchases and sales of foreign currency may be implemented through foreign exchange entities licensed by the CBA, including banks, foreign exchange dealers, credit institutions, and foreign exchange bureaus; or, in the case of the government, through the CBA itself, which acts as the government's financial agent. Foreign exchange entities carry out foreign exchange transactions by setting their own buying and selling rates for major currencies against the dram without any restrictions.

The exchange rate of the dram against the U.S. dollar is determined on the basis of exchange rates prevailing in the interbank and intrabank markets and in the stock exchange on the previous day. The official exchange rate is set as the weighted average of the foreign exchange market buying and selling rates. The official exchange rate is used for accounting purposes and for those treasury operations that are connected with external debt services or create new external obligations. Foreign exchange entities use the official exchange rate of the CBA for bookkeeping and revaluation purposes.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Residents and nonresidents may freely negotiate forward exchange contracts for both commercial and financial transactions in all leading convertible currencies in the domestic exchange market and at major international foreign exchange markets. However, for the time being, the forward exchange market in Armenia is still undeveloped, although some

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banks sign forward contracts in small amounts. The CBA conducts foreign exchange swaps as a short-term instrument.

References to legal instruments and hyperlinks

The Civil Code of the Republic of Armenia, effective May 5, 1998; the Law of the Republic of Armenia on Foreign Investments, effective July 31, 1994; the Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; the Law of the Republic of Armenia on the Central Bank of Armenia, effective June 30, 1996; the Law of the Republic of Armenia on Banks and Banking, effective June 30, 1996; the Law of the Republic of Armenia on Credit Organizations, effective May 29, 2002; Justification for the Adoption of Inflation Targeting Strategy by the Central Bank of Armenia, 2006; CBA announcement on the Central Bank Operations in the Financial Market, May 1998; Regulation 10, Licensing, Regulation, and Control of Foreign Exchange Purchase and Sale Operations, approved by CBA Executive Board Resolution 436-S December 20, 2002; Regulation 11, Licensing, Regulation, and Control of Foreign Exchange Trading in Armenia, approved by CBA Executive Board Resolution 69 March 19, 2002; Regulation 12, Licensing and Regulation of Foreign Exchange Dealer Trading, approved by CBA Executive Board Resolution 437-S December 17, 2002; www.cba.am; www.parliament.am.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

Under the new foreign exchange law, prices of and payments for goods, services, wages, and investments in statutory and share capital of legal entities are quoted and made, respectively, in drams only; prizes are advertised and paid out in drams also. However, the following may be denominated and transacted in foreign currency: (1) gifts, donations, and bequests; (2) noncash payments for non-trade-related transactions; and (3) noncash payments for current and capital account transactions between legal entities, between sole entrepreneurs, and between legal entities and sole entrepreneurs. Nonresident natural persons and residents are prohibited from using foreign exchange as a means of payment within Armenia.

Payments arrangements

Bilateral payments arrangements

Inoperative

Armenia maintains agreements with the Russian Federation and Turkmenistan.

Regional arrangements

Armenia is a signatory of the 1993 Treaty of Economic Union (with Azerbaijan, Belarus, Kazakhstan, the Kyrgyz Republic, Moldova, the Russian Federation, Tajikistan, and Uzbekistan), which provides for the eventual establishment of a customs union, a payments union, and cooperation on investment, industrial development, and customs procedures. Armenia also joined the Agreement on the Establishment of a Payments Union of CIS member countries. Armenia is a member of the Black Sea Economic Cooperation pact, together with Albania, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, the Russian Federation, Turkey, and Ukraine. Bilateral free trade agreements have been signed with Georgia, the Kyrgyz Republic, Moldova, the Russian Federation, Tajikistan, and Ukraine, though only the agreement with the Russian Federation is in operation. Armenia is a European Asian Economic Community observer.

Clearing agreements

There is an arrangement with Turkmenistan for the importation of natural gas. In addition, there are bilateral clearing agreements with the Baltic countries, the Russian Federation, and the other countries of the FSU, but all have become largely inoperative.

Administration of control

The CBA is the main body that formulates and administers exchange rate policy and issues foreign exchange regulations within Armenia. The CBA also has overall responsibility for currency control, in close collaboration with the Ministry of Finance and Economy (MOFE) and State Tax Service (STS). The CBA is responsible for control over the entities licensed by the CBA, including banks, foreign exchange dealers, credit institutions, foreign exchange bureaus, and other financial entities. The MOFE is responsible for supervision and control over the entities licensed by the MOFE. The STS is responsible for supervision and control over the activities of all other agents.

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Payments arrears

Private n.a.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes

On exports Individuals are authorized to transfer, deliver, and export securities and any cash currency, in both drams and foreign exchange, up to dram 5 million or the equivalent of \$14,000 without any restriction. Exports of currency exceeding that amount are permitted through bank transfers.

Domestic currency Yes.

Foreign currency Yes.

References to legal instruments and hyperlinks

The Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; CBA Board Resolution 386-S on Export and Import of Currency Values, effective July 29, 2005; www.cba.am.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad Yes.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks

The Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; the Law of the Republic of Armenia on Banks and Banking, effective June 30, 1996; www.cba.am.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks

The Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; the Law of the Republic of Armenia on Banks and Banking, effective June 30, 1996; www.cba.am.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

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Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Import licenses from the Ministry of Agriculture and the Ministry of Health are required and granted on a case-by-case basis to import drugs and other pharmaceuticals and pesticides. Imports of weapons, military equipment and parts, and explosives require special authorization from the government.
Import taxes and/or tariffs	There are two rates of customs duties: zero, which applies to most imports, and 10%, which applies to a variety of new materials and manufactured products. Products imported from countries in the CIS are exempt from import tariffs.
State import monopoly	No.
References to legal instruments and hyperlinks	The Customs Code of the Republic of Armenia, Article 102, effective July 6, 2000; www.parliament.am ; www.customs.am .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Export permits are required for medicines, wild animals, and plants. In addition, special government permission is required for the export of nuclear technology, nuclear waste, related nonnuclear products, and technology with direct military applications. Minimum threshold prices for the export of ferrous and nonferrous metals and the reexport of foreign-produced goods remain in force.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	The Law of the Republic of Armenia on Currency Regulation and Currency Control , effective June 28, 2005; the Customs Code of the Republic of Armenia, Article 102, effective July 6, 2000; www.cba.am ; www.parliament.am .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	The Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; the Law of the Republic of Armenia on Banks and Banking, effective June 30, 1996; www.cba.am .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	The Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; www.cba.am .

ARMENIA

Capital Transactions

Controls on capital transactions	Except for real estate, currently, there are no controls on capital transactions. However, the CBA reserves the right to impose capital controls in order to maintain the stability of the financial system, prevent money laundering and terrorist financing, and lower economic risks.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Nonresidents are prohibited by the constitution from acquiring land in Armenia.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	The Constitution of the Republic of Armenia (with amendments), Article 31, effective July 5, 1995; the Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; the Law of the Republic of Armenia on Banks and Banking, effective June 30, 1996; the Law of the Republic of Armenia on Securities Market Regulation, effective July 6, 2000; www.cba.am ; www.parliament.am .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

A uniform 8% reserve requirement applies to deposits by residents and nonresidents in both foreign and domestic currency. Effective January 1, 2007, the reserve requirement is remunerated at an annual interest rate of zero (previously, 3%).

Open foreign exchange position limits

Effective April 1, 2007, the limits on commercial banks' open foreign exchange position were removed. Previously, the following limits applied to the gross foreign exchange position of commercial banks with respect to capital: (1) position in convertible currencies, 15%; (2) position in nonconvertible currencies, 5%; and (3) position in any currency, 10%.

Provisions specific to institutional investors

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

The Law of the Republic of Armenia on Currency Regulation and Currency Control, effective June 28, 2005; the Law of the Republic of Armenia on Banks and Banking, effective June 30, 1996; the Law of the Republic of Armenia on Insurance Companies, effective June 11, 2004; www.cba.am; www.parliament.am.

ARMENIA

Changes during 2006

Exchange arrangement

January 1. The CBA began to pursue a policy of implicit inflation targeting with the objective of moving to full-fledged inflation targeting over the medium term. During this transition, elements of its previous monetary targeting strategy will be maintained. The new framework relies on the refinancing interest rate as its operational target, and interventions in the foreign exchange market are used only for smoothing excessive exchange rate volatility.

June 1. The exchange arrangement was reclassified to the category managed floating with no predetermined path for the exchange rate from the category independently floating.

Changes during 2007

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 1. The annual interest rate at which the reserve requirement is remunerated was reduced to zero from 3%.

April 1. The open foreign exchange position limits for commercial banks were removed.

ARUBA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with the Kingdom of the Netherlands—Aruba states that as of April 11, 2005, Aruba maintained a foreign exchange restriction arising from the foreign exchange tax on payments by residents to nonresidents. This tax, which amounts to 1.3% of the transaction value, was introduced when Aruba was part of the Netherlands Antilles, to generate revenue for the government. Aruba adopted it after gaining autonomy (*status aparte*) in 1986. Since then, it has served as a source of general tax revenue for the central government of Aruba. (Country Report No. 05/204)

International security restrictions

Other security restrictions Yes.

References to legal instruments and hyperlinks

State Ordinance Foreign Exchange Commission (AB 1990 No. GT 5); www.cbaruba.org.

Exchange Arrangement

Currency

The currency of Aruba is the Aruban florin.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

The florin is pegged to the dollar at Afl. 1.79 per \$1. The Centrale Bank van Aruba (CBA), the central bank, deals with local commercial banks within margins of 0.002795% on either side of parity.

Exchange tax

A foreign exchange commission of 1.3% applies on all payments to nonresidents, including payments made through a foreign bank account or exchange office, checking account transfers in foreign currencies, and payments by a foreign company on behalf of residents settled through intercompany accounts. Certain payments, such as those for transactions settled in Netherlands Antillean guilders and payments of certain government-related companies, are exempted from this commission.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

State Ordinance Governing the Monetary System (AB 1991 No. GT 34); State Decree for Fixing Parity of the Aruban Florin (AB 1992 No. GT 6); State Ordinance Foreign Exchange Commission (AB 1990 GT 5); www.cbaruba.org.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

n.a.

Use of foreign exchange among residents

Legal entities that hold a hotel or casino license are allowed to accept and return change in U.S. dollars and Venezuelan bolivares.

ARUBA

Payments arrangements	No.
Administration of control	The CBA administers foreign exchange control.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	The exportation of domestic banknotes is prohibited.
<i>Foreign currency</i>	The exportation of foreign banknotes requires a license, except for traveling purposes.
References to legal instruments and hyperlinks	State Ordinance Governing the Monetary System; State Decree on Acceptance of Foreign Currency (AB 1991 No. GT 10); State Ordinance Foreign Exchange Transactions (AB 1990 No. GT 6); www.cbaruba.org .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Residents are allowed to open foreign exchange accounts, provided these accounts are funded with foreign currency.
Held abroad	The opening of an account abroad must be reported to the CBA. Approval is not required, but holders of accounts abroad must apply to the CBA if they wish to be exempted from the requirement that they collect foreign claims as soon as they fall due and transfer and sell them to a local foreign exchange bank. Unless an exemption has been given, payments to nonresidents in foreign exchange should be made from an authorized bank's account or from an account of a foreign bank that operates in the country of the transaction, or to a nostro account of a nonresident held with the authorized bank.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	These accounts are not allowed.
References to legal instruments and hyperlinks	State Ordinance Foreign Exchange Transactions, Guidelines and Notices Concerning Foreign Exchange Transactions; www.cbaruba.org .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Balances in these accounts are fully convertible.
Blocked accounts	No.
References to legal instruments and hyperlinks	State Ordinance Foreign Exchange Transactions, Guidelines and Notices Concerning Foreign Exchange Transactions; www.cbaruba.org .

Imports and Import Payments

Foreign exchange budget	No.
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ARUBA

Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Licenses with quotas	The importation of eggs may be subject to quotas, depending on the domestic supply.
Import taxes and/or tariffs	Yes.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Unless exempted, residents are required to surrender export proceeds either by selling to a foreign exchange bank or exchange office, against florins, within a period of eight working days after the day of receipt or by depositing them into a foreign currency account with the CBA or a foreign exchange bank in the name of a resident.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	
Other export taxes	Effective January 1, 2007, all exports are subject to a turnover tax.
References to legal instruments and hyperlinks	State Ordinance Foreign Exchange Transactions; www.cbaruba.org .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	
Investment-related payments	
<i>Prior approval</i>	For the transfer of dividends and profits, a declaration to the CBA is required.
<i>Indicative limits/bona fide test</i>	Interest payments on all types of foreign loans may be effected if a permit has been obtained from the CBA for the loan. As regards profits and dividends, financial statements should be submitted to the CBA indicating the amount involved. In the case of depreciation of direct investments, a special license is required if the amount of the transaction exceeds the authorized ceiling.
References to legal instruments and hyperlinks	State Ordinance Foreign Exchange Transactions; www.cbaruba.org .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Unless exempted, residents are required to surrender export proceeds either by selling to a foreign exchange bank or exchange office, against florins, within a period of eight working days after the day of receipt or by depositing them into a foreign currency account with the CBA or a foreign exchange bank in the name of a resident.
Restrictions on use of funds	No.

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References to legal instruments and hyperlinks State Ordinance Foreign Exchange Transactions; www.cbaruba.org.

Capital Transactions

Controls on capital transactions	Transactions of less than Afl. 300,000 or its equivalent in foreign currency a year for natural persons and Afl. 750,000 or its equivalent in foreign currency a year for juridical persons (excluding commercial banks and institutional investors) may be carried out without CBA authorization. These ceilings are applicable to all capital transactions with nonresidents; a special foreign exchange license issued by the CBA is required for capital transactions exceeding these ceilings.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	The CBA may require the divestment, repatriation, and surrender to the CBA of proceeds from direct investments by residents abroad.
<i>Surrender to authorized dealers</i>	n.a.
Controls on capital and money market instruments	There are controls on all these transactions.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	Controls apply to all these transactions.
Controls on direct investment	
Outward direct investment	The CBA may require divestment, repatriation, and surrender of proceeds to the CBA.
Inward direct investment	Yes.
Controls on liquidation of direct investment	Yes.
Controls on real estate transactions	Controls apply to all these transactions.
Controls on personal capital transactions	Personal capital transactions must be effected through the banking system.
Loans	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Yes.
References to legal instruments and hyperlinks	State Ordinance Foreign Exchange Transactions, Notice Concerning Foreign Exchange Transactions 02/K.1; www.cbaruba.org .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Lending to nonresidents (financial or commercial credits)	A foreign exchange license is required for loans granted by commercial banks to nonresidents exceeding the amount of Afl. 1 million a year or its equivalent in foreign currency, as well as for certain transfers or sales of local financial instruments, such as loans, bonds, and notes to nonresidents.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.

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<i>Liquid asset requirements</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
Investment regulations	
<i>In banks by nonresidents</i>	The CBA's prior approval is required for any investor to hold or acquire a qualified holding in a bank or insurance company.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Banks are not allowed to have a negative foreign exchange position.
<i>On nonresident assets and liabilities</i>	Banks are not allowed to have a negative foreign exchange position.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	According to the 40%–60% investment rule, a progressive scale is used to determine the required limit on investment abroad. Institutional investors are not allowed to invest abroad more than approximately 60% of their total liabilities for the first Afl. 10 million or its equivalent. The limit is 50% for the second Afl. 10 million in liabilities and 40% for the remaining funds.
<i>Limits (min.) on investment portfolio held locally</i>	The amount to be invested locally is determined by the 40%–60% investment rule, in relation to the total liabilities of the investor. Insurance companies must invest 40% of the first Afl. 10 million in liabilities, 50% of the second Afl. 10 million in liabilities, and 60% of the remaining liabilities locally.
<i>Currency-matching regulations on assets/liabilities composition</i>	No significant currency exposures are allowed.
Pension funds	
<i>Limits (max.) on investment portfolio held abroad</i>	The regulations related to insurance companies apply.
<i>Limits (min.) on investment portfolio held locally</i>	The regulations related to insurance companies apply.
<i>Currency-matching regulations on assets/liabilities composition</i>	No significant currency exposures are allowed.
Investment firms and collective investment funds	
<i>Limits (max.) on investment portfolio held abroad</i>	The regulations related to insurance companies apply.
<i>Limits (min.) on investment portfolio held locally</i>	The regulations related to insurance companies apply.
<i>Currency-matching regulations on assets/liabilities composition</i>	Investment companies do not yet fall under CBA supervision.
References to legal instruments and hyperlinks	State Ordinance Foreign Exchange Transactions, Guidelines and Notices Concerning Foreign Exchange Transactions; www.cbaruba.org .

Changes during 2006

No significant changes occurred in the exchange and trade system.

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Changes during 2007

Exports and export proceeds

January 1. Exports of goods were made subject to a turnover tax.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: July 1, 1965.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On August 25, 2006, and October 5, 2006, Australia notified the IMF that it had imposed financial restrictions against certain persons and entities associated with the government of Zimbabwe, the former government of the Federal Republic of Yugoslavia, and 12 entities and one individual of the Democratic People's Republic of Korea. These financial restrictions are administered by the Reserve Bank of Australia (RBA), at the direction of the Australian government.

Other security restrictions

Pursuant to UN Security Council sanctions, financial restrictions are imposed on certain listed persons or entities with a connection to the following countries: the Islamic Republic of Afghanistan (Al-Qaida and the Taliban), Côte d'Ivoire, the Democratic Republic of the Congo, the Islamic Republic of Iran, the former government of Iraq, Liberia, and Sudan.

Pursuant to UN Security Council terrorism-related resolutions, Australia has imposed financial restrictions to combat the financing of terrorism. It is prohibited for individuals or entities to hold, use, or deal in those assets or to make assets available to listed persons and entities. The list of entities and persons to which these measures apply is included on the consolidated list maintained by the Department of Foreign Affairs and Trade.

References to legal instruments and hyperlinks

Charter of the United Nations Act 1945 and Associated Regulations; Iraq (Reconstruction and Repeal of Sanctions) Regulations; Banking (Foreign Exchange) Regulations 1959; Charter of the United Nations Act 1945 and Charter of the UN (Terrorism and Dealing with Assets) Regulations 2001; Details regarding the financial restrictions imposed by Australia on designated persons and entities are available at www.dfat.gov.au/un/unsc_sanctions/index.html and www.rba.gov.au/MarketOperations/International/FinancialSanctionsCashReporting.

Exchange Arrangement

Currency

The currency of Australia is the Australian dollar. It also circulates in several other countries, including Kiribati, Nauru, and Tuvalu.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the Australian dollar is market-determined. Licensed foreign exchange dealers may deal among themselves, with their customers, and with overseas counterparts at mutually negotiated rates for both spot and forward transactions in any currency with regard to trade- and nontrade-related transactions. However, the RBA retains discretionary power to intervene in the foreign exchange market. There is no official exchange rate for the Australian dollar. The RBA publishes an indicative rate of the trade-weighted index for the Australian dollar based on market observation at 9 a.m., noon, and 4 p.m. daily.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Active trading takes place in forward and futures contracts.

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References to legal instruments and hyperlinks

Reserve Bank Act 1959: www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/current/bytitle/C276D47C3215A796CA256F71004DA82A?OpenDocument.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

An Australian financial services license (AFSL) is generally required for foreign exchange transactions by residents, with some exceptions. Foreign exchange contracts are specifically classified as a “financial product” under the Corporations Act 2001 (Act). Thus foreign currency transactions where currency is not immediately exchanged, in recognition of the risk associated with the settlement period, fall within the definition of financial product. Accordingly, dealing, making a market, or giving advice in relation to foreign exchange contracts is regulated by the Act, and requires an AFSL. However, a contract to exchange one currency (whether Australian or not) for another that is to be settled immediately by the physical delivery of notes and/or coins in the second currency is specifically excluded from the definition of financial product.

The Act, in conjunction with the Corporations Regulations 2001, contains further AFSL exemptions that specifically relate to foreign exchange contracts. Two relevant exemptions are (1) for certain dealings in foreign exchange contracts as principal for the purpose of managing financial risk; and (2) overseas entities providing advice on, or making a market in, foreign exchange contracts to “professional investor” clients. Spot foreign exchange contracts are excluded from the definition of derivative.

Payments arrangements

No.

Administration of control

The Australian Securities and Investments Commission (ASIC) is responsible for the licensing of all financial services providers, including foreign exchange dealers that deal in foreign currency contracts, by its administration of the AFSL regime.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

If the value of the gold being bought or sold is greater than \$A 10,000 or its equivalent, there is an obligation to report the details of the transaction to the Australian Transaction Reports and Analysis Centre.

Controls on exports and imports of banknotes

Exportation and importation of notes and coins totaling more than the equivalent of \$A 10,000 in domestic or foreign currency must be reported to customs for forwarding to the Australian Transaction Reports and Analysis Centre for purposes of combating money laundering and the financing of terrorism.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Only those accounts affected by international security restrictions or UN sanctions are blocked. If a nonresident is subject to bilateral sanctions by way of the Banking (Foreign Exchange) Regulations 1959 and holds an account in Australia, RBA approval is required for any payment made to or from that account.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	There are no import-licensing requirements or quotas on imports other than the tariff quota that applies to certain cheeses and curd.
Negative list	For some products, imports are allowed only if written authorization is obtained from the relevant authorities or if certain regulations are observed. Among the goods subject to control are narcotic, psychotropic, and therapeutic substances; firearms and certain weapons; certain chemicals and primary commodities; some glazed ceramicware; rough diamonds; and various dangerous goods. These controls are maintained mainly to meet health and safety requirements; to meet certain requirements for labeling, packaging, or technical specifications; and to satisfy certain obligations arising from Australia's membership in international commodity agreements or to meet obligations under international trade embargoes.
Licenses with quotas	Quantitative restrictions may be imposed on some goods to fulfill obligations under relevant international agreements. Such goods include certain industrial chemicals, some ozone-depleting substances, and hazardous waste. To protect public health and safety and the environment, quantitative restrictions may be applied to genetically modified organisms and some therapeutic substances and goods. The tariff quota that applies to certain cheeses and curd is administered through a licensing system.
Import taxes and/or tariffs	Most agricultural products enter Australia duty-free; the simple average applied tariff is 1.3% and the average limit is 5%. A general tariff of 5% applies to many manufactured goods, with the following exceptions. The tariff on passenger motor vehicles and certain automotive components is 10% and is scheduled to be reduced to 5% by 2010. Textiles, clothing, and footwear are subject to tariffs ranging from zero to 17.5%. Under the government's post-2005 assistance arrangement for the textile, clothing, and footwear industry, tariffs on these products will be reduced to levels of 5% and 10% by January 1, 2010, and to 5% by January 1, 2015. Tariffs for a large range of goods have been abolished. Tariff concessions are available under the Tariff Concession System for most goods subject to a tariff, where it can be substantiated that there is no domestic manufacturer of substitutable goods. There are also a variety of concessions available for specific purposes, such as to accommodate split import consignments and to encourage investment in major projects.

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The ANZCERTA establishes free trade in goods between Australia and New Zealand. Australia has other free trade agreements (FTAs) with Singapore, Thailand, and the United States. Under the FTAs, goods originating in Singapore are duty-free, and tariffs on goods originating from Thailand and the United States are being phased out over 10 years commencing January 2005. The SPARTECA provides the Forum Island countries with nonreciprocal, duty-free access to most markets in Australia and New Zealand. All goods produced in the least developed countries and Timor-Leste may be imported free of duties and quotas.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Export prohibitions and restrictions in effect are designed to ensure quality control, administer trade embargoes, and meet obligations under international arrangements. These prohibitions are also set up to restrict the exportation of certain defense materials; regulate the exportation of goods that involve high technology and have dual civilian and military applications; maintain adequate measures of control over designated cultural property, resources, flora, and fauna; secure conservation objectives; and respond to specific market distortions abroad. Remaining controls on primary products apply mainly to food and agricultural products. Rough diamonds may be exported only to countries participating in the Kimberley Process Certification Scheme (an international effort to eliminate the trade in “conflict diamonds”) and each shipment must be accompanied by a certificate issued by the Department of Industry, Tourism and Resources.

Export controls apply to uranium and related nuclear materials (including tantalum and mineral sands containing monazite) to ensure compliance with Australia’s nonproliferation policy obligations and safeguards regime. Restrictions also apply to certain other nuclear and related materials. Export permits for uranium and other nuclear and related materials are issued by the Department of Industry, Tourism, and Resources. Export permits are required from the Australian Radiation Protection and Nuclear Safety Agency for the export of high-activity radioactive sources. Licenses are required for exports of unprocessed wood, including wood chips. The Department of Agriculture, Fisheries, and Forestry (DAFF) administers export control powers in relation to regulated dairy products under the provisions of the Dairy Produce Act. The DAFF also administers quotas for beef and sheep meat into the restricted U.S. and EU markets. This system allows the management of exports to some markets where quantitative restrictions apply.

Cattle, sheep or goat meat, and livestock may be exported only by persons or firms licensed by the DAFF. If other countries impose quantitative restrictions on imports of meat or livestock, the DAFF may, in conjunction with industry, introduce measures to control Australian exports to conform with those restrictions. As per Australia’s 2006 WTO-notified state trading enterprises (STEs) notification, there are four WTO-notified STEs operating in Australia that have some form of export control powers. AWB International Limited (AWBI) is the only national body. There are three state-level entities that have export powers for selected agricultural products. Wheat marketing arrangements, including the status and powers of the AWBI, are currently under review, and there are temporary arrangements in effect for determining applications for bulk wheat exports from entities other than the AWBI. Australian government decisions arising from the review are expected to be made before June 30, 2007, when the temporary arrangements expire.

With quotas

Australia has a complete ban on the export of merino ewes, their genetic material, ova, and embryos to any country other than New Zealand. However, merino breeding rams purchased at designated export auctions and semen from rams included in the National Register of Semen Export Donors (administered by the Australian Association of Stud Merino Breeders) may be exported. Sales are subject to DAFF approval and an annual quota of 800

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rams a year, with a provision for up to 100 rams to be placed on a semen donor register. No ram nominated for collection of semen for export may be physically exported. The export restrictions do not apply to merino rams intended for slaughter; however, the export of these rams is subject to controls to ensure that they do not enter breeding stocks and to a legal undertaking by the exporter to ensure that these exported merino rams will be slaughtered. There is no restriction on the export of merino rams or reproductive material to New Zealand.

Export taxes

No.

References to legal instruments and hyperlinks

Customs (Prohibited Exports) Regulations 1958; www.comlaw.gov.au/ComLaw/Legislation/LegislativeInstrumentCompilation1.nsf/0/96C3E8FFDD52E095CA257287001AC437?OpenDocument.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participatory nature

The acquisition of shares and other securities of a participatory nature, which may be affected by laws and policies on inward direct investment, may require notification to the Australian authorities.

Purchase locally by nonresidents

Yes.

Sale or issue abroad by residents

Yes.

Bonds or other debt securities

Sale or issue locally by nonresidents

Foreign governments, their agencies, and international organizations are not permitted to issue bearer securities and, when borrowing in the Australian capital market, must advise the Australian authorities of the details of each borrowing after its completion.

On money market instruments

Sale or issue locally by nonresidents

The regulations governing bonds or other debt securities apply.

Controls on derivatives and other instruments

Sale or issue locally by nonresidents

The regulations governing bonds or other debt securities apply.

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Controls on credit operations

Commercial credits

By residents to nonresidents Yes.

Financial credits

By residents to nonresidents Yes.

Controls on direct investment

Inward direct investment

Controls apply to (1) investments in banking, real estate, mass circulation and ethnic newspapers, broadcasting (including television), civil aviation, and uranium; (2) proposals falling within the scope of Australia's Foreign Acquisitions and Take-overs Act 1975, which broadly covers acquisitions of urban land, acquisitions of partial or controlling interests in Australian companies or businesses with total assets valued at more than \$A 100 million (\$A 871 million for U.S. investors in nonsensitive sectors) and other arrangements relating to foreign control of companies and businesses; (3) proposals to establish new businesses or projects, where the total investment is \$A 10 million or more for non-U.S. investors; (4) investments by foreign governments or their agencies; (5) investments to the extent that constituent states or territories of Australia exercise legislative and administrative control over such investment; and (6) ownership of Australian flag vessels, except through an enterprise incorporated in Australia.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

Controls apply to the acquisition of real estate in Australia, except for the acquisition (1) of direct interests in nonresidential commercial real estate valued at less than \$A 5 million or \$A 50 million, where such real estate is not on the heritage list for non-U.S. investors or \$A 871 million for U.S. investors (heritage listed or otherwise); (2) of interests in time-share schemes, where the entitlement of the foreign interest and any associates is less than four weeks a year; (3) of residential real estate by approved migrants, special category visa holders, and other foreign nationals entitled to permanent residence in Australia, including Australian permanent residents not ordinarily resident in Australia and special category visa holders buying through Australian companies and trusts; (4) by nonresident Australian citizens, either directly or indirectly through Australian companies and trusts; (5) of offices and residences by foreign government missions for use as official missions or residences for staff subject to sale to Australians or other eligible purchasers when no longer being used for those purposes; (6) of minority interests in public companies and trusts whose principal assets are composed of real estate, to the extent permitted by regulations under the Foreign Acquisitions and Take-overs Act; (7) of real estate by general insurance companies operating in Australia, where the acquisitions are made from the reserves of the companies and are within the prudential guidelines of the insurance commissioner; (8) by life insurance companies, representing investment of their Australian statutory funds, by Australian pension funds of foreign employers, and by foreign-controlled charities or charitable trusts operating in Australia for the primary benefit of Australians; (9) of strata-titled hotel rooms in designated hotels, where each room is subject to a long-term hotel agreement; (10) of residential real estate by Australian citizens and their foreign spouses, where they purchase as joint tenants; and (11) of Australian urban land by foreign-controlled responsible entities acting on behalf of managed unit trusts and other public investment schemes registered under Chapter 5C of the Corporations Law, when they are investing primarily for the benefit of fund investors or unit holders ordinarily resident in Australia.

Controls on personal capital transactions

Gifts, endowments, inheritances, and legacies

By residents to nonresidents Transfers may be subject to approval of the authorities in cases where the gift involves a foreign person obtaining an interest in Australian urban land.

References to legal instruments and hyperlinks

n.a.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

An AFSL issued by the ASIC is generally required to provide financial products advice, to deal in financial products (including securities, derivatives, and certain foreign exchange contracts), to create a market for a financial product, to operate a registered scheme, or to provide custodial or depository service. The license is subject to specific obligations under the Corporations Act, including the obligation to comply with conditions of the license. Certain disclosure requirements apply in relation to retail clients. Authorized deposit-taking institutions are subject to prudential requirements, e.g., liquidity management and credit concentration.

Investment regulations

In banks by nonresidents

Prior approval from the treasurer is required for any person or group—domestic or foreign—to acquire a 15% or larger share in a financial sector company, including authorized deposit-taking institutions and any nonoperating holding company for these institutions in Australia.

Provisions specific to institutional investors

Insurance companies

Foreign-owned life insurance companies may operate only in the form of locally incorporated subsidiaries unless prescribed by regulation to be able to operate as a branch. Under the Life Insurance Act 1995, only U.S. life insurers are allowed to operate in Australia through branches. However, branches of foreign incorporated life insurers operating prior to the introduction of the Life Insurance Act 1995 are permitted to continue to operate.

Pension funds

The Australian superannuation (pension) industry is regulated primarily under the Superannuation Industry (Supervision) Act 1993 (the SIS Act). Under the SIS Act, all trustees (excluding trustees of self-managed superannuation funds and public sector superannuation schemes) are required to obtain a license from APRA, and to register all funds under their trusteeship with APRA prior to accepting contributions.

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

n.a.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

Investment firms and collective investment funds

Australian regulation of collective investment schemes does not impose investment restrictions of the type mentioned under this item. Instead it imposes high-level duties on managers of such schemes; for example, to exercise a reasonable degree of care and diligence and to act in the best interests of scheme members.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange measures

August 25. The authorities notified the IMF that Australia had imposed financial restrictions against certain persons and entities to protect international security.

October 5. The authorities notified the IMF that Australia had imposed financial restrictions against certain persons and entities to protect international security.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: August 1, 1962.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained with respect to certain individuals associated with the Democratic Republic of the Congo, Côte d'Ivoire, the Islamic Republic of Iran, the former government of Iraq, the Democratic People's Republic of Korea, Liberia, Myanmar, Sudan, the former Federal Republic of Yugoslavia, and Zimbabwe. Financing of and financial assistance related to military activities in Somalia are prohibited. Restrictions also apply on transfers with respect to the Taliban and individuals and organizations associated with terrorism.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Austria is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Austria participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward exchange transactions are permitted.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements with all countries may be made either in foreign currencies or through free euro accounts.

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Payments arrangements

Bilateral payments arrangements

Operative

There are no bilateral payments agreements; however, several bilateral agreements exist for the promotion and protection of investments, which include provisions on transfers among the signatories.

Administration of control

Exchange transactions are effected through Austrian banks authorized by the Financial Market Authority (FMA).

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

No.

Controls on exports and imports of banknotes

No.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Controls apply to deposits not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets. If the exchange risk is eliminated by hedging transactions, these investments may be counted as euro-denominated investments.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

Accounts of citizens of certain countries affected by EU regulations and accounts that are blocked by virtue of UN sanctions are treated differently. In the former case, regulations are addressed directly to the credit institutions of the member states, which are then responsible for taking the requisite action. This procedure applies to accounts belonging to certain citizens of the Democratic Republic of the Congo, Côte d'Ivoire, the Islamic Republic of Iran, the previous government of Iraq, the Democratic People's Republic of Korea, Liberia, Myanmar, Sudan, and Zimbabwe; individuals linked to the former Federal Republic of Yugoslavia; the Taliban; and individuals and organizations associated with terrorism. In the latter case, the Austrian National Bank issues official announcements (regulations) to make provisions of the UN sanctions effective under Austrian law. These official announcements are addressed to the Austrian credit institutions. This procedure applies to accounts belonging to terrorists with a residence in the EU.

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References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures Export and import licenses must be issued by the Federal Ministry for Economic Affairs for industrial products and by the Federal Ministry of Agriculture and Forestry for agricultural products. As a member of the EU, Austria applies all import regulations based on a common commercial policy, i.e., import restrictions for industrial products in the textile and clothing sectors and statistical surveillance for products falling under the scope of the ECSC treaty. There are also regulations based on current EU law with regard to China for imports of some consumer products.

Positive list Yes.

Licenses with quotas Yes.

Import taxes and/or tariffs Austria applies the Common Import Regime of the EU.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

Documentation requirements No.

Export licenses Licenses for exports must be obtained from the relevant ministry or, at the time of clearance, from the customs authorities. For most exports, licenses are not required. Export licenses are issued with due consideration for the provisions of relevant EU trade agreements, the fulfillment of quotas established in accordance with such agreements, and the needs of the Austrian economy.

Without quotas Yes.

With quotas Yes.

Export taxes No.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

References to legal instruments and hyperlinks n.a.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	In some cases, there are reporting requirements to the Austrian National Bank.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase abroad by residents	Controls apply to assets not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets. If the exchange risk is eliminated by hedging transactions, these investments may be counted as euro-denominated investments.
<i>Bonds or other debt securities</i>	
Purchase abroad by residents	Controls apply to assets not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets. If the exchange risk is eliminated by hedging transactions, these investments may be counted as euro-denominated investments.
On money market instruments	
<i>Purchase abroad by residents</i>	Controls apply to assets not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets. If the exchange risk is eliminated by hedging transactions, these investments may be counted as euro-denominated investments.
On collective investment securities	
<i>Purchase abroad by residents</i>	Controls apply to the purchase (1) by an insurance company of collective investment securities issued by non-EU residents if these assets are to form part of its technical provisions (other than those for unit-linked life insurance contracts) and (2) of collective investment securities not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets.
Controls on derivatives and other instruments	
Purchase abroad by residents	Controls apply to the purchase of derivatives and other instruments and claims not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets. If the exchange risk is eliminated by hedging transactions, these investments may be attributed to the euro-denominated investments.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Controls apply to loans granted (1) to nonresidents, or for which the designated collateral is located abroad if the asset in question is to form part of the guarantee funds of a local branch of a non-EU insurance company established in Austria; (2) to residents outside the EU or for which the designated collateral is located outside the EU, if the asset in question is to form part of the cover of the prescribed solvency margin for the local branch of a non-

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EU insurance company established in Austria or is to form part of the cover of technical provisions of resident insurance companies; and (3) in currencies other than euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets.

Controls on direct investment

Inward direct investment

Certain controls apply for investments by nonresidents and Austrian residents who are not nationals of one of the countries of the EEA in the auditing, accounting, engineering, architectural, and legal professions; the transport and electric power generation sectors; and the acquisition of ships.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate (1) abroad if the asset in question is to form part of the guarantee funds of a local branch of a non-EU insurance company established in Austria; (2) outside the EU if the asset in question is to form part of the cover of the prescribed solvency margin for the local branch of a non-EU insurance company established in Austria or is to form part of the cover of technical provisions of resident insurance companies; and (3) outside Austria by a private pension fund, exceeding 30% of its total assets.

Purchase locally by nonresidents

The acquisition of real estate is subject to approval by local authorities.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Reserve requirements apply only to deposits held in euros.

Liquid asset requirements

Liquid asset requirements apply only to deposits held in euros.

Open foreign exchange position limits

The net amount of an open foreign exchange position must not exceed 30% of own funds at the end of any business day; the total sum of all open positions must not exceed 50% of own funds. The euro is not considered a foreign currency.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase by an insurance company of collective investment securities issued by non-EU residents if these assets are to form part of its technical provisions (other than those for unit-linked life insurance contracts).

Limits (max.) on investment portfolio held abroad

Controls apply to (1) the acquisition of real estate outside the EU if the asset in question is to form part of the cover of the prescribed solvency margin for the local branch of a non-EU insurance company established in Austria or is to form part of the cover of technical provisions of resident insurance companies; (2) the acquisition of real estate abroad if the asset in question is to form part of the guarantee funds of a local branch of a non-EU insurance company established in Austria; (3) loans granted to nonresidents, or for which the designated collateral is located abroad, if the asset in question is to form part of the guarantee funds of a local branch of a non-EU insurance company established in Austria; and (4) loans to residents outside the EU or for which the designated collateral is located outside the EU if the asset in question is to form part of the cover of the prescribed solvency

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	margin for the local branch of a non-EU insurance company established in Austria or is to form part of the cover of technical provisions of resident insurance companies.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	Yes.
Pension funds	<p>The management board of the Pensionskasse ensures that the investment is performed by persons who are professionally qualified and who have the relevant professional experience, in particular in the areas of portfolio management and risk management, as well as asset liability management, and that appropriate technical resources are available for risk management. The investment must be effected within prudent limits.</p> <p>The FMA determines by regulation minimum standards. In particular, it specifies minimum standards pertaining to risk management, diversification of risk, reduction of risk, asset liability management, and type and content of the statements submitted by the Pensionskasse substantiating that its risk management complies with said minimum standards and the time limit within which said substantiation shall be submitted. The FMA may order that substantiation be provided at regular intervals.</p>
<i>Limits (max.) on securities issued by nonresidents</i>	Controls apply to assets not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets. If the exchange risk is eliminated by hedging transactions, these investments may be counted as euro-denominated investments.
<i>Limits (max.) on investment portfolio held abroad</i>	Controls apply to assets not denominated in euros by a private pension fund that would cause its total assets not denominated in euros to exceed 30% of its total assets. If the exchange risk is eliminated by hedging transactions, these investments may be counted as euro-denominated investments.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

REPUBLIC OF AZERBAIJAN

(Position as of July 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: November 30, 2004.

Exchange Measures

Restrictions and/or multiple currency practices	Information is not publicly available.
International security restrictions	Restrictions have been imposed on financial transactions and accounts held by individuals or organizations associated with terrorism pursuant to UN Security Council resolutions and to the list of current terrorist organizations maintained by the U.S. Secretary of State.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Yes.
Other security restrictions	Yes.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Azerbaijan is the Azerbaijan manat. On January 1, 2006, new manat banknotes were introduced, replacing the old currency at a conversion rate of 1 to 5,000. The old banknotes are out of circulation from the beginning of 2007.
Exchange rate structure	Unitary.
Classification	
Crawling peg	Since early 2006, the Azerbaijan National Bank (ANB) has started to appreciate the exchange rate along a smooth path. In September 2006, the minister of finance indicated that the exchange rate was expected to be at 0.85–0.87 per U.S. dollar by end-2006. As a result, the exchange arrangement has been reclassified, effective January 1, 2006, to the category crawling peg from the category conventional pegged arrangement.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Forward transactions are effected through the Baku Interbank Currency Exchange. Currently, these transactions involve only dollars, euros, and Russian rubles.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	
Use of foreign exchange among residents	In accordance with current legislation, settlements among residents within the country may be effected in foreign currencies only with approval from the ANB.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	Agreements with the CIS countries are inoperative.

REPUBLIC OF AZERBAIJAN

Clearing agreements	Azerbaijan is a member of the Payment Union of the CIS, which is now inoperative.
Barter agreements and open accounts	State-owned enterprises and enterprises in which the state has a major share of the authorized capital must register these agreements with the Ministry of Economic Development (MED).
Administration of control	The ANB regulates foreign exchange transactions, conducts foreign currency operations, and administers official gold and convertible currency reserve holdings. The ANB also has overall responsibility for issuing licenses to deal in foreign exchange and to open foreign exchange accounts abroad; for regulating foreign exchange operations, including implementing and monitoring compliance with the law; and for establishing prudential rules governing foreign exchange operations. The MED regulates foreign trade, whereas the organization and operation of the customs agencies are regulated under the Law on Customs Services. Controls are also administered by authorized banks holding a license to effect foreign exchange transactions acting as agents of foreign exchange control.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Trade in gold in coins and bullion is regulated on the basis of the Rules on the Performance of Operations with Precious Metals (in Coins and Bullion) in the Republic of Azerbaijan and the Execution of Transactions as approved by the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan of October 25, 2004.
On external trade	A license from the MED is required to conduct international trade in gold.
Controls on exports and imports of banknotes	The exportation and importation of foreign banknotes are regulated by the ANB and the customs agencies. Banks may import and export foreign banknotes only with ANB approval.
On exports	
<i>Domestic currency</i>	Manat banknotes may be taken out of the country up to the maximum amount of manat 50,000.
<i>Foreign currency</i>	Resident and nonresident individuals may export up to the equivalent of \$10,000 and \$1,000, respectively, without documentation but with a customs declaration, or up to \$50,000 in currency that they previously brought into the country, also with a customs declaration.
On imports	
<i>Domestic currency</i>	n.r.
References to legal instruments and hyperlinks	Law of the Republic of Azerbaijan on Foreign Exchange Regulation of October 21, 1994, with amendments of 2002; Decree of the President of the Republic of Azerbaijan of December 29, 2006, on Approval of the List of Types of Activities Requiring Special Permission (a License) and Amounts of State Duty to Be Paid for the Special Permission (License); the Rules for Performing Operations with Precious Metals in the Republic of Azerbaijan and the Execution of Transactions as approved by Resolution of the Cabinet of Ministers of the Republic of Azerbaijan of October 25, 2004; the Rules for the Importation into the Republic of Azerbaijan and Exportation from the Republic of Azerbaijan of Foreign Exchange Assets by Individuals of March 18, 2002.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Resident enterprises may open and use foreign exchange accounts in banks abroad, subject to ANB authorization. Enterprises must repatriate the foreign exchange held in accounts abroad (except the amount used for import payments). There is no regulation on the opening and use of foreign exchange accounts in banks abroad by individuals.
<i>Approval required</i>	Yes.

REPUBLIC OF AZERBAIJAN

Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	Natural and juridical persons may purchase foreign exchange through ADs, and ADs may also purchase foreign exchange in these markets on their own account, in accordance with the regulations of the ANB. These regulations do not set any limit.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Foreign exchange in these accounts may be transferred abroad or sold to banks for manat. Prior to opening an account, a nonresident legal entity must provide proof of its status issued by the Ministry of Justice.
Domestic currency accounts	Nonresident enterprises may open and operate accounts in manat and use them for domestic transactions only if they have a local branch or office.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Import payments made more than 365 days prior to the delivery of goods or services require ANB approval; if the relevant goods are not imported, works not executed, or services not rendered, or if the prepayment is not returned within this period, the AD is required to report the transaction to the ANB and submit relevant documents.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Imports of certain listed goods (such as narcotics, explosives, weapons, and nuclear substances and waste) require special approval.
Import taxes and/or tariffs	Tariff rates of zero, 0.5%, 3%, 10%, and 15% apply. Some capital and input goods are subject to a 5% tariff. Imports of underinvoiced goods are subject to specific tariffs.
State import monopoly	No.
References to legal instruments and hyperlinks	The Rules on the Regime for Foreign Exchange Operations of Residents and Nonresidents in the Republic of Azerbaijan as approved by Decision of the Board of the National Bank of the Republic of Azerbaijan of May 27, 2002; the Rules on the Regulation of Export-Import Operations in the Republic of Azerbaijan as approved by Decree of the President of the Republic of Azerbaijan of June 27, 1997.

Exports and Export Proceeds

Repatriation requirements	Residents are required to repatriate all proceeds from exports within 180 days and transfer them to a licensed bank in Azerbaijan within 10 days of receipt. Expenses, commissions,
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REPUBLIC OF AZERBAIJAN

	and taxes paid abroad relating to economic activities may be deducted from the proceeds prior to their being transferred to a licensed bank.
Financing requirements	Yes.
Documentation requirements	All export operations must be secured by a 100% prepayment, an irrevocable LC, or a bank guarantee.
Letters of credit	Yes.
Guarantees	Yes.
Export licenses	
Without quotas	Exports of scrap metal are prohibited.
Export taxes	
Other export taxes	The export tax applies to domestic producers' exports of crude oil and petroleum products. For crude oil, the base of the export tax is the difference between the export price (excluding export costs) and the fixed domestic price of crude oil. For petroleum products, the base is the difference between the export price (excluding export costs) and the ex-refinery price (also referred to as the intercompany price) for the products. The tax rate for 2005 was 25%. A progressive export tax was introduced in 2006.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Personal payments

Quantitative limits

These transactions are permitted, subject to documentary requirements. Residents and nonresidents are free to transfer abroad for personal reasons up to the equivalent of \$500 a day from accounts with ADs on declaration of purpose. Residents are free to transfer abroad the equivalent of up to \$10,000 annually, from accounts with ADs for the maintenance of close relatives (i.e., parents, spouses, children, siblings, and adopted children) on presentation of supporting documents. When authorized banks are assured of the legitimate nature of the transactions and on presentation of all supporting documents, transfers in excess of the indicative limit may be effected upon confirmation of the transaction with the ANB.

Indicative limits/bona fide test

Yes.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	The domestic circulation of foreign securities is subject to controls and monitoring.
Repatriation requirements	Yes.

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Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase abroad by residents	The transfer of resources requires ANB approval.
<i>Bonds or other debt securities</i>	
Purchase abroad by residents	The regulations governing shares or other securities of a participating nature apply.
On money market instruments	
<i>Purchase abroad by residents</i>	The regulations governing shares or other securities of a participating nature apply.
On collective investment securities	
<i>Purchase abroad by residents</i>	The regulations governing shares or other securities of a participating nature apply.
Controls on derivatives and other instruments	These instruments are not currently available, and legislation concerning derivatives has not been formulated.
Controls on credit operations	Credits provided by residents to nonresidents for longer than 180 days, including financing for projects abroad, require ANB approval.
Commercial credits	
<i>By residents to nonresidents</i>	Yes.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
Controls on direct investment	
Outward direct investment	Direct investment abroad requires ANB approval.
Inward direct investment	The minimum authorized capital for existing insurance companies is manat 0.7 billion (previously, 2.5 billion) and for newly established insurance companies, the minimum authorized capital is manat 1 million. Direct foreign ownership may not exceed 49% of capital; indirect ownership limits are not enforced. Effective January 1, 2006, the minimum authorized capital for existing commercial banks was increased to the equivalent of manat 6.4 million from the equivalent of \$5 million. It was further increased to manat 8.2 million January 1, 2007, and to manat 10 million July 1, 2007.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	These transactions require ANB approval.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Loans to nonresidents with maturities exceeding 180 days and financing for projects abroad require ANB approval.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	These transactions are permitted, subject to documentary requirements. Residents are free to transfer abroad (1) for personal reasons, up to the equivalent of \$500 a day from accounts with ADs on declaration of purpose; and (2) the equivalent of up to \$10,000 annually, from accounts with ADs for the maintenance of close relatives (i.e., parents, spouses, children, siblings, and adopted children) on presentation of supporting evidence.

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Settlements of debts abroad by immigrants	These transactions are subject to documentary requirements and must be based on a court ruling.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions require ANB approval.
Transfer of gambling and prize earnings	Gambling is prohibited in Azerbaijan.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)	Credits provided to nonresidents for longer than 180 days and credits to finance projects abroad require ANB approval.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	There is a 10% reserve requirement on all deposit accounts, regardless of the currency involved. A system of reserve averaging for banks on an intraday basis applies.
<i>Liquid asset requirements</i>	Liquid assets must be equal to at least 30% of current obligations with maturities in the current month, regardless of the currency involved.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	There is a 10% reserve requirement on all deposit accounts, regardless of the currency involved. A system of reserve averaging for banks on an intraday basis applies.
<i>Liquid asset requirements</i>	Liquid assets must be equal to at least 30% of current obligations with maturities in the current month, regardless of the currency involved.
Investment regulations	
<i>Abroad by banks</i>	These transactions are permitted with ANB approval.
<i>In banks by nonresidents</i>	Effective January 1, 2007, all restrictions on direct foreign ownership of capital at banks have been removed. Previously, direct foreign ownership could not exceed 49% of capital.
Open foreign exchange position limits	The limit on convertible currencies is 10% for each foreign currency, up to an aggregate limit of 20%. The limit on nonconvertible currencies is 7% for each currency, up to an aggregate limit of 15%.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.r.
<i>Limits (max.) on investment portfolio held abroad</i>	n.r.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

REPUBLIC OF AZERBAIJAN

Changes during 2006

Exchange arrangement

January 1. The exchange arrangement was reclassified to the category crawling peg from the category conventional pegged arrangement.

January 1. New manat banknotes were introduced, replacing the old currency at a conversion rate of 1 to 5,000. The old banknotes no longer circulate.

Capital transactions

Controls on direct investment

January 1. The minimum authorized capital requirement for existing commercial banks was increased to the equivalent of manat 6.4 million from \$5 million.

Changes during 2007

Capital transactions

Controls on direct investment

January 1. The minimum authorized capital for existing commercial banks was increased to the equivalent of manat 8.2 million from manat 6.4 million.

July 1. The minimum authorized capital for existing commercial banks was increased to the equivalent of manat 10 million from manat 8.2 million.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 1. All restrictions on direct foreign ownership of capital at banks were removed.

THE BAHAMAS

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 5, 1973.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

Yes.

References to legal instruments and hyperlinks

Afghanistan Order, Public Notice published October 22, 2003; Public Notice dated October 2, 2003; International Obligations (Economic and Ancillary Measures) Act, 1993; International Obligations (Economic and Ancillary Measures) (Afghanistan) Order, 2001; Exchange Control Regulations (Iraq) Directions, 1990.

Exchange Arrangement

Currency

The currency of The Bahamas is the Bahamian dollar.

Other legal tender

Commemorative gold coins in denominations of B\$10, B\$20, B\$50, B\$100, B\$150, B\$200, B\$250, B\$1,000, and B\$2,500 and silver coins denominated B\$10 and B\$25 are legal tender but do not circulate. The U.S. dollar circulates concurrently with the Bahamian dollar.

Exchange rate structure

Dual

In addition to the official exchange market, there is a market in which investment currency may be negotiated among residents through the Central Bank of The Bahamas (CBB). The use of investment currency is prescribed for the purchase of foreign currency securities from nonresidents and direct investments outside The Bahamas. The current premium bid and offer rates are 12.5% and 10%, respectively. Existing investors were permitted, until March 31, 2006, to liquidate their original capital investment through the investment currency market. Effective January 17, 2006, the authorities reduced the premium on approved purchases of securities and foreign real estate to 12.5% from 25%. In certain circumstances, the CBB may permit residents to retain and use foreign currency from other sources to make outward investments. Certain external investments (including investment in foreign stocks by company-based retirement funds) may be effected at the official exchange rate without paying the investment currency premium.

Classification

Conventional pegged arrangement

The Bahamian dollar is pegged to the U.S. dollar, the intervention currency, at par. Buying and selling rates for the pound sterling are also officially quoted, with the buying rate based on the rate in the New York market; the selling rate is 0.5% above the buying rate. The CBB deals only with commercial banks. For transactions with the public, commercial banks are authorized to charge a commission of 0.50% buying and 0.75% selling per US\$1, and 0.50% buying or selling per £1.

Exchange tax

A stamp tax of 1.5% is applied to all outward remittances.

Exchange subsidy

No.

Forward exchange market

Commercial banks may provide forward cover for residents who are due to receive or must pay in foreign currency under a contractual commitment. Commercial banks may not, however, sell foreign currency spot to be held on account to cover future requirements without the CBB's permission. ADs may deal forward in foreign currency with nonresidents without prior approval from the CBB. Commercial banks may execute forward deals among themselves at market rates, but they must ensure when carrying out all forward cover

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arrangements that their open spot or forward position does not exceed 10% of the respective bank's capital base.

References to legal instruments and hyperlinks

Chapter 360–Exchange Control Regulations; Stamp Act, with amendments; Banks and Trust Companies (Foreign Currency Position) Regulations, 2005;
www.centralbankbahamas.com/public/ForCurrency05.pdf.

Arrangements for Payments and Receipts

Prescription of currency requirements

The exchange control system of The Bahamas makes no distinction among foreign territories. Settlements with residents of foreign countries may be made in any foreign currency or in Bahamian dollars through an external account. Foreign currency is defined as all currencies other than the Bahamian dollar.

Controls on the use of domestic currency

Nonresidents may not access domestic currency for capital purposes; however, they may have access to domestic currency up to certain limit for working capital in businesses they operate.

For current transactions and payments

n.a.

For capital transactions

n.a.

Use of foreign exchange among residents

Officially, all settlements between residents must be in domestic currency.

Payments arrangements

Regional arrangements

The Bahamas is a member of CARICOM, but it does not participate in the common market.

Administration of control

Exchange control is administered by the CBB, which delegates to ADs the authority to approve allocations of foreign exchange for certain current payments, including payments for imports up to the equivalent of B\$500,000. The approval authority for cash gifts up to the equivalent of B\$10,000 a year is delegated to authorized banks.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents, other than ADs, are not permitted to hold or deal in gold bullion. However, residents who are known users of gold for industrial purposes may, with the approval of the CBB, meet their current industrial requirements. There is no restriction on residents' acquisition or retention of gold coins.

On external trade

ADs are not required to obtain licenses for bullion or coins, and no import duty is imposed on these items. Commercial imports of gold jewelry do not require a license and are duty-free, although a 10% stamp tax is required. A 1.5% stamp tax payable to customs is also required on commercial shipments of gold jewelry from any source.

Controls on exports and imports of banknotes

On exports

Domestic currency

A traveler may export banknotes up to a total of B\$200.

Foreign currency

Bahamian travelers need CBB approval to export foreign banknotes.

On imports

Domestic currency

Importation is subject to CBB approval.

References to legal instruments and hyperlinks

www.bfsb-bahamas.com/legislation.

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Resident Accounts

Foreign exchange accounts permitted	Permission from the CBB is required to open and hold these accounts. Permission is normally granted to persons earning substantial amounts of foreign exchange who make regular payments abroad.
Held domestically	Yes.
<i>Approval required</i>	Yes.
Held abroad	Yes.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be credited with payments in foreign currency from residents of The Bahamas with the specific permission of the CBB, payments in foreign currency from nonresidents, and foreign currency receipts arising from dealings between nonresidents and ADs. These accounts may be interest-bearing. Accounts may be debited for payments to residents or nonresidents, for payments to other foreign currency accounts, and for payment of foreign currency costs involved in dealings between nonresidents and ADs.
Approval required	Yes.
Domestic currency accounts	With the prior approval of the CBB, authorized banks may also open external accounts in Bahamian dollars for nonresident companies that have local expenses in The Bahamas and for nonresident investors. Authorized banks may freely open external accounts denominated in Bahamian dollars for winter residents and for persons with residency permits who are not gainfully employed in The Bahamas. Foreign nationals who have been granted temporary resident status are treated in some respects as nonresidents but are not permitted to hold external accounts in Bahamian dollars. External accounts in Bahamian dollars are expected to be funded entirely from foreign currency originating outside The Bahamas, but income from registered investments may also be credited to these accounts with the approval of the CBB. These accounts may not bear interest.
Convertible into foreign currency	These accounts are freely convertible into foreign currency.
Approval required	Nonresidents may maintain external Bahamian dollar accounts with ADs with CBB permission; however, no approval is required for conversion into foreign currency.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Prior approval from the CBB is required to make payments for non-oil imports exceeding the equivalent of B\$500,000, irrespective of origin, except in the Family Islands, where this authority is delegated to clearing bank branches. This approval is normally given

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	automatically on submission of pro forma invoices or other relevant documents proving the existence of a purchase contract.
Domiciliation requirement	Transactions must be domiciled with a local AD.
Other	The Customs Department import form must be completed, as part of application process.
Import licenses and other nontariff measures	
Negative list	The importation of certain commodities is prohibited or controlled for social, humanitarian, or health reasons. For all imports of agricultural products, a permit must be obtained from the Ministry of Agriculture. All other goods may be imported without a license. Customs entries are subject to a stamp tax of 7%.
Open general licenses	OGLs must comply with the Agricultural Manufactories Act.
Other nontariff measures	Sanitary or phytosanitary restrictions apply.
Import taxes and/or tariffs	Import duties vary from zero to 210%. The tariff rate on most goods is 35%, and the average tariff rate is 31%. Stamp duties on imports vary from 2% to 7%. There is no import duty on certain tourism-related goods, but these goods are subject to stamp duties ranging from 8% to 20%.
State import monopoly	No.
References to legal instruments and hyperlinks	Stamp Tax Act; Agricultural Manufactories Act.

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	The proceeds of exports must be offered for sale to an AD as soon as the goods have reached their destination or within six months of shipment; alternatively, export proceeds may be used in any manner acceptable to the CBB. Exemption from surrender requires CBB approval.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Export licenses are not required, except for crawfish, conch, and arms and ammunition.
With quotas	n.a.
Export taxes	No.
References to legal instruments and hyperlinks	Export Manufacturing Industries Encouragement Act; Tariff Act; Fisheries Resources (Jurisdiction & Conservation) Act.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	There are no restrictions on current payments. However, there are limits on the approval authority delegated to commercial banks by the CBB. ADs may make payments to nonresidents on behalf of residents for certain services and other invisibles, such as commissions, royalties, education, and non-life insurance premiums, within specified limits. CBB approval is required for payments in excess of those limits or for categories of payments not delegated. A CBB-issued "Personal Allowance" card must be presented to ADs to record foreign currency purchases.
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Trade-related payments

Prior approval CBB approval is required for transactions of more than B\$25,000 for unloading and storage costs and commissions.

Quantitative limits An indicative limit of B\$25,000 applies for most transactions.

Indicative limits/bona fide test Yes.

Investment-related payments

Prior approval For all investments with approved status, permission is given on application for the transfer.

Payments for travel

Prior approval Yes.

Quantitative limits ADs may provide up to B\$10,000 or its equivalent a person a trip for tourism and other personal travel. The limit on travel for educational purposes is B\$10,000 a person a trip. For business or professional travel, the limit is B\$50,000 a person a year. The allowance for tourist travel excludes the cost of fares and travel services, which is normally paid in Bahamian dollars to a travel agent in The Bahamas. Foreign exchange obtained for travel and any unused balance must be surrendered within one week of issue or, if the traveler is still abroad, within one week of returning to The Bahamas.

Indicative limits/bona fide test Yes.

Personal payments

There is no limit for medical expenses.

Quantitative limits ADs may provide up to B\$25,000 or its equivalent for education payments to institutions (B\$2,500 a transaction if paid to the student), family maintenance, and alimony payments. CBB approval is required for amounts exceeding this limit.

Indicative limits/bona fide test Yes.

Foreign workers' wages

Prior approval Yes.

Quantitative limits The limit is 50% of wages and salaries.

Indicative limits/bona fide test If commitments outside The Bahamas are more than 50% of wages and salaries, additional amounts may be remitted. Temporary residents may also repatriate all their accumulated savings resulting from their employment in The Bahamas.

Credit card use abroad

Prior approval Approval is required for residents to hold an international credit card with a limit exceeding the equivalent of B\$25,000. Cards may not be used to pay for life insurance premiums and capital items.

Indicative limits/bona fide test Credit card transactions are subject to bona fide tests.

Other payments

Prior approval Prior approval from the CBB is required for payments exceeding the equivalent of B\$25,000 for professional services charges, subscriptions, membership fees, royalties, registration of patents, serial rights, and advertising.

Quantitative limits Yes.

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Residents are obliged to collect all proceeds without delay.

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Surrender requirements

Surrender to authorized dealers

All foreign currency proceeds must be offered for sale to an AD on receipt. Foreign exchange obtained for travel and any unused balance must be surrendered within one week of issue or, if the traveler is still abroad, within one week of returning to The Bahamas.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

Effective January 17, 2006, the authorities have reduced the premium on approved purchases of securities and foreign real estate to 12.5% from 25%, expanded the list of foreign securities eligible for investment, allowed cross-listings of Bahamian and foreign companies in CARICOM exchanges, and authorized limited foreign investments by the National Insurance Board (the public pension fund).

Repatriation requirements

Yes.

Surrender requirements

Surrender to the central bank

Yes.

Surrender to authorized dealers

Foreign exchange loans by nonresidents to residents must be converted by an AD to Bahamian dollars, unless exemption is granted by the CBB.

Controls on capital and money market instruments

All outward capital transfers require exchange control approval, and outflows of resident-owned capital are restricted. Inward transfers by nonresidents, which are encouraged, are required to be processed through the exchange control approval procedure, although the subsequent use of the funds in The Bahamas may also require authorization. Nonresidents may invest in obligations of companies listed on the BISX up to an aggregate of 10% of the respective issue or offering. They may also invest in public sector securities for which the CBB acts as registrar, subject to an overall limit of B\$100,000 a person or entity.

On capital market securities

The Mutual Funds Act and a regulation that provides for licensing of mutual fund administrators and the registration of mutual funds are enforced. The Securities Industry Act authorizes the Securities Commission to regulate the stock exchange and stock exchange operations.

Shares or other securities of a participating nature

Resident companies may invest in equities of BISX-listed companies, up to a limit of 10% of the issue or offering, an investing entity. They may invest in other private and public sector securities, without limit.

Purchase locally by nonresidents

In principle, inward investment by nonresidents is unrestricted. However, the consent of the CBB is required for the issue or transfer of shares in a Bahamian company to a nonresident and for the transfer of control of a Bahamian company to a nonresident. The extent of such approvals generally reflects the government's economic and investment policy guidelines.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Residents employed by offshore and foreign-based institutions in The Bahamas may invest in employee stock option/share purchase plans through the official exchange market up to the equivalent of B\$10,000 a person a year, on a noncumulative basis for contributory plans. Otherwise, residents are not permitted to purchase foreign currency securities with official exchange, export proceeds, or other current earnings; payment must be made with investment currency. All purchases, sales, and swaps of foreign currency securities by residents require permission from the CBB and are normally effected through authorized agents, who are free to act on behalf of nonresidents in relation to such transactions without any further approval from the CBB, at a 12.5% premium, effective January 17, 2006. Previously, the premium was 25%. All foreign securities purchased by residents of The Bahamas must be held by, or drawn to the order of, an AD.

Sale or issue abroad by residents

Sale proceeds from resident-held foreign currency securities that were registered at the CBB prior to December 31, 1972, or that were acquired through the investment currency market,

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are eligible for sale in the investment currency market. Unregistered securities may be offered for sale at the official rate of exchange.

Bonds or other debt securities

Purchase locally by nonresidents	Nonresident buyers of Bahamian dollar-denominated securities must fund the acquisition of such securities from foreign currency sources. Interest, dividends, and capital payments on these securities may not be remitted outside The Bahamas, unless the holdings have been properly acquired by nonresidents.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing shares or other securities of a participating nature apply.
On collective investment securities	The regulations governing shares or other securities of a participating nature apply.
Controls on derivatives and other instruments	The regulations governing shares or other securities of a participating nature apply.

Controls on credit operations

Commercial credits

By residents to nonresidents

A resident company wholly owned by nonresidents is not allowed to raise fixed capital in Bahamian dollars, although approval may be granted to obtain working capital in local currency. If the company is partly owned by residents, the amount of local currency borrowing for fixed capital purposes is determined in relation to residents' interest in the equity of the company. However, companies set up by nonresidents primarily to import and distribute products manufactured outside The Bahamas are not allowed to borrow Bahamian dollars from residents for either fixed or working capital; instead, they must provide all their financing in foreign currency. Banks and other lenders resident in The Bahamas must have permission to extend loans in domestic currency to any corporate body (other than a bank) that is resident in The Bahamas but is controlled directly or indirectly by nonresidents. Foreign currency loans are normally permitted on application.

To residents from nonresidents

Residents other than authorized banks must obtain permission to borrow foreign currency from nonresidents. Residents must also obtain permission to pay interest on, and to repay the principal of, foreign currency loans by conversion of Bahamian dollars. When permission is granted for residents to accept foreign currency loans, it is conditional on the currency being offered for sale without delay to an AD, unless the funds are required to meet specifically authorized payments to nonresidents.

Financial credits

Controls apply to all these transactions.

Guarantees, sureties, and financial backup facilities

Controls apply to all these transactions.

Controls on direct investment

Outward direct investment

The use of official exchange for direct investment abroad is limited to B\$1 million a person or entity, with an overall limit of B\$5 million a transaction, which may be met once every three years. This limit applies to investments from which the additional benefits that are expected to accrue to the balance of payments from export receipts, profits, or other earnings within 18 months of the investment will be at least equal to the total amount of the investment and will continue thereafter. Investments abroad that do not meet the above criteria may be financed by foreign currency borrowed on suitable terms, subject to individual approval from the CBB; by foreign currency purchased in the investment currency market; or by the retained profits of foreign subsidiary companies. Permission is not given for investments that are likely to have adverse effects on the balance of payments.

Inward direct investment

CBB approval is required. Foreign investments in domestic insurance companies and pension funds are not permitted.

Controls on liquidation of direct investment

In the event of a sale or liquidation, nonresident investors are permitted to repatriate the proceeds, including any capital appreciation, through the official foreign exchange market.

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Controls on real estate transactions

Purchase abroad by residents	Residents require the specific approval of the CBB to buy property outside The Bahamas; such purchases, if for personal use, may be made only with investment currency, and approval is limited to one property a family. Incidental expenses connected with the purchase of property for personal use may normally be met with investment currency. Expenditures necessary for the maintenance of the property or arising directly from its ownership may, with permission, be met with foreign currency bought at the current market rate in the official foreign exchange market.
Purchase locally by nonresidents	Foreigners intending to purchase land for commercial purposes or property larger than five acres in size must obtain a permit from the Investments Board. If such an application is approved, payment for the purchase may be made either in Bahamian dollars from an external source or in foreign currency. Nonresidents wishing to purchase property for residential purposes may do so without prior approval but are required to obtain a certificate of registration from the Investments Board on completion of the transaction.
Sale locally by nonresidents	Approval from the CBB is required.

Controls on personal capital transactions

Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Yes.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	The maximum amount an emigrant may transfer abroad is the equivalent of B\$250,000 a family a year. Excess amounts may be approved by the CBB on an individual basis.
Transfer of gambling and prize earnings	Residents are not allowed to remit funds earned from gambling.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Prior exchange control approval is required if local real estate is offered as a security.
Lending locally in foreign exchange	Exchange control approval is required to make loans to residents in foreign exchange.
Open foreign exchange position limits	The limit is 10% of the authorized bank's capital base.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.

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Pension funds

Limits (max.) on securities issued by nonresidents Yes.

Limits (max.) on investment portfolio held abroad Yes.

Currency-matching regulations on assets/liabilities composition n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks

Banks and Trust Companies (Equity Investments) Regulations, 2005; Banks and Trust Companies (Large Exposures) Regulations, 2006; www.bfsb-bahamas.com.

Changes during 2006

Exchange arrangement

January 17. The authorities reduced the premium on approved purchases of securities and foreign real estate to 12.5% from 25%.

March 31. Existing investors were no longer permitted to liquidate their original capital investment through the investment currency market.

Capital transactions

January 17. The authorities reduced the premium on approved purchases of securities and foreign real estate to 12.5% from 25%, expanded the list of foreign securities eligible for investment, allowed cross-listings of Bahamian and foreign companies in CARICOM exchanges, and authorized limited foreign investments by the National Insurance Board (the public pension fund).

KINGDOM OF BAHRAIN

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 20, 1973.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Measures have been taken to combat the financing of terrorists and terrorism, including the freezing of assets of certain individuals and organizations, pursuant to UN Security Council resolutions, and the Central Bank of Bahrain (CBB) has required all licensed banks to ensure diligence in examining their financial dealings with certain persons and organizations.

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Kingdom of Bahrain is the Bahrain dinar.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The dinar is pegged to the dollar at the rate of BD 1 per \$2.659. The CBB does not deal with the public.

Exchange tax No.

Exchange subsidy No.

Forward exchange market The CBB monitors the forward exchange transactions of commercial banks through the open position of banks' monthly returns.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements All settlements with Israel are prohibited. Otherwise, no requirements are imposed on exchange payments or receipts.

Payments arrangements

Bilateral payments arrangements

Operative

A free trade agreement was signed with the United States on January 11, 2006.

Regional arrangements Bahrain is a member of the GCC Customs Union.

Administration of control

There is no exchange control legislation. Effective September 7, 2006, the CBB came into existence and operates as a successor of the Bahrain Monetary Authority (BMA). The CBB and Financial Institution Law replaced the BMA Law of 1973 and the Insurance Law (Legislative Decree No. 17 of 1987).

Payments arrears No.

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Controls on trade in gold (coins and/or bullion)

On external trade

Imports of gold jewelry are subject to a 5% customs duty, but gold ingots are exempt. Brokers doing business in gold and other products must obtain CBB approval before they can register with the Ministry of Commerce.

Controls on exports and imports of banknotes

The Directorate General of Customs maintains records on detections of imports and exports of currency or negotiable instruments exceeding the permitted limits, and forwards the information to the CBB for further investigation.

References to legal instruments and hyperlinks

CBB and Financial Institution Law.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement

If such documents are not available, imported goods may be released with a written promise to submit the documents at a later date.

KINGDOM OF BAHRAIN

Import licenses and other nontariff measures

Negative list Licenses are required for imports of arms, ammunition, and alcoholic beverages. All imports from Israel are prohibited. Imports of a few commodities are prohibited from all sources for reasons of health, public policy, or security. Imports of cultured pearls are prohibited.

Other nontariff measures Mandatory government procurements give preference to goods produced in the Kingdom of Bahrain and member countries of the GCC, provided the quality and prices of these goods are within specified margins of the prices of imported substitutes (10% for goods produced in Bahrain and 5% for goods produced in member countries of the GCC).

Import taxes and/or tariffs

All imported goods, with the exception of vegetables, fruits, fresh and frozen fish, meat, books, and magazines, are subject to a customs duty of 5%. Ad valorem rates of 100% apply on tobacco products and 125% on alcoholic beverages, although evaluations based on quantity or weight may result in higher specific duties.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

In accordance with the GCC Common Customs Law, exports of goods are subject to documentation requirements.

Export licenses

All exports to Israel are prohibited.

Export taxes

No.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

Proceeds from invisibles from Israel are prohibited.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

No exchange control requirements are imposed on capital receipts or payments by residents or nonresidents, but transactions in money market instruments are regulated to prevent and prohibit money laundering. Payments may not be made to or received from Israel.

Repatriation requirements

No.

KINGDOM OF BAHRAIN

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

GCC nationals are allowed to own up to 100% and non-GCC nationals up to 49% of the listed shares of a Bahraini joint-stock company. The percentage of ownership by non-GCC nationals may be increased, subject to approval from the minister of commerce and industry. However, non-GCC nationals may purchase, sell, or own up to 100% of the shares of the following seven companies: Arab Banking Corporation, Bahrain International Bank, Investcorp Bank, Bahrain Middle East Bank, Taib Bank, Shamil Islamic Bank, and Arab Insurance Group. Purchases, sales, and ownership of shares are subject to the requirements of the Anti-Money Laundering Law.

Sale or issue locally by nonresidents

Although residency in Bahrain is not required, local sales and issues by nonresidents are subject to CBB regulations, the Commercial Companies Law, the Bahraini Stock Exchange (BSE) Law, and the law on prevention and prohibition of money laundering.

Purchase abroad by residents

There are no restrictions on these transactions, provided the regulations of the foreign jurisdiction concerned are satisfied.

Sale or issue abroad by residents

The regulations governing purchases abroad by residents apply.

Bonds or other debt securities

The issuance of bonds and other debt securities is subject to CBB regulations and the Commercial Companies Law. Sales of listed bonds and other debt securities are subject to the BSE Law.

Sale or issue locally by nonresidents

The regulations governing the sale or issue locally of shares or other securities of a participating nature by residents apply.

Purchase abroad by residents

The regulations governing the purchase abroad of shares or other securities of a participating nature by residents apply.

Sale or issue abroad by residents

Yes.

On money market instruments

Controls apply to all these transactions.

Controls on derivatives and other instruments

No.

Controls on credit operations

No.

Controls on direct investment

Direct investments are regulated in accordance with the Commercial Companies Law, CBB regulations, the BSE Law (subject to the field of investment), and the Anti-Money Laundering Law.

Inward direct investment

GCC nationals are allowed to own up to 100% of the shares of domestic enterprises. Non-GCC nationals are allowed to own up to 100% of the shares of domestic (locally incorporated) companies and branches of foreign incorporated companies, with the exception of a small number of activities contained in the "negative list," and those restrictions that apply to the ownership of publicly listed companies. Disclosure standards require listed companies to notify the CBB of developments or changes in their paid-up capital, including (1) when one holder's ownership of the issued and paid-up capital reaches 5% or more, (2) when ownership reaches 10% or more (this requires prior CBB approval), or (3) when ownership reaches 10% or more and the holder wishes to purchase more shares (this also requires prior approval and is subject to a limit of 20%).

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

There are no restrictions on ownership of real estate by GCC nationals (either natural or juridical persons). Nonresidents (both natural and juridical persons) are allowed to own buildings and property only in locations specified in Council of Ministers Regulation No. 5/2001, which include most of the prestigious and tourist areas. Commercial, tourism, and

KINGDOM OF BAHRAIN

	industrial companies, as well as banking and financial institutions that are licensed to operate in Bahrain, may own real estate without restriction.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Council of Ministers Regulation No. 5/2001; Commercial Companies Laws; BSE Law; Anti-Money Laundering Law; CBB regulations.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Banks are subject to special rules regarding the payment of dividends and the remittance of profits without exchange control restrictions. Licensed offshore banking units may engage freely in transactions with nonresidents, although transactions with residents are not normally permitted.
Lending to nonresidents (financial or commercial credits)	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Yes.
Open foreign exchange position limits	Banks are allowed to set their own individual limits.
Provisions specific to institutional investors	No.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Arrangements for payments and receipts	<i>January 11.</i> A free trade agreement was signed with the United States. <i>September 7.</i> The CBB came into existence and operates as a successor of the Bahrain Monetary Authority (BMA). The CBB and Financial Institution Law replaced the BMA Law of 1973 and the Insurance Law (Legislative Decree No. 17 of 1987).
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BANGLADESH

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: April 11, 1994.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the fifth review under the three-year arrangement under the Poverty Reduction and Growth Facility with Bangladesh states that as of October 10, 2006, Bangladesh maintained a restriction on the convertibility and transferability of proceeds from nonresident taka accounts. (Country Report No. 06/406)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Banks and other financial institutions have been instructed to block all capital transfers and to freeze financial assets of individuals, groups, and organizations associated with terrorism, pursuant to the relevant UN Security Council resolutions.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Bangladesh is the Bangladesh taka.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The Bangladesh Bank (BB) intervenes in the foreign exchange market to limit undue fluctuations in the exchange rate.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

ADs may buy and sell foreign currency forwards in accordance with international practices. Currency swaps and forward exchange transactions of ADs with nonbank customers are required to be backed by approved underlying commercial transactions. ADs are required to cover at least 50% of their forward sales by forward purchases. The remaining portion may be covered by interbank forward purchases and spot purchases of export bills. In addition, forward sales associated with swap transactions are not required to be covered by forward purchases. Although the limits on outstanding swap transactions have been relaxed, counterparty limits on swap transactions between ADs are determined according to core risk management guidelines prescribed by the BB through Banking Regulation and Policy Department Circular No. 17, dated October 17, 2003.

References to legal instruments and hyperlinks

Banking Regulation and Policy Department Circular No. 17, dated October 17, 2003.

Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements normally take place in convertible currencies and, in some cases, through nonresident taka accounts. Settlements with ACU member countries must be effected through the ACU and in units denominated in AMUs (equivalent in value to the dollar). Payments for imports may be made to any country (with the exception of countries from which imports are prohibited). They may be made (1) in taka for credit in Bangladesh to a nonresident bank account of the country concerned, (2) in the currency of the country

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	concerned, or (3) in any freely convertible currency. Export proceeds must be received in freely convertible foreign exchange or in taka from a nonresident taka account.
Controls on the use of domestic currency	Controls apply to the use of domestic currency for current and capital transactions and payments.
Use of foreign exchange among residents	Yes.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	There is an operative bilateral payments arrangement with Myanmar.
Regional arrangements	Bangladesh is a member of the ACU.
Clearing agreements	Yes.
Administration of control	Foreign exchange policy is administered by the BB in accordance with general policy formulated in consultation with the MOF. Licenses are issued to banks as ADs in foreign exchange. The chief controller of imports and exports of the Ministry of Commerce is responsible for registering exporters and importers and for issuing Import Policy Orders (IPOs). Registered importers may make their imports under the terms of the IPO against LCs. LC authorization forms (LCAFs) are issued by ADs and do not require a separate import license.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	There are no restrictions on the internal sale, purchase, or possession of gold or silver ornaments (including coins) and jewelry, but there is a prohibition on the holding of gold and silver in all other forms except by licensed manufacturers or dentists.
On external trade	The importation and exportation of gold and silver require special permission. However, women may bring in or take out any amount of personal jewelry worn by them or brought as part of their accompanying personal luggage, without prior approval. Exports of gold jewelry and imports of gold and silver for the export or manufacture of jewelry are allowed under the Jewelry Export Scheme.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	A resident or nonresident may take out up to Tk 500 in domestic currency.
<i>Foreign currency</i>	Residents may take out foreign currency and traveler's checks up to the amount of any travel allocation they are granted, and also up to the equivalent of \$5,000 brought in without declaration when returning from a visit abroad. Nonresidents may take out the foreign currency and traveler's checks they declared on entry or up to the equivalent of \$5,000 brought in without declaration. Foreign tourists may reconvert unspent taka at ADs on production of documentary evidence that the taka were acquired through a conversion of foreign exchange that had been brought into the country.
On imports	
<i>Domestic currency</i>	The importation of Bangladesh currency exceeding Tk 500 is prohibited.
<i>Foreign currency</i>	Foreign currency traveler's checks and foreign currency notes may be brought in freely up to the equivalent of \$5,000, but larger amounts should be declared to customs on arrival in Bangladesh.
References to legal instruments and hyperlinks	n.a.

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Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Residents returning from abroad may bring in any amount of foreign currency and may maintain a resident foreign currency deposit account (RFCD) with the foreign exchange brought in. However, proceeds of exports of goods and services from Bangladesh or commissions arising from business deals in Bangladesh may not be credited to such accounts. Balances in these accounts are freely transferable abroad and may be used for travel in the usual manner. These accounts may be opened in dollars, euros, pounds sterling, and yen. Local and joint-venture contracting firms executing projects financed by a foreign donor or international agency may open foreign currency accounts. Returning nonresident Bangladeshis who did not open or maintain a foreign currency deposit account while abroad may open an RFCD with foreign exchange brought in from abroad within six months of the date of their return to take up permanent residence in Bangladesh. Foreign currency accounts may also be opened in the names of diplomatic missions in Bangladesh, their expatriates, the UN and its agencies, and diplomatic bonded warehouses (duty-free shops). Foreign currency accounts may be opened in the name of resident Bangladesh nationals working for foreign or international organizations operating in Bangladesh if their salaries are paid in foreign currency.

Exporters are permitted to open Exporters' Retention Quota accounts against a certain percentage of the repatriated export proceeds.

Held abroad

Residents who opened an account abroad when residing abroad may maintain it after returning to Bangladesh.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

ADs may open convertible taka accounts in the names of foreign organizations or nationals (i.e., diplomatic missions, UN organizations, nonprofit international bodies, foreign contractors, and consultants) engaged for specific projects for the government or government agencies and the expatriate employees of such missions or organizations who are resident in Bangladesh. These accounts may be credited with foreign currency brought in or remitted from abroad or transferred from a foreign currency account or another convertible taka account and may be debited for (1) local payments in taka, (2) remittances abroad in convertible currency, (3) transfers to foreign currency accounts or other convertible taka accounts, and (4) credits to nonconvertible taka accounts.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Bangladesh nationals residing abroad; foreign nationals, companies, and firms registered or incorporated abroad; banks and other financial institutions, including institutional investors; officers and staff of Bangladesh missions, government institutions, autonomous bodies, and commercial banks posted abroad or seconded to international or regional agencies may open and maintain during their assignment abroad nonresident foreign currency deposit accounts that bear interest and are denominated in dollars, euros, pounds sterling, or yen. These accounts may be credited in initial minimum amounts equivalent to \$1,000 (\$25,000 for foreigners) with remittances in convertible currencies and transfers from existing foreign currency deposit accounts maintained by Bangladesh nationals abroad. The accounts bear interest if their terms range from one month to one year. The balance, including interest earned, may be transferred in foreign exchange by the account holder to any country or to any foreign currency deposit account maintained by Bangladesh nationals abroad. The balances in the accounts, which are freely convertible into taka, must be reported monthly by banks to the BB. The accounts may be maintained as long as the account holders desire. Nonresident Bangladesh nationals who did not open or maintain a foreign currency deposit account while abroad may open an RFCD with foreign exchange brought in from abroad within six months of the date of their return to take up permanent residence in Bangladesh.

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All nonresident accounts are regarded for exchange control purposes as accounts related to the country in which the account holder is a permanent resident. (The accounts of the UN and its agencies are treated as resident accounts.)

Domestic currency accounts

Foreign missions and embassies and their expatriate personnel, foreign airline and shipping companies, and international nonprofit organizations in Bangladesh may open interest-bearing convertible taka accounts, but the interest earned may be disbursed in local currency only. Taka accounts of individuals, firms, or companies residing outside Bangladesh are designated as nonresident accounts. For portfolio investments in Bangladesh through the stock exchange, a nonresident may open a nonresident investor's taka account (NITA) with any AD with foreign exchange remitted from abroad through normal banking channels or through transfer of funds from a foreign currency account. The balance in the NITA may be used freely to buy Bangladesh shares and other securities. These balances are also freely transferable to foreign currency accounts opened in the names of (1) Bangladesh nationals residing abroad and Bangladesh nationals working and earning abroad, including self-employed Bangladesh migrants residing abroad; (2) foreign nationals residing abroad or in Bangladesh; (3) foreign firms registered abroad and operating in Bangladesh or abroad; and (4) foreign missions and their expatriate employees. Balances in these accounts are remittable abroad in equivalent foreign exchange.

Convertible into foreign currency

Funds from NITAs and convertible taka accounts may be converted freely.

Blocked accounts

Amounts in nonresident taka accounts covering unapproved payments may be blocked by the BB.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Advance payments for permissible imports of goods and services may be effected by ADs without prior BB permission against a repayment guarantee from a bank abroad. However, advance payments of up to the equivalent of \$2,500 for imports of books, journals, or lifesaving medicines do not require any repayment guarantee.

Documentation requirements for release of foreign exchange for imports

Instructions have been issued to ADs to avoid irregularities during importation through land ports: (1) only one port of entry (land port) is to be named in the LC; (2) a copy of the LC and subsequent amendments, if any, including other relevant information, is to be sent to the land port authority; (3) specimen signatures of the officials working at the import-export desks of the ADs concerned, along with their contact phone and fax numbers, are to be supplied to all land ports of Bangladesh; (4) a list regarding entry of goods into Bangladesh, a certified invoice, and a bill of entry evidencing entry of goods into Bangladesh are to be collected directly from the concerned land ports by ADs' agents or representatives. Effective initiative is to be taken to create and maintain a database that may be accessed by all ADs; (5) the LC should not contain any reimbursement or debit authority; rather, it should stipulate the following payment terms: "on receipt of documents complying with credit terms, we shall effect payment as per instructions of negotiating bank or collecting bank"; and (6) LCs covering value more than \$5,000 or its equivalent should be sent through the Society for World-Wide Interbank Financial Telecommunications to the advising bank.

Domiciliation requirement

Yes.

Preshipment inspection

Inspection is required for all imports, with a few exceptions.

Letters of credit

Payment against imports is generally permissible only under irrevocable LCs. However, a consignment of perishable food items not exceeding \$7,500 or its equivalent in value may be imported overland without an LC; capital machinery and industrial raw materials may also be imported without LCs and without limit on value. Recognized export-oriented units operating under the bonded warehouse system may import up to four months' requirements of their raw and packing materials by establishing import LCs without reference to any export LC. They may also effect such imports by opening back-to-back LCs (either on a

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	sight basis under the Export Development Fund, or for up to 180 days on a usance basis) against export LCs received by them. ADs may establish LCs on an f.o.b. basis without the approval of the BB, subject to certain conditions. Foreign exchange for authorized imports is provided automatically by ADs when payments are due.
Import licenses used as exchange licenses	LC authorization forms are issued by ADs and do not require a separate import license.
Other	ADs are not permitted to open new LCs for importers who have failed to submit within the stipulated time period the bills of entry of imports or customs-certified invoices as evidence of actual importation of such goods.
Import licenses and other nontariff measures	All importers (including all government departments, with the exception of the Ministry of Defense) are required to obtain LCAFs for all imports. Under the authority of the IPO issued by the chief controller, importers are allowed to effect imports against LCAFs that are issued for imports under bilateral trade or payments agreements and for imports under tied-aid programs. LCAFs are otherwise valid worldwide, except for imports from Israel and imports transported on Israeli flag vessels, which are prohibited. Goods must be shipped within 18 months of the date of issuance of LCAFs in the case of machinery and spare parts, and 12 months in the case of all other items.
Positive list	Items not specified in the control list of the IPO may be imported freely, provided the importer has a valid import registration certificate.
Negative list	The control list contains 24 items in about 357 categories at the four-digit level of the harmonized system codes. The importation of these items is restricted or prohibited for public safety, religious, environmental, or social reasons, or if similar items are produced locally.
Open general licenses	All items not on the control list may be imported freely by registered importers.
Licenses with quotas	Unless otherwise specified in the IPO, industrial units approved on a regular basis are allowed to import up to 300% of their regular import entitlement of items whose import is banned for commercial purpose and that are importable by industrial consumers only. Industrial units approved on an ad hoc basis are allowed to import up to the maximum value, not exceeding 100% of their half-yearly import entitlement.
Import taxes and/or tariffs	Effective July 1, 2006, there are four tariff bands: zero, 5%, 12%, and 25% (previously, zero, 6%, 13%, and 25%). A number of goods are subject to regulatory duties, import license fees, and infrastructure development charges.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports must be repatriated within four months of shipment unless otherwise permitted by the BB.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Exporters are required to surrender to ADs 90% of the proceeds from exports of ready-made garments and other goods with high import content, and 50% (previously, 60%) of the proceeds from exports of merchandise and computer data entry and software services. They may use retained earnings for bona fide business purposes, such as business travel abroad; establishment and maintenance of offices abroad; participation in trade fairs and seminars; and imports of raw materials, spare parts, and capital goods. Fully foreign-owned industries and joint ventures or Bangladesh industries, other than in the garment industry, located in EPZs are allowed to retain 100% and 80%, respectively, of their export earnings in a foreign currency deposit account. Joint ventures and Bangladesh industries in the ready-made garment sector located in EPZs may retain 75% of their export earnings in a foreign currency deposit account.
Financing requirements	No.

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Documentation requirements	Effective March 29, 2006, besides bills of lading and airway bills issued by the carriers concerned, negotiation of export bills may also take place against Forwarders' Cargo Receipts (FCRs) and House Air Way Bills (HAWBs) issued by freight forwarders, provided (1) the export LC and the export sale contract specifically provide for negotiation of export bills against the FCR/HAWB (as the case may be) issued by a freight forwarder and (2) the freight forwarder issuing the FCR/HAWB is operating in Bangladesh with authorization from the BB under section 18A of the FER Act of 1947.
Domiciliation	Yes.
Other	Yes.
Export licenses	Exports in about 16 product categories are banned; exports in 1 category are exportable with certain restrictions. Some of these are restricted for nontrade reasons, whereas others are restricted to regulate the supply in the domestic market.
Without quotas	Yes.
Export taxes	Exports of jute are taxed.
Other export taxes	Yes.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments for invisibles related to authorized trade transactions are generally not restricted.
Trade-related payments	Payment abroad of commissions and remittances for operational expenses is subject to indicative limits and bona fide checks.
<i>Prior approval</i>	Up to 5% of export receipts (up to 33.3% in the case of books) may be remitted abroad for commissions without prior approval from the BB.
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	ADs are allowed to remit dividends to nonresident shareholders without prior approval from the BB on receipt of applications from the companies concerned. Applications must be supported by an audited balance sheet; a profit and loss statement; and a board resolution declaring to their head offices dividends from profits earned from foreign firms, banks, insurance companies, and other financial institutions operating in Bangladesh. These remittances are, however, subject to ex post checking by the BB.
<i>Prior approval</i>	No approval is required if loan agreements have been cleared by the Board of Investment (BOI).
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Quantitative limits</i>	The indicative limit for personal travel by resident Bangladesh nationals to countries other than Bhutan, India, Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka is \$3,000 a person a year or its equivalent; the allowance for air travel to these seven countries is \$1,000 a year. For new exporters, the indicative limit for business travel is \$6,000 a person a year or its equivalent; established exporters are permitted to use balances held under the Export Retention Scheme (10% of exports of ready-made garments and 50% of other export proceeds). Manufacturers producing for the domestic market and importers are granted business travel allowances equivalent to 1% of turnover as declared in tax returns and 1% of the value of imports, respectively. There is an annual ceiling of \$5,000 or its equivalent in both cases. Amounts in excess of these limits require documents attesting to the bona fide nature of the transaction.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	Foreign exchange for education is available up to the cost of tuition and living expenses, as estimated by the educational institution concerned. Prior permission is not required for the remittance of fees for approved undergraduate, postgraduate, and professional courses.

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	Foreign exchange is available for the costs of dependents abroad, on presentation of a certificate from the Bangladesh embassy in the country concerned, up to a reasonable level, which is based on prevailing prices.
<i>Prior approval</i>	Prior approval is required for the transfer of pensions.
<i>Quantitative limits</i>	Up to \$10,000 or its equivalent may be obtained for medical expenses without prior approval. Larger amounts may be obtained with approval of the BB after submission of documents attesting bona fides.
<i>Indicative limits/bona fide test</i>	Applications for foreign exchange for studies abroad and for family maintenance are approved on verification of their bona fide nature.
Foreign workers' wages	
<i>Quantitative limits</i>	Foreign nationals may remit freely up to 50% of their net salary in connection with service contracts approved by the government. The entire amount of their earned leave pay and savings may also be freely remitted.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Prior approval</i>	General approval is given for credit card use by (1) exporters against the foreign exchange retention entitlement, (2) residents against the annual indicative travel entitlement, and (3) residents against balances held in resident foreign currency deposit accounts.
<i>Quantitative limits</i>	Yes.
Other payments	
<i>Prior approval</i>	Prior permission is not required for the remittance of royalties and technical fees by firms registered with the BOI (1) up to 6% of the cost of imported machinery or (2) up to 6% of the previous year's sales as declared in income tax returns for ongoing concerns.
<i>Indicative limits/bona fide test</i>	Industrial enterprises producing for local markets may remit up to 1% of sales receipts declared in the previous year's tax return for the purpose of training and consultancy.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Exporters of services are required to surrender to ADs 95% of the proceeds (50% of proceeds from computer services) and may use retained earnings for bona fide business purposes. Bangladesh nationals working abroad may retain their earnings in foreign currency accounts or in nonresident foreign currency deposit accounts. Unless specifically exempted by the BB, all Bangladesh nationals who reside in Bangladesh must surrender any foreign exchange coming into their possession, whether held in Bangladesh or abroad, to an AD within one month of the date of acquisition. However, returning residents may keep, in foreign currency accounts opened in their names, foreign exchange brought in at the time of return from abroad, provided the amount does not represent proceeds from exports from Bangladesh or commissions earned from business activities in Bangladesh. Residents may retain up to \$5,000 or its equivalent brought into the country without declaration. Foreign nationals residing in Bangladesh for more than six consecutive months are required to surrender within one month of the date of acquisition any foreign exchange representing their earnings with respect to business conducted in Bangladesh or services rendered while in Bangladesh.
Restrictions on use of funds	Retained foreign exchange may be used for travel abroad or bona fide business purposes.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Residents are required to repatriate and sell to ADs the foreign exchange proceeds from all approved capital transactions abroad.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Nonresidents may buy Bangladesh securities through stock exchanges against payment in freely convertible currency remitted from abroad through banking channels.
Sale or issue locally by nonresidents	Proceeds from sales, including capital gains and dividends earned on securities purchased in Bangladesh, may be remitted abroad in freely convertible currency. Nonresidents may not issue securities in Bangladesh.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	Controls apply to all these transactions.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	These transactions are subject to prior approval of the Securities and Exchange Commission. If an instrument is denominated in foreign currency, prior BB approval is required.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	These transactions are not allowed.
Sale or issue locally by nonresidents	These transactions are not allowed.
Purchase abroad by residents	ADs may obtain hedging abroad against exchange rate risks on underlying trade transactions.
Sale or issue abroad by residents	Yes.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Export payments deferred for more than 120 days require BB authorization.
<i>To residents from nonresidents</i>	Commercial credits may be used by residents for import of industrial raw materials (180 days) and capital machinery (360 days) without prior approval.
Financial credits	
<i>By residents to nonresidents</i>	Except in certain cases, credits are subject to prior BB approval.

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<i>To residents from nonresidents</i>	ADs may obtain short-term loans and overdrafts from overseas branches and correspondents for a period not exceeding seven days at a time. Industrial enterprises may borrow funds or make deferred payments for imports for a period beyond 360 days, with prior BOI approval.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	On behalf of residents, banks may issue guarantees or sureties in favor of nonresidents for permissible current transactions.
<i>To residents from nonresidents</i>	Receipt of guarantees or sureties by residents from abroad requires full disclosure of the underlying transaction.
Controls on direct investment	
Outward direct investment	All outward transfers of capital require approval. For resident-owned capital, approval is granted only in exceptional cases.
Inward direct investment	Investments, except in the industrial sector, require approval. The Foreign Private Investment (Promotion and Protection) Act provides for the protection and equitable treatment of foreign private investment, indemnification, protection against expropriation and nationalization, and guarantee of repatriation of investment. There is no ceiling on private investment. Tax exemptions are granted for periods of up to nine years, depending on location.
Controls on liquidation of direct investment	Liquidation of direct investment through the NITA does not require prior BB approval. In addition, transfers of Bangladesh shares and securities from one nonresident holder to another nonresident holder do not require prior BB approval. However, proceeds from the disinvestment of nonresidents' equity investments in unlisted public limited companies and in private limited companies may be repatriated with prior BB permission, since there may not be any established market value for such investments at the time of a disinvestment. When a nonresident liquidates investment through a sale to a resident investor, the net asset value of the shares of the company is used as the basis for calculating the repatriation of proceeds.
Controls on real estate transactions	
Purchase abroad by residents	Remittances of funds for these purchases are not permitted.
Purchase locally by nonresidents	Purchases of real estate by a nonresident with funds from abroad are allowed.
Sale locally by nonresidents	Repatriation of sales proceeds is subject to prior approval by the BB, which is not normally granted.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	These transactions are not allowed.
<i>To residents from nonresidents</i>	These transactions are not allowed.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Transfers of title to nonresidents by way of inheritances are not restricted, but income and sales proceeds from such assets are not normally transferable abroad and are required to be used locally with prior authorization from the BB.
<i>To residents from nonresidents</i>	A resident Bangladesh national must obtain prior approval from the government to receive gifts or endowments from a foreign donor. Inheritances must be reported to the BB. Net current income from estates inherited abroad must be repatriated.
Settlements of debts abroad by immigrants	These transactions are normally not allowed, except for repayments on borrowing for industrial investments in accordance with BOI guidelines.
Transfer of assets	These transactions are not allowed, except for movable personal assets.
<i>Transfer abroad by emigrants</i>	These transactions are not allowed, except for normal travel allowances for residents.

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<i>Transfer into the country by immigrants</i>	These transactions are permitted, subject to a requirement that transfers exceeding \$5,000 or its equivalent must be declared.
Transfer of gambling and prize earnings	Gambling is prohibited in Bangladesh.
References to legal instruments and hyperlinks	Foreign Private Investment (Promotion and Protection) Act.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	<p>Prior BB approval is not required for taka advances in the form of purchasing checks from foreign embassies, international organizations, or foreign nationals employed therein drawn on their accounts abroad. Effective August 14, 2006, term loans in taka for capacity expansion of resident companies owned by foreigners may be extended or renewed by banks without prior approval from the BB, provided (1) the term loan in taka does not exceed, as a percentage of total term borrowing, the percentage of equity of the company held by Bangladesh nationals and companies not owned or controlled by foreigners; and (2) total debt of the company does not exceed the 50:50 debt-equity ratio.</p> <p>Borrowing proposals not conforming to these regulations require prior approval of the BB.</p> <p>ADs are permitted to extend working capital facilities to type “B” (joint venture) units of EPZs for the procurement of components needed for up to four months worth of production on the basis of the banker-customer relationship and the customer’s ability to repay from export proceeds.</p>
Borrowing abroad	The regulations governing financial credits apply.
Maintenance of accounts abroad	The maintenance of these accounts is subject to notification to the BB.
Lending to nonresidents (financial or commercial credits)	Lending to nonresidents is not allowed, except with prior BB approval and in specific cases.
Lending locally in foreign exchange	Lending is subject to prior approval from the BB. ADs are permitted to use up to 50% of nonresident foreign currency deposit balances for (1) lending to exporters for settlement of back-to-back sight LCs for imports of inputs and (2) discounting usance bills of wholly foreign-owned (type “A”) and joint venture (type “B”) EPZ units against input supplies to exporters. Industrial enterprises may borrow funds or make deferred payments for imports for a period beyond 360 days, with prior BOI approval.
Purchase of locally issued securities denominated in foreign exchange	Purchases are subject to prior approval from the BB.
Differential treatment of deposit accounts in foreign exchange	
<i>Interest rate controls</i>	Banks are required to maintain interest rates on foreign currency deposits in line with international market rates.
Differential treatment of deposit accounts held by nonresidents	
<i>Interest rate controls</i>	ADs are authorized to allow interest payments on ACU dollar accounts maintained with ADs by their correspondent banks in other ACU member countries.
Open foreign exchange position limits	In accordance with BB limits, ADs’ net open positions may not exceed 12.5% of their capital.
Provisions specific to institutional investors	
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

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Changes during 2006

Imports and import payments

July 1. Tariff rates were reduced to 5% and 12% from 6% and 13%, respectively.

Exports and export proceeds

March 29. Negotiation of export bills could take place under qualifications stipulated in the relevant regulations.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

August 14. Term loans in taka for capacity expansion of resident companies owned by foreigners could be extended or renewed by banks without prior approval from the BB, provided (1) the term loan in taka does not exceed, as a percentage of total term borrowing, the percentage of equity of the company held by Bangladesh nationals and companies not owned or controlled by foreigners; and (2) total debt of the company does not exceed the 50:50 debt-equity ratio. Borrowing proposals not conforming to these regulations require prior approval of the BB.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 3, 1993.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Barbados is the Barbados dollar.
Other legal tender	Gold coins with face values of BDS\$50, BDS\$100, BDS\$150, BDS\$200, and BDS\$500 are legal tender and are in limited circulation.
Exchange rate structure	Unitary.
Classification	
Conventional pegged arrangement	The Barbados dollar is pegged to the U.S. dollar, the intervention currency, at BDS\$2 per US\$1. Buying and selling rates for the Canadian dollar, euro, and pound sterling are also officially quoted on the basis of their cross-rate relationships to the U.S. dollar. The quoted rates include commission charges of 0.125% buying and 1.75% selling against the U.S. dollar, and 0.1875% buying and 1.8125% selling against the Canadian dollar, euro, and pound sterling. Certain businesses are allowed to change foreign currency.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	The Central Bank of Barbados (CBB) periodically obtains forward cover in the international foreign exchange market to cover or hedge its own or the central government's exchange risks associated with foreign exchange loans that are not denominated in U.S. dollars. Commercial banks are allowed to obtain forward cover in international markets. The CBB and commercial banks enter into swap transactions in U.S. dollars, whereas commercial banks switch freely among nonregional currencies.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	Settlements with residents of countries outside the CARICOM area may be made in any foreign currency or through an external account in Barbados dollars. Settlements with residents of CARICOM countries other than Jamaica, Suriname, and Trinidad and Tobago may be made in the currency of the CARICOM country. Settlements with residents of Jamaica, Suriname, and Trinidad and Tobago may also be made in U.S. dollars. CBB permission is required for retail outlets to issue change in the same foreign currency in which purchases are made.
Controls on the use of domestic currency	n.a.

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Use of foreign exchange among residents	n.a.
Payments arrangements	
Bilateral payments arrangements	n.a.
Regional arrangements	Barbados is a member of CARICOM.
Clearing agreements	Under clearing arrangements with regional monetary authorities, the CBB currently sells only three CARICOM country currencies: the Bahamian dollar, the Eastern Caribbean dollar, and the Belize dollar. The Trinidad and Tobago, Guyana, and Jamaica dollars float against the U.S. dollar, and the CBB sets indicative selling rates based on rates supplied by the monetary authorities of these countries. These rates are applicable only to government transactions.
Barter agreements and open accounts	n.a.
Administration of control	
	Exchange control applies to all countries, except those in the OECS, and is administered by the CBB, which delegates to ADs the authority to approve normal import payments and foreign exchange for cash gifts. Further authority is delegated to commercial banks with respect to current account transactions ranging from BDS\$7,500 to BDS\$250,000. Commercial banks may allow the transfer of funds to CARICOM countries with respect to all current transactions except those for which special limits or restrictions apply. Trade controls are administered by the Ministry of Commerce, Consumer Affairs, and Business Development (MCCABD). The authority to approve payments to OECS countries is delegated to ADs.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents, other than the monetary authorities, ADs, and industrial users, are not permitted to hold or acquire gold in any form other than jewelry or coins for numismatic purposes. Any gold acquired in Barbados must be surrendered to an AD, unless exchange control approval is obtained for its retention.
On external trade	The importation of gold by residents is permitted for industrial purposes and is subject to customs duties and charges. Licenses to import gold are issued by the MCCABD. Exchange control permission is required to export gold.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Travelers may take out up to BDS\$500.
<i>Foreign currency</i>	Travelers may take out up to the equivalent of BDS\$1,000. Nonresident visitors may export freely any foreign currency they previously brought in.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Subject to specific conditions under delegated authority, ADs may maintain foreign currency accounts in the names of individuals and companies resident in Barbados whose annual earnings are at least BDS\$50,000 and BDS\$100,000, respectively. Certain receipts and payments may be credited and debited to foreign currency accounts under conditions established at the time the account is opened. Other credits and debits require individual approval. In cases where authority has not been delegated to ADs, the permission of the CBB is required. Effective February 1, 2006, ADs may maintain foreign currency accounts

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	for returning Barbadian nationals up to the equivalent of BDS\$100,000, provided the funds credited to such accounts represent foreign currency earnings from abroad. Companies operating in Barbados and earning a minimum of the foreign currency equivalent of BDS\$100,000 a year are allowed to maintain foreign currency accounts up to the equivalent of BDS\$50,000 without reference to the CBB.
<i>Approval required</i>	Approval is given on the basis of the anticipated frequency of receipts and payments in foreign currency.
Held abroad	Yes.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	Permission of the CBB is required.
Accounts in domestic currency convertible into foreign currency	Permission of the CBB is required.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	The regulations governing resident accounts apply. Effective January 1, 2007, non-Barbadian nationals employed in the offshore sector are classified as nonresidents.
Domestic currency accounts	These accounts may be credited with the proceeds from the sale of foreign currencies, transfers from other external accounts, bank interest, and payments by residents for which the CBB has given general or specific permission. The accounts may be debited for payments to residents of Barbados for the cost of foreign exchange required for travel or business purposes and for any other payment covered by delegated authority to ADs. Other debits and any overdrafts require individual approval.
Convertible into foreign currency	Balances on external accounts are convertible.
Approval required	Nonresident holders of foreign currency accounts are not required to obtain central bank approval to remit funds abroad when the funds were not the result of payment for trade or nontrade transactions.
Blocked accounts	The CBB may require certain payments in favor of nonresidents that are ineligible for transfer to be credited to blocked accounts. Balances in blocked accounts may not be withdrawn without approval, other than for the purchase of approved securities.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	ADs may release foreign exchange up to the equivalent of BDS\$250,000 (c.i.f.) for advance payments for imports into Barbados. Commercial banks may allow transfers of funds to CARICOM countries with respect to prepayment of imports from CARICOM countries. Other advance payments require the prior approval of the CBB.
Advance import deposits	n.a.
Documentation requirements for release of foreign exchange for imports	Payments for authorized imports are permitted on application and submission of documentary evidence (invoices and customs warrants) to ADs; payments for imports of crude oil and its derivatives are subject to the approval of the CBB.
Domiciliation requirement	n.a.

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Preshipment inspection	n.a.
Letters of credit	n.a.
Import licenses used as exchange licenses	n.a.
Other	Yes.
Import licenses and other nontariff measures	Certain imports require individual licenses. Some items on the import-licensing list may be freely imported throughout the year, whereas others are subject to temporary restrictions (particularly agricultural products, which tend to be subject to seasonal restrictions). Individual licenses are also required for imports of commodities that are subject to the provisions of the Oils and Fats Agreement, to which Barbados, Dominica, Grenada, Guyana, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago are signatories, whether the goods are being imported from CARICOM countries or from elsewhere. Special licensing arrangements have been made for the regulation of trade between Barbados and other CARICOM countries in 22 agricultural commodities.
Negative list	n.a.
Open general licenses	n.a.
Licenses with quotas	Not all goods that are subject to licensing are subject to quantitative restrictions or import surcharges.
Other nontariff measures	n.a.
Import taxes and/or tariffs	Customs duties corresponding to the fourth phase of the CARICOM CET are in the range of 5% to 20%. A VAT of 15% is levied. Tariffs ranging from 20% to more than 200% apply to imports of prepared meats, detergents, and T-shirts.
State import monopoly	Chicken heads, backs, and necks; onions; and sugar may be imported only by the Barbados Agricultural Development and Marketing Corporation, and milk may be imported only by the Pine Hill Dairy.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds must be repatriated within six months.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Proceeds must be sold to an AD within six months, but exporters may apply for exemptions.
Financing requirements	n.a.
Documentation requirements	n.a.
Export licenses	Specific licenses are required for the exportation of certain goods to any country, including rice, sugarcane, rum, molasses, certain other food products, sewing machines, portland cement, and petroleum products. All other goods may be exported without license.
Without quotas	Yes.
With quotas	Exports of sugar to the United Kingdom and the United States are subject to bilateral export quotas, as are exports of rum to the EU.
Export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Prior approval

Approval is required for amounts above the quantitative limits.

Quantitative limits

Commercial banks may approve all payments for insurance, freight, advertising, commissions, and fees relating to imports. Commercial banks must report these transfers to the CBB. The limit on unloading, storage costs, and administrative expenses is BDS\$250,000 a transaction.

Indicative limits/bona fide test

Yes.

Investment-related payments

Prior approval

For payments of profits and dividends to residents of non-CARICOM countries, approval is required for amounts above BDS\$250,000.

Quantitative limits

The limit for principal and interest payments is BDS\$50,000 a year for individuals. Commercial banks are permitted to approve all payments abroad of profits and dividends to nonresident beneficiaries in and residents of CARICOM countries.

Indicative limits/bona fide test

Yes.

Payments for travel

Quantitative limits

Effective February 1, 2006, full authority has been delegated to the ADs to release foreign exchange to residents, without limits, for travel within CARICOM countries. For travel outside CARICOM countries the limits are BDS\$7,500 a person a calendar year for private travel, and BDS\$750 a day for business travel, up to BDS\$50,000 a person a calendar year. Commercial banks have the authority to approve all payments for cash currency swaps by in-port ships and cruise liners.

Indicative limits/bona fide test

Yes.

Personal payments

Prior approval

Approval is required for amounts above the limit. Payments for medical treatment and studies abroad require approval from a commercial bank based on appropriate documentation.

Quantitative limits

There are no limits on payments for medical treatment or studies abroad. The limit on cash gifts is BDS\$5,000 a person a year; the limit for alimony and other maintenance is BDS\$50,000 a person a year. Nonresidents may have their pensions remitted to them while residing outside Barbados. Commercial banks may approve all payments with respect to bequests or inheritances that are due to beneficiaries resident in CARICOM countries, under the terms of the wills of persons who were resident or under the rules governing resident intestates for exchange control purposes. Beneficiaries residing outside CARICOM countries are permitted to transfer abroad bequests or inheritances at the rate of BDS\$100,000 a year. Commercial banks must, however, continue to report such transfers to the CBB.

Indicative limits/bona fide test

Yes.

Foreign workers' wages

Commercial banks may, without prior approval of the CBB, allow transfers of funds for payment of management services provided by residents of CARICOM countries.

Prior approval

Yes.

Quantitative limits

Nonresidents are allowed to remit amounts to cover commitments while employed in Barbados.

Indicative limits/bona fide test

Yes.

Credit card use abroad

Prior approval

Yes.

Quantitative limits

The limits are the same as for travel.

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<i>Indicative limits/bona fide test</i>	Yes.
Other payments	Commercial banks are permitted to approve all payments abroad for charges and fees with respect to granting and registration of patents, designs, and trademarks. Commercial banks are permitted to approve all payments abroad for entrance and subscription fees due to nonresident credit and travel card companies.
<i>Prior approval</i>	Approval is required for amounts above the limit.
<i>Quantitative limits</i>	The limit is BDS\$50,000 for subscriptions and membership fees a person a year, and BDS\$100,000 for consulting and legal fees for each nonresident beneficiary. No limits apply for subscriptions to magazines, books for personal use, returns and refunds of deposits, and reimbursements of overpaid accounts and insufficient postage payments.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Foreign currency proceeds from invisibles must be sold to ADs.
Restrictions on use of funds	n.a.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital account transactions with the ECCB area denominated in Eastern Caribbean dollars are free from controls, except for transactions in debt issues of OECS governments.
Repatriation requirements	Earnings on securities and money market instruments purchased abroad by residents must be repatriated.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Earnings on securities and money market instruments purchased abroad by residents must be surrendered to ADs.
Controls on capital and money market instruments	
On capital market securities	Purchases and sales of shares and securities of companies cross-listed and cross-traded on any CARICOM stock exchange are permitted without limit. This excludes any government securities cross-listed or cross-traded on those stock exchanges. Commercial banks in Barbados may approve all investments in private unlisted securities in CARICOM countries without the prior approval of the CBB.
<i>Shares or other securities of a participating nature</i>	The Barbados Stock Exchange is authorized to approve all investments in corporate securities in the form of equities cross-listed and cross-traded on CARICOM stock exchanges.
Purchase locally by nonresidents	The issuance and transfer to nonresidents of securities registered in Barbados require exchange control approval, which is freely given provided that an adequate amount of foreign currency is brought in for their purchase.
Sale or issue locally by nonresidents	Yes.

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Purchase abroad by residents	These purchases require exchange control approval, and certificates of title must be lodged with an authorized depository in Barbados, except for regional securities purchased through the Securities Exchange of Barbados.
Sale or issue abroad by residents	Exchange control approval is required.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
On money market instruments	
<i>Purchase locally by nonresidents</i>	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue abroad by residents</i>	Yes.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	The approval of the CBB is required for all credit operations. However, ADs may approve applications by domestically owned parent companies for permission to borrow funds from CARICOM and/or non-CARICOM sources for the purpose of investing in the operations of their CARICOM subsidiaries and/or affiliates.
Controls on direct investment	Direct investments require exchange control approval.
Outward direct investment	Commercial banks are authorized to approve investments in private unlisted securities in CARICOM countries.
Inward direct investment	Yes.
Controls on liquidation of direct investment	Liquidation of proceeds is permitted, provided evidence documenting the validity of the remittance is submitted, all liabilities related to the investment have been discharged, and the original investment was registered with the CBB.
Controls on real estate transactions	
Purchase abroad by residents	Purchases require exchange control approval.
Purchase locally by nonresidents	Nonresidents may acquire real estate in Barbados for private purposes with funds from foreign currency sources; local currency financing is not ordinarily permitted.
Sale locally by nonresidents	Proceeds from the realization of such investments equivalent to the amount of foreign currency brought in may be repatriated freely. Capital sums realized in excess of this amount may be repatriated freely on the basis of a calculated annual rate of return on the original foreign investment as follows: for the past 5 years, at 8%; for the 5 years immediately preceding the past 5 years, at 5%; and for any period preceding the past 10 years, at 4%. Amounts in excess of the sum so derived are restricted to remittances of BDS\$30,000 a year.
Controls on personal capital transactions	
Loans	Commercial banks in Barbados may approve applications for the transfer of funds for personal loans, maintenance, and financial assistance from Barbados to CARICOM countries without prior approval from the CBB.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	The annual limit is BDS\$5,000 for gifts and BDS\$100,000 for endowments, inheritances, and legacies.

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Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	The limit is BDS\$100,000.
Transfer of gambling and prize earnings	Nonresidents may take out winnings.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Any borrowing abroad by ADs to finance their domestic operations requires the approval of the CBB. ADs may assume short-term liability positions in foreign currencies for the financing of approved transfers with respect to both trade and nontrade transactions. ADs are required to sell 25% of their foreign currency borrowings to the CBB. ADs may approve borrowing by domestically owned parent companies from CARICOM and/or non-CARICOM sources to invest in the operation of their CARICOM subsidiaries and/or affiliates.
Maintenance of accounts abroad	Accounts must be maintained with overseas correspondent banks.
Lending to nonresidents (financial or commercial credits)	Exchange control permission is required.
Purchase of locally issued securities denominated in foreign exchange	Investment in local securities requires CBB approval.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	The reserve requirement ratio on deposits in foreign exchange is 21%, of which 16% must be maintained in stipulated government securities and 5% in cash.
<i>Liquid asset requirements</i>	Effective April 1, 2006, a 6% foreign currency reserve requirement was put in place, calculated on the foreign currency deposits held at ADs, merchant banks, and trust and finance companies, to be deposited at the CBB. There is no liquidity requirement on deposits in foreign exchange. The liquid asset requirement for domestic currency deposits in commercial banks is 17%, of which 12% must be placed in government securities and 5% in cash.
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	Nonresident deposit accounts are treated the same as resident deposit accounts. Differential treatment is based on whether the amount is in domestic currency.
Investment regulations	n.a.
Open foreign exchange position limits	Limits on working balances are set by the CBB. Those on other assets and liabilities are controlled through the Exchange Control Act. If a bank has a short position in forward transactions, it may maintain a long spot position equivalent to 10% of the short position in forward transactions or 5% of the gross spot liabilities, whichever is higher. If a bank does not have a short position in forward transactions, it may maintain a long spot position equivalent to 5% of the gross spot liabilities. Banks must report weekly to the Foreign Exchange and Export Credits Department of the CBB.

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Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents n.a.

Limits (max.) on investment portfolio held abroad Yes.

Pension funds

Limits (max.) on securities issued by nonresidents n.a.

Limits (max.) on investment portfolio held abroad Approval is required for investment of pension funds abroad. A 6% tax is levied on portfolio investments of pension funds with foreign companies that are not registered with the Barbados Supervisor of Insurance.

Limits (min.) on investment portfolio held locally n.a.

Currency-matching regulations on assets/liabilities composition n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Resident accounts

February 1. ADs may maintain foreign currency accounts for returning Barbadian nationals up to the equivalent of BDS\$100,000, provided the funds credited to such accounts represent foreign earnings from abroad.

Payments for invisible transactions and current transfers

February 1. ADs were delegated full authority to release foreign exchange, without limits, to residents for traveling within CARICOM countries.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

April 1. A 6% foreign currency reserve requirement was put in place, calculated on the foreign currency deposits held at ADs, merchant banks, and trust and finance companies, to be deposited at the CBB.

Changes during 2007

Nonresident accounts

January 1. Non-Barbadian nationals working in the offshore sector were classified as nonresidents.

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(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 5, 2001.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

In accordance with UN resolutions, there are restrictions on financial transactions with persons and organizations associated with terrorist activities.

References to legal instruments and hyperlinks

Law of the Republic of Belarus No. 426-Z of July 19, 2000, on Anti-Money Laundering and Combating the Financing of Terrorism; Instruction on Procedures for the Suspension by Banks and Nonbank Financial and Credit Institutions of Certain Financial Transactions (Resolution of the Board of the National Bank of the Republic of Belarus No. 34 of March 13, 2006); www.nbrb.by/Legislation/ForExRegul.

Exchange Arrangement

Currency

The currency of the Republic of Belarus is the Belarusian rubel.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

The National Bank of the Republic of Belarus (NBRB) maintains a de facto conventional peg vis-à-vis the dollar with negligible daily fluctuations. At the same time, the Belarusian rubel de jure targets the exchange rate of the Russian ruble within a horizontal band ($\pm 4\%$) and the U.S. dollar ($\pm 2\%$). However, de facto the exchange rate of the Belarusian rubel against the Russian ruble is allowed at certain times to move in line with market trends outside the established band with a view to limiting daily fluctuations in the exchange rate of the Belarusian rubel vis-à-vis the dollar.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

The forward market is regulated by the same provisions as the spot market.

References to legal instruments and hyperlinks

Banking Code of the Republic of Belarus; www.nbrb.by/engl/legislation/code.asp; Statute of the NBRB; www.nbrb.by/engl/legislation/statute.asp; Annual Monetary Policy Guidelines for the NBRB; www.nbrb.by/publications/ondkp.

Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements of transactions between residents and nonresidents are effected in any foreign currency for which the NBRB establishes an official exchange rate against the Belarusian rubel. Settlements in other currencies and Belarusian rubels are effected if provided for by intergovernmental agreements between the CBs of both parties to the settlements. Settlements in rubels between residents and nonresidents of the countries with which such arrangements have been concluded may be effected through nonresident accounts in domestic banks or through correspondent accounts in rubels of nonresident banks with authorized banks in Belarus. Settlements with nonresidents in rubels are also allowed, regardless of the existence of an intergovernmental agreement, provided settlements are effected through a nonresident rubel account at a bank in Belarus.

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Controls on the use of domestic currency	Controls apply to the use of domestic currency for current and capital transactions and payments.
Use of foreign exchange among residents	Settlements between residents in foreign currency are prohibited, except in cases established by the foreign exchange law.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	In accordance with intergovernmental agreements between the NBRB and the CBs of most CIS countries (except Azerbaijan and Uzbekistan) and the Baltic countries, settlements are effected in the national currencies of the parties involved in the settlements and in freely convertible currencies. Some of the agreements also stipulate the possibility of settlements in currencies of other CIS countries.
Regional arrangements	Belarus has arrangements with Moscow and various other regions in the Russian Federation. The Republic of Belarus has subscribed to the Agreement on the Establishment of a Payment Union of CIS Member States.
Clearing agreements	An agreement with Uzbekistan provides for the exchange of cotton for strategic goods from Belarus on a balanced basis. There are also agreements with Moldova and Ukraine. Settlements between the NBRB and the CBs of the majority of CIS countries are effected via the interstate bank using bank transfers on the basis of multilateral clearing.
Barter agreements and open accounts	Yes.
Administration of control	The exchange regulation authorities are the Council of Ministers and the NBRB; the exchange control authorities are the Council of Ministers, the NBRB, the State Control Committee, and the State Customs Committee. The exchange control agents are banks, customs offices, bodies of the state administration, and state organizations subordinate to the government of Belarus and oblast (local) governments.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents (other than banks) are required to have a license issued by the MOF to engage in transactions in precious metals and stones. When effecting banking operations with precious metals and stones, banks are required to have a license issued by the NBRB. Banks must obtain a license from the MOF to engage in nonbanking operations in precious metals and stones.
On external trade	Licenses for residents to export precious metals and stones are issued by the Ministry of Trade (MOT) with the approval of the MOF.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Resident and nonresident individuals may export up to the equivalent of 500 base units established in Belarus. A base unit was equal to Rbl 31,000 at the end of 2006. Individuals may export rubels to the territory of customs union member states without restrictions on the amount and without mandatory declaration.
<i>Foreign currency</i>	Resident and nonresident individuals may freely export the equivalent of \$10,000; amounts greater than this require presentation of a permit. Exports of foreign currency exceeding the equivalent of \$3,000 are subject to mandatory declaration. Exports of foreign currencies to states participating in the customs union are unrestricted.
On imports	
<i>Domestic currency</i>	Resident and nonresident individuals may import up to the equivalent of 500 base units established in Belarus. Individuals may import rubels from the territory of customs union member states without restrictions on the amount and without mandatory declaration.
<i>Foreign currency</i>	There are no limits on imports of foreign currency by resident and nonresident individuals, but effective May 21, 2006, amounts in excess of \$10,000 (previously, \$3,000) or its equivalent are subject to mandatory declaration.

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References to legal instruments and hyperlinks

Law No. 226-3 on Foreign Exchange Regulation and Foreign Exchange Control of July 22, 2003; Regulation No. 72 for the Performance of Foreign Exchange Transactions, adopted April 30, 2004; Instruction No. 73/78 on the Procedure for the Import, Export, and Remittance of Foreign Currency, Belarusian Rubels, Payment Documents in Foreign Currency, Documentary Securities in Belarusian Rubels, and Foreign Currency by Individuals across the Customs Frontier of the Republic of Belarus, adopted April 30, 2004; www.nrb.by/Legislation/ForExRegul.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Without declaring the sources of their foreign exchange, residents may open foreign currency accounts at banks authorized to deal in foreign exchange.

Held abroad

Yes.

Approval required

NBRB approval is required for all residents (except banks) to open accounts in nonresident banks abroad, with the exception of accounts used to record credit transactions, accounts to service diplomatic and other official representative offices of the Republic of Belarus, and accounts of representative offices of residents at banks of Eurasian Economic Community (EEC) member countries in the domestic currency of the EEC member country on whose territory the account of the representative office is opened (notification is required). Banks may open accounts with nonresident banks with NBRB approval for the maintenance of representative offices or other structural offices. In all other instances NBRB approval is not required for banks. Individuals residing abroad do not require approval to open accounts.

Accounts in domestic currency held abroad

NBRB approval is required to open domestic currency accounts abroad by residents.

Accounts in domestic currency convertible into foreign currency

Resident legal entities may purchase foreign currency without restrictions (1) to effect settlements with nonresidents, with the exception of settlements involving the granting of a loan to a nonresident; to purchase securities from a nonresident that have been issued by residents or nonresidents; or to purchase real property from a nonresident; (2) to pay for business travel and training expenses abroad; (3) to perform settlements with banks; and (4) to perform a number of other transactions that have been specified by the NBRB.

References to legal instruments and hyperlinks

Law No. 226-3 on Foreign Exchange Regulation and Foreign Exchange Control of July 22, 2003; Instruction No. 112 on the Procedure for the Performance of Foreign Exchange Transactions Involving Legal Entities and Individual Entrepreneurs, adopted July 28, 2005; Regulation No. 72 for the Performance of Foreign Exchange Transactions, adopted April 30, 2004; www.nrb.by/Legislation/ForExRegul.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresident legal entities may maintain foreign exchange accounts with authorized banks in Belarus. Transactions on a current account in foreign currency of nonresident legal entities may be performed without restrictions based on the type of transaction (including for foreign exchange transactions associated with the purchase and sale of foreign currency). The source of the funds may be receipts from abroad; proceeds from the sale of goods and services in the territory of Belarus, including sales to residents; debt-service payments; interest earned on balances on the accounts; funds from other foreign exchange accounts of nonresidents in Belarus; and earnings from investments from the performance of other operations with residents and nonresidents. These accounts may be debited for purchases of goods and services and for investments, as well as for payments to residents and nonresidents. Funds from these accounts may be freely repatriated or exchanged for rubels at the market exchange rate through authorized banks, provided rubels are placed on account with Belarusian banks.

Domestic currency accounts

Nonresident legal entities may open T (current) and S (investment in government securities) accounts. A nonresident may open a T account for foreign currency transactions only in the name of its representative office (branch). Transactions on a T account are performed

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without restriction, depending on the type of transaction (including transactions involving the purchase and sale of foreign currency). Funds from T accounts may be used to purchase foreign currency, goods and services, bonds, shares in enterprises, privatization vouchers, and payment for current transactions. Funds in S accounts are used for investment in securities issued by the Belarusian government and the NBRB.

Convertible into foreign currency

Balances in T and S accounts may be converted into foreign currency.

Blocked accounts

No.

References to legal instruments and hyperlinks

Law No. 226-3 on Foreign Exchange Regulation and Foreign Exchange Control of July 22, 2003; Regulation No. 944 on the Procedure for the Investment of Funds by Nonresidents in Government Securities of the Republic of Belarus and NBRB Securities, adopted September 4, 1997; Instruction No. 112 on the Procedure for the Performance of Foreign Exchange Transactions Involving Legal Entities and Individual Entrepreneurs, adopted July 28, 2005; Regulation No. 72 for the Performance of Foreign Exchange Transactions, adopted April 30, 2004; www.nrb.by/Legislation/ForExRegul.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Effective March 6, 2007, no restrictions apply on advance payments from a resident to a nonresident, up to \$500,000 (previously, effective July 5, 2006, the ceiling for advance payments made by a resident without restrictions to a single nonresident was increased to the equivalent of \$3 million from \$500,000). Advance payments for goods or services exceeding the equivalent of \$500,000 require that one of the following be obtained: (1) a foreign bank guarantee or reserve letter of credit; (2) an insurance agreement of voluntary insurance of entrepreneurial risk; or (3) permission from the NBRB. Permission from the MOT is required for payments for imported services more than 90 days in advance of the performance of the services and for imported goods more than 60 days in advance of the receipt of the goods. Permission from the MOT and registration with the NBRB are required for advance payments of more than 180 days. Effective July 5, 2006, the previous stipulation that a resident could make advance payments above the established limit if the resident made a bank deposit in the amount of the excess for a period of 60 calendar days was eliminated.

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

Licenses are required for imports of the following goods: white sugar (only from the Russian Federation), insecticides, fungicides, herbicides, anti-germination substances and regulators of the growth of plants, nonconsumable alcohol-containing products with an ethyl alcohol content of more than 7%, perfumes and cosmetics, antiseptic medical and veterinary substances with an ethyl alcohol content of more than 80%, alcoholic beverages, and tobacco products.

Negative list

There are prohibitions on imports of production and consumption waste that cannot be processed or used in Belarus and on printed matter, audiovisual materials, and other media containing information that may harm the political or economic interests or security of Belarus or the health and morals of Belarusian citizens, and ozone-depleting substances and/or products containing ozone-depleting substances, as indicated in Annexes A and B to the Montreal Protocol on Substances That Deplete the Ozone Layer of September 16, 1987.

Licenses with quotas

Licenses that are issued within the limits of quota allocations are applied to alcoholic products and tobacco products.

Other nontariff measures

Quantitative restrictions are applied to seafood and fish.

Import taxes and/or tariffs

Belarus has abolished customs controls and customs processing of goods originating in Belarus and the Russian Federation and trading between Belarus and the Russian Federation. Goods originating from countries with which Belarus has a free trade agreement are imported into and exported from Belarus free of duty. Regular (base) import duty rates apply to countries with MFN status. Import duties at twice the base rates are imposed on goods

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imported from countries that Belarus has not granted MFN status and on goods whose country of origin can not be established. Seasonal customs duties apply to certain vegetables. Some consumer and industrial goods are subject to elevated import customs duty rates. VAT and excise taxes are imposed on imports into the Republic of Belarus if provided under law, and a fee for customs processing is imposed. Precious metal ingots imported by banks for purposes of banking operations and by legal persons for purposes of selling to banks are exempt from customs duties and VAT; also exempt are sales by legal persons to banks, transactions between banks, and sales by banks to individuals. Indirect taxes apply on goods imported from the Russian Federation.

State import monopoly

No.

References to legal instruments and hyperlinks

Law of the Republic of Belarus No. 226-Z of July 22, 2003, on Foreign Exchange Regulation and Foreign Exchange Control; Decree of the President of the Republic of Belarus No. 7 of January 4, 2000, on Improvement of the Procedure for the Performance and Monitoring of Foreign Trade Transactions; Instruction on the Performance of Advance Payments under Foreign Trade Agreements (Resolution of the Board of the National Bank of the Republic of Belarus No. 153 of August 28, 2003); Resolution of the Council of Ministers of the Republic of Belarus No. 1267 of September 27, 2006, on Licensing of Foreign Trade in Certain Types of Goods; www.nbrb.by/Legislation/ForExRegul/; Law of the Republic of Belarus No. 2151-XII of February 3, 1993, on the Customs Tariff; Resolution of the Council of Ministers of the Republic of Belarus No. 218 of March 18, 1997, on Establishment of Bans and Restrictions on the Shipment of Goods across the Customs Border of the Republic of Belarus; Resolution of the Council of Ministers of the Republic of Belarus No. 865 of June 28, 2002, on Approval of Import Customs Duty Rates.

Exports and Export Proceeds

Repatriation requirements

Proceeds from exports of goods and services must be repatriated within 90 days from the date of shipment, and proceeds from other exports of goods and services produced by residents under commission contracts must be repatriated within 180 days. Longer time periods require MOT permission and NBRB approval.

Surrender requirements

The surrender requirement is 30%. Effective September 21, 2006, monetary resources from exports of goods and services and from the sale of goods and services to individuals are subject to surrender.

Surrender to authorized dealers

Surrender of foreign exchange proceeds occurs in trading on exchanges.

Financing requirements

No.

Documentation requirements

No.

Export licenses

In addition to export licenses, other restrictive measures apply to exports. These include the following: (1) minimum export prices apply to raw and sawed timber, wooden railroad ties, salt, evaporated milk and cream, beef, pork, white sugar, casein, flax and flax fiber, cattle rawhide, mink, fox, and Arctic fox skins, and mineral fertilizers; (2) only certain business entities have the right to export certain types of woods; and (3) there are prohibitions on exports of medical raw materials that grow in the wild; plants and animals of types listed in the Red Book of the Republic of Belarus and also their parts and derivatives (except for those cultivated or reared in captivity); historical and cultural valuables; scrap and waste of ferrous, nonferrous, and precious metals for industrial use, including semi-finished and prefabricated goods; by individuals, of printed matter, audiovisual materials, and other media containing information that may harm the political or economic interests or security of Belarus or the health and morals of its citizens; and ozone-depleting substances and/or products containing ozone-depleting substances indicated in Annexes A and B to the Montreal Protocol on Substances That Deplete the Ozone Layer of September 16, 1987.

Without quotas

Exports of the following goods are effected on the basis of licenses issued by the MOT with the approval of relevant government authorities: cereals, corn, flax seeds and rapeseeds, raw amber, pyrites, ores and concentrates of precious metals, certain chemical elements, precious metals in a colloidal state, alloys of precious metals, oil and oil products, rawhide and cattle hides, pearls, precious natural stones, various articles made of precious metals, certain base metals, and amber and products thereof.

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With quotas	Licenses from the MOT are required for exports of the following goods: fabrics made of wool yarn; cotton thread, yarn, and fabric; thread from chemical fibers; yarn and fabric made of artificial and synthetic fibers and blended fibers; cable and rope products; terry cloth towels and similar terry cloth fabrics; interwoven and interlock fabrics; socks and hosiery articles; knitted clothing and accessories; textile clothing and accessories; blankets, throws, and bed, table, bath, and kitchen linens; dishcloths; curtains, window shades, and bedspreads; sacks; paper bags; floor cleaning fabrics; and sets consisting of fabrics and yarn (only for goods to be exported to the EU and Turkey, in accordance with quotas set by the EU and Turkey); and also for mineral fertilizers and ferrous and nonferrous metal waste and scrap.
Export taxes	Indirect taxes apply on goods exported to the Russian Federation.
Other export taxes	Under the arrangement of the common customs region with the Russian Federation, export customs duties are collected on a list of goods with a low degree of processing that are exported outside the Customs Union. Most duties are on an ad valorem basis and range from 5% to 30%. Specific and combined duties are also levied. Indirect taxes apply on goods exported to the Russian Federation.
References to legal instruments and hyperlinks	Law of the Republic of Belarus No. 226-Z of July 22, 2003, on Foreign Exchange Regulation and Foreign Exchange Control; Decree of the President of the Republic of Belarus No. 7 of January 4, 2000, on Improvement of the Procedure for the Performance and Monitoring of Foreign Trade Transactions; Decree of the President of the Republic of Belarus No. 452 of July 17, 2006, on Mandatory Surrender of Foreign Currency; Resolution of the Council of Ministers of the Republic of Belarus No. 1267 of September 27, 2006, on Licensing of Foreign Trade in Certain Types of Goods; www.nbrb.by/Legislation/ForExRegul ; Decree of the President of the Republic of Belarus No. 717 of December 5, 2006, on Export Customs Duty Rates for Timber and Products Manufactured Therefrom; Decree of the President of the Republic of Belarus No. 60 of January 31, 2007, on Export Customs Duty Rates; Resolution of the Council of Ministers of the Republic of Belarus No. 218 of March 18, 1997, on Establishment of Bans and Restrictions on the Shipment of Goods across the Customs Border of the Republic of Belarus; Resolution of the Council of Ministers of the Republic of Belarus No. 864 of June 28, 2002, on Approval of Export Customs Duty Rates; Resolution of the Ministry of the Economy of the Republic of Belarus No. 256 of December 2, 2002, on Approval of a List of Minimum Prices for Certain Types of Exports Produced in the Republic of Belarus.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments

Prior approval

Payments associated with the leasing of real estate outside the Republic of Belarus are subject to NBRB permission (in accordance with foreign exchange legislation of the Republic of Belarus, this transaction is considered a capital transaction).

References to legal instruments and hyperlinks

Law No. 226-3 on Foreign Exchange Regulation and Foreign Exchange Control of July 22, 2003; Regulation No. 72 for the Performance of Foreign Exchange Transactions, adopted April 30, 2004; www.nbrb.by/Legislation/ForExRegul.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Proceeds from exports of services must be repatriated by legal persons within 90 days, and proceeds from exports of services by residents under commission contracts must be repatriated within 180 days. MOT permission is required for deferrals of 90 to 180 days. Permission from the MOT and approval from the NBRB are required for periods exceeding 180 days.

Surrender requirements

The surrender requirement is 30% of proceeds. Effective September 21, 2006, monetary resources from exports of goods and services and from the sale of goods and services to individuals are subject to surrender requirements.

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Surrender to authorized dealers

Surrender of foreign exchange proceeds occurs in trading on exchanges.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

Law No. 226-3 on Foreign Exchange Regulation and Foreign Exchange Control of July 22, 2003; Decree No. 311 of the President of the Republic of Belarus on Improvement of the Foreign Exchange Surrender Procedure, adopted June 2, 1997; Decree No. 7 of the President of the Republic of Belarus on Improvement of the Procedure for the Performance and Monitoring of Foreign Trade Transactions, adopted January 4, 2000.

Capital Transactions

Controls on capital transactions

The legislation governing the securities market does not define “securities of a participating nature” or “collective investment securities.”

Repatriation requirements

In case of a delay in payment for more than 180 days, a deferral of receipt of proceeds must be extended by the MOT with approval from NBRB (in accordance with foreign exchange legislation of the Republic of Belarus, this transaction is considered a capital transaction).

Surrender requirements

The surrender requirement for foreign exchange proceeds on export transactions (in case of a delay in payment for more than 180 days) is 30%.

Surrender to authorized dealers

Surrender of foreign exchange proceeds occurs in trading on exchanges.

Controls on capital and money market instruments

The government and the NBRB establish quotas and procedures for clearing the securities of foreign issuers for circulation in Belarus and quotas and procedures for clearing securities of issuers under the jurisdiction of Belarus for circulation outside Belarus.

On capital market securities

Shares or other securities of a participating nature

Purchases or sales locally by nonresidents require registration with the Securities Committee at the MOF for shares to be exported.

Purchase locally by nonresidents

A permit from the NBRB is not required for these transactions.

Sale or issue locally by nonresidents

A permit from the NBRB is not required for these transactions. The domestic placement of stocks and bonds of foreign issuers is permitted, subject to regulations.

Purchase abroad by residents

A permit from the NBRB is required for these transactions.

Sale or issue abroad by residents

Foreign placement of stocks and bonds of domestic issuers are permitted, subject to regulations. Notification of the NBRB is required.

Bonds or other debt securities

Registration of securities is required with the exception of government securities and securities of the NBRB destined for placement on the domestic market of the Republic of Belarus. The NBRB regulates the issue of certificates of deposit and saving certificates by banks. These may be issued in domestic currency. Banks are not allowed to export bank certificates. Otherwise, the regulations governing shares or other securities of a participating nature apply.

Purchase locally by nonresidents

Yes.

Sale or issue locally by nonresidents

The domestic placement of stocks and bonds of foreign issuers and foreign placement of stocks and bonds of domestic issuers is permitted, subject to regulations.

Purchase abroad by residents

The regulations governing shares or other securities of a participating nature apply.

Sale or issue abroad by residents

Notification of the NBRB is required.

On money market instruments

Government securities and securities of the NBRB destined for placement on the domestic market of the Republic of Belarus are not subject to state registration.

Purchase locally by nonresidents

An NBRB permit is not required. Nonresidents may own certificates of deposit and saving certificates.

Sale or issue locally by nonresidents

A permit from the NBRB is not required for these transactions.

Purchase abroad by residents

An NBRB permit is required.

Sale or issue abroad by residents

Notification of the NBRB is required.

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On collective investment securities

<i>Purchase locally by nonresidents</i>	A permit from the NBRB is not required for these transactions.
<i>Sale or issue locally by nonresidents</i>	A permit from the NBRB is not required for these transactions.
<i>Purchase abroad by residents</i>	An NBRB permit is required.
<i>Sale or issue abroad by residents</i>	Notification of the NBRB is required.

Controls on derivatives and other instruments

Purchase locally by nonresidents	A permit from the NBRB is not required for these transactions.
Sale or issue locally by nonresidents	A permit from the NBRB is not required for these transactions.
Purchase abroad by residents	An NBRB permit is required.
Sale or issue abroad by residents	Notification of the NBRB is required.

Controls on credit operations

Commercial credits

<i>By residents to nonresidents</i>	The deferral of receipt of proceeds from exports of goods and services and also of receipt of imports of goods and services that have been paid for requires approval. For deferrals of 90 to 180 days, the permit is issued by the MOT; for deferrals of more than 180 days, permits from the MOT and approval of the NBRB are required. The same procedures apply to advance payments.
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Financial credits

<i>By residents to nonresidents</i>	An NBRB permit is required if the credit is for longer than 180 days.
<i>To residents from nonresidents</i>	An NBRB permit is required for credits longer than 180 days if one of the following conditions is present: (1) the amount exceeds the equivalent of \$1 million; (2) effective August 13, 2006, the interest rate is higher than 11% (in dollars), higher than 11% (in euros), or higher than 3% of the relevant CB refinancing rate (for other currencies); (3) the funds are to be used to pay the obligations of a resident borrower, bypassing the resident's account; (4) repayment is to be made from other than the resident borrower's account; or (5) the credit is provided by a nonresident who is a resident of an offshore zone. For other credits longer than 180 days, notification of the NBRB is required.

Controls on direct investment

Outward direct investment	A permit from the NBRB is required.
Inward direct investment	A permit from the NBRB is not required. Foreign investments must be registered with the relevant local governments. Financial institutions must also register them with the NBRB. Insurance institutions, including those with foreign investments, must also be registered with the MOF. Certain activities require special approval (license). When establishing an enterprise with foreign investments, the proportion of a foreign investor's share is not restricted, except for shares in insurance organizations, which may not exceed 49%. The quota of foreign investors in the authorized capital of all insurance organizations must not exceed 30%.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents	An NBRB permit is required.
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Controls on personal capital transactions

Loans

<i>By residents to nonresidents</i>	An NBRB permit is required for loans with maturities of more than 180 days.
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References to legal instruments and hyperlinks

Law No. 226-3 on Foreign Exchange Regulation and Foreign Exchange Control of July 22, 2003; Regulation No. 72 for the Performance of Foreign Exchange Transactions, adopted

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April 30, 2004; Resolution of the Council of Directors of the National Bank of the Republic of Belarus No. 178 of July 12, 2006, on Interest Rate Ceilings for Credits (Loans) Attracted from Nonresidents above Which a Permit from the National Bank of the Republic of Belarus Is Required.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Foreign currency purchases and sales may be performed by banks and nonbank financial and credit institutions with a relevant banking license. Banks perform these transactions without restriction within the limits of the open foreign exchange position. A banking license is required to engage in banking operations.

Maintenance of accounts abroad

A permit from the NBRB is required to open accounts for the maintenance of representative offices and branches of banks.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Effective June 1, 2006, the reserve requirement on domestic currency deposits of legal entities and foreign currency deposits was reduced to 8% from 9%. Effective November 1, 2006, the reserve requirement on domestic currency deposits of individuals was reduced to 4.5% from 5%. There are no reserve requirements for nonresident banks.

Liquid asset requirements

n.a.

Interest rate controls

n.a.

Credit controls

n.a.

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

Effective June 1, 2006, the reserve requirement on domestic currency deposits of legal entities and foreign currency deposits was reduced to 8% from 9%. Effective November 1, 2006, the reserve requirement on domestic currency deposits of individuals was reduced to 4.5% from 5%. There are no reserve requirements for nonresident banks.

Liquid asset requirements

n.a.

Interest rate controls

n.a.

Credit controls

n.a.

Investment regulations

Abroad by banks

Approval by the NBRB is required.

In banks by nonresidents

Yes.

Open foreign exchange position limits

The following limits based on a bank's equity capital have been established on open foreign exchange positions: (1) an overall open foreign exchange position of 20%; (2) an open foreign exchange position of 10% for each type of foreign currency on balance-sheet accounts and off-balance-sheet accounts; and (3) an open foreign exchange position of 10% on forward transactions for each type of foreign currency. Limits are computed as a whole by type of foreign currency regardless of whether assets or liabilities belong to a resident or nonresident.

Provisions specific to institutional investors

Limits may be established by the Council of Ministers and the NBRB.

Insurance companies

An insurance organization is required to obtain prior permission from the MOF to (1) increase the amount of its authorized capital using funds from foreign investors and/or their subsidiaries and (2) transfer shares (shares in their authorized capital) to foreign investors and/or their subsidiaries. The quota of foreign investors in the authorized capital of all insurance organizations must not exceed 30%.

Limits (max.) on securities issued by nonresidents

Yes.

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<i>Limits (max.) on investment portfolio held abroad</i>	The establishment of separate subdivisions outside Belarus by insurance organizations and insurance brokers, as well as participation in the establishment of foreign insurance organizations or insurance brokers, requires permission from the MOF following the procedure provided for by legislation.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	Controls are administered by the Securities Committee of the MOF. The legislation provides for the establishment of investment funds; however, there are no investment funds in the country at this time. Specialized investment funds that handled registered "property" privatization vouchers ceased operation as of May 1, 2004. The financial assets of an investment fund (cash and government securities) must be equal to the equivalent of at least €500,000.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	Law of the Republic of Belarus No. 226-Z of July 22, 2003, on Foreign Exchange Regulation and Foreign Exchange Control; www.nbrb.by/Legislation/ForExRegul .

Changes during 2006

Arrangements for payments and receipts	<i>May 21.</i> The ceiling above which imported cash foreign currency is subject to mandatory declaration was increased to \$10,000 from \$3,000.
Imports and import payments	<i>July 5.</i> The ceiling for advance payments made by a resident without restrictions to a single nonresident for a good was increased to the equivalent of \$3 million from \$500,000. The previous stipulation that a resident could make advance payments above the established limit if the resident made a bank deposit in the amount of the excess for a period of 60 calendar days was eliminated.
Exports and export proceeds	<i>September 21.</i> A new surrender procedure was established: foreign currency is surrendered only for monetary resources received as foreign exchange proceeds from exports of goods and services and also for monetary resources in foreign currency received from the sale to individuals of goods and services.
Proceeds from invisible transactions and current transfers	<i>September 21.</i> Monetary resources from exports of goods and services and from the sale of goods and services to individuals were made subject to surrender requirements.
Capital transactions	
Controls on credit operations	<i>August 13.</i> The ceiling interest rate for credits received from nonresidents by residents for a period of more than 180 days for which a permit from the NBRB is not required was raised to 11% (in U.S. dollars), higher than 11% (in euros), and higher than 3% of the refinancing rate of the relevant CB (for other currencies).
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<i>June 1.</i> The reserve requirement on domestic currency deposits of legal entities and foreign currency deposits was reduced to 8% from 9%.

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November 1. The reserve requirement on domestic currency deposits of individuals was reduced to 4.5% from 5%.

Changes during 2007

Imports and import payments

March 6. The ceiling for advance payments made by a resident without restrictions to a single nonresident for a good was decreased from the equivalent of \$3 million to \$500,000.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On October 30, 2006, Belgium notified the IMF that in accordance with EU Council regulations, certain restrictions are maintained on the making of payments and transfers for current international transactions. These include the freezing of funds and economic resources of certain individuals of Belarus, Bosnia and Herzegovina, Côte d'Ivoire, Croatia, and the former Federal Republic of Yugoslavia; certain individuals and entities of the Democratic Republic of the Congo, the Islamic Republic of Iran, Iraq, the Democratic People's Republic of Korea, Lebanon, Liberia, Myanmar, Sudan, the Syrian Arab Republic, and Zimbabwe; and persons and entities associated with Osama bin Laden, Al-Qaida, and the Taliban, and certain other persons, groups, and entities, with a view to combating terrorism.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

Council Regulation (EC) No. 765/2006 (OJ L 134, dated May 5, 2006), as amended; Council Regulation (EC) No. 1763/2004 (OJ L 315, dated October 14, 2004), as amended; Council Regulation (EC) No. 1183/2005 (OJ L 193, dated July 23, 2005), as amended; Council Regulation (EC) No. 560/2005 (OJ L 95, dated April 14, 2005), as amended; Council Regulation (EC) No. 1210/2003 (OJ L 169, dated July 8, 2003), as amended; Council Regulation (EC) No. 305/2006 (OJ L 51, dated February 22, 2006), as amended; Council Regulation (EC) No. 872/2004 (OJ L 162, dated April 30, 2004), as amended; Council Regulation (EC) No. 817/2006 (OJ L 148, dated June 2, 2006), as amended; Council Regulation (EC) No. 1184/2005 (OJ L 193, dated July 23, 2005), as amended; Council Regulation (EC) No. 881/2002 (OJ L 139, dated May 29, 2002), as amended; Council Regulation (EC) No. 2580/2001 (OJ L 344, dated December 28, 2001), as amended; Council Regulation (EC) No. 2488/2000 (OJ L 287, dated November 14, 2000), as amended; Council Regulation (EC) No. 314/2004 (OJ L 55, dated February 22, 2004), as amended.

Exchange Arrangement

Currency

The currency of Belgium is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Belgium participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

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Forward exchange market	Banks are allowed to engage in spot and forward exchange transactions in any currency, and they may deal among themselves and with residents and nonresidents in foreign notes and coins.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency	The sales price of real estate may be paid only by means of a bank transfer or check, except for an amount not exceeding 10% of the sales price and as long as this amount is not higher than €15,000. The price of a sale by a merchant for a product whose total value is equal to or greater than €15,000 may not be paid in cash.
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Payments arrangements No.

Administration of control No.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes No.

References to legal instruments and hyperlinks Articles 10bis and 10ter of the Law of January 11, 1993, Preventing the Use of the Financial System for Purposes of Laundering Money and Terrorism Financing; www.juridat.be/cgi_loi.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Controls apply to deposits held with financial institutions not supervised by the authorities of an EU country if these deposits are to form part of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund.

Accounts in domestic currency held abroad Yes.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks Law of March 22, 1993, on the Legal Status and Supervision of Credit Institutions; www.juridat.be/cgi_loi.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

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Blocked accounts	These accounts are affected by international security restrictions. The accounts held in the names of the Taliban and terrorist organizations are still blocked, as are accounts of certain officials of Zimbabwe and certain persons linked with Liberia.
References to legal instruments and hyperlinks	Taliban and Terrorist Organizations: Council Regulation (EC) No. 881/2002 of May 27, 2002, Imposing Certain Specific Restrictive Measures Directed Against Certain Persons and Entities Associated with Osama bin Laden, the Al-Qaida Network, and the Taliban; and repealing Council Regulation (EC) No. 467/2001, Prohibiting the Export of Certain Goods and Services to Afghanistan, Strengthening the Flight Ban and Extending the Freeze of Funds and other Financial Resources with respect to the Taliban of Afghanistan; Zimbabwe: Council Regulation (EC) No. 314/2004, dated February 19, 2004, concerning Certain Restrictive Measures with respect to Zimbabwe; Liberia: Council Regulation (EC) No. 872/2004 dated April 29, 2004, concerning Further Restrictive Measures in relation to Liberia; http://europa.eu.int/eur-lex .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Individual licenses are required for certain specified imports from some non-EU countries, including many textile and steel products, diamonds, and weapons. All other products are free from license requirements.
Licenses with quotas	Along with other EU countries, the Belgium-Luxembourg Economic Union applies quotas on a number of textile products from Belarus, China, the Democratic People's Republic of Korea, Kosovo, and Montenegro, and on a number of steel products from Kazakhstan, the Russian Federation, and Ukraine.
Import taxes and/or tariffs	Belgium applies the Common Import Regime of the EU to imports of most agricultural and livestock products from non-EU countries.
State import monopoly	Yes.
References to legal instruments and hyperlinks	Council Regulation (EC) No. 517/94 on Common Rules for Imports of Textile Products from Certain Third Countries Not Covered by Bilateral Agreements; http://europa.eu.int/eur-lex .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Export licenses are required for only a few products (mostly of a strategic character), for weapons, and for diamonds.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	Council Regulation (EC) No. 1334/2000, Setting up a Community Regime for the Control of Exports of Dual-Use Items and Technology; http://europa.eu.int/eur-lex .

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities

Shares or other securities of a participating nature

Purchase abroad by residents

Controls apply to the acquisition of (1) securities not traded on a regulated market, negotiable within a period exceeding three months, except securities issued by financial institutions headquartered in the EU (for private pension funds only if they get the approval of the occupational pension supervisor), if these assets are to form part of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund; (2) securities not traded on a regulated market, negotiable within a period exceeding three months, issued by financial institutions headquartered in the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (3) securities not traded on a regulated market, negotiable within a period not exceeding three months, except securities issued by financial institutions headquartered in the EU, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; and (4) securities not traded on a regulated market, negotiable within a period not exceeding three months, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company.

Bonds or other debt securities

Purchase abroad by residents

Controls apply to the acquisition of (1) securities not traded on a regulated market, negotiable within a period exceeding three months, except securities issued by financial institutions headquartered in the EU (for private pension funds only if they get the approval of the occupational pension supervisor), if these assets are to form part of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund; (2) securities not traded on a regulated market, negotiable within a period exceeding three months, issued by financial institutions headquartered in the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (3) securities not traded on a regulated market, negotiable within a period not exceeding three months, except securities issued by financial institutions headquartered in the EU, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; and (4) securities not traded on a regulated market, negotiable within a period not exceeding three months, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company.

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On money market instruments

Purchase abroad by residents

Controls apply to the acquisition of money market securities not traded on a regulated (1) foreign financial market, negotiable within a period exceeding three months, except securities issued by financial institutions headquartered in the EU (for private pension funds only if they get the approval of the occupational pension supervisor), if these assets are to form part of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund; (2) foreign financial market, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (3) market negotiable within a period not exceeding three months, except securities issued by financial institutions headquartered in the EU, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; and (4) market negotiable within a period not exceeding three months, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company.

On collective investment securities

Purchase abroad by residents

Controls apply to the acquisition of securities issued by collective investment funds not regulated by EU authorities, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company.

Controls on derivatives and other instruments

Purchase abroad by residents

Controls apply to the purchase of or swap operations in instruments and claims not traded on a regulated foreign financial market (1) negotiable within a period exceeding three months, except liabilities of financial institutions headquartered in the EU (for private pension funds only if they get the approval of the occupational pension supervisor), if these assets are to form part of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund; (2) negotiable within a period exceeding three months, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (3) negotiable within three months, except liabilities of financial institutions headquartered within the EU, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; and (4) issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company.

Controls on credit operations

Financial credits

By residents to nonresidents

Controls apply to credits and loans granted to (1) nonresident borrowers, other than financial institutions headquartered in the EU, with a residual maturity exceeding three months, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; and (2) nonresident financial institutions headquartered in the EU, with a residual maturity exceeding three months, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company.

Controls on direct investment

Inward direct investment

No authorization is required for inward direct investment in Belgium, except for the acquisition of Belgian flag vessels by shipping companies that do not have their principal office in Belgium and investment by non-EU nationals in accounting and legal services.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

No.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

No.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to the acquisition of (1) capital market securities not traded on a regulated market, negotiable within a period exceeding three months, except securities issued by financial institutions headquartered in the EU, if these assets are to form part of the cover of the technical reserves of an insurance company; (2) capital market securities not traded on a regulated market, negotiable within a period exceeding three months, issued by financial institutions headquartered in the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (3) capital market securities not traded on a regulated market, negotiable within a period not exceeding three months, except securities issued by financial institutions headquartered in the EU, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; (4) capital market securities not traded on a regulated market, negotiable within a period not exceeding three months, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (5) money market securities not traded on a regulated foreign financial market, negotiable within a period exceeding three months, except securities issued by financial institutions headquartered in the EU, if these assets are to form part of the cover of the technical reserves of an insurance company; (6) money market securities not traded on a regulated foreign financial market, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (7) money market securities not traded on a regulated market, negotiable within a period not exceeding three months, except securities issued by financial institutions headquartered in the EU, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; (8) money market securities not traded on a regulated market, negotiable within a period not exceeding three months, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; and (9) securities issued by collective investment funds not regulated by EU authorities, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company.

Limits (max.) on investment portfolio held abroad

Controls apply to credits and loans granted to (1) nonresident borrowers, other than financial institutions headquartered in the EU, with a residual maturity exceeding three months, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; (2) nonresident financial institutions headquartered in the EU, with a residual maturity exceeding three months, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; and (3) swap operations in instruments and claims not traded on a regulated foreign financial market (a) negotiable within a period exceeding three months, except liabilities of financial institutions headquartered in the EU, if these assets are to form part of the cover of the technical reserves of an insurance company; (b) negotiable within a period exceeding three months, issued by financial institutions headquartered within the EU, if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; (c) negotiable within three months, except liabilities of financial institutions headquartered within the EU, if these assets are to form more than 10% of the cover of the technical reserves of an insurance company; and (d) issued by financial institutions headquartered within the EU if these assets are to form more than 20% of the cover of the technical reserves of an insurance company.

Currency-matching regulations on assets/liabilities composition

These regulations are maintained, but the introduction of the euro has considerably reduced their significance. The EU allows its member countries to maintain such regulations.

Pension funds

Limits (max.) on securities issued by nonresidents

Controls apply to the acquisition of (1) capital market securities not traded on a regulated market, negotiable within a period exceeding three months, except securities issued by financial institutions headquartered in the EU (for private pension funds only if they get the approval of the occupational pension supervisor), if these assets are to form part of the assets representative of the liabilities of a private pension fund; and (2) money market securities

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not traded on a regulated financial market, negotiable within a period exceeding three months, issued by financial institutions headquartered in the EU, except securities issued by financial institutions headquartered in the EU (for private pension funds only if they get the approval of the occupational pension supervisor), if these assets are to form part of the assets representative of the liabilities of a private pension fund.

<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange measures

October 30. Belgium notified the IMF that in accordance with EU Council regulations, certain restrictions are maintained on the making of payments and transfers for current international transactions. These include the freezing of funds and economic resources of certain individuals of Belarus, Bosnia and Herzegovina, Côte d'Ivoire, Croatia, and the former Federal Republic of Yugoslavia; certain individuals and entities of the Democratic Republic of the Congo, the Islamic Republic of Iran, Iraq, the Democratic People's Republic of Korea, Lebanon, Liberia, Myanmar, Sudan, the Syrian Arab Republic, and Zimbabwe; and persons and entities associated with Osama bin Laden, Al-Qaida, and the Taliban, and certain other persons, groups, and entities, with a view to combating terrorism.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

BELIZE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 14, 1983.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Belize is the Belize dollar.

Exchange rate structure

Unitary Effective January 1, 2006, the exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.

Classification

Conventional pegged arrangement The Belize dollar is pegged to the U.S. dollar, the intervention currency, at the rate of BZ\$1 per US\$0.5. The Central Bank of Belize (CBB) quotes daily rates for the Canadian dollar, the pound sterling, and a number of currencies of CARICOM member countries. Commercial banks are allowed to buy and sell foreign exchange at the official rate. Since the closing down of exchange houses, all transactions in foreign exchange have to be conducted through ADs (i.e., commercial banks, the Postmaster General, the Accountant General, and Belize Global Travel Services).

Exchange tax A stamp duty of 1.25% is levied on all conversions from the Belize dollar to a foreign currency.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements EPZ businesses may use only U.S. dollars for all transactions except payments for labor, which may be made in domestic currency.

Controls on the use of domestic currency Controls apply to the use of domestic currency for current and capital transactions and payments.

Use of foreign exchange among residents Residents with earnings in foreign exchange may pay their taxes, utility bills, and other expenses in U.S. dollars.

Payments arrangements

Regional arrangements Belize is a member of CARICOM.

Clearing agreements Belize participates in the CMCF.

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Administration of control	The CBB is responsible for administering exchange controls, which apply to transactions with all countries. Authority covering a wide range of operations is delegated to commercial banks in their capacity as ADs. All applications for foreign exchange processed by ADs are regularly forwarded to the CBB for audit and record keeping. Capital transactions are subject to CBB approval.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents may not hold monetary gold except with specific authorization from the CBB.
On external trade	Monetary gold may not be imported or exported without the approval of the CBB.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Each traveler may take abroad up to BZ\$500. Amounts beyond this limit require the approval of the CBB, which is liberally granted when justified.
<i>Foreign currency</i>	The amount of foreign currency that each resident traveler may take abroad is limited. Nonresidents may take out up to the equivalent of BZ\$500 or up to the amount imported.
On imports	
<i>Domestic currency</i>	Each traveler may bring in up to BZ\$500.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Domestic commercial banks are authorized to open foreign currency accounts for residents. The CBB reserves the right to prohibit specific accounts.
<i>Approval required</i>	Yes.
Held abroad	Foreign currency accounts held abroad must be approved by the CBB.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Only international banks may maintain foreign currency accounts for nonresidents.
Domestic currency accounts	Nonresidents are allowed to have domestic currency accounts with domestic commercial banks. These accounts may be credited with proceeds from the sale of foreign currency.
Convertible into foreign currency	Yes.
Blocked accounts	No.

BELIZE

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget Yes.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports Prepayments for imports require authorization from the CBB.

Letters of credit Yes.

Other Yes.

Import licenses and other nontariff measures

Negative list For reasons of health, standardization, and protection of domestic industries, import licenses from the Ministry of Industry are required for a number of goods, mostly food and agricultural products and certain household and construction products; such licenses are granted liberally.

Import taxes and/or tariffs Customs duties corresponding to the fourth phase of the CARICOM CET range from 5% to 20%, with a number of items (particularly agricultural inputs) entering duty-free. Imports by most of the public sector and certain nonprofit entities, imports of an emergency or humanitarian nature, and goods for reexport are exempt from import duties; goods originating from the CARICOM area are also exempt. Some items are subject to revenue-replacement duties ranging from 5% to 25%. An environmental tax of 2% is levied on a broad range of imports. Specific duties and surcharges apply to certain products.

State import monopoly The Belize Marketing Board has an import monopoly on rice, potatoes, onions, and carrots.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements Yes.

Surrender requirements

Surrender to the central bank

The CBB requires the direct surrender of sugar export proceeds.

Surrender to authorized dealers

Export proceeds must be surrendered to ADs not later than six months after the date of shipment, unless otherwise directed by the CBB.

Financing requirements No.

Documentation requirements No.

Export licenses Export licenses are required for live animals, excluding pets; fish, crustaceans, and mollusks, excluding agricultural species; lumber and logs; beans; citrus fruits; and sugar.

Without quotas Yes.

Export taxes

Other export taxes Transshipments are subject to a 1.5% customs administration fee.

References to legal instruments and hyperlinks n.a.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

There are controls on the payment of commissions.

Prior approval

For the payment and transfer of commissions, approval is granted by the CBB, subject to clearance by the Commissioner of Income Tax (CIT).

Investment-related payments

Prior approval

Payments of interest are subject to CBB approval and clearance by the CIT and require a copy of the loan agreement, amortization schedule, and proof of the loan disbursement. For transfer of profits and dividends, an income statement and a declaration of dividends must be presented along with clearance by the CIT.

Payments for travel

Quantitative limits

The following limits are in effect: (1) for nonbusiness travel by residents, up to the equivalent of BZ\$6,000 a person a trip; (2) for business travel by residents, BZ\$500 a person a day; (3) for medical travel, BZ\$6,000 a person a trip; and (4) for business or nonbusiness travel by nonresidents, BZ\$500 a person a year, unless payment is made from an external account or from proceeds of foreign currency. Resident travelers are required to sell their excess holdings of foreign currencies to an AD on returning to Belize. The CBB reserves the right to waive these limits.

Indicative limits/bona fide test

Yes.

Personal payments

Payments related to medical costs are made directly to a doctor or hospital with original invoices or bills supporting the application.

Prior approval

For the transfer of pensions and payments for family maintenance and alimony, CBB approval and CIT clearance are required.

Quantitative limits

The limit for gifts is BZ\$1,000 a person a year or its equivalent.

Indicative limits/bona fide test

Foreign exchange is provided by ADs for payment of correspondence courses when applications are properly documented.

Foreign workers' wages

Prior approval

Approval for remittance of wages is granted by the CBB, subject to clearance by the CIT.

Other payments

Prior approval

For the transfer of consulting and legal fees, approval is granted by the CBB, subject to clearance by the CIT.

Indicative limits/bona fide test

Similar requirements apply for subscriptions and membership fees for study abroad.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Yes.

Surrender requirements

Surrender to authorized dealers

Proceeds must be sold to an AD.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

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Capital Transactions

Controls on capital transactions	All capital transfers require the approval of the CBB, but controls are administered liberally.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Controls apply to all these transactions.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	
Commercial credits	Controls apply to all these transactions.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	EPZ developers, EPZ businesses, CFZ developers, and CFZ businesses may obtain loans or advances up to US\$1 million from offshore banks. Loans or advances in excess of this amount require written CBB approval.
Guarantees, sureties, and financial backup facilities	Controls apply to all these transactions.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Inward direct investment must be registered with the CBB if the profits are to be repatriated in the future.
Controls on liquidation of direct investment	Repatriation of proceeds requires clearance by the CIT.
Controls on real estate transactions	Controls apply to all these transactions. There is a land speculation tax of 5% of the unimproved value of land holdings exceeding 300 acres.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	Controls apply to all these transactions.
Transfer of gambling and prize earnings	The repatriation of gambling proceeds by nonresidents requires clearance by the CIT.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.

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Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts held by nonresidents	Effective January 16, 2006, nonresidents are required to use offshore banks.
<i>Liquid asset requirements</i>	The liquid asset requirement is 20%.
Provisions specific to institutional investors	
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement

January 1. The exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 16. Nonresidents were required to use offshore banks.

BENIN

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. The framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks Regulation 14/2002/CM/UEMOA by the WAEMU Council of Ministers of September 19, 2002; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency The currency of Benin is the CFA franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Benin participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rates for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy No.

Forward exchange market Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Benin is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU and

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CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.

Controls on the use of domestic currency

For capital transactions

Transactions in derivatives and other instruments Yes.

Use of foreign exchange among residents

The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.

Payments arrangements

Bilateral payments arrangements

Inoperative

Yes.

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account.

Clearing agreements

A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.

Administration of control

Exchange control is administered jointly by the MOF and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MOF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Benin for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Benin require prior authorization by the RCPSFM.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports of gold require prior MOF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO, (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles), and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration. Exports of gold have been liberalized.

Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. However, the suspension of BCEAO repurchases of exported banknotes continues. In addition, the exchange of BCEAO banknotes between authorized intermediaries and their correspondents outside the WAEMU is prohibited.

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<i>Foreign currency</i>	The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposits in local banks.
On imports	
<i>Foreign currency</i>	Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int .

Resident Accounts

Foreign exchange accounts permitted	The holding by residents of foreign currency accounts is subject to prior MOF authorization, after consent by the BCEAO.
Held domestically	Yes.
<i>Approval required</i>	Yes.
Held abroad	Yes.
<i>Approval required</i>	Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, prior authorization by the MOF, after BCEAO approval, is required to open an account abroad.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.
Domestic currency accounts	Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU area, nonresident accounts may not be credited or debited with BCEAO banknotes. These accounts may not be overdrawn without prior MOF authorization. Transfers of funds between nonresident accounts are not restricted.
Convertible into foreign currency	The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.
Blocked accounts	No.

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References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.

Documentation requirements for release of foreign exchange for imports

Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.

Domiciliation requirement

All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.

Preshipment inspection

All imports arriving by sea and exceeding CFAF 3 million, and overland imports exceeding CFAF 1.5 million, are subject to prior inspection.

Other

Exchange authorization, invoices, and export-import cards are required.

Import licenses and other nontariff measures

Positive list

n.a.

Negative list

Certain imports (e.g., narcotics) are prohibited from all sources.

Other nontariff measures

n.a.

Import taxes and/or tariffs

The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1% and a community solidarity levy of 1%.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

Proceeds from exports, excluding those to WAEMU countries, must normally be collected within 120 days of shipment and repatriated through the BCEAO not later than one month after the due date of the payment.

Surrender requirements

Surrender to the central bank

Yes.

Surrender to authorized dealers

Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if authorized by the BCEAO.

Financing requirements

No.

Documentation requirements

All export transactions require a customs declaration.

Letters of credit

Yes.

Domiciliation

All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.

Other

Yes.

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Export licenses

Without quotas Exports are permitted on the basis of a simple authorization from the Directorate of Foreign Trade, which issues a certificate of origin as needed. Exports of diamonds, gold, and all other precious metals, however, require prior authorization by the MOF, with the exception of articles with small gold content, travelers' personal effects weighing less than 500 grams, and coins (fewer than 10 pieces, irrespective of their face value and denomination).

With quotas Exports of teakwood and other varieties of unprocessed wood and charcoal are banned.

Export taxes No.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts made by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.

Trade-related payments

Indicative limits/bona fide test Yes.

Investment-related payments Authorized banks may transfer profits and interest payments based on supporting documentation.

Prior approval Payments for depreciation of direct investments require prior authorization from the MOF, because this type of depreciation is not specifically mentioned in the regulations.

Indicative limits/bona fide test Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.

Payments for travel

Quantitative limits Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.

Indicative limits/bona fide test Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.

Personal payments

Indicative limits/bona fide test All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.

Foreign workers' wages

Indicative limits/bona fide test Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.

Credit card use abroad The use of credit cards is allowed only when issued by specialized institutions.

Indicative limits/bona fide test Yes.

Other payments

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks n.a.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of the equivalent of CFAF 300,000 that they bring in and must surrender it to an authorized bank within eight days of their return.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	The proceeds from the sale or liquidation of investments in foreign assets by residents must be surrendered to authorized intermediary banks within one month.
Controls on capital and money market instruments	Prior authorization by the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities, canvassing, and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	These purchases are subject to prior declaration to the MOF for statistical purposes.
Sale or issue locally by nonresidents	The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to prior authorization by the MOF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MOF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.

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	Residents may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Residents may sell money market instruments abroad. Sales liquidating an investment are subject to prior declaration.
On collective investment securities	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.
Controls on credit operations	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	
<i>By residents to nonresidents</i>	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment. The transfer of funds abroad for this purpose is subject to prior MOF authorization.
<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval of the MOF. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the BCEAO acting on behalf of the MOF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be reported for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	The granting of guarantees and sureties is subject to prior approval by the MOF. Transfers abroad of funds to service these facilities require an exchange authorization, subject to approval by the MOF, and submission of supporting documents.
<i>To residents from nonresidents</i>	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MOF.

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Controls on direct investment	Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 20% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents, including investments through foreign companies under the direct or indirect control of residents of Benin and investments by foreign branches or subsidiaries of companies established in Benin, require prior authorization by the MOF.
Outward direct investment	All investment abroad by residents is subject to prior MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes.
Controls on liquidation of direct investment	The liquidation of investments abroad must be reported to the MOF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MOF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MOF for statistical purposes.
Controls on real estate transactions	
Purchase abroad by residents	These purchases require prior authorization by the MOF.
Purchase locally by nonresidents	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MOF for statistical purposes.
Sale locally by nonresidents	Sales by nonresidents to residents require submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF.
Controls on personal capital transactions	Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless prior authorization is obtained from the MOF.
Loans	The regulations governing securities and investments apply.
<i>By residents to nonresidents</i>	These transactions require prior MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.
<i>To residents from nonresidents</i>	These transactions may be made freely, but are subject to declaration for statistical purposes to the MOF when granted and when repaid.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	These transactions may be made freely, but are subject to declaration for statistical purposes to the MOF when granted and when repaid.
<i>To residents from nonresidents</i>	These transactions are subject to declaration.
Settlements of debts abroad by immigrants	Immigrants who have received resident status must obtain prior authorization by the MOF to settle debts contracted abroad while they were nonresidents.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions require prior authorization by the MOF.
<i>Transfer into the country by immigrants</i>	Foreign accounts of nonresidents (in foreign currencies or CFA francs) who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	For statistical purposes, these transactions must be declared to the MOF when they are granted and when they are repaid.
Maintenance of accounts abroad	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Commercial lending is allowed. Financial credits are subject to prior MOF authorization following BCEAO approval.
Lending locally in foreign exchange	No explicit regulations exist regarding these transactions, but prior authorization by the MOF is required with the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	These purchases require prior RCPSFM authorization, after approval by the MOF.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents are subject to prior MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Monetary regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
<i>Credit controls</i>	Any overdraft or advance granted to a nonresident requires prior authorization by the MOF with the approval of the BCEAO.
Investment regulations	The regulations governing direct investment apply.
<i>Abroad by banks</i>	Yes.
Open foreign exchange position limits	No prudential ratios apply. Open positions result from special dispensations.

Provisions specific to institutional investors

Insurance companies	Controls are imposed by the CIMA Code.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The CIMA Code does not allow insurance companies to invest abroad.
<i>Limits (min.) on investment portfolio held locally</i>	The CIMA Code includes specific rules for the use of insurance companies' technical reserves.
<i>Currency-matching regulations on assets/liabilities composition</i>	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	n.a.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.

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Currency-matching regulations on assets/liabilities composition n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category of conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Banking institutions have been instructed to freeze all capital transfers and financial assets of individuals, groups, and organizations associated with terrorism, pursuant to the relevant UN Security Council resolutions. In addition, financial institutions are required to report to the Royal Monetary Authority (RMA) any financial transactions linked to terrorist groups.

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Bhutan is the Bhutanese ngultrum.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The ngultrum is pegged to the Indian rupee at par. The rates for currencies other than the Indian rupee are determined on the basis of the prevailing exchange rates of the Indian rupee (average rate) against the currencies concerned. Indian rupee banknotes and coins circulate freely in Bhutan.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Trade transactions between Bhutan and India may be conducted only in ngultrum or Indian rupees.

Use of foreign exchange among residents Except for payments for duty-free goods, handicraft items, and purchases of Druk Air (Royal Bhutan Airlines) tickets by foreigners, all payments in Bhutan must be made in local currency.

Payments arrangements

Bilateral payments arrangements

Operative

The Agreement on Trade and Commerce with India requires that all transactions between Bhutan and India be made in ngultrum or Indian rupees.

Clearing agreements Bhutan is a member of the ACU.

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Administration of control	<p>The MOF has delegated to the RMA the authority to release foreign exchange (other than Indian rupees) for current transactions. The RMA is responsible for approving the use of foreign exchange for payments for current transactions and implementing the surrender requirements for proceeds from merchandise exports.</p> <p>Payments and transfers by residents to nonresidents other than in cash and traveler's checks must be channeled through authorized banks in Bhutan.</p>
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Imports of gold and silver by Bhutanese citizens require authorization from the RMA.
Controls on exports and imports of banknotes	The importation and exportation of cash and securities above a certain limit are subject to a declaration of value at the customs point of entry into and departure from Bhutan.
On exports	
<i>Domestic currency</i>	Exports exceeding Nu 5,000 require permission from the RMA.
<i>Foreign currency</i>	Exports of convertible foreign currency legally imported or purchased from authorized banks are allowed freely. Exports of Indian rupees are allowed except for Rs 500 and Rs 1,000 banknotes.
On imports	
<i>Domestic currency</i>	Imports exceeding Nu 5,000 require approval by the RMA.
<i>Foreign currency</i>	Imports of convertible foreign currencies are permitted freely, but amounts exceeding the equivalent of \$10,000 are subject to customs declaration. Imports of Indian rupees are allowed except for Rs 500 and Rs 1,000 banknotes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	The following categories of persons are permitted to open and maintain dollar-denominated foreign currency accounts with authorized banks in Bhutan: (1) diplomatic missions in Bhutan and their expatriate employees, (2) representative offices of donor agencies and their expatriate employees, (3) third-country contracting firms and their expatriate employees engaged in executing projects financed by donor agencies, (4) any person who is a national of a third country and resides in Bhutan, (5) foreign direct investment companies incorporated in Bhutan under the 2002 Foreign Direct Investment Policy, and (6) local industries approved by the Ministry of Trade and Industry.
<i>Approval required</i>	Yes.
Held abroad	Bhutanese nationals are not permitted to hold foreign exchange accounts abroad. These accounts are permitted only for residents who are foreign nationals.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	These accounts are permitted, but only for nonresidents who are foreign nationals.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	Yes.
Letters of credit	Yes.
Import licenses used as exchange licenses	Yes.
Import licenses and other nontariff measures	An import license is required for the importation of capital and intermediate goods from countries other than India. Such licenses are governed by the Rules and Procedures for Imports of Goods from Third Countries issued by the Department of Trade of the Ministry of Trade and Industry. Foreign exchange for all payments related to licensed merchandise imports is automatically made available by authorized banks against import licenses. Capital imports from third countries by foreign direct investors must be financed by their own convertible foreign exchange resources.
Negative list	Yes.
Import taxes and/or tariffs	Imports from countries other than India are subject to tariffs. Imports from India are subject only to Bhutanese sales tax.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	Proceeds in currencies other than the Indian rupee must be surrendered to authorized banks in Bhutan.
<i>Surrender to authorized dealers</i>	Yes.
Financing requirements	No.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.

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Preshipment inspection	Yes.
Other	Yes.
Export licenses	
Without quotas	Yes.
With quotas	Yes.
Export taxes	Exports to countries other than India receive an export tax rebate at rates ranging from 5% to 20% of the c.i.f. value, with the lowest rate applying to unprocessed primary products and the highest rate applying to processed products.
Collected through the exchange system	n.a.
Other export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	All invisible payments, other than those made in Indian rupees, must be approved by the RMA. The RMA is authorized to set limits on foreign exchange for payments for invisible transactions.
Trade-related payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Under the 2002 Foreign Direct Investment Policy, foreign direct investors may remit profits and dividends from net earnings only in convertible foreign currency.
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Travel allowances are limited to the equivalent of \$1,500 a ticketed passenger a calendar year. In the case of business travel, a country-specific per diem covering accommodation is provided to travelers. There are no time limits for business travel.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	Allowances for education fees and tuition are given based on the statements provided by the institutions. Students may also purchase foreign exchange for a monthly stipend of \$900 and a onetime settling-in allowance of \$1,500 or the equivalents. The settling-in allowance and three monthly stipends may be purchased in advance.
	For medical expenses, subject to referral by a local physician for treatment abroad, foreign exchange may be purchased to cover the cost of treatment and medicine and for living expenses abroad.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	A citizen of Bhutan, who under the recommendation of a medical specialist travels to a country other than India for medical treatment, is permitted to purchase foreign exchange from authorized banks within the limit prescribed by the RMA for the cost of treatment and medicine and for living expenses.

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Foreign workers' wages	
<i>Prior approval</i>	Foreign nationals employed directly by a public or private organization in Bhutan, with prior approval of the Royal Government of Bhutan, are permitted to remit their salary and savings in foreign exchange through an authorized bank.
<i>Quantitative limits</i>	The RMA may set limits on any or all such remittances as it deems necessary.
Credit card use abroad	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	The RMA may set limits on any or all such remittances as it deems necessary.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	The RMA may set limits on any or all such remittances as it deems necessary.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Foreign exchange proceeds of any receipts or holdings by Bhutanese citizens and companies should be repatriated to Bhutan by transferring such claims and funds to authorized banks in Bhutan.
Surrender requirements	
<i>Surrender to authorized dealers</i>	All receipts from invisible transactions in currencies other than the Indian rupee must be surrendered to ADs.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	All capital transactions must be approved by the RMA. Resident individuals are not allowed to acquire or engage in capital transactions abroad.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Yes.
Controls on capital and money market instruments	Controls apply to all transactions in capital and money market instruments.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	All transactions in credit operations are subject to controls.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Under the 2002 Foreign Direct Investment Policy, direct investment in convertible foreign exchange may be made in (1) manufacturing, with a minimum investment of \$1 million of

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which 20% to 70% may be foreign investor equity; and (2) services, with a minimum investment of \$500,000, of which 20% to 70% may be foreign investor equity. Other collaboration in different forms, such as technical and marketing collaboration, and franchises for use of trade names, patents, and trademarks, are allowed with prior permission of the Ministry of Trade and Industry.

Controls on liquidation of direct investment	Yes.
Controls on real estate transactions	Controls apply to all real estate transactions.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Yes.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	Controls apply to all these transactions.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	Foreign Direct Investment Policy, 2002.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowing abroad requires prior authorization from the RMA.
Maintenance of accounts abroad	Yes.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Direct investment in convertible foreign exchange may be made in services with a minimum investment of \$500,000, of which 20% to 70% may be foreign investor equity.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.

References to legal instruments and hyperlinks	n.a.
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Changes during 2006

No significant changes occurred in the exchange and trade system.

BOLIVIA

(Position as of July 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 5, 1967.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Bolivia is the boliviano.

Other legal tender The dollar is also legal tender.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Although Bolivia continues to maintain a de jure crawling peg arrangement, the rate of crawl of the exchange rate was near zero vis-à-vis the dollar from January 2006 to January 2007 because of appreciation pressures from hydrocarbons exports. Starting January 2007, the Central Bank of Bolivia (CBB) gradually appreciated the currency but at a very moderate pace until end-April 2007. As a result, the exchange rate arrangement has been reclassified effective January 1, 2006, to the category conventional pegged arrangement from the category crawling peg. The official selling rate is determined daily by the CBB at a daily competitive auction (“bolsín”). The Committee for Exchange and Monetary Policy (CEMP) sets the amount of foreign exchange to be auctioned and a price below which the CBB will not accept any bids. This floor price, which is expressed in dollars, is the official exchange rate. The CBB board determines the difference between the selling rate and a buying rate, which is currently Bs 0.10 (as of December 31, 2006), based on the CEMP recommendations. Effective March 9, 2006, the buy and sell spread on the boliviano against the dollar has been increased to Bs 0.10 from Bs 0.08. The private sector may participate in the auctions (with a minimum bid of \$100,000 or its equivalent) through financial institutions that have accounts with the CBB. The opening up of the CBB exchange rate spread has resulted in the development of a private foreign exchange market, and foreign exchange sales through the bolsín have become scarce. In the present environment of a current account surplus, it is more common for the CBB to acquire foreign exchange from the financial system at the buying rate for the day, without any restriction as to the amount.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks Board Resolution 144/2002 (Approving Exchange Regulations); Board Resolution 092/2005 (Amending Exchange Regulations); www.bcb.gov.bo.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

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Payments arrangements

Regional arrangements Payments between Bolivia and the other LAIA countries may be made through accounts maintained with each other by the CBB and the CBs of the countries concerned, within the framework of the multilateral clearing system of the LAIA.

Clearing agreements Yes.

Administration of control No.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) Gold may be traded freely, subject to the following tax scale in accordance with the gross value of the sale of gold bullion: 7% for official quotations larger than \$700 a troy ounce; between 4% and 7% for official quotations between \$400 and \$700 a troy ounce, calculated as a 0.01 factor multiplied by the official quotation; and 4% for official quotations of less than \$400 a troy ounce.

Controls on exports and imports of banknotes No.

References to legal instruments and hyperlinks LAIA Reciprocal Payments and Credits Arrangement; www.aladi.org/NSFALADI/CONVENIO.NSF; Law 1777, dated March 17, 1997 (Mining Code); www.mineria.gov.bo/web.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

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Documentation requirements for release of foreign exchange for imports

Letters of credit LCs have to be opened at a bank in the Bolivian banking system.

Import licenses and other nontariff measures

Negative list Certain imports are controlled for reasons of public health or national security.

Import taxes and/or tariffs

Bolivia applies an import tariff of 10% on consumer goods. Tariffs of zero and 5% are applied to capital goods in accordance with approved lists. A zero rate is also applied to imports of books and printed materials. Donated food, including wheat, is exempt from the import tariff.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

No.

Export taxes

No.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Since July 1, 2004, a temporary tax on financial transactions (ITF) has been applied on inward transfers or shipments of money made through authorized financial institutions without using current or savings accounts and/or through institutions that provide funds transfer services that are legally established in Bolivia. Law No. 3446 of July 21, 2006, and Supreme Decree No. 28815 of July 26, 2006, extended the ITF until mid-2009 in order to maintain this tax on transactions between financial institutions. In contrast to the provisions in the previous regulation, the new law provides for taxation of all foreign currency deposits, both principal and interest, as well as shares in investment funds, including redemptions of shares and earnings. Also, the previous rate of 2.5% on \$1 million was reduced to 1.5% on \$1 million and is not subject to a gradual reduction as previously provided for in the April 2004 regulation. The most important exemptions from this tax are (1) savings accounts of individuals, up to \$2,000 (with deposits and withdrawals being considered taxable events); this extends the \$1,000 limit set in the original regulation; (2) credits and debits to accounts held by entities governed by the Securities Market Law with financial institutions or with the CBB; and (3) redemptions and earnings of shares in investment funds with balances (in local or foreign currency) less than or equal to \$2,000.

Investment-related payments

There are no restrictions on capital inflows and outflows, nor on outward remittances of dividends, interest, and royalties with respect to technology transfers or under other business categories. All remittances or transfers are subject to payment of the taxes prescribed by law. When income of Bolivian origin is paid to beneficiaries abroad, the taxed net profit must be equivalent to 50% of the total amount paid or remitted. Those who pay or remit such items to beneficiaries abroad must apply a single and final withholding at the rate of 25% of the presumed taxed net profit.

Indicative limits/bona fide test

Yes.

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References to legal instruments and hyperlinks	Law No. 2646 and other related provisions; Investment Law No. 1182, dated September 17, 1990; Law No. 1606 Amending Law No. 843, dated December 22, 1994; Law 3446 of July 21, 2006; Supreme Decree No. 28815 of July 26, 2006; www.impuestos.gov.bo/itf .
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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Only securities authorized by the Superintendency of Pensions, Securities, and Insurance may be traded on the over-the-counter market. Pursuant to a specific resolution, the Superintendency of Securities identifies securities exchanges abroad so that the instruments listed thereon may be publicly offered on the Bolivian securities market, provided they comply with the registration and disclosure requirements envisaged in the law.
Repatriation requirements	No.
Controls on capital and money market instruments	Brokerage houses have the sole corporate purpose of engaging in activities and intermediation related to securities, carrying out any action related to the transfer thereof, and performing activities allowed under this law. Brokerage houses authorized by the Superintendency of Securities may, among other things, represent foreign brokers and persons incorporated abroad who have activities connected with the exchange market.
Controls on derivatives and other instruments	No.
Controls on credit operations	All foreign credits, including suppliers' credits to government agencies and autonomous entities, and credits to the private sector with official guarantees are subject to prior authorization by the national congress, which is obtained by the MOF. All cash proceeds of borrowings from foreign public sector agencies are channeled through the CBB. Commercial and financial credits to the private sector without official guarantees are not subject to authorization but must be reported to the CBB for statistical purposes.
Commercial credits	
<i>To residents from nonresidents</i>	Yes.
Financial credits	
<i>To residents from nonresidents</i>	Yes.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Exchange Market Law No. 1834, Articles 3, 6, 17, and 19.

BOLIVIA

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Short-term foreign liabilities are subject to reserve requirements, except for liabilities incurred solely for foreign trade operations, and provided assets and liabilities are fully matched for each transaction.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

A reserve requirement rate of 2% in cash is applied to time deposits, savings account deposits, and deposits with a maturity of up to 60 days in foreign currency and in housing development units (UFV), and with a maturity of up to 360 days for foreign currency and in domestic currency saving accounts.

Liquid asset requirements

A reserve requirement of 12% applies to demand deposits, savings account deposits, and deposits with a maturity of up to 720 days in foreign currency and in local currency indexed to the dollar (MVDOL). In addition, a marginal liquid asset requirement of 7.5% applies to liabilities in foreign currency and MVDOL exceeding 80 percent of their stock as of March 31, 2005. This requirement may be offset at the same rate (7.5%) against increases in deposits in local currency and UFV above the level as of March 31, 2005. Pursuant to CBB Board Resolution No. 118/2006 of December 12, 2006, the reference rate for calculating the additional reserve requirement in foreign currency and MVDOL is reduced to 70% from 80% effective January 15, 2007, and to 60% effective July 2, 2007.

Investment regulations

Abroad by banks

Banks may engage in investment abroad for the purpose of setting up banks, branches, or agencies; this investment must not exceed 40% of their net worth.

Open foreign exchange position limits

Financial institutions may maintain a short foreign exchange position up to the equivalent of 20% of the book value of their net worth and up to 25% of the balance of provisions for losses on the indexed foreign currency and domestic currency portfolios.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

By law, the maximum limit for investment in securities issued by issuers established abroad may not exceed 50% of resources for investment. Pursuant to a board resolution, the CBB each year sets the maximum amount for investments abroad by insurance companies. Since January 2005, this limit has been 10%.

Limits (max.) on investment portfolio held abroad

n.a.

Pension funds

Limits (max.) on investment portfolio held abroad

The maximum limit that pension fund administrators may invest abroad varies between 10% and 50% of each individual capitalization fund. The sum of investments in equities, in investment fund shares, or in any other equity security issued by issuers established in Bolivia or abroad, may not together exceed 45% of the value of the Individual Capitalization Fund. The securities that pension funds may hold should be rated by private international rating agencies. The minimum acceptable rating for long-term securities is BB3 or Level 2 for short-term securities. Trading with these securities may be performed only on authorized foreign secondary markets.

Investment firms and collective investment funds

Limits (max.) on investment portfolio held abroad

Open investment funds may invest up to 20% of their total portfolio on international financial markets. In the case of closed investment funds whose nominal value at the time of issue is less than \$20,000, the limit is 40% of their total portfolio. If the nominal value of the share is larger, the limit is up to 100% of their total portfolio.

BOLIVIA

References to legal instruments and hyperlinks

Law on Banks 1488, Article 43, updated May 5, 2004; Administrative Resolution SPVS-IP No. 038/2002, Article 6(d); Board Resolution No. 048/2005 (Approving New Regulations to Govern the Legal Reserve Requirements); Board Resolution No. 076/2003 (Approving Amendments to the Regulations Governing Exchange Positions in the Financial System); Insurance Law; Regulations for the Insurance Law; Board Resolution No. 006/2006 (Approving Maximum Limits for Foreign Investments by Insurance Companies); Law on Pensions; Administrative Resolution SPVS-IV No. 421 (Regulations Governing Investment Funds and Investment Fund Administrators); CBB Board Resolution No. 118/2006 of December 12, 2006; www.bcb.gov.bo; www.sbef.gov.bo; www.spvs.gov.bo.

Changes during 2006

Exchange arrangement

January 1. The exchange rate arrangement was reclassified to the category conventional pegged arrangement from the category crawling peg.

March 9. The buy and sell spread of the boliviano against the dollar increased to Bs 0.10 from Bs 0.08.

Payments for invisible transactions and current transfers

July 21. Under Law No. 3446 of July 21, 2006 and Supreme Decree No. 28815 of July 26, 2006, the ITF was extended until mid-2009 in order to maintain this tax on transactions between financial institutions. The new law provides for taxation of all foreign currency deposits, both principal and interest, as well as shares in investment funds, including redemptions of shares and earnings. The previous rate of 2.5% on \$1 million was reduced to 1.5% on \$1 million.

Changes during 2007

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 15. The reference rate for calculating the additional reserve requirement in foreign currency and MVDOL was reduced to 70% from 80%.

July 2. The reference rate for calculating the additional reserve requirement in foreign currency and MVDOL was reduced to 60% from 70%.

BOSNIA AND HERZEGOVINA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices The staff report for the 2006 Article IV consultation with Bosnia and Herzegovina states that as of September 29, 2006, Bosnia and Herzegovina maintained restrictions arising from measures taken with respect to frozen foreign currency deposits, mainly on the transferability of balances and interest accrued for nonresidents. (Country Report No. 06/371)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions In accordance with the relevant UN Security Council resolutions, restrictions are imposed on certain financial transactions related to listed terrorist groups.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Bosnia and Herzegovina is the convertible marka.

Other legal tender Euro banknotes and coins also circulate freely and are used for cash payments.

Exchange rate structure Unitary.

Classification

Currency board arrangement The convertible marka is pegged to the euro at the rate of KM 1 per €0.51129.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency Controls apply only to prevent money laundering.

Payments arrangements No.

Administration of control Companies wishing to engage in foreign trade must register with the relevant ministry.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) No.

BOSNIA AND HERZEGOVINA

Controls on exports and imports of banknotes

On exports

Domestic currency

Yes.

Foreign currency

Exports of foreign currency and securities denominated in foreign currency are regulated with specific conditions prescribed by the relevant ministry.

On imports

Domestic currency

Yes.

Foreign currency

There are no restrictions on imports of foreign currency and securities in foreign currency.

References to legal instruments and hyperlinks

Law on the Central Bank of Bosnia and Herzegovina; www.cbbh.ba/en/regulations.html.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Individuals and legal entities may hold foreign exchange accounts with commercial banks without restrictions or approvals.

Held abroad

Yes.

Approval required

Exporters who are legal entities may open accounts, but approval is required from the relevant ministry.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Law on Foreign Currency Business Operations in the Federation of Bosnia and Herzegovina; Law on Foreign Currency Business Operations in Republika Srpska; www.fbihvlada.gov.ba/bosanski/zakoni/1998/zakoni/44%20b%20zakon.htm; www.narodnaskupstinars.net/lat/zakoni/zakon.php?id_zakona=201.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresident persons may open foreign exchange accounts with commercial banks.

Domestic currency accounts

Nonresidents may open accounts in domestic currency with commercial banks.

Convertible into foreign currency

Yes.

Blocked accounts

Accounts are blocked in accordance with the law that regulates money laundering and financing of terrorism.

References to legal instruments and hyperlinks

Law on Foreign Currency Business Operations in the Federation of Bosnia and Herzegovina; Law on Foreign Currency Business Operations in Republika Srpska.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Imports must arrive within 90 (or 60) days from the date of the advance payment.

BOSNIA AND HERZEGOVINA

Documentation requirements for release of foreign exchange for imports	Commercial banks may require documents verifying the purpose of the transaction before effecting payment.
Import licenses and other nontariff measures	There are no import quotas for any product. All imports are free from licensing requirements, except those that relate to the protection of public security; the health of people, plants, and animals; articles of artistic or historic value; industrial-commercial property; and the disposal of drugs and scrap.
Positive list	Yes.
Negative list	There is no official list of prohibited imports, but the Council of Ministers may establish such a list as circumstances require.
Open general licenses	Yes.
Other nontariff measures	Measures related to security and public health apply.
Import taxes and/or tariffs	Import tariffs range from zero to 15%, with an average unweighted rate of 6%.
State import monopoly	No.
References to legal instruments and hyperlinks	Law on Foreign Trade Policy; www.fipa.gov.ba/FipaFiles/File/Law%20Compendium/lawcompendium_files/(EUTDI)%2017.%20BH%20LAW%20ON%20FOREIGN%20TRADE%20POLICY.pdf .

Exports and Export Proceeds

Repatriation requirements	Export proceeds must be collected and repatriated in full within 60 (or 90) days of the date of exportation. This period may be extended for 60 days with permission from the relevant ministry.
Financing requirements	No.
Documentation requirements	Exporters must be authorized to engage in foreign trade. Customs requires that exporters provide documents accompanying the goods; in some cases, documents verifying the origin of the goods are also required. Approval from the Ministry of Foreign Trade is required for exports of military equipment, blood, narcotics and medicines containing narcotics, and other pharmaceutical products.
Preshipment inspection	Yes.
Export licenses	Exports are free of restrictions except for certain products, such as weapons, drugs, and works of art, for which permits are required.
Export taxes	No.
References to legal instruments and hyperlinks	Law on Foreign Currency Business Operations in the Federation of Bosnia and Herzegovina; Law on Foreign Currency Business Operations in Republika Srpska; Law on Foreign Trade Policy.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
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BOSNIA AND HERZEGOVINA

Restrictions on use of funds	Following an agreement with Germany, the Central Bank of Bosnia and Herzegovina will provide documentation to Germany on pensions from Germany that are being paid by commercial banks under German jurisdiction to workers in Bosnia and Herzegovina.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Securities market participants must be authorized to trade on the organized markets, in accordance with laws on securities transactions.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	Domestic securities may be purchased and sold domestically only through an authorized domestic participant in the securities market.
<i>Shares or other securities of a participating nature</i>	Controls apply to all these transactions.
Controls on derivatives and other instruments	No.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Financial credits by residents to nonresidents are not allowed.
<i>To residents from nonresidents</i>	Residents may obtain financial credits from nonresidents and for that purpose open accounts and hold funds abroad with the submission of a copy of the contract to the relevant ministry.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Prudential regulations on banks apply.
Controls on direct investment	
Inward direct investment	Foreign equity ownership is not limited, but in the production of arms, ammunition, explosives for military use, and military equipment, or in the dissemination of public information, investments above 49% must be registered with the relevant ministry.
Controls on liquidation of direct investment	When liquidating, outstanding tax balances must be paid.
Controls on real estate transactions	
Purchase locally by nonresidents	A reciprocity agreement applies to countries that were part of the former Federal Republic of Yugoslavia. There are no limitations on other nonresidents.
Controls on personal capital transactions	
Loans	Loans to nonresidents are not allowed.
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	Resident natural persons are required to use financial credits through the authorized domestic banks.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Yes.

BOSNIA AND HERZEGOVINA

Transfer of gambling and prize earnings

Yes.

References to legal instruments and hyperlinks

Law on Foreign Currency Business Operations in the Federation of Bosnia and Herzegovina; Law on Foreign Currency Business Operations in Republika Srpska; Law on Securities in the Federation of Bosnia and Herzegovina; Law on Securities in Republika Srpska; <http://81.93.74.18/enstock/dokumentiInfo.aspx?idkat=3>; [http://217.199.131.154/uploads/\(178%20Kb\)%20Zakon%20o%20vrijednosnim%20papirima.pdf](http://217.199.131.154/uploads/(178%20Kb)%20Zakon%20o%20vrijednosnim%20papirima.pdf).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

The Foreign Exchange Entity Law and the Banking Law regulate these transactions.

Lending to nonresidents (financial or commercial credits)

Domestic commercial banks are not allowed to extend such credits.

Purchase of locally issued securities denominated in foreign exchange

There are no locally issued securities denominated in foreign exchange.

Open foreign exchange position limits

Open foreign currency position limits allow a ratio of up to 30% between a bank's open foreign currency position and the amount of its regulatory capital.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

n.r.

Currency-matching regulations on assets/liabilities composition

n.r.

Pension funds

n.a.

Investment firms and collective investment funds

Securities of a particular company may not comprise more than 10% of total assets of the investment fund.

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

n.a.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

References to legal instruments and hyperlinks

Law on Foreign Currency Business Operations in the Federation of Bosnia and Herzegovina; Law on Foreign Currency Business Operations in Republika Srpska; Law on Banks in the Federation of Bosnia and Herzegovina; Law on Banks in Republika Srpska; www.fba.ba/en/laws/; www.abrs.ba/propisi/propisi_eng.htm.

Changes during 2006

No significant changes occurred in the exchange and trade system.

BOTSWANA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 17, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with Botswana states that as of December 4, 2006, Botswana maintained a multiple currency practice subject to Fund approval under Article VIII, Sections 2(a) and 3, arising from the Foreign Exchange Risk-Sharing Scheme (FERSS) applicable to outstanding external loans obtained by certain public enterprises before October 1, 1990. (Country Report No. 07/227)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Botswana is the Botswana pula.

Exchange rate structure

Unitary

Some external loans undertaken by parastatals before October 1, 1990, are protected from exchange rate movements under a Foreign Exchange Risk-Sharing Scheme (FERSS). Under the scheme, risks associated with exchange rate fluctuations up to 4% are borne fully by the borrower; the next 6% and the following 5% of fluctuations are shared between the borrower and the government in ratios of 50:50 and 25:75, respectively. Risks associated with exchange rate fluctuations in excess of 15% are borne fully by the government. The scheme is symmetrical in that the borrower and the government share any gains from an appreciation in the external value of the pula on the same basis. Currently only one loan obtained by a public enterprise is still outstanding under the old FERSS, and it matures in 2016. The scheme was terminated in 1990. Effective January 1, 2006, the exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.

Classification

Crawling peg

The exchange rate of the pula is determined with reference to a weighted basket of currencies. The pula is adjusted continuously against the basket according to factors that include the difference between expected inflation in Botswana and in major trading partner countries. The spread between the buying and selling rates of the pula is 0.5%.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward exchange cover is offered by the commercial banks, and the maturity dates of forward exchange contracts and transactions are not restricted.

Official cover of forward operations

Yes.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Residents are permitted to make payments for goods and services from outside sources using pula-denominated checks, provided traders outside Botswana are willing to accept their

BOTSWANA

	collection by banks outside Botswana. Such transactions are subject to supporting documentation for checks in amounts exceeding P 10,000.
Controls on the use of domestic currency	n.a.
Use of foreign exchange among residents	n.a.
Payments arrangements	
Bilateral payments arrangements	Botswana has bilateral trade agreements with Malawi, Zambia, and Zimbabwe. The trade agreement with Romania was terminated on September 1, 2006.
<i>Operative</i>	Yes.
<i>Inoperative</i>	Yes.
Regional arrangements	Botswana is a member of the SACU, which allows for free import movements and, hence, has no restrictions on trade-related payments to or from SACU countries.
Clearing agreements	n.a.
Barter agreements and open accounts	n.a.
Administration of control	For practical and operational purposes, several administrative powers of the Bank of Botswana (BOB) have been delegated to commercial banks.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	There are no restrictions on trading or owning precious metals in commercial forms, such as coins, but there are restrictions on possession of unworked precious metals, such as bullion.
On domestic ownership and/or trade	Yes.
On external trade	Yes.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	A declaration is required for amounts equal to or in excess of P 10,000 at the time of travel.
<i>Foreign currency</i>	Visitors may take out any foreign currency that they legitimately own, subject to completion of a declaration for any amount equal to or greater than the equivalent of P 10,000.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Commercial banks are allowed to open foreign currency accounts for residents. These accounts facilitate foreign receipts and payments for approved transactions, without requiring conversion of foreign currency receipts into pula and vice versa, and offer protection against fluctuations in exchange rates. Commercial banks are authorized to open foreign currency accounts for their customers for any amount in any currency at the banks' discretion.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	No.

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References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Commercial banks are allowed to open foreign currency accounts for nonresidents. These accounts facilitate foreign receipts and payments for approved transactions, without requiring conversion of foreign currency receipts into pula and vice versa, and offer protection against fluctuations in exchange rates. Commercial banks are authorized to open foreign currency accounts for their customers for any amount in any currency at the banks' discretion.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures Import licenses are regulated by customs and excise legislation.

Negative list Yes.

Open general licenses n.r.

Licenses with quotas n.r.

Other nontariff measures n.r.

Import taxes and/or tariffs As a member of the SACU, Botswana applies a CET only on imports from outside the SACU.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements n.r.

Documentation requirements The maximum limits for exports free of payments are (1) for bona fide nonmonetary gifts, P 20,000 or its equivalent a year for a permanent resident; (2) for rejected goods, P 100,000 a transaction, subject to provision of documentary evidence; and (3) for commercial samples (i.e., goods for exhibitions or other promotional purposes), P 150,000 a transaction.

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Export licenses	Certain exports are subject to licensing, mainly for revenue purposes. The exportation of a few items, such as precious and semiprecious stones, requires a permit.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments	ADs may allow remittances of interim dividends without reference to the BOB for companies listed on the Botswana Stock Exchange (BSE) and may approve other remittances of dividends or profits without reference to the BOB, subject to satisfactory supporting documentation in relation to tax withholding.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	Nonresidents may purchase up to 20% of the total value of government-issued 2-, 5-, and 12-year bonds, at the time of issue.
Sale or issue locally by nonresidents	Nonresidents are permitted to issue long-term pula-denominated bonds traded on the BSE, subject to the listing requirements of the exchange.
On money market instruments	
<i>Purchase locally by nonresidents</i>	Nonresidents are not permitted to purchase the monetary instruments used by the BOB to absorb excess liquidity.
Controls on derivatives and other instruments	Dealing in these instruments is subject to prudential foreign exposure limits.

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Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Sale locally by nonresidents	n.r.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Effective March 1, 2006, the sale of BOB certificates to counterparties was restricted to commercial banks and merchant banks.
Lending to nonresidents (financial or commercial credits)	A commercial bank's loans to nonresidents are restricted to 25% of a bank's unimpaired capital for each nonresident customer, and the large-exposure loans (i.e., loans in excess of 10% of unimpaired capital) to resident and nonresident companies may not exceed 800% of the unimpaired capital of the bank.
Purchase of locally issued securities denominated in foreign exchange	These transactions are subject to the listing requirements of the BSE.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Reserve requirements apply only to domestic currency deposits. On February 1, 2006, the required reserve ratio was increased to 5% from 3.5%.
Open foreign exchange position limits	Prudential limits are set for exposure by currency and for the overall foreign currency risk exposure. For major dealing currencies, the limit is 15% of a bank's unimpaired capital, and for others it is 5%. The limit for the overall foreign exchange exposure is 30% of the unimpaired capital of a bank, using the shorthand method.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.r.
<i>Limits (max.) on investment portfolio held abroad</i>	Life insurance companies may invest up to 70% of their assets outside Botswana. This control is imposed by the Registrar of Insurance.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.r.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Pension funds may invest up to 70% of their assets outside Botswana. This control is imposed by the Pension and Provident Funds Act.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.

BOTSWANA

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Exchange arrangement

January 1. The exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.

Arrangements for payments and receipts

September 1. The bilateral trade agreement with Romania was terminated.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

February 1. The required reserve ratio was increased to 5% from 3.5%.

March 1. The sale of BOB certificates to counterparties was restricted to commercial banks and merchant banks

BRAZIL

(Position as of July 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 30, 1999.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

Yes.

References to legal instruments and hyperlinks

Decree 3,267, dated November 30, 1999; Decree 3,755, dated February 19, 2001; Decree 3,976, dated October 18, 2001; Decree 4,150, dated March 6, 2002; Decree 4,599, dated February 19, 2003, for the implementation in the National Territory of UNSC Resolution 1,267, dated October 15, 1999; Resolution 1,333, dated December 19, 2000; Resolution 1,373, dated September 28, 2001; Resolution 1,390, dated January 16, 2002; Resolution 1,455, dated January 17, 2003; Decree 4,775, dated July 9, 2003, for the implementation in the National Territory of UNSC Resolution 1,483, dated May 22, 2003; Decree 5,096, dated June 1, 2004, for the implementation in the National Territory of UNSC Resolution 1,532, dated March 12, 2004; Decree 5,489, dated July 13, 2005, for the implementation in the National Territory of UNSC Resolution 1,596, dated April 18, 2005; Decree 5,694, dated February 7, 2006, for the implementation in the National Territory of UNSC Resolution 1,643, dated December 15, 2005; Decree 5,470, dated June 16, 2005, for the implementation in the National Territory of UNSC Resolution 1,591, dated March 29, 2005.

Exchange Arrangement

Currency

The currency of Brazil is the Brazilian real.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the real is determined by supply and demand in the foreign exchange market. Transactions in the exchange markets are carried out by banks, brokers, tourist agencies, and providers of tourist accommodation that are authorized to deal in foreign exchange.

Brokers may conduct: (1) transactions in banknotes, bank drafts, or traveler's checks; (2) foreign exchange transactions related to exports and imports up to US\$20,000; and (3) foreign exchange transactions up to US\$10,000 related to financial operations. Tourist agencies deal only in banknotes, bank drafts, and traveler's checks. Providers of tourist accommodation may buy only banknotes, bank drafts, and traveler's checks.

Exchange tax

A 5% tax is applied to inflows related to external loans with a minimum maturity of up to 90 days. A 2% tax is applied to remittances related to obligations of credit card administration companies to pay for purchases by their clients. The tax is zero for other foreign exchange transactions.

Exchange subsidy

No.

Forward exchange market

Banks are permitted to trade foreign exchange on a forward basis within statutory limits (bought and sold) of the exchange position; such transactions must be settled within 750 days.

References to legal instruments and hyperlinks

Law 9,069 (1995); Decree 4,494 (2002); Resolution NMC 3,265 (2005); Communiqué CBB 6,565 (1999).

BRAZIL

Arrangements for Payments and Receipts

Prescription of currency requirements	Prescription of currency is required only in foreign exchange transactions related to the LAIA covenant. These transactions must be made in dollars.
Use of foreign exchange among residents	The use of foreign exchange for pricing or settlement of transactions among residents is prohibited.
Payments arrangements	All interbank transactions and clearinghouse operations must be effected through the Central Bank of Brazil's (CBB) real-time gross settlement payments system.
Regional arrangements	Brazil is a member of the LAIA.
Clearing agreements	Payments between Brazil and Argentina, Bolivia, Chile, Colombia, the Dominican Republic, Ecuador, Mexico, Paraguay, Peru, and Uruguay, and República Bolivariana de Venezuela may be made through special central bank accounts within the framework of the multilateral clearing system of the LAIA.
Administration of control	The National Monetary Council (NMC) is responsible for formulating the overall foreign exchange policy. Foreign trade policy is formulated by the Chamber of Foreign Trade, which consists of the minister of development, industry, and foreign trade (head); the minister of the civil house; the minister of finance; the minister of planning, budget, and administration; the minister of foreign affairs; and the minister of agriculture and supply. The Ministry of Development, Industry, and Foreign Trade is in charge of implementing trade policy, through the Secretariat of Foreign Trade (SECEX).
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	There are three separate markets for gold transactions: the financial, exchange, and commercial markets. Transactions that occur in the financial market and foreign exchange market are regulated by the NMC. The first domestic transaction of newly mined gold on this market is subject to a financial transactions tax of at least 1%. Rules regarding gold transactions for industrial purposes are defined separately by the federal states, which also establish different rates for the commercial tax levied thereon.
On external trade	The CBB and authorized institutions may buy and sell gold for monetary use on the international market. Imports and exports of gold for nonmonetary use are subject to the same procedures as those that are applied through the SECEX with respect to other products.
Controls on exports and imports of banknotes	Travelers may take out or bring in domestic or foreign banknotes, checks, or traveler's checks without restriction but must declare to customs any amount over R\$10,000 or its equivalent. Companies that transport cash and valuables must declare to Brazilian customs the amount being transported. The recipient of the valuables, in the case of a transfer to the country, or the sender of the valuables, in the case of a transfer from another country, should be a bank authorized to operate in the foreign exchange market in Brazil.
References to legal instruments and hyperlinks	Laws 4,595 (1964), 9,069 (1995), and 10,192 (2001); Resolutions NMC 2,524 (1998) and 2,882 (2001).

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	These accounts may be held by authorized foreign exchange dealers, tourist agencies not authorized to deal in foreign exchange, the Brazilian Post Office Administration, credit card administration companies, companies responsible for the development and execution of projects in the energy sector, and insurance and reinsurance companies and reinsurance brokers.
Held abroad	n.r.
<i>Approval required</i>	n.r.

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Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	Decree 42,820 (1957).

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be held by embassies, foreign delegations, international organizations, foreign transportation companies, foreign citizens in transit in the country, Brazilian citizens living abroad, and reinsurance companies.
Domestic currency accounts	Yes.
Convertible into foreign currency	Natural and juridical persons (financial and nonfinancial institutions) may hold these accounts. Use of these accounts to conduct international transfers in Brazilian reais on behalf of third parties is prohibited.
Blocked accounts	No.
References to legal instruments and hyperlinks	Decree 42,820 (1957); Resolution NMC 3,265 (2005).

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	External financing of imports for periods in excess of 360 days must be registered in the CBB's Financial Operations Registry, an electronic system. The CBB must be informed about prepayments of import financing at least 30 days in advance.
Advance payment requirements	Yes.
Documentation requirements for release of foreign exchange for imports	All importers must be included in the SECEX Importer and Exporter Register; registration automatically occurs with the first transaction. Imports must be registered in the import subsystem of the Integrated Foreign Trade System (SISCOMEX/IMPORT), which allows importers, carriers, banks, and brokers to register the various stages of an import process directly through the interlinked computers of the SECEX, customs, and the CBB. Imports are grouped into the following three categories: (1) imports that do not require automatic licenses (which are the general rule), (2) imports that are subject to automatic import licenses, and (3) imports that are subject to nonautomatic import licenses.
Import licenses and other nontariff measures	In general, imports are exempt from prior approval requirements. However, some imports require prior approval (i.e., an import license) from the SECEX or another government agency. This approval is promptly given to importers whenever the licensing requirements are fulfilled. As a rule, licenses are valid for 60 days, except for imports of custom-made capital goods. The Secretariat of Federal Revenue issues clearance certificates for certain groups of commodities to special bonded warehouse importers. Import licenses for a number of specified imports may be obtained after the commodities have been landed and customs clearance obtained. The importation of certain products requires approval of the Ministry of Science and Technology. For some products, eligibility for exemption from import duties may be precluded by the existence of a satisfactory domestic equivalent.
Negative list	Imports are prohibited of agrochemical products not authorized under Brazilian regulations; weapons; and certain drugs that are not licensed, for reasons of security, health, or morals.
Licenses with quotas	In addition to imports under Brazilian concessions covered by the LAIA agreement, goods imported through the Manaus and Tabatinga free zones are subject to an annual quota. Foreign goods up to the equivalent of US\$2,000 imported into the Manaus free trade zone may be transferred to other parts of Brazil (as a passenger's baggage) free of import taxes. The tariff rate on imports of toys is 20%.

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Other nontariff measures	Sanitation and measurement requirements must be observed.
Import taxes and/or tariffs	The MERCOSUR Customs Union agreement stipulates a CET ranging from zero to 20%, though higher rates may be applied in particular cases, such as 53 products pertaining to the automotive sector, to which a rate of 35% applies. In addition, the MERCOSUR countries have approved the use of temporary national tariff exceptions, according to which Brazil exempts from the CET 100 tariff lines until January 31, 2008. Exemptions for 77 tariff lines pertaining to telecommunications expired June 30, 2007. The Common Regime for Capital Goods that are not made in MERCOSUR countries will be effective January 1, 2009. For this reason the reduction in the import taxes for capital goods and integrated systems (ex-tarifarios), totaling 2,480 tariff lines, will remain effective according to the term fixed by the Camex Resolution, which established them. The government established two taxes of 1.65% and 7.65%. Some exceptions to these taxes are mentioned in Law 10,865 (2004) and in Law 10,925 (2004).
Taxes collected through the exchange system	Foreign exchange transactions related to imports of goods are exempt from the tax on financial operations, and foreign exchange transactions related to imports of services have a tariff of zero.
State import monopoly	Imports of petroleum and its derivatives are subject to prior disclosure from the National Petroleum Agency.
References to legal instruments and hyperlinks	Law 11,371 (2006).

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements <i>Surrender to authorized dealers</i>	Effective August 4, 2006, 30% of the proceeds from exports are exempt from surrender requirements. Effective October 27, 2006, the deadline for surrender of export proceeds was extended to the last business day of the twelfth month following the shipment of merchandise or rendering of services. Previously, proceeds were required to be surrendered before 210 days from the shipment date for operations not subject to the Credit Register date for financed operations.
Financing requirements	No.
Documentation requirements	
Preshipment inspection	Inspection is required for commodities subject to standardization.
Other	Documentation includes invoices, international shipment notification, and export registration. There is a simplified arrangement for foreign exchange transactions related to exports up to the equivalent of US\$20,000.
Export licenses	Exports are prohibited of wild animals and their hides, hair, feathers, or eggs in any form; jacaranda-da-Bahia wood; ipecacuanha plants; amber and white varieties of honey; and antiques more than 100 years old. Exports of certain goods require prior approval of the SECEX, including those effected through bilateral accounts, exports without exchange cover, exports on consignment, reexports, and exports requiring prior authorization from government agencies. The SISCOMEX integrates activities related to the registration, monitoring, and control of foreign trade operations into a single computerized flow of information. The SISCOMEX comprises two subsystems (exports and imports). The exports subsystem allows exporters, carriers, banks, and brokers to register the various stages of an export process directly through the interlinked computers of the SECEX, customs, and the CBB.
With quotas	Exports of sawed or cut pine wood, mahogany, Brazilian walnut, and virola are subject to quotas.
Export taxes	In general, exports are exempt from export taxes or are subject to a tax of zero. However, export duties apply to the following: (1) fume products exported to Paraguay and Uruguay, 105%; (2) cigarettes to Central America, the Caribbean, and South America, 150%; (3)

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tanned leather and skins, 7% as of January 1, 2006, and 9% as of January 1, 2007; and (4) weapons and ammunition to Central America, the Caribbean, and South America (except Argentina, Chile, and Ecuador), 150%.

References to legal instruments and hyperlinks

Law 11,371 (2006); Decree 23,258 (1933); Resolution NMC 3,389 (2006).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

There are established rules and surveillance procedures for unloading and storage costs related to operations freely conducted in the commercial market. Regulations on insurance and reinsurance transactions in foreign currency are set by the National Council on Private Insurance.

Investment-related payments

Nonresident investments must be registered electronically at the CBB.

References to legal instruments and hyperlinks

Resolution NMC 3,265 (2005).

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Yes.

Surrender requirements

Surrender to authorized dealers

Seventy percent of the proceeds from software copyrights, franchising, trademarks, patents, and specialized technical services must be sold to ADs.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

Resolution NMC 3,265 (2005).

Capital Transactions

Controls on capital transactions

Nonresident capital transactions must be registered electronically with the CBB.

Repatriation requirements

No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Limitations apply to participation in certain economic activities.

Sale or issue locally by nonresidents

Shares of foreign enterprises from MERCOSUR countries may be sold in Brazil through share custody certificates or directly. Other foreign securities may be sold through Brazilian Depository Receipts (BDRs), which allow the placement of certificates representing these shares in the Brazilian market.

Purchase abroad by residents

Effective September 27, 2006, there are no restrictions on making transfers abroad of individual or corporate interest. Transfers of funds for investments abroad by institutions authorized to operate by the CBB and funds of any nature must observe specific regulations. Effective April 26, 2007, regulations on investments abroad by investment funds were liberalized further, subject to prudential rules set by the Securities and Exchange Commission of Brazil. Previously, residents could invest only in stock exchanges in MERCOSUR countries. Outside MERCOSUR countries, Brazilians were allowed to

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	<p>purchase ADRs issued abroad by companies headquartered in Brazil and BDRs issued in the country by companies headquartered abroad. Employees of firms belonging to foreign economic groups could purchase shares of the main company without limit (previously, there was a limit of up to the equivalent of US\$20,000 for each employee, for a period of not less than 12 months).</p>
Sale or issue abroad by residents	Effective September 27, 2006, no controls apply. Previously, corporations could issue only depository receipts abroad. In the MERCOSUR countries, Brazilian enterprises could operate through share custody certificates or directly.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Nonresidents may offer these instruments only through private placements.
Purchase abroad by residents	Effective September 27, 2006, no restrictions apply on making transfers abroad by residents. Transfers of funds for investments abroad by institutions authorized by the CBB to operate and funds of any nature must observe specific regulations. Previously, residents could purchase bonds or other debt securities through Brazilian external debt funds.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	n.r.
<i>Sale or issue abroad by residents</i>	n.r.
Controls on derivatives and other instruments	Foreign investors have access to derivative markets. They are required to register locally for identification purposes.
Purchase abroad by residents	Private sector entities may engage in hedging operations with financial institutions or stock exchanges abroad to protect themselves against the risk of fluctuations in interest rates, exchange rates, and commodity prices. Payments and receipts in foreign currency scheduled or expected to occur in the future in connection with commercial or financial rights or obligations may also be protected by hedging.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Lending by financial institutions to nonresidents is not allowed.
Controls on direct investment	
Outward direct investment	Effective September 27, 2006, no restrictions apply on making transfers abroad by individuals or corporations. Transfers of funds for investments abroad by institutions authorized to operate by the CBB and funds of any nature must observe specific regulations. Investments abroad by institutions authorized to operate by the CBB require prior approval of the CBB's Department of Financial System Organization. In addition, the institutions must meet specific conditions, especially that prudential regulations on minimum paid-in capital be effectively operational for a minimum time span and strictly observe fixed-asset-to-net-worth ratios. Previously, only Brazilian nonfinancial enterprises could make transfers for outward direct investment purposes without limitation. Exchange operations in which the purchaser of the foreign exchange was an entity belonging to the direct or indirect public administration were subject to prior authorization by the CBB.
Inward direct investment	There are legal limitations on participation in certain economic activities.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Laws 4,131 (1962) and 11,371 (2006); Decree 55,762 (1965); Resolutions NMC 2,337 (1996), 2,689 (2000), 2,770 (2000), 3,265 (2005), 3,412 (2006), 3,350 (2007), 3,452 (2007), and 3,455 (2007); Circular CBB24 (1966); CBB 3,305 (2005); and 3,348 (2007).

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)	Lending to nonresidents is not allowed.
Lending locally in foreign exchange	All contracts, securities, and other documents, as well as any obligations executable in Brazil that require payment in foreign currency, are null and void. Consequently, financial institutions are prohibited from granting foreign currency loans within Brazil. However, this regulation does not apply to the on-lending of external foreign currency loans.
Purchase of locally issued securities denominated in foreign exchange	Domestic operations in foreign currencies are prohibited.
Differential treatment of deposit accounts in foreign exchange	n.r.
Differential treatment of deposit accounts held by nonresidents	n.r.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	<p>Effective January 2, 2006, the requirement to deposit long positions exceeding US\$6 million with the CGG was abolished. The exchange positions are unlimited, provided the total amount of combined exposure in gold, assets, and liabilities in foreign exchange does not exceed, effective June 11, 2007, 30% of each financial institution's base capital. The previous limit was 60% (effective December 5, 2006, before which it was 30%). Effective July 2, 2007, the bank's capital requirement is 100% of the foreign exchange exposure (previously, 50%), and foreign exchange amounts cleared internationally by bank conglomerates are considered to be part of the net foreign exchange position.</p> <p>For licensed dealers (brokerage firms; securities distributors; and credit, financing, and investment enterprises), the ceiling on the long exchange position is the equivalent of US\$500,000, and short exchange positions are not allowed.</p>

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.r.
<i>Limits (max.) on investment portfolio held abroad</i>	Institutional investors may invest up to 10% of their technical reserves in investment fund shares abroad.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Private social security agencies may invest up to 50% of their reserves, together with other investments up to the same ceiling, in shares of open companies, publicly issued convertible debentures, bonds for subscriptions to shares issued by open companies, and certificates of deposit for shares issued by companies headquartered in MERCOSUR countries.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.

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Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents n.a.

Limits (max.) on investment portfolio held abroad The regulations on investments abroad by investment funds were liberalized further, subject to prudential rules set by the Securities and Exchange Commission of Brazil.

Limits (min.) on investment portfolio held locally n.a.

Currency-matching regulations on assets/liabilities composition n.a.

References to legal instruments and hyperlinks

Law 10,192 (2001); Resolution 2,606 (1999); Circulars CBB 3,307 (2005); and 3,352 (2007).

Changes during 2006

Exports and export proceeds

January 1. Exports of tanned leather and skins were made subject to export duty of 7%.

August 4. Thirty percent of the proceeds from exports were exempted from surrender requirements.

October 27. The deadline for surrender of export proceeds was extended to the last business day of the twelfth month (previously, 210 days) following the shipment of merchandise or rendering of service.

Capital transactions

Controls on capital and money market instruments

September 27. The restrictions on making transfers abroad by individuals or corporations were abolished. Transfers of funds for investment abroad by institutions authorized to operate by the CBB and funds of any nature must observe specific regulations.

September 27. Controls on the sale or issue of securities abroad by residents were eliminated.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 2. The requirement to deposit with the CBB in dollars long positions exceeding the equivalent of US\$6 million was abolished.

December 5. The limit on the combined foreign exchange exposure by domestic banks was increased to 60%, from 30%, of each bank's base capital.

Changes during 2007

Imports and import payments

June 30. Exemptions expired for 77 tariff lines relating to telecommunications.

Exports and export proceeds

January 1. The export duty on tanned leather and skins was increased to 9% from 7%.

Capital transactions

Controls on capital and money market instruments

April 26. The regulations on investments abroad by investment funds were liberalized further, subject to prudential rules set by the Securities and Exchange Commission of Brazil.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

June 11. The limit on the combined foreign exchange exposure by domestic banks was reduced to 30% from 60% of each bank's base capital.

July 2. The banks' capital requirement of foreign exchange exposure was raised to 100% from 50%.

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Provisions specific to institutional investors

April 26. The regulations on investments abroad by investment funds were liberalized further, subject to prudential rules set by the Securities and Exchange Commission of Brazil.

BRUNEI DARUSSALAM

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: October 10, 1995.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Brunei Darussalam is the Brunei dollar.

Other legal tender The Singapore dollar also circulates as customary tender.

Exchange rate structure Unitary.

Classification

Currency board arrangement The Brunei dollar is issued by the Brunei Currency and Monetary Board (BCMB). Under the terms of the Currency Interchangeability Agreement (CIA), signed in 1967, which remains in effect between the BCMB and the Monetary Authority of Singapore, the monetary authorities agreed to the mutual exchange of each other's currency, at par without charge, into notes and coins issued by them. Both the authorities and banks in Brunei Darussalam and Singapore are obliged to accept each other's currency at par, and the currencies are customary tender in the territory of the other country. Excess Brunei or Singapore currency is repatriated regularly, and the cost of repatriation is borne by the currency issuing authority. The BCMB deals only in Singapore dollars and does not quote rates for other currencies. Banks, however, are free to deal in all currencies, with no restriction on amount, maturity, or type of transaction.

The Brunei Association of Banks fixes daily buying and selling rates for electronic transfers and sight drafts in 17 other currencies on the basis of the interbank quotations for these currencies in relation to the Singapore dollar. Banks in Brunei Darussalam must apply these rates for transactions with the general public for amounts up to B\$100,000. Exchange rates for amounts exceeding B\$100,000 are set competitively by each bank on the basis of the current interbank quotations for the Singapore dollar on the Singapore market.

Exchange tax No.

Exchange subsidy No.

Forward exchange market There is no forward market for foreign exchange in Brunei Darussalam. However, as a result of the CIA, foreign exchange risk may be hedged in terms of Singapore dollars by resorting to facilities available in that country, including foreign currency futures and options traded on the Singapore International Monetary Exchange, over-the-counter forward transactions arranged by banks in Singapore, and the short-term foreign exchange swap market operated among the banks in the Singapore money market.

References to legal instruments and hyperlinks n.a.

BRUNEI DARUSSALAM

Arrangements for Payments and Receipts

Prescription of currency requirements	n.a.
Payments arrangements	
Regional arrangements	Brunei Darussalam is a member of ASEAN.
Administration of control	There are no formal exchange controls since the repeal of the Exchange Control Act in 2000.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Following the repeal of the Exchange Control Act, dealings in gold are not controlled or restricted.
On external trade	Gold bars are not subject to import duty, but a 5% duty is levied on the importation of gold jewelry.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	There is no distinction between accounts of residents and nonresidents.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
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BRUNEI DARUSSALAM

Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	A few imports are banned or restricted for environmental, health, safety, security, or religious reasons. Alcoholic beverages may be imported only by nonresident non-Muslims.
Other nontariff measures	Yes.
Import taxes and/or tariffs	About 68% of items (including basic foodstuffs, construction materials, and educational materials) are exempt from customs duties. Most other goods are subject to tariff rates of 5%, 15%, or 20%. The maximum tariff is 30%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	n.a.
Documentation requirements	No.
Export licenses	Export licenses are required for alcoholic beverages, cigarettes, diesel fuel, gasoline, kerosene, rice, salt, and sugar.
Without quotas	Yes.
With quotas	n.a.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	There are indicative limits or bona fide tests for all payments for invisible transactions and current transfers.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Interest payments are subject to a 20% withholding tax. Information is not available on the payment of amortization of loans and depreciation of direct investments.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Yes.

BRUNEI DARUSSALAM

Credit card use abroad	
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	

Inward direct investment	There are no sectoral controls, but activities relating to national food security and those based on local resources require some degree of local participation. Industries producing for the local market that are not related to national food security and industries that solely export may be fully foreign owned. Joint ventures are particularly encouraged in export-import industries and activities supporting such industries. At least one-half of the directors of a company must be either Brunei citizens or residents of Brunei Darussalam.
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Controls on liquidation of direct investment	No.
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Controls on real estate transactions

Purchase locally by nonresidents	Only Brunei citizens are allowed to own land. However, foreign investors may lease land on a long-term basis, including sites destined for industry, agriculture, agroforestry, and aquaculture.
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Sale locally by nonresidents	n.a.
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Controls on personal capital transactions

Loans	n.a.
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Gifts, endowments, inheritances, and legacies	n.a.
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Settlements of debts abroad by immigrants	n.a.
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Transfer of assets	n.a.
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BRUNEI DARUSSALAM

Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Yes.

Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

BULGARIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 24, 1998.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Bulgaria is the Bulgarian lev.

Exchange rate structure Unitary.

Classification

Currency board arrangement An amendment to the Law on the Bulgarian National Bank (BNB) effectively established a currency board arrangement. The peg currency is the euro at the rate of lev 1.95583 per €1. The BNB is required to buy and sell euros on demand against leva on the basis of spot exchange rates that may not differ from the official exchange rate by more than 0.5%, inclusive of any fees, commissions, and other charges to the customer. Effectively, the BNB is buying and selling euros in noncash transactions at the parity rate; in cash transactions it levies a commission of 0.5% on the buying side.

Exchange tax Yes.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks Law on the Bulgarian National Bank.

Arrangements for Payments and Receipts

Prescription of currency requirements Balances remain on clearing accounts maintained under former bilateral arrangements. These arrangements are now inoperative, and the only transactions that take place are those that are intended to settle the balances. Valuation and settlement of the balances take place in convertible currencies.

Controls on the use of domestic currency

For current transactions and payments Yes.

For capital transactions

Transactions in capital and money market instruments Yes.

BULGARIA

Credit operations	Yes.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	There are arrangements with Cambodia, Guinea, the Democratic People's Republic of Korea, the Lao People's Democratic Republic, and the Syrian Arab Republic. Bulgaria has outstanding transferable ruble accounts with Cuba and Mongolia.
Regional arrangements	Upon accession to the EU on January 1, 2007, Bulgaria terminated its membership in CEFTA as well as its bilateral trade agreements, and adopted all EU trade agreements.
Barter agreements and open accounts	There are inactive agreements with the Islamic Republic of Afghanistan, Guyana, and Mozambique.
Administration of control	
Foreign exchange control is exercised by the MOF, the BNB, the customs administration, and the postal authorities.	
Payments arrears	
Private	One commercial bank, which is in bankruptcy, has outstanding debt-service arrears.
Controls on trade in gold (coins and/or bullion)	
Residents carrying out extracting, processing, or other transactions involving precious metals and stones as their business activity are obliged to register with the MOF within 14 days before starting their activity.	
On domestic ownership and/or trade	Banks may trade in precious metals.
On external trade	Resident and nonresident natural persons may freely export and import precious metals and stones or products thereof for personal use in amounts prescribed by MOF regulations. Transactions exceeding these quantities are treated as commercial goods and must be declared to customs. The export or import of precious metals and stones by mail is prohibited except in the case of parcels with declared values. This prohibition does not apply to the BNB and commercial banks. Imports of raw diamonds are subject to the Kimberley Process Certification Scheme.
Controls on exports and imports of banknotes	
On exports	Resident and nonresident natural persons may export domestic or foreign currencies in cash without a declaration if the amount is less than the equivalent of lev 8,000. Amounts exceeding lev 8,000 must be declared to customs. In the case of exports exceeding lev 25,000, resident and nonresident natural persons must present a certificate from the tax authorities stating that they do not have any tax arrears and must declare to customs the type, amount, and origin of the funds. Nonresident natural persons may export cash amounts exceeding lev 25,000 or its equivalent in foreign currency with a customs declaration, provided the amounts do not exceed the amount of foreign currency previously imported and declared to customs. The export of domestic and foreign banknotes by mail is prohibited, except in cases of parcels with declared values. This prohibition does not apply to the BNB and commercial banks.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Yes.
On imports	Resident and nonresident natural persons may import unlimited amounts of domestic and foreign currency in cash; however, amounts exceeding lev 8,000 or its equivalent in foreign currency must be declared to customs.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Yes.
References to legal instruments and hyperlinks	
Currency Law; Ordinance No. 10 of the MOF on the Export and Import of National and Foreign Currency Cash, Precious Metals, and Stones and Products Thereof for Inclusion in the Customs Registers.	

BULGARIA

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	The crediting and debiting of up to the equivalent of lev 25,000 are not subject to regulations. Transfers abroad exceeding the amount of lev 25,000 are made by commercial banks after declaring, for statistical purposes, the reason for the transfer. For payments abroad, the declaration must be submitted on the day of the order; for receipts, within 30 days after the account of the beneficiary has been credited. In cases where amounts exceed the equivalent of lev 25,000, the transferor must submit documentation. If the transfer is related to transactions for which a BNB statistical declaration is required, the commercial bank should verify the declaration with the BNB.
Held abroad	Yes.
<i>Approval required</i>	Approval is not required, but a declaration for statistical purposes must be submitted to the BNB within 15 days after the account has been opened.
Accounts in domestic currency held abroad	Approval is not required, but a declaration for statistical purposes must be submitted to the BNB within 15 days after a payment is made.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	Currency Law; BNB Ordinance No. 27 on the Balance of Payments Statistics; BNB Ordinance No. 28 on Information Collected by Banks about Cross-Border Transfers and Payments.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	Transfers abroad exceeding the equivalent of lev 25,000 are made by commercial banks after declaring, for statistical purposes, on the day of the order, the reason for the transfer.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Other	Yes.
Import licenses and other nontariff measures	
Negative list	Effective January 1, 2007, Bulgaria has adopted all EU trade policies. Previously, imports of certain goods—such as dangerous substances with ozone-depleting potential; machinery and equipment for air-conditioning using Freon-12; or refrigerators, freezers, and other

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Licenses with quotas	<p>equipment using Freon-11 or -12—were banned for health, environmental, and security reasons.</p> <p>Effective January 1, 2007, Bulgaria has adopted all EU trade policies. Previously, prior licensing was required for imports of the following products originating in the EU subject to tariff quotas (opened in accordance with the European Association Agreement): meat of domestic swine, fresh, chilled, or frozen; meat of swine, salted, in brine, dried, or smoked; sausages and similar products; prepared or preserved meat, meat offal, or blood of swine; meat or edible offal of poultry; frozen subcutaneous pig fat, salted or in brine; milk and cream, in powder, granules, or other solid form; and prepared or preserved meat of poultry.</p> <p>Effective January 1, 2006, prior licensing is required for the import of raw cane sugar not containing added flavoring or coloring, which is subject to a global tariff quota (imposed in accordance with the WTO schedule of concessions and commitments of the Republic of Bulgaria).</p>
Other nontariff measures	<p>Effective January 1, 2007, Bulgaria has adopted all EU trade policies. Previously, nonautomatic licenses (permits) were used to monitor trade in arms and ammunition and to protect human, animal, and plant health and life. They were required for imports of nuclear materials, radioactive substances and other sources of ionizing radiation; asbestos, asbestos products, and asbestos-containing materials and products; polygraph production for public supply; powder, explosive, and pyrotechnic materials and derivatives thereof for civil application; trinitrotoluene (TNT); certain weapons and ammunition; medications for humans; products for plant protection; veterinary medical products; live game and its genetic material; wild flora and fauna species included in CITES, including live or dead species as well as parts and products thereof; alien flora and fauna species designated for propagation and breeding (except for some parrot species); military and special products, and products and technologies for possible dual (civil and military) use; narcotic and psychotropic substances; controlled chemicals used for the production of narcotic and psychotropic substances; certain types of waste, according to the Basel Convention on Hazardous Wastes; ozone-depleting substances, according to the Montreal and Kyoto Protocols; and raw diamonds.</p>
Import taxes and/or tariffs	<p>Effective January 1, 2007, Bulgaria has adopted the EU import duty schedule for trade with countries outside the EU and does not levy tariffs on trade within the EU. Previously, there were 22 tariff bands; import tariffs ranged from zero to 74% and were calculated on a transaction-value basis in foreign currency and converted to leva. The maximum rate of import tariffs for nonagricultural goods was 27%, and for agricultural goods, 74%. The arithmetic mean tariff for all products was 11.6%. The simple unweighted average level of Bulgaria's MFN tariffs was 11.10%. The average tariff for industrial goods was 8.62%, and for agricultural products, 21.69%.</p>
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	
Letters of credit	Yes.
Guarantees	n.a.
Domiciliation	n.a.
Preshipment inspection	n.a.
Other	Yes.
Export licenses	<p>Effective January 1, 2007, Bulgaria has adopted EU policies for export licenses. Previously, automatic licenses (registration) were required for exports of precious metals and unsawn</p>

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timber (coniferous and deciduous with a diameter at the thin end of more than 4 cm, and all wood species, as well as firewood, except for fire-burnt timber). Nonautomatic licenses (permits) were required for exports of nuclear material, radioactive substances, and other sources of radiation; gunpowder, explosives, pyrotechnic material, and their derivatives for civil uses; TNT; certain weapons and ammunition; artifacts and objects with historical, archeological, numismatic, ethnographic, artistic, or antiquarian value, as well as museum-grade natural specimens; wild plants and parts thereof, as well as tetter and moss; wild mushrooms; wild animals and parts thereof (other than those that are subject to the regulations of the Hunting and Game Protection Act); clams, sea and land snails, and frogs, including those raised on farms; live game and genetic material thereof, as well as hunting trophies, shed game horns and antlers, and game products; military products or special-purpose products, and products and technologies for possible dual use (civil and military); narcotic and psychotropic substances; controlled chemicals used in the production of narcotic and psychotropic substances; and raw diamonds.

Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Transfers abroad exceeding the equivalent of lev 25,000 are made by commercial banks after declaring, for statistical purposes, the reason for the transfer.
Foreign workers' wages	Foreign workers' wages may be transferred abroad, provided applicable taxes have been paid.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	

Outward direct investment	A declaration to the BNB is required within 15 days of concluding a direct investment transaction abroad, except for, effective January 1, 2007, investments in the EU. Direct investment abroad occurs when a resident (1) acquires equity participation in a nonresident juridical entity and is eligible to exercise more than 10% of the voting power at a shareholder
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meeting, (2) extends a loan for the above-mentioned purpose, (3) makes additional investments to an existing direct investment, or (4) acquires real estate for business purposes. Registration is not required for investments in amounts up to the equivalent of lev 25,000; however, for purposes of balance of payments statistics, such transactions must be declared to the BNB within 15 days of their conclusion. For investments exceeding this limit, the appropriate documents must be submitted to a domestic bank.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

For purchases exceeding the equivalent of lev 25,000, the appropriate documents must be submitted to a domestic bank for statistical purposes.

Purchase locally by nonresidents

Nonresidents, effective January 1, 2007, with the exception of nonresidents from EU member countries, may not purchase or own land. If they inherit land, they must dispose of it within three years. Foreign citizens and foreign legal entities may acquire the right of ownership in premises and limited property rights to real estate, unless otherwise prohibited by law. A foreign state or an intergovernmental organization may acquire right of ownership in land or premises, and limited property rights to real estate on the basis of an international treaty, by way of legislation, or through an act of the Council of Ministers.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

Accession Treaty of Bulgaria and Romania to the European Union, April 25, 2005.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Open foreign exchange position limits

Each bank must maintain daily (1) a maximum ratio of up to 15% between its open position in any particular currency and the amount of its own funds, excluding the euro; and (2) a maximum ratio of up to 30% between its net open foreign currency position and the amount of its own funds, excluding the euro.

Provisions specific to institutional investors

Insurance companies

Generally, controls specific to insurance companies, restrictions on investments because of rules on the technical or mathematical reserves, solvency margins, premium reserve stocks or guarantee funds, etc., are defined under chapter six of the Insurance Code, where (1) Section I contains the solvency requirements for an insurer and a reinsurer; (2) Section III defines the types of assets eligible to cover technical reserves, the general rules for diversification, the currency conformity rules and special rules for the cover of reserves for the investment fund related to life insurance; (3) Section IV defines own funds, solvency margin, and guarantee capital; and (4) Section V provides additional solvency requirements for insurers belonging to an insurance group.

Different types of assets are eligible to cover technical reserves of the insurance companies (Article 73 of the Insurance Code).

There are no restrictions on investing technical reserves in financial instruments issued by nonresidents. The only difference for investments in a third state is the requirement that shares, bonds (to be qualified), and other debt securities (to be qualified) have to be listed on internationally recognized and liquid regulated securities markets.

All assets must be valued in compliance with the prudence concept, taking into account liquidity risk. Insurers must invest the gross amount of technical reserves set up in assets under Article 73 of the Insurance Code in compliance with general rules for diversification (Article 74 of the Insurance Code).

Currency-matching regulations on assets/liabilities composition

The assets covering the technical reserves must be in the same currency as the liabilities ensuing from contracts under which technical reserves have been set up. Currency matching

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is required when the assets in a certain currency exceed 7% of the assets in the other currencies.

Up to 20% of the total amount of technical reserves may be covered by assets in a currency other than the one in which they have been set up, provided the total amount of assets for cover of technical reserves in all currencies is at least equal to the total amount of liabilities in all currencies.

If the technical reserves have been set up in Bulgarian leva, euros, or another currency of a member state, the assets for their cover may be in euros (Article 78 of the Insurance Code).

Pension funds

Controls specific to pension funds in Bulgaria are arranged in the Social Insurance Code. Chapter 14 on Assets and Investments and Chapter 16 on Investments are connected to the requirements for the investments of compulsory and voluntary pension funds, respectively. The mandatory reserves requirements are settled under Chapter 25 on Pension Reserves and Investments.

Effective July 12, 2006, some changes were introduced under Bulgarian legislation by amendments to the Social Insurance Code, and on January 1, 2007, the restrictions on investing the assets of a supplementary pension fund in foreign securities were eliminated.

However, some limits remained concerning the diversification of supplementary pension funds' investment portfolios (Articles 178 and 251 of the Social Insurance Code). These restrictions are the same for investments in local and in foreign securities.

Limits (max.) on investment portfolio held abroad

n.a.

Currency-matching regulations on assets/liabilities composition

No more than 20% of the assets of a supplementary pension fund may be denominated in any currency other than Bulgarian leva and euros (according to Article 178, Paragraph 10 of the Social Insurance Code).

Investment firms and collective investment funds

Incorporated measures that impose limitations on the composition of the collective investment funds' investments and other activity requirements are widely defined under Chapter 16 on Open-Ended Investment Companies and Contractual Funds of the Law on Public Offering of Securities. The financial instruments in which investment firms and collective investment funds can invest are included in Article 195 of the Law on Public Offering of Securities. Investments in local and foreign securities are not treated differently.

Limitations exist concerning the diversification of investment portfolios of collective investment schemes (Article 195 of the Law on Public Offering of Securities), which are the same for residents and nonresidents.

References to legal instruments and hyperlinks

Insurance Code; Social Insurance Code; Law on Public Offering of Securities.

Changes during 2006

Imports and import payments

January 1. Prior licensing was required for the import of raw cane sugar not containing added flavoring or coloring, which is subject to a global tariff quota.

Provisions specific to the financial sector

Provisions specific to institutional investors

July 12. Some changes concerning pension funds were introduced under Bulgarian legislation by amendments to the Social Insurance Code.

Changes during 2007

Arrangements for payments and receipts

January 1. Bulgaria terminated its membership in CEFTA and its bilateral trade agreements, and adopted all EU trade agreements.

Imports and import payments

January 1. Bulgaria adopted the EU import duty schedule for trade with countries outside the EU trade and does not levy tariffs on trade with countries within the EU.

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	<i>January 1.</i> Bulgaria adopted all EU trade policies.
Exports and export proceeds	<i>January 1.</i> Bulgaria adopted all EU policies for export licenses.
Capital transactions	
Controls on direct investment	<i>January 1.</i> No declaration to the BNB was required for investments within the EU .
Controls on real estate transactions	<i>January 1.</i> Nonresidents from EU member countries were allowed to purchase or own land in Bulgaria.
Provisions specific to the financial sector	
Provisions specific to institutional investors	<i>January 1.</i> The restrictions on investing the assets of a supplementary pension fund in foreign securities were removed.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. The framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks

Regulation 14/2002/CM/UEMOA of September 19, 2002, on Freezing Funds and Other Financial Resources as Part of the Fight Against the Financing of Terrorism in WAEMU Member States; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency

The currency of Burkina Faso is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Burkina Faso participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rate for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy

No.

Forward exchange market

Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks

Treaty of November 14, 1973, establishing the West African Monetary Union (WAMU); Cooperation Agreement between France and the member republics of WAMU of December 4, 1973, and amendments; Operations Account agreement of December 4, 1973, and amendments; Regulation R09/98/CM/UEMOA of December 20, 1998; Instructions from the BCEAO resulting from the application of Regulation R09/98/CM/UEMOA of December 20, 1998; General Schedule of Terms Applicable by the Banks and Financial Institutions Established in WAMU (January 2000); www.bceao.int; www.uemoa.int.

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Arrangements for Payments and Receipts

Prescription of currency requirements	Burkina Faso is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU and CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.
Controls on the use of domestic currency	
<i>For capital transactions</i>	
Transactions in derivatives and other instruments	Yes.
Use of foreign exchange among residents	The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	Yes.
Regional arrangements	An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account.
Clearing agreements	A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.
Administration of control	Exchange control is administered jointly by the MOF and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MOF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Burkina Faso for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Burkina Faso require prior authorization by the RCPSFM.
Payments arrears	
Private	n.a.
Controls on trade in gold (coins and/or bullion)	
On external trade	Imports of gold require prior MOF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO; (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles); and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration. Exports of gold have been liberalized.

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Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. CFA banknotes may be freely sent from authorized intermediaries to their correspondents. However, the suspension of BCEAO repurchases of exported banknotes continues. Similarly, by implementing this measure, authorized intermediaries are not allowed to receive the CFA banknotes sent by their correspondents.

Foreign currency

The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks.

On imports

Foreign currency

Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int; www.uemoa.int.

Resident Accounts

Foreign exchange accounts permitted

The holding by residents of foreign currency accounts is subject to prior MOF authorization, after consent by the BCEAO.

Held domestically

Yes.

Approval required

Yes.

Held abroad

Yes.

Approval required

Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, prior authorization by the MOF, after BCEAO approval, is required to open an account abroad.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Approval required

The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.

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Domestic currency accounts	Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU area, banknotes issued by the BCEAO or an issuer holding an operations account with the French Treasury may not be deposited to nonresident accounts. These accounts may not be overdrawn without prior MOF authorization. Transfers of funds between nonresident accounts are not restricted.
Convertible into foreign currency	Convertible foreign currency accounts may be debited freely for the purchase by nonresidents of foreign currencies on the official exchange market.
Blocked accounts	No.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int ; www.uemoa.int .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Documentation requirements for release of foreign exchange for imports	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirement	All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	All imports valued at CFAF 3 million or more are subject to inspection for verification of quality and value.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	
Positive list	Import licenses have been eliminated and replaced with preimport declarations issued for all import operations valued at CFAF 500,000 or more.
Negative list	Imports of ivory, fishing nets with mesh smaller than 3 cm ² , asbestos, fireworks for entertainment, and explosive toys are prohibited. In addition, effective February 14, 2006, there is a temporary ban on imports of avian products and their derivatives originating in, or shipped from, countries affected by avian influenza.
Licenses with quotas	A special import license, the Autorisation Spéciale d'Importation (ASI) issued by the Ministry for Trade, is required for all imports of sugar (granulated and lump) from outside the ECOWAS and WAEMU. The ASI is granted for a minimum import quota of 2,000 metric tons.
Other nontariff measures	A technical import visa (certificat de conformité) is required for the following products: reinforcing steel, sheet metal, adhesives for cold vulcanization (dissolution), carbide, electrical batteries, polyethylene and polypropylene bags for packing, mopeds, motorcycles having an engine capacity of less than 125 cm ³ , tires and inner tubes for cycles, aerosol insecticides, mosquito-repellent coils, pesticides, bleach, cosmetic products and perfume, gas cylinders, pharmaceutical alcohol, butter and margarine, cooking salt, edible vegetable oils, food pastes, granulated sugar or sugar cubes, mayonnaise, mustard, seasoning cubes and flavoring, vinegar, wheat and cereal flour, yeast and additives for bread making, canned food, cookies, rice, beer, liquor, milk, tea and coffee, sodas, wine, and tobacco or tobacco products of any kind.
Import taxes and/or tariffs	The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1% and a community solidarity levy of 1%. In addition, a cyclical import tax and a degressive protection tax may be levied on certain products for a set period of time. All imports from outside the ECOWAS are subject to a community levy of 0.5%.

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State import monopoly	No.
References to legal instruments and hyperlinks	Decree 2006-04/MRA/MCPEA/MFB of February 14, 2006; Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int; Regulation 02/97/CM/UEMOA of November 28, 1997, adopting the WAEMU Common External Tariff; Decision A/DEC.17/01/06 establishing the ECOWAS CET; www.uemoa.int.

Exports and Export Proceeds

Repatriation requirements	Resident economic operators must collect and repatriate, through the account servicing bank, all the proceeds from the sale of merchandise abroad.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized banks within 30 days of the payment due date, which must not be more than 120 days after the shipment of the goods. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if permitted by the BCEAO.
Financing requirements	No.
Documentation requirements	
Domiciliation	All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Export licenses	Exports of diamonds, gold, and all other precious metals are subject to MOF authorization. Exports of ivory require special authorization by the Ministry of Foreign Trade. Exports of sesame are subject to the delivery of a certificate of origin and to the presentation of a phytosanitary certificate, a bulletin of verification, and a certificate from an authorized laboratory. A visa system, called the Burkina Faso African Growth and Opportunity Act (AGOA) Visa, has been set up for exporting clothing and textiles to United States under the AGOA preferential arrangement.
Without quotas	Yes.
Export taxes	
Other export taxes	Most exports are subject to a customs stamp tax of 6% and a statistical duty of 3%.
References to legal instruments and hyperlinks	Notice to Exporters 05-15/MCPEA/SG/DGC of October 6, 2005; Regulation 09/98/CM/UEMOA of December 20, 1998; Decree 2005-647/PRES/PM/MCPCEA/MFB of 12/28/2005; Order 06-001/MCPEA/MFB of 01/04/2006; www.bceao.int.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts made by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Authorized banks may transfer profits and interest payments based on supporting documentation.
<i>Prior approval</i>	Payments for the depreciation of direct investments require approval of the MOF, because depreciation is not specifically mentioned in the regulations.

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<i>Indicative limits/bona fide test</i>	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	
<i>Quantitative limits</i>	Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.
<i>Indicative limits/bona fide test</i>	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	
<i>Indicative limits/bona fide test</i>	All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	The use of credit cards is allowed only when issued by specialized institutions.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of the equivalent of CFAF 300,000 that they bring in and must surrender it to an authorized bank within eight days of their return.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int ; www.uemoa.int .

Capital Transactions

Controls on capital transactions	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.

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<i>Surrender to authorized dealers</i>	The proceeds from the sale or liquidation of investments in foreign assets by residents must be surrendered to authorized intermediary banks within one month.
Controls on capital and money market instruments	Prior authorization by the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities; canvassing; and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	These purchases are subject to prior declaration to the MOF for statistical purposes.
Sale or issue locally by nonresidents	The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation.
	Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to prior authorization by the MOF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MOF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.
	Residents may also issue securities abroad, except for those constituting a loan. Issuance of the securities to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	The regulations governing shares or other securities of a participating nature apply.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Residents may sell money market instruments abroad. Sales liquidating an investment are subject to prior declaration.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	The regulations governing shares or other securities of a participating nature apply.
<i>Purchase abroad by residents</i>	Yes.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.

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Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	The sale of securities for the liquidation of an investment abroad must be declared to the MOF for statistical purposes.
Controls on credit operations	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	
<i>By residents to nonresidents</i>	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment.
<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval of the MOF. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the BCEAO acting on behalf of the MOF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be reported for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.
Guarantees, sureties, and financial backup facilities	The regulations governing financial credits apply.
<i>By residents to nonresidents</i>	The granting of guarantees and sureties is subject to prior approval by the MOF. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval by the MOF and the submission of supporting documents.
<i>To residents from nonresidents</i>	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MOF.
Controls on direct investment	Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 20% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents require prior authorization by the MOF, including investments through foreign companies under the direct or indirect control of residents of Burkina Faso and investments by foreign branches or subsidiaries of companies established in Burkina Faso.
Outward direct investment	All investments abroad by residents are subject to prior MOF authorization. At least 75% of such investments must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes.
Controls on liquidation of direct investment	The liquidation of investments abroad must be reported to the MOF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MOF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MOF for statistical purposes.
Controls on real estate transactions	
Purchase abroad by residents	These purchases require prior authorization by the MOF.
Purchase locally by nonresidents	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MOF for statistical purposes.

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Sale locally by nonresidents	Sales by nonresidents to residents require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF.
Controls on personal capital transactions	Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal service, an authorized intermediary bank, or a money changer, unless prior authorization is obtained from the MOF.
Loans	
<i>By residents to nonresidents</i>	These transactions require prior MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.
<i>To residents from nonresidents</i>	These transactions may be made freely, but are subject to declaration to the MOF for statistical purposes when granted and when repaid.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Inheritances and dowries are generally authorized. Gifts and endowments, however, are subject to prior MOF authorization.
<i>To residents from nonresidents</i>	These transactions are subject to declaration.
Settlements of debts abroad by immigrants	Immigrants who have received resident status must obtain prior approval from the MOF to settle debts incurred abroad when they were nonresidents.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transfers are subject to prior authorization by the MOF.
<i>Transfer into the country by immigrants</i>	Foreign accounts of nonresidents (in foreign currencies or CFA francs) who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int ; Law 026-2006/AN of November 28, 2006, on combating money laundering; www.uemoa.int .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	A law on money laundering was adopted on November 28, 2006 (Law 026-2006/AN), and promulgated by Decree 2006-649/PRES of December 29, 2006. Its purpose was to define the legal framework relative to money laundering in Burkina Faso, in order to prevent the use of WAEMU's economic, financial, and banking channels for laundering money or other illicitly obtained assets (Article 4).
Borrowing abroad	For statistical purposes, these transactions must be declared to the MOF when they are granted and when they are repaid.
Maintenance of accounts abroad	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Commercial lending is allowed. Financial credits are subject to prior MOF authorization, following BCEAO approval.
Lending locally in foreign exchange	No explicit regulations exist regarding these transactions, but prior authorization by the MOF is required with the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	These purchases require prior RCPSFM authorization, after approval by the MOF.

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Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Ordinary debit accounts, other debit deposit accounts, and loan accounts are counted toward the establishment of reserve requirements.

Credit controls

Loans of any kind, CFAF overdrafts, and, in general, any advances granted to nonresidents are subject to prior MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.

Differential treatment of deposit accounts held by nonresidents

Credit controls

Monetary regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.

Any overdraft or advance granted to a nonresident requires prior authorization by the MOF with the approval of the BCEAO.

Investment regulations

Abroad by banks

The regulations governing direct investments apply.

Yes.

In banks by nonresidents

These operations are subject to prior authorization by the MOF under certain conditions. Under the banking law, investment in a bank by any person (resident or nonresident) that would change the minority veto and/or the majority vote, is subject to prior authorization by the MOF (Article 29).

Open foreign exchange position limits

No prudential ratios apply. Open positions result from special dispensations.

Provisions specific to institutional investors

Insurance companies

Controls are imposed by the CIMA Code.

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

The CIMA Code does not allow insurance companies to invest abroad.

Limits (min.) on investment portfolio held locally

The CIMA Code includes specific rules for the use of insurance companies' technical reserves.

Currency-matching regulations on assets/liabilities composition

The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.

Pension funds

Limits (max.) on securities issued by nonresidents

The issue, presentation, and float of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to prior authorization by the regional capital markets authority (CREPMF).

Limits (max.) on investment portfolio held abroad

With the exception of foreign securities issued or sold in WAEMU member states with CREPMF authorization, all investment abroad by residents is subject to prior authorization by the MOF and must be at least 75% financed with foreign borrowing.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

The issue, presentation, and float of securities of any kind from foreign governments, local authorities, foreign companies, or international institutions are subject to prior authorization by the CREPMF.

Limits (max.) on investment portfolio held abroad

With the exception of foreign securities issued or sold in WAEMU member states with CREPMF authorization, all investment abroad by residents is subject to prior authorization by the MOF and must be at least 75% financed with foreign borrowing.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; Law 12/96/DP of 05/02/1996 on banking regulation; CIMA Code; www.bceao.int.

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Changes during 2006

Imports and import payments

February 14. A temporary ban was imposed on imports of avian products and their derivatives originating in, or shipped from, countries affected by avian influenza.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

November 28. A law on money laundering was adopted on November 28, 2006 (Law 026-2006/AN), and promulgated by Decree 2006-649/PRES of December 29, 2006. Its purpose was to define the legal framework relative to money laundering in Burkina Faso, in order to prevent the use of WAEMU's economic, financial, and banking channels for laundering money or other illicitly obtained assets (Article 4).

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with Burundi states that as of July 5, 2006, Burundi maintained two multiple currency practices inconsistent with Article VIII, Section 3, arising from or in connection with the current Dutch auction system, and one exchange restriction inconsistent with Article VIII, Section 2 (a), resulting from the authorization process that is applied to certain current international transactions. One multiple currency practice results from the fact that no mechanism limits the potential variation of winning bids from differentiating from each other by more than 2 percent. The other multiple currency practice results from the fact that the exchange rate used for government transactions takes place at a rate that may differ by more than 2 percent from market exchange rates. The exchange restriction results from the central bank having discretion to refuse to authorize the sale of foreign exchange for reasons other than in connection with verifying the bona fide nature of the transaction. An exchange restriction was eliminated on May 30, 2006. (Country Report No. 06/311)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On May 19, 2006, the authorities notified the IMF that Burundi maintains restrictions on financial transactions and accounts involving terrorist individuals and organizations, pursuant to (1) UN Security Council Resolution No. 1269 (1999) and (2) the updated list of terrorist organizations prepared by the U.S. Department of State.

Other security restrictions Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Burundi is the Burundi franc.

Exchange rate structure

Multiple

Effective July 5, 2006, the exchange rate structure was reclassified to multiple because the exchange rates may differ by more than 2% on the foreign exchange auction. In addition, the exchange rate used for official transactions may deviate from the market exchange rates by more than 2%. Effective July 7, 2006, the auction rules were changed, limiting the potential variation of the winning bids to 2%.

Classification

Managed floating with no predetermined path for the exchange rate

The Bank of the Republic of Burundi (BRB) sets the official exchange rate daily on the basis of a weighted average of commercial bank rates. Effective July 7, 2006, the foreign exchange auction rules have been changed, limiting the potential variation of winning bids to 2%.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

n.r.

References to legal instruments and hyperlinks

n.a.

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Arrangements for Payments and Receipts

Prescription of currency requirements	Settlements relating to trade with the Democratic Republic of the Congo and Rwanda in products specified in the trade agreements with these countries are effected through a clearing process, with balances paid in convertible currencies. Nonresidents staying in a hotel or guesthouse in Burundi may pay their hotel bills in foreign currency or Burundi francs.
Controls on the use of domestic currency	Except for the above, all payments for goods and services in Burundi must be made in domestic currency.
<i>For current transactions and payments</i>	n.a.
<i>For capital transactions</i>	n.a.
Use of foreign exchange among residents	Transactions in foreign currency among residents are not permitted.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	There are trade agreements with the Democratic Republic of the Congo and Rwanda. These agreements are not fully operational.
Regional arrangements	Regional agreements exist with eastern and southern African countries.
Clearing agreements	Clearing agreements exist with members of COMESA and the CEPGL.
Administration of control	Control over foreign exchange transactions is vested in the BRB; authority to carry out some transactions is delegated to authorized banks. On December 6, 2006, a new foreign exchange regulation was published to eliminate restrictions on all current transactions.
Payments arrears	
Official	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Natural and juridical persons holding gold mining permits issued by the ministers responsible for mining and customs may establish purchasing houses for gold in transit or mined by artisans in Burundi. Gold produced by artisans may be sold only to approved firms.
On external trade	Exports of gold must be declared in Burundi francs at the average daily rates in effect at the time of declaration. Gold exports are authorized jointly by the mining and customs departments.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Effective December 6, 2006, the export of banknotes in any amount exceeding Fbu 100,000 is subject only to a customs declaration (previously, the limit was Fbu 5,000).
<i>Foreign currency</i>	Effective December 6, 2006, restrictions on the export of foreign currency purchased in cash from an authorized intermediary were eliminated. Previously, there was a licensing requirement for those who did not hold foreign exchange accounts. Foreign currency that was subject to an optional declaration in customs at entry may be reexported on presentation of said declaration.
On imports	
<i>Domestic currency</i>	Effective December 6, 2006, the import of Burundi franc banknotes in any amount exceeding Fbu 100,000 is subject to customs declaration.
<i>Foreign currency</i>	Effective December 6, 2006, all restrictions were eliminated on the import of banknotes.
References to legal instruments and hyperlinks	n.a.

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Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Resident natural persons or legal entities may open foreign exchange accounts with local banks. Foreign exchange accounts may be credited freely. Withdrawals of Burundi francs are unlimited. Effective October 8, 2006, the previous limit of \$5,000 a year on withdrawals without supporting documents (e.g., an airline ticket) was raised to \$50,000 a year.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Effective April 10, 2006, domestic currency accounts are no longer convertible into foreign exchange accounts.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Any nonresident natural or juridical person may open a foreign exchange account in an authorized bank. Nonresident foreign exchange accounts may be debited and credited freely. There is a limit of \$50,000 a year on withdrawals in banknotes without a travel document.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Effective April 3, 2006, imports are subject to declaration of intent to import (DII) validation performed by the Société Générale de Surveillance (SGS) Liaison Office in Bujumbura.
Preshipment inspection	According to paragraph (a) at the end of Article 39 of the Exchange Regulations of December 6, 2006, and the Specific Rule of April 3, 2006, on import controls, the shipment of imported food, pharmaceuticals, and chemicals exceeding the equivalent of \$3,000 in c.i.f. value and of all other goods exceeding \$5,000 in c.i.f. value is subject to preshipment inspection by international supervising and oversight agents on behalf of the Burundi authorities with regard to quality, quantity, and price. Article 40 of the above-mentioned Exchange Regulations also refers to this matter and mentions the verification notice (avis de vérification) required of authorized banks whenever cash amounts are allocated to importers. Currently, inspections are carried out by the SGS.
Letters of credit	There is no obligation to settle import transactions by LCs.
Import licenses used as exchange licenses	Effective December 6, 2006, the requirement that exchange licenses be issued on the basis of an import and payment declaration was eliminated. The validation of a DII now serves as an exchange license.
Other	Goods imported into Burundi are required to be insured by approved Burundi insurers; premiums need not be paid in Burundi francs.

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Import licenses and other nontariff measures	Effective April 3, 2006, only a DII is required. Previously, importers had to file a DIP. Imports of commercial samples, personal luggage, and personal effects of travelers, as well as all imports by diplomatic and UN missions, are exempt from the DII requirement.
Negative list	Effective December 12, 2006, the prohibition on the import of 100% cotton printed cloth (pagne) was eliminated.
Open general licenses	Yes.
Import taxes and/or tariffs	Imports from COMESA member countries enter Burundi duty-free. Effective January 1, 2006, the tariff structure consists of four rates: 5%, 10%, 15%, and 30% (previously, three rates: 10%, 15%, and 30%). Imports of petroleum products are subject to 20% duties. On January 1, 2006, the 6% service tax levied on the c.i.f. value of all nondiplomatic imports was abolished. A flat-rate profits tax of 4% is withheld for commercial imports by the informal sector and those importers not in good standing with the income tax department.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Export proceeds for all products must be collected within 30 days of the date of shipment recorded by customs for shipment by air or within 90 days for all other shipments.
Financing requirements	No.
Documentation requirements	Validation of the export declaration by a commercial bank is required.
Letters of credit	An LC is required for any export payable by documentary credit.
Guarantees	Exports paid for by means other than pre-shipment payment, documentary remittance, or documentary credit must be covered by a performance bond warranty underwritten by the intervening bank in favor of the BRB.
Export licenses	Only export declarations are required.
Export taxes	Taxes are levied on a range of exports. The generally applicable rate is 5%. For green coffee, the rate is set each crop season.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Effective July 1, 2006, the prior approval requirement on payment for invisibles by the BRB was removed. Previously, all payments for invisibles required prior approval. Banks and foreign exchange bureaus were authorized to approve requests for amounts within the prescribed limits. Effective March 23, 2006, banks may sell their customers up to \$3,000 on presentation of an identification document and, effective November 28, 2006, up to \$5,000 on presentation of an airline ticket. Previously, only foreign exchange bureaus were allowed to sell foreign exchange up to \$3,000 on presentation of an identification document.
Trade-related payments	Shipping insurance on coffee exports normally must be taken out in Burundi francs with a domestic insurer.
<i>Indicative limits/bona fide test</i>	Effective December 12, 2006, the limits on unloading and storage costs were removed. Previously, these costs were limited to amounts indicated by the invoice.
Investment-related payments	
<i>Indicative limits/bona fide test</i>	Private joint-stock companies may transfer 100% of the return on foreign capital and of the profits distributed to foreign directors after payment of taxes. Airlines are authorized to transfer abroad 100% of their earnings after deduction of local expenses. Transfer of rental

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	income is permitted after payment of taxes and a deduction of 20% for maintenance expenses.
Payments for travel	Commercial banks and the BRB provide foreign exchange for personal and business travel, respectively.
<i>Quantitative limits</i>	Effective June 9, 2006, indicative limits based on a daily allowance and the number of travel days apply as follows: (1) official travel, \$250–\$350 a day, according to category and destination; (2) business travel, \$300 a day, for up to 20 days; and (3) tourism and personal travel, \$5,000 a year.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	Commercial banks sell foreign exchange for personal payments within the limits of their available foreign exchange. Pension transfers are effected through the Social Security Institute.
<i>Quantitative limits</i>	For health-related travel, an initial allowance up to \$5,000 is granted on departure, and additional transfers are authorized on presentation of invoices. For an accompanying traveler, the maximum allowance is \$5,000.
	Allowances for studies abroad are authorized on the basis of proof of enrollment in an institution of higher education. University students with domestically sourced scholarships may receive up to the amount of their scholarships. Other university students are allowed to purchase the equivalent of the university tuition and €3,000 a quarter for subsistence and €1,000 a year for materials. Non-university students are allowed €1,800 a quarter. Interns are allowed up to the amount given for official travel, after deducting any support awarded by their employer.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Quantitative limits</i>	On presentation of evidence of payment of taxes, foreign nationals residing and working in Burundi are permitted to transfer abroad up to 70% of their net annual income (80% in the case of foreign nationals working for companies that export at least 50% of their production).
<i>Indicative limits/bona fide test</i>	A work contract is required.
Credit card use abroad	n.r.
Other payments	
<i>Quantitative limits</i>	Consulting and legal fees are limited to amounts indicated by invoices.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	Yes.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital transfers abroad by residents require individual authorization.
Repatriation requirements	n.a.
Surrender requirements	n.a.

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Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents	Purchases may be effected in foreign exchange or, effective December 12, 2006, in Burundi francs of lawful origin.
Sale or issue locally by nonresidents	n.r.
Purchase abroad by residents	Effective December 6, 2006, purchases are subject to approval by the BRB. Previously, the MOF approved these transactions.

Bonds or other debt securities

Purchase locally by nonresidents	Purchases may be made with nonresidents' own foreign exchange funds or, effective December 12, 2006, in Burundi francs of lawful origin.
Sale or issue locally by nonresidents	n.r.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.r.

On money market instruments

Purchase locally by nonresidents

n.r.

Sale or issue locally by nonresidents

n.r.

Purchase abroad by residents

BRB approval is required.

Sale or issue abroad by residents

n.r.

On collective investment securities

n.r.

Controls on derivatives and other instruments

n.r.

Controls on credit operations

Commercial credits

Controls apply to all these transactions.

Financial credits

By residents to nonresidents

Yes.

To residents from nonresidents

BRB approval is required.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

BRB approval is required.

Controls on direct investment

Outward direct investment

Effective December 12, 2006, outward direct investments are subject to BRB approval. Previously, the provision of foreign exchange for outward direct investments had been suspended. Even with the emergence of the free foreign exchange market, banks were not authorized to sell foreign exchange for outward direct investments.

Inward direct investment

Yes.

Controls on liquidation of direct investment

Transfers of foreign capital for which repatriation guarantees have been granted do not require individual authorization.

Controls on real estate transactions

Purchase abroad by residents

Yes.

Purchase locally by nonresidents

Purchases may be effected in foreign exchange or, effective December 12, 2006, in Burundi francs of lawful origin.

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Sale locally by nonresidents	Transfer of proceeds from the sale of real estate by nonresidents is permitted, provided the purchaser pays in foreign currency if the purchaser is not a resident. Resident buyers pay in domestic currency, and the seller receives foreign exchange.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	These transactions are not specifically regulated if they are effected in domestic currency.
<i>To residents from nonresidents</i>	BRB approval is required.
Gifts, endowments, inheritances, and legacies	These transactions are not specifically regulated if they are effected in domestic currency.
Settlements of debts abroad by immigrants	n.r.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Authorized banks may sell foreign currency, up to the limits set by the BRB, to residents who have decided to emigrate.
<i>Transfer into the country by immigrants</i>	Yes.
Transfer of gambling and prize earnings	n.r.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	BRB approval is required.
Maintenance of accounts abroad	Only commercial banks may hold accounts abroad.
Purchase of locally issued securities denominated in foreign exchange	n.r.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Credit controls</i>	Debit balances are not permitted on foreign exchange accounts.
Investment regulations	
<i>Abroad by banks</i>	Prior approval of the BRB is required.
<i>In banks by nonresidents</i>	n.r.

Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

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Changes during 2006

Exchange measures	<p><i>May 19.</i> The authorities notified the IMF that Burundi maintains restrictions on financial transactions and accounts involving terrorist individuals and organizations, pursuant to (1) UN Security Council Resolution No. 1269 (1999) and (2) the updated list of terrorist organizations prepared by the U.S. Department of State.</p> <p><i>May 30.</i> One exchange restriction was eliminated.</p>
Exchange arrangement	<p><i>July 5.</i> The exchange rate structure was reclassified to multiple because the exchange rates may differ by more than 2% on the foreign exchange auction. In addition, exchange rate used for official transactions may deviate from the market exchange rates by more than 2%.</p> <p><i>July 7.</i> A mechanism was put in place to limit the potential variation of winning bids to 2%.</p>
Arrangements for payments and receipts	<p><i>December 6.</i> Imports and exports of domestic currency exceeding Fbu 100,000 (previously, Fbu 5,000) are subject to a customs declaration.</p> <p><i>December 6.</i> The limits on the export and import of foreign currency were eliminated (previously, there was a prior licensing requirement for those who did not hold a foreign exchange account).</p> <p><i>December 6.</i> A new foreign exchange regulation was published to eliminate restrictions on all current transactions.</p>
Resident accounts	<p><i>April 10.</i> Domestic currency accounts were no longer convertible into foreign exchange accounts.</p> <p><i>October 8.</i> The previous limit of \$5,000 on withdrawals without supporting documents (e.g., an airline ticket) was raised to \$50,000 a year.</p>
Imports and import payments	<p><i>January 1.</i> The 6% service tax on all nondiplomatic imports was abolished.</p> <p><i>January 1.</i> The tariff structure was changed to four rates: 5%, 10%, 15%, and 30%.</p> <p><i>April 3.</i> Importers were required to file a DII (previously, a DIP).</p> <p><i>April 3.</i> Imports were made subject to DII validation, performed by the SGS Liaison Office in Bujumbura.</p> <p><i>December 6.</i> The requirement that exchange licenses be issued on the basis of a DIP was eliminated and replaced with the requirement that exchange licenses be issued on the basis of a DII.</p> <p><i>December 12.</i> The prohibition on the import of 100% cotton printed cloth was lifted.</p>
Payments for invisible transactions and current transfers	<p><i>March 23.</i> Banks were permitted to sell their customers up to \$3,000 on presentation of an identification document.</p> <p><i>June 9.</i> The limits based on a daily allowance and the number of travel days were established as follows: (1) official travel, \$250–\$350 a day, according to category and destination; (2) business travel, \$300 a day, for up to 20 days; and (3) tourism and personal travel, \$5,000 a year.</p> <p><i>July 1.</i> Foreign exchange bureaus and banks were allowed to sell foreign exchange without presentation of an identification document, up to an amount determined by the BRB.</p> <p><i>July 1.</i> The prior approval requirement on payment for invisibles by the BRB was removed. Previously, all payments for invisibles required prior approval.</p> <p><i>November 28.</i> Banks were permitted to sell their customers up to \$5,000 on presentation of an airline ticket.</p> <p><i>December 12.</i> Limits on unloading and storage costs were removed.</p>
Capital transactions	
Controls on capital and money market instruments	<p><i>December 6.</i> Purchase of shares and other securities of a participating nature were made subject to approval by the BRB (previously, the MOF).</p> <p><i>December 12.</i> Purchases by nonresidents were permitted to be effected in foreign currency or Burundi francs of lawful origin.</p>

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Controls on direct investment

December 12. Direct investments abroad were made subject to prior approval by the BRB.

Controls on real estate transactions

December 12. Purchases by nonresidents were allowed in foreign currency and Burundi francs of lawful origin.

CAMBODIA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: January 1, 2002.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Banks have been instructed to freeze any transfers of capital and assets of certain individuals and to freeze funds and other financial assets of terrorists and terrorist organizations, pursuant to relevant UN Security Council resolutions.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Cambodia is the Cambodian riel.

Other legal tender

The dollar circulates freely and is used for payments.

Exchange rate structure

Unitary

The exchange rate system comprises two rates: the official rate and the market rate. The official exchange rate applies mainly to external transactions conducted by the government and state-owned enterprises and is used by banks for recording all transactions in foreign currency. It is set to ensure that the spread between the official and market rates is less than 1%.

Effective January 1, 2006, the exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.

Classification

Managed floating with no predetermined path for the exchange rate

The National Bank of Cambodia (NBC) quotes daily official rates; commercial banks are free to buy and sell foreign exchange at their own rates. Exchange transactions take place at the market rate. Foreign exchange dealers are permitted to buy and sell banknotes and traveler's checks at the market rate.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

Payments arrangements

No.

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Administration of control	The responsibility for the management of foreign exchange rests with the NBC. The NBC is authorized to license commercial banks and other agents to engage in foreign exchange transactions and to regulate current and capital transactions. In the event of a foreign exchange crisis, the NBC may issue regulations, to be implemented for a maximum period of three months, that impose certain temporary restrictions on the activity of authorized intermediaries, particularly on certain transactions specified in the law, foreign exchange positions, or any loans in domestic currency extended to nonresidents.
Payments arrears	
Official	Arrears exist on payments to the United States and the Russian Federation.
Controls on trade in gold (coins and/or bullion)	
On external trade	The import or export of raw gold and other precious metals is subject to prior declaration to the NBC if the value of each transaction equals or exceeds \$10,000 or its equivalent.
Controls on exports and imports of banknotes	
On exports	The export of means of payment exceeding \$10,000 in foreign exchange or its equivalent in domestic currency by a traveler must be declared to customs officers at border crossings.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Exports of cash by banks are subject to prior notification to the NBC.
On imports	The regulations pertaining to exports of banknotes apply.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	No limits apply, but imports exceeding \$10,000 or its equivalent must be declared on entry.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	The balances of these accounts are not subject to limits, and the funds may also be used to settle domestic obligations. All transactions may be settled in foreign currency.
Held abroad	n.r.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Regulations applied to residents also apply to nonresidents.
Domestic currency accounts	No laws prohibit these accounts.
Convertible into foreign currency	No.
Blocked accounts	Accounts belonging to persons and/or organizations known to be associated with terrorist activities are blocked.

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References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and the repayments thereof are made through authorized intermediaries.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement Authorized intermediaries may be required by the NBC to submit proof of payment of imports by banker's order in support of their applications to purchase foreign exchange, and later may also be required to provide various documentary evidence confirming the entry of goods into the country.

Preshipment inspection Preshipment inspection is aimed at establishing the accuracy of the import transaction in terms of volume, quality, and price.

Other n.a.

Import licenses and other nontariff measures

Negative list Imports of certain products are subject to control or are prohibited for reasons of national security, health, environmental well-being, or public morality.

Import taxes and/or tariffs Import duties and excise taxes are levied on selected imports. Imported goods are also subject to a VAT.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements Export proceeds must be transacted through authorized domiciled banks.

Financing requirements Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and the repayments thereof are made through authorized intermediaries.

Documentation requirements

Letters of credit n.a.

Guarantees n.a.

Domiciliation Export proceeds must be credited to the exporter's account with a domiciled bank, in accordance with the existing law.

Other n.a.

Export licenses

Without quotas Exports of a limited list of goods by either state-owned or private sector entities must be licensed by the Ministry of Commerce. Export licenses are required for sawed timber and some categories of logs. Exports of antiques and several categories of logs are prohibited. Exports of uncut precious stones are subject to the Law on Foreign Exchange.

Export taxes An export tax of 10% of the estimated market value applies to exports of timber and other selected exports.

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References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements The proceeds from exports of services must be credited to the exporter's account with a domiciled bank, in accordance with existing laws.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments No securities markets exist in Cambodia, and there are no specific laws on capital market securities.

Controls on derivatives and other instruments There are no specific regulations regarding derivatives.

Controls on credit operations Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and the repayments thereof are made through authorized intermediaries.

Controls on direct investment

Outward direct investment There are no specific laws requiring approval, and capital transfers relating to investment abroad are not restricted. However, transactions involving the equivalent of \$100,000 or more require prior declaration to the NBC.

Inward direct investment Foreign investors are required to obtain approval from the Council for Development of Cambodia, but there are no foreign exchange controls.

Controls on liquidation of direct investment Proceeds from the liquidation of foreign direct investment taking place in accordance with the provisions of the investment law of Cambodia may be transferred freely. However, such transfers have to be made through authorized intermediaries, which must report to the NBC all amounts equal to or exceeding \$100,000 or its equivalent.

Controls on real estate transactions

Purchase locally by nonresidents Nonresidents may not own land in Cambodia.

Sale locally by nonresidents Nonresidents may not sell land in Cambodia.

Controls on personal capital transactions

Loans Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and the repayments thereof are made through authorized intermediaries.

Transfer of assets These transactions must be effected through authorized intermediaries.

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References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Authorized banks must provide the NBC with periodic statements of transfers or settlements and of outflows and inflows of capital between Cambodia and other countries. Any export of foreign currency banknotes by authorized intermediaries is subject to prior declaration to the NBC. Loans and borrowing, including trade credits, may be freely contracted between residents and nonresidents, provided the loan disbursements and repayments thereof are made through authorized intermediaries. However, in the event of a foreign exchange crisis, the NBC may issue regulations to be implemented for a maximum period of three months that impose certain temporary restrictions on the activity of authorized intermediaries, particularly on certain transactions specified in the law, foreign exchange positions, or any loans in domestic currency extended to nonresidents.

Lending to nonresidents (financial or commercial credits)

Banks are not allowed to grant loans outside Cambodia from deposits of customers and banks collected inside Cambodia.

Purchase of locally issued securities denominated in foreign exchange

n.r.

Differential treatment of deposit accounts in foreign exchange

Liquid asset requirements

n.a.

Credit controls

Banks are required to maintain at all times a maximum ratio of 20% between their overall exposure resulting from their operations with each individual beneficiary and their net worth.

Investment regulations

Abroad by banks

Yes.

In banks by nonresidents

Yes.

Open foreign exchange position limits

Effective July 31, 2006, the open position limits were eliminated. Previously, banks were not allowed to exceed their short or long position in any single foreign currency by more than 5% and in all foreign currencies by more than 15% of their net worth. Residents and nonresidents were treated the same.

Provisions specific to institutional investors

There are no institutional investors in Cambodia.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange arrangement

January 1. The exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

July 31. The open position limits were eliminated.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Financial transactions by individuals and organizations associated with terrorism are restricted and blocked, in accordance with the relevant UN Security Council resolutions and pursuant to the list of terrorist organizations maintained by the U.S. Secretary of State.

Other security restrictions

In accordance with the relevant UN Security Council resolutions, measures have been taken to block financial transactions by individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency issued within the CAEMC, which is legal tender in Cameroon and the other member countries, is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Cameroon participates in a currency union with five other members of the CAEMC and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange transactions in euros between the BEAC and commercial banks are made at the same rate. Buying and selling rates for certain other foreign currencies are also officially posted, with quotations based on the fixed rate for the euro and the rates in the Paris exchange market for the currencies concerned. Effective January 1, 2007, the exchange regime of the CAEMC countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A commission of 0.5%, excluding VAT, is levied on all transfers to countries that are not members of the BEAC, except those made for the account of the treasury and for the expenses of students. For other transactions, commercial banks collect commissions at a rate they each set freely. Commissions are not levied on the following: (1) government exchange transactions, (2) transfers linked to import settlements covered by import declarations by domicile banks, (3) payments due on debt regularly contracted, (4) travel allowances, and (5) representation expenses during official missions.

Exchange subsidy

No.

Forward exchange market

The CAEMC area does not have a forward exchange market.

References to legal instruments and hyperlinks

n.a.

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Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

Within the CAEMC, the CFA franc is used freely for payments and receipts in current and capital transactions and payments. Settlement with all countries other than CAEMC member states must be made through correspondent banks, in one of the currencies of the two parties or in any other currency accepted by the two parties to the transaction.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links all Operations Account countries. All purchases and sales of foreign currencies and euros against CFA francs are ultimately settled through a debit or credit to the Operations Account. Exchange regulations of CAEMC member countries are harmonized.

Administration of control

The Ministry of Economy and Finance (MEF) is responsible for administering foreign exchange regulations and may delegate all or a portion of its power to the BEAC, to the Banking Commission in Central Africa (COBAC), and to authorized intermediaries.

Authorized intermediaries are usually delegated to administer foreign transactions and are responsible for checking the validity of transactions, collecting statistics, and reporting to the monetary authorities. The tasks delegated must not include some types of transactions. The BEAC ensures exchange regulation surveillance, evaluates cover against exchange risk, studies matters for which advice may be requested when foreign exchange accounts are opened by some resident legal entities, and monitors the repatriation of export proceeds. COBAC must ensure that the authorized intermediaries comply with the specific provisions of these regulations to ensure that they are properly implemented and do not destabilize the CAEMC banking system.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents are free to hold, purchase, and sell gold jewelry in Cameroon. To hold gold in any other form, authorization is required from the Ministry of Mines, Water Resources, and Power (MOMWRP). Authorization is generally granted only to industrial users, including jewelers. Newly extracted gold must be reported to the MOMWRP.

On external trade

With the exception of manufactured articles containing a small quantity of gold, imports and exports of gold outside the CAEMC are subject to the prior authorization of the MOMWRP. The national treasuries and the BEAC are exempt from such authorization.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. When traveling outside the CAEMC, travelers must use means of payment other than BEAC banknotes. Nevertheless, resident travelers may carry with them a maximum of CFAF 100,000 when exiting the CAEMC.

Foreign currency

Resident or nonresident travelers crossing the borders of the CAEMC must, on entry or exit, declare to customs their foreign currency, securities, or assets in amounts exceeding CFAF 1 million. When leaving the CAEMC, nonresident travelers may take with them foreign currency up to a maximum equivalent to the amount they declared on entry to the CAEMC.

On imports

Domestic currency

Imports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. Resident travelers may import up to CFAF 100,000 on entry to the CAEMC.

Foreign currency

Resident and nonresident travelers of the CAEMC may import banknotes and coins issued by any other bank of issue, without restriction, but must file a customs declaration for any currency or securities exceeding CFAF 1 million.

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References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Residents are not authorized to open foreign currency accounts within the CAEMC.

Approval required

The opening of foreign exchange accounts exclusively for use by enterprises in the strategic sector (e.g., petroleum) that are also allowed to maintain their accounts in foreign currency is subject to prior authorization of the MEF with the prior consent of the BEAC.

Held abroad n.r.

Approval required

n.r.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency No.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Accounts in foreign currencies for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Domestic currency accounts Accounts in CFA francs for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Convertible into foreign currency No.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports Import payments must be made in accordance with the terms of the underlying contracts. However, advance payments (i.e., prior to the date of actual delivery of goods) are authorized for up to 50% of the value of imports.

Minimum financing requirements No restrictions apply to import financing. The amounts to be transferred must correspond to those contained in the relevant import declaration.

Advance payment requirements Prefinancing of up to 50% is authorized; the balance is authorized only on presentation of the relevant trade documents.

Documentation requirements for release of foreign exchange for imports For import payments not exceeding CFAF 100 million, the authorized intermediary must require a pro forma invoice or some other kind of supporting document. When payments of imports exceed this threshold, authorized intermediaries must ensure that the transaction is properly settled and also examine the supporting documents. Nevertheless, legally registered legal entities and declared or certified liberal professionals may be exempt from the

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	requirement to produce supporting documents, provided they present an annual estimate of imports corroborated by a business forecast.
Domiciliation requirement	All imports exceeding CFAF 5 million must be domiciled with a resident authorized intermediary.
Preshipment inspection	All imports valued at more than the equivalent of CFAF 2 million f.o.b. are subject to inspection by the Société générale de surveillance (SGS).
Letters of credit	LCs are allowed but are optional.
Other	n.a.
Import licenses and other nontariff measures	Import licenses have been almost totally abolished. Importers of goods worth more than the equivalent of CFAF 5 million are required to fill out an import declaration with the SGS. The importing of certain products, which are included in a list established each year by the Ministry of Industrial and Commercial Development (MINDIC), remains subject to licensing.
Positive list	A list of products that are still subject to authorization is published annually by the MINDIC in the Programme générale des échanges (Overall Trade Program).
Negative list	Certain imports are prohibited for ecological, health, or safety reasons.
Open general licenses	These licenses are required mainly for long-term supply contracts.
Licenses with quotas	Quotas are applicable to imports by container.
Import taxes and/or tariffs	The CAEMC CET applies on imports from non-CAEMC countries. There are four rates: 5% for essential commodities, 10% for capital goods and inputs, 20% for intermediates, and 30% for consumer goods.
Taxes collected through the exchange system	Import surcharges of 30% have been introduced on imports of goods previously subject to quantitative restrictions. These surcharges are to be eliminated in three to six years, with the longer period applying to certain agricultural and textile products. Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.
State import monopoly	There is a state import monopoly only for imports relating to sovereign expenditure (such as defense and security).
References to legal instruments and hyperlinks	Import duties: Act 7/93-UDEAC-556-CD-SEI of June 21, 1993, amending the CET and establishing the procedures for implementing the Generalized Preferential Tariff in the CAEMC, as well as Act 5/94-UDEAC-556-CD-56 of December 19, 1994, amending some of its articles. Fees: Act 6/93-UDEAC-556-CD-SEI establishing the rate corridor for the TCA and the excise duty in the CAEMC, as well as Act 2/96-UDEAC-556-CD-58 amending some of its articles.

Exports and Export Proceeds

Repatriation requirements	Export earnings originating in countries that are not members of the CAEMC must be collected and repatriated within 30 days following the date stipulated in the contract through the domiciling bank, with the central bank acting as intermediary.
Surrender requirements	
<i>Surrender to the central bank</i>	Export earnings collected in foreign currencies must be surrendered to the BEAC within 30 days following collection.
Financing requirements	n.r.
Documentation requirements	Domiciliation files must contain an export contract; an exchange commitment by which the exporter agrees to repatriate all sums deriving from their exports within one month of the due date for payment; and a customs export document, duly signed by customs staff. After clearance, the file must also be supplemented with a surrender of foreign exchange certificate

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	and a related credit advice from the BEAC. All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.
Letters of credit	n.a.
Guarantees	n.a.
Domiciliation	All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.
Preshipment inspection	Exports to all countries are subject to inspection by the SGS.
Other	For exports of fresh food products (e.g., vegetables and fruits), a health certificate is required before shipment.
Export licenses	Licenses are required for all exports valued at the equivalent of CFAF 5 million or more. Export licenses are issued by the MEF.
Without quotas	Yes.
Export taxes	Export taxes established in the Budget Law are collected by the Directorate of Customs.
Collected through the exchange system	Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established in the law.
Other export taxes	An export tax of 17.5% is applied to processed timber, and a rate of 12.5% is applied to semiprocessed timber.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	Under CAEMC foreign exchange regulations, there are no restrictions on service transactions. These transactions are subject to the same conditions as the underlying trade transactions.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided, and authorized intermediaries must ensure that transactions for amounts exceeding CFAF 100 million are properly settled.
Investment-related payments	Transfers of capital income outside the CAEMC in the form of profits, dividends, interest, fees, etc., payable to nonresidents may be made freely, provided the underlying transaction was authorized or not subject to authorization.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Payments for travel	On trips outside the CAEMC, travelers must use means of payment other than BEAC banknotes (foreign currencies, traveler's checks, cashier's checks, bank or postal transfers, etc.).
<i>Indicative limits/bona fide test</i>	Indicative limits are established for over-the-counter foreign exchange allocations to residents traveling outside the CAEMC. Indicative thresholds are set according to the type of travel (business, study, leisure, and medical travel, and official missions). However, all substantiated requests are granted, regardless of the amount. Authorized intermediaries are required to serve their customers to the extent that foreign exchange is available, check the validity of the supporting documents presented, and report to the appropriate authorities.
Personal payments	
<i>Indicative limits/bona fide test</i>	Transfers may be made freely on presentation of supporting documents.
Foreign workers' wages	On presentation of their pay slips, resident foreign workers may be authorized to transfer a portion of their net remuneration outside the CAEMC.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Credit card use abroad	The use of credit cards is similar to a transfer and is not subject to the regulations governing invisible transactions and current transfers.

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<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Amounts owed by nonresidents for services and all revenue from foreign assets earned outside the CAEMC must be collected through an authorized bank within 30 days following the due date.
Surrender requirements	
<i>Surrender to the central bank</i>	If the amounts are collected in foreign currencies, they must be surrendered to the BEAC no later than 30 days after receipt thereof.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Movements of capital within the CAEMC are not subject to exchange controls. Transactions between the CAEMC and third countries may be made freely, provided they are not in breach of provisions prohibiting the financing of drugs and all other forms of trafficking prohibited under the laws in effect in the CAEMC. Some borrowings, loans, and direct investments, as well as the issue, advertising, or sale of foreign securities within the CAEMC, may be subject to administrative controls and require prior authorization from the appropriate authorities.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
Controls on capital and money market instruments	
On capital market securities	The issue, advertising, or sale of foreign securities issued by foreign enterprises and representing either a fraction of their capital (stock) or a loan made to them (bonds) is subject to prior approval by the MEF.
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	The issuing, advertising, or marketing of foreign securities in Cameroon valued at more than CFAF 10 million or its equivalent requires prior authorization of the MEF. All foreign securities and debt instruments must be lodged with an authorized intermediary and are deemed to be foreign assets, whether they belong to residents or nonresidents.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.

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Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
On money market instruments	Controls apply to all these transactions.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	Prior MEF authorization is required for transactions valued at more than the equivalent of CFAF 10 million.
<i>Sale or issue locally by nonresidents</i>	Prior declaration to the MEF is required.
<i>Purchase abroad by residents</i>	Prior MEF authorization is required for transactions valued at more than the equivalent of CFAF 10 million.
<i>Sale or issue abroad by residents</i>	Prior declaration to the MEF is required for transactions valued at more than the equivalent of CFAF 10 million.
Controls on derivatives and other instruments	n.a.
Controls on credit operations	
Commercial credits	Borrowings directly related to the delivery of services abroad, whether by resident individuals or legal entities, or to the financing of commercial transactions between the CAEMC and the rest of the world, or even between foreign countries involving resident individuals or enterprises, or loans where the outstanding debt does not exceed CFAF 100 million, are not subject to prior authorization from the MEF. Controls apply to all other commercial credit operations.
Financial credits	Residents may generally freely grant financial credits to or borrow from nonresidents. Prior authorization is required, however, when (1) borrowings are guaranteed by the government or made by public and quasi-public enterprises, (2) the total outstanding debt of a resident borrower exceeds CFAF 100 million, and (3) the total outstanding amount of the loan granted by a resident lender exceeds CFAF 100 million.
<i>By residents to nonresidents</i>	Loans exceeding CFAF 100 million require prior authorization unless they are granted by a resident authorized bank.
<i>To residents from nonresidents</i>	When the total outstanding debt of a borrower exceeds CFAF 100 million, prior authorization from the appropriate authorities is required. The same applies to borrowings guaranteed by the government or made by public and quasi-public enterprises.
Guarantees, sureties, and financial backup facilities	n.a.
Controls on direct investment	
Outward direct investment	Direct investment abroad by residents is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments abroad by residents in amounts exceeding CFAF 100 million must be declared to the MEF 30 days before they are made.
Inward direct investment	Direct investment from abroad in Cameroon is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments from abroad exceeding CFAF 100 million must be declared to the MEF 30 days before they are made.
Controls on liquidation of direct investment	The liquidation of foreign direct investments in Cameroon and abroad in amounts exceeding CFAF 100 million must be declared to the MEF 30 days before liquidation.
Controls on real estate transactions	This category of transactions is not subject to specific regulations. It is implicitly subject to the same regulatory provisions as transactions involving the direct investment of financial assets.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.

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Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEF 30 days before the transaction in order to receive prior authorization
<i>To residents from nonresidents</i>	Resident individuals may freely borrow from nonresidents provided the total outstanding debt per borrower does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEF 30 days before the transaction in order to receive prior authorization.
Gifts, endowments, inheritances, and legacies	These operations are subject to reporting for statistical purposes.
Settlements of debts abroad by immigrants	Banks are authorized to execute these operations. However, they are required to report them to the MEF.
Transfer of assets	n.r.
Transfer of gambling and prize earnings	n.r.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowings contracted by resident authorized banks with nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEF and the BEAC within 30 days following their transaction.
Maintenance of accounts abroad	Correspondent accounts are permitted.
Lending to nonresidents (financial or commercial credits)	Loans granted by resident authorized banks to nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEF and the BEAC within 30 days following the transaction.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts held by nonresidents	Only deposits in convertible CFA francs are permitted for nonresidents.
Investment regulations	n.a.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	n.a.
<i>On nonresident assets and liabilities</i>	n.a.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.

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<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the CAEMC countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

CANADA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 25, 1952.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On January 25, 2006, Canada notified the IMF that in accordance with a UN Security Council resolution, Canada imposes a freeze on assets belonging to the former government of Iraq, Saddam Hussein, and associated individuals and entities.

Other security restrictions

In accordance with UN Security Council resolutions, Canada imposes economic sanctions against the Democratic Republic of the Congo, Côte d'Ivoire, Iraq, the Democratic People's Republic of Korea (effective November 9, 2006), Liberia, Rwanda, Sierra Leone, Somalia, Sudan, and certain individuals and entities associated with terrorism.

References to legal instruments and hyperlinks

Canadian Economic Sanctions; www.dfait-maeci.gc.ca/trade/sanctions-en.asp.

Exchange Arrangement

Currency The currency of Canada is the Canadian dollar.

Exchange rate structure Unitary.

Classification

Independently floating

The exchange rate of the Canadian dollar is determined on the basis of supply and demand; however, the Bank of Canada may intervene in the foreign exchange market on behalf of the federal government to counter disruptive short-term movements in the exchange rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Forward exchange rates are determined freely in the exchange market.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements

Regional arrangements Canada is a member of NAFTA.

Administration of control

There are no exchange controls. The licensing of imports and exports, when required, is under the jurisdiction of Foreign Affairs and International Trade Canada, although other departments also issue licenses in specialized areas.

Payments arrears No.

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Controls on trade in gold (coins and/or bullion)

On external trade

Reexports of gold of U.S. origin to all countries except the United States require a permit. Commercial imports of articles containing minor quantities of gold, such as watches, are unrestricted and do not require a license.

Controls on exports and imports of banknotes

Under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, travelers entering or leaving Canada are required to report to a border services officer amounts they are carrying that are equal to or greater than \$10,000, or its equivalent in a foreign currency, including any combination of coins, domestic or foreign banknotes, and securities, such as traveler's checks, stocks, and bonds.

References to legal instruments and hyperlinks

Proceeds of Crime (Money Laundering) and Terrorist Financing Act (2000, c. 17), <http://laws.justice.gc.ca/en/showdoc/cs/P-24.501>.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

Assets of certain entities and individuals are frozen in accordance with UN Security Council resolutions. Transactions can be allowed by ministerial certificates pursuant to the regulations.

References to legal instruments and hyperlinks

Canadian Economic Sanctions (www.dfait-maeci.gc.ca/trade/sanctions-en.asp); United Nations Côte d'Ivoire Regulations; Regulations Amending the United Nations Democratic Republic of the Congo Regulations; United Nations Iraq Regulations; Regulations Amending the United Nations Liberia Regulations; United Nations Sudan Regulations; United Nations Suppression of Terrorism Regulations; United Nations Afghanistan Regulations.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

No.

CANADA

Import licenses and other nontariff measures

Negative list

Import permits are required for the importation of certain agricultural products, certain endangered species of fauna and flora, natural gas, material and equipment for the production or use of atomic energy, certain military armaments, and certain internationally controlled drugs. In addition, Health Canada does not permit the importation of unregistered drugs. Commercial imports of used motor vehicles (less than 15 years old) have been generally prohibited, except from the United States. The prohibition on imports of used vehicles from Mexico will be phased out by January 1, 2019.

Open general licenses

Yes.

Licenses with quotas

Import controls under the WTO ATC no longer apply.

Other nontariff measures

Measures consistent with international trade obligations (e.g., countervailing duties) are in effect. Antidumping duties are imposed, taking into consideration competition policy factors as well as other economic costs.

Import taxes and/or tariffs

On average, import tariff rates are low. Canada's trade-weighted average tariff rate for all products, including agriculture, has been less than 1% since 1998, due in large part to duty-free access provided by the 1988 Canada-U.S. Free Trade Agreement. Free trade agreements with Mexico (under NAFTA) and with Chile, Israel, and Costa Rica, as well as the extension of the General Preferential Tariff and duty-free, quota-free access under the Least Developed Country Tariff, have led to further tariff reductions. The highest tariff rates are applied to a limited number of over-quota, supply-managed agricultural products (dairy, poultry, and eggs). Canada's other import-sensitive sectors include textiles, apparel, footwear, and ships.

State import monopoly

Certain monopolies exist at the federal level.

References to legal instruments and hyperlinks

Export and Import Permits Act; Customs Tariff; Special Import Measures Act.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Without quotas

The Export Control List identifies all goods that are controlled to implement intergovernmental arrangements, maintain supplies, or ensure security. It includes all items identified in various international export control regime lists. In addition, controls are maintained for supply reasons to ensure the orderly export marketing of certain products that are subject to import limitations by other countries, to promote further processing in Canada (e.g., of logs and herring roe), and for nonproliferation purposes (i.e., chemical, biological, and nuclear weapons and their delivery systems). The Area Control List includes countries to which all exports are controlled. At present, Belarus (effective December 14, 2006) and Myanmar are on the Area Control List. Permits are required for the exportation of listed goods to all countries except, in most cases, the United States, as well as for all goods destined for countries on the Area Control List, unless otherwise exempted.

Export taxes

Other export taxes

Since 1994, Canada maintains an export tax on some tobacco products. This export tax is administered under the Excise Act, 2001.

References to legal instruments and hyperlinks

Export and Import Permits Act; Excise Act, 2001.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Controls apply to the extent that the purchase of shares is affected by laws on inward direct investment and establishment.

Controls on derivatives and other instruments	No.
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Controls on credit operations	No.
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Controls on direct investment

Inward direct investment

Specific controls exist on inward direct investments in the broadcasting, telecommunications, transportation, financial, fishery, and energy sectors. In addition, under provisions of the Investment Canada Act (ICA), the acquisition of a Canadian business by a non-Canadian and the establishment of a new business by a non-Canadian are both subject to notification. Under some circumstances, the investment may be reviewable.

Acquisitions in one of four sensitive sectors (cultural industries, transportation services, some financial services, and uranium production) are reviewable for all direct acquisitions over \$5 million and indirect investments over \$50 million. These same thresholds apply for acquisitions in nonsensitive sectors, provided both the acquirer and seller of the Canadian business are not members of the WTO.

Direct acquisitions in nonsensitive sectors by investors from WTO members are reviewable only if the assets of the Canadian business are greater than \$281 million (this threshold is adjusted every year to reflect economic growth in Canada). Indirect acquisitions by WTO members in the nonsensitive sectors are not reviewable.

A direct acquisition occurs when a non-Canadian directly acquires a Canadian business. An indirect acquisition occurs when a non-Canadian acquires a business outside of Canada and that business has a subsidiary in Canada.

Decisions to allow an investment are based on “net benefit” to Canada. The factors of net benefit to Canada are set out in Section 21 of the ICA. Decisions regarding noncultural industries are made by the minister of industry. The minister of Canadian heritage makes

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the final decisions on cultural industries. A complete list of cultural businesses can be found in Schedule IV of the ICA.

Ministers have 45 days in which to make a decision on a reviewable investment. The review period may be extended by another 30 days and beyond that only with the agreement of the investor.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Sale locally by nonresidents

There are no controls; however, withholding taxes apply.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

Investment Canada Act, <http://investcan.ic.gc.ca>.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Investment regulations

Abroad by banks

Banks are generally free to make investments in financial entities, subject to approval. However, certain limitations apply to the types of commercial entities in which they may invest, both domestically and abroad.

In banks by nonresidents

No controls are placed on the ownership of banks that specifically preclude nonresident ownership. Although the shares of large banks must remain widely held, fit and proper investors may own up to 20% of voting shares or 30% of any class of nonvoting shares, provided no single shareholder or group of shareholders controls the bank. Medium-size banks may have individual shareholdings of up to 65% with a public offering of at least 35% of the voting shares. Residents or nonresidents may set up or acquire a smaller bank, subject to ministerial approval.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Yes.

Limits (max.) on investment portfolio held abroad

Yes.

Pension funds

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

CANADA

Changes during 2006

Exchange measures

January 25. Canada notified the IMF that in accordance with a UN Security Council resolution, a freeze was imposed on assets belonging to the former government of Iraq, Saddam Hussein, and associated individuals and entities.

November 9. In accordance with UN Security Council resolutions, Canada imposed economic sanctions against the Democratic People's Republic of Korea.

Exports and export proceeds

December 14. Belarus was added to the Area Control List, requiring an export permit for the exportation of all goods to Belarus.

CAPE VERDE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 1, 2004.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) n.a.

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Cape Verde is the Cape Verde escudo.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Cape Verde escudo is pegged to the euro at the rate of CVEsc 110.27 per €1.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Institutions legally authorized to conduct foreign exchange business in Cape Verde may freely engage in forward exchange transactions among themselves, with their customers, with the central bank (the Bank of Cape Verde, BCV), and with other banks domiciled abroad.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Most dealings in foreign exchange with the general public are conducted by four commercial banks: Banco Comercial do Atlântico, Caixa Economica de Cabo Verde, Banco Caboverdiano de Negocios, and Banco Interatlântico. Proceeds from invisibles must be repatriated in convertible currencies.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents Yes.

Payments arrangements

Bilateral payments arrangements
Operative There are agreements with Cuba, under which Cape Verde is a net creditor.

Inoperative There are agreements with Angola, which are currently under negotiation.

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Regional arrangements	n.a.
Clearing agreements	n.a.
Barter agreements and open accounts	n.a.
Administration of control	All foreign exchange transactions are under the control of the BCV. Current account transactions, investments in securities, and foreign borrowing and lending in connection with current transactions have been liberalized.
Payments arrears	
Official	There are external arrears to the Russian Federation and Brazil, for which rescheduling negotiations are under way.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	n.a.
On external trade	Imports and exports of gold require prior licensing by the BCV.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	The exportation of domestic currency by travelers is permitted up to a limit of CVEsc 20,000 a person a trip.
<i>Foreign currency</i>	Residents traveling abroad may take out the equivalent of CVEsc 1 million (approximately \$10,000).
On imports	
<i>Domestic currency</i>	The importation of domestic currency is permitted up to specified limits.
<i>Foreign currency</i>	Foreign travelers may import foreign currency up to specified limits.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Residents are permitted to open foreign currency accounts at commercial banks authorized to deal in foreign exchange. The operation of these accounts is subject to BCV regulations, which are currently nonrestrictive.
Held domestically	These accounts are permitted, but prior approval is required.
<i>Approval required</i>	Yes.
Held abroad	These accounts are permitted, but prior approval is required.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	n.a.
References to legal instruments and hyperlinks	n.a.

CAPE VERDE

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be opened and operated as demand or term deposit accounts. Term deposit accounts may be maintained for no more than one year. Approval is required to open these accounts.
Approval required	Yes.
Domestic currency accounts	Nonresident foreigners may open unremunerated demand deposit accounts in local currency. Nonresident nationals and certain family members may open interest-bearing accounts. The operation of these accounts is subject to BCV regulations, which are currently nonrestrictive.
Convertible into foreign currency	Yes.
Approval required	n.a.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	Yes.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	n.a.
Preshipment inspection	n.a.
Letters of credit	Yes.
Import licenses used as exchange licenses	n.a.
Other	Imports of goods exceeding the equivalent of CVEsc 100,000 and not involving payments from the country's foreign exchange resources are subject to a preregistration requirement.
Import licenses and other nontariff measures	Licenses, which are issued by the General Directorate of Commerce in the Ministry of Economy, Transportation, and Communications, require the endorsement of the BCV and are generally valid for 90 days; they are renewable. The provision of foreign exchange is guaranteed for licenses certified by the BCV. Licenses are, in general, granted liberally for imports of medicines, capital goods, and other development-related equipment. Imports with a value of less than CVEsc 100,000 are exempt from the licensing requirement.
Positive list	Yes.
Negative list	n.a.
Open general licenses	n.a.
Other nontariff measures	n.a.
Import taxes and/or tariffs	There are seven tariff bands, with rates ranging up to 50% and with an unweighted average of 11%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

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Exports and Export Proceeds

Repatriation requirements	Export proceeds must be repatriated within three months, but this period may be extended.
Surrender requirements	Yes.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Indicative limits/bona fide test Yes.

Investment-related payments

Prior approval Yes.

Indicative limits/bona fide test Yes.

Payments for travel

Purchases in excess of the equivalent of CVEsc 1 million in foreign currency a person a trip are subject to prior approval and submission of appropriate supporting documents.

Personal payments

Indicative limits/bona fide test Yes.

Foreign workers' wages

Transfers by foreign technical assistance personnel working in Cape Verde are authorized within the limits specified in the individual contracts. These contracts, as well as other contracts involving foreign exchange expenditures, are subject to prior screening by the BCV. Requests by other foreigners are examined on a case-by-case basis.

Prior approval Yes.

Indicative limits/bona fide test Yes.

Credit card use abroad

Indicative limits/bona fide test Yes.

Other payments

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisibles must be repatriated in convertible currencies.
Surrender requirements	Yes.
<i>Surrender to the central bank</i>	n.a.

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<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	n.a.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	Yes.
Surrender requirements	n.a.
Controls on capital and money market instruments	Inward capital transactions, except those for investments in securities and foreign borrowing and lending in connection with current account transactions, must be approved in advance by the BCV.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Purchase abroad by residents	These transactions are permitted; however, they must be effected through the stock market or ADs.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	n.r.
Purchase abroad by residents	These transactions are permitted; however, they must be effected through the stock market or ADs.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.r.
<i>Sale or issue locally by nonresidents</i>	n.r.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.r.
Controls on derivatives and other instruments	These instruments do not exist.
Controls on credit operations	Foreign borrowing and lending in connection with current transactions have been liberalized; however, these transactions are subject to verification by the BCV.
Commercial credits	Controls apply to all these transactions.
Financial credits	Special authorization from the BCV is required for these transactions.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	n.a.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	All direct investments require a permit and must be registered with the BCV.
Controls on liquidation of direct investment	No.

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Controls on real estate transactions	Special authorization from the BCV is required for these transactions.
Controls on personal capital transactions	Controls apply to all these transactions.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Special authorization from the BCV is required for these transactions.
Maintenance of accounts abroad	These accounts may be freely opened and operated.
Lending to nonresidents (financial or commercial credits)	Special authorization from the BCV is required for these transactions.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Foreign currency deposits are aggregated with local currency deposits valued at the official exchange rate for the purpose of calculating required reserves.
<i>Liquid asset requirements</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	
<i>Interest rate controls</i>	n.a.
<i>Credit controls</i>	n.a.
Investment regulations	n.a.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

CENTRAL AFRICAN REPUBLIC

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency issued within the CAEMC, which is legal tender in the Central African Republic and the other member countries, is the CFA franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Central African Republic participates in a currency union with five other members of the CAEMC and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange transactions in euros between the BEAC and commercial banks are made at the same rate. Buying and selling rates for certain other foreign currencies are also officially posted, with quotations based on the fixed rate for the euro and the rates in the Paris exchange market for the currencies concerned. Effective January 1, 2007, the exchange regime of the CAEMC countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax A commission of 0.5%, excluding VAT, is levied on all transfers to countries that are not members of the BEAC, except those made for the account of the treasury and for the expenses of students.

Exchange subsidy No.

Forward exchange market The CAEMC area does not have a forward exchange market.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency Within the CAEMC, the CFA franc is used freely for payments and receipts in current and capital transactions and payments. Settlement with all countries other than CAEMC member states must be made through correspondent banks, in one of the currencies of the two parties or in any other currency accepted by the two parties to the transaction.

CENTRAL AFRICAN REPUBLIC

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases and sales of foreign currencies and euros against CFA francs are ultimately settled through a debit or credit to the Operations Account. Exchange regulations of member countries in the CAEMC are harmonized.

Administration of control

The Ministry of Finance and Budget (MOFB) is responsible for administering foreign exchange regulations and may delegate all or a portion of its power to the BEAC, to the Banking Commission in Central Africa (COBAC), and to authorized intermediaries.

Authorized intermediaries are usually delegated to administer foreign transactions and are responsible for checking the validity of transactions, collecting statistics, and reporting to the monetary authorities. The tasks delegated must not include some types of transactions. The BEAC ensures exchange regulation surveillance, evaluates cover against exchange risk, studies matters for which advice may be requested when foreign exchange accounts are opened by some resident legal entities, and monitors the repatriation of export proceeds. COBAC must ensure that the authorized intermediaries comply with the specific provisions of these regulations to ensure that they are properly implemented and do not destabilize the CAEMC banking system.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports and exports of gold require a license, which is seldom granted. In practice, imports and exports are made by an authorized purchasing office. Exempt from prior authorization are (1) imports and exports by or on behalf of the treasury and (2) imports and exports of manufactured articles containing a small quantity of gold (such as gold-filled or gold-plated articles). Both licensed and license-free imports of gold are subject to customs declaration. Certain companies have been officially appointed as Offices for the Purchase, Import, and Export of Gold and Raw Diamonds, and imports and exports are made by these offices.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. When traveling outside the CAEMC, travelers must use means of payment other than BEAC banknotes. Nevertheless, resident travelers may carry with them a maximum of CFAF 100,000 when exiting the CAEMC.

Foreign currency

Resident or nonresident travelers crossing the borders of the CAEMC must, on entry or exit, declare to customs their foreign currency, securities, or assets in amounts exceeding CFAF 1 million. When leaving the CAEMC, nonresident travelers may take with them foreign currency up to a maximum equivalent to the amount they declared on entry to the CAEMC.

On imports

Domestic currency

Imports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. Resident travelers may import up to CFAF 100,000 on entry to the CAEMC.

Foreign currency

Resident and nonresident travelers of the CAEMC may import banknotes and coins issued by any other bank of issue, without restriction, but must file a customs declaration for any currency or securities exceeding CFAF 1 million.

References to legal instruments and hyperlinks

n.a.

CENTRAL AFRICAN REPUBLIC

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically <i>Approval required</i>	Residents are not authorized to open foreign currency accounts within the CAEMC. The MOFB may authorize certain resident legal entities to open foreign currency accounts with the prior consent of the BEAC.
Held abroad <i>Approval required</i>	n.r. n.r.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Accounts in foreign currencies for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.
Domestic currency accounts	Accounts in CFA francs for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.
Convertible into foreign currency	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	n.a.
Financing requirements for imports	Import payments are made in accordance with the contractual terms of the underlying transaction.
Documentation requirements for release of foreign exchange for imports	For import payments not exceeding CFAF 100 million, the authorized intermediary must require a pro forma invoice or some other kind of supporting document. When payments of imports exceed this threshold, authorized intermediaries must ensure that the transaction is properly settled and also examine the supporting documents. Nevertheless, legally registered legal entities and declared or certified liberal professionals may be exempt from the requirement to produce supporting documents, provided they present an annual estimate of imports corroborated by a business forecast.
Domiciliation requirement	All imports exceeding CFAF 5 million must be domiciled with a resident authorized intermediary.
Preshipment inspection	Preshipment inspection is required for all imports above CFAF 1 million or its equivalent.
Letters of credit	n.a.
Import licenses used as exchange licenses	Import declarations are required for all imports, and the import license entitles importers to purchase the necessary foreign exchange, provided the shipping documents are submitted to the authorized bank.

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Other	n.a.
Import licenses and other nontariff measures	
Negative list	Imports of firearms of any origin are prohibited.
Open general licenses	Imports of petroleum products are limited to one company.
Licenses with quotas	Ninety percent of sugar imports are under a single license.
Other nontariff measures	Taxes and duties on sugar imports must be paid in advance.
Import taxes and/or tariffs	
Taxes collected through the exchange system	The CAEMC CET applies on imports from non-CAEMC countries. There are four rates: 5% for essential commodities, 10% for capital goods and inputs, 20% for intermediates, and 30% for consumer goods. Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.
State import monopoly	
n.a.	
References to legal instruments and hyperlinks	
Import duties: Act 7/93-UDEAC-556-CD-SEI of June 21, 1993, amending the CET and establishing the procedures for implementing the Generalized Preferential Tariff in the CAEMC, as well as Act 5/94-UDEAC-556-CD-56 of December 19, 1994, amending some of its articles. Fees: Act 6/93-UDEAC-556-CD-SEI establishing the rate corridor for the TCA and the excise duty in the CAEMC, as well as Act 2/96-UDEAC-556-CD-58 amending some of its articles.	
Exports and Export Proceeds	
Repatriation requirements	
Export earnings originating in countries that are not members of the CAEMC must be collected and repatriated within 30 days following the date stipulated in the contract through the domiciling bank, with the central bank acting as intermediary.	
Surrender requirements	
<i>Surrender to the central bank</i>	Export earnings collected in foreign currencies must be surrendered to the BEAC within 30 days following collection.
Financing requirements	
n.a.	
Documentation requirements	
Domiciliation files must contain an export contract; an exchange commitment by which the exporter agrees to repatriate all sums deriving from their exports within one month of the due date for payment; and a customs export document, duly signed by customs staff. After clearance, the file must also be supplemented with a surrender of foreign exchange certificate and a related credit advice from the BEAC. All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.	
Letters of credit	n.a.
Guarantees	n.a.
Domiciliation	All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.
Preshipment inspection	Preshipment inspection for timber, diamonds, and gold is required.
Other	n.a.
Export licenses	
Without quotas	All exports require a declaration. Yes.
With quotas	n.a.

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Export taxes	An export tax is applied to timber, diamonds, and gold.
Collected through the exchange system	Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established in the law.
Other export taxes	Yes.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	Under CAEMC foreign exchange regulations, there are no restrictions on service transactions. These transactions are subject to the same conditions as the underlying trade transactions.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided, and authorized intermediaries must ensure that transactions for amounts exceeding CFAF 100 million are properly settled.
Investment-related payments	Transfers of capital income outside the CAEMC in the form of profits, dividends, interest, fees, etc., payable to nonresidents may be made freely, provided the underlying transaction was authorized or not subject to authorization.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Payments for travel	On trips outside the CAEMC, travelers must use means of payment other than BEAC banknotes (foreign currencies, traveler's checks, cashier's checks, bank or postal transfers, etc.).
<i>Indicative limits/bona fide test</i>	Indicative limits are established for over-the-counter foreign exchange allocations to residents traveling outside the CAEMC. Indicative thresholds are set according to the type of travel (business, study, leisure, and medical travel, and official missions). However, all substantiated requests are granted, regardless of the amount. Authorized intermediaries are required to serve their customers to the extent that foreign exchange is available, check the validity of the supporting documents presented, and report to the appropriate authorities.
Personal payments	
<i>Indicative limits/bona fide test</i>	Transfers may be made freely on presentation of supporting documents.
Foreign workers' wages	On presentation of their pay slips, resident foreign workers may be authorized to transfer a portion of their net remuneration outside the CAEMC.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Credit card use abroad	The use of credit cards is similar to a transfer and is not subject to the regulations governing invisible transactions and current transfers.
<i>Quantitative limits</i>	The use of credit cards, which must be issued by resident financial intermediaries and approved by the Ministry for the Economy, Finance, Planning, and International Cooperation (MEFPIC), is limited to the ceilings set for tourism and business travel.
<i>Indicative limits/bona fide test</i>	Bona fide requests for allowances in excess of limits are normally granted.
Other payments	
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
References to legal instruments and hyperlinks	n.a.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Amounts owed by nonresidents for services and all revenue from foreign assets earned outside the CAEMC must be collected through an authorized bank within 30 days following the due date.
Surrender requirements	
<i>Surrender to the central bank</i>	If the amounts are collected in foreign currencies, they must be surrendered to the BEAC no later than 30 days after receipt thereof.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Movements of capital within the CAEMC are not subject to exchange controls. Transactions between the CAEMC and third countries may be made freely, provided they are not in breach of provisions prohibiting the financing of drugs and all other forms of trafficking prohibited under the laws in effect in the CAEMC. Some borrowings, loans, and direct investments, as well as the issue, advertising, or sale of foreign securities within the CAEMC, may be subject to administrative controls and require prior authorization from the appropriate authorities.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
Controls on capital and money market instruments	Capital transfers between the Central African Republic, France, and the Operations Account countries are free of exchange control, provided they are not related to activities prohibited under CAEMC regulations. Capital transfers to all other countries require exchange control approval and are restricted, but capital transfers from these countries are permitted freely.
On capital market securities	The issue, advertising, or sale of foreign securities issued by foreign enterprises and representing either a fraction of their capital (stock) or a loan made to them (bonds) is subject to prior approval by the MEFPIC. Exempt from authorization are operations in connection with (1) loans and (2) shares similar to securities, when the issuing, advertising, or offering for sale in the Central African Republic has previously been authorized.
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.

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<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	Yes.
Controls on credit operations	
Commercial credits	Borrowings directly related to the delivery of services abroad, whether by resident individuals or legal entities, or to the financing of commercial transactions between the CAEMC and the rest of the world, or even between foreign countries involving resident individuals or enterprises, or loans where the outstanding debt does not exceed CFAF 100 million, are not subject to prior authorization from the MOFB. Controls apply to all other commercial credit operations.
Financial credits	Residents may generally freely grant financial credits to or borrow from nonresidents. Prior authorization is required, however, when (1) borrowings are guaranteed by the government or made by public and quasi-public enterprises, (2) the total outstanding debt of a resident borrower exceeds CFAF 100 million, and (3) the total outstanding amount of the loan granted by a resident lender exceeds CFAF 100 million. Loans of less than CFAF 100 million and each repayment must be reported to the MEFPIC within 30 days of the operation, unless the total outstanding amount of all loans contracted abroad by the borrower is less than CFAF 500,000 or its equivalent.
<i>By residents to nonresidents</i>	Loans exceeding CFAF 100 million require prior authorization unless they are granted by a resident authorized bank.
<i>To residents from nonresidents</i>	When the total outstanding debt of a borrower exceeds CFAF 100 million, prior authorization from the appropriate authorities is required. The same applies to borrowings guaranteed by the government or made by public and quasi-public enterprises.
Guarantees, sureties, and financial backup facilities	n.a.
Controls on direct investment	
Outward direct investment	Direct investment abroad by residents is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments abroad by residents in amounts exceeding CFAF 100 million must be declared to the MEFPIC 30 days before they are made.
Inward direct investment	Direct investment from abroad in the Central African Republic is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments from abroad exceeding CFAF 100 million must be declared to the MEFPIC 30 days before they are made.
Controls on liquidation of direct investment	The liquidation of foreign direct investments in the Central African Republic and abroad in amounts exceeding CFAF 100 million must be declared to the MEFPIC 30 days before liquidation.

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Controls on real estate transactions	This category of transactions is not subject to specific regulations. It is implicitly subject to the same regulatory provisions as transactions involving the direct investment of financial assets.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEFPIC 30 days before the transaction in order to receive prior authorization.
<i>To residents from nonresidents</i>	Resident individuals may freely borrow from nonresidents provided the total outstanding debt per borrower does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEFPIC 30 days before the transaction in order to receive prior authorization.
Gifts, endowments, inheritances, and legacies	n.r.
Settlements of debts abroad by immigrants	n.r.
Transfer of assets	n.r.
Transfer of gambling and prize earnings	n.r.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowings contracted by resident authorized banks with nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEFPIC and the BEAC within 30 days following their transaction.
Maintenance of accounts abroad	n.a.
Lending to nonresidents (financial or commercial credits)	Loans granted by resident authorized banks to nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEFPIC and the BEAC within 30 days following their transaction.
Lending locally in foreign exchange	n.a.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	n.a.
Open foreign exchange position limits	n.a.

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Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement	<i>January 1.</i> The exchange arrangement of the CAEMC countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.
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CHAD

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency issued within the CAEMC, which is legal tender in Chad and the other member countries, is the CFA franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Chad participates in a currency union with five other members of the CAEMC and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange transactions in euros between the BEAC and commercial banks are made at the same rate. Buying and selling rates for certain other foreign currencies are also officially posted, with quotations based on the fixed rate for the euro and the rates in the Paris exchange market for the currencies concerned. Effective January 1, 2007, the exchange regime of the CAEMC countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax All transfers and exchange operations are subject to a commission levied by the treasury. The commission rate amounts to 0.25% in the CFA franc area and 0.5% (excluding VAT) outside the CFA franc area.

Exchange subsidy No.

Forward exchange market The CAEMC area does not have a forward exchange market.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency Within the CAEMC, the CFA franc is used freely for payments and receipts in current and capital transactions and payments. Settlement with all countries other than CAEMC member states must be made through correspondent banks, in one of the currencies of the two parties or in any other currency accepted by the two parties to the transaction.

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Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links all Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account. The exchange regulations of CAEMC member countries are harmonized.

Administration of control

The Ministry of Economy and Finance (MEF) is responsible for administering foreign exchange regulations and may delegate all or a portion of its power to the BEAC, to the Banking Commission in Central Africa (COBAC), and to authorized intermediaries.

Authorized intermediaries are usually delegated to administer foreign transactions and are responsible for checking the validity of transactions, collecting statistics, and reporting to the monetary authorities. The tasks delegated must not include some types of transactions. The BEAC ensures exchange regulation surveillance, evaluates cover against exchange risk, studies matters for which advice may be requested when foreign exchange accounts are opened by some resident legal entities, and monitors the repatriation of export proceeds. COBAC must ensure that the authorized intermediaries comply with the specific provisions of these regulations to ensure that they are properly implemented and do not destabilize the CAEMC banking system.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports and exports of gold require prior authorization from both the MOF and the Directorate of Geological and Mining Research, as well as a visa from the External Finance Department. Exempt from this requirement are (1) imports and exports by, or on behalf of, the monetary authorities and (2) imports and exports of manufactured articles containing a small quantity of gold (such as gold-filled or gold-plated articles). Both licensed and exempt imports of gold are subject to customs declaration.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. When traveling outside the CAEMC, travelers must use means of payment other than BEAC banknotes. Nevertheless, resident travelers may carry with them a maximum of CFAF 100,000 when exiting the CAEMC.

Foreign currency

Resident or nonresident travelers crossing the borders of the CAEMC must, on entry or exit, declare to customs their foreign currency, securities, or assets in amounts exceeding CFAF 1 million. When leaving the CAEMC, nonresident travelers may take with them foreign currency up to a maximum equivalent to the amount they declared on entry to the CAEMC.

On imports

Domestic currency

Imports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. Resident travelers may import up to CFAF 100,000 on entry to the CAEMC.

Foreign currency

Resident and nonresident travelers of the CAEMC may import banknotes and coins issued by any other bank of issue, without restriction, but must file a customs declaration for any currency or securities exceeding CFAF 1 million.

References to legal instruments and hyperlinks

n.a.

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Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically <i>Approval required</i>	Residents are not authorized to open foreign currency accounts within the CAEMC. The MOF may authorize certain resident legal entities to open foreign currency accounts with the prior consent of the BEAC.
Held abroad <i>Approval required</i>	n.r. n.r.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Accounts in foreign currencies for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.
Domestic currency accounts	Accounts in CFA francs for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.
Convertible into foreign currency	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	Import payments are made in accordance with the contractual terms of the underlying transaction.
Documentation requirements for release of foreign exchange for imports	For import payments not exceeding CFAF 100 million, the authorized intermediary must require a pro forma invoice or some other kind of supporting document. When payments of imports exceed this threshold, authorized intermediaries must ensure that the transaction is properly settled and also examine the supporting documents. Nevertheless, legally registered legal entities and declared or certified liberal professionals may be exempt from the requirement to produce supporting documents, provided they present an annual estimate of imports corroborated by a business forecast.
Domiciliation requirement	All imports exceeding CFAF 5 million must be domiciled with a resident authorized intermediary.
Preshipment inspection	All imports valued at more than CFAF 2 million f.o.b. are subject to preshipment inspection.
Letters of credit	Yes.

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Import licenses and other nontariff measures

Negative list

A special import authorization by the Ministry of Commerce and Industrial Promotion is required for imports of sulfur and other explosives.

Import taxes and/or tariffs

The CAEMC CET applies on imports from non-CAEMC countries. There are four rates: 5% for essential commodities, 10% for capital goods and inputs, 20% for intermediates, and 30% for consumer goods.

Taxes collected through the exchange system

Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.

State import monopoly

No.

References to legal instruments and hyperlinks

Import duties: Act 7/93-UDEAC-556-CD-SEI of June 21, 1993, amending the CET and establishing the procedures for implementing the Generalized Preferential Tariff in the CAEMC, as well as Act 5/94-UDEAC-556-CD-56 of December 19, 1994, amending some of its articles.

Fees: Act 6/93-UDEAC-556-CD-SEI establishing the rate corridor for the TCA and the excise duty in the CAEMC, as well as Act 2/96-UDEAC-556-CD-58 amending some of its articles.

Exports and Export Proceeds

Repatriation requirements

Export earnings originating in countries that are not members of the CAEMC must be collected and repatriated within 30 days following the date stipulated in the contract through the domiciling bank, with the central bank acting as intermediary.

Surrender requirements

Surrender to the central bank

Export earnings collected in foreign currencies must be surrendered to the BEAC within 30 days following collection.

Financing requirements

No.

Documentation requirements

Domiciliation files must contain an export contract; an exchange commitment by which the exporter agrees to repatriate all sums deriving from their exports within one month of the due date for payment; and a customs export document, duly signed by customs staff. After clearance, the file must also be supplemented with a surrender of foreign exchange certificate and a related credit advice from the BEAC. All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.

Letters of credit

Yes.

Guarantees

Yes.

Domiciliation

All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.

Export licenses

Without quotas

Yes.

Export taxes

Collected through the exchange system

Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	Under CAEMC foreign exchange regulations, there are no restrictions on service transactions. These transactions are subject to the same conditions as the underlying trade transactions.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided, and authorized intermediaries must ensure that transactions for amounts exceeding CFAF 100 million are properly settled.
Investment-related payments	Transfers of capital income outside the CAEMC in the form of profits, dividends, interest, fees, etc., payable to nonresidents may be made freely, provided the underlying transaction was authorized or not subject to authorization.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Payments for travel	On trips outside the CAEMC, travelers must use means of payment other than BEAC banknotes (foreign currencies, traveler’s checks, cashier’s checks, bank or postal transfers, etc.).
<i>Quantitative limits</i>	<p>(1) Residents traveling for tourism, sporting events, participation in expositions, organization of fairs, participation in seminars or international meetings in a personal capacity, pilgrimages, etc., may obtain a foreign exchange allocation equivalent to CFAF 200,000 a day, up to a maximum of CFAF 4 million a person a trip for those older than 10 years of age; for children younger than 10, the allocation is reduced by one-half.</p> <p>(2) Residents traveling for business may obtain a foreign exchange allocation equivalent to CFAF 500,000 a day, up to a maximum of CFAF 10 million a trip.</p> <p>(3) Civil servants and government employees traveling on official business may obtain the same foreign exchange allocation as tourists, but only if their mission costs are less than a daily allocation of CFAF 200,000, up to a limit of CFAF 4 million.</p>
<i>Indicative limits/bona fide test</i>	Indicative limits are established for over-the-counter foreign exchange allocations to residents traveling outside the CAEMC. Indicative thresholds are set according to the type of travel as follows: (1) residents traveling for tourism, sporting events, participation in expositions, organization of fairs, participation in seminars or international meetings in a personal capacity, pilgrimages, etc., may obtain a foreign exchange allocation equivalent to CFAF 200,000 a day, up to a maximum of CFAF 4 million a person a trip for those older than 10 years of age; for children younger than 10, the allocation is reduced by one-half; (2) residents traveling for business may obtain a foreign exchange allocation equivalent to CFAF 500,000 a day, up to a maximum of CFAF 10 million a trip; and (3) civil servants and government employees traveling on official business may obtain the same foreign exchange allocation as tourists, but only if their mission costs are less than a daily allocation of CFAF 200,000, up to a limit of CFAF 4 million. However, all substantiated requests are granted, regardless of the amount. Authorized intermediaries are required to serve their customers to the extent that foreign exchange is available, check the validity of the supporting documents presented, and report to the appropriate authorities.
Personal payments	
<i>Indicative limits/bona fide test</i>	Transfers may be made freely on presentation of supporting documents.
Foreign workers’ wages	On presentation of their pay slips, resident foreign workers may be authorized to transfer a portion of their net remuneration outside the CAEMC.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Credit card use abroad	The use of credit cards is similar to a transfer and is not subject to the regulations governing invisible transactions and current transfers.
Other payments	
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Amounts owed by nonresidents for services and all revenue from foreign assets earned outside the CAEMC must be collected through an authorized bank within 30 days following the due date.
Surrender requirements	
<i>Surrender to the central bank</i>	If the amounts are collected in foreign currencies, they must be surrendered to the BEAC no later than 30 days after receipt.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Movements of capital within the CAEMC are not subject to exchange controls. Transactions between the CAEMC and third countries may be made freely, provided they are not in breach of provisions prohibiting the financing of drugs and all other forms of trafficking prohibited under the laws in effect in the CAEMC. Some borrowings, loans, and direct investments, as well as the issue, advertising, or sale of foreign securities within the CAEMC, may be subject to administrative controls and require prior authorization from the appropriate authorities.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
Controls on capital and money market instruments	
On capital market securities	The issue, advertising, or sale of foreign securities issued by foreign enterprises and representing either a fraction of their capital (stock) or a loan made to them (bonds) is subject to prior approval by the MOF.
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.

CHAD

On collective investment securities

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Controls on derivatives and other instruments

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Controls on credit operations

Commercial credits

Borrowings directly related to the delivery of services abroad, whether by resident individuals or legal entities, or to the financing of commercial transactions between the CAEMC and the rest of the world, or even between foreign countries involving resident individuals or enterprises or loans, where the outstanding debt does not exceed CFAF 100 million, are not subject to prior authorization from the MOF.

By residents to nonresidents Lending requires prior MOF authorization. However, loans directly connected with the rendering of services abroad by the persons or firms concerned, or with the financing of commercial transactions either between Chad and countries abroad or between foreign countries in which these persons or firms take part, are exempt from this authorization.

To residents from nonresidents Yes.

Financial credits

Residents may generally freely grant financial credits to or borrow from nonresidents. Prior authorization is required, however, when (1) borrowings are guaranteed by the government or made by public and quasi-public enterprises, (2) the total outstanding debt of a resident borrower exceeds CFAF 100 million, and (3) the total outstanding amount of the loan granted by a resident lender exceeds CFAF 100 million.

By residents to nonresidents Loans exceeding CFAF 100 million require prior authorization unless they are granted by a resident authorized bank. Loans whose total outstanding amount does not exceed the equivalent of CFAF 5 million for any one lender require no authorization, but each repayment must be declared to the MOF within 30 days of the operation.

To residents from nonresidents When the total outstanding debt of a borrower exceeds CFAF 100 million, prior authorization from the appropriate authorities is required. The same applies to borrowings guaranteed by the government or made by public and quasi-public enterprises. Exempt from this authorization are (1) borrowing constituting a direct investment abroad for which prior approval has been obtained and (2) borrowing when the total outstanding amount of the loans does not exceed the equivalent of CFAF 10 million for any one borrower, the interest rate is no higher than 7%, and the maturity is two years or less. Each repayment must be declared to the MOF within 30 days of the operation.

Guarantees, sureties, and financial backup facilities

n.a.

Controls on direct investment

Outward direct investment

Direct investment abroad by residents is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments abroad by residents in amounts exceeding CFAF 100 million must be declared to the MOF 30 days before they are made.

Inward direct investment

Direct investment from abroad in Chad is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments from abroad exceeding CFAF 100 million must be declared to the MOF 30 days before they are made.

Controls on liquidation of direct investment

The liquidation of foreign direct investments in Chad and abroad in amounts exceeding CFAF 100 million must be declared to the MOF 30 days before liquidation.

CHAD

Controls on real estate transactions	This category of transactions is not subject to specific regulations. It is implicitly subject to the same regulatory provisions as transactions involving the direct investment of financial assets.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MOF 30 days before the transaction in order to receive prior authorization
<i>To residents from nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MOF 30 days before the transaction in order to receive prior authorization.
Gifts, endowments, inheritances, and legacies	n.r.
Settlements of debts abroad by immigrants	n.r.
Transfer of assets	n.r.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowings contracted by resident authorized banks with nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MOF and the BEAC within 30 days following their transaction.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Loans granted by resident authorized banks to nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MOF and the BEAC within 30 days following their transaction.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	n.r.
Differential treatment of deposit accounts held by nonresidents	n.r.
Investment regulations	n.r.
Open foreign exchange position limits	n.r.

CHAD

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents n.a.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the CAEMC countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

CHILE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 27, 1977.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Chile is the Chilean peso.
Exchange rate structure	Unitary.
Classification	
Independently floating	The exchange rate of the peso is determined freely in the foreign exchange market. The Central Bank of Chile (CBC) may intervene in the market in very exceptional circumstances.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Yes.
References to legal instruments and hyperlinks	www.bcentral.cl/Normativa ; Reglamentación/Normas de Cambios Internacionales (International Trade Regulations/Standards).

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Regional arrangements	Settlements between Chile and the other LAIA countries are made through accounts maintained in the corresponding central banks, under the framework of the multilateral clearing system of the LAIA.
Clearing agreements	Yes.
Administration of control	Exchange regulations and their administration are the responsibility of the CBC.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Only ADs may trade monetary gold. There are no restrictions on ordinary transactions in gold between private individuals.
Controls on exports and imports of banknotes	No.

CHILE

References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad Yes.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks DFL 707 of July 21, 1982.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks www.sbif.cl.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures

Negative list Imports of used motor vehicles are restricted.

Import taxes and/or tariffs Imports are subject to a uniform 6% tariff rate with a few exceptions (including items imported from LAIA countries and under a number of bilateral trade agreements). Imports of wheat, wheat flour, maize, edible oil, and sugar are subject to a price band system.

State import monopoly No.

References to legal instruments and hyperlinks Multilateral agreements (WTO); FTA; www.bcentral.cl/Normativa; Reglamentación/Normas de Cambios Internacionales; www.aduana.cl.

CHILE

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	www.bcentral.cl/Normativa ; Reglamentación/Normas de Cambios Internacionales ; www.aduana.cl .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	www.bcentral.cl/Normativa ; Reglamentación/Normas de Cambios Internacionales .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	www.bcentral.cl/Normativa ; Reglamentación/Normas de Cambios Internacionales .

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Nonresidents may sell securities and other instruments through the extraterritorial mechanisms of the securities exchange.
On capital market securities	
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Effective July 27, 2006, private foreign issuers were authorized to issue peso- denominated bonds in Chile.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	www.bcentral.cl/Normativa ; Reglamentación/Normas de Cambios Internacionales ; www.svs.cl ; Law 18.045 of 1981.

CHILE

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Banks and financial institutions may, for their foreign currency operations, (1) carry out credit operations from Chile to the rest of the world; (2) acquire credit granted abroad to residents, including for foreign trade; (3) participate as agents in international financing operations in favor of residents; (4) discount commercial paper for which the obligors are not banks established in Chile; (5) purchase bonds issued abroad by residents and by state enterprises; and (6) invest in bonds issued by foreign enterprises and in claims issued or guaranteed by foreign governments, central banks, and foreign or international banking or financial institutions. Banks may also carry out operations in financial derivatives in accordance with the rules issued by the CBC. Banks are required to observe a limit on market risk exposure (including exchange risk) in accordance with the standards recommended by the Basel Committee on Banking Supervision.

Borrowing abroad

Loans with up to one-year maturity are subject to a 3.6% reserve requirement.

Maintenance of accounts abroad

Banks may hold foreign currency accounts and demand or time deposits within the margin for financial investment abroad. Nonbank financial institutions are not allowed to maintain accounts abroad. External current accounts are not controlled.

Lending to nonresidents (financial or commercial credits)

Banks are allowed to deal in debt instruments and sovereign bonds issued abroad and may grant loans to individuals and legal entities residing abroad, observing the prudential margins and provisions set in the standards issued by the CBC.

Lending locally in foreign exchange

Banks may grant loans and may purchase securities issued in Chile and denominated or expressed in foreign exchange. Banks are required to observe a limit on market risk (interest rate and currency) exposure, in accordance with the recommendations of the Basel Committee on Banking Supervision regarding market risk measurement.

Purchase of locally issued securities denominated in foreign exchange

Yes.

Differential treatment of deposit accounts in foreign exchange

Liquid asset requirements

Reserves on foreign currency deposits and acquisitions must be held in dollars, regardless of the currency of the deposit or acquisitions.

Interest rate controls

There are statutory ceilings on interest rates for both domestic and foreign currency loans. Those ceilings are defined as one-and-a-half times the average market interest rate of the previous month.

Credit controls

Yes.

Investment regulations

Abroad by banks

Foreign financial investments by commercial banks are subject to prudential regulations.

In banks by nonresidents

Banks are allowed to issue CDs and bonds abroad.

Open foreign exchange position limits

Banks are required to observe a limit on market risk (interest rates and currency) exposure, in accordance with the recommendations of the Basel Committee on Banking Supervision regarding market risk measurement.

Provisions specific to institutional investors

Investments by institutional investors are subject to prudential regulations.

Insurance companies

Limits (max.) on investment portfolio held abroad

Insurance companies may invest abroad up to a maximum of 20% of their technical reserves and risk assets.

Currency-matching regulations on assets/liabilities composition

Yes.

Pension funds

There are five types of pension funds: A, B, C, D, and E.

Limits (max.) on securities issued by nonresidents

Pension funds of types A, B, C, and D may invest up to a maximum of 1% of their assets in equity shares issued by foreign capital investment funds (FICEs), and may invest no more than 1% of their assets in the equity shares of a single FICE.

CHILE

Limits (max.) on investment portfolio held abroad

The sum of the investments of Type A, B, C, D, and E funds managed by the same pension fund manager in foreign securities plus the amount of their investments made abroad through mutual fund and national investment shares may not exceed 30% of the value of the sum of the funds.

Currency-matching regulations on assets/liabilities composition

The limits on foreign currency investments without exchange hedging applicable to Type A, B, C, D, and E funds are, respectively, 40%, 25%, 20%, 15%, and 10% of the total value of the fund.

Investment firms and collective investment funds

Investment funds must state their investment policies in their respective regulations. The applicable limits, which they are free to set, must be observed.

References to legal instruments and hyperlinks

Banks: www.sbif.cl/sbifweb/servlet/LeyNorma?indice=3.0; General Law on Banks; www.bcentral.cl/esp/normativa/financieras/pdf/CapIIIA1.PDF; www.bcentral.cl/esp/normativa/financieras/pdf/CapIIIB2.pdf; www.bcentral.cl/esp/normativa/financieras/pdf/CapIIIB5.PDF.

Insurance companies: www.svs.cl/sitio/html/legisl_normativa/f_legis.html; DFL 251, Articles 21 and 23; www.bcentral.cl/esp/normativa/financieras/pdf/CapIIIF6.pdf.

Pension funds: www.safp.cl/sist_previsional/index.html; Normativa Previsional, Sistema AFP, Límites de inversión de los Fondos de Pensiones (Prudential Rules, AFP System, Investment Limits for Pension Funds).

Mutual funds: www.svs.cl/sitio/html/legisl_normativa/f_valores.html; D.L. 1.328, Article 13(6), (9), and (11).

Investment funds: www.svs.cl/sitio/html/legisl_normativa/f_valores.html; Law 18.815, Article 5(17)–(28) and Article 6.

Changes during 2006

Capital transactions

Controls on capital and money market instruments

July 27. Private foreign issuers were authorized to issue peso-denominated bonds in Chile.

PEOPLE'S REPUBLIC OF CHINA

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Measures have been taken to freeze the accounts and assets of listed individuals, groups, and organizations associated with terrorism. These measures were taken in accordance with the relevant UN Security Council resolutions.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the People's Republic of China is the Chinese renminbi. The currency unit is the yuan.

Exchange rate structure

Unitary.

Classification

Crawling peg

The exchange rate of the renminbi is determined with reference to an undisclosed basket of currencies. Daily fluctuations in the renminbi–U.S. dollar exchange rate are limited to $\pm 0.3\%$ around a central rate set by the People's Bank of China based on the market closing rate of the previous day. Daily fluctuations of the renminbi against other currencies are limited to $\pm 3\%$.

Effective January 4, 2006, the method for determining the renminbi–U.S. dollar mid-rate is as follows: the China Foreign Exchange Trade System, before the daily interbank foreign exchange market opening quote, asks for quotes from all the market makers of the interbank foreign exchange market and makes the quoted prices of the market makers the calculation sample for the renminbi–U.S. dollar exchange rate mid-rate. After eliminating the highest and lowest quotes, it takes a weighted average of the remaining market makers' quotes and obtains the daily renminbi–U.S. dollar foreign exchange mid-rate. The weighting is on a composite of indicators, such as the trading volume of quoting parties in the interbank foreign exchange market and the circumstances of the quotations. As of December 2006, 15 banks had been introduced to be market makers in foreign exchange. The U.S. dollar spot exchange bid-offer rate between designated foreign exchange banks and their customers may not exceed 1% of the benchmark rate, and spread on cash may not exceed 4%. Banks and their customers may negotiate their exchange and cash rates, but the negotiated rate of renminbi per dollar may not exceed the specified price range. On July 21, 2005, China announced a 2.1% revaluation of the renminbi–U.S. dollar exchange rate and a change in its exchange rate arrangement to allow the value of the renminbi to fluctuate based on market supply and demand with reference to an undisclosed basket of currencies. To permit a greater role for market forces in determining the renminbi exchange rate, steps have been taken since July 2005 to liberalize and develop China's foreign exchange markets, including the establishment of an over-the-counter spot foreign exchange market and markets for currency swaps and futures. Since the July 2005 revaluation, the exchange rate appreciated by about 5% until end-April 2007, while the rate has remained in a 2% crawling band. The observed path of the exchange rate and information on intervention and reserves buildup suggest that the exchange rate is determined mainly by official action, resulting in a classification as a crawling peg, effective August 1, 2006.

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Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Banks qualified to perform forward foreign exchange settlement and sales business may transact forward exchange settlement and sales business for the following foreign exchange transactions of domestic institutions: current account transactions, repayment of banks' own foreign exchange loans, repayment of offshore borrowings registered with the State Administration of Foreign Exchange (SAFE), the foreign exchange revenue from offshore direct investments, the revenue from foreign exchange capital of commercial investment enterprises, the foreign exchange revenue from the offshore public listing of domestic institutions, and other foreign exchange revenue and expenditures from processing forward exchange settlement and sales approved by the SAFE. Effective October 20, 2006, any foreign exchange transaction that is eligible for spot settlement under the regulations is eligible for forward settlement.
References to legal instruments and hyperlinks	PBC Circular on Issues Related to the Interbank Foreign Exchange Market Trading Exchange Rates and Administration of the Foreign Exchange Posted Rates of Foreign-Exchange-Designated Banks (Yin Fa [2005] No. 183); PBC Public Announcement on Perfecting the Reform of the Renminbi Exchange Rate Mechanism (PBC Public Announcement [2005] No. 16); PBC Circular on Issues Relating to Expansion of Forward Settlement and Sales Business of Foreign-Exchange-Designated Banks with Their Customers and the Launching of Swap Transactions between Renminbi and Other Currencies (Yin Fa [2005] No. 201); Accelerating Development of the Foreign Exchange Market (Yin Fa [2005] No. 202); PBC Circular on Further Improving the Management of Interbank Foreign Exchange Market Trading and Exchange Rates and the Administration of Foreign-Exchange-Designated Banks' Posted Exchange Rates (Yin Fa [2005] No. 250); SAFE Circular on Issues Related to the Promotion of Spot Rate Inquiry Transactions on the Interbank Foreign Exchange Market (Hui Fa [2005] No. 87); PBC Public Announcement on Further Improvement of the Interbank Spot Foreign Exchange Market (PBC Public Announcement [2006] No. 1); SAFE Public Announcement on Foreign Exchange Administration Issues Related to Foreign-Exchange-Designated Banks' Forward Settlement and Sales Business and Renminbi-Foreign Currency Swap Business with Customers (Hui Fa [2006] No. 52); www.safe.gov.cn .

Arrangements for Payments and Receipts

Prescription of currency requirements	Parties may stipulate in contracts that freely convertible currencies be used in the transactions involved. When border trading companies carry out border trade with trading agencies in foreign countries, they may value and settle accounts in freely convertible currencies, the currency of the neighboring country, or renminbi.
Controls on the use of domestic currency	
<i>For current transactions and payments</i>	The PBC provides clearing arrangements for banks in Hong Kong SAR and Macao SAR that handle personal renminbi deposits, exchange services, bank cards, and remittance services. Mainland residents may use personal renminbi-denominated bank cards issued by mainland banks to pay for tourism expenses and for withdrawing small sums in Hong Kong SAR and Macao SAR. Participating banks in Hong Kong SAR and Macao SAR may open renminbi-denominated accounts; accept renminbi deposits; provide exchange services between renminbi, Hong Kong dollars, and Macao patacas; and effect renminbi remittances for resident individuals and designated commercial customers in Hong Kong SAR and Macao SAR, respectively. Residents of the mainland may use certain renminbi-denominated bank cards for purchases in Thailand and for withdrawing cash and making purchases in the Republic of Korea and Singapore. These cards may be used for withdrawing funds and making purchases in Belgium, France, Germany, Indonesia, Japan, Luxembourg, the Philippines, Spain, the United States, and Vietnam.
<i>For capital transactions</i>	n.a.
Use of foreign exchange among residents	The use of foreign exchange for pricing or settlement of transactions among residents is prohibited.
Payments arrangements	No.

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Administration of control	The SAFE is responsible for foreign exchange administration, under the direction of the PBC.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Gold is subject to a system of centralized purchase and distribution. Mining companies must sell their gold to the PBC, and companies that use gold must buy it from the PBC.
On domestic ownership and/or trade	Approval is required for enterprises to produce, process, or engage in the production, processing, sale, or resale of gold products. Possession of gold or silver by individuals is subject to state controls. No organization or individual may appraise or use gold or silver. Private trading is prohibited.
On external trade	Imports of gold require PBC approval. Gold may be imported by individuals for reasonable personal use only. Exports are subject to quota controls.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Individuals may not take out more than 20,000 renminbi from China.
<i>Foreign currency</i>	Residents and nonresidents are allowed to take their personal, legitimately held foreign currencies abroad as follows: (1) Those taking foreign currency cash out of the customs territory in an amount not exceeding the amount declared at their most recent time of entry are not required to apply for a Permit to Take Foreign Exchange out of the Customs Territory. (2) If the amount of foreign currency cash is either in excess of the amount of foreign currency cash declared at their most recent time of entry, or there was none, and the amount carried is less than the equivalent of US\$5,000, application for a Permit to Take Foreign Exchange out of the Customs Territory is not required. Those carrying more than US\$5,000 and up to US\$10,000 are required to apply for a Permit to Hold Foreign Currency at a foreign-exchange-designated bank. Other than in special circumstances, taking more than US\$10,000 in foreign currency cash out of the customs territory is not permitted. If the amount is in excess of US\$10,000, application for a permit at the local SAFE is required to take foreign currency cash out of the customs territory. (3) Taking foreign currency payment vouchers such as traveler's checks out of the customs territory does not fall under the rules on exports of cash.
On imports	
<i>Domestic currency</i>	Residents and nonresidents may bring into China up to 20,000 renminbi.
<i>Foreign currency</i>	Residents and nonresidents importing more than US\$5,000 must declare it to customs.
References to legal instruments and hyperlinks	Foreign Exchange Regulations of the PBC (State Council Decree No. 193); Border Trade Foreign Exchange Administration Procedures (Hui Fa [2003] No. 113); PBC Circular on Issues Related to the Conducting of Personal Renminbi Business by China Mainland Banks with Hong Kong and Macao Banks (Yin Fa [2004] No. 254); Interim Measures for the Administration of Foreign Currency Cash Taken into and out of the Customs Territory (Hui Fa [2003] No. 102); www.safe.gov.cn .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	All domestic and foreign-funded enterprises may open foreign exchange current accounts. Domestic institutions may, within the quota, retain foreign exchange receipts from current account transactions in their foreign exchange current accounts. Domestic institutions may establish current account foreign exchange accounts with proof of a business license (or organization registration) and an institution identification number and retain foreign exchange revenue resulting from 80% of the previous year's current account foreign exchange revenue minus 50% of current account foreign expenditure. Domestic institutions that in the previous accounting year had no current account foreign exchange revenue may retain an initial limit of foreign exchange revenue of US\$500,000 when establishing

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accounts. Institutions with actual trade background and payment needs abroad may purchase foreign currency ahead of time at banks where they have accounts, with proof of valid permits and commercial receipts stipulated by the Regulations on Foreign Exchange Settlement, Sales, and Payment and other foreign exchange laws and regulations, and they may deposit the funds in their current account foreign exchange accounts.

Current account foreign exchange accounts with special sources and designated uses have limits of 100% of actual foreign currency income. In the case of export-import and manufacturing enterprises that, because of actual operating needs, must retain all current account foreign exchange revenues, the SAFE may determine their limits to be 100% of actual foreign exchange revenue and actual needs. Foreign exchange funds in these current accounts may be used for current account and approved capital account payments. With the approval of the SAFE, domestic institutions may open foreign exchange capital accounts to deposit capital account receipts in foreign currency. Natural persons may open foreign currency savings accounts without approval.

Approval required

Yes.

Held abroad

These accounts are permitted, but approval is required for legal persons.

Approval required

Yes.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

When making foreign payments, institutions and individuals requiring foreign exchange must present effective evidence and commercial documents to the bank to convert domestic currency into foreign currency. The purchase of exchange for nontrade items in excess of the official quota must have the approval of the SAFE. Residents making purchases within the yearly quota may do so with personal identification and after declaring at a bank the reason for its use; those making purchases in excess of the yearly quota may do so after a bank verifies evidence of actual need, as specified in the foreign exchange regulations.

References to legal instruments and hyperlinks

Regulations on the Administration of Domestic Foreign Exchange Accounts (Yin Fa [1997] No. 416); Regulations on the Administration of Foreign Exchange Accounts ([97] Hui Zheng Fa Document No. 10); Specific Regulations on Domestic Institutions' Guarantees Abroad ([97] Hui Zheng Fa Document No. 10); SAFE Public Announcement Regarding Adjustment of Policy on Current Account Foreign Exchange Administration (Hui Fa [2006] No. 19); Administration of Individual Foreign Exchange (PBC Public Announcement [2006] No. 3); Specific Regulations on Individual Foreign Exchange (Hui Fa [2007] No. 1); www.safe.gov.cn.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresident individuals in China may open foreign currency savings accounts. Foreign investors may establish foreign exchange accounts, with approval, in order to reserve and directly invest relevant foreign exchange funds. Qualified foreign institutional investors (QFIIs) may establish foreign currency accounts with approval.

Approval required

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

The legal renminbi income of nonresident individuals in China may, on the basis of the relevant documentation, be freely converted at banks into foreign currency.

Approval required

QFIIs and international development agencies issuing renminbi bonds in China must receive permission to open accounts.

Blocked accounts

No.

References to legal instruments and hyperlinks

Administration of QFII Securities Investments in China (Order of China Securities Regulatory Commission (CSRC), PBC, and SAFE, August 24, 2006); Interim Regulations of International Development Agencies' Renminbi Bond Issuance (Public announcement of PBC, MOF, National Development and Reform Commission, CSRC [2005] No. 5, February 28, 2005).

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	For advance payments, importers must present to a bank an import contract and other relevant documents regarding the settlement of payment obligations.
Documentation requirements for release of foreign exchange for imports	In order to purchase foreign exchange or make payments from a foreign exchange account, importers must provide the import contract, the exchange control declaration related to the import payment in foreign exchange, the customs declaration (required for payment-on-delivery settlement), the invoice, and the import bill of lading. Collections and LCs do not require customs declaration, and cash-on-delivery payments do not require bills of lading.
Import licenses and other nontariff measures	
Positive list	Apart from forbidden and restricted goods, other goods may be freely imported.
Negative list	Imports of tiger bones, rhinoceros horns, opium, asbestos, carbon tetrachloride, old clothing, asphalt macadam, urban garbage, overheated boilers, coin-operated electronic game machines, as well as some animals, plants, and animal and plant products are forbidden (included in the Index of Forbidden Imports). In addition, the importation of the following items is prohibited: weapons; ammunition and explosives; manuscripts; printed and recorded materials; and films that are deemed to be detrimental to Chinese political, economic, cultural, or moral interests.
Open general licenses	Yes.
Licenses with quotas	Based on commitments made on accession to the WTO, China currently implements an import tariff quota administration regime for wheat, corn, husked rice, sugar, cotton, wool, wool tops, and chemical fertilizers. Imports within the quota require the appropriate approvals.
Other nontariff measures	Based on the stipulated targets agreed to by the WTO, China implements inspections, quarantines, and certifications with regard to import products. An import quarantine approval system is applied to high-risk plants and animals and plant and animal products.
Import taxes and/or tariffs	There are four categories of import customs duty: the MFN tariff rate, conventional tariff rate, preferential tariff rate, and general tariff rate. The MFN tariff rate is applied to import goods whose place of origin is a member of the WTO to which the MFN treatment clause is applied; to import goods whose place of origin is in countries or regions that have signed bilateral trade agreements with the People's Republic of China and that contain clauses of reciprocal MFN treatment, as well as import goods whose place of origin is within the territory of the People's Republic of China. The conventional tariff rate is applied to import goods whose place of origin is a country or region that has signed with the People's Republic of China a regional trade agreement that contains clauses of favorable customs duty. The preferential tariff rate is applied to import goods whose place of origin is a country or region that has signed with the People's Republic of China a trade agreement that contains special clauses of favorable customs duty rates. The general tariff rate is applied to import goods whose place of origin is in countries or regions other than the above-mentioned countries or regions, including import goods whose place of origin is unclear.
State import monopoly	The following products are subject to state trading: wheat, maize, husked rice, crude oil, oil products, sugar, tobacco and tobacco products, cellulose diacetate fiber, chemical fertilizers, and cotton. In addition, based on WTO commitments, China has begun to eliminate its state import monopolies.
References to legal instruments and hyperlinks	Provisions for the Administration of Exchange Settlements, Sales, and Payments (Yin Fa [1996] No. 210); State Administration of Foreign Exchange Circular on Issues Related to Strengthening Import Deferred Exchange Payments, and the Administration of Deferred

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Exchange Payment (Hui Fa [2005] No. 8); State Administration of Foreign Exchange Circular on Issues Related to Further Simplifying Exchange Payment for Trade Imports and Verification and Cancellation Procedures (Hui Fa [2005] No. 67); Law of the People's Republic of China on Import and Export Commodity Inspection, Implementing Regulations of the Law of the People's Republic of China Law on Import and Export Commodity Inspection; Law of the People's Republic of China on Entry and Exit Animal and Plant Matter Quarantine, Implementing Regulations of the Law of the People's Republic of China on Entry and Exit Animal and Plant Matter Quarantine; Law of the People's Republic of China on Frontier Health and Quarantine, Implementing Rules of the Law of the People's Republic of China on Frontier Health and Quarantine; and Law of the People's Republic of China on Food Hygiene; www.safe.gov.cn.

Exports and Export Proceeds

Repatriation requirements

Yes.

Surrender requirements

Domestic institutions may establish current account foreign exchange accounts with proof of a business license (or organization registration) and an institution identification number and may retain foreign exchange revenue resulting from 80% of the previous year's current account foreign exchange revenue minus 50% of current account foreign expenditure. Domestic institutions that in the previous accounting year had no current account foreign exchange revenue may retain an initial limit of foreign exchange revenue of US\$500,000 when establishing accounts.

Current account foreign exchange accounts with special sources and designated uses have limits of 100% of actual foreign currency income. In the case of export-import and manufacturing enterprises that, because of actual operating needs, must retain all current account foreign exchange revenues, SAFE may determine their limits as 100% of actual foreign exchange revenue and actual needs.

Surrender to the central bank

n.a.

Surrender to authorized dealers

n.a.

Financing requirements

No.

Documentation requirements

For trade-related foreign exchange administration, a list of "enterprises requiring special attention" has been established. Enterprises that receive foreign exchange and are not on the list may receive and settle foreign exchange directly according to relevant regulations. Enterprises on the list that receive foreign exchange must provide foreign-exchange-designated banks with a written explanation regarding the nature of foreign exchange settlement. Specifically, foreign exchange revenue from transit trade where payment is followed by collection should be settled with the original copy of the validated verification form of the import payment with the bank's transaction seal (enterprise copy) and the transit trade contract. Foreign exchange revenue from transit trade where collection is followed by payment, should not be settled before the transit trade payment abroad. After payment abroad is complete, the balance should be settled with the original copy of the verification form of the import payment validated with the bank's transaction seal (enterprise copy) and transit trade contract. Other transaction types (including prepayment for export merchandise) should be settled with the original copy of the export declaration validated with the specific verification form code of export collection and the export contract. Trade-related fees such as commissions (agency fees) and shipping insurance should be settled according to the contract (agreement) and receipt. Other current account foreign exchange revenue falling outside trade-related foreign exchange, should be settled according to the contract (agreement) and receipt.

Export licenses

Without quotas

Eighteen commodity types are administered under general export permits: live cattle, live pigs, and live chickens (all for markets other than Hong Kong SAR and Macao SAR); fresh-frozen and frozen beef; fresh-frozen and frozen pork; fresh-frozen and frozen chicken; ozone-depleting substances; paraffin; platinum (exported in processed trade); some precious metals; automobiles (including completely disassembled kits) and their chassis; fans; bicycles; motorcycles (including all-terrain vehicles) and their engines; vehicle frames; and zinc and zinc-containing alloys.

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With quotas	Export quota administration includes both quota allocation and calls for tenders.
Export taxes	Export duties are levied on 88 products.
Other export taxes	n.a.
References to legal instruments and hyperlinks	Regulations on Foreign Exchange Settlement, Sales and Payment (Yin Fa [1006] No. 210); SAFE Notice on Issues Related to Loosening Regulations on Domestic Institutions' Retaining of Current Account Foreign Exchange Revenue (Hui Fa [2005] No. 58); SAFE Notice Regarding Issues Related to Further Improving Administration of Import-Export Foreign Exchange Collection and Settlement (Hui Fa [2006] No. 49); SAFE Notice on Adjusting Policy Governing Current Account Foreign Exchange Administration (Hui Fa [2006] No. 19); www.safe.gov.cn .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Nontrade payments by foreign-funded enterprises (FfEs) and domestic-funded enterprises are subject to the same provisions. Resident individuals are subject to different regulations. The sale of and payment for foreign exchange for nontrade items are not included in the current laws and regulations. Nontrade transactions less than US\$100,000 may be processed through a foreign-exchange-designated bank. Transactions in amounts more than US\$100,000 require local SAFE approval. Multinational companies' invisible transfers (such as administrative expenditures or salary advances) must be processed directly by foreign-exchange-designated banks with supporting documentation.
Trade-related payments	
<i>Quantitative limits</i>	The payment of commissions for export business is allowed in accordance with export contracts and commission contracts. Prior approval of the SAFE is required for contracts with an unwritten commission exceeding 2% of the contract amount or contracts with a documented commission exceeding 10% or US\$100,000.
<i>Indicative limits/bona fide test</i>	Proof of transaction is required for all trade-related payments. Traders may pay directly at authorized banks by presenting valid proof and commercial bills.
Investment-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	The foreign exchange requirements for government agencies, public service units, and enterprises and their institutional units are provided according to the limits prescribed by the MOF. There are no restrictions on payments for travel of staff of FfEs. Residents traveling overseas with tour groups may purchase foreign currency from the travel agency to pay for tour group costs.
<i>Prior approval</i>	Verification and approval of the SAFE are required for amounts exceeding the specified limits.
<i>Indicative limits/bona fide test</i>	Resident individuals' foreign exchange purchases equal to or less than US\$50,000 a year are processed with personal identification and bank declarations; foreign exchange purchases in excess of this limit may be processed after bank verification of actual-need documents stipulated by the SAFE.
Personal payments	
<i>Indicative limits/bona fide test</i>	Effective May 1, 2006, residents may purchase foreign exchange up to US\$20,000 a year for current account transactions. Effective February 1, 2007, this limit is US\$50,000. Resident individuals' foreign exchange purchases equal to or less than US\$50,000 a year are processed with personal identification and after bank declarations; foreign exchange purchases in excess of this limit may be processed after bank verification of actual-need documents stipulated by the SAFE.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Proof of earnings and tax clearance are required.

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Credit card use abroad	Domestic cards may be used abroad for current account transactions, but not for capital account investment, trade payments, or for transactions and acts prohibited by law.
<i>Quantitative limits</i>	Cash withdrawals made abroad through domestically issued cards are subject to quotas.
<i>Indicative limits/bona fide test</i>	n.a.
Other payments	
<i>Indicative limits/bona fide test</i>	For transfers in payment of subscriptions and membership fees, a proof of transaction is required.
References to legal instruments and hyperlinks	SAFE Circular on Issues Related to the Sales and Payment of Foreign Exchange for Nontrade Items Not Specified in Current Laws and Regulations (Hui Fa [2003] No. 35); SAFE Circular on Issues Related to the Administration of Nontrade Foreign Exchange Purchases by Multinational Companies (Hui Fa [2004] No. 62); SAFE Circular on Standardizing Banks' Administration of Foreign Currency Cards (Hui Fa [2004] No. 66); SAFE Circular on Adjusting Policy Governing Current Account Foreign Exchange (Hui Fa [2005] No. 19); Administration of Individual Foreign Exchange (PBC Public Announcement [2006] No. 3); Implementing Regulations on Administration of Individual Foreign Exchange (Hui Fa [2007] No. 1); www.safe.gov.cn .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	Foreign embassies and consulates, representative offices of international organizations, affiliates of foreign juridical persons, resident persons, and foreign expatriates may retain their foreign exchange.
<i>Surrender to authorized dealers</i>	Domestic institutions may retain foreign exchange earnings from current account transactions, provided the retained amount does not exceed the maximum limit allowed by the SAFE. Balances, if any, must be sold to designated foreign exchange banks. The surrender of foreign exchange by individual residents exceeding the equivalent of US\$50,000 requires submission of documentation to the local SAFE office for verification.
Restrictions on use of funds	Yes.
References to legal instruments and hyperlinks	SAFE Circular on Certain Questions Related to Further Adjusting the Administrative Policy on the Foreign Exchange Accounts of Current Accounts (Hui Fa [2002] No. 87); SAFE Circular on Issues Related to Standardizing the Administration of Foreign Exchange Settlement Business of Resident Individuals (Hui Fa [2004] No. 18); www.safe.gov.cn .

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	Proceeds from the issuance of shares by an overseas listed FFE and the foreign exchange funds earned by the domestic equity holding unit of China-held foreign listed companies (CHFLCs) from sales of listed shares, assets, or liquidity of the company must be repatriated within six months of receipt. With the approval of the SAFE, this period may be extended to two years, and the funds may be used to purchase certain structured products of a deposit bank. If exchange settlement is required, this must be with the approval of the SAFE.
Surrender requirements	
<i>Surrender to authorized dealers</i>	With the approval of the SAFE, domestic institutions may open foreign exchange capital accounts to deposit capital account receipts in foreign currency.

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Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

QFIIs may invest domestically in A shares, subject to the following limitations: (1) A QFII must have a minimum experience in the industry of five years for fund managers and insurance companies, 30 years for securities firms; at least US\$5 billion for fund management firms and insurance companies and US\$10 billion for securities firms in assets under management in the most recent financial year; and must be clear of any major irregularities in its home market over the past three years. (2) A QFII that is a bank must have assets that rank it among the top 100 internationally in the most recent financial year and must manage securities of not less than US\$10 billion; other investors must have been in the business for at least five years, and the securities assets they managed in the most recent accounting year may not be less than US\$5 billion. (3) Ownership of any Chinese company listed on the Shanghai or Shenzhen stock exchange by a QFII may not exceed 10%, and the total shares owned by QFIIs in a single Chinese company may not exceed 20%. Closed-end QFIIs may remit capital only after three years, in installments of no more than 20% of the total each time, at intervals of one month or more. Other QFIIs may remit capital only after one year, in installments of no more than 20% of the total, and at intervals of three months or longer. Offshore beneficiaries of the above-mentioned remitted funds should be qualified investor principal parties. (4) Each investor may authorize only one custodian. QFIIs should authorize a custodian to apply on their behalf at the securities registration and settlement institution to set up securities accounts. When the custodian applies on their behalf to set up securities accounts, it should hold documents such as the qualified investor's power of attorney and other securities investment business approvals, etc. In addition, within five working days of setting up the securities account, the custodian must report the related circumstances to the CSRC for recording purposes. QFIIs should authorize a custodian to represent them in setting up a renminbi settlement funds account at the securities registration and settlement institution for carrying out funds settlement with the securities registration and settlement institution. The custodian will be responsible for the settlement of the domestic securities investment of qualified investors.

The face value of B shares is denominated in U.S. dollars or Hong Kong dollars. These shares are listed on the Chinese Securities Exchange and may be bought by foreign and domestic investors. Domestic investors may purchase B shares with new or existing foreign currency deposits.

Sale or issue locally by nonresidents

Nonresidents may sell A and B shares, but may not issue them.

Purchase abroad by residents

Domestic companies may repurchase the shares issued by them overseas, provided the SAFE verifies the source of the funds and approves payment abroad. Approved insurance companies may invest in shares in offshore markets within the permitted limit, but may not exceed 10% of the investment limit permitted by the SAFE. Effective April 13, 2006, on approval, qualified fund management firms and other securities management companies may, within a certain limit, combine foreign exchange funds owned by domestic institutions and individuals and use the funds overseas for portfolio investments, including for stocks.

Sale or issue abroad by residents

Prior approval by the CSRC is required for the issuance of shares abroad by offshore listed foreign-funded joint-stock companies. CHFLCs (i.e., companies registered and listed abroad and controlled by Chinese shareholders), depending on the situation, may have to either obtain prior CSRC approval to issue shares abroad or file the documents with the CSRC after the completion of the issuance.

Bonds or other debt securities

Purchase locally by nonresidents

QFIIs may invest in treasury bonds, convertible bonds, and corporate bonds listed on domestic securities exchanges.

Sale or issue locally by nonresidents

Renminbi-denominated bonds may be issued by international development agencies with the approval of the MOF, the PBC, and the National Development and Reform Commission.

Purchase abroad by residents

Effective April 13, 2006, insurance companies and securities firms that have received the approval of the China Insurance Regulatory Commission and the SAFE may purchase foreign bonds that meet rating requirements. Qualified banks may also combine the renminbi

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	funds and foreign exchange funds of domestic institutions and individuals and invest the funds in fixed-income products abroad.
Sale or issue abroad by residents	Following authorization by the State Development and Reform Commission and the SAFE, applications for these transactions are to be submitted to the State Council for Examination for approval. Foreign exchange earnings from bond flotation must be repatriated.
On money market instruments	
<i>Purchase locally by nonresidents</i>	QFIIs may purchase publicly issued securities funds and currency market funds.
<i>Sale or issue locally by nonresidents</i>	Nonresidents are not allowed to sell or issue money market instruments.
<i>Purchase abroad by residents</i>	The regulations governing bonds or other debt securities apply.
<i>Sale or issue abroad by residents</i>	When approved by the SAFE, residents may issue abroad instruments such as bonds with less than one year duration and commercial instruments.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	QFIIs may invest in domestic closed-end and open-end funds.
<i>Sale or issue locally by nonresidents</i>	These transactions are not allowed.
<i>Purchase abroad by residents</i>	The regulations governing bonds or other debt securities apply.
<i>Sale or issue abroad by residents</i>	The regulations governing the sale or issue of money market instruments apply.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	These transactions are not allowed.
Sale or issue locally by nonresidents	These transactions are not allowed.
Purchase abroad by residents	Banking institutions may purchase and sell derivative instruments without SAFE approval only when they have obtained the approval of the Chinese Banking Regulatory Commission (CBRC) and if they manage their own foreign exchange business or participate in the foreign exchange transaction for their customers. The purchase or sales of derivative instruments should be for risk hedging, not for speculation. Nonfinancial institutions may participate in this type of transaction through the approved business of financial institutions and they do not need prior permission. To participate in this type of transaction with foreign institutions, prior approval from the SAFE is necessary. Foreign investment firms may directly engage in derivatives trading with foreign institutions and without approval. However, changes in the credit items and other relevant changes of foreign debt must be registered after the fact.
Sale or issue abroad by residents	The regulations governing purchases apply.
Controls on credit operations	Purchases of foreign exchange for advance repayment of foreign debt require SAFE authorization and must conform to the following guidelines: (1) debt examination, approval, and registration requirements must be satisfied in accordance with regulations; (2) the loan contract must contain an advance repayment clause, and both the creditor and the debtor must agree to the advance repayment; (3) the debtor must submit an application to purchase foreign exchange for an advance foreign debt repayment; and (4) owned foreign exchange must be used first, and foreign exchange may be purchased only when all owned foreign exchange is exhausted.
Commercial credits	
<i>By residents to nonresidents</i>	Financial institutions authorized by the CBRC may borrow from overseas institutions or lend overseas with SAFE approval. Resident subsidiaries of multinational corporations may either directly lend or arrange for a domestic bank to lend to the offshore member company of the group.
<i>To residents from nonresidents</i>	One-year or longer international commercial borrowing by Chinese institutions must be approved in advance. Financial institutions with an approval to engage in foreign borrowing may conduct short-term foreign borrowing with maturities of one year or less within the balance approved by the SAFE. Specific transaction-based approval is not required. All foreign borrowing must be registered with the SAFE.

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	<p>Forward LCs with a maturity of more than 90 days but less than one year are included in the category of short-term credits, whereas those exceeding one year are included in medium- and long-term international commercial loans. Deferred payments under trade with terms of more than 180 days and amounts above US\$200,000 must fit into external debt and limit management.</p> <p>FFE's mid- and long-term foreign debts and net short-term debts must be managed within the difference between the total investment amount and registered capital. Within this limit, borrowing from a nonresident does not require prior approval but the borrower must register the credit with the SAFE.</p> <p>If the guidelines for purchases of foreign exchange to make advance repayments for loans are satisfied, the debtor may submit an application to the SAFE for the purchase. Renminbi credits extended by banks to domestic institutions may be used only for productive purposes and may not be used to purchase foreign exchange for debt-service payments.</p>
Financial credits	The regulations governing commercial credits apply.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Domestic banks' foreign financial guarantees and all guarantees provided by other domestic institutions (except the collateral or mortgage by solely foreign investment enterprises for their own credit) are subject to prior authorization by the SAFE. The external nonfinancing guarantees provided by banks do not require prior approval; however, all external guarantees must be registered. When a guarantee is exercised, the specific transactions must be approved on a case-by-case basis by the SAFE.
<i>To residents from nonresidents</i>	FFEs may accept guarantees from foreign institutions.
Controls on direct investment	A three-tier classification system is in effect, defining activities in which foreign exchange investment is encouraged, restricted, or banned.
Outward direct investment	Outward direct investment is permitted only after examination of the source of the foreign exchange funds, approval of the authorities concerned with foreign direct investment, and completion of offshore investment foreign exchange registration. Foreign direct investment that does not involve foreign exchange purchases or outward foreign exchange remittance does not require examination of the source of the foreign exchange funds. Effective July 1, 2006, the limit on the amount of foreign exchange used in Chinese enterprises' direct investments abroad has been abolished, allowing domestic investors to purchase foreign currency to participate in direct investments abroad.
Inward direct investment	Nonresidents are free to invest in China as long as they meet requirements under Sino-foreign joint-venture laws and other relevant regulations, and are approved by the Ministry of Commerce. Capital remitted as inward foreign direct investment may be converted into renminbi only on the basis of a written payment order by the foreign-invested enterprise.
Controls on liquidation of direct investment	Prior approval from the original review and approval department is required for liquidation. SAFE verification is required to purchase foreign exchange to remit funds belonging to foreign investors after liquidation.
Controls on real estate transactions	The regulations governing direct investment apply.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Foreign exchange funds of more than US\$50,000 remitted by nonresident individuals to purchase real estate require SAFE approval before conversion into renminbi. Effective September 1, 2006, local real estate purchases by nonresidents in China must be based on their actual needs and for their own use.
Sale locally by nonresidents	The purchase of foreign exchange and outward remittance of funds belonging to a nonresident individual from the sale of real estate requires SAFE authorization.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.

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Gifts, endowments, inheritances, and legacies

By residents to nonresidents

When providing aid and assistance to immediate relatives overseas, and purchasing foreign exchange within the annual maximum (US\$50,000), a resident may do so at a bank with valid proof of identity. If the total foreign exchange purchased exceeds the annual limit, a resident may purchase foreign exchange at a bank with valid documents of identification and certified materials related to the transaction amount.

Foreign exchange remittances out of foreign exchange deposit accounts that are US\$50,000 or less may be arranged at a bank with the individual's valid proof of identity. Transactions exceeding the above amount may be arranged with proof of the availability of the transaction amount in the current account. Cash remittance of foreign exchange equal to or less than US\$10,000 may be arranged at a bank with the individual's proof of identity. Transactions exceeding this amount may be arranged with proof of the availability of the transaction amount in the current account, and a "Traveler's Luggage Declaration Form" stamped by customs officials or proof of cash withdrawal from the individual's original bank of deposit.

Foreign heirs, including those from Hong Kong SAR, Macao SAR, and Taiwan Province of China, are permitted to transfer inheritance out of the country.

To residents from nonresidents

Residents' individual foreign exchange incomes from gifts, donations, bequests, and estates within the annual amount (US\$50,000) may be arranged at a bank with proof of identity. When these exceed the annual total, donation incomes should be settled with proof of identity and a certified donation agreement or contract, and estate inheritance incomes should be settled with proof of identity and an estate inheritance legal document or certificate.

Settlements of debts abroad by immigrants

n.a.

Transfer of assets

Transfer abroad by emigrants

Income from pensions and old-age allowances may be remitted abroad. Natural persons moving abroad or going to reside in the Hong Kong and Macao SARs, may, before obtaining emigrant status, apply to liquidate the lawful property they possess within the territory of China and purchase and remit the foreign exchange. For emigration transfers in excess of 200,000 renminbi, a nonrecurring application for distributive remittances must be submitted. After receiving approval, one-half may be transferred. One year later, half of the remainder may be transferred. The rest may be transferred after two full years.

Transfer into the country by immigrants

n.a.

Transfer of gambling and prize earnings

n.a.

References to legal instruments and hyperlinks

Administration of QFII Securities Investments in China (Order of CSRC, PBC, and SAFE [2006] No. 36); Interim Administrative Measures on the Sales and Payment of Foreign Exchange for Outbound Personal Property (PBC [2004] No. 16); Interim Administrative Measures for the Offshore Use of Foreign Exchange Insurance Funds ([2004] No. 9); Interim Administrative Measures on the Issuance of Renminbi Bonds by International Development Institutions (PBC, Ministry of China, National Development and Reform Commission, CSRC [2005] Decree No. 5); SAFE Circular on Issues Related to the Administration of Foreign Exchange from Offshore Public Offerings (Hui Fa [2005] No. 6); SAFE Circular on Issues Related to Expanding the Pilot Study on Reforming the Administration of Offshore Investment Foreign Exchange (Hui Fa [2005] No. 35); China Securities Law, State Council Special Decree on Limited Shareholding Companies' Stock Financing and Public Listing Abroad (State Council Decree No. 160); State Council Circular on Further Strengthening of Administration of Overseas Share Issuance and Public Offering (Guo Fa [1997], No. 21); www.csrc.gov.cn; www.safe.gov.cn.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

According to Arrangements on Establishing Closer Commercial Relationships between the Mainland and Hong Kong, the asset scale requirement for Hong Kong banks to set up branches and legal entities on the mainland has been lowered to US\$6 billion. Requirements for Hong Kong banks' mainland branches to conduct renminbi business have also been loosened, in that the minimum of three years of being in business on the mainland has been lowered to two years. Beginning December 11, 2006, China extends to foreign banks full national treatment. According to China's WTO accession pledges, foreign legal-entity banks registered in China are allowed to provide the same financial services provided by Chinese-funded banks, including retail renminbi deposits. The regulation of foreign banks is the same as that of domestic banks. Foreign bank branches with CBRC approval to conduct renminbi business may accept fixed-term deposits from Chinese citizens living in China in the amount of no less than 1 million renminbi per transaction.

Borrowing abroad

The regulations governing commercial credits apply. Domestic banks that are funded abroad may not convert proceeds from debt contracted abroad into renminbi and are not allowed to purchase foreign exchange to service these debts.

Maintenance of accounts abroad

Registration with the SAFE is required for domestic banks to open foreign exchange accounts abroad. Domestic nonbank financial institutions and nonfinancial enterprises require prior approval by the SAFE.

Lending to nonresidents (financial or commercial credits)

The regulations governing commercial credits apply.

Lending locally in foreign exchange

Banks must adhere to regulations concerning asset-debt ratios laid out in the Commercial Banking Law of China. Borrowers must register the transaction after the fact with the SAFE and must obtain a permit from the SAFE to repay the principal. SAFE registration and SAFE permission to repay the principal are not required for residents to borrow foreign exchange from domestic Chinese financial institutions. However, creditors must submit the regular loan registration to the SAFE and report the principal and interest repayment status.

Purchase of locally issued securities denominated in foreign exchange

On approval from relevant government agencies, two policy banks have issued foreign currency bonds.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Reserve requirements are different for renminbi deposits and foreign currency deposits. The annual interest rates for required and excess reserves are currently at 1.89% and 0.99%, respectively. No such interest is accrued on foreign currency reserves.

Liquid asset requirements

The ratio of current asset balance and current debt balance may not be lower than 25%.

Credit controls

The ratio of the credit balance for a single borrower to a bank's capital may not exceed 10%.

Investment regulations

Nonbank financial institutions' total equity investment (excluding trust accounts) should not exceed the difference between their capital and mandatory paid-in capital.

Abroad by banks

Yes.

In banks by nonresidents

CBRC approval is required.

Open foreign exchange position limits

For financial institutions trading foreign exchange on their own behalf, the daily total amount traded (total open foreign exchange position) should not exceed 20% of the foreign exchange working capital. As authorized by the highest level of management, financial institutions trading foreign exchange on their own behalf may retain a small amount of overnight open position, but this should not exceed 1% of the foreign exchange working capital or foreign exchange operating funds.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Approved insurance companies may invest in shares in offshore markets within the permitted limit, but may not exceed 10% of the investment limit permitted by the SAFE.

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Pension funds	n.a.
Investment firms and collective investment funds	On September 1, 2006, the Interim Implementing Regulations on QFII Securities Investments in China were abolished and the Administration of QFII Securities Investments in China went into effect.
<i>Limits (max.) on securities issued by nonresidents</i>	Effective April 15, 2006, on approval, qualified fund management firms and other securities management companies may, within a certain limit, combine foreign exchange funds owned by domestic institutions and individuals and use the funds overseas for portfolio investments, including for stocks.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement	<p><i>January 4.</i> The system for quoting the mid-rate was changed.</p> <p><i>August 1.</i> The exchange rate arrangement was reclassified to the category crawling peg from the category conventional pegged arrangement.</p> <p><i>October 20.</i> Any foreign exchange transaction that is eligible for spot settlement under the regulations became eligible for forward settlement.</p> <p><i>December 18.</i> The number of banks permitted to be market makers increased to 21 from 13.</p>
Payments for invisible transactions and current transfers	<p><i>May 1.</i> Residents were allowed to purchase foreign exchange up to US\$20,000 a year for current account transactions.</p>
Capital transactions	
Controls on capital and money market instruments	<p><i>April 13.</i> Domestic banks' overseas foreign exchange fund management services for customers was expanded; qualified banks are allowed to combine renminbi funds of domestic institutions and individuals and purchase foreign exchange within limits to invest in fixed-income products abroad; qualified fund management firms and other securities firms are allowed to combine within limits foreign exchange funds of domestic institutions and individuals for overseas portfolio investments, including for stocks; insurance institutions' securities investment business abroad was expanded; qualified insurance companies are allowed to purchase foreign currency to invest in fixed-income products and currency market instruments abroad, with the foreign exchange purchase amount subject to a certain proportion of the insurance institution's total assets.</p>
Controls on direct investment	<p><i>July 1.</i> The limit on the amount of foreign exchange used in Chinese enterprises' direct investments abroad was abolished.</p>
Controls on real estate transactions	<p><i>September 1.</i> Nonresidents may purchase domestic real estate based on actual needs and for their own use.</p>
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<p><i>December 11.</i> China provides full national treatment for foreign banks. Under its WTO agreement, foreign banks, after being incorporated locally, are permitted to engage in the same range of financial services as Chinese banks, including taking retail renminbi deposits, and they are regulated and supervised in the same way as domestic banks. Foreign bank branches with CBRC approval to conduct renminbi business may accept fixed-term deposits</p>

PEOPLE'S REPUBLIC OF CHINA

Provisions specific to institutional investors

from Chinese citizens living in China in the amount of no less than 1 million renminbi a transaction.

April 15. On approval, qualified fund management firms and other securities management companies may, within a certain limit, combine foreign exchange funds owned by domestic institutions and individuals and use the funds overseas for portfolio investments, including for stocks.

September 1. The Interim Implementing Regulations on QFII Securities Investments in China were abolished and the Administration of QFII Securities Investments in China went into effect.

Changes during 2007

Exchange arrangement

January 15. The number of market-maker banks increased to 22 from 21.

Payments for invisible transactions and current transfers

February 1. Residents are allowed to purchase foreign exchange up to US\$50,000 a year for current account transactions.

COLOMBIA

(Position as of May 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 1, 2004.

Exchange Measures

**Restrictions and/or multiple
currency practices**

The staff report for the 2006 Article IV consultation with Colombia states that as of October 16, 2006, Colombia maintained the following two exchange measures subject to Fund approval under Article VIII: (a) an exchange restriction arising from a special foreign exchange regime for the hydrocarbon sector that limits the availability of foreign exchange for branches of foreign corporations that choose to participate in the regime, and (b) a multiple currency practice and an exchange restriction arising from a tax on remittances abroad of nonresident income which is withheld when the foreign exchange is purchased. (Country Report No. 06/408)

International security restrictions

No.

**References to legal instruments and
hyperlinks**

n.a.

Exchange Arrangement

Currency

The currency of Colombia is the Colombian peso.

Other legal tender

Various commemorative gold coins are also legal tender.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

All foreign exchange transactions are conducted at a market-determined exchange rate. The Banco de la República (BR) intervenes in the foreign exchange market to adjust the level of international reserves, limit excess volatility of the exchange rate, and influence the speed of adjustment of the nominal exchange rate.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Derivative contracts are permitted on underlying commodity and financial transactions to cover exchange rate, interest rate, or shareholder index price risks. The types of contracts permitted include standardized stock exchange contracts and over-the-counter contracts (forwards and swaps). Effective May 7, 2007, the overall gross exposure of each participant in the derivative foreign exchange market may not exceed 500% of their total capital.

**References to legal instruments and
hyperlinks**

www.banrep.gov.co/politica_cambiaria/index.html.

Arrangements for Payments and Receipts

**Prescription of currency
requirements**

Use of foreign exchange among residents

The use of foreign exchange among residents is prohibited, with the exception of (1) transactions between mineral sector companies (e.g., coal, nickel, gas, and oil) and service companies inherently related to the hydrocarbons sector; (2) sales of fuel for international transportation; (3) purchases and sales of oil and gas produced domestically by Ecopetrol and other entities refining oil on an industrial scale; and (4) payments in foreign exchange between residents made through current clearing accounts opened for this purpose.

COLOMBIA

Residents may purchase and sell foreign currency professionally, in cash or traveler's checks, after enrolling in the commercial registry and the registry of foreign currency buyers and sellers. Authorization does not include the direct or indirect offer of professional services, such as the marketing of checks or securities in foreign currency, international payments, money orders and remittances, or any type of channeling through the exchange market for third parties. Residents may not advertise themselves as or use any denomination that gives the impression they are foreign currency exchange dealers. Exchange market intermediaries (EMIs) must adopt the necessary procedures for clearing and/or settling their interbank transactions in foreign currency, to reduce the risks involved in such settlements. EMIs who are registered with the BR and comply with the established requirements are allowed to distribute and sell prepaid debit cards or similar instruments issued by foreign financial institutions. EMIs are authorized to conduct business in exchange rate derivatives with nonresidents who hold foreign investments registered with the BR or who have offered issues on Colombia's public securities market. Effective May 31, 2006, payment in foreign currency is permitted for foreign-currency-denominated derivatives.

Payments arrangements

Regional arrangements

Settlements between Colombia and the other LAIA countries may be conducted through accounts maintained within the framework of the multilateral clearing system of the LAIA. República Bolivariana de Venezuela requires an LAIA agreement for its trade with Colombia.

Administration of control

Surveillance over exchange rate policies implemented by the board of directors of the BR is exercised by the Superintendency of Corporations, National Bureau of Revenue and Customs, and Financial Superintendency (SF), which, effective January 1, 2006, replaced the Superintendency of Securities and Exchange and the Superintendency of Banks.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

No.

Controls on exports and imports of banknotes

Imports and exports of domestic or foreign currency (except those by the BR) in excess of the equivalent of \$10,000 must be effected through security transport companies or exchange market intermediaries.

On exports

Yes.

On imports

Yes.

References to legal instruments and hyperlinks

www.banrep.gov.co/reglamentacion/rg_regimen1.htm; External Resolution 8 of 2000, Articles 82 and 79.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

These accounts may be opened only by travel and tourist agencies, international shipping companies, port and airport service companies in free trade areas, bonded warehouses, and public and private companies conducting technical cooperation programs. Public or private companies conducting international technical cooperation programs with the national government may receive foreign currency deposits in amounts disbursed by international cooperation agencies.

Held abroad

Transactions that are required to be channeled through the exchange market, such as those relating to debt, investment, purchases of derivatives, and trade-related operations, must use accounts registered with the BR. Unregistered accounts are used for all other transactions.

Accounts in domestic currency held abroad

n.r.

Accounts in domestic currency convertible into foreign currency

No.

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References to legal instruments and hyperlinks www.banrep.gov.co/reglamentacion/rg_regimen1.htm; External Resolution 8 of 2000, Article 59.1.d.

Nonresident Accounts

Foreign exchange accounts permitted Only financial institutions are authorized to receive deposits in foreign currency from nonresident individuals and firms, diplomatic and consular missions, and multilateral organizations and their officials.

Domestic currency accounts Only financial institutions are authorized to receive trade-related deposits from nonresident individuals or firms and remittances from workers abroad for purchases of housing.

Convertible into foreign currency No.

Blocked accounts No.

References to legal instruments and hyperlinks www.banrep.gov.co/reglamentacion/rg_regimen1.htm; External Resolution 8 of 2000, Articles 11, 18, and 59.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports

Advance payment requirements Financing of advance import deposits, except for imports of capital goods, may be subject to a deposit requirement, but it is currently set at zero.

Documentation requirements for release of foreign exchange for imports All payments for imports must be conducted through authorized intermediaries or current clearing accounts with appropriate shipping documents and customs declarations.

Import licenses and other nontariff measures

Positive list There is a list of unrestricted imports applicable to all countries. The Ministry of Trade, Industry, and Tourism is authorized to administer licensing requirements with respect to imports under special import-export regimes, imports subject to antidumping controls, and imports subject to set-off policies or safeguards. Imports of the following goods are subject to prior licensing requirements: fresh, chilled, or frozen chicken parts; edible chicken offal; seasoned and frozen chicken parts; some pharmaceutical products for controlled drugs and precursor chemicals for narcotics production; weapons and ammunition; used tires; scrap rope and cords; special aircraft; and warships.

Negative list The following imports are prohibited: chemical, biological, and nuclear weapons; and merchandise prohibited to be imported by international agreements.

Licenses with quotas Quotas have been set for sweets, cocoa, chocolates, and other prepared foodstuffs containing cocoa; infant formula; and meat products under the CAN-MERCOSUR agreement.

Quotas were applied to some men's clothing items from the People's Republic of China during April–June 2006 and to some other men's clothing items during October 2006–January 2007.

Other nontariff measures Controls are applied for sanitary, security, health, environmental protection, or national production purposes.

Import taxes and/or tariffs With certain exceptions, imports are subject to the CET of the Andean Community. The simple average tariff rate is approximately 10.1%.

State import monopoly No.

References to legal instruments and hyperlinks www.mincomercio.gov.co/VBeContent/home.asp.

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Exports and Export Proceeds

Repatriation requirements	Export proceeds must be repatriated within six months of receipt of payment for the goods.
Surrender requirements	Exporters are allowed to retain foreign currency from exports in accounts abroad that are registered with the BR.
Financing requirements	If export proceeds are due more than 12 months after the export declaration, the transactions are classified as credit operations. When proceeds are received in advance and delivery is due more than four months later, a deposit requirement may be imposed, but it is currently set at zero.
Documentation requirements	All proceeds from the export of goods are to be handled via EMIs or checking accounts outside Colombia that are registered with the BR. Information on the shipping documents and the custom declaration must be submitted.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	www.banrep.gov.co/reglamentacion/rg_regimen1.htm ; Resolution 8 of 2000, Article 8.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	
Investment-related payments	
<i>Prior approval</i>	Net profits from portfolio investments may be transferred without limitation. Transfers of profits and repatriations of capital from registered foreign investment may be temporarily restricted if international reserve holdings of the BR fall below the equivalent of three months' worth of imports.
References to legal instruments and hyperlinks	http://juriscol.banrep.gov.co ; Law 9 of 1991, Article 15; Decree 4210 of 2004; Decree 4477 of 2005.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	http://juriscol.banrep.gov.co ; Decree 2080 of 2000; www.banrep.gov.co/documentos/reglamentacion/pdf/Decreto2080de2000ysusmodific.Ene13de2006.pdf .

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Effective June 13, 2006, the MOF lifted the requirement that redemptions of portfolio investments be restricted for a period of one year from the date of investment. In addition, net profits and income from portfolio investments may be transferred without limitation. Effective May 23, 2007, portfolio inflows are subject to an unremunerated reserve requirement (URR) of 40% to be held in the BR for six months. Investors have the option of early withdrawal, but with substantial penalties.

COLOMBIA

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents	The purchase of 10% or more of the stock of a Colombian financial institution requires prior approval of the SF.
Sale or issue locally by nonresidents	These transactions are subject to prior approval of the SF.
Purchase abroad by residents	Companies managing obligatory pension and severance funds may not invest more than 20% of the value of their portfolio in securities issued by entities located outside Colombia.
Sale or issue abroad by residents	Prior approval of the SF is required.

Bonds or other debt securities

Purchase locally by nonresidents	The purchase of more than 20% of the entire issue of fixed-income securities maturing in less than two years is not allowed when it involves investments in portfolio funds managed by brokerage firms or trust companies.
Sale or issue locally by nonresidents	These transactions require SF approval.
Purchase abroad by residents	Companies managing obligatory pension and severance funds may not invest more than 20% of the value of their portfolio in securities issued by entities located outside Colombia.
Sale or issue abroad by residents	These transactions require the prior approval of the SF.

On money market instruments

The regulations governing bonds or other debt securities apply.

On collective investment securities

The regulations governing bonds or other debt securities apply.

Controls on derivatives and other instruments

Effective May 31, 2006, payment in foreign currency is authorized for foreign currency derivatives. Authorized foreign currency derivatives include all derivative instruments denominated in currencies quoted on Bloomberg, Reuters, or Telerate. Effective May 7, 2007, the overall gross exposure of each participant in the derivative foreign exchange market may not exceed 500% of their total capital.

Purchase locally by nonresidents	Only foreign investors registered with the BR and foreign companies that have offered issues on Colombia's public securities market are allowed to purchase cover from EMIs, who are the only authorized providers.
Sale or issue locally by nonresidents	Sales or issues of derivatives may be conducted only with professional counterparts registered with futures markets from OECD countries or with companies in derivative operations valued at least at \$1 billion (notional amount).
Purchase abroad by residents	Residents may conduct these transactions with professional counterparts with contracts nominally valued at the equivalent of at least \$1 billion a year.
Sale or issue abroad by residents	Only EMIs and stock exchanges may offer derivatives on the exchange rate (futures or forward cover).

Controls on credit operations

Commercial credits

To residents from nonresidents

Private import trade financing may be extended only by a nonresident seller, an intermediary authorized by the BR, or a foreign financial institution. Payments on commercial loans must be carried out through an authorized intermediary or a foreign exchange account. In the case of advance payments, if delivery is due more than four months later, the operation is classified as a foreign debt, and therefore is subject to a deposit requirement, which is 40%, effective May 7, 2007 (previously, zero), to be held in the BR for six months. Effective May 7, 2007, external borrowing to prefinance exports is subject to a 11% URR to be held in the BR for one year. The URR is indexed to the exchange rate.

Financial credits

To residents from nonresidents

Residents may obtain loans in foreign currency only from financial entities outside Colombia that are approved by the BR and an EMI. Effective May 7, 2007, financial credits to residents are subject to a 40% URR to be held for six months in the BR. Official financing of the public sector is exempted.

COLOMBIA

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

These facilities are authorized only when associated with exchange market transactions.

Controls on direct investment

Outward direct investment

Financial institutions monitored by the SF are permitted to invest in financial and insurance companies outside Colombia, subject to prior approval by the SF.

Inward direct investment

The purchase of 10% or more of the shares in a domestic financial institution requires the approval of the SF. Investments in the defense sector and in the handling of toxic and radioactive substances are not permitted.

Controls on liquidation of direct investment

The terms of recovery of a registered investment and remittance of profits may be temporarily changed if the BR's international reserves fall below three months' worth of imports.

Controls on real estate transactions

No.

Controls on personal capital transactions

Loans

To residents from nonresidents

Residents may obtain loans in foreign currency only from financial entities outside Colombia that are approved by the BR, an EMI, and the foreign supplier. Financial credit may be subject to prior deposit requirements (currently zero).

References to legal instruments and hyperlinks

www.banrep.gov.co/reglamentacion/rg_regimen1.htm; Resolution 8 of 2000, Articles 42.3, 16, 23, and 38; www.banrep.gov.co/reglamentacion/rg_cambia3.htm; External Regulatory Circular DODM-144; <http://juriscol.banrep.gov.co>; Law 9 of 1991.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Deposits in foreign currency are not subject to reserve requirements.

Investment regulations

Abroad by banks

Credit institutions (banks) may invest in any type of financial asset abroad, except for instruments issued by their subsidiaries. Financial institutions monitored by the SF are permitted to invest in financial and insurance companies outside Colombia, subject to prior approval by the SF.

In banks by nonresidents

Purchases exceeding 10% of the capital of a domestic bank require prior authorization of the SF.

Open foreign exchange position limits

The maximum and minimum limits are 20% and 5%, respectively, of average net worth over three business days. The upper limit for net foreign assets in cash is 50% and the lower limit is zero of average net worth over three business days. Effective May 7, 2007, the overall gross exposure of each participant in the foreign exchange derivative market may not exceed 500% of their total capital.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on investment portfolio held abroad

Up to 30% of an insurance company's portfolio may be invested in securities issued or backed by agents abroad.

COLOMBIA

Pension funds

Limits (max.) on investment portfolio held abroad

Companies managing obligatory pension and severance funds may not invest more than 20% of the value of their portfolio in securities issued by entities abroad.

Currency-matching regulations on assets/liabilities composition

There is a limit of 30% on the short position of pension funds.

Investment firms and collective investment funds

Limits (min.) on investment portfolio held locally

Investment of foreign funds in fixed-income securities maturing in less than two years may not exceed 20% of the original amount of the same issue.

References to legal instruments and hyperlinks

www.superfinanciera.gov.co.

Changes during 2006

Arrangements for payments and receipts

January 1. The SF replaced the Superintendency of Securities and Exchange and the Superintendency of Banks.

May 31. Payment in foreign currency was permitted for foreign-currency-denominated derivatives.

Capital transactions

Controls on capital and money market instruments

June 13. The MOF lifted the requirement that redemptions of portfolio investments be restricted for a period of one year from the date of investment. In addition, net profits and income from portfolio investments may be transferred without limitation.

Controls on derivatives and other instruments

May 31. Payment in foreign currency was authorized for foreign currency derivatives. Authorized foreign currency derivatives include all derivative instruments denominated in currencies quoted on Bloomberg, Reuters, or Telerate.

Changes during 2007

Exchange arrangement

May 7. The overall gross exposure of each participant in the foreign exchange derivative market may not exceed 500% of their total capital.

Capital transactions

Controls on capital and money market instruments

May 23. Portfolio inflows are subject to a URR of 40% to be held in the BR for six months.

Controls on derivatives and other instruments

May 7. The overall gross exposure of each participant in the foreign exchange derivative market may not exceed 500% of their total capital.

Controls on credit operations

May 7. Advance payments of more than four months were made subject to a 40% deposit requirement to be held in the BR for six months. External borrowing to prefinance exports was made subject to an 11% URR to be held in the BR for one year. Financial credits to residents were made subject to a 40% URR to be held in the BR for six months.

COMOROS

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Comoros is the Comorian franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Comoros participates in the franc zone area. The Comorian franc is pegged to the euro at CF 491.96775 per €1. Exchange rates are officially quoted on the basis of the fixed rate of the Comorian franc for the euro and the Paris exchange market rates for other currencies.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Forward cover against exchange rate risk is authorized by the Central Bank of the Comoros (CBC) and is provided to traders for up to three months by a commercial bank that is authorized to conduct this transaction.

References to legal instruments and hyperlinks Monetary Cooperation Agreement of November 23, 1979; CBC Circular 2/99 establishing parity between the euro and the Comorian franc.

Arrangements for Payments and Receipts

Prescription of currency requirements Because the Comoros is linked to the French Treasury through an Operations Account, settlements with France, Monaco, and other Operations Account countries (franc zone area members) are made in euros or the currency of any other Operations Account country. Settlements with all other countries are usually made through correspondent banks in France in any of the currencies of those countries or in euros through foreign Comorian franc accounts.

Controls on the use of domestic currency Settlements in domestic currency abroad require prior approval of the CBC.

For current transactions and payments Settlements abroad in banknotes are not allowed.

For capital transactions n.a.

Use of foreign exchange among residents The use of foreign exchange among residents is prohibited. Any foreign currency acquired must be converted at authorized financial institutions.

Payments arrangements

Regional arrangements The Comoros is a member of COMESA and the RIFF.

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Clearing agreements	Yes.
Administration of control	The minister of finance and budget has sole authority in exchange control matters but has delegated certain exchange control powers to the CBC and to authorized banks. Exchange control is administered by the CBC. The Ministry of Finance and Budget supervises borrowing and lending abroad, inward direct investment, and all outward investment. With the exception of transactions relating to gold, the country's exchange control measures do not apply to (1) France (and its overseas departments and territories) and Monaco and (2) all other countries whose banks of issue are linked with the French Treasury by an Operations Account (franc zone area members). Statistical reporting is required to monitor speculative transactions.
Payments arrears	
Official	Yes.
Private	n.a.
Controls on trade in gold (coins and/or bullion)	
On external trade	Imports and exports of gold bullion or coins require prior authorization. Exports and imports of articles containing gold are subject to declaration, but transfers of personal jewelry within the limit of 500 grams a person are exempt from such declaration.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	A limit of CF 750,000 applies to exports to countries outside the franc zone.
<i>Foreign currency</i>	Residents traveling to France, Monaco, and the Operations Account countries may take out the equivalent of CF 750,000 in banknotes and any amount in other means of payment. Residents traveling to countries other than France, Monaco, and the Operations Account countries may take out any means of payment up to the equivalent of CF 750,000 a person a trip. Any amount in excess of these limits is subject to CBC approval, which is granted if supporting documentation is provided. Nonresident travelers may export the equivalent of CF 750,000 in banknotes and any means of payment issued abroad in their name without providing documentary justification. Other cases are authorized pursuant to the exchange regulations when supporting documents are produced.
On imports	
<i>Domestic currency</i>	No controls apply to imports of Comorian francs, euro banknotes, or banknotes of countries connected to the French Treasury through the Operations Accounts.
<i>Foreign currency</i>	Resident travelers are required to surrender all foreign exchange to an authorized intermediary within one month of return. Nonresidents bringing in foreign currency banknotes are required to declare them to customs on entry.
References to legal instruments and hyperlinks	Decree 87-005/PR of January 16, 1987, regulating financial relations between the Comoros and other countries; CBC Directives 6 and 7 implementing Decree 87-005/PR.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	These accounts are permitted, but prior approval is required.
<i>Approval required</i>	Yes.
Held abroad	These accounts are permitted, but prior approval is required.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	No.

COMOROS

Accounts in domestic currency convertible into foreign currency	Prior authorization is required.
References to legal instruments and hyperlinks	CBC Directive implementing Decree 87-005/PR.

Nonresident Accounts

Foreign exchange accounts permitted	These accounts are permitted, but prior approval is required.
Approval required	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Nonresidents may open accounts denominated in Comorian francs in authorized banks.
Blocked accounts	Yes.
References to legal instruments and hyperlinks	CBC Directive implementing Decree 87-005/PR.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	All import transactions must be domiciled with an authorized bank if the value is the equivalent of CF 500,000 or more.
Preshipment inspection	Yes.
Letters of credit	Yes.
Import licenses used as exchange licenses	Import licenses are not required. Importers are required to submit a foreign trade data sheet on imports.
Other	n.a.
Import licenses and other nontariff measures	The importation of most goods, except for those originating from member countries of the EU, Monaco, and the Operations Account countries, is subject to notification for statistical purposes.
Negative list	The importation of certain goods from all countries is prohibited for health or security reasons.
Import taxes and/or tariffs	The 2007 Budget Law introduced the following customs duties on imports, effective January 1, 2007: (1) a single import tax of zero, 5%, and 20%; and (2) presumptive taxation of less-than-container loads (miscellaneous products). Previously, import duty rates were zero, 20%, 30%, and 40% for general merchandise (c.i.f. valuation). The import duty rate for tobacco is 180% and that for spirits is 250%. An administrative fee of 3% is levied on imports that are exempt from duty. The duty for noncommercial imports is 21% (c.i.f. valuation).
State import monopoly	State monopolies exist for hydrocarbons and ordinary rice.
References to legal instruments and hyperlinks	CBC Directive 11 of December 16, 1991, on the exchange regulation, implementing Decree 87-005/PR; Budget Law.

COMOROS

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports to foreign countries must be repatriated within 30 days of the expiration of the commercial contract.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Proceeds must be sold immediately after repatriation to an authorized bank.
Financing requirements	No.
Documentation requirements	With a few exceptions, exports to any destination do not have licensing requirements.
Letters of credit	Yes.
Domiciliation	All export transactions must be domiciled with an authorized bank if the value is equivalent to CF 500,000 or more.
Preshipment inspection	Preshipment inspection is required by customs regulations.
Other	n.a.
Export licenses	Notification is required for statistical purposes.
Without quotas	Yes.
Export taxes	Export taxes on vanilla, cloves, and ylang-ylang are set annually with rates dependent on market conditions. The 5% export tax on cash crops (vanilla, cloves, and ylang-ylang) was suspended to support the sector as a result of depressed world prices for these commodities.
Other export taxes	Taxes are levied on specific tourism services.
References to legal instruments and hyperlinks	CBC Directive 10 of December 16, 1991, on the exchange regulation, implementing Decree 87-005/PR; Budget Law.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments for invisibles to France, Monaco, and the Operations Account countries are permitted freely. Payments for invisibles related to authorized imports are not restricted. All other payments, except investment-related transfers, are subject to indicative limits or bona fide tests.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Repatriation of dividends and other earnings from nonresidents' direct investments is authorized and guaranteed under the Investment Code.
Payments for travel	
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Residents traveling to countries other than France, Monaco, and the Operations Account countries may take out any means of payment up to the equivalent of CF 750,000 a person a trip. Any amount in excess of these limits is subject to the prior approval of the CBC on submission of supporting documentation.
Personal payments	These transactions are authorized on presentation of supporting documents.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Prior approval</i>	n.a.
<i>Quantitative limits</i>	The limits for tourist and business travel apply.

COMOROS

<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Law 80-07 Regulating Banks and Financial Institutions; Law 80-08 on Currency and the CBC's Role in Supervising Banks, Financial Institutions, Credit Institutions, and Exchange Offices; CBC Directives 2 and 6, implementing Decree 87-005/PR.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from transactions with France, Monaco, and the Operations Account countries may be retained. All amounts due from residents of other countries with respect to services and all income earned in those countries from foreign assets must be repatriated within one month of the due date or date of receipt.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Export proceeds in foreign currency must be sold to an authorized bank.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	
Controls on capital and money market instruments	Capital transfers between the Comoros and France, Monaco, and the Operations Account countries are, in principle, free of exchange control. Capital transfers to all other countries require exchange control approval, but capital receipts from these countries are permitted freely.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Controls apply to all these transactions.	
On money market instruments	
n.r.	
On collective investment securities	
n.r.	
Controls on derivatives and other instruments	n.r.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Credits must have a maximum maturity of 90 days.

COMOROS

<i>To residents from nonresidents</i>	Yes.
Financial credits	Controls apply to all these transactions.
Guarantees, sureties, and financial backup facilities	Controls apply to all these transactions.
Controls on direct investment	
Outward direct investment	Controls relate to the approval of the underlying transactions, not to payments or receipts.
Controls on liquidation of direct investment	Yes.
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	
<i>To residents from nonresidents</i>	Yes.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Settlement of debt is permitted upon presentation of supporting documentation.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Yes.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	Law 95-015/AF containing the Investment Code.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Lending is permitted for economic activities in the Comoros.
Lending locally in foreign exchange	Such lending does not take place in practice.
Purchase of locally issued securities denominated in foreign exchange	There is no local market for these securities.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Provisions specific to institutional investors	There is no local market for these transactions.
Pension funds	n.a.

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Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents n.a.

Limits (max.) on investment portfolio held abroad n.a.

Limits (min.) on investment portfolio held locally n.a.

References to legal instruments and hyperlinks

Law 80-07 Regulating Banks and Financial Institutions; Law 80-08 on Currency and the CBC's Role in Supervising Banks, Financial Institutions, Credit Institutions, and Exchange Offices.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Imports and import payments

January 1. Under the 2007 Budget Law, import duties were reduced to zero, 5%, and 20% (previously, zero, 20%, 30%, and 40%).

DEMOCRATIC REPUBLIC OF THE CONGO

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 10, 2003.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the Staff Monitored Program states that as July 5, 2006, the Democratic Republic of the Congo maintained measures that give rise to one restriction and one multiple currency practice (MCP) subject to Fund approval under Article VIII of the Fund's Articles of Agreement. The exchange restriction involves an outstanding net debit position vis-à-vis other contracting members under the inoperative regional payments agreement with the Economic Community of the Great Lakes Countries (CEPGL). The multiple currency practice involves a fixed exchange rate set on a quarterly basis applying to transactions through the bilateral payments agreement (BPA) with Zimbabwe. (Country Report No. 06/259)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the Democratic Republic of the Congo is the Congo franc.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the Congo franc is determined by supply and demand in the foreign exchange market. The Central Bank of the Democratic Republic of the Congo (BCC) publishes the daily average exchange rate, which is based on the combined average of the amounts and rates applied in market transactions, as reported by exchange bureaus and banks. The BCC, while observing the international reserves target in the monetary program, intervenes to smooth exchange rate fluctuations, but not against market fundamentals. Charges or commissions are not assessed on interbank market transactions. In their transactions with customers, commercial banks and financial institutions may charge an exchange commission not exceeding 1%. The spread between the buying and selling rates for foreign banknotes set by the commercial banks and financial institutions in the foreign exchange market must not exceed 5%.

Exchange tax

A charge of 0.02% is levied by the BCC on any payment made or received by licensed banks, to or from abroad, irrespective of the status of the originator or the beneficiary.

Exchange subsidy

No.

Forward exchange market

Exchange market participants may engage in spot and/or forward operations. Forward operations are completed on contract maturity. Congo franc equivalents for exchange transactions are calculated at rates agreed to between contracting parties. They are paid on the agreed date and, by choice of the contracting parties, through a clearinghouse, credit to an account, or cash payment. The contractual maturity of forward operations must take account of holidays in the Democratic Republic of the Congo and abroad.

References to legal instruments and hyperlinks

Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Operation of the BCC; Democratic Republic of the Congo Exchange Regulations of February 13, 2003; Agreement Organizing the Exchange Market in the Democratic Republic of the Congo.

DEMOCRATIC REPUBLIC OF THE CONGO

Arrangements for Payments and Receipts

Prescription of currency requirements	Transactions in the Democratic Republic of the Congo may be expressed and carried out in domestic currency or in one of nine currencies and units of account listed by the BCC. Exchange operations conducted in the context of international agreements are subject to provisions of the relevant agreements.
Use of foreign exchange among residents	There are no restrictions on the holding of foreign currency. The provision of services can be valued and remunerated in domestic currency. However, residential rent, education, and health-related expenditures, and the costs of water and electricity consumption are set and paid only in domestic currency when they relate to transactions between residents.
Payments arrangements	Exchange operations conducted in the context of international agreements are subject to provisions of the relevant agreements.
Bilateral payments arrangements	
<i>Inoperative</i>	There is an inoperative agreement with Zimbabwe.
Regional arrangements	The Democratic Republic of the Congo is a member of COMESA, the SADC, the CEPGL, and the CEEAC.
Clearing agreements	Within the CEPGL, the Democratic Republic of the Congo has payments agreements using the clearing mechanism. Payments are made through SDR-denominated accounts among the CBs of the Democratic Republic of the Congo, Rwanda, and Burundi (inoperative).
Administration of control	Foreign exchange transactions must be conducted through the BCC or authorized intermediaries. The BCC also supervises authorized banks and nonbank intermediaries and regulates the foreign exchange positions of banks. The required supporting documentation must be presented for all operations involving revenue transfers, current transfers, capital movements, and international payments in amounts exceeding \$10,000.00.
Payments arrears	
Official	Yes.
Private	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Only nationals of the Democratic Republic of the Congo are allowed to purchase, transport, sell, or hold gold within the country outside of areas covered by exclusive mining concessions. Foreign individuals or legal entities may do so only on behalf of, and for the account of, authorized marketing agencies.
On external trade	Exports of gold by authorized marketing agencies do not require prior authorization from the BCC. However, they must comply with the Kimberley Process and require, in addition to an export declaration made through a licensed bank, a CEEAC appraisal certificate and a certificate of origin. In addition to prefinancing, the repatriation of proceeds from exports of gold must be effected within 10 days from the date of shipment
Controls on exports and imports of banknotes	
On exports	
<i>Foreign currency</i>	Travelers exiting the country are authorized to carry foreign exchange not exceeding \$10,000 or its equivalent in other currency, except if they are in international transit or on a service mission. Travelers must declare the amounts of foreign exchange carried. Transfers of amounts exceeding \$10,000 must be effected through a bank. Foreign banknotes representing part of the exchange position of a licensed bank must be transferred abroad through the central bank. The transferring bank is required to apply in writing to the BCC for authorization, specifying the amounts to be exported by foreign currency and the name and address of the recipient correspondent bank abroad.

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On imports

Foreign currency

Residents and nonresidents entering the country may bring in an unlimited amount of banknotes and other means of payment in foreign currency, but amounts exceeding \$10,000 or its equivalent must be declared.

Foreign currency banknotes must be imported through a bank, based on written BCC authorization. All foreign currency imported in this way through a licensed bank is deemed to be part of that bank's exchange position.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Licensed banks are permitted to open foreign currency accounts for residents without prior approval from the BCC.

Held abroad

Yes.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

Balances in domestic currency may be converted into foreign currency without restriction by agreement between the account holder and the bank.

References to legal instruments and hyperlinks

Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Operation of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003; Law No. 04/016 of July 19, 2004, on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).

Nonresident Accounts

Foreign exchange accounts permitted

Licensed banks are permitted to open foreign currency accounts for nonresidents without prior approval from the BCC. These accounts may be demand or time deposit accounts, interest bearing, and credited or debited without restriction.

Domestic currency accounts

Licensed banks are permitted to open domestic currency accounts for nonresidents without prior approval from the BCC. The accounts may be demand or time deposit accounts, interest bearing, and credited or debited without restriction.

Convertible into foreign currency

Balances of domestic currency accounts originating from legitimate international transactions can be converted and transferred.

Blocked accounts

No.

References to legal instruments and hyperlinks

Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Operation of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003; Law No. 04/016 of July 19, 2004, on AML/CFT.

Imports and Import Payments

Foreign exchange budget

No.

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Financing requirements for imports

Advance payment requirements

A licensed bank may make advance payment for fuel imports based on a pro forma invoice, a contract entailing such a requirement, and a letter pursuant to which an oil distributor undertakes to provide the bank in a timely fashion with a Congolese Control Office (OCC) certificate, a final invoice, a customs warehouse declaration, and any other supporting documents for the transaction.

A licensed bank may also make payments for other goods on the basis of payment orders of their importer customers, a contract and/or pro forma invoice entailing a preshipment and/or predelivery payment clause, OCC certificate, letter of commitment, and advance payment refund guarantee for goods that are to be made to order.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement

Effective March 18, 2006, merchandise imports, except those relating to cross-border trade and regardless of the method of financing involved, require prior submission of an exchange document ("IB" declaration form) to a licensed bank. Effective March 18, 2006, under special exchange arrangements, corporate holders of mining rights and oil production companies may import goods only after submission of IB and EB global declaration forms. They may also hold a given amount of their earnings in accounts abroad. In accordance with letters D15/Gouv. Nos. 344 and 382, effective March 13 and 18, 2006, under the new payment arrangements for imports of fuel and other goods, banks may make payments, prior to shipment and/or on arrival, on the basis of a payment order and a cover letter in which the importer undertakes to submit the ad hoc supporting documents within a specified time frame.

Preshipment inspection

Imports are subject to a preshipment inspection. The amount, invoice price, and quality of imports must be verified and approved by the foreign agents of the OCC. Verification certificates are not required for import values (f.o.b.) of up to the equivalent of \$2,500 a shipment.

Letters of credit

Rules on import payments follow generally accepted international payment modes.

Import licenses used as exchange licenses

An import declaration duly validated by a licensed bank serves as authorization to import and/or to make payment in favor of a foreign supplier.

Other

Yes.

Import licenses and other nontariff measures

Positive list

The importing of certain products—primarily coins, commemorative coins, banknotes, secondhand materials for investment, arms and ammunition, and explosives—requires the prior authorization of specific government departments.

Negative list

Certain imports, including narcotics, materials contrary to public morals, and certain alcoholic beverages, are prohibited.

Open general licenses

For urgent imports of goods that have the same tariff classification and whose characteristics are unknown at the time of exchange document validation, economic operators may use the IB global declaration form. In the box for the tariff classification, the IB global declaration form should indicate the first two digits of the tariff classification for the goods.

Import taxes and/or tariffs

The tax and customs services determine and collect import taxes and duties.

State import monopoly

No.

References to legal instruments and hyperlinks

Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Operation of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003; Letter D15/Gouv. No. 00010 of January 5, 2006; Letter D15/Gouv. Nos. 344 and 382 of March 13, 2006, and March 18, 2006, respectively.

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Exports and Export Proceeds

Repatriation requirements	Export or reexport proceeds must be repatriated within 30 days of the date of shipment, except in the case of proceeds of nonindustrial gold and diamonds, which must be received at the concerned bank within 10 days of the date of shipment. Proceeds from exports on consignment must be repatriated as soon as the goods have been sold and by no later than the deadline for the EB form.
Surrender requirements	Exporters are not required to surrender their export proceeds to banks or to the BCC. If they do surrender them, the terms, conditions, and arrangements are to be jointly agreed to by the bank and its customers.
Financing requirements	No.
Documentation requirements	Export transactions, except in the case of cross-border trade, and regardless of the financing method involved, require the prior submission to a licensed bank of an exchange document (EB declaration form).
Letters of credit	Yes.
Domiciliation	Yes.
Preshipment inspection	Exports require inspection certificates of quality, quantity, and price. EB declaration forms must be submitted with the following documents: lot ready for export report, quality certificate (coffee), appraisal certificate (precious materials), and certificate of origin (precious materials).
Export licenses	Export declaration requirements are for statistical purposes only.
Without quotas	Yes.
Export taxes	
Collected through the exchange system	The BCC imposes an exchange control fee of 0.02% on export proceeds surrendered to banks and on exports for which no foreign currency proceeds have been repatriated.
Other export taxes	The tax and customs services collect export taxes and duties.
References to legal instruments and hyperlinks	Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Functioning of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments for current invisible transactions are authorized on the basis of the submission to a licensed bank of an exchange document called the "IS" declaration form for imports of services, attaching the contract of service and/or invoice as well as any other supporting documents. The transactions pertaining to the transfer of income or current transfer in an amount exceeding \$10,000 also require the submission of an "RC" form to a licensed bank. Parties submitting the form must attach all necessary supporting documents.
Trade-related payments	Trade-related payments (e.g., freight, insurance) are made on the basis of declaration form IB when the import is c.i.f. When the import is f.o.b., the insurance is paid on the basis of form IS, along with the cost of unloading and warehousing.
<i>Indicative limits/bona fide test</i>	Indicative limits or bona fide tests are applied to payments of freight, insurance, and commissions.
Investment-related payments	Profits, dividends, interest, rental income, etc., earned in the Democratic Republic of the Congo may be transferred only through licensed banks, and in accordance with contractual provisions.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Indicative limits/bona fide test</i>	Yes.

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Personal payments	Current transfers may be made only through licensed banks for academic and tuition fees, living expenses, medical expenses, contributions, and pension and retirement expenses.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	Foreign workers' income and remuneration earned in the Democratic Republic of the Congo may be transferred through licensed banks.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	Payments for subscriber fees, membership fees, gifts in kind and in cash, and subscriptions are permitted.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Functioning of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003; Law No. 04/016 of July 19, 2004, on AML/CFT.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	For proceeds from exports of services, licensed banks are required to complete a declaration of foreign currency receipts. Exporters are required to obtain payment from foreign buyers for services based on the ES declaration form. They must repatriate payments through a licensed bank. The ES declaration, duly stamped by the licensed bank, serves as an authorization for the export of services with the requirement to receive payments for the invoiced amounts.
Surrender requirements	Exporters of services are not required to surrender export revenues to banks or to the BCC. If they do surrender them, the terms, conditions, and arrangements shall be jointly agreed to by the bank and its customers.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Operation of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003; Law No. 04/016 of July 19, 2004, on AML/CFT; Law No. 003/2002 of February 2, 2002, on the Activities and Supervision of Credit Institutions.

Capital Transactions

Controls on capital transactions	Inward and outward capital transactions exceeding the equivalent of \$10,000 are permitted on the submission of an RC declaration form to a licensed bank. The capital involved must represent the proceeds of lawful transactions.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Individuals and legal entities must first inform the BCC in writing of their intention to attract funds through any of the following activities: (1) exports for sale; (2) offers for sale; (3) offers for subscription; (4) offers for swap or purchase; or (5) swaps and issuance of (a) shares, securities, or founders' shares; (b) savings or capitalization bonds; (c) bonds and other securities, regardless of the identity of the borrower; (d) certificates or shares in joint investment funds; (e) other financial claims or similar financial instruments; and (f) all paper representative of such assets.

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On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Yes.

Sale or issue locally by nonresidents

Only BCC-licensed individuals or legal entities may carry out the functions of securities intermediaries.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

These transactions require prior authorization from the BCC.

Bonds or other debt securities

These transactions are permitted only for authorized individuals or legal entities.

On money market instruments

These transactions are permitted only for authorized individuals or legal entities.

On collective investment securities

These transactions are permitted only for authorized individuals or legal entities.

Controls on derivatives and other instruments

These transactions are permitted only for authorized individuals or legal entities.

Controls on credit operations

Residents may borrow abroad only for investment in the Democratic Republic of the Congo.

Commercial credits

Controls apply to all these transactions.

Financial credits

Controls apply to all these transactions.

Guarantees, sureties, and financial backup facilities

To residents from nonresidents

Yes.

Controls on direct investment

Inward direct portfolio investment is permitted, subject to the submission of an RC declaration form.

Outward direct investment

Controls apply in accordance with the Investment Code.

Inward direct investment

Controls apply in accordance with the Investment Code.

Controls on liquidation of direct investment

The repatriation of foreign capital brought in under the provisions of the Investment Code is permitted, subject to prior BCC authorization, only at the time of liquidation, nationalization, or partial or total transfer of shares.

Controls on real estate transactions

Controls apply to all these transactions.

Controls on personal capital transactions

Loans

Controls apply to all these transactions.

Gifts, endowments, inheritances, and legacies

These transactions are permitted only through a licensed bank.

Settlements of debts abroad by immigrants

Yes.

Transfer of assets

Controls apply to all these transactions.

Transfer of gambling and prize earnings

Yes.

References to legal instruments and hyperlinks

Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Operation of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003; Law No. 04/016 of July 19, 2004, on AML/CFT; Banking Law No. 003/2002 of February 2, 2002; Law No. 272/0004 of January 24, 1972.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Banks are required to observe a minimum capital-risk ratio of 25%.
Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Bridge loans are authorized without the prior consent of the BCC.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Banks must ensure that foreign exchange liabilities resulting from resident and nonresident foreign exchange accounts have sufficient funding to guarantee payments on demand in favor of account holders.
<i>Liquid asset requirements</i>	Yes.
<i>Credit controls</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
<i>Credit controls</i>	Yes.
Open foreign exchange position limits	Limits on the foreign exchange positions of each bank are determined by the BCC. Banks are required to continuously observe the following: (1) a maximum ratio of 5% between their long or short position in each foreign currency and their capital and (2) a maximum ratio of 15% between their short position in all foreign currencies and their capital.
Provisions specific to institutional investors	
Investment firms and collective investment funds	Only BCC-licensed individuals or legal entities may carry out the functions of securities intermediaries.
References to legal instruments and hyperlinks	Law No. 67/272 of June 23, 1967, Defining the Regulatory Authority of the Central Bank in Exchange Matters; Law No. 05/2002 of May 7, 2002, on the Establishment, Organization, and Operation of the Central Bank of the Democratic Republic of the Congo; Democratic Republic of the Congo Exchange Regulations, dated February 13, 2003; Law No. 04/016 of July 19, 2004, on AML/CFT; Banking Law; Instruction No. 14, on Prudential Rules Governing the Management of Banks.

Changes during 2006

Imports and import payments	<p><i>March 18.</i> In accordance with letters D15/Gouv. Nos. 344 and 382, under the new payment arrangements for imports of fuel and other goods, banks may make payments, prior to shipment and/or on arrival, on the basis of a payment order and a cover letter in which the importer undertakes to submit the ad hoc supporting documents within a specified time frame.</p> <p><i>March 18.</i> Merchandise imports, except those relating to cross-border trade and regardless of the method of financing involved, required prior submission of an exchange document ("IB" global import license form) to a licensed bank.</p>
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March 18. Under special exchange arrangements, corporate holders of mining rights and oil production companies were allowed to import goods after submission of IB and EB global declaration forms. They were also allowed to hold a given amount of their earnings in accounts abroad.

REPUBLIC OF CONGO

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency issued within the CAEMC, which is legal tender in the Republic of Congo and the other member countries, is the CFA franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Republic of Congo participates in a currency union with five other members of the CAEMC and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange transactions in euros between the BEAC and commercial banks are made at the same rate. Buying and selling rates for certain other foreign currencies are also officially posted, with quotations based on the fixed rate for the euro and the rates in the Paris exchange market for the currencies concerned. Effective January 1, 2007, the exchange regime of the CAEMC countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax Effective payments destined to all countries are subject to a commission of 1% (exclusive of VAT), with a minimum charge of CFAF 75. Exempt from this commission are payments of the state, the Postal and Telecommunications Administration, and the BEAC member countries; salaries of Congolese diplomats abroad; expenditures of official missions abroad; scholarships of individuals studying or training abroad; payments made on behalf of individuals for purchases of books and periodicals not intended for sale; and debt-service payments due from companies that have entered into an agreement with the Republic of Congo.

Exchange subsidy No.

Forward exchange market The CAEMC area does not have a forward exchange market.

References to legal instruments and hyperlinks n.a.

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Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

Within the CAEMC, the CFA franc is used freely for payments and receipts in current and capital transactions and payments. Settlement with all countries other than CAEMC member states must be made through correspondent banks, in one of the currencies of the two parties or in any other currency accepted by the two parties to the transaction.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links all Operations Account countries. All purchases and sales of foreign currencies and euros against CFA francs are ultimately settled through a debit or credit to the Operations Account. Exchange regulations of CAEMC member countries are harmonized.

Administration of control

The Ministry of Economy, Finance, and Budget (MEFB) is responsible for administering foreign exchange regulations and may delegate all or a portion of its power to the BEAC, to the Banking Commission in Central Africa (COBAC), and to authorized intermediaries. Authorized intermediaries are usually delegated to administer foreign transactions and are responsible for checking the validity of transactions, collecting statistics, and reporting to the monetary authorities. The tasks delegated must not include some types of transactions. The BEAC ensures exchange regulation surveillance, evaluates cover against exchange risk, studies matters for which advice may be requested when foreign exchange accounts are opened by some resident legal entities, and monitors the repatriation of export proceeds. COBAC must ensure that the authorized intermediaries comply with the specific provisions of these regulations to ensure that they are properly implemented and do not destabilize the CAEMC banking system.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents are free to hold gold in the form of coins, art objects, or jewelry; however, to hold gold in any other form, prior authorization of the MEFB is required.

On external trade

Prior authorization of the MEFB is required to import or export gold in any form. Exempt from the authorization requirement are (1) imports and exports by or on behalf of the treasury or the BEAC and (2) imports and exports of manufactured articles containing a small quantity of gold (such as gold-filled or gold-plated articles). Both licensed and exempt imports of gold are subject to customs declaration. There are no official exports of gold.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. When traveling outside the CAEMC, travelers must use means of payment other than BEAC banknotes. Nevertheless, resident travelers may carry with them a maximum of CFAF 100,000 when exiting the CAEMC.

Foreign currency

Resident or nonresident travelers crossing the borders of the CAEMC must, on entry or exit, declare to customs their foreign currency, securities, or assets in amounts exceeding CFAF 1 million. When leaving the CAEMC, nonresident travelers may take with them foreign currency up to a maximum equivalent to the amount they declared on entry to the CAEMC.

On imports

Domestic currency

Imports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. Resident travelers may import up to CFAF 100,000 on entry to the CAEMC.

Foreign currency

Resident and nonresident travelers of the CAEMC may import banknotes and coins issued by any other bank of issue, without restriction, but must file a customs declaration for any currency or securities exceeding CFAF 1 million.

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References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Residents are not authorized to open foreign currency accounts within the CAEMC.

Approval required The MEFB may authorize certain resident legal entities to open foreign currency accounts with the prior consent of the BEAC.

Held abroad n.r.

Approval required n.r.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency n.a.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Accounts in foreign currencies for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Domestic currency accounts Accounts in CFA francs for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Convertible into foreign currency No.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports Import payments are made in accordance with the contractual terms of the underlying transaction.

Documentation requirements for release of foreign exchange for imports For import payments not exceeding CFAF 100 million, the authorized intermediary must require a pro forma invoice or some other kind of supporting document. When payments of imports exceed this threshold, authorized intermediaries must ensure that the transaction is properly settled and also examine the supporting documents. Nevertheless, legally registered legal entities and declared or certified liberal professionals may be exempt from the requirement to produce supporting documents, provided they present an annual estimate of imports corroborated by a business forecast.

Domiciliation requirement All imports exceeding CFAF 5 million must be domiciled with a resident authorized intermediary. Licenses for imports from these countries must be domiciled with an authorized bank and approved by the Foreign Trade Directorate and the General Directorate of Credit and Financial Relations (DGCRF).

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Preshipment inspection	Yes.
Letters of credit	n.a.
Import licenses used as exchange licenses	The approved import license entitles importers to purchase the necessary foreign exchange, provided the shipping documents are submitted to an authorized bank.
Import licenses and other nontariff measures	An annual import program classifies imports by the following zones: (1) the countries of the CAEMC, (2) France, (3) other Operations Account countries, (4) EU countries other than France, and (5) all remaining countries. Nine items under this program require licenses, and others are subject to ex post declaration.
Open general licenses	Cement, forestry and petroleum products, and a number of staple food products are subject to license. In addition, all imports are subject to declaration.
Licenses with quotas	Imports of cement, wheat flour, and sugar are subject to quotas.
Other nontariff measures	All imports of commercial goods must be insured through authorized insurance companies in the Republic of Congo.
Import taxes and/or tariffs	The CAEMC CET applies on imports from non-CAEMC countries. There are four rates: 5% for essential commodities, 10% for capital goods and inputs, 20% for intermediates, and 30% for consumer goods.
Taxes collected through the exchange system	Import surcharges of 30% have been introduced on imports of goods previously subject to quantitative restrictions. These surcharges are to be eliminated in three to six years, with the longer period applying to certain agricultural and textile products. Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.
State import monopoly	No.
References to legal instruments and hyperlinks	Import duties: Act 7/93-UDEAC-556-CD-SEI of June 21, 1993, amending the CET and establishing the procedures for implementing the Generalized Preferential Tariff in the CAEMC, as well as Act 5/94-UDEAC-556-CD-56 of December 19, 1994, amending some of its articles. Fees: Act 6/93-UDEAC-556-CD-SEI establishing the rate corridor for the TCA and the excise duty in the CAEMC, as well as Act 2/96-UDEAC-556-CD-58 amending some of its articles.

Exports and Export Proceeds

Repatriation requirements	Export earnings originating in countries that are not members of the CAEMC must be collected and repatriated within 30 days following the date stipulated in the contract through the domiciling bank, with the central bank acting as intermediary.
Surrender requirements	
<i>Surrender to the central bank</i>	Export earnings collected in foreign currencies must be surrendered to the BEAC within 30 days following collection.
Financing requirements	n.a.
Documentation requirements	Domiciliation files must contain an export contract; an exchange commitment by which the exporter agrees to repatriate all sums deriving from their exports within one month of the due date for payment; and a customs export document, duly signed by customs staff. After clearance, the file must also be supplemented with a surrender of foreign exchange certificate and a related credit advice from the BEAC. All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.
Letters of credit	n.a.
Guarantees	n.a.
Domiciliation	All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.
Preshipment inspection	Yes.

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Other	n.a.
Export licenses	All exports require an exchange commitment that must be underwritten within eight days from the export date.
Without quotas	Yes.
With quotas	n.a.
Export taxes	
Collected through the exchange system	Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established in the law.
Other export taxes	Export taxes of up to 13% apply to certain goods.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	Under CAEMC foreign exchange regulations, there are no restrictions on service transactions. These transactions are subject to the same conditions as the underlying trade transactions.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided, and authorized intermediaries must ensure that transactions for amounts exceeding CFAF 100 million are properly settled.
Investment-related payments	Transfers of capital income outside the CAEMC in the form of profits, dividends, interest, fees, etc., payable to nonresidents may be made freely, provided the underlying transaction was authorized or not subject to authorization.
<i>Prior approval</i>	Payments for depreciation of direct investments require DGCRF approval.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Payments for travel	On trips outside the CAEMC, travelers must use means of payment other than BEAC banknotes (foreign currencies, traveler's checks, cashier's checks, bank or postal transfers, etc.).
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Indicative limits are established for over-the-counter foreign exchange allocations to residents traveling outside the CAEMC. Indicative thresholds are set according to the type of travel (business, study, leisure, and medical travel, and official missions). However, all substantiated requests are granted, regardless of the amount. Authorized intermediaries are required to serve their customers to the extent that foreign exchange is available, check the validity of the supporting documents presented, and report to the appropriate authorities.
Personal payments	
<i>Indicative limits/bona fide test</i>	Transfers may be made freely on presentation of supporting documents.
Foreign workers' wages	On presentation of their pay slips, resident foreign workers may be authorized to transfer a portion of their net remuneration outside the CAEMC.
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
Credit card use abroad	The use of credit cards is similar to a transfer and is not subject to the regulations governing invisible transactions and current transfers.
Other payments	
<i>Indicative limits/bona fide test</i>	Supporting documents must be provided.
References to legal instruments and hyperlinks	n.a.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Amounts owed by nonresidents for services and all revenue from foreign assets earned outside the CAEMC must be collected through an authorized bank within 30 days following the due date.
Surrender requirements	
<i>Surrender to the central bank</i>	If the amounts are collected in foreign currencies, they must be surrendered to the BEAC no later than 30 days after receipt thereof.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Movements of capital within the CAEMC are not subject to exchange controls. Transactions between the CAEMC and third countries may be made freely, provided they are not in breach of provisions prohibiting the financing of drugs and all other forms of trafficking prohibited under the laws in effect in the CAEMC. Some borrowings, loans, and direct investments, as well as the issue, advertising, or sale of foreign securities within the CAEMC, may be subject to administrative controls and require prior authorization from the appropriate authorities.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
Controls on capital and money market instruments	
On capital market securities	The issue, advertising, or sale of foreign securities issued by foreign enterprises and representing either a fraction of their capital (stock) or a loan made to them (bonds) is subject to prior approval by the MEFB. Exempt from authorization are (1) operation guarantees from the Congolese government and (2) shares similar to securities whose issuing, advertising, or offering for sale in the Republic of Congo has previously been authorized.
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.

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<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
Controls on credit operations	
	Special controls (in addition to any exchange control requirements that may apply) are maintained over borrowing and lending abroad.
Commercial credits	Borrowings directly related to the delivery of services abroad, whether by resident individuals or legal entities, or to the financing of commercial transactions between the CAEMC and the rest of the world, or even between foreign countries involving resident individuals or enterprises, or loans where the outstanding debt does not exceed CFAF 100 million, are not subject to prior authorization from the MEFB. Controls apply to all other commercial credit operations.
Financial credits	Residents may generally freely grant financial credits to or borrow from nonresidents. Prior authorization is required, however, when (1) borrowings are guaranteed by the government or made by public and quasi-public enterprises, (2) the total outstanding debt of a resident borrower exceeds CFAF 100 million, and (3) the total outstanding amount of the loan granted by a resident lender exceeds CFAF 100 million.
<i>By residents to nonresidents</i>	Loans exceeding CFAF 100 million require prior authorization unless they are granted by a resident authorized bank.
<i>To residents from nonresidents</i>	When the total outstanding debt of a borrower exceeds CFAF 100 million, prior authorization from the appropriate authorities is required. The same applies to borrowings guaranteed by the government or made by public and quasi-public enterprises. Authorization is not required for loans contracted by registered banks and small loans in which the total amount outstanding does not exceed CFAF 10 million or its equivalent for any one borrower, the interest is no higher than 5%, and the term is at least two years. The contracting of loans not requiring authorization and each repayment must be reported to the DGCRF within 30 days of the operation.
Guarantees, sureties, and financial backup facilities	n.a.
Controls on direct investment	
Outward direct investment	Direct investment abroad by residents is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments abroad by residents in amounts exceeding CFAF 100 million must be declared to the MEFB 30 days before they are made.
Inward direct investment	Direct investment from abroad in the Republic of Congo is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments from abroad exceeding CFAF 100 million must be declared to the MEFB 30 days before they are made.
Controls on liquidation of direct investment	
	The liquidation of foreign direct investments in the Republic of Congo and abroad in amounts exceeding CFAF 100 million must be declared to the MEFB 30 days before liquidation.

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Controls on real estate transactions	This category of transactions is not subject to specific regulations. It is implicitly subject to the same regulatory provisions as transactions involving the direct investment of financial assets.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEFB 30 days before the transaction in order to receive prior authorization.
<i>To residents from nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEFB 30 days before the transaction in order to receive prior authorization.
Gifts, endowments, inheritances, and legacies	n.a.
Settlements of debts abroad by immigrants	n.a.
Transfer of assets	n.a.
Transfer of gambling and prize earnings	n.a.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowings contracted by resident authorized banks with nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEFB and the BEAC within 30 days following their transaction.
Maintenance of accounts abroad	n.a.
Lending to nonresidents (financial or commercial credits)	Loans granted by resident authorized banks to nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEFB and the BEAC within 30 days following their transaction.
Lending locally in foreign exchange	n.a.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	n.a.
Open foreign exchange position limits	n.a.
Provisions specific to institutional investors	n.a.

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References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the CAEMC countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

COSTA RICA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: February 1, 1965.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Costa Rica is the Costa Rican colón.

Exchange rate structure Unitary.

Classification

Crawling band

The external value of the colón is determined in the interbank market. Effective November 20, 2006, foreign exchange trading among authorized traders occurs in the organized electronic foreign exchange market, MONEX (previously, foreign exchange operations were carried out on the MONED), where the Banco Central de Costa Rica (BCCR) carries out its intervention operations. A limited amount of foreign exchange trading also takes place directly between authorized institutions outside the MONEX.

Foreign currency buying and selling transactions of the nonbank public sector are carried out directly with the BCCR or through the state commercial banks, depending on the amount of the operation, at exchange rates set by the BCCR for that purpose. The exchange rates applied represent the weighted average daily rate resulting from BCCR transactions on the foreign exchange market to meet the net requirements of the institutions involved, even though the BCCR may, in special circumstances, supply them from its international monetary reserves at the average wholesale market price. Public institutions wishing to hold foreign currency are required to obtain authorization from the BCCR with regard to amounts and annual limits.

In addition, institutions authorized to operate on the foreign exchange market are free to set buying and selling rates for transactions with the public. Those rates must be the rates actually used in transactions, i.e., including any surcharge or additional cost, so that they reflect the final price negotiated by the customer. Previously, in the crawling peg regime, effective January 2006, the rate of crawl of the colón was set on the basis of expected rather than past inflation of Costa Rica's 19 principal trading partners. Effective March 16, 2006, the BCCR changed its policy interest rate from the 30-day deposit rate to the overnight deposit rate. Effective April 21, 2006, a bid-ask spread of C 0.75 was imposed on transactions with authorized institutions on the MONED.

On October 17, 2006, the BCCR replaced the crawling peg with a crawling band. The band is defined in terms of colones per \$1, and had an initial width of 3%. The edges of the band are periodically adjusted. As of October 17, 2006, the floor was set at C 514.78 per \$1, and the ceiling was set at C 530.22 per \$1.

The floor was adjusted up by C 0.06 and the ceiling by C 0.14 every working day, resulting in an upward crawl of 2.9% and 6.7% a year, respectively. No central parity is defined in the new foreign exchange system. The BCCR reserves the right to change the rate of crawl, if such a need arises owing to financial and macroeconomic conditions. On January 31, 2007, the rate of crawl of the band's floor was reduced by C 0.06 a day to zero and that of the ceiling by C 0.03 a day to C 0.11, allowing for a faster widening of the band. As a result,

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	the exchange arrangement has been reclassified, effective October 1, 2006, to a crawling band arrangement from a crawling peg.
Exchange tax	In accordance with Article 97 of the Organic Law of the BCCR and Article 5 of the Regulations on Spot Market Exchange Operations, a fee is charged for participation by ADs in the foreign exchange market. Authorized agents must transfer to the CB 10% of the weighted average margin of intermediation on all foreign exchange transactions. Proceeds must be transferred to the CB by the next working day.
Exchange subsidy	No.
Forward exchange market	No.
References to legal instruments and hyperlinks	Regulations on Foreign Exchange Operations (BCCR 5300-2006, Article 5, October 13, 2006); Regulation on Spot Market Exchange Operations; Regulations on Operations with Foreign Exchange Derivatives (approved but not yet in effect); www.bccr.fi.cr/documentos/metas/publicacionesmetas.htm ; www.bccr.fi.cr/flat/bccr_flat.htm (Leyes y Reglamentos); www.bccr.fi.cr/documentos/secretaria/archivos/Reglamento%20Operaciones%20Cambiarias%20de%20Contado-BCCR.pdf ; BCCR 5314-2007 Article 4, Tipo de Cambio de Intervención de Compra y Venta; www.bccr.fi.cr/flat/bccr_flat.htm .

Arrangements for Payments and Receipts

Prescription of currency requirements	Nearly all payments for exchange transactions are made in dollars. Trade payments to Central America may be made in dollars or in local currencies.
Payments arrangements	
Regional arrangements	Costa Rica is a member of the CACM.
Administration of control	Regulations are issued by the BCCR, and supervision is the responsibility of the General Superintendency of Financial Institutions (SUGEF) in the case of financial institutions and foreign exchange bureaus, and of the General Superintendency of Securities in the case of securities exchange seats.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Natural and juridical persons may buy or sell domestically produced gold (except national archaeological treasures).
Controls on exports and imports of banknotes	Imports and exports of foreign currency are unrestricted. The BCCR participates as a facilitator in the import of banknotes, aggregating and processing needs as requested by authorized foreign exchange intermediaries.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

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Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Imports made on a barter basis require a barter license issued by the Ministry of Economy, Industry, and Commerce (MEIC).
Negative list	n.a.
Open general licenses	n.a.
Licenses with quotas	n.a.
Other nontariff measures	n.a.
Import taxes and/or tariffs	Customs tariffs on most goods range up to 15%. In addition, the following taxes are levied on imports: (1) a sales tax of 13%, from which certain essential items are exempt; and (2) selective consumption taxes at rates ranging from zero to 100%.
State import monopoly	Imports of fuel are made by the Costa Rican Petroleum Refinery and imports of grain by the National Council of Production.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Exporters that have received foreign currency from the export of goods, services, or tourism must sell same to an authorized institution or provide proof to the BCCR that the foreign currency in question has entered the country, for the period and within the reporting time frame established by the BCCR.
Financing requirements	n.a.
Documentation requirements	An export form must be filed with the Foreign Trade Promotion Agency.
Export licenses	
Without quotas	Licenses are required for the following goods from their respective agencies: armaments, munitions, scrap iron, and scrap of nonferrous base metals, from the MEIC; sugar, from the Agro-Industrial Cane League; beans, ipecacuanha root, onions, cotton, meat, and thoroughbred cattle, from the National Council of Production; airplanes, from the Civil Aviation Board and the MEIC; Indian art objects made of gold, stone, or clay, from the National Museum; tobacco, from the Tobacco Defense Board; textiles, flowers, lumber, cats, dogs, certain livestock, and wild animals and plants of the forest, from the Ministry of Agriculture and Livestock; bananas, from the National Banana Corporation; rice from

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	Conarroz; and coffee, from the Coffee Institute. In addition, if there is a lien on coffee in favor of a bank, approval from the bank is required before an export license is granted by the BCCR.
Export taxes	Taxes are levied on coffee and bananas and, in some cases, are graduated in line with international prices. There are no taxes on nontraditional exports to countries outside Central America.
Collected through the exchange system	n.a.
Other export taxes	n.a.
References to legal instruments and hyperlinks	Regulation on Spot Exchange Operations: Report on the Sale or Inflow of Foreign Currency (Chapter IV, Article 11); www.bccr.fi.cr/Secretaria/OperacCambiarism7-BCCR.htm .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments	A 15% withholding tax is levied on all profits, dividends, and remittances of interest abroad, except for remittances to foreign banks or their financial entities recognized by the BCCR as institutions normally engaged in international transactions, and for interest payments on government borrowing abroad.
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References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Exporters that have received foreign currency from the export of goods, services, or tourism must sell the same to an authorized institution or provide proof to the BCCR that the foreign currency in question has entered the country, for the period and within the reporting time frame established by the BCCR.

Restrictions on use of funds

n.a.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

No.

Repatriation requirements

No.

Controls on capital and money market instruments

On capital market securities

Bonds or other debt securities

Sale or issue abroad by residents

The MOF is authorized by the legislative assembly to issue bonds in international markets.

Controls on derivatives and other instruments

No.

Controls on credit operations

Commercial credits

The National Budget Authority (composed of the minister of finance, the minister of national planning and economic policy, and the president of the BCCR) is in charge of authorizing the negotiation of new external long-term credits contemplated by the central government, decentralized agencies, and state enterprises.

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Financial credits

<i>By residents to nonresidents</i>	Private commercial banks and finance companies supervised by the General Superintendency of Financial Institutions (GSFI) must inform the BCCR in advance when contracting credit abroad. Cooperatives are required to obtain authorization from the BCCR for contracting credit abroad.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Private commercial banks and financial institutions supervised by the GSFI must inform the BCCR in advance when contracting credit abroad. Cooperatives must obtain authorization from the BCCR for contracting credit abroad.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Investment regulations	
<i>Abroad by banks</i>	Banks in Costa Rica are not allowed to invest in capital instruments (e.g., stocks). There are no restrictions on investment in debt instruments, except that they must not exceed 20% of the capital and reserves of a single issuer.
<i>In banks by nonresidents</i>	There are only general prudential rules to ensure that the financial system is not used for illicit activities.
Open foreign exchange position limits	The own foreign currency position of each financial institution supervised by the GSFI at the end of each business day must be between $\pm 100\%$ of the institution's total capital most recently reported by the GSFI to the BCCR. The authorized own foreign currency position of each institution may vary daily as a result of foreign exchange operations, up to +1% or up to -1% of the value of the institution's total capital expressed in dollars.

Provisions specific to institutional investors

Insurance companies	n.a.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Twenty-five percent to 50% of managed funds.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.

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<i>Currency-matching regulations on assets/liabilities composition</i>	Only yen, dollars, and euros are allowed. Up to 5% is allowed to be held in domestic currency.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	There are no specific limits, but the regulations state that investment is allowed in foreign securities on certain conditions. These include the following: (1) the valuation of the securities must be based on daily prices, (2) they must meet the requirements for securities issued in series, (3) they must have been designated as eligible for trading in an organized foreign market, and (4) they must have been given a risk rating by a recognized rating agency.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	Certain minimum limits are applicable to securities diversification, without any distinction made regarding foreign securities.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	www.bccr.fi.cr/documentos/secretaria/archivos/Reglamento%20Operaciones%20Cambiarias%20de%20Contado-BCCR.pdf ; Article 4, Authorized Own Foreign Currency Positions of Financial Institutions Supervised by the SUGEF; Reglamento de Inversiones Entidades Autorizadas-SUPEN m4 ReglaGralSociedAdmFondosInversion-SUGEVAL Articles 51, 52, 53, and 54.

Changes during 2006

Exchange arrangement	<p><i>March 16.</i> The BCCR changed its policy interest rate from the 30-day deposit rate to the overnight deposit rate.</p> <p><i>April 21.</i> A bid-ask spread of C 0.75 was imposed on transactions with authorized institutions on the MONED.</p> <p><i>October 1.</i> The exchange arrangement was reclassified to the category crawling band from the category crawling peg.</p> <p><i>October 17.</i> The BCCR changed the exchange rate regime to a crawling band from a crawling peg. The band was defined in terms of colones per \$1, and had an initial width of 3%. The floor was set at C 514.78 per \$1, and the ceiling was set at C 530.22 per \$1.</p> <p><i>November 20.</i> Foreign exchange trading occurs in the organized electronic foreign exchange market, MONEX (previously, foreign exchange operations were carried out on the MONED).</p>
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Changes during 2007

Exchange arrangement	<p><i>January 31.</i> The floor for the colón's crawl was changed to C 519.16 per \$1 (previously, 514.78) and the ceiling to C 540.55 per \$1 (previously, 530.22). No central parity was defined.</p>
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CÔTE D'IVOIRE

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. The framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks Regulation 14/2002/CM/UEMOA by the WAEMU Council of Ministers of September 19, 2002; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency The currency of Côte d'Ivoire is the CFA franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Côte d'Ivoire participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rate for the currency concerned in the Paris exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries is reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy No.

Forward exchange market Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Côte d'Ivoire is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU

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and CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.

Controls on the use of domestic currency

For capital transactions

Transactions in derivatives and other instruments Yes.

Use of foreign exchange among residents

The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account.

Clearing agreements

A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.

Administration of control

Exchange control is administered jointly by the Directorate of the Treasury in the Ministry of Economy and Finance (MEF) and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MEF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Côte d'Ivoire for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Côte d'Ivoire require the prior authorization of the RCPSFM.

Payments arrears

Official Yes.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports of gold require prior MEF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO, (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles), and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration. Exports of gold have been liberalized.

Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. However, the suspension of BCEAO repurchases of exported banknotes continues. In addition, the exchange of BCEAO banknotes between authorized intermediaries and their correspondents outside the WAEMU is prohibited.

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<i>Foreign currency</i>	The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks.
On imports	
<i>Domestic currency</i>	Residents are free to import domestic currency. The sending of BCEAO banknotes between licensed intermediary banks and their correspondent banks located outside the WAEMU is strictly prohibited.
<i>Foreign currency</i>	Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.
References to legal instruments and hyperlinks	Regulation R09/98/CM/UEMOA of December 20, 1998; www.bceao.int .

Resident Accounts

Foreign exchange accounts permitted	The holding by residents of foreign currency accounts is subject to prior MEF authorization, after consent by the BCEAO.
Held domestically	Yes.
<i>Approval required</i>	Yes.
Held abroad	Yes.
<i>Approval required</i>	Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, the prior authorization of the MEF, after BCEAO approval, is required to open an account abroad.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to the prior authorization of the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.
Domestic currency accounts	Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU area, nonresident accounts may not be credited or debited with BCEAO banknotes. These accounts may not be overdrawn without prior MEF authorization. Transfers of funds between nonresident accounts are not restricted.
Convertible into foreign currency	Convertible foreign currency accounts may be debited freely for the purchase by nonresidents of foreign currencies on the official exchange market.

CÔTE D'IVOIRE

Blocked accounts	No.
References to legal instruments and hyperlinks	Regulation R09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Documentation requirements for release of foreign exchange for imports	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirement	All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	Inspection for quality and price is required for imports exceeding CFAF 3 million; imports valued at less than CFAF 3 million may be subject to random inspection.
Letters of credit	LCs are required for goods imported from countries not included in the EU, Operations Account countries, and ACP countries.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	
Positive list	Imports are classified into three categories: (1) goods requiring prior authorization or the approval of ministries, (2) goods subject to quantitative or other restrictions requiring licenses issued by the Directorate of External Trade Promotions, and (3) freely importable goods.
Negative list	Imports of certain goods, such as narcotics, are prohibited regardless of origin.
Open general licenses	Import licenses for a short list of controlled products are issued by the Directorate of External Trade Promotions in the Ministry of Commerce.
Other nontariff measures	Yes.
Import taxes and/or tariffs	The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1%. A community solidarity levy of 1% is applied on the c.i.f. value of non-WAEMU imports. In addition, a 1% ECOWAS levy (PCC) is applied on the c.i.f. value of non-ECOWAS imports.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports, excluding those to WAEMU countries, must normally be collected within 120 days of shipment and repatriated through the BCEAO not later than one month after the due date of the payment.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by

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	transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if authorized by the BCEAO.
Financing requirements	No.
Documentation requirements	All export transactions require a customs declaration.
Letters of credit	Yes.
Guarantees	n.a.
Domiciliation	All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Export licenses	
Without quotas	Exports are permitted on the basis of a simple authorization from the Directorate of Foreign Trade, which issues certificates of origin, as needed. Exports of diamonds, gold, and all other precious metals, however, require prior authorization of the MEF, with the exception of articles with a small gold content, travelers' personal effects weighing less than 500 grams, and coins (fewer than 10 pieces, irrespective of their face value or denomination).
With quotas	Exports of lumber are subject to quantitative quotas allocated through an auction.
Export taxes	
Other export taxes	Exports of cocoa and coffee are subject to export tax and can be effected only by exporters authorized by the Authority for Regulation of Coffee and Cocoa.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts made by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Authorized banks may transfer profits and interest payments based on supporting documentation.
<i>Prior approval</i>	Payments for depreciation of direct investments require prior authorization from the MEF, because this type of depreciation is not specifically mentioned in the regulations.
<i>Indicative limits/bona fide test</i>	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	
<i>Quantitative limits</i>	Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.
<i>Indicative limits/bona fide test</i>	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	
<i>Indicative limits/bona fide test</i>	All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.

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Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	The use of credit cards is allowed only when issued by specialized institutions.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	
<i>Surrender to the central bank</i>	At the request of the BCEAO, authorized foreign exchange dealers must surrender to the CB, in exchange for BCEAO-issued currency, all assets denominated in euros and other currencies held in their establishments.
<i>Surrender to authorized dealers</i>	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of the equivalent of CFAF 300,000 that they bring in and must surrender it to an authorized bank within eight days of their return. The BCEAO may, in monitoring banks' external positions, request the surrender of foreign currency held abroad by ADs.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital transactions between WAEMU member countries are unrestricted. Outward capital transfers require MEF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	At the request of the BCEAO, authorized foreign exchange dealers must surrender to the CB, in exchange for BCEAO-issued currency, all assets denominated in euros and other currencies held in their establishments.
<i>Surrender to authorized dealers</i>	The proceeds in foreign assets from the sale or liquidation of investments by residents must be surrendered to authorized intermediary banks within one month. The BCEAO may, in monitoring banks' external positions, request the surrender of foreign currency held abroad by ADs.
Controls on capital and money market instruments	The prior authorization of the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities, canvassing, and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.

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On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents	These purchases are subject to prior declaration to the MEF for statistical purposes.
Sale or issue locally by nonresidents	The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MEF for approval, accompanied by supporting documentation.
Purchase abroad by residents	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to the prior authorization of the MEF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MEF. The sale of securities to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. Residents may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MEF for statistical purposes.

Bonds or other debt securities

Sale or issue locally by nonresidents	The regulations governing shares or other securities of a participating nature apply. Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.

On money market instruments

Sale or issue locally by nonresidents

Purchase abroad by residents

Sale or issue abroad by residents

The regulations governing shares or other securities of a participating nature apply.

Yes.

Yes.

Residents may sell money market instruments abroad. Sales liquidating an investment are subject to prior declaration.

On collective investment securities

Sale or issue locally by nonresidents

Purchase abroad by residents

Sale or issue abroad by residents

The regulations governing shares or other securities of a participating nature apply.

Yes.

Yes.

Yes.

Controls on derivatives and other instruments

These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.

Controls on credit operations

Borrowing by residents from nonresidents must be channeled through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MEF.

Commercial credits

By residents to nonresidents

There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment. The transfer of funds abroad for this purpose is subject to prior MEF authorization.

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<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval of the MEF. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the BCEAO acting on behalf of the MEF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be declared to the directorate responsible for external finance for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	The granting of guarantees and sureties is subject to prior approval by the MEF. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval of the MEF, and the submission of supporting documents.
<i>To residents from nonresidents</i>	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MEF.
Controls on direct investment	Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 10% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents, including investments through foreign companies under the direct or indirect control of residents of Côte d'Ivoire and investments by foreign branches or subsidiaries of companies established in Côte d'Ivoire, require prior authorization by the MEF.
Outward direct investment	All investment abroad by residents is subject to prior MEF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU member countries has been authorized by the RCPSFM.
Inward direct investment	Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MEF for statistical purposes.
Controls on liquidation of direct investment	The liquidation of investments abroad must be reported to the MEF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MEF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MEF for statistical purposes.
Controls on real estate transactions	
Purchase abroad by residents	These purchases require the prior authorization of the MEF.
Purchase locally by nonresidents	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MEF for statistical purposes.
Sale locally by nonresidents	Sales by nonresidents to residents require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MEF.
Controls on personal capital transactions	
Loans	The regulations governing securities and investments apply.
<i>By residents to nonresidents</i>	These transactions require prior MEF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.

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<i>To residents from nonresidents</i>	These transactions may be made freely, but are subject to declaration for statistical purposes to the MEF when granted and when repaid.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Inheritances and dowries are generally authorized. Gifts and endowments, however, are subject to prior MEF authorization.
<i>To residents from nonresidents</i>	These transactions are subject to declaration.
Settlements of debts abroad by immigrants	Immigrants who have received resident status must obtain prior authorization of the MEF to settle debts contracted abroad while they were nonresidents.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions are subject to prior authorization of the MEF if they exceed CFAF 300,000 a person. There are no restrictions on the transfer of smaller amounts.
<i>Transfer into the country by immigrants</i>	Foreign accounts (in foreign currencies or CFA francs) of nonresidents who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MEF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	For statistical purposes, these transactions must be declared to the MEF when they are granted and when they are repaid.
Maintenance of accounts abroad	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Commercial lending is allowed. Financial credits are subject to prior MEF authorization following BCEAO approval. Loans of any kind, CFAF overdrafts, and, in general, any advances granted to nonresidents are subject to prior MEF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Lending locally in foreign exchange	No explicit regulations exist regarding these transactions, but prior authorization by the MEF is required with the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	These purchases require prior RCPSFM authorization, after approval by the MEF.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	Monetary regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
<i>Credit controls</i>	Any overdraft or advance granted to a nonresident requires the prior authorization of the MEF with the approval of the BCEAO.
Investment regulations	The regulations governing direct investment apply.
<i>Abroad by banks</i>	Yes.

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Open foreign exchange position limits	No prudential ratios apply. Open positions result from special dispensations.
Provisions specific to institutional investors	
Insurance companies	Controls are imposed by the CIMA Code.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The CIMA Code does not allow insurance companies to invest abroad.
<i>Limits (min.) on investment portfolio held locally</i>	The CIMA Code includes specific rules for the use of insurance companies' technical reserves.
<i>Currency-matching regulations on assets/liabilities composition</i>	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: May 29, 1995.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions

In accordance with the relevant UN Security Council resolutions, restrictions are imposed on financial transactions with the Taliban and on transactions relating to known terrorist groups.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of Croatia is the Croatian kuna.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the kuna is determined in the foreign exchange market. The Croatian National Bank (CNB) may set intervention exchange rates, which it applies in transactions with banks outside the interbank market to smooth undue fluctuations in the exchange rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Yes.

Official cover of forward operations

The CNB has provided, on occasion, swap facilities at par for banks in a limited forward market.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents This is allowed only in prescribed cases.

Payments arrangements

Bilateral payments arrangements

Operative

There is an arrangement with Italy that applies only to certain Croatian districts.

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Administration of control	The CNB formulates and administers exchange rate policy and may issue foreign exchange regulations. Companies wishing to engage in foreign trade must register with the commercial courts.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Imports and exports of monetary and nonmonetary gold (including gold in unwrought, semimanufactured, or powder form, or plated with platinum; gold bars, rods, wires, and sections; gold plates; and gold sheets and strips exceeding 0.15 mm in thickness, excluding any backing) are subject to approval of the Ministry of Economy, Labor, and Entrepreneurship.
Controls on exports and imports of banknotes	Imports and exports of kunas and foreign exchange exceeding HRK 40,000 or its equivalent in cash and checks must be declared to customs to prevent money laundering.
On exports	
<i>Domestic currency</i>	The exportation of Croatian currency and kuna checks by residents is restricted to HRK 15,000 a person; however, larger amounts may be exported with CNB approval. Effective June 29, 2006, nonresidents may freely take out Croatian currency and kuna checks; however, restrictions apply in the case of residents.
<i>Foreign currency</i>	Resident natural persons may take out the equivalent of €3,000 in foreign currency and checks; larger amounts require CNB approval. Resident natural persons may take out bank and traveler's checks up to the equivalent of €3,000 for the payment of goods and services abroad only. Other residents may take out foreign currency and checks for the payment of goods or services imports up to the equivalent of €3,000; larger amounts require CNB approval. Effective June 29, 2006, nonresidents may freely take out foreign cash and checks.
On imports	
<i>Domestic currency</i>	Effective June 29, 2006, residents may import Croatian currency and kuna checks up to HRK 15,000; larger amounts require CNB approval. Effective June 29, 2006, nonresidents may freely import Croatian currency and kuna checks; however, restrictions apply in the case of residents.
References to legal instruments and hyperlinks	Decision Governing Taking in and out of the Country Cash, Checks and Materialized Securities (Official Gazette Narodne Novine, Nos. 111/2003, 69/2006, and 82/2006); Decision on Payments and Collections in Foreign Means of Payment in the Country (Official Gazette Narodne Novine, No. 111/2005); www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-placanju-i-naplati-u-stranim-sredstvima-placanja-u-zemlji.pdf ; Decision Governing the Conditions for and the Manner of Performing External Payment Operations (Official Gazette Narodne Novine, Nos. 88/2005 and 18/2006); www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-platnom-prometu-s-inozemstvom.pdf ; Instruction for the Implementation of the Decision Governing the Conditions for and Manner of Performing External Payment Operations (Official Gazette Narodne Novine, Nos. 136/005, 143/2006, and 37/2006); www.nn.hr/clanci/sluzbeno/2005/2555.htm ; Decision on the Manner and Conditions under Which Residents May Execute or Receive Payments Arising from Transactions with Nonresidents in Domestic Cash, Foreign Cash and Checks (Official Gazette Narodne Novine No. 54/2006); www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-uvjetima-rezidenti-izvrstiti-placanja-u-gotovini-ukunama-stranoj-54-06.pdf .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Residents may, in principle, open and operate foreign exchange accounts only in Croatia. However, the CNB has the authority to allow residents (except banks) to open and maintain

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accounts abroad. These accounts may be opened for the following purposes: investment and research projects abroad; deposit guarantees; drawing of funds under foreign credits; insurance against interest rate, currency, and other market risks; purchases and sales of securities abroad; payments of the costs of representative offices abroad; payments of the costs of residents providing services in international goods and passenger traffic, and residents involved in insurance of property and persons; settlements of claims in nontransferable currencies; and some other purposes.

Approval required

Yes.

Accounts in domestic currency held abroad

The regulations governing foreign exchange accounts held abroad apply.

Accounts in domestic currency convertible into foreign currency

Residents may convert domestic currency into foreign currency without limitation.

References to legal instruments and hyperlinks

Decision Governing the Opening and Managing of Foreign Exchange Accounts and Foreign Exchange Savings Deposit Accounts of Residents with a Bank (Official Gazette Narodne Novine, Nos. 111/2003, 138/2003, 176/2004, and 122/2005); www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-postupku-otvaranja-i-vodenju-deviznih-racuna.pdf; www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-postupku-otvaranja-i-vodenju-deviznih-racuna-176-04.pdf; www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-postupku-otvaranja-i-vodenju-deviznih-racuna-122-05.pdf; Decision on the Conditions for Issuing Approvals for Opening Foreign Exchange Accounts Abroad (Official Gazette Narodne Novine Nos. 111/2003, 189/2004, and 124/06); www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-uvjetima-za-izdavanje-odobrenja-za-otvaranje-devitnog-racuna-u-inozemstvu-111-03.pdf; www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-uvjetima-za-izdavanje-odobrenja-za-otvaranje-devitnog-racuna-u-inozemstvu-189-04.pdf; www.hnb.hr/propisi/devizni-poslovi/eng/e-odluka-o-uvjetima-za-izdavanje-odobrenja-za-otvaranje-devitnog-racuna-u-inozemstvu-124/06.pdf.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresidents may open foreign exchange accounts with fully licensed banks in Croatia. A CNB decision sets forth the documentation required for opening foreign exchange and domestic currency accounts by nonresidents. Effective May 25, 2006, nonresidents may withdraw from their current or savings account foreign currency cash without any limit. Effective November 23, 2006, nonresidents may deposit foreign currency into their current or savings account without any limit. Previously, foreign currency cash deposits in excess of the prescribed amount required approval from the CNB.

Domestic currency accounts

Effective May 25, 2006, nonresidents may withdraw from their current or savings account and deposit into their current or savings account kuna cash without any limit (previously, a limit of HRK 30,000 was applied for deposits and withdrawals).

Convertible into foreign currency

Foreign exchange may be purchased with funds held in these accounts without limitation.

Blocked accounts

No.

References to legal instruments and hyperlinks

Decision Governing the Conditions for and the Manner of Opening and Managing Nonresident Bank Accounts (Official Gazette Narodne Novine, Nos. 124/06 and 131/06); www.hnb.hr/propisi/devizni-poslovi/eng/e-o-uvjetima-i-nacinu-otvaranja-i-vodenja-racuna-nerezidenata-u-banci-124-06.pdf.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

An invoice or agreement is required for transfers.

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Import licenses and other nontariff measures	There are no import quotas, although the trade law allows for such quotas in principle, under conditions envisaged by WTO rules. Effective November 30, 2006, all imports are free from licensing requirements, except for a list of products whose importation is controlled by international agreements for statistical and security reasons (such as arms, gold, rough diamonds, drugs, and narcotics), and a small number of other products (notably iron tubes and bars and fertilizers—except for those from WTO members). Imports are not limited on the basis of quantity or value, except as stated in relevant international conventions. Licenses, where required, are issued on a case-by-case basis.
Negative list	Yes.
Import taxes and/or tariffs	Imports of industrial products are subject to customs tariffs of up to 18%; the average customs tariff is 3.94%. For a number of agricultural and food products, compound duties (ad valorem plus specific customs duty) are applied. The maximum ad valorem duty is 55%, and, where compound duty is applied, the maximum ad valorem component is 15%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	
Guarantees	Yes.
Export licenses	Effective November 30, 2006, exports are free from licensing requirements, except for certain products for which permits must be obtained (e.g., weapons, drugs, rough diamonds, dual-use items, and art objects).
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital transactions must be reported to the CNB for statistical purposes. Effective January 1, 2007, amendments and supplements to the Securities Market Act went into effect.
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Repatriation requirements	No.
Controls on capital and money market instruments	Effective December 14, 2006, portfolio investments are fully liberalized. Investments in capital and money market securities must be reported to the CNB for statistical purposes.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	Securities transactions must be conducted in accordance with the regulations governing the securities market.
Purchase abroad by residents	Effective December 14, 2006, resident natural persons may freely purchase securities abroad.
Sale or issue abroad by residents	Residents are allowed to sell or issue securities abroad, although prior notification to the Croatian Financial Services Supervisory Agency (CFSSA), operating as of January 1, 2006, is required.
<i>Bonds or other debt securities</i>	The regulations governing shares and other securities of a participating nature apply.
Purchase abroad by residents	Effective December 14, 2006, resident natural persons may purchase bonds and other debt securities abroad.
Sale or issue abroad by residents	Residents are allowed to sell or issue securities abroad, although prior notification to the CFSSA is required.
On money market instruments	
<i>Purchase locally by nonresidents</i>	Effective December 14, 2006, nonresidents may purchase money market instruments locally. Previously, nonresidents were not allowed to purchase CNB bills nor MOF treasury bills.
<i>Purchase abroad by residents</i>	The regulations governing bonds or other debt securities apply.
<i>Sale or issue abroad by residents</i>	Residents are allowed to sell or issue securities abroad; however, prior notification to the CFSSA is required.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	Effective April 29, 2006, reciprocity requirements no longer apply.
<i>Purchase abroad by residents</i>	Effective April 29, 2006, reciprocity requirements no longer apply. Effective December 14, 2006, residents may purchase securities abroad directly without going through domestic brokerage houses.
<i>Sale or issue abroad by residents</i>	Investment fund management companies will be allowed to operate abroad (e.g., to sell or issue) after Croatia becomes a full member of the EU.
Controls on derivatives and other instruments	
Purchase abroad by residents	Purchases for the purpose of hedging against risk are permitted.
Sale or issue abroad by residents	Sales or issues for the purpose of hedging against risk are permitted.
Controls on credit operations	Foreign credit operations must be reported to the CNB.
Commercial credits	For statistical purposes only, commercial credits with a maturity of more than one year must be reported to the CNB. If the company is chosen for the statistical sample, it must report to the CNB its commercial credits with a maturity of less than one year. Although these credits are not subject to CNB approval, commercial banks are not allowed to execute the transactions without proof from the residents that these transactions have been reported to the CNB.
Financial credits	Financial credit operations must be reported to the CNB. The registration constitutes a capital control because commercial banks are not allowed to execute these transactions without receipt from residents indicating that these credits have been reported to the CNB.
<i>By residents to nonresidents</i>	The extension of financial loans with a maturity of less than one year to nonresidents is prohibited, except when made by banks or direct investors in foreign companies.
<i>To residents from nonresidents</i>	Residents are obliged to transfer funds from financial loans granted abroad to an account with a bank headquartered in Croatia.

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Guarantees, sureties, and financial backup facilities	Controls apply to all these transactions.
Controls on direct investment	Investments must be reported to the CNB for statistical purposes.
Controls on liquidation of direct investment	Proceeds may be transferred after settlement of legal obligations, including tax.
Controls on real estate transactions	
Purchase abroad by residents	Residents are allowed to purchase real estate abroad, provided all legally prescribed obligations have been settled.
Purchase locally by nonresidents	Effective July 25, 2006, nonresidents may acquire real estate in Croatia under the condition of reciprocity, subject to permission from the minister of justice in accordance with the law on property and other property rights. Previously, the acquisition was subject to the approval of the minister of foreign affairs.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	The extension of financial loans with maturity of less than one year to nonresidents is prohibited. This prohibition does not apply to residents extending financial loans to immediate relatives.
<i>To residents from nonresidents</i>	Resident natural persons are required to use foreign financial credits through authorized domestic banks.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Gifts and endowments greater than the equivalent of €3,000 (if made in foreign exchange) or HRK 15,000 (if made in kunas) must be approved by the CNB if the donor is an individual. Resident legal persons, branches of foreign companies, and sole traders may make cashless transfers abroad of gifts and grants, provided all tax and other legally prescribed obligations have been met in the Republic of Croatia.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	CNB approval is required for the physical cross-border movement of cash exceeding HRK 15,000 or the equivalent of €3,000 in foreign exchange, for declaration to the customs authority.
References to legal instruments and hyperlinks	Decision Amending the Decision on the Manner and the Conditions for Investment of Residents in Foreign Securities and Shares in Foreign Investment Funds (Official Gazette Narodne Novine, No. 44/2006); www.hnb.hr/propisi/devizni-poslovi/eng/e-izmjena-odluke-o-nacinu-i-uvjetima-pod-kojima-rezidenti-ulazu-u-strane.44-06.pdf ; Decision on the Conditions for Issuing Approvals for Personal Transfers Abroad of Assets Relating to Gifts and Grants (Official Gazette Narodne Novine, No. 111/2003); www.hnb.hr/propisi/devizni-poslovi/eng/e-prijenos-imovine-u-inozemstvo-s-osnove-pomoci-ipoklona.111.03.pdf ; Law on Property and Other Property Rights (Official Gazette Narodne Novine, Nos. 91/96, 73/2000, 114/2001, and 79/2006); Decision Governing Taking in and out of the Country Cash, Checks, and Materialized Securities (Official Gazette Narodne Novine, Nos. 111/2003, 69/06, and 82/06); www.hnb.hr/propisi/devizni-poslovi/eng/e-o-unosenju-i-iznosenju-gotovine-111.03.pdf ; www.hnb.hr/propisi/devizni-poslovi/eng/e-o-unosenju-i-iznosenju-gotovine-69/06.pdf ; Securities Market Act (I) (Official Gazette Narodne Novine, No. 84/02); Securities Market Act (II) (Official Gazette Narodne Novine, No. 138/06); Act on Croatian Financial Securities Supervisory Agency (Official Gazette Narodne Novine, No. 140/05); Investment Funds Act (Official Gazette Narodne Novine, No. 150/05); Foreign Exchange Act (Official Gazette Narodne Novine, Nos. 96/03, 140/05, and 132/06); www.hnb.hr/propisi/zakoni-htm-pdf/e-zakon-o-deviznom-poslovanju-06-2003.htm ; www.hnb.hr/propisi/zakoni-htm-pdf/e-zakon-o-izmjena-zakona-o-deviznom-poslovanju-12-2006 .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Effective January 1, 2006, the CFSSA started operating.

Borrowing abroad

An unremunerated reserve requirement of 55% (40% and 15% subcomponents) applies to increases in banks' foreign liabilities. The net increase in sources of funds received from nonresidents or legal persons in a special relationship with a bank over their level of June 2004 is subject to the unremunerated marginal reserve requirement of 40%. Banks are required to deposit the 40% reserve requirement in an unremunerated foreign exchange account of the CNB. Effective January 11, 2006, a second-tier marginal reserve requirement of 15% is applied to the increase in nonresidents' funds over their level of November 2005; a third-tier marginal reserve requirement of 55% is applied to the increase in guarantees and warranties for the accounts of foreign persons, in kuna and foreign currency, serving as a basis for the foreign borrowing of domestic persons. Effective July 12, 2006, a fourth-tier marginal reserve requirement of 55% is applied to the net increase in funds received from nonresidents that are used to provide financing in the form of syndicated loans to domestic natural and legal persons or that domestic banks extend to domestic natural and legal persons in the name and for the account of the mandator (mandated operations). Effective March 8, 2006, an unremunerated reserve requirement of 55% on the net increase in liabilities arising from issued debt securities over their January 2006 level was introduced. Effective January 1, 2007, banks that expand credit above certain "permissible" rates compared to end-2006 (1 percentage point each month in 2007, cumulative) were required to purchase nontransferable CNB bills (360-day maturity) at a rate of 50% of the difference between actual and permissible credits.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Effective January 11, 2006, deposits denominated in domestic and foreign exchange are subject to a reserve requirement of 17% (previously, 18%). The calculation period follows the calendar month. The maintenance period lasts from the second Wednesday of a month to the day preceding the second Wednesday of the following month. Kuna and foreign exchange components of the calculation are determined separately. Fifty percent of the calculated foreign reserve requirement is included in the calculated kuna reserve requirement. Seventy percent of reserve requirements are allocated to the kuna component. The percentage for allocating the foreign exchange component of reserve requirements calculated on the basis of foreign exchange funds of nonresidents and foreign exchange funds received from legal persons in a special relationship with a bank is 100%; the percentage for allocating the remaining portion of the foreign exchange component of reserve requirements is 60%.

The rate of remuneration for the deposited kuna component of required reserves is 0.75%. The remuneration of the foreign exchange component is 50% of the U.S. federal funds target rate for funds allocated in dollars and 50% of the ECB minimum bid refinance rate for funds allocated in euros.

Liquid asset requirements

Thirty-two percent of foreign exchange liabilities (minimum required amount of foreign currency claims) must be covered by short-term foreign exchange assets with a maturity of less than three months. Effective October 2, 2006, in addition to foreign-exchange-denominated instruments, liabilities include foreign-exchange-indexed instruments (liabilities in kuna with a one- or two-way currency clause).

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

An unremunerated reserve requirement of 55% (40% and 15% subcomponents) applies to increases in banks' foreign liabilities. The net increase in sources of funds received from nonresidents or legal persons in a special relationship with a bank over their level of June 2004 is subject to the unremunerated marginal reserve requirement of 40%. Banks are required to deposit the 40% reserve requirement in an unremunerated foreign exchange account of the CNB. Effective January 11, 2006, a second-tier marginal reserve requirement of 15% is applied to the increase in nonresidents' funds over their level of November 2005; a third-tier marginal reserve requirement of 55% is applied to the increase in guarantees and warranties for the account of foreign persons, in kuna and foreign currency, serving as a basis for the foreign borrowing of domestic persons. Effective July 12, 2006, a fourth-tier

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	<p>marginal reserve requirement of 55% is applied to the net increase in funds received from nonresidents that are used to provide financing in the form of syndicated loans to domestic natural and legal persons or that domestic banks extend to domestic natural and legal persons in the name and for the account of the mandator (mandated operations).</p>
Open foreign exchange position limits	The limit on open positions in foreign exchange is 20% of a bank's regulatory capital.
Provisions specific to institutional investors	The Act on Mandatory and Voluntary Pension Funds, the Insurance Act, and the Investment Funds Act are in effect.
Insurance companies	Insurance companies are regulated by the Insurance Act (Official Gazette No. 151/05).
<i>Limits (max.) on investment portfolio held abroad</i>	Effective January 1, 2006, the CFSSA started operations, replacing the former Croatian Securities Commission, Insurance Companies Supervisory Authority, and Agency for Supervision of Pension Funds and Insurance and commencing work as their legal successor. In accordance with Article 296 (6 and 7) of the Insurance Act, beginning on the date the Republic of Croatia becomes a full member of the EU, insurance undertakings may invest the assets covering technical provisions in EU member states and OECD member states, and such investments may be in the types of investment referred to in Article 115 (1) of the Insurance Act subject to the restrictions on the assets covering technical provisions under Articles 116 (1) and (2) of the Insurance Act; Articles Nos. 115 (2) and 116 (3) of the Insurance Act will therefore be repealed. Effective on the date the Republic of Croatia becomes a full member of the EU, insurance undertakings may invest the assets covering mathematical provisions in EU member states and OECD member states, and such investments may be in the types of investment referred to in Article 122 (1) of the Insurance Act, subject to the restrictions on the assets covering technical provision under Articles 123 (1) and (2) of the Insurance Act, and the provisions of Articles Nos. 122 (2) and 123 (3) of the Insurance Act will therefore be repealed.
<i>Limits (min.) on investment portfolio held locally</i>	In accordance with Article 123 (2) of the Insurance Act, at least 50% of total assets for the coverage of mathematical provisions must be invested in securities issued by the government of the Republic of Croatia, CNB, or the Croatian Bank for Reconstruction and Development, as well as in bonds and other debt securities guaranteed by the government of the Republic of Croatia.
<i>Currency-matching regulations on assets/liabilities composition</i>	In accordance with Article 117 of the Insurance Act, insurance undertakings must appropriately match their investment of assets covering technical provisions, including mathematical provisions, that are exposed to risks of possible losses due to changes in interest rates, exchange rates, and other market risks, with their liabilities under the insurance contracts that are subject to the same changes. An insurance undertaking must match not less than 80% of the assets covering technical provisions, including mathematical provisions, with its liabilities under the insurance contracts that depend on changes in exchange rates. When investing the assets covering technical provisions, including mathematical provisions, an insurance undertaking shall take into account the maturity of the liabilities under individual insurance contracts.
Pension funds	Pension fund companies are regulated by the Act on Mandatory and Voluntary Pension Funds.
<i>Limits (max.) on securities issued by nonresidents</i>	Mandatory pension funds may not invest more than 15% of the value of the fund in securities issued by nonresidents. Voluntary pension funds may not invest more than 20% of the value of the fund in the mentioned securities.
<i>Limits (max.) on investment portfolio held abroad</i>	An investment portfolio held abroad may not exceed 15% of the value of the fund for mandatory pension funds and 20% for voluntary pension funds.
<i>Limits (min.) on investment portfolio held locally</i>	At least 50% of the value of mandatory pension funds must be invested in long-term bonds and other long-term debt securities issued by the Republic of Croatia and the CNB.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.r.
Investment firms and collective investment funds	<p>The Investment Funds Act envisages liberalization after Croatia becomes a full member of the EU. The Investment Funds Act distinguishes among several types of investment funds and deals accordingly with the limits on investments for each type separately.</p> <p>A closed-end investment fund with a public offering may not invest more than 15% of its net asset value in securities of any single issuing body. Under certain conditions, detailed</p>

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in the Act, the limitation does not apply to investment in securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-governments of the Republic of Croatia; or EU member states, local government units of member states, nonmember states, or public international bodies of which one or more member states are members.

An open-end investment fund with a public offering may not invest more than 10% of its net asset value in transferable securities and money market instruments of any single issuing body. Under certain conditions, detailed in the Act, the limitation does not apply to investment in securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-government of the Republic of Croatia; or EU member states, local government units of member states, nonmember states, or public international bodies of which one or more member states are members.

Assets of an open-end investment fund with a private offering must consist of not less than six different securities, units, or shares in investment funds or money market instruments; the three that account for the largest share of the fund's assets must not exceed 60% of the fund's asset value. Securities, units, or shares in investment funds of a single issuer or deposits with a single deposit institution must not exceed 20% of the value of all securities, units, or shares in investment funds or deposits in a fund. The 60% and 20% limitations do not apply to securities or money market instruments issued or guaranteed by the Republic of Croatia or units of local and regional self-government of the Republic of Croatia; or EU member states, local government units of member states, nonmember states, or international public organizations of which one or more member states are members.

An open-end venture capital investment fund with a private offering, within five years from the date of its establishment, must not make fewer than five investments into different units or shares subject to a condition that units or shares of a single issuer must not exceed 33% of the fund's assets.

Limits (max.) on securities issued by nonresidents

The prospectus of the fund must clearly indicate the states, units of local government, and public international bodies in whose securities and money market instruments more than 35% of the fund's net asset value may be invested.

Limits (max.) on investment portfolio held abroad

A closed-end investment fund with a public offering for investment in real estate may acquire real estate abroad based on reciprocity.

Limits (min.) on investment portfolio held locally

According to Article 80 of the Investment Funds Act, at least 50% of net value of the closed-ended investment fund with a public offering for investment in real estate must be accounted for by real estate located in the Republic of Croatia, except in the case of investments in units or shares of companies involved exclusively or predominantly in the acquisition and sale, rent, and lease of real estate and real estate management, in units or shares of another fund for investment in real estate.

Currency-matching regulations on assets/liabilities composition

A maximum of 20% of the investment fund's net asset value may be placed as a deposit with any single bank.

References to legal instruments and hyperlinks

Decision on Reserve Requirement; Decision on the Amendments to Decision on Reserve Requirement (1); Decision on the Amendments to Decision on Reserve Requirement (2); Decision on the Amendments to Decision on Reserve Requirement (3); Decision on the Amendments to Decision on Reserve Requirement (4); Decision on the Amendments to Decision on Reserve Requirement (5); Decision on the Special Reserve Requirement on Net Increase in Liabilities Arising from Issued Debt Securities; Insurance Act (Official Gazette Narodne Novine, No. 151/05); Insurance Undertakings (Official Gazette Narodne Novine, No. 78/06); Act on Mandatory and Voluntary Pension Funds (I) (Official Gazette Narodne Novine, No. 49/99); Act on Mandatory and Voluntary Pension Funds (II) (Official Gazette Narodne Novine, No. 63/00); Act on Mandatory and Voluntary Pension Funds (III) (Official Gazette Narodne Novine, No. 103/03); Act on Mandatory and Voluntary Pension Funds (IV) (Official Gazette Narodne Novine, No. 177/04); Investment Funds Act (Official Gazette Narodne Novine, No. 150/05); Act on Croatian Financial Supervisory Agency (Official Gazette Narodne Novine, No. 140/2005).

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Changes during 2006

Arrangements for payments and receipts

June 29. Nonresidents were allowed to export foreign currency cash and checks without limitation.

June 29. Residents were allowed to import kuna checks up to HRK 15,000.

June 29. Nonresidents were allowed to export and import kuna currency and checks without limitation.

Nonresident accounts

May 25. Nonresidents were allowed to withdraw foreign currency and kuna cash and deposit kuna cash into their accounts without limitation.

November 23. Nonresidents were allowed to deposit foreign currency into their current or savings accounts without limitation.

Imports and import payments

November 30. All imports became free from licensing requirements, except for a list of products whose importation is controlled by international agreements for statistical and security reasons (such as arms, gold, rough diamonds, drugs, and narcotics).

Exports and export proceeds

November 30. Exports became free from licensing requirements, except for certain products for which permits must be obtained (e.g., weapons, drugs, rough diamonds, dual-use items, and art objects).

Capital transactions

Controls on capital and money market instruments

January 1. Residents were allowed to sell or issue securities abroad, although prior notification to the new CFSSA is required.

April 29. Reciprocity requirements for the sale or issue of securities by nonresidents in Croatia no longer apply.

December 14. Portfolio investments were fully liberalized. Residents could freely purchase securities abroad, and nonresidents could freely make investments in money market instruments locally.

Controls on real estate transactions

July 25. Nonresidents were allowed to acquire real estate in Croatia under the condition of reciprocity, subject to the permission of the minister of justice in accordance with the law on property and other property rights.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 1. The CFSSA started operating.

January 11. A second-tier marginal reserve requirement of 15% and a third-tier marginal reserve requirement of 55% were introduced.

January 11. The reserve requirement on deposits denominated in domestic and foreign currency was reduced to 17% from 18%.

March 8. A special unremunerated reserve requirement of 55% on the net increase in liabilities arising from issued debt securities over their level of January 2006 was introduced.

July 12. A fourth-tier marginal reserve requirement of 55% on the net increase in funds received from nonresidents and legal persons in a special relationship with a bank that are used to provide financing in the form of syndicated loans to domestic natural and legal persons or that domestic banks extend to domestic natural and legal persons in the name and for the account of the mandator (mandated operations) was introduced.

October 2. In the Decision on the Minimum Required Amount of Foreign Currency Claims, according to which 32% of foreign exchange liabilities must be covered by short-term foreign exchange assets with a maturity of less than three months, foreign exchange liabilities were expanded in order to include liabilities in kuna with a currency clause (one- or two-way currency clause).

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Changes during 2007

Capital transactions

January 1. Amendments and supplements to the Securities Market Act went into effect.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 1. Banks that expand credit above certain “permissible” rates compared to end-2006 (1 percentage point each month in 2007, cumulative) were required to purchase nontransferable CNB bills (360-day maturity) at a rate of 50% of the difference between actual and permissible credits.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: January 9, 1991.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On January 9, 2007, the authorities notified the IMF that Cyprus maintains restrictive measures against the following related to the freezing of funds and economic resources in accordance with the UN Security Council resolutions and EU regulations, solely for the preservation of national or international security: (1) President Lukashenko and certain officials of Belarus; (2) certain persons indicted by the International Criminal Tribunal for the Former Yugoslavia; (3) the Democratic Republic of the Congo; (4) Côte d'Ivoire; (5) Croatia; (6) Iraq; (7) the Democratic People's Republic of Korea; (8) Liberia; (9) financing Burmese state-owned companies (financial loans or credit, acquisition or extension of participation in such companies, or acquisition of shares and securities in Myanmar); (10) Sierra Leone; (11) Rwanda; (12) the former Republic of Serbia and Montenegro; (13) Somalia; (14) Sudan; (15) persons and entities associated with Osama bin Laden, Al-Qaida, the Taliban, and terrorist organizations; (16) Uzbekistan; and (17) Zimbabwe.

Other security restrictions

Pursuant to UN Security Council resolutions, restrictions apply against the Islamic Republic of Iran.

References to legal instruments and hyperlinks

Relevant EU regulations; <http://eur-lex.europa.eu/en/index.htm>.

Exchange Arrangement

Currency

The currency of Cyprus is the Cyprus pound.

Exchange rate structure

Unitary.

Classification

Pegged exchange rate within horizontal bands

On May 2, 2005, Cyprus adopted the ERM II. The central rate of the pound vis-à-vis the euro is £C 0.585274 per €1, with bands of $\pm 15\%$. In practice, the Cyprus pound has fluctuated within the narrower, unofficial band of $\pm 2.25\%$. Subject to certain restrictions, including a limit on spreads between buying and selling rates, ADs are free to determine and quote their own buying and selling rates. The Central Bank of Cyprus (CBC) monitors foreign exchange rates and may intervene to safeguard the smooth functioning of the market and the stability of the currency. The CBC is also responsible for organizing the daily fixing session with the commercial banks, at which the official foreign exchange rates ("fixing exchange rates") against the Cyprus pound are determined.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

ADs may trade in the forward market at rates freely negotiated with their customers.

References to legal instruments and hyperlinks

www.centralbank.gov.cy/nqcontent.cfm?a_id=4475.

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Arrangements for Payments and Receipts

Prescription of currency requirements	Yes.
Payments arrangements	
Regional arrangements	Cyprus is a member of the EU.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Natural and legal persons, whether resident or nonresident, are free to purchase or sell gold (coins and/or bullion) for commercial or industrial purposes. If gold is not used for commercial or industrial purposes, one of the parties to the transaction (purchase or sale) must be a credit institution or a subsidiary of a credit institution.
On domestic ownership and/or trade	Yes.
On external trade	Yes.
Controls on exports and imports of banknotes	On entering or leaving Cyprus, travelers must declare currency banknotes and gold whose value is equal to or in excess of £C 7,300 or €12,500, respectively, or the equivalent in any other currency. Failure to declare the banknotes or gold may be punishable by a fine.
References to legal instruments and hyperlinks	Capital Movement Law, 2003; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	Capital Movement Law, 2003; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 ; Prevention and Suppression of Money Laundering Activities Law, 1996 to 2004; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	Capital Movement Law, 2003; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 ; Prevention and Suppression of Money Laundering Activities Law, 1996 to 2004; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 .

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Imports are governed by EU regulations, according to which most imports are free of licensing requirements and quantitative restrictions. A license is required for certain goods and for certain goods from non-EU countries.
Negative list	Yes.
Import taxes and/or tariffs	The EU Common Customs Tariff applies.
State import monopoly	No.
References to legal instruments and hyperlinks	Relevant EU regulations; http://eur-lex.europa.eu/en/index.htm .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	In accordance with EU regulations, exports of military equipment and goods that may be used for chemical or biological weapons, as well as nuclear-related products (including dual-use products), are subject to licensing for reasons of preserving international peace and security.
Export taxes	No.
References to legal instruments and hyperlinks	Defense (Exports of Weapons Regulation) Orders, 2002 to 2004; Defense (Exports of Dual-Use Goods and Technology Regulation) Orders, 2002 to 2006; Relevant EU legislation; http://eur-lex.europa.eu/en/index.htm .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	Capital Movement Law, 2003; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Capital Movement Law, 2003; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 .

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Capital Transactions

Controls on capital transactions	Capital investments are generally free, in accordance with EU rules.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	Banks may grant loans in foreign currencies with a maturity of up to 15 years to nonresidents, subject to the liquid asset requirements prescribed by the CBC for prudential reasons. Banks may also lend in local currency to nonresidents.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
Controls on direct investment	
Outward direct investment	Direct investments by banks abroad are subject to approval by the CBC.
Inward direct investment	Inward direct investment from EU member countries is unrestricted. Direct investment from non-EU countries is also free from restrictions in most sectors of economic activity. However, there are ceilings on the participation of non-EU natural or legal persons in enterprises engaged in the following activities: radio and television broadcasting, tertiary education institutions other than universities, construction, travel agencies, distribution of newspapers and magazines, and ownership of merchant ships and fishing vessels.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	The acquisition of real estate in Cyprus by non-Cypriot EU nationals (natural or legal persons) is not subject to controls, and is effected under the same legal provisions that apply to Cypriots, except for the acquisition of secondary residences, which will remain subject to the district officer's approval under the Immovable Property Acquisition (Aliens) Law for a five-year transitional period from the date of Cyprus EU membership. In accordance with the Immovable Property Acquisition (Aliens) Law, the acquisition of immovable property in Cyprus by non-Cypriots from non-EU countries is subject to the approval of the district officer (acquisition of immovable property by inheritance is not subject to this requirement). When the real estate concerned exceeds two donums (one donum = 1,338 square meters), approval is granted only in the following cases: (1) a primary or secondary residence not exceeding three donums, (2) professional or commercial premises, or (3) premises for industry sectors deemed beneficial to the Cypriot economy.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Capital Movement Law, 2003; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 ; Banking Laws, 1997 to 2005; www.centralbank.gov.cy/nqcontent.cfm?a_id=2931 ; Immovable Property Acquisition (Aliens) Laws, 1996 to 2003; Radio and Television Stations Laws, 1998 to 2004; Institutions of Tertiary Educations Laws, 1996 to 2006; Registration and Control of Contractors of Constructions and Technical Projects Laws, 2001 to 2006; Tourism and Travel Offices and Tourist Guides Laws, 1995 to 2004; Press Laws, 1989 to 2002; Merchant Shipping (Registration of Ships, Sales, and Mortgages) Laws, 1963 to 2005; Fisheries Laws, Chapter 135, as amended.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Yes.

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Maintenance of accounts abroad	Banks may maintain accounts abroad, subject to the net open positions in foreign exchange as described below.
Lending to nonresidents (financial or commercial credits)	Banks are allowed to grant loans in foreign currencies with a maturity of up to 15 years to nonresidents, subject to the liquid asset requirements prescribed by the CBC for prudential reasons. Banks are allowed also to lend in local currency to nonresidents.
Lending locally in foreign exchange	Banks may grant loans with a maximum maturity of 15 years to residents (subject to the liquid asset requirements prescribed by the CBC for prudential reasons).
Purchase of locally issued securities denominated in foreign exchange	These are subject to liquid asset requirements prescribed for prudential reasons.
Differential treatment of deposit accounts in foreign exchange	The prudential liquidity regulations applied to accounts in foreign currencies, held by either nonresidents or residents, are different from those applied to accounts in Cyprus pounds.
<i>Reserve requirements</i>	A minimum reserve requirement of 5% applies to deposits in Cyprus pounds. A minimum reserve requirement of 2% applies to deposits in foreign currency.
<i>Liquid asset requirements</i>	Liquid assets in foreign currencies equal to at least 75% of deposit liabilities in foreign currencies must be maintained. For deposits in Cyprus pounds, the liquidity positions of banks are monitored by the CBC for prudential purposes using a maturity mismatch approach. The maximum mismatch ratios allowed are (1) –10% of total deposits in the time band of “zero to 7 days,” and (2) –25% in the time band of “zero to 1 month.”
Investment regulations	
<i>Abroad by banks</i>	Banks may acquire assets abroad in accordance with the CBC directive establishing the framework within which banks may use the funds derived from foreign currency deposits from customers. Banks may also undertake direct investment abroad (e.g., establishment of a subsidiary or branch abroad), subject to the approval of the CBC.
<i>In banks by nonresidents</i>	The acquisition of 10% or more of a bank’s share capital by any resident or nonresident person, either alone or with any associates, is subject to prior approval of the CBC in accordance with the Banking Law.
Open foreign exchange position limits	The overall net open/uncovered overnight (intraday) position in all foreign currencies should not exceed 6% (8%) of the bank’s capital base. The net open/uncovered overnight (intraday) position in any one foreign currency with the exception of the euro, should not exceed 3% (5%) of the bank’s capital base. In the case of the euro, both the net open/uncovered overnight position and the net intraday position should not exceed 6% of the bank’s capital base. Banks that do not engage in retail banking, and whose main business is the carrying out of investments, are allowed to maintain a net open position limit in all currencies of up to 30% of their capital base at the close of a business day, and up to 40% of their capital base during working hours. The limits that must be observed by the above category of banks, in any one currency for the overnight and intraday positions, are 15% and 25% of their capital base, respectively.
Provisions specific to institutional investors	Institutional investors are subject to prudential rules.
Insurance companies	
<i>Currency-matching regulations on assets/liabilities composition</i>	Yes.
Pension funds	The law on Establishment, Activities, and Supervision of Pension Funds, 2006 (L.146(I) (2006)), was enacted November 30, 2006. This law incorporates the provisions of EU Directive 2003/41/EC.
Investment firms and collective investment funds	Yes.
References to legal instruments and hyperlinks	Central Bank of Cyprus Laws, 2002 and 2003; www.centralbank.gov.cy/nqcontent.cfm?a_id=4475 ; Banking Laws, 1997 to 2005; Directive on the Monitoring of Foreign Currency Exposures; www.centralbank.gov.cy/media/pdf/IBDRESB110A281205.pdf ; Cooperative Societies Laws, 1985 to 2005; www.cssda.gov.cy/cssda/cssda.nsf/DMLlaw_gr/DMLlaw_gr?OpenDocument ; Insurance Services and Related Matters Laws, 2002 to 2005;

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Provident Funds Laws, 1981 to 2005; Activities and Supervision of Pension Funds, 2006; Investment Firms Laws, 2002 to 2005; www.cysec.gov.cy/existinglawsen.aspx.

Changes during 2006

Provisions specific to the financial sector

Provisions specific to institutional investors

November 30. The law on Establishment, Activities, and Supervision of Pension Funds, 2006 (L.146(I)(2006)), was enacted.

Changes during 2007

Exchange measures

January 9. The authorities informed the IMF of certain financial sanctions imposed against certain countries, individuals, and entities, in accordance with relevant UN Security Council resolutions and EU regulations.

CZECH REPUBLIC

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: October 1, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On December 20, 2006, the Czech Republic notified the IMF that it maintained restrictions in accordance with EU Council regulations. These include the freezing of funds and economic resources of Belarus, Bosnia and Herzegovina, Côte d'Ivoire, and Croatia; of certain individuals and entities of the Democratic Republic of the Congo, Iraq, the Democratic People's Republic of Korea, Lebanon, Liberia, Myanmar, Sudan, Uzbekistan, the former Federal Republic of Yugoslavia, and Zimbabwe; of persons and entities associated with Osama bin Laden, Al-Qaida, and the Taliban; and of certain other persons, groups, and entities, with a view to combating terrorism.

Other security restrictions

In accordance with relevant EU council regulations, effective April 20, 2007, restrictions are imposed including the freezing of funds and economic resources of certain individuals and entities of the Islamic Republic of Iran.

References to legal instruments and hyperlinks

Council Regulation (EC) No. 765/2006 (OJ L 134, dated May 5, 2006); Council Regulation (EC) No. 1763/2004 (OJ L 315, dated October 14, 2004) as amended; Council Regulation (EC) No. 1183/2005 (OJ L 193, dated July 23, 2005) as amended; Council Regulation (EC) No. 560/2005 (OJ L 95, dated April 14, 2005) as amended; Council Regulation (EC) No. 1210/2003 (OJ L 169, dated July 8, 2003) as amended; Council Regulation (EC) No. 305/2006 (OJ L 51, dated February 22, 2006) as amended; Council Regulation (EC) No. 872/2004 (OJ L 162, dated April 30, 2004) as amended; Council Regulation (EC) No. 817/2006 (OJ L 148, dated June 2, 2006) as amended; Council Regulation (EC) No. 1184/2005 (OJ L 193, dated July 23, 2005) as amended; Council Regulation (EC) No. 881/2002 (OJ L 139, dated May 29, 2002) as amended; Council Regulation (EC) No. 2580/2001 (OJ L 344, dated December 28, 2001) as amended; Council Regulation (EC) No. 2488/2000 (OJ L 287, dated November 14, 2000) as amended; Council Regulation (EC) No. 314/2004 (OJ L 55, dated February 22, 2004) as amended; Council Common Position 2006/787/CFSP, dated November 13, 2006; Council Common Position 2006/795/CFSP, dated November 20, 2006; Council Regulation (EC) No. 423/2007; Council Regulation (EC) No. 441/2007.

Exchange Arrangement

Currency

The currency of the Czech Republic is the Czech koruna.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The external value of the koruna is determined by supply and demand in the foreign exchange market. The Czech National Bank (CNB) may intervene in the foreign exchange market in order to smooth large intraday volatility swings of the euro-koruna rate. The CNB publishes daily rates of 29 selected currencies against the koruna for customs and accounting purposes. Commercial banks set their own exchange rate with no limitation.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

CZECH REPUBLIC

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements

Regional arrangements The Czech Republic is a member of the EU.

Administration of control

The MOF and the CNB are responsible for the administration of exchange controls and regulations, in accordance with the Foreign Exchange Act. In general, the MOF exercises authority over ministries and other administrative authorities, municipal authorities, budgetary organizations, state funds, and all types of credits extended to or accepted by the Czech Republic. The CNB exercises authority over the activities of all other agents.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes Reporting requirements apply to exports and imports of amounts exceeding the equivalent of €15,000 out of and into the EU customs territory.

On exports Yes.

On imports Yes.

References to legal instruments and hyperlinks Act No. 61/1996 Coll. on selected measures against legitimization of the proceeds of crime and on the amendment of related legislation; www.mfcr.cz/fau.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Controls apply to the deposit of funds with nonresident institutions by a private pension fund or by an insurance company if these assets are to form part of the cover of its technical reserves.

Accounts in domestic currency held abroad Controls apply to the deposit of funds with nonresident institutions by a private pension fund or by an insurance company if these assets are to form part of the cover of its technical reserves.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

CZECH REPUBLIC

Blocked accounts There are blocked accounts in connection with embargoes against the Islamic Republic of Afghanistan and individuals associated with the previous governments of Iraq and the former Federal Republic of Yugoslavia.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures EU regulations on common trade and agricultural policies apply.

Negative list Relevant EU import regulations based on the common commercial policy apply.

Open general licenses EU regulations based on the common commercial policy, including surveillance of certain steel products, and on the CAP apply.

Licenses with quotas In accordance with EU import regulations, import quotas apply to certain textile and clothing products originating in China, Belarus, the Democratic People's Republic of Korea, Kosovo, the Republic of Montenegro, and the Republic Serbia. Import quotas apply for certain steel products originating in Kazakhstan, the Russian Federation, and Ukraine, and for agricultural products in accordance with the CAP.

Import taxes and/or tariffs The EU Common Customs Tariff applies.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

Documentation requirements No.

Export licenses

Without quotas EU regulations based on the CAP apply. For some armaments, a security license is required.

With quotas EU regulations based on the CAP apply.

Export taxes

Other export taxes Export refunds are based on the CAP related to commitments in the WTO.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

References to legal instruments and hyperlinks n.a.

CZECH REPUBLIC

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents	Nonresidents' foreign participation in the air transport sector may not exceed 49% of total participation. Also, controls apply on investment by nonresidents in lotteries and similar games.
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Sale or issue locally by nonresidents	Controls apply to mortgage securities.
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Purchase abroad by residents	Controls apply to the purchase by (1) a private pension fund of securities other than those issued by governments and central banks of OECD member countries on a foreign market; (2) an insurance company of securities other than those issued by governments and central banks of OECD countries if these assets are to form 75% or less of the cover of its technical reserves and by the EIB, EBRD, and IBRD if these assets are to form 50% or less of the cover of its technical reserves; and (3) an insurance company of securities not traded on a regulated OECD market if these assets are to form 10% or less of the cover of its technical reserves.
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Bonds or other debt securities

Sale or issue locally by nonresidents	Controls apply to mortgage securities.
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Purchase abroad by residents	Controls apply to the purchase by (1) a private pension fund of securities other than those issued by governments and central banks of OECD member countries on a foreign market; (2) an insurance company of securities other than those issued by governments and central banks of OECD countries if these assets are to form 75% or less of the cover of its technical reserves and by the EIB, EBRD, and IBRD if these assets are to form 50% or less of the cover of its technical reserves; and (3) an insurance company of securities not traded on a regulated OECD market if these assets are to form 10% or less of the cover of its technical reserves.
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On money market instruments

Sale or issue locally by nonresidents

Controls apply to mortgage securities.

Purchase abroad by residents

Controls apply to the purchase by (1) a private pension fund of securities other than those issued by governments and central banks of OECD member countries on a foreign market; (2) an insurance company of securities other than those issued by governments and central banks of OECD countries if these assets are to form 75% or less of the cover of its technical reserves and by the EIB, EBRD, and IBRD if these assets are to form 50% or less of the cover of its technical reserves; and (3) an insurance company of securities not traded on a regulated OECD market if these assets are to form 10% or less of the cover of its technical reserves.

CZECH REPUBLIC

On collective investment securities

Purchase abroad by residents

Controls apply to the purchase by a private pension fund of securities issued on a foreign market and to the purchase by an insurance company of securities not traded on a regulated OECD market if these assets are to form part of the cover of its technical reserves.

Controls on derivatives and other instruments

Purchase abroad by residents

Controls apply to the purchase of or swap operations by a private pension fund in instruments and claims on a foreign financial market other than those issued by or contracted with governments and central banks of OECD member countries, and the purchase of or swap operations by an insurance company in instruments and claims on a foreign financial market other than derivatives publicly traded on an OECD market if these assets are to form 5% or less of the cover of its technical reserves.

Controls on credit operations

Financial credits

By residents to nonresidents

Controls apply to credits and loans granted to nonresident borrowers (1) other than governments and central banks of OECD member countries by a private pension fund; and (2) by an insurance company if these assets are to form part of the cover of its technical reserves.

Controls on direct investment

Inward direct investment

Controls apply to (1) the purchase of real estate that forms part of the agricultural land fund and forests by branches of nonresident enterprises; (2) the operation of a branch as a "mortgage bank" to the extent that a mortgage bank is defined under Czech law as an institution authorized to issue mortgage securities on domestic markets, which is limited to financial institutions incorporated under domestic law; (3) air transport, where the undertakings are owned and continue to be owned directly or through majority ownership by EU member states and/or nationals of EU member states, and are controlled by such member states; and (4) operation of lotteries and similar games, with the exception of (a) betting games in casinos for which an authorization may be granted to legal persons established in the Czech Republic and (b) consumer lotteries in which the prize may be only in-kind fulfillment, services or goods, products, etc., provided the total value of the in-kind prizes for one calendar year does not exceed CZK 200,000 and the value of one prize does not exceed CZK 20,000.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate abroad by (1) private pension funds; and (2) insurance companies, if these assets are to form part of the cover of their technical reserves.

Purchase locally by nonresidents

In accordance with Foreign Exchange Act 219/1995 Coll., real estate other than agricultural land may be acquired by (1) nonresidents who are citizens of the Czech Republic; (2) nonresidents with a certificate of permission to reside in the Czech Republic as citizens of a member state of the EU; (3) nonresident legal entities that have an enterprise or branch and are authorized to conduct business in the Czech Republic; and (4) other nonresidents who acquire real estate (a) through inheritance; (b) for diplomatic representation of another state on condition of reciprocity; (c) through an unapportioned co-ownership of a married couple, only one of whom is a citizen or a resident of the Czech Republic; (d) from a grandparent, parent, sibling, or spouse; (e) through the exchange of certain other land in the domestic territory whose price does not exceed the price of the original real estate; (f) through a preemptive right by reason of apportioned co-ownership; (g) by constructing a building on their own plot that forms one functional unit with an immovable construction in their ownership; or (h) where expressly provided for by a special act.

The following may own agricultural land (defined as land that forms part of, or belongs to, the agricultural land fund and land set aside as woodland): (1) nonresidents who are citizens of the Czech Republic; (2) nonresidents who are citizens of a member state of the EU who have resided in the Czech Republic for at least three years and are registered as self-employed farmers; and (3) other nonresidents who acquire land (a) by inheritance; (b) for

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diplomatic representation of another state on condition of reciprocity; (c) through an unapportioned co-ownership of a married couple, only one of whom is a citizen or a resident of the Czech Republic; (d) from a parent, grandparent, sibling, or spouse; (e) through the exchange of other agricultural land in the domestic territory whose price does not exceed the price of the original agricultural land; (f) through a preemptive right by reason of apportioned co-ownership that forms one functional unit with an immovable construction in their ownership; or (g) where expressly provided for by a special act.

Controls on personal capital transactions

Transfer of gambling and prize earnings

The operation of out-of-country or domestic lotteries and similar games where bets are paid abroad is prohibited, unless an exception is granted.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Open foreign exchange position limits

The following limits apply: (1) the absolute value of the net foreign exchange position in each foreign currency may not exceed 15% of the bank's capital; (2) the absolute value of the net foreign exchange position in koruny may not exceed 15% of the bank's capital; and (3) the overall foreign exchange position may not exceed 20% of the bank's capital.

Provisions specific to institutional investors

Insurance companies

Credit unions, insurance companies, and pension funds may place their assets abroad, subject to specific prudential regulations.

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase by an insurance company of securities (1) other than those issued by governments and central banks of OECD member countries if these assets are to form 75% or less of the cover of its technical reserves, and by the EIB, EBRD, and IBRD if these assets are to form 50% or less of the cover of its technical reserves; (2) not traded on a regulated OECD market if these assets are to form 10% or less of the cover of its technical reserves; and (3) not traded on a regulated OECD market if these assets are to form part of the cover of its technical reserves.

Limits (max.) on investment portfolio held abroad

Controls apply to (1) the purchase of or swap operations by an insurance company in instruments and claims on a foreign financial market other than derivatives publicly traded on an OECD market if these assets are to form 5% or less of the cover of its technical reserves, (2) credits and loans granted to nonresident borrowers by an insurance company if these assets are to form part of the cover of its technical reserves, and (3) deposits of funds with nonresident institutions by a private pension fund or by an insurance company if these assets are to form part of the cover of its technical reserves.

Limits (min.) on investment portfolio held locally

Yes.

Currency-matching regulations on assets/liabilities composition

Yes.

Pension funds

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase by a private pension fund of (1) capital and money market securities other than those issued by governments and central banks of OECD member countries on a foreign market, and (2) collective investment securities issued on a foreign market.

Limits (max.) on investment portfolio held abroad

Controls apply to (1) the purchase of or swap operations by a private pension fund in instruments and claims on a foreign financial market other than those issued by or contracted with governments and central banks of OECD member countries, (2) credits and loans granted to nonresident borrowers other than governments and central banks of OECD member countries by a private pension fund, and (3) deposit of funds with nonresident

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	institutions by a private pension fund if these assets are to form part of the cover of its technical reserves.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange measures

December 20. The Czech Republic notified the IMF that it maintains restrictions in accordance with EU Council regulations. These include the freezing of funds and economic resources of Belarus, Bosnia and Herzegovina, Côte d'Ivoire, and Croatia; of certain individuals and entities of the Democratic Republic of the Congo, Iraq, the Democratic People's Republic of Korea, Lebanon, Liberia, Myanmar, Sudan, Uzbekistan, the former Federal Republic of Yugoslavia, and Zimbabwe; of persons and entities associated with Osama bin Laden, Al-Qaida, and the Taliban; and of certain other persons, groups, and entities, with a view to combating terrorism.

Changes during 2007

Exchange measures

April 20. Restrictions were imposed with respect to certain individuals and entities of the Islamic Republic of Iran.

DENMARK

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 1, 1967.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Measures have been taken to freeze accounts belonging to the Taliban and Al-Qaida, members of other terrorist groups, certain individuals associated with the former Federal Republic of Yugoslavia, and persons indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY); and to certain individuals and entities associated with Belarus, the Democratic Republic of the Congo, Côte d'Ivoire, the Islamic Republic of Iran, Iraq, Lebanon, Liberia, Myanmar, Sudan, and Zimbabwe. Persons or organizations whose accounts are frozen will not be able to engage in any financial transactions through these accounts. No accounts have yet been frozen, however. These measures have been taken in accordance with the relevant UN and EU resolutions.

Other security restrictions

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained on financial transactions with respect to Haiti, Iraq, and Libya (prohibiting the satisfaction of certain claims). Financing of and financial assistance related to military activities in certain countries are prohibited.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Denmark is the Danish krone.

Exchange rate structure

Unitary.

Classification

Pegged exchange rate within horizontal bands

Denmark participates in the ERM II and maintains the spot exchange rate between the Danish krone and the euro within margins of $\pm 2.25\%$ around the central rate.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

There is a well-functioning forward exchange market.

References to legal instruments and hyperlinks

Danmarks Nationalbank: www.nationalbanken.dk/DNUK/MonetaryPolicy.nsf/side/Exchange_Rate_Mechanism__ERM_II!OpenDocument.

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

Payments arrangements

Regional arrangements

Denmark is a member of the EU.

Administration of control

No.

DENMARK

Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	Exports and imports of banknotes exceeding the equivalent of €15,000 must be declared to customs.
On exports	Yes.
On imports	Yes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	In general, import policy is coordinated with the EU.
Negative list	Direct and indirect imports of rough diamonds and certain forestry products from Liberia are prohibited in accordance with UN Security Council Resolution No. 1478. Restrictions apply on imports of endangered species of wild fauna and flora and pelts of certain wild animals. Imports of certain goods may also be prohibited due to technical requirements.

DENMARK

Open general licenses	Import licenses are required for some goods (e.g., certain iron and steel imports from certain countries and certain agricultural products) for surveillance and safeguard purposes.
Licenses with quotas	Licenses are required for imports of certain agricultural products, including rice, sugar, milk products, beef, fruits, and vegetables. The EU entered into a memorandum of understanding (MoU) with China and elaborated on the MoU with minutes from a consultation that approved quotas on exports to the EU of 10 textile products, covering the period June 11, 2005, to end-2007. Licenses are required for textile imports from Belarus, the Democratic People's Republic of Korea, Kosovo, and Montenegro.
Import taxes and/or tariffs	No.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Except for certain items subject to strategic controls, licenses are required only for exports of certain metals in waste or scrap form. Special rules apply on exports of waste in general.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.

DENMARK

Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Controls apply on the (1) ownership of Danish flag vessels by non-EU residents, except through an enterprise incorporated in Denmark; (2) ownership by non-EU residents of one-third or more of a business engaged in commercial fishing; (3) ownership of an air transport license, which is reserved for EU residents; and (4) investment in accounting services by non-EU residents and in legal services by nonresidents.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Purchases require approval from the Ministry of Justice, except in the case of acquisitions by (1) persons who were formerly residents of Denmark for at least five years; (2) EU and EEA nationals working in Denmark or in possession of a valid EU/EEA residence permit, and EU- or EEA-based companies operating in Denmark for residential or business purposes; and (3) non-EU nationals who are entitled to reside in Denmark in accordance with EU directives. However, exceptions (2) and (3) listed above do not apply to vacation homes for personal use.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	The Consolidated Act contains prudential regulations covering capital adequacy, liquidity, and large exposures. These regulations are in accordance with the relevant EU directives.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	A 60% limit applies to holdings of foreign equity securities (denominated in euros) by private insurance companies. The limit is 20% for holdings in other currencies.
<i>Currency-matching regulations on assets/liabilities composition</i>	A 60% limit applies to holdings in euros by private insurance companies. The limit is 20% for holdings in other foreign currencies.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	A 60% limit applies to holdings of foreign equity securities (denominated in euros) by private pension funds. The limit is 20% for holdings in other currencies.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	A 60% limit applies to holdings in euros by private pension funds. The limit is 20% for holdings in other foreign currencies.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	Executive Order No. 40, dated January 20, 1999.

DENMARK

Changes during 2006

No significant changes occurred in the exchange and trade system.

DJIBOUTI

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 19, 1980.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Djibouti is the Djibouti franc.

Exchange rate structure Unitary.

Classification

Currency board arrangement The Djibouti franc is pegged to the dollar, the intervention currency, at DF 177.721 per \$1. The official buying and selling rates for currencies other than the dollar are set by local banks and money changers on the basis of the cross rates for the dollar in international markets. The full issue of Djibouti francs is covered by foreign exchange reserves.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements No.

Administration of control No.

Payments arrears

Official Bilateral agreements have been reached with several Paris Club creditors.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes No.

References to legal instruments and hyperlinks n.a.

DJIBOUTI

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance import deposits	Advance import deposits are permitted up to a certain percentage of the value of imports.
Documentation requirements for release of foreign exchange for imports	
Preshipment inspection	Yes.
Letters of credit	Yes.
Import licenses and other nontariff measures	
Negative list	Yes.
Import taxes and/or tariffs	Formal customs duties are not imposed on imports, but, in practice, fiscal duties are levied by means of the general consumption tax on imports at three rates (8%, 20%, and 33%). Certain products, including alcoholic beverages, noncarbonated mineral water, petroleum products, khat, and tobacco, are subject to a surtax.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

DJIBOUTI

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	Yes.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.
Preshipment inspection	Yes.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	There are controls on all credit transactions between residents and nonresidents, including transactions in the form of guarantees, sureties, and financial backup facilities within the limits established by the banking regulations, for the purpose of complying with the prudential standard on customer risk.
Commercial credits	
<i>By residents to nonresidents</i>	Yes.
Financial credits	
<i>By residents to nonresidents</i>	Yes.

DJIBOUTI

Guarantees, sureties, and financial backup facilities

By residents to nonresidents Yes.

Controls on direct investment Controls apply to all these transactions.

Controls on liquidation of direct investment No.

Controls on real estate transactions No.

Controls on personal capital transactions No.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits) Yes.

Lending locally in foreign exchange Yes.

Purchase of locally issued securities denominated in foreign exchange Yes.

Differential treatment of deposit accounts in foreign exchange

Liquid asset requirements Yes.

Differential treatment of deposit accounts held by nonresidents

Liquid asset requirements Yes.

Provisions specific to institutional investors

Insurance companies

Currency-matching regulations on assets/liabilities composition

There is a matching requirement with respect to both the amount of the transaction and the currency of denomination, as well as with respect to maturity and interest rate.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

DOMINICA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 13, 1979.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions Trade with Iraq is prohibited.

Other security restrictions Yes.

References to legal instruments and hyperlinks Suppression of the Financing of Terrorism Act No. 3 of 2006.

Exchange Arrangement

Currency The currency of Dominica is the Eastern Caribbean dollar, issued by the ECCB.

Exchange rate structure Unitary.

Classification

Currency board arrangement Dominica participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar is pegged to the U.S. dollar under a currency board arrangement at EC\$2.70 per US\$1. Effective January 1, 2007, the exchange arrangement of the ECCU countries has been reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements with residents of the territories participating in the ECCB Agreement must be made in Eastern Caribbean dollars; those with member countries of CARICOM must be made in the currency of the CARICOM country concerned. Settlements with residents of other countries may be made in any foreign currency that is acceptable to the country where the settlement is being made.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents n.a.

DOMINICA

Payments arrangements

Regional arrangements Dominica is a member of CARICOM and the OECS.

Clearing agreements Yes.

Administration of control

Foreign exchange control is inoperative. The Ministry of Trade administers import and export arrangements and controls.

Payments arrears

Official Yes.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade Residents are permitted to acquire and hold gold coins for numismatic purposes only.

On external trade Small quantities of gold may be imported for industrial purposes only with the approval of the MOF.

Controls on exports and imports of banknotes

On exports

Domestic currency

The exportation of Eastern Caribbean dollar notes and coins outside the ECCB area is limited to amounts prescribed by the ECCB.

References to legal instruments and hyperlinks

Statutory Rules and Orders No. 13 of 2004.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

These accounts are normally confined to major exporters and may be credited only with foreign currencies obtained abroad. Payments from these accounts do not require approval.

Approval required

Yes.

Held abroad

No.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

These accounts are permitted, but approval is required.

Approval required

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

No.

Approval required

Yes.

Blocked accounts

No.

DOMINICA

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports Payments for authorized imports are permitted on presentation to a commercial bank of documentary evidence of purchase.

Letters of credit Yes.

Import licenses and other nontariff measures All imports from Iraq are prohibited.

Negative list Imports of specified goods originating from non-OECS countries, Belize, and CARICOM countries require a license. Imports of certain goods from the more developed countries of CARICOM (Barbados, Guyana, Jamaica, and Trinidad and Tobago) also require a license.

Open general licenses Certain goods require a license for public health or safety reasons.

Licenses with quotas There are certain quantitative restrictions on imports of flour.

Import taxes and/or tariffs Most rates are ad valorem. Dominica applies the fourth phase of the CARICOM CET. The maximum tariff on most CARICOM agricultural and nonagricultural products is 40% and 20%, respectively. Lower rates apply to machinery (zero to 15%) and some essential foodstuffs (zero to 15%), whereas higher rates apply to import-substituting domestic appliances (20% to 35%) and motor vehicles (10% to 40%). Specific taxes are applied to some goods. These include an excise tax that is levied on (1) motor vehicles, (2) alcohol, (3) petroleum products, and (4) tobacco and tobacco substitutes at the rates set out in the Excise Tax Regulations (SRO 5) of 2006. Certain imports are exempt. A VAT was introduced in March 2006 and legislation provides for certain zero-rated items and exempt imports. Imports are subject to a 1.5% environmental surcharge in addition to the 3% customs service charge. An environmental surcharge of EC\$3,000 is payable on vehicles more than five years old. Vehicles less than five years old are subject to a rate of 1.5%, but a concessionary rate of 1% is extended to returning residents.

State import monopoly Bulk imports of sugar and rice are effected by a state agency.

References to legal instruments and hyperlinks Excise Tax Regulations (SRO 5) of 2006.

Exports and Export Proceeds

Repatriation requirements Yes.

Surrender requirements

Surrender to authorized dealers The conversion of export proceeds to an ECCB currency account is mandatory, unless the exporter has a foreign currency account to which the proceeds may be credited.

Financing requirements n.a.

Documentation requirements No.

Export licenses Exports to Iraq are prohibited, and specific licenses are required for the exportation of protected plant and animal species to any destination.

Without quotas Yes.

Export taxes Yes.

DOMINICA

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions The Securities Act allows non-OECS countries to trade on the OECS exchange.

Repatriation requirements n.a.

Surrender requirements n.a.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase abroad by residents Yes.

Bonds or other debt securities

Purchase abroad by residents Yes.

On money market instruments

Purchase abroad by residents Yes.

On collective investment securities

Purchase locally by nonresidents n.a.

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents Yes.

Sale or issue abroad by residents n.a.

Controls on derivatives and other instruments n.a.

Controls on credit operations All credit operations by residents to nonresidents require MOF approval.

Commercial credits

By residents to nonresidents Yes.

DOMINICA

Financial credits	
<i>By residents to nonresidents</i>	Yes.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	n.a.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Nonresidents are generally required to have an alien landholding license to hold shares in private and public companies and to hold property.
Controls on liquidation of direct investment	Proceeds may be remitted after the discharge of any related liabilities.
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	An alien landholding license is required.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Yes.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Yes.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Yes.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Maintenance of accounts abroad	n.a.
Lending to nonresidents (financial or commercial credits)	MOF approval is required.
Lending locally in foreign exchange	These transactions generally are not permitted.
Purchase of locally issued securities denominated in foreign exchange	n.a.

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Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the ECCU countries was reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

DOMINICAN REPUBLIC

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 1, 1953.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Dominican Republic is the Dominican peso.

Exchange rate structure

Unitary The reference rate used by the Central Bank of the Dominican Republic (CBDR) for its operations is set as the weighted average of daily rates reported by authorized exchange intermediaries.

Classification

Managed floating with no predetermined path for the exchange rate The authorities intervene in the foreign exchange market to prevent undue exchange rate volatility.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements under the LAIA framework must be made in dollars. Other transactions between residents and nonresidents may be made in any currency.

Controls on the use of domestic currency

For current transactions and payments Yes.

Payments arrangements

Bilateral payments arrangements

Operative Yes.

Inoperative There is an inoperative agreement with Paraguay.

Regional arrangements Yes.

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Clearing agreements	Settlements with Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, and Uruguay may be made through two accounts that were established under reciprocal credit agreements within the framework of the LAIA. Imports (debits) and exports (credits) are recorded in these accounts, and all payments must be invoiced in dollars.
Barter agreements and open accounts	Settlements take place under reciprocal credit agreements with Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay, and República Bolivariana de Venezuela.
Administration of control	Exchange control policy is determined by the Monetary Board and administered by the CBDR. General regulations for foreign exchange operations and trading were issued in October 2006.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	Exports and imports of currency are unrestricted, but amounts exceeding the equivalent of \$10,000 must be reported for anti-money laundering purposes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Resident corporations and individuals may maintain savings or time deposit accounts locally in dollars or in any other freely convertible foreign currency at full-service banks.
Held abroad	No.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Accounts denominated in pesos are convertible against other currencies. Economic agents may enter into transactions involving foreign currencies on freely negotiated terms, in accordance with the general rules and regulations governing contracts.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Nonresident corporations and individuals may maintain savings or time deposit accounts locally in dollars or in any other freely convertible foreign currency at full-service banks.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

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Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Positive list	This list includes beans, corn, garlic, milk, onions, chicken, rice, and sugar.
Negative list	Imports of live animals; seeds; plants; fruits; plant and animal products that are unhealthy, decomposing, or infected with germs or parasites; and substances harmful or injurious to human, plant, or animal health are prohibited.
Licenses with quotas	Imports of beans, corn, garlic, milk, onions, chicken, rice, and refined sugar require licenses.
Import taxes and/or tariffs	<p>There are five tariff rates: zero, 3%, 8%, 14%, and 20%. There is a temporary import system for the entry, free of import duties and taxes, of certain goods that are to be reexported within a maximum of 18 months of being processed, worked, or repaired. In addition, there is a zero rate for imports of inputs, machinery, and equipment to be used in the textile and agricultural sectors. The previous exchange commission of 13% was eliminated effective July 1, 2006.</p> <p>The free trade agreement between the United States and Central America entered into force on March 1, 2007, providing duty-free entry of goods from countries signatory to the agreement on a phased basis over 20 years. During the first year this agreement has been in effect, approximately 4,333 tariff line items already have duty-free access to the Dominican Republic.</p>
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
With quotas	Licenses are required for sugar and textile exports to the United States. Bananas are subject to quantitative restrictions in the EU, as are coffee and cocoa in the markets of signatories to the International Coffee Agreement and International Cocoa Agreement.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	All invisible payments may be made freely through full-service commercial banks subject to documentation requirements.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
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DOMINICAN REPUBLIC

Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Transactions are regulated under the Law on the Securities Market and by the Superintendency of Securities (SOS).
On capital market securities	Shares are not yet traded. Only commercial paper transactions and transactions with some bonds denominated in domestic currency are carried out.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	Yes.
Sale or issue abroad by residents	The sale or issue abroad by residents must be authorized by the SOS.
Controls on derivatives and other instruments	No.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Full-service banks and credit institutions may extend direct or indirect loans and guarantees or securities to a single resident or nonresident individual, legal entity, or risk group for up to 10% of their paid-up capital and reserves, or up to 20% if such operations are secured with first-rank mortgages or real guarantees.
<i>To residents from nonresidents</i>	External debt may be contracted directly by the central government, subject to authorization by the national congress. New loans by other public entities require authorization from the president of the republic prior to their registration with the CBDR. External debt must be registered with the CBDR.
Guarantees, sureties, and financial backup facilities	Full-service commercial banks must request prior CBDR authorization to issue foreign currency guarantees, other than for trade operations. External short-term financing by such banks is limited to 30% of paid-up capital and reserves.
<i>By residents to nonresidents</i>	Yes.
Controls on direct investment	
Outward direct investment	Full-service commercial banks and other credit institutions may invest up to 20% of their paid-up capital in branches, agencies, or representative offices abroad, as well as make equity investments in foreign financial institutions. Full-service banks wishing to invest abroad or to open cross-border entities must fulfill certain minimum requirements, including (1) prior authorization of the Monetary Board, which requires host-country authorization and the favorable opinion of the Superintendency of Banks; (2) in the case of full-service banks, a solvency ratio equal to or greater than 10% and fulfillment of prudential requirements in the Monetary and Financial Law or in Monetary Board resolutions; (3) in the case of full-service banks, sufficient management capacity to perform offshore functions; (4) maintenance of a cooperation agreement between the Superintendency of Banks and the host-country supervisory authorities; (5) approval by the host-country authorities of the investment; (6) a favorable report from the host-country supervisory authorities regarding the rating and soundness of the financial intermediary in which investment is to be made; and (7) submission of necessary documentation to the Superintendency of Banks.
Inward direct investment	Investments must be registered with the Dominican Republic Exports and Investment Center. Investment in the following sectors is prohibited: (1) disposal of toxic waste and dangerous or radioactive substances not produced in the country, (2) activities that affect

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	public health and the environment, and (3) production of materials and equipment that affect defense and national security.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	
Transfer of assets	No restrictions apply to transfers of assets; however, transfers exceeding the equivalent of \$10,000 must be reported for anti-money laundering purposes.
References to legal instruments and hyperlinks	Law on the Securities Market.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Full-service banks and other credit institutions are (1) subject to supervision on a consolidated basis to evaluate global risk in aggregate terms; and (2) required to report to the CBDR and the Superintendency of Banks about all financial information of their consolidated subsidiaries, and to publish their consolidated financial statements. Implementation of market and liquidity risk management measures for financial institutions began June 30, 2006. Implementation of the market risk capital requirements began September 30, 2006.
Borrowing abroad	Full-service banks may obtain financing abroad on a short-term basis, subject to a limit of 30% of their paid-up capital and reserves.
Lending to nonresidents (financial or commercial credits)	Full-service banks and credit institutions may extend direct or indirect loans and guarantees or securities to a single resident or nonresident individual, legal entity, or risk group for up to 10% of their paid-up capital and reserves, or up to 20% if such operations are secured with first-rank mortgages or real guarantees.
Lending locally in foreign exchange	Full-service banks may grant loans in dollars up to 100% of their foreign exchange resources that are held in the form of savings or time deposits. Eighty-five percent of these loans must be channeled to individuals or legal entities that generate foreign exchange.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	<p>The reserve requirement ratio is 20% for both domestic and foreign currency bank deposits. The reserve requirement on foreign currency deposits at the CBDR must be maintained at 100%. In the case of reserve requirements in domestic currency, banks may retain up to 2% in cash, with the remainder to be retained at the CBDR. Small loan offices that have become credit corporations must maintain a reserve requirement of 5%, which has to be gradually built up to 15% over a period of six months. Effective November 28, 2006, the reserve requirement is 15% for other financial intermediary institutions (savings and loan associations, savings and credit banks, and credit corporations) and 10% for Banco Agrícola de la República Dominicana. The calculation of the reserve requirement position of full-service banks and other financial intermediary institutions in domestic currency is made daily for purposes of monitoring liquidity, and accumulated weekly for full-service banks and biweekly for savings and credit banks, credit corporations, and savings and loan associations for purposes of determining penalties, if any.</p> <p>Information required for calculating the reserve requirement position of financial intermediary institutions is submitted electronically to the CBDR on a daily basis through the online banking system or such other means as may be determined.</p>
<i>Credit controls</i>	Full-service banks and credit institutions may extend direct or indirect loans and guarantees or securities to a resident or nonresident individual, legal entity, or risk group, up to 10% of their paid-up capital and reserves, and up to 20% of capital and reserves if such operations are secured with first-rank mortgages or real guarantees.

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Investment regulations

Abroad by banks

Full-service commercial banks and other credit institutions may invest up to 20% of their paid-up capital in branches, agencies, or representative offices abroad, as well as make equity investments in foreign financial institutions. Full-service banks wishing to invest abroad or to open cross-border entities must fulfill certain minimum requirements, including (1) prior authorization of the Monetary Board, which requires host-country authorization and the opinion of the Superintendency of Banks; (2) in the case of full-service banks, a solvency ratio equal to or greater than 10% and fulfillment of prudential requirements in the Monetary and Financial Law or in Monetary Board resolutions; (3) in the case of full-service banks, sufficient management capacity to perform offshore functions; (4) maintenance of a cooperation agreement between the Superintendency of Banks and the host-country supervisory authorities; (5) approval by the host-country authorities of the investment; (6) a favorable report from the host-country supervisory authorities regarding the rating and soundness of the financial intermediary in which investment is to be made; and (7) submission of necessary documentation to the Superintendency of Banks.

Open foreign exchange position limits

The net short or long foreign currency positions of full-service banks are subject to the limits established in the Foreign Exchange Regulations. The limits are as follows: (1) for the long position for all financial intermediaries, the equivalent of 20% of liabilities denominated in foreign currencies plus contingent liabilities without foreign currency collateral, or 100% of paid-up capital and legal reserves, whichever amount is larger; and (2) for the short position for financial intermediaries, the equivalent of 20% of their assets denominated in foreign currencies, or 100% of the paid-up capital and legal reserves.

On resident assets and liabilities

Transactions are regulated by the Law on the Securities Market and by the SOS.

On nonresident assets and liabilities

Shares and bonds are not yet traded.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on investment portfolio held abroad

Financial intermediary institutions' external loan portfolios are subject to the following limits relative to principal: (1) 10% for unsecured loans, (2) 20% for secured loans, and (3) 50% for tied loans. Equity investments are limited to 20% of capital.

Limits (min.) on investment portfolio held locally

Financial intermediary institutions' domestic loan portfolios are subject to the following limits relative to principal: (1) 10% for unsecured loans, (2) 20% for secured loans, and (3) 50% for tied loans. Equity investments in the Dominican Republic are subject to the following limits relative to principal: (1) 20% in service companies and (2) 10% in nonfinancial enterprises.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

Second Resolution of the Monetary Board of November 28, 2006, Foreign Exchange Regulations; Law on the Securities Market.

Changes during 2006

Imports and import payments

July 1. The exchange commission of 13% charged on all imports was eliminated.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

June 30. The implementation of market and liquidity risk management measures for financial institutions began.

September 30. The implementation of market risk capital requirements began.

November 28. The reserve requirement was 15% for financial intermediary institutions other than full-service banks and 10% for Banco Agrícola de la Republica Dominicana.

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Changes during 2007

Imports and import payments

March 1. The free trade agreement between the United States and Central America entered into force.

ECUADOR

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 31, 1970.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with Ecuador states that as of January 5, 2006, Ecuador maintains an exchange restriction subject to Fund approval under Article VIII, Section 2 (a), in the form of a freeze on demand and savings deposits held in closed banks managed by the Deposit Guarantee Agency. (Country Report No. 06/98)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Ecuador is the U.S. dollar.

Other legal tender

A limited issue of domestic coins of small value remains in circulation to facilitate small transactions. These are fully backed by dollars.

Exchange rate structure

Unitary.

Classification

Exchange arrangement with no separate legal tender

The currency of Ecuador is the dollar, which circulates freely.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Banks and other financial institutions authorized to conduct foreign exchange transactions are permitted to conduct forward swaps and options, and transactions in other financial derivative instruments, subject to the supervision and control of the Superintendency of Banks.

References to legal instruments and hyperlinks

https://www.superban.gov.ec/downloads/normativa/nueva_codificacion/titulo_VI/cap_I.pdf.

Arrangements for Payments and Receipts

Prescription of currency requirements

Exchange proceeds from all countries, except LAIA member countries, must be received in convertible currencies. Whenever possible, import payments must be made in the currency stipulated in the import license.

Controls on the use of domestic currency

For current transactions and payments

Yes.

Payments arrangements

Bilateral payments arrangements

Inoperative

There are arrangements with Cuba and Hungary, which are currently inoperative.

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Regional arrangements	Ecuador is a member of the LAIA.
Clearing agreements	Payments between Ecuador and the other LAIA countries may be made within the framework of the multilateral clearing system of the LAIA.
Barter agreements and open accounts	There is a barter agreement with the Government of Venezuela, under which Ecuador imports diesel and exports crude oil.
Administration of control	Public sector foreign exchange transactions are carried out exclusively through the Central Bank of Ecuador (CBE). Exports must be registered with the CBE for statistical purposes. Private sector foreign exchange transactions related to the exportation, production, transportation, and commercialization of oil and its derivatives may be carried out through the financial market. Private sector foreign exchange transactions may be effected through banks and exchange bureaus authorized by the Superintendency of Banks.
Payments arrears	
Official	On December 31, 2006, no arrears were recorded. There are minimal, intra-annual technical arrears with multilateral agencies and governments.
Private	The CBE does not record all payments made by the private sector.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
<i>Approval required</i>	Approval is required for accounts denominated in currencies other than the dollar. The CBE may open accounts in currencies other than the dollar, on behalf of public sector entities, provided said entities receive funds in the form of grants or loans.
Held abroad	Public sector entities may hold foreign exchange accounts abroad.
<i>Approval required</i>	The approval of the board of directors of the CBE is required.
Accounts in domestic currency held abroad	The dollar is used as domestic currency, and no distinction is made between accounts in dollars held domestically and those held abroad.
Accounts in domestic currency convertible into foreign currency	The dollar is used as domestic currency, and balances may be converted into foreign currency without restriction.
References to legal instruments and hyperlinks	Article 1, Chapter II (Foreign Exchange Accounts of Public Sector Institutions), Title I (Exchange Market), Book II, Exchange Policy on the Codification of Regulations of the CBE.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.

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Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	

Advance payment requirements Prepayments for imports by the private and public sectors are permitted.

Documentation requirements for release of foreign exchange for imports	No.
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Import licenses and other nontariff measures Preinspection documents are required for agricultural, medical, arms, and psychotropic imports. In addition, Petroecuador (the state oil company) may, without a license, import supplies, materials, and equipment during emergencies.

Negative list Imports of psychotropics, used vehicles, used tires, and used clothes are prohibited, primarily to protect the environment and public health. Imports of certain items related to health or national security are also prohibited. Certain imports require prior authorization from government ministries or agencies for ecological, health, or national security reasons.

Other nontariff measures Measures include safeguards, quotas, and contingencies.

Import taxes and/or tariffs Tariff rates for most goods are zero, 5%, 10%, 15%, 20%, and 35%. Automobiles are subject to a 35% rate calculated on the basis of the c.i.f. value. Variable tariffs under a price band system are applied to about 154 agricultural products. Under an agreement with the WTO, tariff rates for goods subject to price bands are bound at 45%. Discriminatory excise taxes are in place for a limited number of goods, including automobiles, beer, liquor, soft drinks, and cigarettes. In addition, there is a redeemable quota of 0.25 per million on the f.o.b. value of any import to be used for financing the activities of the Export and Investment Promotion Corporation (CORPEI).

State import monopoly	No.
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References to legal instruments and hyperlinks Resolution 183 of the External Trade and Investment Board (COMEXI), Article 9, published in May 2003; COMEXI Resolution 182, Official Register 57 of April 8, 2003, Annex 1.

Exports and Export Proceeds

Repatriation requirements	No.
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Financing requirements	No.
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Documentation requirements	
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Letters of credit Yes.

Preshipment inspection This establishes the official value assigned to the goods.

Export licenses Exports require licenses and must be registered with the CBE for statistical purposes.

Without quotas The export prices of bananas, cocoa, coffee, fish, and semifinished cocoa products are subject to minimum reference prices.

Export taxes All crude oil exports are subject to a tax of \$0.0002 a barrel. Petroecuador is considering tariffs of \$1.15766 for crude oil exported through the TransEcuadoran Pipeline and of \$1.4368 for crude oil exported through the heavy crude pipeline.

Other export taxes Exports are subject to a redeemable quota amounting to 1.5 a thousand of the f.o.b. value (except for petroleum and petroleum products, which are subject to a redeemable quota of 0.5 a thousand). Exporters accumulating \$500 in paid-up redeemable quotas may apply to

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CORPEI for a certificate that may be cashed in for its nominal value after 10 years. The proceeds from the investment of redeemable quotas are used partly to finance CORPEI's activities. Exports of coffee are subject to a contribution of 2% of their f.o.b. value, with the proceeds given to the National Coffee Board.

References to legal instruments and hyperlinks

Official Register 657, Law on the Coffee Sector, March 20, 1995; Executive Decree 1351, published in Official Register 352 of January 5, 1994; Resolution 002 of the Foreign Trade and Investment Board published in the Official Register of March 16, 1998.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	

All foreign loans granted to or guaranteed by the government or official entities, whether or not they involve the disbursement of foreign exchange, are subject to prior approval from the CBE. A request for such approval must be submitted by the MOF to the CBE, accompanied by detailed information on the loan contract and the investment projects it is intended to finance. In examining the request, the CBE considers the effects that the loan and the related investment may have on the fiscal accounts, balance of payments, and level of public indebtedness. For public sector entities, the projects to be financed must be included in the Annual Investment Program drawn up by the National Secretariat of Planning and Development, in the pro forma budget prepared by the Ministry of Economy and Finance, and in the CBE's macroeconomic planning.

External credits with a maturity of more than one year that are contracted by the private sector, either directly or through the domestic financial system, must be registered with the CBE within 45 days from the date of disbursement.

Commercial credits

By residents to nonresidents

Commercial credits to private enterprises are supervised by the Superintendency of Banks.

Financial credits

By residents to nonresidents

Yes.

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Guarantees, sureties, and financial backup facilities

By residents to nonresidents Yes.

Controls on direct investment There are no controls, but registration with the CBE is required for statistical purposes.

Controls on liquidation of direct investment No.

Controls on real estate transactions No.

Controls on personal capital transactions No.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements The reserve requirement for financial institutions' accounts is 4%.

Provisions specific to institutional investors

Pension funds

Limits (max.) on investment portfolio held abroad The Ecuadoran Social Security Institute may not invest abroad more than 7.5% of the total market value of its portfolio. In practice, the Institute does not invest abroad.

Limits (min.) on investment portfolio held locally The Ecuadoran Social Security Institute may not invest more than 50% of the total market value of its portfolio in public sector investments.

References to legal instruments and hyperlinks

Codification of Resolutions of the Superintendency of Banks, Subtitle II; Operations of the Ecuadoran Social Security Institute, Chapter I; Regulations Governing the Investment of Resources Corresponding to Each Type of Insurance Included in Obligatory General Insurance and the Portfolio of the Directorate General of the Ecuadoran Social Security Institute.

Changes during 2006

No significant changes occurred in the exchange and trade system.

EGYPT

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: January 2, 2005.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Banks have been instructed to freeze accounts and assets of listed persons and organizations associated with terrorism. These measures were taken in accordance with the relevant UN Security Council resolutions. Further, the authorities have established the Financial Intelligence Unit, which coordinates all issues related to money laundering and financing of terrorism.

Other security restrictions

Restrictions are in effect against Libya.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the Arab Republic of Egypt is the Egyptian pound.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Although Egypt maintains de jure a managed float with no predetermined path for the exchange rate, the exchange rate between the dollar and the pound has remained stable since 2006. Banks, signatory to the interbank convention on foreign exchange trading, buy and sell foreign exchange at freely determined rates. The Central Bank of Egypt (CBE) buys and sells foreign exchange daily at the rate prevailing in the interbank market.

Authorized nonbank foreign exchange dealers may buy and sell domestic and foreign means of payment (banknotes and traveler's checks) on their own accounts. These transactions are conducted in cash. However, nonbank ADs are not permitted to deal in transfers into or out of the country; they must sell all working-day foreign currency surpluses in excess of their authorized operating balances to commercial banks. Effective June 8, 2006, Decree No. 40 of 2006 provides for intraday adjustment of the CBE's exchange rate for official transactions.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Authorized commercial banks are permitted to conduct forward foreign exchange transactions for their own accounts. No prior approval by the CBE is required, and the banks are free to determine the rates for forward transactions.

References to legal instruments and hyperlinks

Decree No. 40 of 2006; www.cbe.org.eg.

Arrangements for Payments and Receipts

Prescription of currency requirements

For countries with which indemnity agreements concerning compensation for nationalized property are in force, certain settlements are made through special accounts in Egyptian

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	pounds with the CBE. The balances of these accounts are minimal. Suez Canal dues are expressed in SDRs and are settled in any foreign currency. Settlements with Sudan are made in accordance with the terms of a bilateral agreement.
Controls on the use of domestic currency	n.a.
Use of foreign exchange among residents	n.a.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	An account denominated in clearing pounds sterling has been set up to liquidate debts owed to FSU countries under terminated bilateral payments arrangements. There is an inoperative agreement with Sudan.
Regional arrangements	Egypt is a member of COMESA.
Barter agreements and open accounts	Yes.
Administration of control	Banks are authorized to execute foreign exchange transactions within the framework of a general authorization without obtaining specific exchange control approval.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Banks are not authorized to deal or speculate, on their own or their customers' accounts, in precious metals.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Travelers may take out up to LE 5,000.
<i>Foreign currency</i>	Amounts exceeding the equivalent of \$10,000 must be declared on exit.
On imports	
<i>Domestic currency</i>	Travelers may bring in up to LE 5,000.
<i>Foreign currency</i>	Amounts exceeding the equivalent of \$10,000 must be declared on entry.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Balances may be converted through the foreign exchange market.
References to legal instruments and hyperlinks	n.a.

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Nonresident Accounts

Foreign exchange accounts permitted	“Free accounts” may be opened in the name of any entity. These accounts may be credited with transfers of convertible currencies from abroad and transfers from other similar accounts, foreign banknotes (convertible currencies), and interest earned on these accounts. These accounts may be debited for transfers abroad, transfers to other similar accounts, withdrawals in foreign banknotes by the owner or others, and payments in Egypt.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Letters of credit	Margin deposits for LCs opened by importers for trading purposes are 100%.
Import licenses and other nontariff measures	
Negative list	Most items may be imported freely. Automobiles can be imported only during the year of their manufacture. Imports of telecommunications equipment require permits from the National Telecommunications Regulatory Authority. Imports of used telecommunications materials for trading purposes are prohibited.
Other nontariff measures	All importers are required to register with the General Organization for Export and Import Control (GOEIC) within the Ministry of Foreign Trade and Industry. All registered importers must be Egyptian nationals and fulfill a number of other conditions, including financial liability and the presentation of a proven record of past commercial activities. For registration, importers must also provide details of the products they intend to import. Payments for imports must be made through a bank operating in Egypt.
Import taxes and/or tariffs	Products are classified into six groups for customs purposes, with tariff rates ranging from 2% to 32%, with two exceptions. Amendments to import tariffs have been introduced by Law No. 39 of 2007.
State import monopoly	Imports of liquefied petroleum gas, butane, and oil are allowed only by the state-owned Egyptian General Petroleum Corporation and Egyptian Gas Holding Company. Some other petroleum products may be imported by the private sector.
References to legal instruments and hyperlinks	Law No. 39 of 2007.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.

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Export licenses

Without quotas Exporters must register with the GOEIC. They need to fulfill a minimum capital requirement of LE 3,000 and must have a clean criminal record. Public sector or government employees are not allowed to register as exporters.

Export taxes No.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No controls apply to these payments.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Bonds or other debt securities

Sale or issue locally by nonresidents Approval by the Capital Market Authority is required for issuing bonds.

Controls on derivatives and other instruments Derivatives exist in the Egyptian market only for genuine hedging purposes.

Purchase locally by nonresidents n.r.

Sale or issue locally by nonresidents n.r.

Controls on credit operations

Commercial credits

To residents from nonresidents

No controls are applied; however, ministries, government agencies, public authorities, public sector companies, and the private sector are all required to register their debt obligations with the CBE.

Financial credits

To residents from nonresidents

Residents are required to register their foreign debt with the CBE for statistical purposes.

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Controls on direct investment

Inward direct investment Nonbank companies of foreign exchange dealers must be owned entirely by Egyptians. All foreign direct investments need to be registered by the General Authority for Investment pursuant to Law 8/1997 and Law 159/1981.

Controls on liquidation of direct investment No.

Controls on real estate transactions No.

Controls on personal capital transactions No.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Deposits in foreign currencies held by either Egyptian or foreign nationals are subject to a 10% requirement, which must be deposited with the CBE, and are remunerated at LIBID. The reserve ratio requirement for deposits in Egyptian pounds (excluding savings certificates with maturity of more than three years) is 14%, and these deposits are not remunerated.

Liquid asset requirements

The requirements for assets in foreign currencies and Egyptian pounds are 25% and 20%, respectively.

Investment regulations

Abroad by banks

As a supervisory tool to protect against risk concentration, all banks operating in Egypt (except branches of foreign banks) are prohibited from depositing or having investment securities with a foreign bank valued at more than 40% of their capital base or 10% of their total investment abroad, whichever is lower. The total face value of the shares in these companies owned by a bank (excluding trading securities) may not exceed the value of the bank's capital base.

In banks by nonresidents

Egypt applies "fit and proper tests." Shares held by residents or nonresidents in any bank in Egypt that exceed 10% of the bank's capital require approval from the CBE board of directors.

Open foreign exchange position limits

The limit for each currency (local or foreign) is 10% of Tier I and Tier II capital. The limit for total long or short positions is 20% of Tier I and Tier II capital.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents Yes.

Limits (max.) on investment portfolio held abroad Yes.

Limits (min.) on investment portfolio held locally Yes.

Pension funds n.a.

Investment firms and collective investment funds n.a.

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References to legal instruments and hyperlinks n.a.

Changes during 2006

Exchange measures *June 30.* The IMF staff review of Egypt's exchange system concluded that Egypt's exchange system was free of restrictions and multiple currency practices.

Exchange arrangement *June 8.* Decree No. 40 of 2006 provided for intraday adjustment of the CBE's exchange rate for official transactions.

EL SALVADOR

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: November 6, 1946.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency Both the dollar and the colón are legal tender; payments may be made in either dollars or colones.

Other legal tender Silver and gold commemorative coins in denominations of C 150 and C 2,500, respectively, are legal tender.

Exchange rate structure Unitary.

Classification

Exchange arrangement with no separate legal tender The dollar is used as a unit of account and a medium of exchange, with no limitations. The Central Reserve Bank (CRB) is obligated to exchange colones in circulation for dollars on request from banks at a fixed and unalterable exchange rate of C 8.75 per \$1. However, the colón remains legal tender, although it accounts for a small share of total circulation.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks Monetary Integration Law.

Arrangements for Payments and Receipts

Prescription of currency requirements Monetary obligations may be contracted in dollars or any other currency and must be settled in the currency specified in the contract.

Payments arrangements

Regional arrangements El Salvador is a member of the CACM.

Administration of control All private sector foreign exchange transactions are delegated to the commercial banks and exchange houses. The Export Processing Center (Centro de Trámites de Exportación) issues phytosanitary and zoosanitary certificates of origin for plant and animal products under free trade agreements, preferential arrangements, and partial compliance agreements. The Salvadoran Coffee Council issues permits freely to private sector traders to conduct external or domestic trade in coffee. There are no exchange controls, and economic agents may freely carry out legal transactions in foreign currencies, as long as they are carried out through legally authorized institutions, i.e., commercial banks, Banco Hipotecario y de Fomento, and exchange houses.

Payments arrears No.

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Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

The Mining Law provides for the issuance of licenses and concessions for the exploitation, processing, and marketing of mining resources.

On external trade

The law authorizes the CRB to exercise control and safeguard functions over monetary gold and commemorative coins. The Mining Law and regulations establish mechanisms for the domestic and external marketing of other gold used for industrial purposes.

Controls on exports and imports of banknotes

There are no controls, except those under anti-money laundering regulations. In practice, the CRB is the only agent that exports and imports dollars.

References to legal instruments and hyperlinks

Mining Law; Law Against the Laundering of Money and Assets; Monetary Integration Law.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Banks are required to maintain foreign exchange accounts.

Held abroad

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Monetary Integration Law.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Banking institutions' books of accounts are kept in dollars, with the result that domestic currency deposits are not identified. Colones account for a minimal share of total circulation.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

Monetary Integration Law.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Importers are free to determine the payment arrangements for their imports, including advance payments.

Documentation requirements for release of foreign exchange for imports

No.

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Import licenses and other nontariff measures	Certain products require import licenses issued by specific government agencies, including National Defense, Agriculture and Livestock, Public Health, Environment and Natural Resources, and the Surveillance Board of the Pharmaceutical Chemicals Profession.
Positive list	Licenses issued by the Ministry of Economy (MOE) are required for ethyl alcohol, whether denatured or not; refined or raw cane sugar; corn; wheat flour; and rice. Prior authorization by the Ministry of Defense is required for imports of weapons and explosives. For imports of chemicals, an environmental permit is also required either from the Ministry of the Environment and Natural Resources or from the Ministry of Agriculture and Livestock.
Negative list	El Salvador prohibits imports of the following products for reasons of health, security, public morality, or environmental protection: subversive material or teachings contrary to the political, social, and economic order; obscene materials; unethical or indecent films; abortion-related products; and slot machines. Also prohibited are imports of coffee in a form that can be used as seeds for planting and coffee bushes; lightweight passenger and freight motor vehicles more than 8 years old; and heavy passenger and freight vehicles more than 15 years old, except collectors' items and vehicles donated to the state or to public service or charitable organizations; those used exclusively by disabled persons; those providing a specific service, such as agricultural, earth-moving, or industrial work; and those connected with power generation plants, well drilling, and water purification units.
Licenses with quotas	The MOE grants import permits or licenses for products that are subject to some form of quota under the free trade agreement with the United States, such as beef, pork, milk in liquid or powdered form, other dairy products, yellow or white corn, sorghum, chicken parts, and rice.
Other nontariff measures	Sugar intended for the domestic market must be fortified with vitamin A. El Salvador has authorization from the WTO to use the minimum price valuation method for imports of the following used articles: clothing; televisions; shoes; retreaded tires; sacks or bags for packing; and used vehicles, spare parts, and accessories. Prior to entry into the country, all these products must undergo fumigation.
Import taxes and/or tariffs	The following tariff rates apply: (1) capital goods, zero; (2) finished goods, 15%; (3) automobiles, firearms, cigarettes, liquor, luxury goods, textiles, garments, and shoes, 25% to 30%; and (4) meat, rice, sugar, alcohol, and spirits, 40% plus an additional 5% on alcoholic beverages and tobacco. Within Central America, 97% of goods from the region are subject to a rate of zero. El Salvador also has commercial treaties with Chile, the Dominican Republic, Mexico, Panama, and the United States under which some products are duty-free.
State import monopoly	No.
References to legal instruments and hyperlinks	D.L. 647 of December 6, 1990, Article 5, Rule X, and Article 5, Notes on Import Tariff; Law on Land Transportation, Transit, and Road Security (D.L. 477 of October 19, 1955), Article 34; WTO document WT/L/476, dated July 12, 2002; www.marn.gob.sv .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	
Preshipment inspection	Customs conducts preshipment inspections of exports of basic foods such as beans, rice, sorghum, fresh loroco, and fresh papayas prior to export; agricultural precertification is also required. Dairy products require authorization from a quality control laboratory. All products of animal origin are subject to prior inspection.
Export licenses	All exporters must be registered with CENTREX (Export Processing Center) before making any exports, and all exports must be recorded in a computer system (SICEX) designed exclusively for that purpose. The UN convention on wild fauna prohibits exports of endangered plants and animals, cultural heritage goods, and gas for domestic consumption. Other export products require authorization by other institutions prior to processing at CENTREX, for example, cane sugar, agrochemicals, biological products, drugs and food for veterinary use (requires registration and written authorization), wild flowers and plants, basic foods (require preshipment inspections), dairy products (require laboratory testing),

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	meat, fishing products (a carnet must be obtained), foodstuffs for human consumption, coffee (including roasted and ground), machinery, maquila textiles and garments subject to quotas, diesel fuel, propane, and butane gas.
Without quotas	Yes.
With quotas	Exports of sugar are administered under two arrangements. The portion traded with the United States, which is called the American quota or preferential market, is subject to preferential treatment that consists of a negotiated quantity of metric tons to be exported. Exporters are free to export the remaining sugar production to any country. In addition, under CAFTA, quotas have been allocated for other products, such as beef, dairy products, ethanol, and mani. A reciprocal quota with Panama has been included with respect to the monetary value of certain types of cheese.
Export taxes	Exports are not subject to taxes, and exporters of nontraditional goods to markets outside Central America are reimbursed for tariffs paid on imported raw materials equal to 6% of the f.o.b. value of the exports.
References to legal instruments and hyperlinks	Law on the Revitalization of Exports; CENTREX regulations; Law on the Conservation of Wildlife.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	All publicly offered securities and their issuers must be registered with the stock exchange.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Investments in certain public works (e.g., railroads, piers, and canals) require government approval. Foreign direct investments and inflows of capital with a maturity of more than one year must be registered with the MOE. Certain minimum capital requirements exist for businesses owned by foreign residents and those having foreign resident shareholders. Any foreign individual or legal entity may make investments in El Salvador with the same rights and obligations as national investors and corporations. The constitution restricts foreign investments in the following activities: trade; industry; small-scale services; and specifically coastal fishing under the terms set out in the law, which is exclusively reserved for native Salvadorans. The subsoil belongs to the state, which may grant concessions for its

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	exploitation. Investments in shares of banks, finance companies, and exchange houses are subject to conditions under the applicable laws.
Controls on liquidation of direct investment	Foreign investors are guaranteed the right to transfer abroad funds related to their investments, which must be made without delay. They are assured of convertibility subject to the prior conversion of such funds into foreign currency through the banking system. Such transfers include net profits and dividends generated by their investments, proceeds from partial or total disposal of investments, and proceeds from the transfer of investments to third parties.
Controls on real estate transactions	Foreign natural and juridical persons may purchase real estate. Rural real estate may be acquired by foreigners only if there is a reciprocal arrangement with their home country (an exception is allowed for industrial establishments). The maximum area of rural land belonging to a single individual or legal entity may not exceed 245 hectares. This limit does not apply to rural cooperative or community associations, which are subject to a special regime.
Controls on personal capital transactions	For the CRB's statistical purposes, authorized banks and exchange houses are required to ask their customers to submit foreign exchange export and import forms for all transactions involving sums equivalent to \$5,000 or more. In addition, the anti-money laundering law requires authorized banks to report multiple transactions by a single individual involving sums equivalent to \$500,000 or more if there is evidence that the transactions are not bona fide.
References to legal instruments and hyperlinks	Investment Law; Law against the Laundering of Money and Assets; Organic Law of the Central Reserve Bank (Chapter IX, Article 59, and Chapter X, Article 64, as a basis for Rules Governing the Recording of Foreign Transactions).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	External borrowing by financial institutions is subject to a reserve requirement of 5%.
Lending to nonresidents (financial or commercial credits)	Loans granted by banks to nonresidents or for investment abroad may not exceed 10% of the creditor bank's equity capital. Total loans under this category may not exceed 150% of a bank's equity capital, and the holding by banks of loans greater than 75% of the equity capital requires authorization subsequent to documentary requirements. Provisions are required for each loan on the basis of the risk of the country where assets are held, ranging from zero to 100% as a minimum, based on the country risk ratings.
Investment regulations	
<i>Abroad by banks</i>	Effective January 1, 2006, in addition to required reserves with the CRB, covered entities must at all times hold 3% of their monthly average of daily balances of deposits for the previous month, subject to reserve requirements, in readily negotiable foreign securities.
Open foreign exchange position limits	The limit on the open foreign exchange position of commercial banks is 10% of capital and reserves.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	Insurance companies are permitted to invest abroad up to the limit (20% of assets) specified by law.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Effective April 21, 2006, pension funds are permitted to invest up to 20% in publicly offered instruments listed on the El Salvador Stock Exchange, in accordance with the limits authorized by the Risk Commission. The range established by the Law on the Pension Savings System under Article 91 is between zero and 30% for this type of instrument.

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<i>Limits (max.) on investment portfolio held abroad</i>	Pension funds may invest only in the domestic market.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	Law on Pension Savings System, Article 91 (amended by Decree Law No. 100 of September 13, 2006); Law on Banks (Prudential Standards for Banks); Law on Insurance (Article 34); www.ssf.gob.sv/marcolegal/leyes .

Changes during 2006

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions	<i>January 1.</i> In addition to required reserves with the CRB, covered entities must at all times hold 3% of their monthly average of daily balances of deposits for the previous month, subject to reserve requirements, in readily negotiable foreign securities.
Provisions specific to institutional investors	<i>April 21.</i> Pension funds were permitted to invest up to 20% in publicly offered instruments listed on the El Salvador Stock Exchange, in accordance with the limits authorized by the Risk Commission.

EQUATORIAL GUINEA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency issued within the CAEMC, which is legal tender in Equatorial Guinea and the other member countries, is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Equatorial Guinea participates in a currency union with five other members of the CAEMC and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange transactions in euros between the BEAC and commercial banks are made at the same rate. Buying and selling rates for certain other foreign currencies are also officially posted, with quotations based on the fixed rate for the euro and the rates in the Paris exchange market for the currencies concerned. Effective January 1, 2007, the exchange regime of the CAEMC countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A commission of 0.5%, excluding VAT, is levied on transfers to countries that are not members of the BEAC. This commission is not levied on transfers relating to central and local government operations, payments for imports covered by a duly issued license and domiciled with a bank, scheduled repayments on loans properly contracted abroad, travel allowances paid by the government and its agencies for official missions, and payments of insurance premiums.

Exchange subsidy

No.

Forward exchange market

The CAEMC area does not have a forward exchange market.

References to legal instruments and hyperlinks

n.a.

EQUATORIAL GUINEA

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

Within the CAEMC, the CFA franc is used freely for payments and receipts in current and capital transactions and payments. Settlement with all countries other than CAEMC member states must be made through correspondent banks, in one of the currencies of the two parties or in any other currency accepted by the two parties to the transaction.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links all Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account. Exchange regulations of CAEMC member countries are harmonized.

Administration of control

The Ministry of Economy, Commerce, and Small and Medium-Sized Enterprises (MECSMSE) is responsible for administering foreign exchange regulations and may delegate all or a portion of its power to the BEAC, to the Banking Commission in Central Africa (COBAC), and to authorized intermediaries.

Authorized intermediaries are usually delegated to administer foreign transactions and are responsible for checking the validity of transactions, collecting statistics, and reporting to the monetary authorities. The tasks delegated must not include some types of transactions. The BEAC ensures exchange regulation surveillance, evaluates cover against exchange risk, studies matters for which advice may be requested when foreign exchange accounts are opened by some resident legal entities, and monitors the repatriation of export proceeds. COBAC must ensure that the authorized intermediaries comply with the specific provisions of these regulations to ensure that they are properly implemented and do not destabilize the CAEMC banking system.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents are free to hold, acquire, and dispose of gold in any form in CAEMC member countries. Newly mined gold must be declared to the Ministry of Mining (MM), which authorizes either its exportation or its sale in the domestic market.

On external trade

Imports or exports of gold from or to countries outside the CAEMC are subject to authorization by the MM. Exempt from the requirement of MM authorization are (1) imports and exports by or on behalf of the monetary authorities and (2) imports and exports of manufactured articles containing a small quantity of gold (such as gold-filled or gold-plated articles). Both licensed and exempt imports of gold are subject to customs declaration.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. When traveling outside the CAEMC, travelers must use means of payment other than BEAC banknotes. Nevertheless, resident travelers may carry with them a maximum of CFAF 100,000 when exiting the CAEMC.

Foreign currency

Resident or nonresident travelers crossing the borders of the CAEMC must, on entry or exit, declare to customs their foreign currency, securities, or assets in amounts exceeding CFAF 1 million. When leaving the CAEMC, nonresident travelers may take with them foreign currency up to a maximum equivalent to the amount they declared on entry to the CAEMC.

On imports

Domestic currency

Imports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. Resident travelers may import up to CFAF 100,000 on entry to the CAEMC.

EQUATORIAL GUINEA

Foreign currency Resident and nonresident travelers of the CAEMC may import banknotes and coins issued by any other bank of issue, without restriction, but must file a customs declaration for any currency or securities exceeding CFAF 1 million.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Residents are not authorized to open foreign currency accounts within the CAEMC.

Approval required

The MECSMSE may authorize certain resident legal entities to open foreign currency accounts with the prior consent of the BEAC.

Held abroad

n.r.

Approval required

n.r.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Accounts in foreign currencies for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Domestic currency accounts

Accounts in CFA francs for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Convertible into foreign currency

No.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Import payments are made in accordance with the contractual terms of the underlying transaction.

Minimum financing requirements

Yes.

Documentation requirements for release of foreign exchange for imports

For import payments not exceeding CFAF 100 million, the authorized intermediary must require a pro forma invoice or some other kind of supporting document. When payments of imports exceed this threshold, authorized intermediaries must ensure that the transaction is properly settled and also examine the supporting documents. Nevertheless, legally registered legal entities and declared or certified liberal professionals may be exempt from the

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	requirement to produce supporting documents, provided they present an annual estimate of imports corroborated by a business forecast.
Domiciliation requirement	All imports exceeding CFAF 5 million must be domiciled with a resident authorized intermediary.
Letters of credit	Yes.
Import licenses and other nontariff measures	Import licenses are not required, except for imports of gold.
Negative list	Imports of some goods are prohibited for security, health, or safety reasons.
Import taxes and/or tariffs	The CAEMC CET applies on imports from non-CAEMC countries. There are four rates: 5% for essential commodities, 10% for capital goods and inputs, 20% for intermediates, and 30% for consumer goods.
Taxes collected through the exchange system	Import surcharges of 30% have been introduced on imports of goods previously subject to quantitative restrictions. These surcharges are to be eliminated in three to six years, with the longer period applying to certain agricultural and textile products. Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.
State import monopoly	n.a.
References to legal instruments and hyperlinks	Import duties: Act 7/93-UDEAC-556-CD-SEI of June 21, 1993, amending the CET and establishing the procedures for implementing the Generalized Preferential Tariff in the CAEMC, as well as Act 5/94-UDEAC-556-CD-56 of December 19, 1994, amending some of its articles. Fees: Act 6/93-UDEAC-556-CD-SEI establishing the rate corridor for the TCA and the Excise Duty in the CAEMC, as well as Act 2/96-UDEAC-556-CD-58 amending some of its articles.

Exports and Export Proceeds

Repatriation requirements	Export earnings originating in countries that are not members of the CAEMC must be collected and repatriated within 30 days following the date stipulated in the contract through the domiciling bank, with the central bank acting as intermediary.
Surrender requirements	
<i>Surrender to the central bank</i>	Export earnings collected in foreign currencies must be surrendered to the BEAC within 30 days following collection.
Financing requirements	No.
Documentation requirements	Domiciliation files must contain an export contract; an exchange commitment by which the exporter agrees to repatriate all sums deriving from their exports within one month of the due date for payment; and a customs export document, duly signed by customs staff. After clearance, the file must also be supplemented with a surrender of foreign exchange certificate and a related credit advice from the BEAC. All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.
Export licenses	No.
Export taxes	
Collected through the exchange system	Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.
Other export taxes	Yes.

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References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments Under CAEMC foreign exchange regulations, there are no restrictions on service transactions. These transactions are subject to the same conditions as the underlying trade transactions.

Indicative limits/bona fide test Supporting documents must be provided, and authorized intermediaries must ensure that transactions for amounts exceeding CFAF 100 million are properly settled.

Investment-related payments Transfers of capital income outside the CAEMC in the form of profits, dividends, interest, fees, etc., payable to nonresidents may be made freely, provided the underlying transaction was authorized or not subject to authorization.

Indicative limits/bona fide test Supporting documents must be provided.

Payments for travel On trips outside the CAEMC, travelers must use means of payment other than BEAC banknotes (foreign currencies, traveler's checks, cashier's checks, bank or postal transfers, etc.).

Indicative limits/bona fide test Indicative limits are established for over-the-counter foreign exchange allocations to residents traveling outside the CAEMC. Indicative thresholds are set according to the type of travel (business, study, leisure, and medical travel, and official missions). However, all substantiated requests are granted, regardless of the amount. Authorized intermediaries are required to serve their customers to the extent that foreign exchange is available, check the validity of the supporting documents presented, and report to the appropriate authorities.

Personal payments

Indicative limits/bona fide test Transfers may be made freely on presentation of supporting documents.

Foreign workers' wages On presentation of their pay slips, resident foreign workers may be authorized to transfer a portion of their net remuneration outside the CAEMC.

Indicative limits/bona fide test Supporting documents must be provided.

Credit card use abroad The use of credit cards is similar to a transfer and is not subject to the regulations governing invisible transactions and current transfers.

Other payments

Indicative limits/bona fide test Supporting documents must be provided.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements Amounts owed by nonresidents for services and all revenue from foreign assets earned outside the CAEMC must be collected through an authorized bank within 30 days following the due date.

Surrender requirements

Surrender to the central bank If the amounts are collected in foreign currencies, they must be surrendered to the BEAC no later than 30 days after receipt thereof.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

EQUATORIAL GUINEA

Capital Transactions

Controls on capital transactions	Movements of capital within the CAEMC are not subject to exchange controls. Transactions between the CAEMC and third countries may be made freely, provided they are not in breach of provisions prohibiting the financing of drugs and all other forms of trafficking prohibited under the laws in effect in the CAEMC. Some borrowings, loans, and direct investments, as well as the issue, advertising, or sale of foreign securities within the CAEMC, may be subject to administrative controls and require prior authorization from the appropriate authorities. Capital transactions must be reported to the DBIR.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
Controls on capital and money market instruments	
On capital market securities	The issue, advertising, or sale of foreign securities issued by foreign enterprises and representing either a fraction of their capital (stock) or a loan made to them (bonds) is subject to prior approval by the MECSMSE.
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.

EQUATORIAL GUINEA

Controls on credit operations

Commercial credits	Borrowings directly related to the delivery of services abroad, whether by resident individuals or legal entities, or to the financing of commercial transactions between the CAEMC and the rest of the world, or even between foreign countries, involving resident individuals or enterprises, or loans where the outstanding debt does not exceed CFAF 100 million, are not subject to prior authorization from the MECSMSE.
Financial credits	Residents may generally freely grant financial credits to or borrow from nonresidents. Prior authorization is required, however, when (1) borrowings are guaranteed by the government or made by public and quasi-public enterprises, (2) the total outstanding debt of a resident borrower exceeds CFAF 100 million, and (3) the total outstanding amount of the loan granted by a resident lender exceeds CFAF 100 million.
<i>By residents to nonresidents</i>	Loans exceeding CFAF 100 million require prior authorization unless they are granted by a resident authorized bank.
<i>To residents from nonresidents</i>	When the total outstanding debt of a borrower exceeds CFAF 100 million, prior authorization from the appropriate authorities is required. The same applies to borrowings guaranteed by the government or made by public and quasi-public enterprises.
Guarantees, sureties, and financial backup facilities	Controls apply to all these transactions.

Controls on direct investment

Outward direct investment	Direct investment abroad by residents is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments abroad by residents in amounts exceeding CFAF 100 million must be declared to the MECSMSE 30 days before they are made.
Inward direct investment	Direct investment from abroad in Equatorial Guinea is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments from abroad exceeding CFAF 100 million must be declared to the MECSMSE 30 days before they are made.

Controls on liquidation of direct investment

The liquidation of foreign direct investments in Equatorial Guinea and abroad in amounts exceeding CFAF 100 million must be declared to the MECSMSE 30 days before liquidation.

Controls on real estate transactions

This category of transactions is not subject to specific regulations. It is implicitly subject to the same regulatory provisions as transactions involving the direct investment of financial assets.

Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	n.a.

Controls on personal capital transactions

Loans	
<i>By residents to nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MECSMSE 30 days before the transaction in order to receive prior authorization.
<i>To residents from nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MECSMSE 30 days before the transaction in order to receive prior authorization.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Yes.

EQUATORIAL GUINEA

Transfer of assets	Controls apply to all these transactions.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowings contracted by resident authorized banks with nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MECSMSE and the BEAC within 30 days following their transaction.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Loans granted by resident authorized banks to nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MECSMSE and the BEAC within 30 days following their transaction.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	
<i>Abroad by banks</i>	Yes.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Yes.
<i>On nonresident assets and liabilities</i>	Yes.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.

EQUATORIAL GUINEA

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the CAEMC countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

ERITREA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Eritrea is the Eritrean nakfa.

Exchange rate structure

Unitary A unified exchange rate of ERN 15 per \$1 applies to all transactions.

Classification

Conventional pegged arrangement ADs conducting transactions in the foreign exchange market are to apply the official exchange rate of ERN 15 per \$1.

Exchange tax The Bank of Eritrea (BE) prescribes a 0.5% commission on sales and a 0.25% commission on purchases of foreign exchange, except for banknote transactions. ADs are permitted, but not required, to levy an additional service charge of up to 0.25% for buying and 0.75% for selling foreign exchange on their own accounts.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents Some transactions in foreign currency are allowed with the approval of the BE.

Payments arrangements

Regional arrangements Eritrea is a member of COMESA.

Clearing agreements A clearing arrangement exists among the members of COMESA.

Administration of control

The BE oversees all foreign exchange transactions of ADs. It may from time to time issue regulations, directives, and instructions on foreign exchange matters. The Ministry of Trade and Industry (MTI) regulates foreign investments and issues licenses for importers, exporters, and commercial agents. The Asmara Chamber of Commerce issues certificates of origin for exports.

ERITREA

Payments arrears

Official	Some technical arrears have arisen in connection with loans from two governments.
Private	There are arrears on overdue bonds.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade	Authorization from the Ministry of Energy and Mines is required for the ownership or possession of gold or other precious metals or ores. Residents may own gold jewelry without restrictions.
On external trade	Yes.

Controls on exports and imports of banknotes

	Travelers are required to declare their holdings of foreign currency on entry or exit.
On exports	Yes.
On imports	Yes.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Exporters can open a foreign currency deposit account with commercial banks. Persons or institutions that have opened a foreign currency deposit account may use their foreign currency deposits for international transactions or other uses acceptable to the bank by presenting convincing evidence.

Approval required

Yes.

Held abroad

The opening of these accounts is restricted to resident banks.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Legal Notice No. 101/2005.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

These accounts are available only to members of the diplomatic community; welfare organizations; nongovernmental organizations and their personnel; and joint ventures and other business firms that invest their capital, wholly or partially, in foreign exchange.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

ERITREA

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	Most imports financed with official foreign exchange are effected under LCs or on a cash-against-documents basis.
Advance import deposits	These are required only for LC types of imports.
Documentation requirements for release of foreign exchange for imports	Importers must obtain a permit from the MTI for each import shipment.
Preshipment inspection	Yes.
Letters of credit	Yes.
Import licenses used as exchange licenses	Import permits are required to obtain foreign exchange from commercial banks.
Import licenses and other nontariff measures	Franco valuta imports (imports that do not require official foreign exchange and are not aid-funded) are not allowed.
Negative list	Yes.
Open general licenses	All importers must have a valid trade license issued by the MTI. Each import shipment requires its own permit.
Import taxes and/or tariffs	Yes.
State import monopoly	Imports of military materials, weapons, armaments, and the like are conducted by the state.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	All export proceeds must be repatriated within 90 days of shipment; where justified, this deadline may be extended by 90 days.
Surrender requirements	
<i>Surrender to authorized dealers</i>	All export proceeds must be surrendered to the ADs.
Financing requirements	Exports may be made under LCs on an advance-payment or consignment basis.
Documentation requirements	All exports require documentation. Certain commodities require clearance from specific government bodies (e.g., the Eritrean Institute of Standards). In particular, livestock and cereals require permission from the Ministry of Agriculture, and marine products require permission from the Ministry of Marine Resources.
Letters of credit	Yes.
Guarantees	Yes.
Preshipment inspection	Yes.
Export licenses	Exporters must be licensed by the MTI.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

ERITREA

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

Prior approval Yes.

Quantitative limits Yes.

Personal payments

Prior approval Yes.

Quantitative limits Yes.

Foreign workers' wages

Prior approval Yes.

Quantitative limits Yes.

Credit card use abroad

n.a.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements Yes.

Surrender requirements

Surrender to authorized dealers All proceeds from invisible transactions must be surrendered to the ADs.

Restrictions on use of funds Yes.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements n.a.

Surrender requirements n.a.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents Yes.

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents ADs may acquire securities with the approval of the BE.

Sale or issue abroad by residents n.a.

Bonds or other debt securities n.a.

On money market instruments

Purchase locally by nonresidents n.a.

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<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	n.a.
Controls on derivatives and other instruments	n.a.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	n.a.
<i>To residents from nonresidents</i>	Yes.
Financial credits	
<i>By residents to nonresidents</i>	n.a.
<i>To residents from nonresidents</i>	ADs may borrow abroad or overdraw their correspondent accounts abroad.
Guarantees, sureties, and financial backup facilities	n.a.
Controls on direct investment	
Outward direct investment	n.a.
Inward direct investment	Domestic retail and wholesale trade and import and commission agencies are open to foreign investors only when Eritrea has a bilateral agreement of reciprocity with the country of the investor; this latter condition may be waived by the government. Approved investments and their subsequent expansion are exempt from customs duties and sales tax for capital goods and spare parts associated with the investment. There are no exemptions from income tax.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	n.a.
Settlements of debts abroad by immigrants	n.a.
Transfer of assets	n.a.
Transfer of gambling and prize earnings	n.a.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Commercial banks may borrow abroad or overdraw their accounts.
Maintenance of accounts abroad	Commercial banks may maintain correspondent accounts with their counterparts abroad.

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Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Liquid asset requirements</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Yes.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

ESTONIA

(Position as of July 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 15, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions Estonia applies international security restrictions in accordance with the Common Foreign and Security Policy of the EU.

In accordance with IMF Executive Board Decision No. 144-(52/51) On November 17, 2006, Estonia notified the IMF that in accordance with EU Council regulations, certain restrictions are maintained on the making of payments and transfers for current international transactions. The restrictions include the freezing of funds and economic resources of certain individuals and entities of Belarus, Côte d'Ivoire, the Democratic Republic of the Congo, Iraq, Lebanon, Liberia, Myanmar, Syria, Sudan, Zimbabwe, the former Federal Republic of Yugoslavia; of persons indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY); of persons associated with Osama bin Laden, Al-Qaida, and the Taliban; and of certain other persons, groups, and entities, with a view to combating terrorism. Financing and financial assistance for the sale, supply, transfer, and export of arms and related material are prohibited to any person, entity, or body in Côte d'Ivoire, the Democratic Republic of the Congo, Liberia, Myanmar, Sudan, and Zimbabwe. The granting of loans or credits in any form, including the acquisition of bonds, certificate of deposits, warrants, or debentures, to certain Burmese state-owned enterprises is prohibited.

Other security restrictions Yes.

References to legal instruments and hyperlinks Council Regulation (EC) No. 765/2006; Council Regulations (EC) Nos. 174/2006 and 560/2005, as amended; Council Regulations (EC) Nos. 889/2006 and 1183/2005, as amended; Council Regulations (EC) Nos. 1210/2003 and 1799/2003, as amended; Council Regulation (EC) No. 305/2006; Council Regulations (EC) Nos. 234/2004 and 872/2004, as amended; Council Regulation (EC) No. 817/2006; Council Regulations (EC) Nos. 131/2004, 838/2005, and 1184/2005, as amended; Council Regulation (EC) No. 314/2004, as amended; Council Regulation (EC) No. 173/2004, as amended; Council Regulation (EC) No. 2580/2001, as amended, and Council Decision 2005/428/CFSP; Council Regulation (EC) No. 881/2002, as amended; Council Regulation (EC) No. 2488/2000, as amended.

Exchange Arrangement

Currency The currency of Estonia is the Estonian kroon.

Exchange rate structure Unitary.

Classification

Currency board arrangement The exchange rate of the kroon is pegged to the euro at the rate of EEK 15.6466 per €1 within the context of the ERM II. The Bank of Estonia (BOE) allows commercial banks to buy or sell foreign exchange to adjust their kroon liquidity. All transactions are initiated by commercial banks. For licensed credit institutions, the BOE is obliged to exchange euros for Estonian krooni and vice versa without limits. There is no spread between the buying and selling rates of the Estonian kroon against the euro. Transactions in convertible currencies are effected by commercial banks, which are free to quote their own exchange rates.

Exchange tax No.

Exchange subsidy No.

ESTONIA

Forward exchange market	Yes.
References to legal instruments and hyperlinks	Law of the Republic of Estonia on the Security for Estonian Kroon; Currency Law of the Republic of Estonia; Eesti Pank Act; www.legaltext.ee/indexen.htm or www.eestipank.info/pub/en/dokumendid/dokumendid/Seadused/seaduste_kogum.html?objId=190724 .

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	Estonia has bilateral agreements with Armenia, Azerbaijan, Belarus, Kazakhstan, the Kyrgyz Republic, Latvia, Lithuania, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. Kroon balances held by the CBs of these countries in their correspondent accounts are fully convertible without delay. No swing credits or overdraft facilities are provided by these arrangements. Commercial banks in Estonia are free to open their own correspondent accounts with commercial banks worldwide, including in the Baltic countries, the Russian Federation, and the other CIS countries.
Regional arrangements	Estonia is a member of the EU.
Administration of control	The BOE issues and enforces foreign exchange regulations. The MOF controls and monitors imports and exports. Providers of currency exchange services and companies trading in precious metals are required to register with the Ministry of Economic Affairs and Communications (MEAC) before commencing operations.
Payments arrears	There are some unsettled balances with the Russian Federation and certain other CIS countries that originated in the early 1990s.
Official	All settlement issues with the Russian Federation pertain to official debt.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Registration with the MEAC is required for companies to trade in precious metals (including gold).
On external trade	Exports and imports of gold are subject to registration requirements administered by the MEAC.
Controls on exports and imports of banknotes	There are no controls on exports and imports of banknotes. Effective June 15, 2007, a customs cash declaration is required for amounts exceeding the equivalent of €10,000, in accordance with relevant EU regulations.
References to legal instruments and hyperlinks	Precious Metal Articles Act; Money Laundering and Terrorism Financing Prevention Act; Decree No. 91 of April 23, 2004, of the MOF; EU Regulation No. 1889/2005 of October 26, 2005, on Controls of Cash Entering and Leaving the Community; www.legaltext.ee/indexen.htm .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.

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Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts In the event of justified suspicion of money laundering or terrorist financing, the Financial Intelligence Unit may issue a precept to impose restrictions on the use of an account for up to two working days after receiving notification regarding a suspicion of money laundering or terrorist financing.

References to legal instruments and hyperlinks Money Laundering and Terrorist Financing Prevention Act; www.legaltext.ee/indexen.htm.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures

Negative list Yes.

Open general licenses Open general licenses are required for alcohol, food, fuel and energy, medicinal products, narcotics and psychotropic substances, precious metals and stones, radioactive materials and devices, tobacco, plants, and weapons.

Licenses with quotas Licenses or special permits are required to import explosives, weapons and ammunition, radio broadcast equipment, plants, seeds, rare species of animals and plants, goods subject to veterinary and phytosanitary controls, certain foods, plant preservatives and fertilizers, medicinal products, narcotics and psychotropic substances and their precursors, strategic goods, radioactive materials, motor vehicles, products that deplete the ozone layer, and waste products.

Other nontariff measures Imports of certain dangerous chemicals, waste products, goods that infringe on intellectual property rights, and goods against human welfare are prohibited.

Import taxes and/or tariffs Import taxes include custom duties and national taxes on goods (regulated by the Tax Act). Imported goods are subject to a VAT of 18% and excise duties that are levied on specific products, such as tobacco, alcohol, fuel, and packaging materials. Similar taxes are levied on domestically produced goods. The excise duty rate on alcohol, cigars, and cigarillos is harmonized with EU regulations. The harmonization of the rate of excise duty on cigarettes, fuel, and smoking tobacco will have a transition period up to 2010. The transitional period for the excise duty on oil-shale used for heating will expire in 2013.

Effective July 1, 2006, the excise duty rate on cigarettes is EEK 275 for each 1,000 cigarettes and 26% of the retail selling price. Effective July 1, 2007, the excise duty rate on smoking tobacco is EEK 360 (previously, EEK 320) a kilo.

Customs duties are established in accordance with the EU regulations.

ESTONIA

State import monopoly	No.
References to legal instruments and hyperlinks	Tax Act; Alcohol Act; Food Act; Medicinal Products Act; Narcotic Drugs and Psychotropic Substances Act; Precious Metal Articles Act; Radiation Act; Tobacco Act; Plant Protection Act; Weapons Act; Liquid Fuel Act; Waste Act; Strategic Goods Act; Veterinary Supervision over Trade in, Import of, and Export of Animals and Animal Products Act; Ambient Air Protection Act; VAT Act; Alcohol, Tobacco, and Fuel Excise Duty Act; www.legaltext.ee/indexen.htm .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	The export of certain dangerous chemicals, waste products, goods that infringe on intellectual property rights, and goods harmful to human welfare is prohibited.
Without quotas	Licenses or special permits are required for alcohol, items of cultural value, precious metals and articles containing these products, medicinal products, weapons, explosives, rare species of plants and animals and hunting trophies, goods subject to veterinary and phytosanitary controls, certain foods, narcotic drugs and psychotropic substances, strategic goods, radioactive substances, weapons of mass destruction and their precursors, and toxic and other waste products.
Export taxes	No.
References to legal instruments and hyperlinks	Alcohol Act; Food Act; Medicinal Products Act; Narcotic Drugs and Psychotropic Substances Act; Precious Metal Articles Act; Radiation Act; Tobacco Act; Plant Protection Act; Weapons Act; Waste Act; Strategic Goods Act; Veterinary Supervision over Trade in, Import of, and Export of Animals and Animal Products Act; www.legaltext.ee/indexen.htm .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.

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Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	The regulations on the purchase and sale of land are harmonized with EU regulations.
Purchase locally by nonresidents	Purchases of more than 10 hectares of agricultural land and forest are subject to approval by the county governor concerned. Acquisition of real estate by non-EEA residents is prohibited in the islands, except for the four largest islands, and in certain local municipalities bordering the Russian Federation.
Controls on personal capital transactions	
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Controls apply on the transfer of real estate as a gift.
References to legal instruments and hyperlinks	Restrictions on Acquisition of Immovables Act; Land Reform Act; www.legaltext.ee/indexen.htm .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

Liabilities to foreign credit institutions are subject to a reserve requirement. There is no differential treatment of deposit accounts held by other nonresidents.

Open foreign exchange position limits

Effective December 29, 2006, the relevant EU legislation applies.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

In general, there is no differential treatment of securities issued by nonresidents of other sectors. General investment limits on securities are the following: (1) assets covering technical provisions may be invested in securities of one issuer or in loans secured by one borrower in an amount of up to 5% of the total amount of technical provisions together with the reinsurer's share and in an amount of up to 10%, provided neither the proportion of securities nor the proportion of secured loans in assets covering technical provisions exceeds 40% of the total amount of technical provisions together with the reinsurer's share; and (2) assets covering technical provisions may be invested in securities not specified in §77 (6) 2) of the Insurance Activities Act that can be sold within a short period of time, and in shares of investment funds not specified in §4 of the Investment Funds Act in an amount of up to 10% of the total amount of technical provisions together with the reinsurer's share.

Limits (max.) on investment portfolio held abroad

There are no specific limits on investment portfolios held abroad just as there are no limits on investment portfolios held locally.

Currency-matching regulations on assets/liabilities composition

An insurer is required to invest assets covering technical provisions corresponding to the commitments arising from insurance contracts in the same currency that the commitment was assumed, unless (1) the assets covering technical provisions corresponding to the commitments assumed in such currency do not exceed 7% of the assets covering technical provisions expressed in other currencies; (2) the assets covering technical provisions corresponding to the commitments assumed in such currency do not exceed 20% of all the commitments of the insurance undertaking expressed in the same currency; (3) the assets

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covering technical provisions corresponding to the commitments assumed in Estonian krooni are invested in euros; and (4) the commitment arises from unit-linked life insurance contracts. The currency in which the insurer has assumed the commitment is determined as follows: (1) if an insurance contract stipulates the currency in which the insurer is required to pay the indemnity, then such currency is deemed to be the currency in which the insurer has assumed the commitment; and (2) if an insurance contract related to the insurance activities does not stipulate the currency in which the commitment has been assumed, then the currency of the state where the insured risk is situated is deemed to be the currency in which the insurer has assumed such commitment. An insurer has the right to select a currency in which the insurance payments are to be made in cases where such selection is justified. Such selection is justified, above all, in cases where after conclusion of the contract it will be likely that the commitment must be paid in the same currency in which insurance payments were made and that currency is not the currency of the state where the insured risk is situated.

Pension funds

Limits (max.) on securities issued by nonresidents

A pension fund may invest up to 100% of its assets in foreign securities, which are freely tradable and traded in regulated markets of Estonia and EU, EEA, or IOSCO member states, as specified in the fund rules. However, the total value of securities whose issuers are registered in a state that is not a contracting state of the EEA or a member state of the OECD may not exceed 30% of the market value of the assets of a pension fund. The total value of the securities that are traded only in the regulated securities markets of non-EEA or OECD states may not exceed 20% of fund assets.

Currency-matching regulations on assets/liabilities composition

The total net position of investments of mandatory pension funds in securities denominated in foreign currencies, except the euro, may not exceed 30% of the fund assets.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

All investment funds may invest up to 100% of their assets in foreign securities. However, in general, the assets of UCITS and other open-ended public funds may be invested in securities that are freely transferable and traded in regulated markets of Estonia and EEA members or other countries, as specified in the fund rules.

References to legal instruments and hyperlinks

Eesti Pank Governor's Decree No. 13 of December 29, 2006, on Prudential Ratios of Credit Institutions; Insurance Activities Act, Chapter 4; Investment Funds Act, Chapter 7; Minister of Finance Regulation on Limitations on Investment of Assets of Mandatory Pension Funds in Securities, Paragraph 6; www.legaltext.ee/indexen.htm; www.eestipank.info/pub/en/dokumendid/dokumendid/oigusaktid/maaruste_register.

Changes during 2006

Exchange measures

November 17. Estonia notified the IMF that in accordance with EU Council regulations, certain restrictions are maintained on the making of payments and transfers for current international transactions. The restrictions include the freezing of funds and economic resources of certain individuals and entities of Belarus, Côte d'Ivoire, the Democratic Republic of the Congo, Iraq, Lebanon, Liberia, Myanmar, Syria, Sudan, Zimbabwe, and the former Federal Republic of Yugoslavia; of persons indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY); of persons associated with Osama bin Laden, Al-Qaida, and the Taliban; and of certain other persons, groups, and entities, with a view to combating terrorism. Financing and financial assistance for the sale, supply, transfer, and export of arms and related material are prohibited to any person, entity, or body in Côte d'Ivoire, the Democratic Republic of the Congo, Liberia, Myanmar, Sudan, and Zimbabwe. The granting of loans or credits in any form, including the acquisition of bonds, certificate of deposits, warrants, or debentures, to certain Burmese state-owned enterprises is prohibited.

Imports and import payments

July 1. The excise duty rate on cigarettes was set at EEK 275 for each 1,000 cigarettes and 26% of the retail selling price.

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Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

December 29. The relevant EU legislation on open foreign exchange position limits was applied.

Changes during 2007

Arrangements for payments and receipts

June 15. The export and import of banknotes exceeding the equivalent of €10,000 became subject to a customs cash declaration.

Imports and import payments

July 1. The excise duty rate on smoking tobacco was set at EEK 360 (previously EEK 320) a kilo.

ETHIOPIA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with the Federal Democratic Republic of Ethiopia states that as of March 6, 2006, Ethiopia maintained exchange restrictions relating to (a) the tax certification requirement for repatriation of investment income, (b) restrictions on repayment of legally entered into external loans and supplies and foreign partners' credits, (c) rules for issuance of import permits, and (d) the requirement to provide a clearance certificate from the National Bank of Ethiopia (NBE) to obtain import permits. (Country Report No. 06/159)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) n.a.

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Ethiopia is the Ethiopian birr.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement

The exchange rate of the birr vis-à-vis the U.S. dollar remains very stable despite minor incremental adjustments at end-April 2007. As a result, the exchange rate arrangement has been reclassified, effective October 1, 2003, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate. The official exchange rate of the birr against the dollar is determined in the interbank foreign exchange market as the weighted average exchange rate prevailing on the preceding day.

Foreign exchange bureaus are allowed to engage in all approved spot and cash current transactions.

Exchange tax Authorized banks must observe a prescribed commission of 1.5% on sales of foreign exchange, which accrues to the NBE.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks Directive to Transfer NBE's Foreign Exchange Functions to Commercial Banks (FXD/07/1998); Directive on Operation of Foreign Exchange Bureaus (FXD/17/2001); Directive on Interbank Foreign Exchange Market (IBFEM/02/2001).

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Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

Controls apply to the use of domestic currency for current and capital transactions and payments.

Use of foreign exchange among residents

Residents are not allowed to use foreign currencies among themselves.

Payments arrangements

Regional arrangements

Ethiopia is a member of COMESA.

Clearing agreements

Payments may be made within the framework of COMESA or the African Economic Community and are eligible for tariff preferences under the AGOA.

Administration of control

Commercial banks are required to determine compliance of buyers and sellers of foreign exchange with import- and export-licensing requirements and foreign exchange regulations.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

Import and export exchange licenses are required by the NBE.

On domestic ownership and/or trade

The ownership of personal jewelry is permitted. However, unless authorized by the Ministry of Mines and Energy, the possession or custody of 50 ounces or more of raw or refined gold or platinum, or gold or platinum in the form of nuggets, ore, or bullion, is not permitted. Private companies may directly export newly worked gold, silver, and jewelry.

On external trade

Licenses to import or export gold in any form are issued by the NBE. The Directives on Gold Trading (GT/001/2005) allow the export of gold by any person having an export permit from the NBE or from designated banks. Exporters of gold must repatriate the full export proceeds. Payments for exports of gold must be in accordance with the existing foreign exchange directives. However, a person engaged in the selling of gold to the NBE or for export abroad must (1) declare the place of origin of the gold to be traded and (2) present a certificate of the purity standard of the gold issued by the competent authority.

Controls on exports and imports of banknotes

Only persons leaving Ethiopia with a return travel visa or such persons entering Ethiopia may carry with them up to Br 100 of domestic currency.

On exports

Domestic currency

Yes.

Foreign currency

Except for short-term visitors, travelers must have an authorization to reexport foreign exchange. Reconversion of birr to foreign exchange of up to the equivalent of \$150 may be made without the presentation of any documentary evidence; for amounts exceeding \$150, the presentation of authenticated documentary evidence is required, indicating that the equivalent amount of foreign exchange was lawfully converted into local currency.

On imports

Domestic currency

Travelers may bring in up to Br 100 in domestic currency.

References to legal instruments and hyperlinks

Directives on Gold Trading (GT/001/2005); Directive on Operation of Foreign Exchange Bureaus (FXD/17/2001); Directive to Transfer NBE's Foreign Exchange Functions to Commercial Banks (FXD/07/1998).

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Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Commercial banks may open foreign exchange retention accounts for eligible exporters of goods and recipients of inward remittances without prior approval from the NBE.
<i>Approval required</i>	Exporters of services may open foreign exchange retention accounts with the NBE's approval.
Held abroad	Ethiopian airlines and shipping lines are also allowed to maintain accounts abroad.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	Directive for the Retention and Utilization of Export Earnings and Inward Remittances (FXD/11/1998).

Nonresident Accounts

Foreign exchange accounts permitted	<p>Three types of nonresident accounts may be opened: foreign currency accounts, nonresident transferable birr accounts, and nonresident nontransferable birr accounts. Deposits to these accounts must be made in foreign currency. The balances in the first two accounts may be transferred freely abroad or used for international payment purposes, whereas the balance in the nonresident nontransferable birr account is to be used mainly for local expenses. Transfer of funds from foreign currency accounts and nonresident transferable birr accounts to nonresident nontransferable birr accounts does not require NBE approval.</p> <p>Diplomatic bodies, members of international organizations, and foreign investors may open all three types of foreign exchange accounts. Nonresident Ethiopians and nonresident foreign nationals of Ethiopian origin may open all three types of accounts. Other nonresidents may open only nonresident nontransferable birr accounts. All nonresident accounts must be in the form of demand deposits and may be interest-bearing.</p> <p>Foreign currency current accounts are subject to a minimum equivalent of \$100 and maximum of \$50,000, effective August 28, 2006 (previously, \$5,000). Foreign currency fixed accounts are subject to a minimum equivalent of \$5,000, effective August 28, 2006 (previously, \$1,000), but no maximum. Foreign currency accounts are restricted to the following currencies: U.S. dollar, pound sterling, and euro, effective August 28, 2006 (previously, yen was also included). Banks may accept deposits in other convertible currencies, which have to be converted into any of the three currencies. Foreign currency accounts may be used to effect payments and transfers abroad, provided the account holder has a business license to do so.</p>
Domestic currency accounts	Nonresidents other than diplomatic bodies, members of international organizations, and foreign investors may open only nontransferable birr accounts.
Convertible into foreign currency	The balances of transferable birr accounts may be transferred freely abroad or used for international payment purposes, whereas the balance in a nonresident nontransferable birr account is to be used mainly for local expenses. Transfer of funds from foreign currency accounts and nonresident transferable birr accounts to nonresident nontransferable birr accounts does not require NBE approval.
Approval required	Approval is required for the conversion of balances in nonresident nontransferable birr accounts into foreign currency accounts.
Blocked accounts	No.
References to legal instruments and hyperlinks	Directive on Establishment and Operation of Foreign Currency Accounts for Nonresident Ethiopians and Nonresidents of Ethiopian Origin (FXD/31/2006).

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	Importation under suppliers' credits requires prior approval of the terms and conditions of the credit, and such imports are allowed only for individuals or enterprises engaged in export activities and/or who generate foreign exchange.
Documentation requirements for release of foreign exchange for imports	Final invoices that separately show f.o.b. cost and freight charges and nonnegotiable bills of lading are required.
Domiciliation requirement	Importers are required to insure their goods with local insurance companies.
Letters of credit	n.r.
Import licenses used as exchange licenses	Yes.
Other	Exchange licenses may be obtained when a valid importer's license is presented. Applications for exchange licenses must be accompanied by information on costs and payment terms and evidence that adequate insurance has been arranged with an Ethiopian insurance company.
Import licenses and other nontariff measures	Imports by federal and regional offices are exempted from the import-licensing requirement.
Negative list	The list includes items restricted for reasons of health and security.
Open general licenses	Imports by federal and regional offices are exempted from this requirement.
Import taxes and/or tariffs	The item-weighted average tariff rate is 17.5%. Imports are subject to a 2% withholding tax.
State import monopoly	No.
References to legal instruments and hyperlinks	Directive to Transfer NBE's Foreign Exchange Functions to Commercial Banks (FXD/07/1998); Foreign Exchange Regulations.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports of gold must be fully repatriated.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Exporters may retain 10% of their export proceeds in foreign exchange for an indefinite period. The remaining balance may be retained for a period of up to 28 days, after which it must be converted into local currency at the weighted average daily interbank exchange rate.
Financing requirements	No.
Documentation requirements	
Letters of credit	n.r.
Guarantees	An export credit guarantee scheme is operational.
Other	All exporters must prove to the NBE that they have repatriated 100% of previous export earnings before being allowed to export again.
Export licenses	
Without quotas	All exports are processed by commercial banks, with the exception of coffee exports.
Export taxes	No.
References to legal instruments and hyperlinks	Directive for the Retention and Utilization of Export Earnings and Inward Remittances (FXD/11/1998); Directive to Transfer NBE's Foreign Exchange Functions to Commercial Banks (FXD/07/1998).

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

<i>Prior approval</i>	Approval is given by commercial banks.
<i>Quantitative limits</i>	n.r.
<i>Indicative limits/bona fide test</i>	Verification of documentary evidence is required for unloading, storage, commission, and administrative expenses.

Investment-related payments

<i>Prior approval</i>	After paying local taxes, foreign companies may remit dividends on their invested and reinvested capital in any currency. Prior approval is required for amortization of loans or depreciation of direct investments, mainly for government transactions made through the Ministry of Finance and Economic Development.
<i>Indicative limits/bona fide test</i>	These are subject to an assessment based on the NBE's criteria. Verification of a contractual agreement between parties is required by the NBE.

Payments for travel

<i>Quantitative limits</i>	A limit on cash of up to \$400 or its equivalent applies for traveling abroad on holiday or business. For government travel, the allowance amounts vary by the country of destination and foreign currency required, based on the cost of living.
<i>Indicative limits/bona fide test</i>	Yes.

Personal payments

<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	<p>There are no limits on allowances for medical treatment and studies abroad. A foreign exchange bureau may sell foreign exchange for a bona fide medical treatment abroad on presentation of a medical board certificate, a passport, a valid exit visa, and an air transportation ticket. A foreign exchange bureau may sell up to \$400 or its equivalent in cash and the balance in traveler's checks or drafts. Additional foreign exchange may be approved for a patient being treated abroad, provided the application is supported by bona fide medical bills or hospital statements.</p> <p>A foreign exchange bureau may sell foreign exchange for a bona fide tuition fee, subsistence, and other associated educational expenses on presentation of a letter of admission and evidence of a student's attendance at an institution. Sales of foreign exchange to a student may be approved, up to \$400 or its equivalent in cash or traveler's checks. The tuition fee, subsistence, and other associated educational expenses must be paid directly through bank transfer or draft to the educational institution.</p>
<i>Indicative limits/bona fide test</i>	Verification by a medical board and the Ministry of Health is required for medical payments.

Foreign workers' wages

<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	<p>Foreign contractual employees of the government may take out foreign exchange, but not in excess of their net earnings during the terms of service and on final departure. However, the value of free accommodations, gratuities, accumulated leave pay, and similar benefits may not be included for remittance purposes. Other expatriate employees may take out foreign exchange on final departure, but not in excess of their net earnings.</p> <p>Foreign employees of embassies, legations, consulates, and international organizations whose salaries are fully paid in foreign currency from sources outside Ethiopia may take out and/or transfer their net earnings, not exceeding the balance in their nonresident foreign currency account, nonresident transferable birr account, and/or nonresident nontransferable birr account.</p>

Other payments

<i>Prior approval</i>	Yes.
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Indicative limits/bona fide test

Documentation is required from the overseas institute, and approval must be given by commercial banks for subscription and membership fees. NBE verification of contractual agreements between the parties is required for the transfer of legal fees, and applications are considered on a case-by-case basis.

References to legal instruments and hyperlinks

Directive for Foreign Salary Remittances (FXD/10/1998); Directive No. FXD/07/2001 to Amend Directive No. FXD/09/1998.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Yes.

Surrender requirements

Surrender to authorized dealers

Ten percent of proceeds may be retained indefinitely. The remaining balance may be retained for a period of no more than 28 days.

Restrictions on use of funds

These funds may be used for payments such as imports of goods and services, export promotion, training and education, credit repayment, and other payments approved by the NBE.

References to legal instruments and hyperlinks

Directive for the Retention and Utilization of Export Earnings and Inward Remittances (FXD/11/1998).

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

Yes.

Surrender requirements

Surrender to authorized dealers

Yes.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Controls apply to all these transactions.

Bonds or other debt securities

Purchase locally by nonresidents

Nonresidents may not purchase government bonds.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Yes.

On money market instruments

Purchase locally by nonresidents

Nonresidents may not purchase government treasury bills.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Yes.

On collective investment securities

There is no domestic market for these instruments.

Controls on derivatives and other instruments

There is no domestic market for these instruments.

Controls on credit operations

Commercial credits

Controls apply to all these transactions.

ETHIOPIA

Financial credits

By residents to nonresidents

Yes.

To residents from nonresidents

Banks need prior approval from the NBE to borrow funds abroad, but do not need prior approval for overdrawing their accounts with foreign correspondents or accepting deposits. Other residents need to obtain the NBE's prior approval, and the credits should be used for export-generating investments.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

Yes.

To residents from nonresidents

Commercial banks may issue guarantees on behalf of foreign banks to resident companies.

Controls on direct investment

Outward direct investment

Yes.

Inward direct investment

Investment in telecommunications and defense industries is allowed in partnership with the government. Investments in the postal service (except courier service), the transmission and supply of electricity through the Integrated National Grid System, and air transport services using aircraft with a seating capacity of more than 20 passengers are reserved for the government. All investments (except for services and transport generation and supply of electricity) must be approved and certified by the Ethiopian Investment Commission (EIC). The Ethiopian Civil Aviation Authority and the Ethiopian Electric Agency are in charge of issuance, renewal, and cancellation of investment permits for services for air transport and transmission and for the supply of electricity, respectively.

Exemptions from income taxes are granted for up to six years for new projects in manufacturing or agro-industry in which at least 50% of production is exported or at least 75% of production is used as an input for the production of export items. Expansion or upgrading of existing projects is also eligible for exemption from income taxes for two years if the expansion or upgrading increases the existing production by 25% in value and if 50% of the production is to be exported. Investment activities that export less than 50% of their production and produce exclusively for the local market are granted up to three years of income tax exemption. Imports of investment goods and spare parts for such ventures are also eligible for exemption from customs duties and other specified import levies. The EIC may decide on additional or new incentives when it deems this necessary.

Controls on liquidation of direct investment

EIC authorization is required for repatriation of capital. Registration of capital inflows with the EIC establishes the evidence of inflows required for authorization. All recognized and registered foreign investments may be terminated on presentation of documents regarding liquidation and on payment of all taxes and other liabilities. Subject to appropriate documentation, foreign investors may transfer their capital without limitation on final departure from Ethiopia. All foreign investors may also transfer abroad in convertible currency payments for debts, fees, or royalties with respect to technology transfer agreements.

Controls on real estate transactions

Purchase abroad by residents

The purchase of personal property abroad is not permitted.

Purchase locally by nonresidents

All ownership rights to land are vested in the state; private ownership is not allowed. Land user rights may be acquired through certificates or lease arrangements. Foreign investors are not allowed to own land but may obtain access to land through lease arrangements with the government.

Sale locally by nonresidents

Yes.

Controls on personal capital transactions

Loans

To residents from nonresidents

Regulations on financial credits apply.

Gifts, endowments, inheritances, and legacies

Controls apply to all these transactions.

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Transfer of assets

Transfer into the country by immigrants

Yes.

Transfer of gambling and prize earnings

These transactions are not allowed.

References to legal instruments and hyperlinks

Directive on Registration of External Loan and Suppliers' Credit (REL/005/2002); Foreign Exchange Regulation.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Banks may not borrow from, or enter into a guarantee agreement with, banks abroad unless authorized by the NBE; however, they do not need prior approval for overdrawing their accounts with foreign correspondents or accepting deposits.

Maintenance of accounts abroad

Banks may maintain nostro accounts with their correspondents.

Open foreign exchange position limits

The overall foreign currency position of each bank should not exceed 15% of its capital at the close of business each Friday. Commercial banks' holdings of foreign currency notes are limited to 5% of paid-up capital.

Provisions specific to institutional investors

Residents are not allowed to invest in foreign securities.

Insurance companies

Limits (max.) on securities issued by nonresidents

Yes.

Limits (max.) on investment portfolio held abroad

Yes.

Limits (min.) on investment portfolio held locally

n.r.

Currency-matching regulations on assets/liabilities composition

n.r.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

Foreign Exchange Regulations; Directive on Licensing and Supervision of Banking Business (SBB/31/2002).

Changes during 2006

Exchange arrangement

July 31. Effective October 1, 2003, the exchange rate arrangement of Ethiopia was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.

Nonresident accounts

August 28. The minimum balance on foreign currency fixed accounts was raised to \$5,000 from \$1,000.

August 28. Foreign currency accounts may be opened in U.S. dollars, pounds sterling, and euros, but not in yen, as previously.

August 28. The maximum balance on foreign currency current accounts was raised to the equivalent of \$50,000 from \$5,000.

FIJI

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 4, 1972.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Fiji is the Fiji dollar.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The external value of the Fiji dollar is determined on the basis of a weighted basket of currencies comprising the Australian dollar, the yen, the New Zealand dollar, the euro, and the U.S. dollar. The relative weights are based on three-year moving averages of Fiji's direction of trade and are reviewed annually. The exchange rate of the Fiji dollar in terms of the U.S. dollar, the intervention currency, is fixed daily by the Reserve Bank of Fiji (RBF) on the basis of quotations for the U.S. dollar and other currencies included in the basket.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Forward exchange facilities are provided by banks. The amount of a bank's forward sales is limited to the amount of forward purchases.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Although no specific requirements exist, settlements must be made in convertible currencies acceptable to both countries.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents n.a.

Payments arrangements

Bilateral payments arrangements n.a.

Regional arrangements Fiji participates in the following arrangements: the Fiji/Vanuatu Bilateral Trade Arrangement, the Melanesian Spearhead Group Trade Agreement, PACER, and PICTA.

Clearing agreements n.a.

FIJI

Barter agreements and open accounts	n.a.
Administration of control	Exchange control is administered by the RBF, acting as an agent of the government; the RBF delegates to ADs the authority to approve current payments and transfers up to specified limits. Documentary evidence is required for some payments. Effective November 6, 2006, and December 6, 2006, several measures have been implemented to tighten controls on various foreign exchange transactions.
Payments arrears	n.a.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents may freely purchase, hold, and sell gold coins but not gold bullion.
On external trade	The exportation of gold coins, except coins and collectors' pieces for numismatic purposes, requires specific permission from the RBF. The importation of gold, other than gold coins, from all sources requires a specific import license from the MOF; these are restricted to authorized gold dealers. Gold coins and gold bullion are exempt from fiscal duty but are subject to a 10% VAT. Gold jewelry is also exempt from fiscal duty but is subject to a 10% VAT and is not under licensing control. Samples of gold and gold jewelry sent by foreign manufacturers require import licenses if their value exceeds the equivalent of F\$200. Exports of gold jewelry are free of export duty but require licenses if their value exceeds F\$20,000. Exports of gold bullion are subject to an export duty of 3%.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports are allowed up to F\$500 a trip for travel-related purposes only.
<i>Foreign currency</i>	Exports are allowed up to the amount declared at the time of arrival. Effective November 6, 2006, local travelers are allowed to take out up to the equivalent of F\$5,000 (previously, F\$20,000) in foreign currency (inclusive of a maximum of F\$500 in local currency) for each overseas round-trip, without RBF approval. The limit applicable to a one-way trip is the equivalent of F\$5,000.
On imports	
<i>Domestic currency</i>	Travelers may freely bring in Fiji banknotes, but must declare them to customs or immigration officials on arrival.
<i>Foreign currency</i>	Travelers may freely bring in foreign currency banknotes, but must declare them to customs or immigration officials on arrival in order to export the unused balance on departure.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Effective December 6, 2006, the opening of these accounts by local individuals and locally registered business entities requires RBF permission. Previously, no RBF approval was required for resident individuals up to the equivalent of F\$20,000 and resident businesses up to F\$100,000.
<i>Approval required</i>	Yes.
Held abroad	These accounts are permitted, but prior RBF approval is required.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	n.a.

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Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted These accounts may be credited freely with the account holders' salaries (net of tax), with interest payable on the account, and with payments from other external accounts. Commercial banks are allowed to open foreign currency accounts for regional and international organizations.

Domestic currency accounts These accounts may be credited freely with the account holders' salaries (net of tax); with interest payable on the account; with payments from other external accounts; with the proceeds of sales of foreign currency or foreign coins by the account holder; and with Fiji banknotes that the account holder brought into Fiji, acquired by debit to an external account, or acquired through the sale of foreign currency in the country during a temporary visit. External accounts may also be credited with payments by residents for which either general or specific authority has been given. External accounts may be debited for payments to residents of Fiji, transfers to other external accounts, payments in cash in Fiji, and purchases of foreign exchange. Effective December 6, 2006, authorized banks are allowed to credit to domestic currency accounts up to F\$50,000 of the proceeds from sales of Fiji assets. Previously, the full amount of the proceeds could be credited to these accounts. Other unspecified funds up to F\$200 (previously, F\$1,000) a month may be deposited.

Convertible into foreign currency Yes.

Blocked accounts n.a.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports Effective December 6, 2006, RBF permission is required to offset foreign exchange earnings against foreign currency payables other than payment for imports already landed in Fiji. Previously, no such requirement applied.

Minimum financing requirements n.a.

Advance payment requirements Effective December 6, 2006, advance payments and prepayments of imports require RBF permission. Previously, authorized banks were allowed to approve up to a delegated limit equivalent to F\$1 million advance payments for imports, if such payments were required by the supplier. Payments exceeding this limit were subject to RBF approval, which was readily given on submission to the RBF of the pro forma invoice indicating the requirement for advance payment.

Advance import deposits n.a.

Documentation requirements for release of foreign exchange for imports Payments for authorized imports are permitted on application and submission of documentary evidence to ADs, who may allow payments for goods that have been imported under either a specific import license or an OGL.

Domiciliation requirement Yes.

Preshipment inspection n.a.

Letters of credit Yes.

Import licenses used as exchange licenses n.a.

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Other	n.a.
Import licenses and other nontariff measures	Payments for oil imports require prior approval from the RBF. Imports of poultry, poultry products, and lubrication oils from any source require a specific import license. The Ministry of Commerce, Business Development, and Investment (MCBBDI) is responsible for issuing import licenses, with the exception of those for gold and timber. Import licenses and other nontariff measures for gold are issued by the MOF; for timber, they are issued by the Ministry of Forestry. A wide range of consumer goods is imported by national cooperative societies under a joint arrangement with six other Pacific island countries. Import licenses for cyclonic building materials are jointly issued by the Department of Fair Trading and Consumer Affairs and the MOF.
Negative list	The importation of a few commodities is prohibited for security, health, or public policy reasons.
Licenses with quotas	Import licenses for frozen chicken from the United States are issued based on quotas.
Other nontariff measures	All imports must meet required technical standards for labeling, packaging, and expiration date requirements. All agricultural and forestry products are subject to quarantine clearance.
Import taxes and/or tariffs	The import tariffs are zero, 3%, 15%, and 27%.
Taxes collected through the exchange system	n.a.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Exporters are required to collect the proceeds from exports within six months of the date of shipment of the goods from Fiji and may not, without specific permission, grant more than six months' credit to a nonresident buyer. Customs is delegated to process and approve all exports of goods with no monetary return.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Effective December 6, 2006, RBF permission is required to offset foreign exchange earnings against foreign currency payables other than payment for imports already landed in Fiji. Previously, authorized banks were allowed to approve the offset of foreign exchange earnings against merchandise imports and other business payments up to the full amounts payable.
Financing requirements	n.a.
Documentation requirements	n.a.
Export licenses	Export licenses are issued by the customs department and monitored by the comptroller of Customs. Specific licenses are required only for exports of sugar, wheat bran, copra meal, certain types of lumber, certain animals, and a few other items. The MCBBDI is responsible for issuing export licenses for trochus shells, petroleum, and petroleum products. Irrespective of export-licensing requirements, however, exporters are required to complete an export license form for exports of more than the equivalent of F\$20,000; this form is required for exchange control purposes.
Without quotas	n.a.
With quotas	n.a.
Export taxes	A 3% export duty is levied on exports of sugar, gold, and silver.
Collected through the exchange system	n.a.
Other export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Except for certain payments that are allowed up to specified limits, above which RBF approval is required, authorized banks may approve all payments. Effective December 6, 2006, documentary evidence is required for amounts above the equivalent of F\$500 (previously, F\$2,000). Effective December 6, 2006, insurance transfers are no longer delegated to authorized banks. Approval is required from the Insurance and Exchange Control Units of the RBF.
Trade-related payments	
<i>Prior approval</i>	Effective December 6, 2006, trade-related payments may be approved by authorized banks up to the equivalent of F\$50,000 an application. Amounts exceeding this limit require prior approval by the RBF.
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	
<i>Prior approval</i>	Effective December 6, 2006, dividend payments, profit remittances, and withdrawal of investments require RBF permission. Previously, effective November 6, 2006, the amount of dividend payments, profit remittances, or withdrawal of investments that authorized banks could approve was decreased to the equivalent of F\$100,000 from the equivalent of F\$500,000. Remittances exceeding these limits required RBF approval.
<i>Quantitative limits</i>	Effective December 6, 2006, payment of interest and principal requires RBF approval. Previously, interest payments were free and principal loan repayments were allowed up to the equivalent of F\$500,000 an amount due, as scheduled. Effective December 6, 2006, authorized banks may approve payments due for commissions and royalty payments only up to the equivalent of F\$50,000 a payment. Previously, authorized banks could approve the full amount of such payments.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Quantitative limits</i>	Effective November 6, 2006, amounts exceeding the equivalent of F\$5,000 (previously, F\$20,000) a person with a round-trip ticket require RBF approval.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Effective December 12, 2006, authorized banks may make payments up to the equivalent of F\$50,000 (previously, the full amount) for medical or educational expenses if the payment is made directly to an institution. If the payment is made to an individual, the limit is the equivalent of F\$500 (previously, F\$20,000) a year. Effective November 6, 2006, the maximum amount that authorized banks may approve for personal remittances, including wedding expenses, family maintenance, lottery tickets, and miscellaneous expenses, was reduced to the equivalent of F\$2,000 a person a year (previously, F\$10,000). Effective December 6, 2006, it was further reduced to the equivalent of F\$500 a person a year.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Quantitative limits</i>	Effective December 6, 2006, a limit up to the equivalent of F\$5,000 a month applies to payments by credit card and a limit up to the equivalent of F\$200 a month applies on foreign currency cash withdrawals by resident credit card holders. For debit cards, the limits are F\$5,000 and F\$100 a month, respectively. Amounts exceeding these limits require prior RBF approval.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Residents are required to sell all their foreign currency receipts to an AD within one month of their return.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Certain capital transfers in excess of the delegated limit require RBF approval for commercial banks. Investments by nonresidents in amounts up to the equivalent of F\$5 million require authorization from either the South Pacific Stock Exchange (for investments in listed companies) or commercial banks (for investments in Fiji dollar-denominated deposits). Some of the funding for these investments must originate abroad or from earnings in Fiji.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Effective December 6, 2006, withdrawal of investments requires RBF approval.
Purchase abroad by residents	Effective December 6, 2006, offshore investments by nonbank financial institutions, companies, and individuals are suspended. Previously, domestic companies, other than nonbank financial institutions, were allowed to invest abroad up to the equivalent of F\$100,000 a company a year. The maximum for individuals was F\$20,000 a family a year.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
On money market instruments	There are controls on all transactions in money market instruments.
On collective investment securities	There are controls on all transactions in collective investment securities.
Controls on derivatives and other instruments	There are controls on all derivatives transactions.
Controls on credit operations	Residents must obtain prior permission from authorized banks to borrow abroad amounts exceeding the equivalent of F\$5 million in foreign currency. RBF permission is also required for any up-front fee payments. Effective December 6, 2006, authorized banks may provide up to the equivalent of F\$50,000 (previously, F\$500,000) of the amount due for scheduled foreign currency loan repayments. Local borrowing by nonresidents is subject to equity contribution from external services as follows: (1) 50% to acquire properties with no development plans and (2) 25% to finance the purchase of land for construction of residences or the purchase of properties in approved investment zones. These applications require RBF approval. Effective December 6, 2006, local borrowing and guarantees by nonresident-controlled business entities are restricted to the equivalent of F\$1 million (previously, F\$10 million). Credit operations exceeding these limits require RBF approval.
Commercial credits	Controls apply to all these transactions.

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Financial credits	Controls apply to all these transactions.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Bank guarantees on trade-related transactions are fully delegated to commercial banks. For other types of guarantees, RBF approval is required if this will result in future outflows in the event of default.
<i>To residents from nonresidents</i>	Yes.
Controls on direct investment	
Outward direct investment	Overseas investment by nonbank financial institutions has been suspended. Effective December 6, 2006, overseas investment by individuals and companies was also suspended. Previously, the limit on overseas investment for individuals and families was F\$20,000 a taxpayer a year, and the limit on investment abroad by local companies was F\$100,000 a year.
Inward direct investment	Foreign investment in Fiji is expected to be financed from nonresident sources. Such foreign investment may be given "approved status," which guarantees the right to repatriate dividends and capital.
Controls on liquidation of direct investment	Effective December 6, 2006, withdrawal of investments requires RBF approval. Previously, transactions exceeding the equivalent of F\$0.5 million required permission from the RBF, which was readily granted on evidence that the investment funds originated abroad and the relevant documentary evidence was provided. Nonresident-owned companies were permitted to repatriate the proceeds from sales of assets and capital gains on investments.
Controls on real estate transactions	
Purchase abroad by residents	The purchase of personal property abroad for investment purposes is not permitted.
Purchase locally by nonresidents	Approval by the Ministry of Lands and the Native Land Trust Board is required for purchases of state-owned property and designated Native Lease properties. Settlements offshore of sale transactions in which both parties are nonresidents require RBF permission.
Sale locally by nonresidents	Controls on settlements are effected to safeguard local interests before proceeds from sales are remitted abroad.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Effective December 6, 2006, a limit of F\$500 or its equivalent applies to gifts to nonresidents. RBF approval may be granted for amounts exceeding the limit.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Effective December 6, 2006, emigration allowances require RBF approval. Previously, only transfers exceeding the equivalent of F\$200,000 by emigrants required prior RBF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	ADs must obtain permission from the RBF to borrow abroad.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Effective December 6, 2006, the limit on lending to a newly established company or a branch of a company in Fiji (other than a bank) that is controlled directly or indirectly by persons who reside outside Fiji is the equivalent of F\$1 million (previously, F\$10 million). Lenders are also allowed to authorize temporary overdrafts without reference to the RBF, provided full clearance of overdrafts is carried out within 30 days. Local borrowing by nonresidents is subject to equity contribution from external services as follows: (1) 50% to acquire properties with no development plans and (2) 25% to finance the purchase of land for construction of residences or the purchase of properties in approved investment zones. These applications require RBF approval.
Lending locally in foreign exchange	Banks and nonbank financial institutions may lend foreign currency up to the equivalent of F\$5 million to any resident of Fiji without specific permission from the RBF.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	An individual (together with his or her relatives) may own up to 15% of the voting shares of a bank or credit institution. Ownership through a company may be up to 30%. This does not preclude the establishment of branches or subsidiaries incorporated in Fiji of 100% nonresident-controlled financial institutions.
Open foreign exchange position limits	Net open position limits in terms of each bank's actual capital are set at the greater of 12.5% or the equivalent of F\$0.4 million for each currency, and up to an aggregate of 25% or from F\$0.8 million to a maximum of F\$7.5 million for all foreign currencies.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Offshore investment by the Fiji National Provident Fund has been suspended.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Arrangements for payments and receipts	<i>November 6.</i> Local travelers were allowed to take out up to the equivalent of F\$5,000 in foreign currency for each overseas round-trip, without RBF approval. The limit for a one-way trip was set at F\$5,000.
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	<p><i>November 6.</i> Several measures were implemented to tighten controls on foreign exchange transactions.</p> <p><i>December 6.</i> Several measures were implemented to tighten controls on foreign exchange transactions.</p>
Resident accounts	<p><i>December 6.</i> RBF approval was required for the opening of foreign exchange accounts by resident individuals and businesses.</p>
Nonresident accounts	<p><i>December 6.</i> The amount that could be credited to nonresidents' Fiji dollar accounts from the sale of local assets was reduced to F\$50,000. The limit on the amount that could be credited in other unspecified funds was set at F\$200.</p>
Imports and import payments	<p><i>December 6.</i> RBF permission was required to offset foreign exchange earnings against foreign currency payables other than payment for imports already landed in Fiji.</p> <p><i>December 6.</i> RBF permission was required for advance payments and prepayments of imports.</p>
Exports and export proceeds	<p><i>December 6.</i> RBF permission was required to offset foreign exchange earnings against foreign currency payables other than payment for imports already landed in Fiji.</p>
Payments for invisible transactions and current transfers	<p><i>November 6.</i> The amount of dividend payments, profit remittances, or investment withdrawal that authorized banks can approve was decreased to the equivalent of F\$100,000 from F\$500,000.</p> <p><i>November 6.</i> The travel allowance was reduced to the equivalent of F\$5,000 a person with a round-trip ticket, from F\$20,000.</p> <p><i>November 6.</i> The limit on personal remittances that authorized banks can approve was reduced to the equivalent of F\$2,000 a person a year.</p> <p><i>December 6.</i> Insurance transfers were made subject to approval by the Insurance and Exchange Control Units of the RBF.</p> <p><i>December 6.</i> Authorized banks were given authority to approve trade-related payments up to the equivalent of F\$50,000.</p> <p><i>December 6.</i> RBF approval was required for all dividend payments, profit remittances, and withdrawal of investments.</p> <p><i>December 6.</i> RBF approval was required for payment of interest and principal.</p> <p><i>December 6.</i> Payments for commissions and royalty payments authorized banks can approve were limited to the equivalent of F\$50,000 a payment.</p> <p><i>December 6.</i> The limit on personal remittances that authorized banks can approve was reduced to the equivalent of F\$500 a person a year.</p> <p><i>December 6.</i> Payments by credit card were limited to the equivalent of F\$5,000 a month and foreign currency cash withdrawal to F\$200 a month. For debit cards, the limits were set at F\$5,000 and F\$100 a month for payments and foreign currency cash withdrawal, respectively.</p> <p><i>December 6.</i> Documentary evidence was required for amounts exceeding the equivalent of F\$500.</p> <p><i>December 12.</i> The limit that can be approved by authorized banks for medical or educational expenses paid directly to institutions was reduced to the equivalent of F\$50,000 a year and F\$500 if paid directly to individuals.</p>
Capital transactions	
Controls on capital and money market instruments	<p><i>December 6.</i> Offshore investments by nonbank financial institutions, companies and individuals were suspended.</p> <p><i>December 6.</i> RBF approval was required for withdrawal of investments.</p>
Controls on credit operations	<p><i>December 6.</i> The limit authorized banks can provide on the amount due for scheduled foreign currency loan repayments was reduced to the equivalent of F\$50,000 (previously, F\$500,000).</p>

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Controls on direct investment	<i>December 6.</i> Local borrowing and guarantees by nonresident-controlled business entities were restricted to F\$1 million.
Controls on liquidation of direct investment	<i>December 6.</i> Overseas investment by individuals and companies was suspended.
Controls on personal capital transactions	<i>December 6.</i> RBF approval was required for withdrawal of investments.
	<i>December 6.</i> RBF approval was required for emigration allowances.
	<i>December 6.</i> A limit of F\$500 or its equivalent was applied to gifts to nonresidents. RBF approval may be granted for amounts exceeding the limit.
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<i>December 6.</i> The limit on lending to a newly established company or a branch of a company in Fiji (other than a bank) that is controlled directly or indirectly by persons who reside outside Fiji was set at the equivalent of F\$1 million.

FINLAND

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: September 25, 1979.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with the relevant UN Security Council resolutions, measures have been taken to freeze the accounts of the Taliban and of listed individuals and organizations associated with terrorism.

Other security restrictions

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained on the making of payments and transfers for current international transactions with respect to Myanmar, certain individuals associated with the previous governments of Iraq and the former Federal Republic of Yugoslavia, and Zimbabwe. Financing of and financial assistance related to military activities in Somalia are prohibited. Restrictions also apply on transfers with respect to members of Al-Qaida and the Taliban, and individuals and organizations associated with terrorism. Imports of diamonds and sawed wooden goods from Liberia are subject to economic sanctions.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Finland is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Finland participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

n.a.

Payments arrangements

No.

FINLAND

Administration of control	There are no exchange controls. Import licensing is administered by the National Board of Customs. Export licensing relating to international export control regimes is administered by the trade department or foreign trade division of the Ministry of Trade and Industry.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Controls apply to deposits of funds with financial institutions regulated by non-EU authorities if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.
Accounts in domestic currency held abroad	Controls apply to deposits of funds with financial institutions regulated by non-EU authorities if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.

FINLAND

Import licenses and other nontariff measures

Negative list	Yes.
Licenses with quotas	The following products are subject to quantitative import restrictions and require an import license when imported into the EU: agricultural products; certain steel products subject to bilateral agreements with the Russian Federation and Ukraine; certain steel products subject to autonomous community quotas for Kazakhstan; specific textile products subject to bilateral agreements with third countries, and particular third-country textile products subject to autonomous community quotas; and certain Chinese industrial products subject to autonomous community quotas.
Import taxes and/or tariffs	No.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Export licenses are required only for exports of goods related to international export control regimes and are administered by the Ministry of Trade and Industry. The sale of arms is strictly controlled by the Ministry of Defense.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.

FINLAND

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Controls apply only to the purchase of shares or other securities of a participating nature, which may be affected by laws on inward direct investment.

Purchase abroad by residents

Controls apply to the purchase of securities issued by non-EU residents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

Bonds or other debt securities

Purchase abroad by residents

Controls apply to the purchase of securities issued by non-EU residents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

On money market instruments

Purchase abroad by residents

Controls apply to the purchase of securities issued by non-EU residents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

On collective investment securities

Purchase abroad by residents

Controls apply to the purchase of securities issued by non-EU residents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

Controls on derivatives and other instruments

Purchase abroad by residents

Controls apply to the purchase of or swap operations in instruments and claims issued by or contracted with non-EU residents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

Controls on credit operations

Financial credits

By residents to nonresidents

Controls apply to credits and loans granted to non-EU residents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

Controls on direct investment

Inward direct investment

Controls apply to (1) the establishment of branches of foreign companies, unless an authorization is granted; (2) investment in an enterprise engaged in activities involving nuclear energy or nuclear materials; (3) investment in enterprises operating an airline, unless otherwise implied by international agreements to which Finland is a party; (4) ownership of Finnish flag vessels, including fishing vessels, except through an enterprise incorporated in Finland; and (5) investment in auditing companies or companies and partnerships providing certain legal services by non-EU residents. In addition, acquisition of shares giving at least one-third of the voting rights in a Finnish defense enterprise to a single foreign owner requires prior confirmation by the Ministry of Defense; approval may be denied, but only if the safeguarding of public defense is jeopardized.

Controls on liquidation of direct investment

No.

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Controls on real estate transactions

Purchase abroad by residents	Controls apply to the acquisition of real estate located outside the EU if these assets are to form more than 5% of the cover of the technical reserves of an insurance company or of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.
Purchase locally by nonresidents	Acquisition of real estate for recreational purposes or as a secondary residence is allowed for nonresidents who have not previously been residents of Finland for at least five years. Controls apply only to the acquisition by nonresidents of real estate for recreational purposes or for secondary residences in the Åland Islands.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Open foreign exchange position limits Prudential regulations that are harmonized with EU directives apply.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of capital or money market and collective investment securities issued by non-EU residents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company.

Limits (max.) on investment portfolio held abroad

Controls apply to the (1) purchase of or swap operations in instruments and claims issued by or contracted with non-EU residents; (2) credits and loans granted to non-EU residents; (3) deposits of funds with financial institutions regulated by non-EU authorities; and (4) acquisition of real estate located outside the EU, if these assets are to form more than 5% of the cover of the technical reserves of an insurance company.

Limits (min.) on investment portfolio held locally

Yes.

Currency-matching regulations on assets/liabilities composition

Yes.

Pension funds

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of securities issued by non-EU residents if these assets are to form more than 5% of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

Limits (max.) on investment portfolio held abroad

Controls apply to the (1) purchase of or swap operations in instruments and claims issued by or contracted with non-EU residents; (2) credits and loans granted to non-EU residents; (3) deposits of funds with financial institutions regulated by non-EU authorities; and (4) acquisition of real estate located outside the EU, if these assets are to form more than 5% of the assets representative of the liabilities of a private pension fund administering statutory pension schemes.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

Investment firms and collective investment funds

n.a.

FINLAND

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

FRANCE

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Measures have been taken to freeze accounts of listed persons and entities linked to terrorists pursuant to the relevant EU regulations and UN Security Council resolutions.

Other security restrictions

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained on the making of payments and transfers for current international transactions with respect to the Democratic Republic of the Congo, Côte d'Ivoire, the Islamic Republic of Iran, the former government of Iraq, the Democratic People's Republic of Korea, the former government of Liberia, Myanmar, Sudan, certain individuals associated with the government of the former Federal Republic of Yugoslavia, and Zimbabwe. Financing of and financial assistance related to military activities in Somalia, Uzbekistan, and Sudan are prohibited. Restrictions also apply on transfers with respect to the Taliban and individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks

http://ec.europa.eu/external_relations/cfsp/sanctions/index.htm.

Exchange Arrangement

Currency

The currency of France is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

France participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members. A fixed conversion rate of CFPF 1,000 per €8.38 applies to the CFP franc, which is the currency of the overseas territories of French Polynesia, New Caledonia, and Wallis and Futuna Islands. Two groups of African countries are linked to the French Treasury through an Operations Account: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo (franc de la Communauté financière africaine, issued by the BCEAO); and Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon (franc de la Coopération financière en Afrique centrale, issued by the BEAC). The fixed parity is CFAF 655.957 per €1.

The Comorian franc, issued by the Central Bank of the Comoros, which holds an Operations Account with the French Treasury, is pegged to the euro at a fixed parity of CF 491.968 per €1.

Exchange tax

No.

Exchange subsidy

No.

FRANCE

Forward exchange market Registered banks in France and Monaco, which may also act on behalf of banks established abroad or in Operations Account countries, are permitted to deal spot or forward in the exchange market in France. Registered banks may also deal spot or forward with their correspondents in foreign markets in all currencies. Nonbank residents may purchase foreign exchange forward with respect to specified transactions. All residents, including private persons, may purchase or sell foreign exchange forward without restriction. Forward sales of foreign currency are not restricted, whether or not they are for hedging purposes.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements No.

Administration of control The Ministry of Economy, Finance, and Employment (MEFE) is the coordinating agency for financial relations with foreign countries. It is responsible for all matters relating to inward and outward direct investment and has certain powers over matters relating to insurance, reinsurance, annuities, etc. The execution of all transfers has been delegated to registered banks and stockbrokers and to the postal administration.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes Amounts exceeding the equivalent of €10,000 must be declared to customs on arrival or departure.

On imports

Foreign currency

At the request of Algeria, Morocco, and Tunisia, banknotes issued by these countries may not be exchanged in France.

References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

FRANCE

Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.

Import licenses and other nontariff measures

Licenses with quotas

Licenses are required for some countries and some products. Imports of goods that originate outside of the EU and are subject to quantitative restrictions require individual licenses. Common EU regulations are also applied to imports from non-EU countries. Certain goods originating in the EU that are of a strategic nature or of national interest (e.g., works of art) are licensed.

Other nontariff measures

Some imports from non-EU countries require administrative visas issued by the Central Customs Administration or the appropriate ministry. Imports of products of the ECSC require such administrative visas when originating in non-ECSC countries. Products covered by the Common Market regulations require import certificates.

Import taxes and/or tariffs

Duties are collected at the time of entry into the EU in relation to the origin of the products and a tariff nomenclature. An agricultural levy (within the CAP) and, if necessary, an antidumping levy may be added.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

Documentation requirements No.

Export licenses

Without quotas

Certain prohibited goods may be exported only under a special license.

Export taxes

Exports are not taxed, except for precious metals, works of art, jewelry, and collections of jewels and antiques, which are subject to a levy.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

FRANCE

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Controls apply to the purchase by non-EU residents of securities not quoted on a recognized securities market that may be affected by laws on inward direct investment and establishment.

On money market instruments

Sale or issue locally by nonresidents

Controls apply to the issue of certificates of deposit by nonresident banks.

On collective investment securities

Sale or issue locally by nonresidents

Controls apply to foreign collective investment securities, except for those that are of EC origin and comply with EC Directive 85/611/EC.

Controls on derivatives and other instruments

No.

Controls on credit operations

No.

Controls on direct investment

Direct investments by companies not listed publicly are defined as those in which foreign investors together hold more than one-third of the capital. To determine whether a company is under foreign control, the MEFÉ may take into account any special relationships resulting from stock options, loans, patents, licenses, or commercial contracts.

Inward direct investment

An authorization is required for investments in areas pertaining to public order, public security, and defense.

Controls on liquidation of direct investment

The liquidation proceeds of foreign direct investment in France may be freely transferred abroad; the liquidation must be reported to the MEFÉ within 20 days of its occurrence. The liquidation of direct investments abroad is free from any prior application, provided the corresponding funds have been reported to the Bank of France.

Controls on real estate transactions

No.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks n.a.

FRANCE

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Provisions specific to institutional investors	
Insurance companies	
<i>Currency-matching regulations on assets/liabilities composition</i>	Insurance companies in the EU are required to cover their technical reserves with assets expressed in the same currency.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

GABON

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions Restrictions are enforced in accordance with UN Security Council Resolution No. 1373.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency issued within the CAEMC, which is legal tender in Gabon and the other member countries, is the CFA franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Gabon participates in a currency union with five other members of the CAEMC and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange transactions in euros between the BEAC and commercial banks are made at the same rate. Buying and selling rates for certain other foreign currencies are also officially posted, with quotations based on the fixed rate for the euro and the rates in the Paris exchange market for the currencies concerned. Effective January 1, 2007, the exchange regime of the CAEMC countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax Commissions are levied at the rate of 0.5% on transfers made by the banks for their own accounts and on all private capital transfers to countries that are not members of the BEAC, except those made for the account of the treasury, national accounting offices, and private entities granted exemption by the Ministry of Economy, Finance, Budget, and Privatization (MEFBP) because of the nature of their activities. Foreign exchange operations are subject to a VAT, which is levied on commissions charged by ADs.

Exchange subsidy No.

Forward exchange market The CAEMC area does not have a forward exchange market.

References to legal instruments and hyperlinks n.a.

GABON

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

Within the CAEMC, the CFA franc is used freely for payments and receipts in current and capital transactions and payments. Settlement with all countries other than CAEMC member states must be made through correspondent banks, in one of the currencies of the two parties or in any other currency accepted by the two parties to the transaction.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links all Operations Account countries. All purchases or sales of foreign currencies and euros against CFA francs are ultimately settled through a debit or credit to the Operations Account. Exchange regulations of member countries in the CAEMC are harmonized.

Administration of control

The MEFBP is responsible for administering foreign exchange regulations and may delegate all or a portion of its power to the BEAC, to the Banking Commission in Central Africa (COBAC), and to authorized intermediaries. Authorized intermediaries are usually delegated to administer foreign transactions and are responsible for checking the validity of transactions, collecting statistics, and reporting to the monetary authorities. The tasks delegated must not include some types of transactions. The BEAC ensures exchange regulation surveillance, evaluates cover against exchange risk, studies matters for which advice may be requested when foreign exchange accounts are opened by some resident legal entities, and monitors the repatriation of export proceeds. COBAC must ensure that the authorized intermediaries comply with the specific provisions of these regulations to ensure that they are properly implemented and do not destabilize the CAEMC banking system.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents may hold, purchase, and sell gold and precious stones of all kinds within the CAEMC.

On external trade

Imports and exports of gold require the authorization of the MEFBP. Exempt from this requirement are (1) imports and exports by or on behalf of the monetary authorities and (2) imports and exports of manufactured articles containing a small quantity of gold (such as gold-filled or gold-plated articles). The exportation of gold is the monopoly of the Société Gabonaise de Recherches et d'Exploitation Minières. Imports of gold exempted from licensing and authorization requirements are subject to customs declaration.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. When traveling outside the CAEMC, travelers must use means of payment other than BEAC banknotes. Nevertheless, resident travelers may carry with them a maximum of CFAF 100,000 when exiting the CAEMC.

Foreign currency

Resident or nonresident travelers crossing the borders of the CAEMC must, on entry or exit, declare to customs their foreign currency, securities, or assets in amounts exceeding CFAF 1 million. When leaving the CAEMC, nonresident travelers may take with them foreign currency up to a maximum equivalent to the amount they declared on entry to the CAEMC.

On imports

Domestic currency

Imports of CFA francs issued by the BEAC outside the CAEMC area are prohibited. Resident travelers may import up to CFAF 100,000 on entry to the CAEMC.

Foreign currency

Resident and nonresident travelers of the CAEMC may import banknotes and coins issued by any other bank of issue, without restriction, but must file a customs declaration for any currency or securities exceeding CFAF 1 million.

GABON

References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Residents are not authorized to open foreign currency accounts within the CAEMC.

Approval required The MEFBP may authorize certain resident legal entities to open foreign currency accounts with the prior consent of the BEAC.

Held abroad n.r.

Approval required n.r.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency No.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Accounts in foreign currencies for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Domestic currency accounts Accounts in CFA francs for nonresidents may be opened freely within the CAEMC. Authorized intermediaries are allowed to open such accounts for nonresidents, provided they inform the monetary authorities.

Convertible into foreign currency No.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports Import payments are made in accordance with the contractual terms of the underlying transaction.

Documentation requirements for release of foreign exchange for imports For import payments not exceeding CFAF 100 million, the authorized intermediary must require a pro forma invoice or some other kind of supporting document. When payments of imports exceed this threshold, authorized intermediaries must ensure that the transaction is properly settled and also examine the supporting documents. Nevertheless, legally registered legal entities and declared or certified liberal professionals may be exempt from the requirement to produce supporting documents, provided they present an annual estimate of imports corroborated by a business forecast.

Domiciliation requirement All imports exceeding CFAF 5 million must be domiciled with a resident authorized intermediary.

Letters of credit Yes.

GABON

Import licenses and other nontariff measures

Negative list	Imports of some products are prohibited for security and health reasons. Quantitative restrictions are maintained on imports of sugar.
Open general licenses	Imports, except for sugar, from all countries are permitted freely and do not require licenses. Except for gold and health- and security-related items, imports are subject to declaration for statistical purposes.
Other nontariff measures	All imports of commercial goods must be insured through authorized insurance companies in Gabon.

Import taxes and/or tariffs

	The CAEMC CET applies on imports from non-CAEMC countries. There are four rates: 5% for essential commodities, 10% for capital goods and inputs, 20% for intermediates, and 30% for consumer goods.
Taxes collected through the exchange system	Import surcharges of 30% have been introduced on imports of goods previously subject to quantitative restrictions. These surcharges are to be eliminated in three to six years, with the longer period applying to certain agricultural and textile products. Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established by law.

State import monopoly

No.

References to legal instruments and hyperlinks

Import duties: Act 7/93-UDEAC-556-CD-SEI of June 21, 1993, amending the CET and establishing the procedures for implementing the Generalized Preferential Tariff in the CAEMC, as well as Act 5/94-UDEAC-556-CD-56 of December 19, 1994, amending some of its articles.

Fees: Act 6/93-UDEAC-556-CD-SEI establishing the rate corridor for the TCA and the excise duty in the CAEMC, as well as Act 2/96-UDEAC-556-CD-58 amending some of its articles.

Exports and Export Proceeds

Repatriation requirements

Export earnings originating in countries that are not members of the CAEMC must be collected and repatriated within 30 days following the date stipulated in the contract through the domiciling bank, with the central bank acting as intermediary.

Surrender requirements

Surrender to the central bank

Export earnings collected in foreign currencies must be surrendered to the BEAC within 30 days following collection.

Financing requirements

No.

Documentation requirements

Domiciliation files must contain an export contract; an exchange commitment by which the exporter agrees to repatriate all sums deriving from their exports within one month of the due date for payment; and a customs export document, duly signed by customs staff. After clearance, the file must also be supplemented with a surrender of foreign exchange certificate and a related credit advice from the BEAC. All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.

Letters of credit

Yes.

Guarantees

Yes.

Domiciliation

All export transactions outside the CAEMC in excess of CFAF 5 million must be domiciled with an authorized bank.

Preshipment inspection

n.r.

Export licenses

Exports are subject to declaration to the Ministry of Foreign Trade.

Export taxes

The export tax on unprocessed forestry products is 17%.

Collected through the exchange system

Authorized intermediaries are responsible for withholding and repaying to the monetary authority all related taxes and fees established in the law.

GABON

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments Under CAEMC foreign exchange regulations, there are no restrictions on service transactions. These transactions are subject to the same conditions as the underlying trade transactions.

Indicative limits/bona fide test Supporting documents must be provided, and authorized intermediaries must ensure that transactions for amounts exceeding CFAF 100 million are properly settled.

Investment-related payments Transfers of capital income outside the CAEMC in the form of profits, dividends, interest, fees, etc., payable to nonresidents may be made freely, provided the underlying transaction was authorized or not subject to authorization.

Indicative limits/bona fide test Supporting documents must be provided.

Payments for travel On trips outside the CAEMC, travelers must use means of payment other than BEAC banknotes (foreign currencies, traveler's checks, cashier's checks, bank or postal transfers, etc.).

Indicative limits/bona fide test Indicative limits are established for over-the-counter foreign exchange allocations to residents traveling outside the CAEMC. Indicative thresholds are set according to the type of travel (business, study, leisure, and medical travel, and official missions). However, all substantiated requests are granted, regardless of the amount. Authorized intermediaries are required to serve their customers to the extent that foreign exchange is available, check the validity of the supporting documents presented, and report to the appropriate authorities.

Personal payments

Indicative limits/bona fide test Transfers may be made freely on presentation of supporting documents.

Foreign workers' wages On presentation of their pay slips, resident foreign workers may be authorized to transfer a portion of their net remuneration outside the CAEMC.

Quantitative limits On presentation of their pay vouchers and a copy of their work contract, foreign workers are allowed to transfer part of their net salary.

Indicative limits/bona fide test Supporting documents must be provided.

Credit card use abroad The use of credit cards is similar to a transfer and is not subject to the regulations governing invisible transactions and current transfers.

Other payments

Indicative limits/bona fide test Supporting documents must be provided.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements Amounts owed by nonresidents for services and all revenue from foreign assets earned outside the CAEMC must be collected through an authorized bank within 30 days following the due date.

Surrender requirements

Surrender to the central bank If the amounts are collected in foreign currencies, they must be surrendered to the BEAC no later than 30 days after receipt thereof.

Restrictions on use of funds No.

GABON

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions	Movements of capital within the CAEMC are not subject to exchange controls. Transactions between the CAEMC and third countries may be made freely, provided they are not in breach of provisions prohibiting the financing of drugs and all other forms of trafficking prohibited under the laws in effect in the CAEMC. Some borrowings, loans, and direct investments, as well as the issue, advertising, or sale of foreign securities within the CAEMC, may be subject to administrative controls and require prior authorization from the appropriate authorities.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
Controls on capital and money market instruments	
On capital market securities	The issue, advertising, or sale of foreign securities issued by foreign enterprises and representing either a fraction of their capital (stock) or a loan made to them (bonds) is subject to prior approval by the MEFBP.
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	These transactions must be reported to the MEFBP.
Sale or issue locally by nonresidents	The issuing, advertising, or offering for sale of foreign securities in amounts exceeding CFAF 10 million in Gabon requires prior authorization from the MEFBP. Operations in connection with the following are exempt from authorization: (1) loans backed by a guarantee from the Gabonese government and (2) shares similar to securities whose issuing, advertising, or offering for sale in Gabon has previously been authorized.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	These transactions must be reported to the MEFBP.
<i>Bonds or other debt securities</i>	These transactions must be reported to the MEFBP and the BEAC 30 days before they are effected.
On money market instruments	These transactions must be reported to the MEFBP and the BEAC.
On collective investment securities	These transactions must be reported to the MEFBP and the BEAC 30 days before they are effected.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	n.r.
Purchase abroad by residents	These transactions must be reported to the MEFBP and the BEAC.
Sale or issue abroad by residents	These transactions must be reported to the MEFBP and the BEAC.
Controls on credit operations	
Commercial credits	Borrowings directly related to the delivery of services abroad, whether by resident individuals or legal entities, or to the financing of commercial transactions between the CAEMC and the rest of the world, or even between foreign countries involving resident individuals or enterprises, or loans where the outstanding debt does not exceed CFAF 100 million, are not subject to prior authorization from the MEFBP. Controls apply to all other commercial credit operations.

GABON

Financial credits	Residents may generally freely grant financial credits to or borrow from nonresidents. Prior authorization is required, however, when (1) borrowings are guaranteed by the government or made by public and quasi-public enterprises, (2) the total outstanding debt of a resident borrower exceeds CFAF 100 million, and (3) the total outstanding amount of the loan granted by a resident lender exceeds CFAF 100 million.
<i>By residents to nonresidents</i>	Loans exceeding CFAF 100 million require prior authorization unless they are granted by a resident authorized bank. For loans that are free of authorization, each repayment must be declared to the MEFBP within 30 days of the operation.
<i>To residents from nonresidents</i>	When the total outstanding debt of a borrower exceeds CFAF 100 million, prior authorization from the appropriate authorities is required. The same applies to borrowings guaranteed by the government or made by public and quasi-public enterprises. Loans constituting a direct investment abroad for which prior approval has been obtained are exempt from authorization. Each repayment on exempt loans must be declared to the MEFBP within 30 days of the operation.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	These transactions must be reported to the MEFBP and the BEAC. Authorization from the MEFBP is required for transactions exceeding CFAF 100 million or its equivalent in value.
<i>To residents from nonresidents</i>	These transactions must be reported to the MEFBP and the BEAC.
Controls on direct investment	Direct investment is defined as the acquisition of more than 10% of the capital of a company.
Outward direct investment	Direct investment abroad by residents is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments abroad by residents in amounts exceeding CFAF 100 million must be declared to the MEFBP 30 days before they are made.
Inward direct investment	Direct investment from abroad in Gabon is not restricted, provided the amount of the transactions does not exceed CFAF 100 million or it is in the form of an increase in capital resulting from the reinvestment of undistributed profits. Only authorized banks may verify and execute these transactions. Direct investments from abroad exceeding CFAF 100 million must be declared to the MEFBP 30 days before they are made.
Controls on liquidation of direct investment	The liquidation of foreign direct investments in Gabon and abroad in amounts exceeding CFAF 100 million must be declared to the MEFBP 30 days before liquidation.
Controls on real estate transactions	This category of transactions is not subject to specific regulations. It is implicitly subject to the same regulatory provisions as transactions involving the direct investment of financial assets.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	Supporting documents indicating the origin of funds and the nature of transactions must be presented.
Loans	
<i>By residents to nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEFBP 30 days before the transaction in order to receive prior authorization.
<i>To residents from nonresidents</i>	Resident individuals may freely grant loans to nonresidents provided the total outstanding debt does not exceed CFAF 100 million. Amounts exceeding CFAF 100 million must be declared to the MEFBP 30 days before the transaction in order to receive prior authorization.
Gifts, endowments, inheritances, and legacies	Amounts exceeding the equivalent of CFAF 100 million require authorization.
Settlements of debts abroad by immigrants	MEFBP authorization is required for settlement of debts abroad exceeding the equivalent of CFAF 5 million; supporting documents (loan contract, schedule, etc.) must be presented.

GABON

Transfer of assets	
<i>Transfer abroad by emigrants</i>	Supporting documents on the origin of the funds must be submitted.
<i>Transfer into the country by immigrants</i>	Transfers exceeding the equivalent of CFAF 100 million must be reported to the MEFBP.
Transfer of gambling and prize earnings	Supporting documents on the origin of the funds must be submitted.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowings contracted by resident authorized banks with nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEFBP and the BEAC within 30 days following their transaction.
Maintenance of accounts abroad	Accounts abroad may be opened freely, but they may be used only for settling transactions with correspondent accounts abroad and not for speculative purposes.
Lending to nonresidents (financial or commercial credits)	Loans granted by resident authorized banks to nonresidents, as well as the repayment thereof, do not require prior authorization, but must be declared to the MEFBP and the BEAC within 30 days following their transaction.
Lending locally in foreign exchange	These transactions are prohibited.
Purchase of locally issued securities denominated in foreign exchange	These transactions are subject to MEFBP authorization.
Investment regulations	
<i>Abroad by banks</i>	Authorized banks may invest part of their equity capital abroad with authorization by the BEAC and the COBAC.
<i>In banks by nonresidents</i>	Nonresidents may be authorized to invest in local banks with the authorization of the BEAC and the COBAC.
Open foreign exchange position limits	A limit of 15% applies to the ratio between the weighted average of the long or short position (whichever is higher) in each foreign currency and the net equity capital, up to a 45% ratio across all currencies.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	n.r.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.r.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

GABON

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the CAEMC countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

THE GAMBIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: January 21, 1993.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of The Gambia is the Gambian dalasi.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the dalasi is determined in the foreign exchange market. The Central Bank of the Gambia (CBG) periodically intervenes in the foreign exchange market by selling and buying foreign exchange. Since 2004, such intervention has been limited to purchasing foreign exchange to augment its international reserves. Commercial banks and foreign exchange bureaus are free to transact among themselves or with customers at exchange rates agreed on by the parties to these transactions. The CBG deals only with commercial banks but conducts a foreign exchange market review session on the last working day of each week with the participation of the commercial banks and foreign exchange bureaus. During this session, the average market rate during the week is announced as the rate applied to government transactions and customs valuations for the following week.

The Gambia participates in the W-ERM II of the WAMZ, which requires that the spot exchange rate between the Gambian dalasi and the dollar be maintained within margins of $\pm 15\%$ around the central rate. However, the authorities have not yet implemented these measures.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements n.a.

Payments arrangements

Regional arrangements The Gambia participates in the WAMZ.

Clearing agreements Yes.

THE GAMBIA

Barter agreements and open accounts	n.a.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Commercial banks are allowed to open foreign currency deposit accounts for their clients, provided the banks have demonstrated to the CBG that they have well-developed internal risk-control systems in place.
Held abroad	No.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	n.a.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Letters of credit	Yes.
Import licenses and other nontariff measures	
Negative list	Imports of certain goods are subject to prior authorization for health or security reasons.

THE GAMBIA

Open general licenses	Yes.
Import taxes and/or tariffs	Effective January 1, 2006, customs duty rates range from zero to 20% (previously, 18%). Effective January 1, 2007, all merchandise imports are subject to a national sales tax of 15% (previously, 10%) calculated on the c.i.f. value. Imports by the government, diplomatic missions, and charitable organizations are exempt from this tax.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	The exportation of forestry products is subject to prior authorization from the Forestry Department.
Export taxes	A 2.05% administrative fee is levied on all items, except diamonds, which are taxed at 3%; exports of fish, fish products, groundnuts and their by-products, and all exports to the EU are exempt.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Controls on capital and money market instruments	There are no capital markets or stock exchange markets in The Gambia.
Controls on derivatives and other instruments	These instruments do not exist in The Gambia.

THE GAMBIA

Controls on credit operations

Financial credits

To residents from nonresidents Yes.

Controls on direct investment No.

Controls on liquidation of direct investment No.

Controls on real estate transactions No.

Controls on personal capital transactions No.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad These transactions are not restricted except when controlled under the Financial Institutions Act.

Maintenance of accounts abroad These transactions are subject to reporting to the CBG.

Lending locally in foreign exchange Yes.

Investment regulations

Abroad by banks Restrictions apply on the types and amounts of investment abroad. Banks may not invest in foreign securities.

Open foreign exchange position limits Foreign exchange exposure limits set by the CBG must be observed on a weekly basis, and transactions must be reported daily to the CBG.

Provisions specific to institutional investors

Insurance companies n.a.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Imports and import payments *January 1.* Customs duties were increased to a maximum of 20% from 18%.

Changes during 2007

Imports and import payments *January 1.* Sales tax on imported merchandise goods was increased to 15% from 10%.

GEORGIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 20, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Georgia is the Georgian lari.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The National Bank of Georgia (NBG) intervenes in the market mainly to build up official reserves and smooth exchange rate fluctuations. The official exchange rate for the dollar is determined daily. The official rates for other currencies are determined on the basis of the cross rates for the dollar and the currencies concerned in the international market. The official exchange rates are used for budget and tax accounting purposes, as well as for all payments between the government and enterprises and other legal entities. The NBG and the major commercial banks participate in the fixing sessions at the Tbilisi Interbank Currency Exchange for all commercial transactions; the exchange rate of the lari is negotiated freely between the banks and foreign exchange bureaus that are licensed by the NBG and their customers. Foreign exchange bureaus are permitted to buy and sell foreign currency notes.

Exchange tax No.

Exchange subsidy No.

Forward exchange market This market is largely inoperative.

References to legal instruments and hyperlinks www.nbg.gov.ge/NBG_New/Regulations/savaluto.htm.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For capital transactions

Credit operations Yes.

Use of foreign exchange among residents All domestic settlements must be made in lari.

Payments arrangements No.

GEORGIA

Administration of control	The NBG is responsible for issuing a single license to perform banking operations in domestic and foreign currencies.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	A license is required to trade in gold.
On domestic ownership and/or trade	Yes.
On external trade	Yes.
Controls on exports and imports of banknotes	No controls apply on the amounts that may be exported, but exports of foreign currency must be declared.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	www.nbg.gov.ge .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	www.nbg.gov.ge .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Preshipment inspection	Yes.

GEORGIA

Import licenses and other nontariff measures

Negative list Licenses are required for imports of weapons, narcotics, industrial equipment, medicines, and agricultural pesticides; licenses are issued by the State Committee on Foreign Economic Relations (SCFER).

Other nontariff measures Imported cigarettes are subject to a higher rate of excise tax than domestically produced cigarettes.

Import taxes and/or tariffs

Effective January 1, 2007, the tariff structure was simplified from 16 rates ranging from zero to 30% to 3 rates (zero, 5%, and 12%). Items exempt from customs duties include (1) effective January 1, 2007, all machinery and equipment; (2) imports related to humanitarian aid and reconstruction in case of natural calamities; (3) imports related to grant agreements; (4) imports under foreign-financed projects; (5) imports related to oil and natural gas projects; (6) embassy imports; (7) travelers' baggage; (8) special food for babies; (9) food, glucometers, and other special articles for diabetics; (10) creative and scientific works of Georgian citizens published abroad; (11) certain pharmaceutical products; (12) special stamps of Georgia; (13) hops; and (14) raw materials and intermediate products destined for production of goods to be exported, within certain limits. A customs clearance fee of 0.15% (but not less than GEL 50 and not exceeding GEL 2,000) of the value of the product is applied to all imports.

State import monopoly

n.a.

References to legal instruments and hyperlinks

www.customs.gov.ge/legislation.htm.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

Preshipment inspection

Yes.

Other

Yes.

Export licenses

Licensing is administered by the SCFER. Licenses are required for logs; scrap metal; pine seeds; numismatic collections considered national treasures; certain biological, paleontological, archaeological, and ethnographic goods; and raw materials for the production of medicine. Exports of arms and narcotics are subject, in practice, to prohibitions.

Without quotas

Yes.

Export taxes

A customs clearance fee of 0.15% (but not less than GEL 50 and not exceeding GEL 2,000) of the value of the product is applied to all exports.

References to legal instruments and hyperlinks

www.customs.gov.ge/legislation.htm.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Indicative limits and bona fide tests apply to all payments for invisible transactions and current transfers.

Trade-related payments

Indicative limits/bona fide test

Yes.

Investment-related payments

Indicative limits/bona fide test

Yes.

GEORGIA

Payments for travel	
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Prior approval</i>	n.a.
<i>Quantitative limits</i>	n.a.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Inward and outward capital operations are not restricted but are subject to registration requirements for monitoring purposes. The issuance, trading, recording, and redemption of government securities are regulated.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Sale or issue abroad by residents	Yes.
Controls on credit operations	No.
Controls on direct investment	Under the Foreign Investment Law, the taxation and promotion of investment activities by joint ventures and foreign enterprises are regulated by the current tax legislation.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.

GEORGIA

Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	The NBG has set limits on (1) credits issued by commercial banks to an individual borrower, a group of borrowers, an insider borrower, all insider borrowers, and all large borrowers; and (2) unsecured credits. It has also established rules for creating loss provisions for assets (including credits).
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	The minimum compulsory reserve requirements are 13% and, effective September 10, 2006, 4% (previously, zero) for foreign and domestic currency deposits, respectively. The reserve requirement is zero on the average balances of each commercial bank's correspondent accounts in the NBG in foreign currency and 2% on balances in domestic currency.
<i>Liquid asset requirements</i>	The NBG has set limits for liquid assets as follows: average monthly liquid assets against average monthly liabilities, liquid assets at the end of the month against liabilities at the end of the month, and current assets with a maturity of up to one month against current liabilities with a payment period of one month.
Open foreign exchange position limits	The limit on the total open foreign exchange position set by the NBG is defined with respect to the amount of all long foreign exchange positions for all currencies or the amount of all short exchange positions for all currencies, whichever is higher. The open position of balance sheet and consolidated balance sheet (including off-balance-sheet) items must not exceed 20% of regulatory capital.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	A maximum of 20% of the technical reserves of insurance companies may be invested abroad.
<i>Limits (min.) on investment portfolio held locally</i>	A minimum of 80% of the technical reserves of insurance companies must be invested locally.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	Decree No. 42 of the Insurance State Supervisory Agency of Georgia, November 26, 1998.

Changes during 2006

Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<i>September 10.</i> The minimum compulsory reserve requirement on domestic currency deposits was increased to 4% from zero.

GEORGIA

Changes during 2007

Imports and import payments

January 1. The tariff structure was simplified from 16 rates ranging from zero to 30% to 3 rates (zero, 5%, and 12%).

January 1. All machinery and equipment were made exempt from customs duties.

GERMANY

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained with respect to certain persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo; certain persons and entities associated with Côte d'Ivoire; effective May 18, 2006, President Lukashenko and certain officials of Belarus; effective February 9, 2007, persons, organizations, and entities associated with proliferation-related activities in the Islamic Republic of Iran; individuals and entities associated with the former government of Iraq; certain individuals associated with the former government of Liberia; certain individuals and entities associated with the government of Myanmar as well as capital transactions with respect to certain state-owned enterprises in Myanmar; certain persons impeding the peace process and breaking international law in the conflict in the Darfur region in Sudan; certain individuals associated with the previous government of the former Federal Republic of Yugoslavia or indicted by the International Criminal Tribunal for the former Yugoslavia (ICTY); and members of the government of Zimbabwe and legal persons, entities, or bodies associated with those members. Restrictions also apply on transfers with respect to Osama bin Laden, the Al-Qaida network, the Taliban, and other individuals and organizations associated with terrorism.

Financing and financial assistance related to military activities in Côte d'Ivoire, the Democratic Republic of the Congo, Lebanon (effective September 25, 2006), Liberia, Myanmar, Somalia, Sudan, Uzbekistan, and Zimbabwe are prohibited. Also, financing and financial assistance related to equipment that might be used for internal repression in Côte d'Ivoire and Uzbekistan are prohibited.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

Belarus: Council Regulation (EC) No. 765/2006; Burma/Myanmar: Council Regulation (EC) No. 817/2006; Côte d'Ivoire: Council Regulations (EC) Nos. 174/2005 and 560/2005, as amended; Democratic Republic of the Congo: Council Regulations (EC) Nos. 889/2005 and 1183/2005, as amended; ICTY: Council Regulation (EC) No. 1763/2004, as amended; Iran: Order of the Federal Ministry for Economy and Technology, effective February 9, 2007; Iraq: Council Regulations (EC) Nos. 1210/2003 and 1799/2003, as amended; Lebanon: Council Regulation (EC) No. 1412/2006; Liberia: Council Regulations (EC) Nos. 234/2004 and 872/2004, as amended; Somalia: Council Regulation (EC) No. 147/2003, as amended; Sudan: Council Regulations (EC) Nos. 131/2004, 838/2005, and 1184/2005, as amended; individuals and organizations associated with terrorism: Council Regulation (EC) No. 2580/2001, as amended, and Council Decision 2006/379/EC 2005/428/CFSP; Uzbekistan: Council Regulation (EC) No. 1859/2005; Osama bin Laden, the Al-Qaida network, and the Taliban: Council Regulation (EC) No. 881/2002, as amended; individuals associated with the previous government of the former Federal Republic of Yugoslavia: Council Regulation (EC) No. 2488/2000, as amended; Zimbabwe: Council Regulation (EC) No. 3214/2004, as amended.

Exchange Arrangement

Currency

The currency of Germany is the euro.

Exchange rate structure

Unitary.

GERMANY

Classification

Independently floating	Germany participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Residents and nonresidents may freely negotiate forward exchange contracts for both commercial and financial transactions in all leading convertible currencies in the domestic exchange market and in international foreign exchange markets. Germany has no officially fixed rates in the forward exchange market. All transactions are negotiated at free market rates.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	No.
Administration of control	All banks in Germany are permitted to carry out foreign exchange transactions.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Controls apply on deposits of funds by insurance companies and pension funds with financial institutions regulated by non-EU authorities if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
Accounts in domestic currency held abroad	Controls apply on deposits of funds by insurance companies and pension funds with financial institutions regulated by non-EU authorities if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

GERMANY

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Yes.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Yes.
Licenses with quotas	The importation of certain textile goods and steel products is subject to the EU's annual global quota.
Import taxes and/or tariffs	No.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	
Other	Yes.
Export licenses	
Without quotas	Certain exports (mostly military and dual-use goods) are subject to individual, global, or general licensing. The customs authorities exercise control over export declarations.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

GERMANY

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Controls are imposed on the following capital transactions with certain state-owned enterprises in Myanmar: (1) the granting of any financial loan or credit to these enterprises; (2) the acquisition of bonds, certificates of deposit, warrants, or debentures issued by these enterprises; and (3) the acquisition or extension of a participation in these enterprises, including the acquisition in full of such enterprises or the acquisition of shares and securities of a participating nature.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Controls apply to the purchase by insurance companies and pension funds of securities issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Controls apply to the purchase by insurance companies and pension funds of securities issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
On money market instruments	
<i>Purchase abroad by residents</i>	Controls apply to the purchase by insurance companies and pension funds of money market instruments with maturities exceeding 12 months issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
On collective investment securities	
<i>Purchase abroad by residents</i>	Controls apply to the purchase by insurance companies and pension funds of collective investment securities issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
Controls on derivatives and other instruments	
Purchase abroad by residents	Controls apply to the purchase by insurance companies and pension funds of securities issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.

GERMANY

Controls on credit operations

Financial credits

By residents to nonresidents

Controls apply to the granting by insurance companies and pension funds of credits to non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.

Controls on direct investment

Outward direct investment

Yes.

Inward direct investment

Controls apply to (1) investment in air transport enterprises, requiring (in accordance with Council Regulation (EEC) No. 2407/92) that these enterprises be owned directly or through majority ownership (at least 51%) by member states and/or nationals of member states of the EU and that an enterprise must notify its licensing authority within 14 days of any change in the ownership of any single shareholding that represents 10% or more of the total shareholding; (2) acquisition of a German flag vessel, except through an enterprise incorporated in Germany or in another member state of the EU; (3) investment in the broadcasting (radio and television) sector, except through a subsidiary incorporated in a German state, as required for both residents and nonresidents; and (4) the role of depository banks for investment funds of capital investment companies, which is (in accordance with Directive 86/611/EEC) not permitted to branches of nonresident financial institutions whose head office is outside the EU, except for funds not covered by EU Directive 85/611/EEC and not sold in other EU member states.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate outside the EU by insurance companies and pension funds if the assets in question are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

Investment Act.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

No.

Provisions specific to institutional investors

There are certain provisions for prudential regulation of portfolios of life insurance and pension funds.

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase by insurance companies of capital or money market and collective investment securities issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.

Limits (max.) on investment portfolio held abroad

Controls apply to the (1) purchase by insurance companies of money market instruments with maturities exceeding 12 months issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets, (2) granting by insurance companies of credits to non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets, (3) deposits of funds by insurance companies with financial institutions regulated by non-EU authorities if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets, and (4) acquisition of real estate outside the EU by insurance companies if the assets in question are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.

GERMANY

<i>Currency-matching regulations on assets/liabilities composition</i>	The restricted assets have to be invested in assets denominated in the same currency in which the obligations under the insurance contracts have to be fulfilled.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Controls apply to the purchase by pension funds of securities issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
<i>Limits (max.) on investment portfolio held abroad</i>	Controls apply to the (1) purchase by pension funds of money market instruments with maturities exceeding 12 months issued by non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets, (2) granting by pension funds of credits to non-EU residents if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets, (3) deposits of funds by pension funds with financial institutions regulated by non-EU authorities if these assets are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets, and (4) acquisition of real estate outside the EU by pension funds if the assets in question are to form more than 5% of their guarantee assets or more than 20% of their other restricted assets.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	The restricted assets have to be invested in assets denominated in the same currency in which the obligations under the insurance contracts have to be fulfilled.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	There are currency-matching regulations for old-age provision investment funds.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange measures	<i>May 18.</i> Restrictions were imposed on transactions with President Lukashenko and certain officials of Belarus. <i>September 25.</i> Financing and financial assistance related to military activities in Lebanon were prohibited.
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Changes during 2007

Exchange measures	<i>February 9.</i> Restrictions were imposed on transactions with respect to certain persons, organizations, and entities associated with proliferation-related activities in the Islamic Republic of Iran.
Exchange arrangement	<i>January 1.</i> The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

GHANA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: February 2, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Ghana is the Ghanaian cedi.

Exchange rate structure Unitary.

Classification
Managed floating with no predetermined path for the exchange rate
The exchange rate of the cedi is determined in the interbank foreign exchange market. The average exchange rate is based on the average rates reported by ADs in their transactions with each other or with their customers. Rates are quoted by ADs for certain other currencies, with daily quotations based on the buying and selling rates for the dollar in markets abroad. Ghana joined the W-ERM II of the WAMZ, which requires that the spot exchange rate between the cedi and the dollar be maintained within a margin of $\pm 15\%$ around the central rate. However, the authorities have yet to implement these measures.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Effective December 29, 2006, ADs may undertake forward foreign exchange transactions.

References to legal instruments and hyperlinks Foreign Exchange Act of December 29, 2006.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements related to transactions covered by bilateral payment agreements are made through clearing accounts maintained by the Bank of Ghana (BOG) and the CBs of the countries concerned. All convertible currencies are accepted with respect to all internal transactions.

Use of foreign exchange among residents
Effective December 29, 2006, ADs may conduct business in foreign exchange.

Payments arrangements
Bilateral payments arrangements
Inoperative
Ghana has agreements with Bulgaria, China, Cuba, the Czech Republic, Poland, Romania, and the Slovak Republic. There have been delays in the settlement of clearing balances on these agreements.

Regional arrangements
Ghana is a member of the WAMA.

Clearing agreements
Yes.

GHANA

Administration of control	The BOG records and confirms foreign capital inflows and administers foreign exchange for official payments and travel. All other foreign exchange transactions by the private sector are approved and effected by ADs without reference to the BOG.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Effective December 29, 2006, residents may purchase, sell, and hold gold. Previously, the buying or selling of gold in any form other than coins and jewelry required authorization.
On external trade	Effective December 29, 2006, all gold exports are subject to BOG approval. Previously, Ghanaian residents were not allowed to buy or borrow any gold from or sell or lend any gold to any person other than an AD. Imports of gold other than those by or on behalf of the monetary authorities were not normally licensed. The import duty on gold, including bullion and partly worked gold, was levied at a uniform rate of 20% in addition to the VAT of 12.5% and a National Health Insurance Levy (NHIL) of 2.5%.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Effective December 29, 2006, the exportation of Ghanaian banknotes is permitted up to ₵5 million (previously, ₵5,000).
<i>Foreign currency</i>	Effective December 29, 2006, residents and nonresidents traveling abroad are permitted to carry up to the equivalent of \$10,000 in traveler's checks or bank drafts for direct purchases (previously, \$3,000 in cash and \$5,000 in traveler's checks or bank drafts). Nonresident travelers may reexport foreign currency exceeding \$10,000, provided the amount was declared on entry. ADs may freely export foreign currency.
On imports	
<i>Domestic currency</i>	Effective December 29, 2006, travelers may reimport up to ₵5 million (previously, ₵5,000) that they had been allowed to export.
<i>Foreign currency</i>	Effective December 29, 2006, no restrictions are imposed on the import of foreign currency. Previously, only ADs were allowed to freely import foreign currency.
References to legal instruments and hyperlinks	Foreign Exchange Act of December 29, 2006.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Effective December 29, 2006, residents are allowed to maintain foreign currency accounts. The accounts may be credited with transfers in foreign currency from abroad or from other foreign currency accounts. Balances of these accounts are freely transferable and may be debited for payments, for transfers to other foreign accounts, and for purchases of foreign currencies. In addition, residents may maintain foreign exchange accounts that can be credited with foreign exchange earnings not converted into cedis. Transfers from foreign exchange accounts in excess of \$10,000 a year require documentation on the underlying transaction.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Conversion is allowed for approved purposes, subject to a documentation requirement.
References to legal instruments and hyperlinks	Foreign Exchange Act of December 29, 2006.

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Nonresident Accounts

Foreign exchange accounts permitted	Effective December 29, 2006, nonresidents are allowed to maintain foreign currency accounts. The accounts may be credited with transfers in foreign currency from abroad or from other foreign currency accounts. Balances of these accounts are freely transferable and may be debited for payments, for transfers to other foreign accounts, and for purchases of foreign currencies. In addition, nonresidents may maintain foreign exchange accounts that can be credited with foreign exchange earnings not converted into cedis. Transfers from foreign exchange accounts in excess of \$10,000 a year require documentation on the underlying transaction.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	Foreign Exchange Act of December 29, 2006.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Effective December 29, 2006, for all payments, clients are required to submit documentation of the underlying transaction and complete applicable forms provided by banks for monitoring purposes. However, imports valued up to \$25,000 a transaction may be undertaken through direct transfer without initial documentation. The necessary documentation should be submitted to the banks within three months from the date of transfer to qualify for subsequent transfers. Previously, imports valued at the equivalent of \$5,000 or more were subject to a documentation requirement and to a destination inspection.
Letters of credit	Most imports are effected with confirmed LCs established through ADs on a sight basis. Imports on a collection basis and (effective December 29, 2006) with direct transfers are also permitted.
Import licenses and other nontariff measures	
Negative list	Imports of narcotic drugs are prohibited, and imports of small weapons are restricted.
Import taxes and/or tariffs	The maximum tariff rate is 20% of the c.i.f. value of imports in addition to a VAT of 12.5% and an NHIL of 2.5%. Importers without a taxpayer identification number are subject to a 5% withholding income tax on the value of their imports.
State import monopoly	No.
References to legal instruments and hyperlinks	Foreign Exchange Act of December 29, 2006.

Exports and Export Proceeds

Repatriation requirements	Exporters are required to collect and repatriate in full the proceeds from their exports within 60 days of shipment; proceeds from all exports except gold and cocoa may be sold at market rates on receipt in the banks.
Surrender requirements	
<i>Surrender to the central bank</i>	Cocoa export proceeds must be surrendered to the BOG. Effective December 29, 2006, subject to agreements with the MOF, a proportion of gold export proceeds is to be surrendered to the BOG in accordance with the Minerals and Mining Act of 2006. Previously, 20% to 40% of gold export proceeds were to be surrendered to the BOG.

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Financing requirements	No.
Documentation requirements	
Preshipment inspection	All exports are subject to customs inspection.
Other	Yes.
Export licenses	No.
Export taxes	Cocoa exports are subject to a tax that is calculated as the difference between export proceeds and payments to farmers, together with the Cocoa Board's costs if proceeds exceed payments. Lumber exports are subject to a 10% to 30% tax depending on the species.
References to legal instruments and hyperlinks	Minerals and Mining Act of 2006.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	Freight charges may be paid to the local shipping agents; the transfer of funds to cover such charges is normally permitted, provided the application is properly documented.
Investment-related payments	Effective December 29, 2006, no restrictions apply on the payment of amortization of loans, or depreciation of direct investments. Banks are required to submit a report of the transaction to the BOG.
Payments for travel	
<i>Quantitative limits</i>	Effective December 29, 2006, residents and nonresidents traveling abroad are permitted to carry up to \$10,000 (previously, \$3,000) or its equivalent in traveler's checks or any other instrument (previously, \$5,000). Nonresident travelers may reexport foreign currency in excess of \$10,000, provided the amount was declared on entry.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Foreign Exchange Act of December 29, 2006.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	All receipts from invisibles must be sold to ADs or held in foreign-exchange-denominated bank accounts in resident banks.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.

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Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Effective December 29, 2006, no controls apply, except in the banking sector, where nonresidents' acquisition of a stake exceeding 10% is subject to BOG approval. Previously, nonresidents could purchase securities listed on the Ghana Stock Exchange (GSE), and individual holdings and total holdings of all nonresidents in any one security listed on the GSE could not exceed 10% and 74%, respectively. For companies not listed on the GSE, nonresident participation required the following minimum equity injections to acquire shares: (1) \$10,000 or its equivalent in capital goods when the enterprise was a joint venture, (2) \$50,000 or its equivalent in capital goods when the enterprise was wholly owned by a non-Ghanaian, and (3) \$300,000 or its equivalent in capital goods in the case of a trading enterprise involved only in the purchasing and selling of goods that was either wholly or partly owned by a non-Ghanaian and that employed at least 10 Ghanaians.

Sale or issue locally by nonresidents

These transactions require prior approval from the BOG and effective December 29, 2006, the Securities and Exchange Commission (SEC) (previously, from the MOF). The transfer or repatriation of proceeds from sales must be reported to the BOG.

Purchase abroad by residents

Effective December 29, 2006, the previous control requiring prior approval from the BOG for the purchase of foreign exchange to buy securities was eliminated. Banks must report these transactions to the BOG.

Sale or issue abroad by residents

Effective December 29, 2006, requirement of prior approval from the BOG was eliminated. Banks must report these transactions to the BOG.

Bonds or other debt securities

Purchase locally by nonresidents

Nonresidents are allowed to invest in debt securities with maturities of three years or more.

Sale or issue locally by nonresidents

These transactions require prior approval from the BOG.

Purchase abroad by residents

Effective December 29, 2006, requirement of prior approval from the BOG was eliminated. Banks must report these transactions to the BOG.

Sale or issue abroad by residents

Effective December 29, 2006, requirement of prior approval from the BOG was eliminated. Banks must report these transactions to the BOG.

On money market instruments

Purchase locally by nonresidents

Current regulations do not allow nonresidents to bring in foreign exchange for the purpose of investing in local money market instruments (BOG and government securities), with the exception of debt instruments with a maturity of three years or longer. However, nonresidents holding local accounts in domestic currency may invest in these instruments.

Sale or issue locally by nonresidents

These transactions are not allowed.

Purchase abroad by residents

Effective December 29, 2006, no restrictions apply but banks are required to report the transactions to the BOG. Previously, these transactions were subject to prior BOG approval.

Sale or issue abroad by residents

Effective December 29, 2006, no restrictions apply but banks are required to report the transactions to the BOG. Previously, these transactions were not allowed.

On collective investment securities

Purchase locally by nonresidents

These purchases require prior approval from the BOG and the SEC.

Sale or issue locally by nonresidents

These transactions, as well as the transfer abroad of proceeds associated with these sales, including those derived from the liquidation of such securities, require BOG and SEC approval.

Purchase abroad by residents

Effective December 29, 2006, no restrictions apply to these transactions but banks are required to report them to the BOG. Previously, the purchase of foreign exchange to buy such securities required prior approval from the BOG.

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<i>Sale or issue abroad by residents</i>	Effective December 29, 2006, no restrictions apply to these transactions but banks are required to report them to the BOG. Previously, these transactions required the consent of the MOF.
Controls on derivatives and other instruments	Currently, only a limited local market in derivatives exists.
Purchase locally by nonresidents	Effective December 29, 2006, no restrictions apply to these transactions but banks are required to report them to the BOG. Previously, these transactions required BOG approval.
Sale or issue locally by nonresidents	These transactions require BOG approval.
Purchase abroad by residents	Effective December 29, 2006, no restrictions apply to these transactions but banks are required to report them to the BOG. Previously, the purchase of foreign exchange to effect such transactions required BOG approval.
Sale or issue abroad by residents	Effective December 29, 2006, no restrictions apply to these transactions but banks are required to report them to the BOG.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	No restrictions apply, but banks are required to report these transactions to the BOG.
<i>To residents from nonresidents</i>	Effective December 29, 2006, no restrictions apply to these transactions but banks are required to report them to the BOG. Previously, BOG approval was required for these credits, which must be channeled through the banking system. Transactions must be supported by relevant documents.
Financial credits	
<i>To residents from nonresidents</i>	Effective December 29, 2006, no restrictions apply to these transactions but banks are required to report them to the BOG. Previously, these credits required BOG approval.
Guarantees, sureties, and financial backup facilities	Banks must report these transactions to the BOG.
Controls on direct investment	
Outward direct investment	Effective December 29, 2006, the requirement that outward direct investment be approved by the BOG was eliminated. However, banks must report these transactions to the BOG.
Inward direct investment	<p>Certain areas of economic activity are not open to foreigners. Foreign investments in Ghana must register and comply with the requirements of the Ghana Investment Promotion Center (GIPC) if they are to benefit from the incentives available under the GIPC Act, such as tax holidays and initial capital allowances.</p> <p>The minimum qualifying amounts of investment by a non-Ghanaian are as follows: (1) \$10,000 or its equivalent in capital goods by way of equity participation in a joint-venture enterprise with a Ghanaian partner; (2) \$50,000 or its equivalent in capital goods by way of equity when the enterprise is wholly owned by a non-Ghanaian; and (3) \$300,000 or its equivalent in goods by way of equity capital when the enterprise is either wholly or partly owned by a non-Ghanaian, employs at least 10 Ghanaians, and is involved in the purchasing and selling of goods.</p>
Controls on liquidation of direct investment	The GIPC Act stipulates that the assets of foreign investors may not be expropriated. Disputes over the amount of compensation are settled in accordance with the established procedure for conciliation (e.g., through arbitration by the International Center for Settlement of Investment Disputes or the UN Commission on International Trade and Law).
Controls on real estate transactions	
Purchase abroad by residents	Effective December 29, 2006, the controls were eliminated.
Purchase locally by nonresidents	Banks must report these transactions to the BOG. Effective December 29, 2006, nonresidents are allowed to hold leases for up to 50 years.
Sale locally by nonresidents	Effective December 29, 2006, no restrictions apply to these transactions but banks must report them to the BOG.

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Controls on personal capital transactions	Effective December 29, 2006, there are no controls on personal capital transactions, but banks are required to report them to the BOG. Previously, controls applied on all these transactions.
Loans	Effective December 29, 2006, personal loan transactions are free of restrictions, but banks are required to report them to the BOG. Previously, these transactions were subject to BOG approval.
Gifts, endowments, inheritances, and legacies	Effective December 29, 2006, these transactions are free of restrictions, but banks must report them to the BOG.
Settlements of debts abroad by immigrants	Effective December 29, 2006, these transactions are free of restrictions, but banks must report them to the BOG.
Transfer of assets	Effective December 29, 2006, these transactions are free of restrictions, but banks must report them to the BOG.
Transfer of gambling and prize earnings	Effective December 29, 2006, these transactions are free of restrictions, but banks must report them to the BOG.
References to legal instruments and hyperlinks	Banking Act of 2004; Foreign Exchange Act of December 29, 2006.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	BOG notification is required.
Maintenance of accounts abroad	BOG notification is required.
Lending to nonresidents (financial or commercial credits)	Effective December 29, 2006, BOG approval is no longer required for these transactions but banks must report them to the BOG.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	As part of domestic monetary regulations, foreign currency deposits are subject to a 9% reserve requirement, and the reserve balance must be held with the BOG.
Investment regulations	
<i>In banks by nonresidents</i>	Effective December 29, 2006, BOG approval is required for an equity stake of more than 10% in the banking sector by nonresidents. All banks must have minimum capital of ₵70 billion. For foreign-owned banks, 60% of capital must consist of convertible currencies brought into Ghana.
Open foreign exchange position limits	The daily single-currency exposure limit is 15% of the capital base, and the limit on the aggregate net open position is 30%.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	At least 50% of life insurance premiums and 25% of non-life insurance premiums must be held in government securities. The rest may be invested in other local instruments subject to approval of the National Insurance Commission (NIC).
<i>Limits (max.) on investment portfolio held abroad</i>	NIC approval is required.
<i>Limits (min.) on investment portfolio held locally</i>	At least 50% of life insurance premiums and 25% of non-life insurance premiums must be held in government securities. The rest may be invested in other local instruments subject to approval of the NIC.

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Pension funds

Limits (max.) on securities issued by nonresidents

Effective December 29, 2006, the previous BOG approval requirement was eliminated; however, the respective institutions must report to the BOG.

Limits (max.) on investment portfolio held abroad

Effective December 29, 2006, the previous BOG approval requirement was eliminated; however, the respective institutions must report to the BOG.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

Effective December 29, 2006, the previous BOG approval requirement was eliminated; however, the respective institutions must report to the BOG.

Limits (max.) on investment portfolio held abroad

Effective December 29, 2006, the previous BOG approval requirement was eliminated; however, the respective institutions must report to the BOG.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange arrangement

December 29. ADs were allowed to undertake forward foreign exchange transactions.

Arrangements for payments and receipts

December 29. Residents were allowed to purchase, sell, and hold gold.

December 29. Gold exports became subject to BOG approval.

December 29. The Foreign Exchange Act allowed ADs to conduct business in foreign exchange.

December 29. The limit on the reimport of domestic currency by travelers was increased to ₵5 million from ₵5,000, and the limit on the import of foreign currency was lifted.

December 29. Restrictions on the import of foreign currency banknotes were eliminated.

December 29. The exportation of Ghanaian banknotes was permitted up to ₵5 million.

December 29. Resident and nonresident travelers were allowed to export \$10,000 in foreign currency in traveler's checks or other instruments. Amounts exceeding this limit can be exported, provided they were declared to customs on entry.

Resident accounts

December 29. Residents were allowed to maintain foreign currency accounts credited with transfers from abroad or other foreign currency accounts. The balances in the accounts are freely transferable. Residents were also allowed to maintain foreign exchange accounts that can be credited with foreign exchange not converted into cedis.

Nonresident accounts

December 29. Nonresidents were allowed to maintain foreign currency accounts credited with transfers from abroad or other foreign currency accounts. The balances of the accounts are freely transferable. Nonresidents were also allowed to maintain foreign exchange accounts that can be credited with foreign exchange not converted into cedis.

Imports and import payments

December 29. Documentation was required for all import payments. However, imports valued up to \$25,000 a transaction were allowed through direct transfer without initial documentation.

Exports and export proceeds

December 29. Subject to agreement with the MOF, a proportion of gold export proceeds was to be surrendered to the BOG.

Payments for invisible transactions and current transfers

December 29. Residents and nonresidents traveling abroad were permitted to carry up to the equivalent of \$10,000 in traveler's checks or any other instrument.

December 29. The prior approval requirement on payments for amortization of loans or depreciation of direct investments was lifted.

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Capital transactions

Controls on capital and money market instruments

December 29. The limitations on nonresidents' purchase of shares was eliminated, except for investments in the banking sector, where the acquisition of more than a 10% stake required prior approval from the BOG. Furthermore, the sale or issue of shares or other securities of a participating nature by nonresidents required prior approval from the SEC.

December 29. The prior approval of the BOG for the purchase, sale, and issue of capital and money market instruments by residents abroad was eliminated.

Controls on derivatives and other instruments

December 29. The requirement for BOG approval for these transactions, except for the sale or issue of these instruments locally by nonresidents, was eliminated.

Controls on credit operations

December 29. The requirement for BOG approval for these transactions was eliminated.

Controls on direct investment

December 29. The requirement for BOG approval for outward transactions was eliminated.

Controls on real estate transactions

December 29. The requirement for BOG approval for residents' purchase of real estate abroad was eliminated. Nonresidents were allowed to hold leases of up to 50 years.

Controls on personal capital transactions

December 29. The requirement for BOG approval for all these transactions was eliminated.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

December 29. BOG approval was required for the acquisition of more than a 10% equity stake in the banking sector by nonresidents.

Provisions specific to institutional investors

December 29. The requirement for BOG approval for pension funds, investment firms, and collective investment funds to invest in securities issued by nonresidents abroad was eliminated.

GREECE

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: July 22, 1992.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Certain restrictions apply on certain payments and transfers in accordance with EU regulations and UN Security Council resolutions.

Other security restrictions

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained on financial transactions with respect to the former government of Iraq; public bodies, corporations or agencies, and other natural or legal persons listed in certain EU regulations; and certain individuals associated with the previous government of the former Federal Republic of Yugoslavia. Specific sanctions are in force against the former Federal Republic of Yugoslavia to support the implementation of the mandate of the International Criminal Tribunal for the Former Yugoslavia. Financial sanctions also apply with respect to President Lukashenko and certain officials of Belarus (effective May 14, 2006), the Democratic Republic of the Congo, Côte d'Ivoire, Liberia, Myanmar (restrictive measures against Myanmar were renewed effective May 29, 2006), Sudan, and Zimbabwe. Financing of and financial assistance related to military activities in Somalia are prohibited. Restrictions also apply on financial transactions with respect to Osama bin Laden, Al-Qaida, the Taliban, and other individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks

EU Council Regulations, as amended: (EC) 2488/2000, 2580/2001, 881/2002, 1210/2003, 314/2004, 872/2004, 1763/2004, 305/2005, 560/2005, 1183/2005, 1184/2005, 817/2006, and 765/2006.

Exchange Arrangement

Currency

The currency of Greece is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Greece participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward cover is provided by resident credit institutions to their customers in all major currencies at freely negotiable terms and market rates.

References to legal instruments and hyperlinks

Law 2842/2000; Regulations (EC) 1103/1997, 974/1998, and 2868/1998 regarding Introduction of the Euro.

GREECE

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	No.
Administration of control	There are no exchange controls. Resident credit institutions are authorized to carry out all the necessary formalities for the settlement of all transactions with nonresidents and are required to provide to the Bank of Greece (BOG) all the statistical information necessary to compile the balance of payments.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Natural and juridical persons, residents, and nonresidents are free to purchase and sell gold coins and/or bars that are not used for commercial and industrial purposes. This gold may be purchased by and sold to the BOG and/or any other credit institution operating in Greece authorized to carry out transactions in foreign exchange.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	Law 2076/1992, Credit Institutions-Banking Law; Regulation (EC) 80/1998 and Law 2771/1999 (Article 15) regarding Gold; Presidential Decrees 96/1993 and 104/1994 regarding Abolition of Exchange Controls; Laws 2609/1998 and 2832/2000 by which the Statute of the Bank of Greece was ratified; Article 55C of Law 2832/2000 regarding Obligation for Statistical Requirements.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Controls apply to deposits of funds with financial institutions regulated by non-EU authorities if these assets are to form part of the technical reserves of an insurance company.
Accounts in domestic currency held abroad	Controls apply to deposits of funds with financial institutions regulated by non-EU authorities if these assets are to form part of the technical reserves of an insurance company.
Accounts in domestic currency convertible into foreign currency	Residents are permitted to convert deposits in domestic currency held with resident credit institutions into foreign currency deposits.
References to legal instruments and hyperlinks	Law 2076/1992, Credit Institutions-Banking Law; Law 400/1970 regarding Insurance Companies; Presidential Decrees 96/1993 and 104/1994 regarding Abolition of Exchange Controls.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	Law 2076/1992, Credit Institutions-Banking Law; Presidential Decrees 96/1993 and 104/1994 regarding Abolition of Exchange Controls.

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Import licenses are required for some specific products from certain low-cost countries under EU surveillance. Imports of certain items, such as medicines, narcotics, and motion picture films are governed by special regulations, which are in accordance with EU regulations.
Licenses with quotas	Yes.
Other nontariff measures	Yes.
Import taxes and/or tariffs	No.
State import monopoly	No.
References to legal instruments and hyperlinks	Regulations (EC) 111/2005 and 1277/2005, and Directive (EC) 109/1992 Regarding Imports; Presidential Decrees 96/1993 and 104/1994 Regarding Abolition of Exchange Controls.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	Presidential Decrees 96/1993 and 104/1994 Regarding Abolition of Exchange Controls.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	Presidential Decrees 96/1993 and 104/1994 Regarding Abolition of Exchange Controls.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Presidential Decrees 96/1993 and 104/1994 Regarding Abolition of Exchange Controls.

Capital Transactions

Controls on capital transactions	Yes.
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Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Controls apply also to the purchase of shares and other securities of a participating nature in certain sectors that may be affected by the laws on inward direct investment and establishment.
Purchase abroad by residents	Controls apply to the purchase of securities issued by non-EU residents if these assets are to form part of the technical reserves of an insurance company.
<i>Bonds or other debt securities</i>	
Purchase abroad by residents	Controls apply to the purchase of securities issued by non-EU residents if these assets are to form part of the technical reserves of an insurance company.
On money market instruments	
<i>Purchase abroad by residents</i>	Controls apply to the acquisition of securities issued by non-EU residents if these assets are to form part of the technical reserves of an insurance company.
On collective investment securities	
<i>Purchase abroad by residents</i>	Controls apply to the purchase of securities issued by non-EU residents if these assets are to form part of the technical reserves of an insurance company.
Controls on derivatives and other instruments	
Purchase abroad by residents	Controls apply to the purchase of or swap operations in instruments and claims issued by or contracted with non-EU residents if these assets are to form part of the technical reserves of an insurance company.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Controls apply to credits and loans granted to non-EU residents if these assets are to form part of the technical reserves of an insurance company.
Controls on direct investment	
Inward direct investment	Controls apply to (1) acquisition of real estate in border regions; (2) investment in the mining sector, unless concession of mineral rights is granted; (3) establishment of a representative office or a branch of a foreign bank, unless an authorization is granted; (4) ownership of more than 49% of the capital of a Greek airline company by non-EU investors; (5) ownership of more than 49% of the capital of a Greek flag vessel for maritime transport or fishing purposes by non-EU investors; (6) ownership of more than 25% of the capital of a television (including cable television) company or a radio broadcasting company by non-EU investors; and (7) investment by non-EU nationals in the legal sector.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	Controls apply to the acquisition of real estate outside the EEA if the asset in question is to form part of the technical reserves of an insurance company or a local branch of a non-EU insurance company established in Greece.
Purchase locally by nonresidents	Controls apply to the acquisition of real estate in border regions.
Controls on personal capital transactions	No.

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References to legal instruments and hyperlinks

Law 1892/1990 Development Law, as amended and supplemented; Law 400/1970, Regulation (EC) 98/1978, and Presidential Decree 288/2002 Regarding Insurance Companies; Laws 2328/1995, 310/2005, and 3414/2005 Regarding Radio and Television Broadcasting Companies; Regulations (EC) 2407/1992 and 2408/1992, and Laws 2065/1992 (Article 40) and 2408/1992 Regarding Airline Companies; Presidential Decree 11/2000 and Laws 2538/1997 (Article 59) and 3577/1992 Regarding Maritime Transport or Fishing; Presidential Decrees 96/1993 and 104/1994 Regarding Abolition of Exchange Controls.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

No.

Provisions specific to institutional investors

There are certain prudential provisions that differ according to the type of institutional investor.

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of capital market, money market, and collective investment securities issued by non-EU residents if these assets are to form part of the technical reserves of an insurance company.

Limits (max.) on investment portfolio held abroad

Controls apply to (1) the purchase of or swap operations in instruments and claims issued by or contracted with non-EU residents, (2) credits and loans granted to non-EU residents, (3) deposits of funds with financial institutions regulated by non-EU authorities, (4) purchase of securities issued by non-EU residents, and (5) the acquisition of real estate outside the EEA if the asset in question is to form part of the technical reserves of resident insurance companies or a local branch of a non-EU insurance company established in Greece.

Limits (min.) on investment portfolio held locally

Yes.

Currency-matching regulations on assets/liabilities composition

Yes.

Pension funds

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of securities issued by nonresidents and not listed on the Athens Exchange.

Special controls apply to second pillar Occupational Pension Funds (OPFs). These funds are allowed to invest in shares, bonds, and corporate bonds listed on regulated markets and issued in Greece or in another member state of the EU or the EEA; shares in mutual funds and UCITS that fall under Directive 85/611/EEC and operate in any EU or EEA member state; as well as government bonds, treasury bills, bank deposits, and real estate.

OPFs, as long-term investors, are allowed to invest in the above-mentioned instruments within prudent limits and may decide accordingly, and in a manner aimed at ensuring diversification and a high return on their investment choices, on the proportion of each instrument included in their investment portfolio.

In particular, each OPF is allowed to invest up to 70% of the assets that form part of the technical reserves or of the whole portfolio for the OPF in which the members bear the investment risks in shares, negotiable securities treated as shares, and corporate bonds listed in regulated markets, and may decide the proportions of these securities that make up their investment portfolio. It is self-evident that the 70% limit applies to the total volume of shares, negotiable securities treated as shares, and corporate bonds. Amounts of up to 5% of the 70% limit may be invested in shares that are not listed on the stock exchange if those who have issued them are governed by Greek law or the law of another member state of the EU or the EEA and if they publish financial statements verified by certified accountants.

Moreover, amounts up to 5% may be invested in investment funds and new financial products.

GREECE

Limits (max.) on investment portfolio held abroad

Controls apply to the purchase of securities issued by nonresidents and not listed on the Athens Exchange.

Special controls apply to second pillar OPFs. These funds are allowed to invest in shares, bonds, and corporate bonds issued in Greece or in another member state of the EU or the EEA listed on regulated markets; shares in mutual funds and UCITS that fall under Directive 85/611/EEC and operate in any EU or EEA member state; as well as government bonds, treasury bills, bank deposits, and real estate.

OPFs, as long-term investors, are allowed to invest in the above-mentioned instruments within prudent limits and may decide accordingly, and in a manner aimed at ensuring diversification and a high return on their investment choices, on the proportion of each instrument included in their investment portfolio.

In particular, each OPF is allowed to invest up to 70% of the assets that form part of the technical reserves or of the whole portfolio for the OPF in which the members bear the investment risks in shares, negotiable securities treated as shares, and corporate bonds listed in regulated markets, and may decide the proportions of these securities that make up their investment portfolio. The 70% limit applies to the total volume of shares, negotiable securities treated as shares, and corporate bonds. Amounts of up to 5% of the 70% limit may be invested in shares that are not listed on the stock exchange if those who have issued them are governed by Greek law or the law of another member state of the EU or the EEA and if they publish financial statements verified by certified accountants.

Moreover, amounts up to 5% may be invested in investment funds and new financial products.

Limits (min.) on investment portfolio held locally

Controls apply if the assets for these investments are to form more than 23% of the pension funds' reserves.

Currency-matching regulations on assets/liabilities composition

In the case of second pillar OPFs, each fund is allowed to invest up to 30% of the assets that form part of the technical reserves in assets denominated in currencies other than those of their liabilities.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

Investment firms may invest freely in securities listed on regulated markets; they are also allowed to invest without any limit in securities not listed on regulated markets, provided this form of investment is included in their authorization. However, investment firms that are members of the Athens Exchange may invest in securities not listed on regulated markets, on approval of the Hellenic Capital Market Commission. Such a requirement is not necessary for investment firms that are not members of the Athens Exchange.

Investment firms that are members of the Athens Exchange can participate in the share capital of other foreign investment firms up to the amount of 20% of their own funds, provided that their share capital is at least €2,934,702.86 or its equivalent.

Collective investment funds may invest freely in securities listed abroad; these funds are classified as domestic or foreign funds, according to their investment policy: if domestic, a fund must invest at least 65% of its net asset value (NAV) in domestic products; if foreign, it must invest at least 65% of its NAV in foreign products.

Limits (max.) on investment portfolio held abroad

n.a.

References to legal instruments and hyperlinks

Law 400/1970 with its amendments, Regulation (EC) 98/1978, and Presidential Decree 288/2002 Regarding Insurance Companies; Laws 1902/1990, 2042/1992, 2374/1996, 2676/1999, 3029/2002 (Article 7), and 3385/2005 (Article 12) Regarding Pension Funds; Laws 2579/1998 and 2396/1996 Regarding Investment Firms and Hellenic Capital Market Commission's Rule 1/317/2004; Presidential Decrees 96/1993 and 104/1994 Regarding Abolition of Exchange Controls.

GREECE

Changes during 2006

Exchange measures

May 14. Financial sanctions were imposed against President Lukashenko and certain officials of Belarus.

May 29. Financial sanctions and restrictive measures against Myanmar were renewed.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

GRENADA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: January 24, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Restrictions apply to trade with Libya.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Grenada is the Eastern Caribbean dollar, issued by the ECCB.

Exchange rate structure Unitary.

Classification

Currency board arrangement Grenada participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar is pegged to the U.S. dollar, under a currency board arrangement, at EC\$2.70 per US\$1. Effective January 1, 2007, the exchange arrangement of the ECCU countries has been reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements with residents of member countries of CARICOM must be made either through external accounts in Eastern Caribbean dollars, in the currency of the CARICOM country concerned, or in U.S. dollars. Settlements with residents of the former Sterling Area, other than CARICOM countries, may be made in pounds sterling, in any other former Sterling Area currency, or in Eastern Caribbean dollars from external accounts. Settlements with residents of other countries are made in any foreign currency or through an external account in Eastern Caribbean dollars.

Use of foreign exchange among residents n.r.

GRENADA

Payments arrangements

Regional arrangements Grenada is a member of CARICOM.

Clearing agreements Yes.

Administration of control

The Trade and Industry Unit of the MOF administers trade control.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade Residents other than the monetary authorities, ADs, and industrial users are not permitted to hold or acquire gold in any form other than jewelry or coins for numismatic purposes.

On external trade Imports of gold are permitted for industrial purposes only and are subject to customs duties and charges. The MOF issues licenses to import gold. The exportation of gold is not normally permitted.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of domestic currency outside the ECCU are subject to limits prescribed by the ECCB.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

These accounts may be freely debited but may be credited only with foreign exchange earned or received from outside the ECCB area. Holders of these accounts must submit to the MOF regular statements of debits and credits.

Held domestically Yes.

Held abroad n.r.

Accounts in domestic currency held abroad n.r.

Accounts in domestic currency convertible into foreign currency n.r.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

The regulations governing resident accounts apply.

Domestic currency accounts

These accounts must be credited with funds from an external source.

Convertible into foreign currency Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

GRENADA

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Payments for documented imports are free of restrictions. Payments for restricted imports require permission from the MOF.
Letters of credit	Yes.
Import licenses and other nontariff measures	
Negative list	Prohibited goods include whole chickens, chicken eggs, live breeding poultry, war toys, animal skins, and various drugs deemed to be dangerous.
Open general licenses	There are quantitative restrictions on certain items from non-CARICOM sources, including arms and ammunition, carbonated beverages, flour, industrial gas, paint, and miscellaneous items associated with the furniture and the construction industries. Items from the CARICOM area that require licenses include curry products, industrial gas, furniture, and solar water heaters.
Import taxes and/or tariffs	Grenada applies the fourth phase of the CARICOM CET. All imports from non-CARICOM countries are subject to the following CET rates: 40% for most agricultural imports and 5% to 20% for most other items. All imports are subject to a 5% customs service charge, except for some manufactured products, for which a rate of 2.5% applies. Imports not granted exemptions from customs duties are subject to a general consumption tax (GCT) regime with three broad rates of 10% and 15% for CARICOM countries and 25% for all other countries. There are three additional GCT rates of 50%, 55%, and 75% that are applied to specific items, such as new cars, foreign used cars, and cigarettes, respectively. There are environmental levies of EC\$0.25 on each imported glass bottle and EC\$0.50 on each plastic bottle containing liquid (including carbonated and noncarbonated beverages and syrups). Other levies include a 1% charge on the c.i.f. value of white goods (durable consumer items), a 2% charge on the c.i.f. value of imported used cars less than five years old, and a 30% charge on cars five years old or older. Imports of capital equipment are subject to a minimum charge of 5% under the CET and 25% under the consumption tax. However, most capital imports are granted exemptions from import duties, and all capital imports by domestic commodity boards involved in the growing or packaging of bananas, cocoa, or nutmeg are exempt from import duties, provided the imports are used for improvements in these industries.
State import monopoly	The Marketing and National Importing Board is the sole authorized importer of bulk purchases of whole milk, white and brown sugar, and brown rice.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to ADs (commercial banks).
Financing requirements	n.a.
Documentation requirements	
Letters of credit	n.a.
Preshipment inspection	n.a.
Other	n.a.

GRENADA

Export licenses	Licenses are required for traditional export crops (i.e., bananas, cocoa, nutmeg, and minor spices). Licenses are also required to export fresh fruits, fish, plants required for the establishment or expansion of any agricultural industry in Grenada, gas cylinders, coral, all minerals, and live sheep. Certain exports, such as birds, live goats, fauna, flora, and items considered part of Grenada's national heritage, are prohibited.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments

Prior approval Approval is granted if all related liabilities have been discharged and the investment is registered with the MOF.

Personal payments

Prior approval For study abroad, MOF approval is required, and permission is usually granted on presentation of documentation of registration and the costs of tuition and other expenses. For the transfer of pensions, approval is granted on proof of immigrant status. For family maintenance and alimony payments, approval is granted on proof of established liabilities.

Indicative limits/bona fide test Yes.

Foreign workers' wages

Prior approval Approval is granted on proof of immigrant status.

Indicative limits/bona fide test Yes.

Other payments

Prior approval MOF approval is required and is granted on the basis of agreements incorporating payments for consulting services and legal fees. Payments may be made up to the amount approved, subject to withholding of income tax, where applicable.

Quantitative limits Yes.

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements Yes.

Surrender requirements

Surrender to authorized dealers Yes.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

GRENADA

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	MOF approval is required.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Certificates of title to foreign currency securities held by residents must be lodged with an authorized depository in Grenada, and earnings on these securities must be repatriated.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	MOF approval is required.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Local currency financing requires the approval of the MOF, but is not ordinarily permitted.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
Guarantees, sureties, and financial backup facilities	n.a.

GRENADA

Controls on direct investment

Outward direct investment	Yes.
Inward direct investment	Cabinet approval via the Industrial Development Corporation is normally required for nonresidents to operate manufacturing enterprises and hotels, and an alien landholding license is required for nonresidents to hold both financial and physical property. Nonresident labor services are generally permitted with work permits, which are issued by the Ministry of Labor.

Controls on liquidation of direct investment

Remittances of proceeds are permitted, provided all related liabilities have been discharged and the original investment was registered with the MOF.

Controls on real estate transactions

Purchase abroad by residents	An alien landholding license must be issued by the Office of the Prime Minister.
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Controls on personal capital transactions

Loans

By residents to nonresidents Yes.

To residents from nonresidents Any borrowing abroad by nationals to finance their domestic operations generally requires the approval of the MOF.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents Yes.

To residents from nonresidents n.a.

Settlements of debts abroad by immigrants Yes.

Transfer of assets

Transfer abroad by emigrants Yes.

Transfer of gambling and prize earnings n.a.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	ADs may freely assume short-term liability positions in foreign currencies to finance approved transfers for both trade and nontrade transactions. Any borrowing abroad by ADs to finance their domestic operations requires the approval of the MOF.
Maintenance of accounts abroad	n.a.
Lending to nonresidents (financial or commercial credits)	Local currency financing requires the approval of the MOF, but is not ordinarily permitted.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.

GRENADA

Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the ECCU countries was reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

GUATEMALA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: January 27, 1947.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Guatemala is the Guatemalan quetzal.

Exchange rate structure Unitary.

Classification
Managed floating with no predetermined path for the exchange rate
The exchange rate is determined in the foreign exchange market; however, the Bank of Guatemala (BOG) intervenes in the foreign exchange market to reduce volatility in the nominal exchange rate without having a specific exchange rate path or target. The BOG's intervention in the exchange market is based on a specific, transparent, and comprehensible rule for the market. The BOG purchases foreign exchange on behalf of the public sector and to service its own external debt. All foreign exchange transactions of the public sector must take place through the BOG at a reference rate that is equivalent to the weighted average of the buying and selling rates in the foreign exchange market of operations exceeding \$50,000 during the previous business day.

Exchange tax No.

Exchange subsidy No.

Forward exchange market The Bolsa de Valores Nacional, S.A., is responsible for the operation and administration of the forward exchange market.

References to legal instruments and hyperlinks Monetary, Exchange, and Credit Policy: Evaluation of November 2006 and Proposal 2007; www.banguat.gob.gt; Bolsa de Valores Nacional de Guatemala: www.bvnsa.com.gt.

Arrangements for Payments and Receipts

Prescription of currency requirements In practice, most transactions in foreign exchange are denominated in dollars, in accordance with special payments agreements.

Controls on the use of domestic currency
For capital transactions
The issue of securities denominated in foreign exchange by banks and other financial institutions requires prior approval by the Monetary Board.

Transactions in capital and money market instruments Yes.

GUATEMALA

Payments arrangements

Bilateral payments arrangements

Operative

The Panama-Guatemala Clearing and Credit Reciprocal Agreement remains in effect.

Inoperative

The Clearing and Credit Reciprocal Agreement between Guatemala and Costa Rica, El Salvador, and Honduras functioned until 1995, and the Mexico-Guatemala Clearing and Credit Reciprocal Agreement functioned until 2002.

Regional arrangements

Guatemala is a member of the CACM.

Clearing agreements

Yes.

Administration of control

The Monetary Board (which includes representatives of the BOG and the MOF) approves annually Guatemala's exchange policy. The BOG administers the exchange regime and may buy and sell foreign exchange to implement this policy.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

No.

Controls on exports and imports of banknotes

No.

References to legal instruments and hyperlinks

Monetary, Exchange, and Credit Policy: Evaluation of November 2006 and Proposal 2007; Free Foreign Exchange Convertibility Law; www.banguat.gob.gt.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Free Foreign Exchange Convertibility Law; www.banguat.gob.gt.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

No.

Blocked accounts

No.

References to legal instruments and hyperlinks

Free Foreign Exchange Convertibility Law; www.banguat.gob.gt.

Imports and Import Payments

Foreign exchange budget

No.

GUATEMALA

Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Imports of most goods are unrestricted and require neither registration nor a license. However, imports of some agricultural commodities and animal products are subject to nontariff restrictions.
Negative list	The list includes goods considered dangerous to society, such as weapons, certain chemicals, and drugs. Weapons may be imported only with the approval of the appropriate department.
Open general licenses	Yes.
Other nontariff measures	n.a.
Import taxes and/or tariffs	<p>Guatemala applies the CET for processed goods from CACM countries, which ranges from zero to 15%; virtually all other intra-CACM trade is exempt from tariffs. The maximum tariff rates on raw materials and intermediate and capital goods not produced in Central America are 5% and 10%, respectively; the tariff rate on raw materials and intermediate and capital goods produced in Central America is zero.</p> <p>Some processed products, such as coffee, sugar, oil, wheat, and alcohol, that are traded with CACM countries are subject to tariffs ranging from zero to 40%. Guatemala's tariff structure continues to exempt certain processed products from the maximum CET rate of 15%. The tariff rate for most footwear and textiles is 14%, and rates for tires range from 5% to 15%. In addition, certain agricultural products enjoy safeguard provisions and are subject to tariff rate quotas under WTO rules, which also allow tariffs well above the maximum rate for imports in excess of their quota. Apples are subject to a quota of 11,500 metric tons a year, with tariffs of 12% within quota and 25% in excess of quota, and yellow corn is subject to a quota of 88,670 metric tons a year, with a tariff of zero within quota and 35% in excess of quota. These quotas are adjusted yearly, following discussions between the private sector and the government.</p> <p>A trade agreement exists among El Salvador, Guatemala, Honduras, and Mexico, giving certain tariff benefits to the participants. There is also a trade agreement with the Dominican Republic. The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) came into effect on July 1, 2006. Under this agreement, duties are imposed on 6,307 items divided into different staging categories. Among those, the following categories apply to the goods traded between Guatemala and the United States: (1) category B contains products such as chicken breasts, fish, and vegetables that are being phased in over a five-year term and in 2007 are subject to a duty of 7%; (2) category C contains 788 items whose duties will be eliminated in 10 equal annual phases, beginning January 1 of year one; (3) category D contains those products that will be phased in over a 15-year term and includes dairy products, green coffee, decaffeinated coffee, sugarcane, and alcoholic drinks; for 2007 the duties are 8%, 12%, 16%, and 32%, respectively; (4) category F contains milk and yogurt, which must remain at base rates for years 1 through 10; they will then decrease in 10 equal annual phases and will be duty-free in year 20; the effective duty for 2007 is 15%; (5) duties on goods, such as rum, sausages, and wheat flour, provided for in the items in staging category N must be removed in 12 equal annual phases beginning on the date CAFTA-DR entered into force, and such goods will be duty-free effective January 1 of year 12; the duties foreseen for 2007 for rum, sausages, and wheat flour are 30%, 11.25%, and 7.5%, respectively; (6) duty on black beans provided for in the item in staging category O will remain at base rates for years one through six. On January 1 of year seven, the duty will be reduced by 8% of the base rate, and by an additional 8% of the base rate each year thereafter through year 11. On January 1 of year 12, the duty will be reduced by an additional 15% of the base rate, and by an additional 15% of the base rate each year thereafter through year 14, and such goods shall be duty-free effective January 1 of year 15; and (7) duty-free products for which quota quantities were allocated, such as beef, cheese, milk powder, butter, ice cream, pork, yellow corn, white corn, rice, and chicken leg quarters. The applicable tariffs above quota on these products are 13%–15% for beef, 15% for milk powder, 13%–15% for pork, 28%–35% for yellow corn, 20% for white corn, and 164.4% for chicken leg quarters.</p>
State import monopoly	No.

GUATEMALA

References to legal instruments and hyperlinks	Central American Tariff System; www.sieca.org.gt ; www.portalsat.gob.gt/portal ; Ministry of Economy of Guatemala; www.mineco.gob.gt .
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Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
With quotas	Exports of sugar to the United States are subject to quotas.
Export taxes	No.
References to legal instruments and hyperlinks	Free Foreign Exchange Convertibility Law; www.banguat.gob.gt .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	Free Foreign Exchange Convertibility Law; www.banguat.gob.gt .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Foreign direct investment in the petroleum sector is regulated by special legislation.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.

GUATEMALA

References to legal instruments and hyperlinks Free Foreign Exchange Convertibility Law; www.banguat.gob.gt; Ministry of Economy of Guatemala; www.mineco.gob.gt; Ministry of Energy and Mines; ww.mineco.gob.gt.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Purchase of locally issued securities denominated in foreign exchange The purchase of privately issued securities requires prior approval from the Monetary Board.

Investment regulations

Abroad by banks Yes.

In banks by nonresidents Yes.

Open foreign exchange position limits Banks are required to maintain positions as instructed by the monetary authorities. The difference between total assets and total liabilities (including future payments and contingencies in foreign currency) may not exceed 60% of paid-up capital and reserves. If the difference is negative, it may not exceed 20% of paid-up capital and reserves.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents Yes.

Limits (max.) on investment portfolio held abroad Yes.

Limits (min.) on investment portfolio held locally Yes.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks Banks and Financial Groups Law; Investment Law of Technical or Mathematical Reserves of Insurance Companies; Superintendent of Banks; www.sib.gob.gt.

Changes during 2006

Imports and import payments *July 1.* The CAFTA-DR went into effect.

GUINEA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 17, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with Guinea states that as of December 5, 2005, Guinea maintained a multiple currency practice arising from the potential divergence of the official reference rate and the interbank market rate of more than 2%. (Country Report No. 06/37)

International security restrictions

Other security restrictions Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Guinea is the Guinean franc.

Other legal tender

Silver commemorative coins are also legal tender.

Exchange rate structure

Dual

The calculation of the reference rate is based mainly on transactions of commercial banks and authorized exchange bureaus. A large unofficial foreign exchange market continues to function outside of formal market dealers. The average rate in commercial banks and authorized exchange houses often differs from the average rate in the informal exchange market by more than 2%. All the official sector transactions are conducted at the reference rate. Effective January 1, 2006, the exchange rate structure was reclassified to dual due to technical correction in the classification.

Classification

Managed floating with no predetermined path for the exchange rate

The Central Bank of the Republic of Guinea (CBRG) publishes a daily reference exchange rate, calculated as the weighted average of the rates reported by commercial banks and authorized foreign exchange bureaus. Guinea announced its participation in the W-ERM II of the WAMZ, which formally limits the fluctuations of the Guinean franc to $\pm 15\%$ around a central rate vis-à-vis the dollar. This has yet to be implemented, however.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

All current transactions effected in Guinea must be settled in Guinean francs. Settlements for transactions covered by bilateral payments agreements are made in currencies prescribed by, and through accounts established under, the provisions of the agreements. Settlements with countries other than members of the WAMZ are made in designated convertible currencies quoted by the CBRG.

GUINEA

Controls on the use of domestic currency	n.a.
Use of foreign exchange among residents	All payments and transactions among residents must be made or settled in Guinean francs.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	Guinea maintains bilateral payments agreements with Bulgaria, China, the Czech Republic, Egypt, Romania, and the Russian Federation.
Clearing agreements	A multilateral clearing agreement exists between the WAEMU members and Cape Verde, The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone.
Administration of control	Exchange control authority is vested in the CBRG, which has delegated to commercial banks the authority to (1) sign import descriptions and import applications, (2) allocate foreign exchange to travelers holding airline tickets for travel abroad, and (3) manage foreign currency accounts. All international settlements, including payments for imports, may be effected by commercial banks.
Payments arrears	
Official	Yes.
Private	Yes.
Controls on trade in gold (coins and/or bullion)	The CBRG purchases gold only in Guinean francs at international prices.
On domestic ownership and/or trade	Transactions in nonmonetary gold are not subject to restrictions.
On external trade	The exportation of gold is subject to prior authorization by the CBRG and requires the payment of applicable taxes.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports are limited to GF 100,000 a person a trip.
<i>Foreign currency</i>	Exports of foreign currency are subject to prior authorization by the CBRG. There is no limit on exports; however, travelers must provide supporting documents for amounts exceeding the equivalent of \$5,000.
On imports	
<i>Domestic currency</i>	Imports are limited to GF 100,000 a person a trip.
<i>Foreign currency</i>	Declaration on entry is required.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Residents are free to open foreign exchange accounts with local banks. Exporters may hold all their earnings in foreign currency in local bank accounts.
Held abroad	These accounts are permitted, but prior approval of the CBRG is required for juridical persons, and a simple notification to the CBRG is required for natural persons.
<i>Approval required</i>	Yes.

GUINEA

Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Accounts in convertible Guinean francs may be credited with deposits in foreign exchange, irrespective of their origin. The accounts may be debited freely and converted by commercial banks into foreign currencies without prior authorization from the CBRG. Interest rates on these accounts are negotiated between the account holder and the bank.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	The regulations governing resident accounts apply.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	Yes.
Financing requirements for imports	
Minimum financing requirements	The minimum financing requirement is \$2,000 or its equivalent.
Advance payment requirements	Advance payments may be made on the basis of commercial contracts.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	Yes.
Preshipment inspection	Yes.
Letters of credit	Yes.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	
Negative list	Imports of armaments, ammunition, and narcotics are prohibited.
Import taxes and/or tariffs	Imports are subject to a VAT, a fiscal import duty (DFI), excise taxes, and other applicable taxes and fees. The VAT rate is 18%, except for essential social and food products, which are exempt. The DFI has three rates: 5% for staples, crude raw materials, and capital goods; 10% for semifinished products and industrial inputs; and 15% for all other goods for final consumption; essential social and food products are exempt from duty. There are three excise rates: 5% for used cars more than five years old, perfumes, and cosmetics; 15% for tobacco products and jewelry; and 45% for alcohol. In addition, a temporary protection surtax applies to certain goods, with two rates: 10% and 15%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

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Exports and Export Proceeds

Repatriation requirements	Private traders may retain all their proceeds to finance authorized imports. Gold exporters and vendors may retain all their proceeds. Semipublic enterprises may retain abroad all their proceeds and may use them for import payments, operating expenses, and external debt service.
Financing requirements	No.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	All private sector exports require domiciliation with a commercial bank and submission of an export description aimed at preventing shortages of goods needed for domestic consumption and at identifying capital outflows. Mining sector exports are exempt from this requirement.
Preshipment inspection	Yes.
Export licenses	The exportation of wild animals (dead or alive), meats, articles of historic or ethnographic interest, jewelry, articles made of precious metals, and plants and seeds requires special authorization from designated agencies.
Without quotas	These are applicable to agricultural exports.
With quotas	There are quotas on the export of wild animals and articles of historic or ethnographic interest.
Export taxes	Exports are subject to a fiscal export duty (DFE) and other taxes and fees set for specific products. The DFE rate for exports of gold and diamonds is 5% for mining companies and 3% for the CBRG and individuals; the rate for other exported commodities is 2%; agricultural and industrial products are exempt. For bauxite exports, specific tax rates are set depending on the exporting company and the quality of product.
Other export taxes	Yes.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	
Trade-related payments	There are no controls on payments of unloading and storage expenses.
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	
<i>Prior approval</i>	Prior approval is required for government operations.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Prior approval</i>	Prior approval is required for payments of pensions.
<i>Indicative limits/bona fide test</i>	There are no indicative limits or bona fide rates for payments of pensions.

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Foreign workers' wages	
<i>Prior approval</i>	Approval is granted only for contracts approved by the Ministry of Labor.
<i>Quantitative limits</i>	Foreign workers may transfer up to 50% of their taxable income.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	All capital transfers require authorization from the CBRG.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
<i>Bonds or other debt securities</i>	There are currently no transactions involving bonds.
On money market instruments	
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
Controls on derivatives and other instruments	
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Controls on credit operations	There are controls on all credit and guarantee operations.

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Controls on direct investment

Outward direct investment	Authorization by the CBRG is required.
Inward direct investment	There are no limits on the amount nonresidents may invest in Guinea, and all Guinean and foreign nationals may hold controlling interests in Guinean enterprises.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Authorization by the CBRG is required for all real estate transactions.

Controls on personal capital transactions

There are controls on all these operations.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Effective May 1, 2006, the minimum capital for foreign exchange bureaus was increased to GF 50 million from GF 5 million.

Borrowing abroad Yes.

Maintenance of accounts abroad Yes.

Lending to nonresidents (financial or commercial credits) The only form of lending to nonresidents allowed is overdraft protection on checking accounts denominated in domestic currency.

Lending locally in foreign exchange Yes.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements Yes.

Liquid asset requirements Yes.

Interest rate controls Yes.

Credit controls Yes.

Differential treatment of deposit accounts held by nonresidents

Liquid asset requirements Yes.

Interest rate controls Yes.

Credit controls Yes.

Investment regulations

Abroad by banks Yes.

In banks by nonresidents Yes.

Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks

n.a.

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Changes during 2006

Exchange arrangement

January 1. The exchange rate structure was reclassified to dual due to technical correction in the classification.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

May 1. The minimum capital for foreign exchange bureaus was increased to GF 50 million from GF 5 million.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: January 1, 1997.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. This framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks

Regulation 14/2002/CM/UEMOA by the WAEMU Council of Ministers of September 19, 2002; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency

The currency of Guinea-Bissau is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Guinea-Bissau participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the fixed rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rate for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy

No.

Forward exchange market

Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Guinea-Bissau is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU

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and CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.

Controls on the use of domestic currency

For capital transactions

Transactions in derivatives and other instruments Yes.

Use of foreign exchange among residents

The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.

Payments arrangements

Bilateral payments arrangements

Inoperative Yes.

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are settled through a debit or credit to the Operations Account.

Clearing agreements

A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.

Administration of control

Exchange control is administered jointly by the Directorate of the Treasury in the MOF and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MOF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Guinea-Bissau for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Guinea-Bissau require prior authorization by the RCPSFM.

Payments arrears

Official Yes.

Private n.a.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports of gold require prior MOF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO, (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles), and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration. Exports of gold have been liberalized.

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Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. However, the suspension of BCEAO repurchases of exported banknotes continues. In addition, the exchange of BCEAO banknotes between authorized intermediaries and their correspondents outside the WAEMU is prohibited.

Foreign currency

The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks.

On imports

Foreign currency

Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Resident Accounts

Foreign exchange accounts permitted

The holding by residents of foreign currency accounts is subject to prior MOF authorization, after consent by the BCEAO.

Held domestically

These accounts may be opened, but approval is required.

Approval required

Yes.

Held abroad

Yes.

Approval required

Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, prior authorization by the MOF, after BCEAO approval, is required to open an account abroad.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Approval required

The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.

Domestic currency accounts

Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU territories, nonresident accounts may not be credited or debited with BCEAO

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Convertible into foreign currency	banknotes. These accounts may not be overdrawn without prior authorization by the MOF. Transfers of funds between nonresident accounts are not restricted.
Blocked accounts	Convertible foreign currency accounts may be debited freely for the purchase by nonresidents of foreign currencies on the official exchange market.
References to legal instruments and hyperlinks	No. Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Imports and Import Payments

Foreign exchange budget	Yes.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Documentation requirements for release of foreign exchange for imports	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirement	All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	An inspection is required for the quantity, quality, and price of imported merchandise.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	All imports, regardless of whether they involve the use of official or free market foreign exchange, require a prior import license issued by the Ministry of Commerce and Tourism, primarily for statistical purposes. Licenses are issued automatically after verification of the invoiced prices of taxable goods.
Negative list	Guinea-Bissau does not have a negative list yet. The authorities expect to have it ready in 2007.
Other nontariff measures	Quantitative restrictions may be applied to products for public health and security reasons.
Import taxes and/or tariffs	The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1% and a community solidarity levy of 1%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports, excluding those from WAEMU countries, must normally be collected within 120 days of shipment and repatriated through the BCEAO not later than one month after the due date of the payment.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if authorized by the BCEAO.
Financing requirements	No.

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Documentation requirements

Letters of credit	n.a.
Guarantees	n.a.
Domiciliation	All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Other	A customs declaration is required.

Export licenses

All exports require a prior export license. Only exporters registered with the Ministry of Commerce and Tourism may obtain these licenses, which are granted automatically in most cases and are for statistical purposes. No products are reserved for export by the public sector.

Without quotas	Yes.
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Export taxes

Cashew nut exports, except those to ECOWAS countries, are subject to a special export tax of 6%. An additional 2% is charged on cashew exports but classified as rural property tax. Other agricultural exports are subject to an agricultural fee of 2%.

Other export taxes	Yes.
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References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.

Trade-related payments

<i>Indicative limits/bona fide test</i>	Yes.
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Investment-related payments

Authorized banks may transfer profits and interest payments based on supporting documentation.

Prior approval

Payments for depreciation of direct investments require prior authorization from the MOF, because this type of depreciation is not specifically mentioned in the regulations.

Indicative limits/bona fide test

Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.

Payments for travel

Quantitative limits

Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.

Indicative limits/bona fide test

Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.

Personal payments

Indicative limits/bona fide test

All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.

Foreign workers' wages

Indicative limits/bona fide test

Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.

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Credit card use abroad	The use of credit cards is allowed only when issued by specialized institutions.
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	n.a.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of the equivalent of CFAF 300,000 that they bring in and must surrender it to an authorized bank within eight days of their return.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	The proceeds from the sale or liquidation of investments in foreign assets by residents must be surrendered to authorized intermediary banks within one month.
Controls on capital and money market instruments	Prior authorization by the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities, canvassing, and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	These purchases are subject to prior declaration to the MOF for statistical purposes.
Sale or issue locally by nonresidents	The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation.

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	Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to prior authorization by the MOF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MOF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.
	Residents may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Residents may sell money market instruments abroad. Sales liquidating an investment are subject to prior declaration.
On collective investment securities	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.
Controls on credit operations	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	
<i>By residents to nonresidents</i>	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment. The transfer of funds abroad for this purpose is subject to prior MOF authorization.
<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval by the MOF. Outward transfers necessary to service such facilities require an exchange authorization, subject to approval by the BCEAO acting on behalf of the MOF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be reported for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There

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are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

The granting of guarantees and sureties is subject to prior approval by the MOF. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval of the MOF, and the submission of supporting documents.

To residents from nonresidents

These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MOF.

Controls on direct investment

Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 20% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents, including investments through foreign companies under the direct or indirect control of residents of Guinea-Bissau and investments by foreign branches or subsidiaries of companies established in Guinea-Bissau, require prior authorization by the MOF.

Outward direct investment

All investment abroad by residents is subject to prior MOF authorization. At least 75% of such investments must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.

Inward direct investment

Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes.

Controls on liquidation of direct investment

The liquidation of investments abroad must be reported to the MOF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MOF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MOF for statistical purposes.

Controls on real estate transactions

Purchase abroad by residents

These purchases require prior authorization by the MOF.

Purchase locally by nonresidents

Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MOF for statistical purposes.

Sale locally by nonresidents

Sales by nonresidents to residents require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF.

Controls on personal capital transactions

Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal administration, or an authorized intermediary bank, unless prior authorization is obtained from the MOF.

Loans

The regulations governing securities and investments apply.

By residents to nonresidents

These transactions require prior MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.

To residents from nonresidents

These transactions may be made freely, but are subject to declaration for statistical purposes to the MOF when granted and when repaid.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

Inheritances and dowries are generally authorized. Gifts and endowments, however, are subject to prior MOF authorization.

To residents from nonresidents

These transactions are subject to declaration.

Settlements of debts abroad by immigrants

Immigrants who have received resident status must obtain prior authorization by the MOF to settle debts contracted abroad while they were nonresidents.

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Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions are subject to prior authorization by the MOF.
<i>Transfer into the country by immigrants</i>	Foreign accounts (in foreign currencies or CFA francs) of nonresidents who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	For statistical purposes, these transactions must be declared to the MOF when they are granted and when they are repaid.
Maintenance of accounts abroad	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Commercial lending is allowed. Financial credits are subject to prior MOF authorization following BCEAO approval.
Lending locally in foreign exchange	No explicit regulations exist regarding these transactions, but prior authorization by the MOF is required with the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	These purchases require prior RCPSFM authorization, after approval by the MOF.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents are subject to prior MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Monetary regulations make no distinction among resident accounts, nonresident accounts, and foreign currency deposit accounts.
<i>Credit controls</i>	Any overdraft or advance granted to a nonresident requires prior authorization by the MOF with the approval of the BCEAO.
Investment regulations	The regulations governing direct investments apply.
<i>Abroad by banks</i>	Yes.
Open foreign exchange position limits	No prudential ratios apply. Open positions result from special dispensations.
Provisions specific to institutional investors	
Insurance companies	Controls are imposed by the CIMA Code.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The CIMA Code does not allow insurance companies to invest abroad.

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Limits (min.) on investment portfolio held locally

The CIMA Code includes specific rules for the use of insurance companies' technical reserves.

Currency-matching regulations on assets/liabilities composition

The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

GUYANA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 27, 1966.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Yes.

Other security restrictions

In accordance with UN Security Council resolutions, restrictions are applied on financial transactions and assets of the Taliban, Al-Qaida, and individuals associated with it, and persons and groups associated with terrorism.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Guyana is the Guyana dollar.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

The exchange rate of the Guyana dollar is determined in the cambio market, although the authorities intervene in the foreign exchange market as conditions require. The Bank of Guyana (BOG) conducts certain transactions on the basis of the cambio exchange rate by periodically averaging quotations of the three largest dealers. In accordance with bilateral agreements with the CBs of CARICOM, the BOG quotes weekly rates for certain CARICOM currencies.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

The only arrangement for forward cover against exchange rate risk operates in the official sector with respect to exchange rate guarantees that are provided to certain deposits in dormant accounts. However, no exchange rate guarantee has been given for deposits made after end-March 1989.

Official cover of forward operations

Yes.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

n.a.

Payments arrangements

Bilateral payments arrangements

Operative

There are arrangements with all CARICOM central banks.

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Regional arrangements	Guyana is a member of CARICOM.
Administration of control	No.
Payments arrears	
Official	As a consequence of ongoing negotiations, there are technical arrears to bilateral creditors: Argentina, Bulgaria, China, Kuwait, Libya, Republic of Montenegro, Republic of Serbia, the United Arab Emirates, and República Bolivariana de Venezuela. There are also technical arrears to commercial creditors in India and the United Kingdom.
Private	Arrears exist on certain dormant accounts holding domestic currency deposits equivalent in value to pending applications for foreign exchange.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents other than the monetary authorities, ADs, producers of gold, and authorized industrial users are not allowed to hold or acquire gold in any form except for numismatic purposes and jewelry, at home or abroad, without special permission.
On external trade	Imports and exports of gold in any form by, or on behalf of, the monetary authorities, ADs, producers of gold, and industrial users require permits endorsed by the Guyana Gold Board.
Controls on exports and imports of banknotes	Travelers entering or leaving Guyana must declare foreign currency in excess of the equivalent of US\$10,000.
On exports	
<i>Foreign currency</i>	Yes.
On imports	
<i>Foreign currency</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Exporters are allowed to maintain and operate foreign exchange accounts. These accounts are approved on merit but are generally granted to bona fide exporters who require imported inputs for production and/or have external loan obligations. These accounts may be credited with all or a portion of retained export proceeds and proceeds of foreign currency loans. They may be debited freely for any payments at the discretion of the account holder.
<i>Approval required</i>	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	The balances of these accounts may be converted at the prevailing cambio exchange rate.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	External accounts may be opened by commercial banks, without the prior approval of the central bank, for citizens of Guyana residing permanently abroad, citizens of other countries temporarily residing in Guyana, nonresidents attached to diplomatic missions or
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international organizations, branches of companies incorporated outside Guyana, and companies incorporated in Guyana but controlled by nonresidents abroad. These accounts may be maintained in U.S. dollars, pounds sterling, or Canadian dollars and may be credited with noncash instruments of convertible foreign currencies transferred through the banking system. These accounts may also be credited freely with all authorized payments by residents of Guyana to nonresidents; other credits require approval. They may be debited freely for payments for any purpose to residents of any country, for transfers to other external accounts, for withdrawals by the account holder in Guyana, and for transfers to nonresident accounts.

Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	The BOG prepares a statement of convertible currency receipts and payments to monitor projected flows.
Financing requirements for imports	Import transactions effected through the cambio exchange market are permitted without restriction. Most imports of consumer goods take place on this basis. Certain payments for official imports effected by commercial banks on behalf of the BOG require the BOG's prior approval.
Documentation requirements for release of foreign exchange for imports	Requirements are related mainly to petroleum products. Documents required include invoices, bills of lading, and certificates of origin.
Import licenses and other nontariff measures	There are no licensing requirements for permissible imports, except for petroleum products and some 20 items affecting national security, public health and safety, and the environment.
Negative list	Imports of unprocessed meat, poultry, fruit, and processed fruit items from non-CARICOM sources are restricted and subject to import-licensing controls.
Import taxes and/or tariffs	The fourth phase of the CARICOM CET is applied to all imports from sources outside CARICOM. Duty rates range from 5% to 20%, except for agricultural products, for which the rate is 40%. A duty rate of 100% applies to imports of chicken from non-CARICOM sources, but those from CARICOM countries are exempt. The duty on evaporated milk is 20%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Licenses are required for exports of gold and wildlife.
Without quotas	Gold exports are not subject to quotas.
With quotas	There are quotas for the supply of some commodities to preferential markets and for wildlife exports.
Export taxes	There is a levy on the export of rice; the proceeds from this levy are reinvested in the rice industry. There is no levy on sugar exports; however, an export duty of G\$1 applies to all

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unrefined sugar exports to extraregional destinations. An export duty is applied to exports of timber, bauxite, live birds, aquarium fish, greenheart, raw gold, and all precious stones.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements n.a.

Surrender requirements n.a.

Controls on capital and money market instruments No.

Controls on derivatives and other instruments No.

Controls on credit operations All types of credit operations are controlled.

Commercial credits Controls apply to all these transactions.

Financial credits

By residents to nonresidents Yes.

To residents from nonresidents Banks are required to obtain approval from the MOF before lending to nonresident enterprises.

Guarantees, sureties, and financial backup facilities Controls apply to all these transactions.

Controls on direct investment No.

Controls on liquidation of direct investment No.

Controls on real estate transactions No.

Controls on personal capital transactions No.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)	Banks are required to obtain approval from the MOF before lending locally in foreign exchange, except for lending to an AD.
Lending locally in foreign exchange	Yes.
Open foreign exchange position limits	Open positions are monitored.

Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.

References to legal instruments and hyperlinks	n.a.
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Changes during 2006

No significant changes occurred in the exchange and trade system.

HAITI

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 22, 1953.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Haiti is the Haitian gourde.

Other legal tender The dollar circulates freely and is generally accepted in Haiti. Several gold coins have been issued that are legal tender but do not circulate.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate Although the exchange rate is determined by market forces in the exchange market, the Bank of the Republic of Haiti (BRH) uses its foreign exchange reserves frequently to meet foreign exchange expenditures of the government, and the exchange rate is influenced by the amount of these transactions. The BRH operates a dollar clearinghouse. Commercial banks quote buying and selling rates for certain other currencies based on the buying and selling rates of the dollar in exchange markets abroad. The market is dominated by banks, with money changers following this market.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements n.a.

Payments arrangements

Bilateral payments arrangements

Operative Yes.

Regional arrangements Haiti is a member of CARICOM.

Administration of control No.

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Payments arrears

Official Yes.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade Residents may hold and acquire gold coins in Haiti for numismatic purposes.

On external trade The BRH has the exclusive right to purchase gold domestically and to export gold in the form of coins, mineral dust, or bars. Exports of gold require, in addition, prior authorization from the Ministry of Commerce and Industry (MCI) and the Ministry of Finance and Economic Affairs, as well as an endorsement from the MCI, before customs clearance. However, commercial imports of articles containing a small amount of gold, such as gold watches, are freely permitted and do not require an import license or other authorization.

Controls on exports and imports of banknotes

No.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

These accounts may be credited with export proceeds, with transfers from abroad received by exchange houses, or with receipts from maritime agencies and nongovernmental organizations.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts n.a.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

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Documentation requirements for release of foreign exchange for imports

Preshipment inspection Inspection of imports is performed by the Société Générale de Surveillance under the Program of Verification of Imports.

Import licenses and other nontariff measures

No.

Import taxes and/or tariffs

There are four standard tariff rates—zero, 5%, 10%, and 15%. Several goods have special tariff rates—gasoline, 57.8%; and cement, rice, sugar, dried onions, dried mushrooms, dried truffles, and vegetables with a dry hull, 3%. A domestic turnover tax is charged on the c.i.f. value plus import duties. There are two specific rates: (1) G 0.82 a kilo for grated, powdered, or melted cheese; and (2) G 0.71 a kilo for dried garlic. All imports, except for inputs used by certain export industries, are subject to a 5% verification fee. Haiti is a member of CARICOM.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

Preshipment inspection

Yes.

Other

n.a.

Export licenses

No.

Export taxes

No.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No controls apply to these transactions. However, information is not available on the transfer of pensions, family maintenance, and alimony.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

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Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	n.a.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	n.r.
Maintenance of accounts abroad	n.r.
Lending to nonresidents (financial or commercial credits)	n.r.
Lending locally in foreign exchange	Lending may not exceed 50% of liabilities in foreign exchange.
Purchase of locally issued securities denominated in foreign exchange	n.r.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	A reserve requirement ratio of 31% applies to both gourde- and dollar-denominated deposits at commercial banks, and a ratio of 19.5% applies to both gourde- and dollar-denominated deposits at savings and housing banks.
<i>Liquid asset requirements</i>	n.r.
<i>Interest rate controls</i>	n.r.
<i>Credit controls</i>	Lending may not exceed 50% of liabilities in foreign exchange.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	n.a.
Open foreign exchange position limits	An open foreign exchange position limit of 8% of capital and reserves applies.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

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Changes during 2006

No significant changes occurred in the exchange and trade system.

HONDURAS

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 1, 1950.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Honduras is the Honduran lempira.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement

The exchange rate of the lempira is determined in foreign exchange auctions. Banks and exchange houses are required to sell all of their daily foreign exchange purchases to the Central Bank of Honduras (CBH). When purchasing foreign exchange, participants in auctions (banks, exchange houses, and private individuals) bid at a price that may not differ from the base price set by the CBH by more than $\pm 7\%$. The base exchange rate is adjusted every five auctions by the CBH in accordance with the inflation differential between Honduras and its main trading partners, the exchange rates of its main trading partners' currencies vis-à-vis the dollar, and the level of the CBH's net international reserves. The amount of foreign exchange offered at each auction must be at least 60% of the CBH's purchase of foreign exchange from its agents. The minimum amount of foreign exchange to be offered and the base price are announced before the auction. The maximum daily amounts that may be acquired at auction are the equivalent of \$300,000 for individuals and \$600,000 for legal entities. Foreign exchange agents may make purchases for their own accounts to meet private demands of less than the equivalent of \$10,000; the maximum amount of foreign exchange that may be purchased by commercial banks for this purpose is \$300,000, savings and loan associations may purchase up to \$100,000 daily, and exchange bureaus may purchase up to \$30,000. Foreign exchange agents may charge up to 0.7% commission on sales to the public.

Because the authorities maintain a policy of satisfying every admissible bid within the band, the exchange rate is effectively pegged at the most appreciated side of the band.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

HONDURAS

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

All payment obligations to be made in Honduras must be settled in lempiras, except those contracted and documented in a foreign currency.

Payments arrangements

Bilateral payments arrangements

Inoperative

The Clearing and Credit Reciprocal Agreement between Honduras and Costa Rica, El Salvador, and Guatemala functioned until 1995.

Regional arrangements

Effective April 1, 2006, Honduras became a member of the CAFTA-DR Trade Agreement. Honduras is a member of the CACM. Trade transactions with the rest of Central America may be carried out in local currencies or in dollars.

Administration of control

No.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

No.

Controls on exports and imports of banknotes

No.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Banks must hold these deposits in (1) foreign currency notes in their vaults, (2) deposits at the CBH, (3) special accounts at correspondent banks abroad, (4) investments in high-liquidity foreign instruments, or (5) export or import financing instruments.

Held domestically

Yes.

Held abroad

Banks may hold accounts with correspondent banks in dollars, euros, Swiss francs, yen, and pounds sterling.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Regulation for the Management of Foreign Currency Deposit Accounts.

Nonresident Accounts

Foreign exchange accounts permitted

Banks must hold these deposits in (1) foreign currency notes in their vaults, (2) deposits at the CBH, (3) special accounts at correspondent banks abroad, (4) investments in high-liquidity foreign instruments, or (5) export or import financing instruments.

Domestic currency accounts

Yes.

Convertible into foreign currency

No.

Blocked accounts

No.

References to legal instruments and hyperlinks

Regulation for the Management of Foreign Currency Deposit Accounts.

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	No.
Import taxes and/or tariffs	The tariff rates are zero for capital goods and raw materials; 5%–10% for intermediate products; and 15% for finished goods, with some exceptions (e.g., beef, cigarettes, fertilizers, and medicines). The tariff rate on goods produced in the CACM area is zero. There are industrial and agricultural processing zones that benefit from tariff exemptions. The tourism industry also benefits from temporary tariff exemptions. As a provision of the CAFTA-DR agreement signed April 1, 2006, duties on most tariff lines corresponding to industrial and consumer goods will be removed once this agreement enters into force. Duties on other goods will be phased out over periods of up to 10 years. Some agricultural goods will have longer periods for elimination of duties or be subject to other provisions, including, in some cases, the application of specific tariffs or quotas.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	All export earnings, except those from trade with other Central American countries, must be surrendered to banks or exchange houses within a period of 20 to 85 days. Commercial banks and exchange houses are required to sell all purchased foreign exchange to the CBH. Exporters are allowed to retain up to 30% of their foreign exchange proceeds to finance their own imports, as well as to pay for their authorized external obligations.
<i>Surrender to authorized dealers</i>	Yes.
Financing requirements	No.
Documentation requirements	
Domiciliation	Yes.
Preshipment inspection	Yes.
Export licenses	Licenses are not required, but exports must be registered for statistical purposes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	There are no controls on these payments, but all buyers of foreign exchange are required to fill out a form for statistical purposes. There are no limits on the amount purchased, except for daily limits on participation in auctions.
References to legal instruments and hyperlinks	n.a.

HONDURAS

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	Yes.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Purchases of shares in existing domestic firms are permitted, with the exception of industries that produce defense-related or hazardous materials.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	Foreign mutual fund companies and similar financial institutions must have permission to collect funds in Honduras for deposit or investment abroad.
Controls on derivatives and other instruments	No.
Controls on credit operations	
Commercial credits	
<i>To residents from nonresidents</i>	All public sector foreign borrowing, except for borrowing designated for investment in Honduras, must be approved by the congress.
Financial credits	
<i>By residents to nonresidents</i>	Lending by commercial banks to nonresidents, excluding loans designated for investments in Honduras, requires CBH authorization.
<i>To residents from nonresidents</i>	Financial institutions are authorized to contract external borrowing in the form of loans, endorsements, and negotiated LCs for imports, without prior CBH approval. The previous limit on these loans (two times the capital) was eliminated and substituted by prudential regulation issued by the National Banks and Insurance Commission (CNBS).
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Financing by commercial banks for nonresidents, excluding loans earmarked for investments in Honduras, requires CBH authorization.
Controls on direct investment	
Inward direct investment	Investments are permitted in all sectors, with the exception of defense-related industries. Investments in industries producing hazardous materials require prior approval. All foreign investments must be registered with the Secretariat of Industry and Trade.

HONDURAS

Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	There are location and size limitations.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Regulation of December 27, 2005, issued by the CNBS: "Rules That Financial System Institutions Must Comply with When Granting Foreign Currency Loans" (www.cnbs.gov.hn).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Maintenance of accounts abroad	Accounts abroad must be with Tier I banks.
Lending to nonresidents (financial or commercial credits)	CBH authorization is required.
Lending locally in foreign exchange	Prudential norms apply on lending in foreign currency based on risk-weighted criteria and on a liquidity requirement for short-term foreign liabilities.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Banks, nonbank financial institutions, and savings and loan associations are subject to an unremunerated reserve requirement of 12% on all deposits denominated in domestic or foreign currency.
<i>Liquid asset requirements</i>	Effective January 20, 2007, financial institutions are required to deposit 24% (previously, 25%) of their liquid assets in a Tier I financial institution abroad.

Provisions specific to institutional investors

Insurance companies	Effective December 14, 2006, new regulations on investments by insurance institutions have been approved.
<i>Limits (max.) on securities issued by nonresidents</i>	Insurance institutions may invest a maximum of 25% of their investment abroad.
<i>Limits (max.) on investment portfolio held abroad</i>	Insurance institutions may maintain a maximum of 20% of their investment resources in investments held abroad. Furthermore, investments in one particular country may not account for more than 10% of such resources.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	Currency-matching regulations on assets and liabilities composition for financial system institutions are issued by the CNBS. Effective December 31, 2006, prudential norms limit financial institutions' short position in foreign currency to 5% of own resources and the long position in foreign currency to 50% of own resources.

HONDURAS

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

Regulations on Investments by Insurance Institutions; CNBS Rules (www.cnbs.gov.hn); Rule on Asset/Liability Composition for Financial System Institutions; Rules that must be observed by institutions when granting foreign currency loans.

Changes during 2006

Exchange arrangement

March 16. The limits on purchase of foreign exchange at each public currency auction were increased as follows: (1) for legal entities, to \$1.2 million from \$600,000; (2) for commercial banks, to \$300,000 from \$150,000; and (3) for savings and loan associations, to \$100,000 from \$75,000.

Arrangements for payments and receipts

April 1. Honduras became a member of the CAFTA-DR trade agreement.

Provisions specific to the financial sector

Provisions specific to institutional investors

December 14. New regulations on investment by insurance institutions were approved.

December 31. Prudential norms placed a limit on financial institutions' short position in foreign currency at 5% of own resources and the long position in foreign currency at 50% of own resources.

Changes during 2007

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 20. The liquid asset requirement for foreign currency liabilities was reduced to 24% from 25%.

PEOPLE'S REPUBLIC OF CHINA—HONG KONG SAR

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII Yes.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

In accordance with the UN Sanctions Ordinance, the chief executive is required to make regulations to put into effect an instruction from the Ministry of Foreign Affairs of the People's Republic of China to implement sanctions agreed to by the UN Security Council.

References to legal instruments and hyperlinks

UN Sanctions Ordinance (Cap. 537); www.legislation.gov.hk.

Exchange Arrangement

Currency

The currency of Hong Kong SAR is the Hong Kong dollar.

Other legal tender

Commemorative gold coins of HK\$1,000 are legal tender, but are kept mostly by collectors and seldom circulate.

Exchange rate structure

Unitary.

Classification

Currency board arrangement

The currency board system in Hong Kong SAR, adopted on October 17, 1983, requires the monetary base to be backed by the reserve currency (i.e., the U.S. dollar) around an exchange rate of HK\$7.85 per US\$1. A symmetric convertibility zone of HK\$7.75 to HK\$7.85—within which the Hong Kong SAR Monetary Authority (HKMA) may choose to conduct market operations consistent with currency board principles—was introduced May 18, 2005.

The monetary base includes the notes and coins issued, the balance of clearing accounts of banks held with the HKMA (i.e., the aggregate balance), and the outstanding amount of exchange fund bills and notes. Operating under the rule-based currency board system, the HKMA has undertaken to issue additional exchange fund paper only when there is an inflow of funds, but the size of the program is allowed to expand along with the interest payments on such paper.

The issue and redemption of certificates of indebtedness, which provide backing for banknotes issued by the note-issuing banks, are required to be made against U.S. dollars at the fixed exchange rate of HK\$7.80 per US\$1. The issue and withdrawal of coins and government-issued notes are settled against the U.S. dollar at the same fixed rate.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

The forward exchange markets operate on private sector initiatives, and the government has no official role.

References to legal instruments and hyperlinks

Article 111 of the Basic Law; www.info.gov.hk/basic_law/fulltext/index.htm; Exchange of Letters between the Financial Secretary and the Monetary Authority to Specify the Monetary Policy Objective and the Structure of the Monetary System of Hong Kong under the Exchange Fund Ordinance; www.info.gov.hk/hkma/eng/press/2003/20030627e4.htm.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	No.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.

PEOPLE'S REPUBLIC OF CHINA—HONG KONG SAR

Import licenses and other nontariff measures

Negative list Imports of certain articles are subject to licensing control by different government agencies. Most of the import licenses are required for reasons of public health, safety, environmental protection, or security, or for the fulfillment of Hong Kong SAR's international trade obligations. Imports of rice, textiles, and clothing are also subject to licensing requirements.

Licenses with quotas In compliance with the Montreal Protocol, the import of ozone-depleting substances is subject to licenses and quota arrangements.

Import taxes and/or tariffs

All imports are free of duty, although an excise tax for revenue and health purposes is levied on imported and domestically produced cigarettes and other tobacco products, liquors, methyl alcohol, and hydrocarbon oils.

State import monopoly

No.

References to legal instruments and hyperlinks

Trade and Industry Department: Trade Controls, www.tid.gov.hk/service/ie/jsp/IE_Gen_eService_e.jsp.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Without quotas Exports of certain articles are subject to licensing control by different government agencies. Most of the export licenses are required for reasons of public health, safety, environmental protection, or security, or for the fulfillment of Hong Kong SAR's international trade obligations. The export of ozone-depleting substances, rice, textiles, and clothing is subject to licensing requirements.

Export taxes

No.

References to legal instruments and hyperlinks

Trade and Industry Department: Trade Controls, www.tid.gov.hk/service/ie/jsp/IE_Gen_eService_e.jsp.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

No.

PEOPLE'S REPUBLIC OF CHINA—HONG KONG SAR

Repatriation requirements	No.
Controls on capital and money market instruments	No exchange control requirements are imposed on capital receipts or payments by residents or nonresidents. A license or an authorization is required for companies, whether incorporated in Hong Kong SAR or elsewhere, to conduct banking, insurance, securities, and futures dealings. All overseas companies are required to register with the Companies Registry within one month of establishing a business in Hong Kong SAR.
Controls on derivatives and other instruments	Hong Kong Exchanges and Clearing, Ltd., which oversees the Stock Exchange of Hong Kong, the Hong Kong Futures Exchange, and the three associated clearing houses, imposes disclosure and position limits on derivative products. The disclosure and position limits are also stipulated in the subsidiary legislation. Effective February 10, 2006, the position limits for stock option contracts were increased in response to the growth of the market. The position limits for futures and options contracts were increased, effective March 30, 2007, from 6,000 contracts a futures contract month or options series to a combined limit of 12,000 contracts applicable to all futures contract months and options series.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap. 571Y); www.legislation.gov.hk .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	The limits and restrictions stated below are set by the HKMA for prudential reasons only.
Maintenance of accounts abroad	The HKMA may prohibit authorized institutions from maintaining accounts (including for the purpose of granting loans and credits) with foreign banks if transactions conducted through these accounts are not made in the interest of the depositors of these institutions.
Lending to nonresidents (financial or commercial credits)	Authorized institutions incorporated in Hong Kong SAR are permitted to extend loans and credit facilities to one person or company only up to 25% of their respective capital base.
Lending locally in foreign exchange	Authorized institutions incorporated in Hong Kong SAR are permitted to extend loans and credit facilities to one person or company only up to 25% of their respective capital base.
Purchase of locally issued securities denominated in foreign exchange	Authorized institutions incorporated in Hong Kong SAR are permitted to hold the securities of one person or company only up to 25% of their capital base.
Investment regulations	No distinction is made between local and overseas investments.
<i>Abroad by banks</i>	Authorized institutions incorporated in Hong Kong SAR may not acquire shares worth more than 5% of the capital base of the institution at the time of acquisition without the approval of the HKMA. In addition, they may not acquire shares in aggregate worth more than 25% of the capital base of the institution. This restriction does not apply if the share capital (1) is held as security for facilities granted; (2) was acquired through an underwriting or subunderwriting contract for a period not to exceed seven days; or (3) was acquired through satisfaction of debts, in which case the share capital must be disposed of at the earliest suitable opportunity, but not later than 18 months after its acquisition. No authorized institution incorporated in Hong Kong SAR may purchase or hold any interest in foreign or domestic land of an aggregate value in excess of 25% of the capital base of the institution. This restriction does not apply to (1) land that is necessary for conducting the

business of the institution or providing housing or amenities for its staff, subject to HKMA approval; (2) interest in land that was mortgaged to the institution to secure a debt due to the institution; and (3) interest in land that accrues after the institution has come into possession of the land, provided the interest is disposed of at the earliest suitable opportunity, but not later than 18 months after acquisition.

The aggregate holdings of share capital and interests in land (including land that is necessary for conducting business or providing housing or amenities for staff), together with the aggregate unsecured facilities to directors (or related parties) of an authorized institution incorporated in Hong Kong SAR, may not at any time exceed 80% of the institution's capital base.

In banks by nonresidents

No person may become a majority shareholder controller, a minority shareholder controller, or an indirect controller of an authorized institution incorporated in Hong Kong SAR without HKMA approval. Any person who becomes such a controller must notify the HKMA within 14 days.

Open foreign exchange position limits

All authorized institutions must set internal limits on their open position in each foreign currency and their aggregate open position for all foreign currencies. No regulatory foreign exchange position limits are set out by the HKMA. However, locally incorporated authorized institutions are required to provide justification to the HKMA if their aggregate open foreign exchange position limits are higher than 25% of their capital base. Regarding the foreign banks' branches in Hong Kong SAR, the foreign exchange limits of such branches are monitored by their head offices and home supervisory authorities. However, a foreign bank's branches in Hong Kong SAR may be required to demonstrate the effectiveness of its risk management systems if its aggregate open foreign exchange position limit is higher than 5% of the bank's capital base. All authorized institutions are required to report their foreign exchange positions to the HKMA on a monthly basis.

Provisions specific to institutional investors

Insurance companies

Limits (min.) on investment portfolio held locally

There is no minimum limit on the amount that insurers may hold in investments in locally issued securities. However, insurers carrying on general (or non-life) insurance business locally, other than as professional reinsurers or captive insurers, are required to maintain assets in Hong Kong SAR to match their liabilities from such insurance business. The eligible assets are not limited to local securities and may be in the form of cash, bank deposits, or landed properties.

Currency-matching regulations on assets/liabilities composition

An insurer whose long-term (or life) business liabilities in any particular currency are not (fully) matched by assets in that currency must set up a prudent provision for such currency mismatch.

Pension funds

For the Mandatory Provident Fund (MPF) schemes, at least 30% of a constituent fund must be held in Hong Kong dollar-denominated currency investments, as measured by effective currency exposure.

Currency-matching regulations on assets/liabilities composition

Yes.

References to legal instruments and hyperlinks

Banking Ordinance; www.legislation.gov.hk/eng/index.htm; Insurance Companies Ordinance (Cap. 41): Requirement for Assets in Hong Kong and Assets That Qualify as Assets in Hong Kong under Section 25A and the Eighth Schedule of Cap. 41; Requirement for Currency Matching (or Reserve for Mismatch) under Section 6 of the Insurance Companies (Determination of Long-Term Liabilities) Regulation (Cap. 41E); www.oci.gov.hk; www.legislation.gov.hk/eng/home.htm; Mandatory Provident Fund Schemes Ordinance (Cap. 485); Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A); MPF Guidelines (Part III on Investment) and Codes (Code on MPF Investment Funds and Erratum to the Code on MPF Investment Funds).

Changes during 2006

Capital transactions

Controls on derivatives and other instruments

February 10. The position limits for stock option contracts were increased in response to the growth of the market.

Changes during 2007

Capital transactions

Controls on derivatives and other instruments

March 30. The position limits for futures and options contracts were increased from 6,000 contracts a futures contract month or options series to a combined limit of 12,000 contracts applicable to all futures contract months and options series.

HUNGARY

(Position as of June 30, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: January 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On July 13, 2006, Hungary notified the IMF of restrictions imposed for security reasons against (1) certain persons acting in violation of the arms embargo with respect to the Democratic Republic of the Congo, (2) certain persons impeding the peace process and breaking international law in the Darfur region of Sudan, (3) certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafik Hariri, and (4) President Lukashenko and certain officials of Belarus. These measures were taken in accordance with European Council regulations. Until November 15, 2006, Hungary maintained payments restrictions against Libya under Government Decree No. 164/1993.

Other security restrictions

Certain exchange restrictions are in place due to the direct effect and applicability of the relevant EU regulations. The freezing of funds and economic resources apply with respect to (1) former Yugoslav president Slobodan Milosevic and certain other natural persons; (2) certain persons, groups, and entities, with a view to combating terrorism; (3) persons and entities associated with Osama bin Laden, the Taliban, and Al-Qaida, or with Liberia's former president Charles Taylor; (4) Iraq, Myanmar, and Zimbabwe; (5) certain persons indicted by the International Criminal Tribunal for the Former Yugoslavia; (6) certain persons who constitute a threat to the peace and national reconciliation process in Côte d'Ivoire; and (7) the Democratic Republic of the Congo, Lebanon, Sudan, and the Syrian Arab Republic. European Council Regulation No. 3275/93 concerning Libya on the prohibition of satisfying claims with regard to contracts and transactions whose performance was affected by UN Security Council Resolution No. 883(1993) and related resolutions are still in force.

References to legal instruments and hyperlinks

All of the restrictive measures imposed by the EC are directly in effect and applicable in Hungary: http://ec.europa.eu/comm/external_relations/cfsp/sanctions/measures.htm; http://europa.eu/comm/external_relations/cfsp/sanctions/index.htm; Government Decree No. 164/1993.

Exchange Arrangement

Currency

The currency of Hungary is the Hungarian forint.

Exchange rate structure

Unitary.

Classification

Pegged exchange rate within horizontal bands

The Hungarian forint trades against the euro within a band of $\pm 15\%$ around the central parity, which is fixed to the euro at Ft 282.36 per €1.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

All banks may engage in forward transactions at exchange rates that are negotiated freely between the banks and their customers.

References to legal instruments and hyperlinks

n.a.

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Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Regional arrangements	Hungary is a member of the EU.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	Imports and exports of more than Ft 1 million or its equivalent in foreign currency must be declared to customs authorities when crossing the border. In accordance with Article 3 of Regulation No. 1889/2005/EC of the European Parliament and of the Council of the European Parliament and of the Council on Controls of Cash Entering or Leaving the Community, effective June 15, 2007, any natural person entering or leaving the European Community and carrying cash of a value of €10,000 or more must declare it to the relevant authorities of the member state through which the person is entering or leaving the Community. The obligation to declare will not have been fulfilled if the information provided is incorrect or incomplete.
On exports	Yes.
On imports	Yes.
References to legal instruments and hyperlinks	Article 3 of Regulation No. 1889/2005/EC of the European Parliament and of the Council of the European Parliament and of the Council on Controls of Cash Entering or Leaving the Community; http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:309:0009:01:EN:HTML .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Controls apply to deposits of funds (1) with nonresident financial institutions by an insurance company if such assets are to form part of its mathematical reserves and (2) in a current account with nonresident financial institutions by an insurance company if such assets are to form part of its security capital and technical reserves.
Accounts in domestic currency held abroad	Controls apply to deposits of funds (1) with nonresident financial institutions by an insurance company if such assets are to form part of its mathematical reserves and (2) in a current account with nonresident financial institutions by an insurance company if such assets are to form part of its security capital and technical reserves.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
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HUNGARY

Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	About 95% of Hungarian imports are liberalized. Licenses are required for a number of products, as well as for imports destined for the settlement of outstanding balances of debts.
Negative list	In accordance with EU regulations, no import licenses are required, except for certain products that are subject to quantitative restrictions, safeguard measures, or import surveillance. For agricultural products, the import licensing system is automatic and used only for statistical purposes. Imports of certain products (e.g., explosives and firearms, ammunition, dual-use goods, and certain drugs) are subject to licensing.
Licenses with quotas	In accordance with EU regulations, licenses are required with respect to a number of tariff quotas in the agricultural sector. In addition, licenses are required for certain imports subject to quantitative restrictions.
Other nontariff measures	Yes.
Import taxes and/or tariffs	Goods for personal use brought in by returning Hungarian travelers are subject to import duties in accordance with the EU Common Customs Tariff (CCT) based on the actual invoice price with a duty-free allowance of an amount equivalent to €175. For tobacco products, alcoholic beverages, perfumes, and medicinal products, quantitative limits apply. Goods imported into Hungary are subject to customs duties in accordance with the CCT.
State import monopoly	No.
References to legal instruments and hyperlinks	www.mkeh.gov.hu/jogszabalyok .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Exports of certain products (mainly military and dual-use goods) require a license.
Export taxes	No.
References to legal instruments and hyperlinks	www.mkeh.gov.hu/jogszabalyok .

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Controls may apply to the purchase of shares or other securities of a participating nature that may be affected by regulations on inward direct investment and establishment in air transport and in companies licensed to operate in international waters.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if such assets are to form cover for the technical provisions of an insurance company, unless the assets (1) were issued by (a) an OECD or EEA member state, (b) local or regional authorities of OECD or EEA member states, (c) economic operators established in an OECD or EEA member state, or (d) an international organization of which one or more OECD or EEA member states are members; and (2) are kept in the territory of OECD or EEA member states. Pension funds may purchase securities issued by nonresidents not exceeding 30% of their total investment portfolio.

Bonds or other debt securities

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if such assets are to form cover for the technical provisions of an insurance company, unless the assets (1) were issued by (a) an OECD or EEA member state, (b) local or regional authorities of OECD or EEA member states, (c) economic operators established in an OECD or EEA member state, or (d) an international organization of which one or more OECD or EEA member states are members; and (2) are kept in the territory of OECD or EEA member states. Pension funds may purchase securities issued by nonresidents not exceeding 30% of their total investment portfolio.

On money market instruments

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if such assets are to form cover for the technical provisions of an insurance company, unless the assets (1) were issued by (a) an OECD or EEA member state, (b) local or regional authorities of OECD or EEA member states, (c) economic operators established in an OECD or EEA member state, or (d) an international organization of which one or more OECD or EEA member states are members; and (2) are kept in the territory of OECD or EEA member states. Pension funds

HUNGARY

	may purchase securities issued by nonresidents not exceeding 30% of their total investment portfolio.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Controls apply to the purchase of securities issued by nonresidents if such assets are to form cover for the technical provisions of an insurance company, unless the assets (1) were issued by (a) an OECD or EEA member state, (b) local or regional authorities of OECD or EEA member states, (c) economic operators established in an OECD or EEA member state, or (d) an international organization of which one or more OECD or EEA member states are members; and (2) are kept in the territory of OECD or EEA member states. Pension funds may purchase securities issued by nonresidents not exceeding 30% of their total investment portfolio.
Controls on derivatives and other instruments	No.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Controls apply to credits and loans granted to nonresidents in the case of a mortgage loan based on real estate collateral situated outside Hungary and if it is to form part of the security capital of an insurance company.
Controls on direct investment	
Inward direct investment	Controls apply to investments in air or water transportation to the extent that the majority of licenses for domestic air transport and shipping licenses to operate in international waters are reserved for Hungarian-owned or -controlled companies. In addition, branches of nonresident investors are not allowed to provide asset management services to domestic compulsory private pension funds.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	Real estate investments by insurance companies must be localized in EEA or OECD countries. Mandatory and voluntary pension funds may invest only in real estate localized in the EEA.
Purchase locally by nonresidents	Yes.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Financial institutions must report monthly all foreign borrowing to the Magyar Nemzeti Bank (MNB), the central bank of Hungary, for statistical purposes.
Lending to nonresidents (financial or commercial credits)	Lending is allowed according to the following rules: (1) a bank may not have aggregate lending with an individual borrower of more than 25% of its adjusted capital; and (2) country risk rules prescribe the placement of specific reserves against possible losses on credits extended to problem countries, the list of which is based on the assessment of the MNB and published by the MOF. Medium- and long-term lending to nonresidents from OECD member countries may be effected freely.

HUNGARY

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

Nonresident liabilities with a maturity of less than two years (denominated in either forint or foreign currency) are subject to the same 5% reserve requirement as resident liabilities with a maturity of less than two years. Both resident and nonresident liabilities with maturities of more than two years are exempt from reserve requirements.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of securities issued by nonresidents if such assets are to form cover for the technical provisions of an insurance company, unless the assets (1) were issued by (a) an OECD or EEA member state, (b) local or regional authorities of OECD or EEA member states, (c) economic operators established in an OECD or EEA member state, or (d) an international organization of which one or more OECD or EEA member states are members; and (2) are kept in the territory of OECD or EEA member states. Pension funds may purchase securities issued by nonresidents not exceeding 30% of their total investment portfolio.

Limits (max.) on investment portfolio held abroad

Controls apply to (1) credits and loans granted to nonresidents in the case of a mortgage loan based on real estate collateral situated outside Hungary and if it is to form part of the security capital of an insurance company; (2) real estate investments by insurance companies unless the real estate is located in EEA or OECD countries; and (3) foreign assets constituting cover for the technical provisions of an insurance company unless the assets are kept in OECD or EEA member states.

Currency-matching regulations on assets/liabilities composition

Insurance companies are subject to these regulations.

Pension funds

Limits (max.) on securities issued by nonresidents

Pension funds may acquire securities issued by nonresidents not exceeding 30% of their investment portfolio.

Limits (max.) on investment portfolio held abroad

Pension funds may invest only in real estate located in EEA countries. Controls apply on foreign assets of pension funds exceeding 30% of their total investment portfolio.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

MNB Decree No. 10/2005 (VI. 11.) on the Calculation, the Method of Allocation and Placement of the Minimum Reserves; http://english.mnb.hu/engine.aspx?page=mnben_kotelezotartalekrendszer; Act LX of 2003 on Insurance Institutions and the Insurance Business; Government Decrees 281/2001 and 282/2001 on the Investment and Management of Pension Funds.

Changes during 2006

Exchange measures

July 13. Hungary notified the IMF of restrictions imposed for security reasons against (1) certain persons acting in violation of the arms embargo with respect to the Democratic Republic of the Congo, (2) certain persons impeding the peace process and breaking international law in the Darfur region of Sudan, (3) certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafik Hariri, and (4) President Lukashenko and certain officials of Belarus.

November 15. Payments restrictions against Libya based on Government Decree No. 164/1993 were eliminated.

HUNGARY

Changes during 2007

Arrangements for payments and receipts

June 15. Natural persons entering or leaving the Community and carrying cash of a value of €10,000 or more must declare it to the relevant authorities of the member state through which the person is entering or leaving the Community.

ICELAND

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 19, 1983.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) The authorities notified the IMF that certain restrictions have been imposed on financial transactions based on UN Security Council resolutions.

Other security restrictions In accordance with UN Security Council resolutions, restrictions are imposed on financial assets and transactions of Osama bin Laden, Al-Qaida, the Taliban, and other individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks Announcement No. 776 of October 2001.

Exchange Arrangement

Currency The currency of Iceland is the Icelandic króna.

Exchange rate structure Unitary.

Classification

Independently floating The external value of the króna is determined freely on the basis of supply and demand in the foreign exchange market.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Forward contracts may be negotiated freely in all currencies.

References to legal instruments and hyperlinks Act on the Central Bank of Iceland No. 36 of May 2001; www.sedlabanki.is.

Arrangements for Payments and Receipts

Prescription of currency requirements n.r.

Payments arrangements No.

Administration of control The Ministry of Commerce (MC) has ultimate responsibility for imports and, in consultation with the Central Bank of Iceland (CBI), for capital movements and foreign exchange regulation. The MC implements control on inward foreign direct investment. The CBI licenses foreign exchange dealers on a commercial basis and sets reporting requirements for statistical purposes.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) No.

ICELAND

Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	Act No. 87/1992 on Foreign Exchange; www.vidskiptaraduneyti.is .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	All accounts in domestic banks must be identified by name and identification number.
Held abroad	Residents should inform the CBI of the opening of bank accounts abroad. However, this requirement has not been enforced.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	n.r.
References to legal instruments and hyperlinks	Rules on the Obligation to Provide Information Regarding Foreign Exchange Transactions and Capital Movements Between Countries, No. 13, of January 1995; www.vidskiptaraduneyti.is .

Nonresident Accounts

Foreign exchange accounts permitted	Banks must report to the CBI the monthly positions of nonresident accounts. All accounts in domestic banks must be identified by name and identification number.
Domestic currency accounts	Yes.
Convertible into foreign currency	All accounts in domestic banks must be identified by name and identification number.
Blocked accounts	No.
References to legal instruments and hyperlinks	Rules on the Obligation to Provide Information Regarding Foreign Exchange Transactions and Capital Movements Between Countries, No. 13, of January 1995; www.vidskiptaraduneyti.is .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Imports of goods and services are permitted freely, except when international agreements or provisions in special legislation provide otherwise.
Negative list	Live animals and certain agricultural products require health certificates.
Open general licenses	Imports by tourists and foreign visitors are duty-free within general limits on the total value, as well as on individual merchandise value, and quantitative limits are set on alcohol and tobacco by the customs authorities.
Import taxes and/or tariffs	Yes.
State import monopoly	Tobacco may be imported only under state trading arrangements.

ICELAND

References to legal instruments and hyperlinks Act No. 87/1992 on Foreign Exchange; www.vidskiptaraduneyti.is.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

Documentation requirements No.

Export licenses

Without quotas Exports of military, fishery, and agricultural products require licenses from the Ministry of Foreign Affairs.

Export taxes No.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Foreign governments and other authorities are prohibited from issuing debt instruments in Iceland unless permitted by the CBI.

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

The purchase of shares or other equity capital may be affected by laws on foreign investment in Iceland.

Bonds or other debt securities

Purchase locally by nonresidents

Yes.

Sale or issue locally by nonresidents

Foreign governments and other authorities are prohibited from issuing debt instruments in Iceland unless permitted by the CBI.

ICELAND

On money market instruments

Sale or issue locally by nonresidents

Foreign governments and other authorities are prohibited from issuing debt instruments in Iceland unless permitted by the CBI.

On collective investment securities

Sale or issue locally by nonresidents

Foreign governments and other authorities are prohibited from issuing debt instruments in Iceland unless permitted by the CBI.

Controls on derivatives and other instruments

Sale or issue locally by nonresidents

Foreign governments and other authorities are prohibited from issuing debt instruments in Iceland unless permitted by the CBI.

Controls on credit operations

No.

Controls on direct investment

Inward direct investment

Controls apply to investments (1) exceeding ISK 250 million a year by a single investor, unless an authorization is granted; (2) raising above 25% the nonresident share of the total stock of investment in trade and services, aquaculture, communications, and manufacturing other than power-intensive industries, unless an authorization is granted; (3) that seriously reduce competition between enterprises in any sector or are otherwise likely to have an undesirable effect on the Icelandic economy; (4) by foreign states or state-owned enterprises, unless an authorization is granted; (5) in real estate, except by a legal entity that has acquired rights to conduct a business enterprise and provided the real estate is accompanied by only normal rights to land and does not include other rights, such as fishing or water exploitation rights; (6) in fishing and primary fish processing (i.e., excluding retail packaging and later stages of preparation of fish products for distribution and consumption); (7) in subsidiaries of foreign banks, and investment in domestic banks exceeding 25% of share capital; (8) in an air transport company exceeding 49% of share capital; and (9) including (a) acquisition of rights to natural resources or energy exploitation, and investment in energy production or distribution; and (b) ownership of Icelandic flag vessels except through an enterprise incorporated in Iceland.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

Ownership of real estate in Iceland is subject to the following conditions: (1) individual owners must have a domicile in Iceland; (2) in the case of unlimited companies, all owners must be Icelandic citizens; and (3) joint-stock companies must be registered in Iceland, with at least 80% ownership by Icelandic citizens, and all members of the board of directors must be Icelandic citizens. Icelandic citizens must control the majority of the voting power at annual meetings. The same conditions apply if real estate is to be leased for more than three years or if a lease agreement cannot be terminated with less than one year's notice. However, a company that is granted an operating license in Iceland may acquire real estate for its own use as long as the license does not include the right to exploit natural resources. Citizens of the EEA and other foreign citizens who have been domiciled in Iceland for at least five years are exempted from these restrictions. The minister of justice may grant others exemption from these requirements.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

Act No. 87/1992 on Foreign Exchange; www.vidskiptaraduneyti.is.

ICELAND

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Investment regulations

In banks by nonresidents

Controls apply to establishment of subsidiaries of foreign banks and investment in domestic banks exceeding 25% of share capital.

Open foreign exchange position limits

The CBI regulates the net foreign exchange positions of banks.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

Pension funds

Limits (max.) on securities issued by nonresidents

Portfolio investments of pension funds are restricted to listed securities in organized markets within OECD countries and in other markets approved by the Financial Supervisory Authority.

Limits (max.) on investment portfolio held abroad

n.a.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

Foreign exchange exposure of pension funds is limited to 50% of their total assets.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

Rules on Foreign Exchange Balance No. 318 of April 25, 2006; Act on Pension Funds No. 129/1997; www.sedlabanki.is.

Changes during 2006

No significant changes occurred in the exchange and trade system.

INDIA

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 20, 1994.

Exchange Measures

**Restrictions and/or multiple
currency practices**

The staff report for the 2006 Article IV consultation with India states that as of November 29, 2006, India maintained the following restrictions on the making of payments and transfers for current international transactions, which are subject to Fund approval under Article VIII, Section 2(a): restrictions related to the nontransferability of balances under the India-Russia debt agreement, restrictions arising from unsettled balances under inoperative bilateral payments arrangements with two Eastern European countries, and a restriction on the transfer of amortization payments on loans by nonresident relatives. (Country Report No. 07/63)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions Yes.

**References to legal instruments and
hyperlinks**

n.a.

Exchange Arrangement

Currency

The currency of India is the Indian rupee.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the rupee is determined in the interbank market. The Reserve Bank of India (RBI), which intervenes periodically in the interbank market, purchases and sells spot and forward U.S. dollars to and from ADs in the interbank market at the market exchange rate.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

ADs are allowed to deal forward in any permitted currency. The RBI may enter into swap transactions with ADs, under which it buys or sells spot U.S. dollars and sells or buys forward dollars for maturities available in the market.

A resident may enter into forward contracts with ADs to hedge against exchange risks. Outstanding forward contracts of importers and exporters booked on the basis of past performance must not exceed at any point in time 100% of the eligible limit, provided any amount in excess of 50%, effective December 13, 2006, (previously, 25%) of the eligible limit must be deliverable. The eligible limit is defined as the past three years' average of import or export turnover or the previous year's turnover, whichever is higher. A resident with an underlying contract may enter into a forward contract with an AD in India to hedge exposure to exchange risk to the full extent of such a contract.

ADs may provide forward exchange cover to foreign institutional investors (FIIs) up to the full extent of their investments in debt instruments and equities. FIIs may hedge the entire market value of their investments in equities. ADs may enter into forward contracts with residents outside India to hedge their investments made in India after January 1, 1993, subject to verification of exposure in India. ADs may also provide forward cover not exceeding six months to foreign direct investors to hedge their currency risk arising from

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proposed direct investments in India after ensuring that the foreign entity involved has completed all formalities and obtained the necessary approvals (where applicable) for the investment in India.

Nonresident Indians (NRIs) may enter into forward contracts with ADs to hedge the amount of dividends due to them or the balances held in their foreign currency nonresident (FCNR) accounts or nonresident external (NRE) accounts. They are also eligible to have forward cover with respect to their investments in portfolio investment schemes.

ADs may offer plain vanilla European forward options to customers who have genuine foreign currency exposures. All conditions applicable for booking, rolling over, and canceling forward contracts are applicable to options contracts. Only one hedge transaction can be booked against a particular exposure or part thereof for a given time period. Options contracts may not be used to hedge contingent or derived exposures, with the exception of exposures arising from the submission of tender bids in foreign exchange.

Residents with overseas direct investments in equities and loans may hedge against exchange risks arising from such investments. Effective December 13, 2006, ADs are allowed to provide forward cover to hedge the economic exposure of importers in the customs duty payable on imports. Effective February 8, 2007, ADs may allow FIIs to cancel and rebook forward contracts up to 2% of the market value of their entire investment in equity and/or debt in India. The limit for calculating the eligibility for rebookings is based on market value of the portfolio at the beginning of the financial year. Outstanding contracts must be supported by underlying exposure at all times. ADs have to ensure that (1) total forward contracts outstanding do not exceed the market value of portfolio and (2) forward contracts permitted to be rebooked do not exceed 2% of the market value as determined at the beginning of the financial year.

Official cover of forward operations

The Export Credit Guarantee Corporation of India, Ltd. (ECGCI) provides protection against exchange fluctuation for deferred receivables from the date of a bid up to 15 years after the award of a contract. Exchange cover is offered in Australian dollars, euros, yen, pounds sterling, Swiss francs, U.A.E. dirhams, and U.S. dollars. For payments specified in other convertible currencies, cover is provided at the discretion of the ECGCI.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

For prescription of currency purposes, countries are divided into two groups: (1) member countries of the ACU (except Bhutan and Nepal) and (2) the external group (all other countries). For the first group, all payments for eligible current international transactions, except payments relating to travel, must be settled through the ACU arrangement. In other cases, payments may be settled in any permitted currency. Export-import transactions financed with loans from international financial institutions are settled outside the ACU mechanism. Trade settlements are made through ACU dollar accounts, which are replenished through the RBI. Payments to countries in the second group may be made in rupees to the account of a resident of any of these countries or in any permitted currency, and receipts from these countries may be obtained in rupees from accounts of a bank situated in any of these countries or in any permitted currency. However, special rules may apply to exports under lines of credit extended by the government of India to the governments of certain foreign countries.

Controls on the use of domestic currency

n.a.

Use of foreign exchange among residents

Yes.

Payments arrangements

Regional arrangements

India is a member of the ACU.

Clearing agreements

Although Bhutan and Nepal are members of the ACU, trade with Bhutan and Nepal is settled outside the ACU mechanism. Subject to permission from the Nepal Rastra Bank, Nepalese

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residents may import from India against payment in freely convertible currency, in addition to the existing system of payment in Indian rupees; such payments must be effected through the ACU mechanism. Transactions with all other ACU member countries are settled through ACU dollar accounts.

Administration of control

Exchange management is administered by the RBI in accordance with the Foreign Exchange Management Act (FEMA) of 1999 and the general policy established by the government, in consultation with the RBI. Much of the routine work of exchange control is delegated to ADs. Import and export licenses, where necessary, are issued by the director general of foreign trade.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

There are no restrictions on internal trade in gold. However, gold mines continue to sell gold to industrial users through the distribution network of the State Bank of India, as well as through market sales. In addition to four agencies authorized by the government, 18 banks are authorized by the RBI to import gold for sale in the domestic market.

On external trade

There are no restrictions on the export of gold from India. A few designated agencies, banks approved by the RBI, 100% export-oriented units, and units in special economic zones that are in the gem and jewelry business are permitted to directly import gold. NRIs entering India are also permitted to bring in gold bars and coins in accordance with applicable rules. Other guidelines regarding the export and import of gold are governed by the Foreign Trade Policy of the government of India.

Controls on exports and imports of banknotes

On exports

Domestic currency

In general, the export of rupee notes and coins, except to Bhutan and Nepal, is prohibited. Exports of rupee notes to Bhutan or Nepal in denominations higher than Rs 100 are also prohibited. However, residents going abroad on a temporary visit may take with them Indian currency notes not exceeding Rs 5,000 a person to countries other than Bhutan and Nepal.

Foreign currency

An authorized person may transfer abroad foreign currency acquired in the normal course of business. Any person may take out foreign exchange obtained from an authorized person and any unspent foreign currency owned or brought in during a previous visit for permissible transactions. Nonresidents may take out unspent foreign exchange up to the aggregate value of foreign exchange declared on the customs declaration form at the time of arrival.

On imports

Domestic currency

The importation of rupee notes and coins is prohibited. However, a person may bring in rupee notes (other than notes of denominations larger than Rs 100) from Bhutan and Nepal. Individuals returning from a visit from places other than Bhutan and Nepal may bring in up to Rs 5,000 a person if they took out this amount on their departure from India.

Foreign currency

Foreign exchange may be brought in without limit, provided the total amount is declared to the customs authorities on arrival if the value of foreign notes, coins, and traveler's checks exceeds US\$10,000 or its equivalent and/or if the aggregate value of foreign currency notes brought in at any one time exceeds US\$5,000 or its equivalent.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Approval of the RBI is required for the opening of foreign currency accounts, held either domestically or abroad, except for those covered by general permission granted by the RBI. Effective November 11, 2006, exchange earners may open exchange earners' foreign currency (EEFC) accounts and credit these accounts with up to 100% of their foreign exchange earnings. These accounts are to be held only as non-interest-bearing accounts, and

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no credit facility, be it funded or nonfunded, may be made available against the balances. These accounts may be used for all bona fide transactions. EEFC account balances may be used for trade-related loans to overseas importers. Returning resident individuals may open foreign currency accounts designated as resident foreign currency (RFC) accounts with foreign exchange from pensions or other payments from overseas employers or with other receipts, such as gifts or inheritances, that are permitted under the regulations. Proceeds of life insurance claims may be credited to RFC accounts. The balances held in such accounts may be used freely outside India.

Held domestically

Resident individuals are permitted to maintain resident foreign currency domestic (RFCD) accounts with an AD. These accounts, which are non-interest-bearing, may be credited with foreign exchange from the following sources: (1) exports of goods or services, (2) gifts or honoraria while abroad, (3) legal transactions with nonresidents in India, (4) remaining balances from travel abroad, and (5) proceeds of life insurance claims settled in foreign currency. As long as the foreign exchange is acquired by one of these means, there is no overall limit on the account balance. The balance may be used for any purpose permissible under current foreign exchange regulations applicable to residents.

Approval required

Yes.

Held abroad

Resident individuals may open and maintain foreign currency accounts abroad, which may be used to remit up to the equivalent of US\$50,000 a financial year for any current or capital account transactions or a combination of both. Specific approval is required for remittances in excess of this limit and for other transactions. Effective January 8, 2007, ADs, the Export-Import Bank (EXIM Bank), and the RBI working group may permit exporters to open, maintain, and operate one or more foreign currency accounts in the currency of their choice with interproject transferability of funds in any currency or country. The monitoring of the interproject transfer of funds is done by those issuing the permit. Exporters may deploy their cash surpluses generated outside India in (1) investments in short-term paper abroad, including treasury bills and other monetary instruments with a maturity or remaining maturity of one year or less and with a rating of least A-1/AAA by Standard & Poor's or P-1/Aaa by Moody's Investors Service or F1/AAA by Fitch, IBCA, etc.; and (2) deposits with branches/subsidiaries outside India of an AD Category-I bank in India.

Approval required

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

<http://rbidocs.rbi.org.in/rdocs/notification/PDFs/74798.pdf>.

Nonresident Accounts

Foreign exchange accounts permitted

FCNR (B) accounts denominated in U.S. dollars, euros, yen, Canadian dollars (effective July 1, 2006), Australian dollars (effective July 1, 2006), and pounds sterling may be opened and held by persons of Indian nationality or origin. These accounts may be opened only in the form of term deposits with a minimum maturity of one year and a maximum maturity of five years (effective July 1, 2006). Balances may be repatriated at any time without reference to the RBI. Diplomatic missions, diplomatic personnel, and nondiplomatic staff who are the nationals of concerned foreign countries and hold official passports of foreign embassies are permitted to open foreign currency accounts with ADs without the approval of the RBI, subject to certain conditions. Accounts related to all foreign countries other than Bhutan and Nepal are treated as nonresident accounts. NRIs located in Nepal or Bhutan may also open such accounts, provided they are funded with permitted foreign exchange.

Domestic currency accounts

Yes.

Convertible into foreign currency

Diplomatic missions and their personnel and family members may open rupee accounts with ADs.

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NRIs and nonresident persons of Indian origin (PIOs) are permitted to maintain nonresident external rupee (NRE) accounts. Overseas corporate bodies are not allowed to open new NRE accounts. Balances in such accounts are freely convertible into foreign currency. Opening such accounts in the name of Pakistan or Bangladesh nationals, even if they are of Indian origin, requires RBI approval.

Blocked accounts

No.

References to legal instruments and hyperlinks

www.rbi.org.in/scripts/notificationuser.aspx.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Minimum financing requirements

n.a.

Advance payment requirements

Effective March 2, 2007, ADs may allow advance remittance without any limit and without a bank guarantee or standby letter of credit by an importer (other than a public sector company or a department/undertaking of the government of India/state governments), for the import of rough diamonds into India from certain mining companies.

Advance import deposits

n.a.

Documentation requirements for release of foreign exchange for imports

Documentary evidence is required for foreign exchange payments for imports exceeding the equivalent of US\$100,000. Further, ADs are required to notify the RBI regarding the nonsubmission of evidence for imports valued at US\$100,000 or higher. If the amount of the transaction is less than US\$1 million, ADs are permitted to accept either (1) the exchange control copy of the bill of entry for home consumption or (2) a certificate from the chief executive officer or an auditor of the importing company stating that the goods for which payments have been made were imported into India, where the importing company is listed on a stock exchange in India and has a net worth of at least Rs 1 billion on the date of the last audited balance sheet, or is an entity of the government of India or a public sector company or entity whose accounts are audited by the comptroller and auditor general of India. Effective February 28, 2007, a credit report on the overseas supplier (where the import documents are received directly) need not be obtained when the invoice value does not exceed US\$100,000, provided the ADs are satisfied about the bona fides of the transaction and track record of the importer.

Domiciliation requirement

n.a.

Preshipment inspection

n.a.

Letters of credit

n.a.

Import licenses and other nontariff measures

Imports of capital goods have been liberalized. Under the Duty-Free Credit Entitlement Certificate, service providers and hotels may import duty-free 10% and 5%, respectively, of foreign exchange earned. Under the Export Promotion Capital Goods Scheme, (1) imports of secondhand capital goods are permitted without restriction on age, (2) imports of capital goods utilized for the export of agricultural products are permitted at zero duty rates, (3) transfers of capital goods to groups of companies and managed hotels are permitted, and (4) installation certificates are no longer required for movable capital goods in the service sector.

Positive list

The importation of the following is restricted: (1) certain specified precious, semiprecious, and other stones; (2) safety, security, and related items; (3) seeds, plants, and animals; (4) insecticides and pesticides; (5) drugs and pharmaceuticals; (6) chemicals and related items; (7) some consumer goods and miscellaneous items; (8) items relating to the small-scale sector; (9) communication equipment and scientific instruments; (10) metallic waste and scrap; and (11) ammunition.

Negative list

The importation of the following is prohibited: tallow, fat, and/or oils rendered or unrendered of any animal origin; animal rennet; wild animals (including their parts and products); and ivory. Imports of arms and related materials from Iraq are prohibited.

Other nontariff measures

Yes.

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Import taxes and/or tariffs

Effective April 1, 2007, peak import tariff rates for nonagricultural products are 12.5% to 10%. Other changes in import duties include (1) reduction in duty on most chemicals and plastics, from 12.5% to 7.5%; (2) reduction in duty on seconds and defectives of steel, from 20% to 10%; (3) reduction in duty on polyester fibers and yarns, from 10% to 7.5%; (4) reduction in duty on certain raw materials, from 10% to 7.5%; (5) reduction in duty on cut and polished diamonds, from 5% to 3%; (6) on rough synthetic stones, from 12.5% to 5%; (7) reduction in duty on unworked corals, from 30% to 10%; (8) reduction in duty on drip irrigation systems, agricultural sprinklers, and food processing machinery, from 7.5% to 5%; (9) reduction in duty on medical equipment to 7.5%; (10) exemption from additional CV duty of 4% for crude and refined edible oil; and (11) reduction in duty from 7.5% to 5% on 15 specified machines for the pharmaceutical and biotechnology sector. Effective March 1, 2006, import duties were reduced as follows: (1) to 7.5% from 10% on primary and semifinished forms of (a) ferro-alloys and other alloy steel, (b) aluminum, (c) copper, (d) zinc, (e) tin, (f) base metals, (g) calcined alumina, and (f) ashes and residues of copper and zinc; (2) to 7.5% from 10% on refractories and specified raw material for refractions; (3) to 2% from 5% on ores and concentrates, styrene, ethylene dichloride, vinyl chloride monomer, and para xylene; (4) to 5% from 10% on naphtha and petroleum coke; (5) to 10% from 15% on basic inorganic chemicals, such as halogen, sulphur, carbon, and hydrogen; (6) to 5% from 10% on specified organic chemicals; (7) to 5% from 10% on polymers of ethylene, propylene, styrene, and vinyl chloride; and (8) to 10% from 15% on manmade fibers, filament yarns, PTA, MEG, DMT, caprolactum, vinyl acetate monomer, butyl rubber, two-vinyl pyredine, metallurgical-grade silicon, borax and boric acid, and potassium chloride.

State import monopoly

The importation of certain items such as wheat and meslin, soybeans, nitrogenous fertilizers, industrial monocarboxylic fatty acids, acid oils from refining, and industrial fatty alcohols is channeled through agencies such as the Minerals and Metals Trading Corporation of India, Ltd., State Trading Corporation of India, Ltd., the Food Corporation of India, and the Hindustan Vegetable Oil Corporation.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

Proceeds must be repatriated within six months of shipment unless otherwise specified by the RBI. Indian-owned warehouses abroad established with the permission of the RBI are allowed for a period of up to 15 months to realize export proceeds. Exporters are required to obtain permission from an AD if the export proceeds are not realized within the prescribed period. The RBI also administers a scheme under which engineering goods (capital goods and consumer durables) may be exported under deferred credit arrangements, so that the full export value is paid in installments over more than six months. Status-holder exporters, 100% export-oriented units, and units in electronic hardware technology parks, software technology parks, and biotechnology parks may realize export proceeds within 12 months from the date of shipment. Effective January 8, 2007, exporters executing turnkey/construction contracts are not required to recover the market value of equipment/machinery if it is used for another overseas project. Effective February 28, 2007, software companies or firms do not have to repatriate 30% of the contract value of on-site contracts.

Surrender requirements

Surrender to authorized dealers

Effective November 30, 2006, exporters are permitted to retain up to 100% (previously, 50%) of foreign exchange receipts in foreign currency accounts with banks in India. Effective February 28, 2007, ADs may extend the period of realization of export proceeds beyond six months from the date of export, up to a period of six months at a time, irrespective of the invoice value of the export, subject to conditions. Effective February 28, 2007, exporters may write off outstanding export dues up to (1) 5% of their average annual realization during the preceding three financial years or (2) 10% of the export proceeds due during the financial year, whichever is higher. Effective February 28, 2007, ADs may allow reduction in the export invoice value up to 25% of the invoice (previously, 10%), subject to conditions.

Financing requirements

n.a.

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Documentation requirements

Letters of credit	n.a.
Guarantees	n.a.
Domiciliation	n.a.
Preshipment inspection	n.a.
Other	Exports of goods and software in amounts exceeding the equivalent of US\$25,000 must be declared.

Export licenses

Export licenses are required for restricted items, which include (1) dress materials and ready-made garments, and fabrics and textile items with imprints of excerpts or verses of the Koran; (2) live animals and animal parts; (3) seeds and silkworms, silkworm seeds, and silkworm cocoons; (4) residues and waste from the food industry, and prepared animal fodder; (5) sand and soil; (6) certain ores and fertilizers; (7) certain pharmaceutical products derived from human blood; (8) waste paper; (9) vintage motor cars and motorcycles and their parts and components; and (10) special chemicals, organisms, materials, equipment, and technologies.

Without quotas	n.a.
With quotas	n.a.

Export taxes

Other export taxes	Export duties apply as follows: (1) snakeskin, raw fur, lambskin, 10%; (2) tanned leather, cycle saddle leathers, hydraulic/packing and belting/washer leathers, picking band leathers, and strap/combing leathers, 15%; (3) leather for luggage, cases, and handbags, 25%; and (4) other hides, skins, and leathers, tanned and untanned, excluding manufactures, 60%. A duty of Rs 300 a metric ton is levied on exports of iron ores and concentrates and Rs 2,000 a metric ton on exports of chromes and concentrates.
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References to legal instruments and hyperlinks	n.a.
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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Residents may obtain foreign exchange for bona fide permissible current account transactions.
Investment-related payments	Remittances are allowed, subject to certain conditions, provided all current taxes and other liabilities have been cleared. Branches of foreign companies operating in India may remit profits to their head offices without the prior approval of the RBI, subject to payment of applicable tax and other liabilities.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Quantitative limits</i>	The limits are the equivalent of US\$10,000 a financial year and US\$25,000 a trip for personal and business travel, respectively, regardless of the length of stay. No such limits apply on payments made with an international credit card (ICC). Foreign exchange is not made available for travel to Bhutan or Nepal or for transactions with residents of these countries.
<i>Indicative limits/bona fide test</i>	ADs may release foreign exchange beyond indicative limits, where applicable, with the prior approval of the RBI, on verification of purpose.
Personal payments	
<i>Quantitative limits</i>	Thirteen types of personal expenses are subject to limits, and amounts exceeding these limits require RBI approval. ADs are authorized to release foreign exchange for medical costs on the basis of declarations, without supporting documents. ADs may remit abroad up to the equivalent of US\$100,000 a year for various purposes, such as employment abroad, emigration, maintenance of close relatives abroad, or education abroad. Higher amounts may be

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permitted by ADs on the basis of documented estimates with the prior approval of the RBI. Students, like other NRIs, may transfer up to US\$1 million from personal accounts maintained with an AD.

ADs may allow nonresidents to remit up to the equivalent of US\$1 million a financial year for any purpose, subject to payment of appropriate taxes. ADs may effect remittances of up to US\$1 million a project toward consultancy services procured abroad, subject to documentary requirements.

Foreign workers' wages

Quantitative limits

Foreign workers are permitted to remit their entire net salaries to their own countries to pay insurance premiums, to support their families, and for other expenses, subject to the payment of applicable taxes.

Indicative limits/bona fide test

Yes.

Credit card use abroad

Persons going abroad may use ICCs for all purposes, including for the purchase of articles for personal use, subject to the limits established by the card provider. The basic travel quota may also be obtained through the use of credit cards. The use of ICCs is allowed for imports of books, computer software, and other items through the Internet, with the exception of prohibited items, such as lottery tickets, sweepstakes participation, banned or proscribed subscriptions, and payments for call-back services. Debit and automated teller machine cards may be used for any purpose for which foreign exchange may be purchased from an AD.

Indicative limits/bona fide test

Yes.

Other payments

Residents are allowed to remit without prior RBI approval health insurance premiums, commissions on sales of property, proceeds of short-term credit to overseas offices of Indian banks, foreign television advertising fees, royalties, and franchise fees.

Quantitative limits

Yes.

Indicative limits/bona fide test

Yes.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Proceeds must be repatriated.

Surrender requirements

Surrender to authorized dealers

Effective November 11, 2006, a person resident in India is permitted to open and maintain with an AD a foreign currency account, known as an exchange earner's foreign currency (EEFC) account, to credit up to 100% (previously, 50%) of their foreign exchange earnings.

Restrictions on use of funds

n.a.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

Effective December 20, 2006, resident individuals may remit up to the equivalent of US\$50,000 (previously, US\$25,000) a financial year for any permissible current or capital transactions, or a combination of the two.

Repatriation requirements

n.a.

Surrender requirements

n.a.

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Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

FIIIs are permitted to make investments in all securities traded on the primary and secondary markets, including equities and other securities, and in instruments of companies listed or to be listed on the stock exchanges in India other than print media companies. FIIIs are also allowed to invest in dated government securities, either on behalf of clients or by using proprietary funds. FIIIs are required to register with the Securities and Exchange Board of India (SEBI). FIIIs are required to restrict their investments in equity and debt instruments to a ratio of 70% to 30%. However, FIIIs may also set up 100% debt funds that may invest solely in debt instruments within the overall approved debt ceiling. Portfolio investments in the primary or secondary markets are subject to a ceiling of 10% of the issued share capital for individual FIIIs/subaccounts holdings and 24% (this ceiling may be raised to sectoral ceilings as applicable, provided the board of directors of the company concerned passes a resolution and the general body of the company passes a special resolution) of issued share capital for the total holdings of all registered FIIIs/subaccounts in any one company, with the exception of investments through offshore single and regional funds, global depository receipts (GDRs), and convertibles in the euro market.

Under the portfolio investment scheme, the individual ceiling for NRIs and PIOs is 5% of the paid-up capital, and their aggregate investment ceilings are 10% of the paid-up share capital of a company. The ceiling may be raised to 24% of paid-up capital by the passage of a special resolution at the general meeting of the company.

Sale or issue locally by nonresidents

Securities of Indian companies held by nonresidents may be sold on the stock exchange. Transfers to a resident under a private arrangement also do not require RBI permission and may be allowed by the authorized banks, provided there is compliance with the requirements for concluding such transactions. Transfers of sale proceeds are permitted, subject to tax, provided no controls were imposed on the repatriation of sale proceeds in the approval of the original investment. Transfers between two nonresidents do not require permission from the RBI, except where the recipient has a financial or technical collaboration in the same field as the company whose shares are being transferred. Transfers from NRIs and PIOs to nonresidents other than NRIs and PIOs may not be carried out under the general permission.

Purchase abroad by residents

General permission has been granted by the RBI to residents to hold, own, transfer, or invest in foreign currency or foreign securities outside India, if the currency or security was acquired or held by the person while residing outside India, was received through an inheritance or as a gift from a person who was residing outside India, or was acquired during the pre-zero period (i.e., prior to July 8, 1947). ADs are authorized to approve remittances by resident employees of foreign companies and their joint ventures or wholly owned subsidiaries, in which the foreign company holds not less than 51% equity either directly or indirectly for acquisitions of shares of the foreign company under an employee stock option scheme, subject to certain conditions.

Resident individuals may make equity investments in companies listed abroad in recognized stock exchanges up to the overall limit of US\$50,000 a financial year under the Liberalized Remittance Scheme (LRS). Resident corporations may invest up to 25% of their net worth in portfolio investments in shares of listed companies that have at least a 10% stake in a listed Indian company.

Sale or issue abroad by residents

The regulations governing purchases abroad by residents apply.

Bonds or other debt securities

Purchase locally by nonresidents

Effective March 31, 2007, the cumulative debt investment limit for the FIIIs/subaccounts is US\$3.2 billion (previously US\$2 billion). This ceiling applies only to government securities and treasury bills and excludes corporate debt, which is subject to a ceiling of US\$1.5 billion. This limit excludes investment by FIIIs in IPDI and Upper Tier II Instruments raised in Indian rupees, which are subject to a separate ceiling of US\$500 million.

Sale or issue locally by nonresidents

Yes.

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Purchase abroad by residents	Under the LRS, resident individuals are allowed to remit up to the equivalent of US\$50,000 a financial year for any current and/or capital transaction.
Sale or issue abroad by residents	Convertible bonds in foreign currency may be issued up to the equivalent of US\$500 million a financial year through the automatic route without RBI approval.
On money market instruments	
<i>Purchase locally by nonresidents</i>	NRIs are allowed to invest in money market mutual funds floated by commercial banks and public or private sector financial institutions with authorization from the SEBI on a repatriation basis.
<i>Sale or issue locally by nonresidents</i>	These transactions require RBI approval.
<i>Purchase abroad by residents</i>	Residents are not allowed to purchase these instruments abroad without RBI approval.
<i>Sale or issue abroad by residents</i>	These transactions are not permitted.
On collective investment securities	Resident companies require general or specific permission from the RBI to issue securities to NRIs.
<i>Purchase locally by nonresidents</i>	These transactions by FIIs do not require prior approval by the RBI.
<i>Sale or issue locally by nonresidents</i>	The issuing of collective investment securities by nonresidents on local markets in India is permitted subject to certain conditions.
<i>Purchase abroad by residents</i>	Mutual funds in India with at least 10 years of operation may invest in overseas securities such as global depository receipts by Indian companies, equity of overseas companies, and foreign debt securities in countries with fully convertible currencies, within an overall limit of US\$3 billion.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	ADs may offer forward or option contracts to nonresidents outside India to hedge their direct investments that were made in India after January 1, 1993, subject to verification of exposure in India. FIIs may hedge the market value of their entire investment in equity or debt. NRIs may hedge the dividends due to them, balances held in FCNR and NRE accounts, and portfolio investments. FIIs and NRIs may trade in all exchange-traded derivative contracts that have been approved by the SEBI, subject to prescribed limits. FIIs and NRIs may also invest in these contracts using rupee funds held in India on a nonrepatriable basis, subject to the limits prescribed by the SEBI.
Sale or issue locally by nonresidents	These transactions are not allowed.
Purchase abroad by residents	ADs are allowed to purchase hedge instruments for corporate clients that have borrowed foreign exchange and for their own asset and liability management. Exporters and importers are also allowed to hedge price exposures on commodities for this purpose. Residents may remit US\$50,000 in a financial year for any current or capital transactions or a combination of the two.
Controls on credit operations	All corporations registered under the Companies Act, except financial intermediaries such as banks, nonbank financial companies, housing finance companies, and other financial institutions, are eligible to raise funds through commercial borrowing from overseas lenders, subject to certain RBI guidelines.
Commercial credits	
<i>By residents to nonresidents</i>	A commercial credit of up to six months is allowed for exports on documents-against-acceptance terms. Contracts for exports involving payments to be realized beyond the normal period of six months, or one year as the case may be, are treated as deferred payment exports. Such exports are permitted, depending on the credit terms offered, the commodity to be exported, and other related considerations. This applies for turnkey, construction, and service contracts undertaken by Indian exporters on credit terms. Under the Buyer's Credit Scheme, the EXIM Bank offers credits to foreign buyers in connection with the export of capital goods and turnkey projects in India in participation with commercial banks in India. An Indian exporter may lend without restriction from the funds held in an EEFC account

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for trade-related purposes to an overseas importing customer against a bank guarantee. Other transactions require prior permission from the RBI.

To residents from nonresidents

Trade credits up to one year for noncapital goods and less than three years for capital goods are available up to US\$20 million for an import transaction; ADs are permitted to guarantee such trade credits. Trade credits (buyer credits, supplier credits) exceeding US\$20 million for financing imports of goods and services for a period less than three years are considered by the RBI, subject to certain conditions.

Financial credits

By residents to nonresidents

An Indian entity may lend in foreign exchange to its wholly owned subsidiary or joint venture abroad. Indian companies are permitted to extend foreign currency loans for personal purposes to employees of their branches outside India. Effective January 31, 2007, banks may not grant loans to depositors in India and abroad against the security of NRE of FCNR accounts.

To residents from nonresidents

The maximum amount of ECB credit that a corporation can engage in under the automatic route is the equivalent of US\$500 million in a financial year. All corporations registered under the Companies Act (except banks, financial institutions, housing finance companies, and nonbank financial companies) may borrow abroad up to the equivalent of US\$20 million for loans of a minimum three years' average maturity and up to US\$500 million for loans of more than five years' average maturity under the automatic route without RBI approval. Borrowing with an average maturity of three to five years is subject to a maximum spread of 200 basis points over the six-month LIBOR of the currency in which the loans are raised or the applicable benchmark(s), and borrowing with more than five years' average maturity is subject to a maximum spread of 350 basis points.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

ADs are allowed to give performance bonds or guarantees in favor of overseas buyers for bona fide exports from India, as well as guarantees in the ordinary course of business for missing documents or authenticity of signatures and for other similar purposes. The RBI has granted general permission to agents of foreign shipping and airline companies to give guarantees on behalf of their companies for any debt or other obligation—such as income tax, customs, or postage—to any central or state government agency in India.

Banks are not permitted to issue a guarantee, standby LC, or letter of comfort of undertaking on behalf of their constituents in favor of an overseas lender to access external commercial borrowings or financial credit. However, banks are permitted to issue the same instruments in favor of an overseas lender on behalf of their importer constituents for trade credits (i.e., buyer or supplier credit for import of noncapital goods) for up to a year and capital goods for a period of less than three years and up to the equivalent of US\$20 million an import transaction, without prior RBI approval.

To residents from nonresidents

The RBI has permitted ADs to grant loans to residents against guarantees from nonresidents, subject to, among other things, the condition that no direct or indirect payment is made abroad by way of guarantee, commission, or otherwise.

Controls on direct investment

Outward direct investment

Indian companies and registered partnerships acquiring foreign companies or investing directly abroad in joint ventures or wholly owned subsidiaries may invest up to 200% of their net worth through the automatic route. Indian corporations may fund overseas direct investments in joint ventures or wholly owned subsidiaries with external commercial borrowing. Financial entities investing abroad in any activity must also obtain approval from the regulatory authorities concerned in India and abroad. For the purpose of investing abroad, Indian companies may purchase foreign exchange up to 200% of their net worth as of the date of their last audited balance sheet. Indian corporations are also permitted to utilize proceeds of ECB credits for investments in joint ventures or wholly owned subsidiaries abroad. Companies may invest 200% of the proceeds of their ADR and GDR issues for acquisition of foreign companies and direct investment in joint ventures and wholly owned subsidiaries. Companies may also invest by way of share swap transactions, subject to prior approval by the Foreign Investment Promotion Board (FIPB). This route is not available for investments in Pakistan. The annual limit for rupee investments in Bhutan and Nepal under

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the automatic route is 200% of net worth. Investment in Bhutan is also permitted in freely convertible currencies.

Any Indian company that has issued ADRs or GDRs may acquire shares of foreign companies engaged in the same area of core activity up to 10 times their annual exports. Indian corporations and partnership firms may invest in agricultural activity abroad (including purchase of land directly, rather than through a joint venture or wholly owned subsidiary) within the limit for investment under the automatic route.

Resident employees of a foreign company's office, branch, or subsidiary in India in which the foreign company holds not less than 51% equity, either directly or indirectly, may invest under an employee stock option plan without limit, subject to certain conditions.

Inward direct investment

Foreign direct investment (FDI) up to 100% is allowed under the automatic route in most sectors. In some sectors, less than 100% is allowed (private sector banks; insurance, telecommunications, single-brand product retailing (effective February 10, 2006, 5% with prior government approval); stock exchanges; print media; asset reconstruction companies; broadcasting; defense production; investing companies in infrastructure/services sector (except the telecom sector); satellites; and air transport services). There are other exclusions, such as industrial licensing and locational policies. FDI is not permitted in retail trade (except single-brand retailing), lotteries, gambling, atomic energy, housing and real estate, and agriculture (excluding floriculture, horticulture, development of seeds, animal husbandry, pisciculture, and the cultivation of vegetables, mushrooms, etc., under controlled conditions and services related to agriculture and allied sectors), and plantations, except tea plantations. Foreign companies are allowed to establish branch offices or units in special economic zones to undertake manufacturing and service activities.

FDI in nonretail trading companies requires registration with the Ministry of Commerce and Industry and acquisition of a certificate on a trading company's status as an export trading, star trading, or superstar trading house. The automatic route permits foreign investment of up to 51% of the paid-up capital of such Indian companies.

Foreign investment in print media requires registration with the Ministry of Information and Broadcasting and is subject to the following restrictions: (1) foreign investment in companies engaged in the publication of news or current affairs may not exceed 26%; and (2) foreign investment in other print media may not exceed 74% of the paid-up capital of the company, including all foreign direct and indirect investment; NRI, PIO, or FII investment; and investment on a repatriation or nonrepatriation basis.

FDI in the insurance sector requires a license from the Insurance Regulatory and Development Authority.

Applications for investment in areas that do not fall within the automatic route but that are covered by the foreign investment policy, require FIFB approval. Such investments may be approved in accordance with sector-specific guidelines and sectoral equity ceilings. The Department of Economic Affairs of the North Block is the relevant agency for all FDI proposals, other than by NRIs and proposals in single-product retailing. The latter are granted approval by the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry. General permission has also been granted to foreign venture capital investors who have obtained permission under FEMA from the RBI and are registered with the SEBI to invest in an Indian venture capital undertaking or a venture capital fund. Effective December 22, 2006, foreign investment up to 49% is allowed in stock exchanges, depositories, and clearing corporations, with the prior approval of the FIFB. Effective February 10, 2006, FDI is allowed up to 100% in (1) distillation and brewing of potable alcohol; (2) manufacture of industrial explosives; (3) manufacture of hazardous chemicals; (4) manufacturing activities located within 25 kilometers of the standard urban area limits that require an industrial license under the Industries Development and Regulation Act, 1951; (5) setting up greenfield airport projects; (6) laying natural gas/liquid natural gas (LNG) pipelines, market study and formulation, and investment financing in the petroleum and natural gas sector; (7) cash and carry wholesale trading and export trading; (8) coal and lignite mining for captive consumption; (9) setting up infrastructure relating to marketing in the petroleum and natural gas sector; (10) exploration and mining of diamonds and precious stones; and (11) the petroleum and national gas retail industry. Also effective that date, the requirement that 26% of foreign equity be diverted to business-to-business e-commerce has been eliminated. Effective April 19, 2007, FDI in certain telecom services was raised to 74% from 49%.

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NRIs may use funds derived from fresh remittances or held in their NRE or FCNR accounts to (1) make portfolio investments with repatriation benefits of up to 5% of the capital, provided their total holdings of shares and convertible debentures held under the Package Scheme of Incentives do not exceed 10% (extendable to 24% if the general meeting of the investing company passes a special resolution) of the paid-up capital of the company or of the total paid-in value of each series of convertible debentures issued by the company; (2) invest freely in national savings certificates with full repatriation benefits. Existing joint-venture companies may raise the ratio of foreign equity shares to prescribed percentages of their capital through expansion of their capital base or through preferential allocation of shares to the foreign investor; and (3) invest on a nonrepatriable basis in money market mutual funds (only NRIs), subject to RBI approval. Outstanding external commercial borrowing and lump-sum fees and royalties may be converted into equity without RBI prior approval.

Controls on liquidation of direct investment

Shares may be sold freely on the stock exchange and the sale proceeds repatriated. However, other sales of shares, securities, or immovable property may be allowed by authorized banks after complying with preconditions prescribed by the RBI. Prior approval of the RBI is required only in the case of sales of shares in financial sector companies or in cases where preconditions and norms have not been fulfilled. Repatriation of after-tax sales proceeds is generally permitted, provided no condition of nonrepatriation was imposed when the original investment was approved.

Controls on real estate transactions

These transactions require the permission of the RBI.

Purchase abroad by residents

Residents may hold, own, or transfer immovable property outside India, provided such property was acquired while the person resided outside India or was obtained through an inheritance or as a gift. That person is also free to dispose of such property or acquire new property from the sale proceeds of such property. Residents may buy immovable property abroad using RFC accounts.

Effective December 20, 2006, residents may acquire property abroad using a personal remittance up to the equivalent of US\$50,000 (previously, US\$25,000) a financial year. General permission has been granted to Indian companies that have established offices abroad to acquire immovable property abroad for their business use and for staff residences.

Purchase locally by nonresidents

NRIs may invest in companies engaged in real estate development (e.g., construction of houses). ADs and housing companies may extend loans to NRIs and PIOs for acquiring residences in India.

Sale locally by nonresidents

Repatriation of after-tax sales proceeds is permitted up to the amount brought in to purchase the property subject to certain conditions. ADs may allow remittances of up to the equivalent of US\$1 million a year—subject to the payment of applicable taxes—for sales of immovable property. Effective November 16, 2006, proceeds from the sale of immovable property may be remitted without a limitation on how long the property was owned (previously, the property had to be owned at least 10 years).

Controls on personal capital transactions

Loans

By residents to nonresidents

ADs may lend to NRIs in rupees to purchase immovable property, shares for personal business, or mortgages.

To residents from nonresidents

Borrowing not exceeding US\$250,000 or its equivalent by residents from NRIs who are close relatives of the borrower is permitted by the RBI, provided the loan is interest free and is repayable in one year or less.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

Effective December 20, 2006, ADs are allowed to permit remittances of gifts and donations by resident individuals with a limit subsumed under the limit of US\$50,000 (previously, the limit was US\$5,000) a financial year under the LRS. The limit of US\$5,000 a remitter a donor continues to apply to corporations. The RBI considers requests for higher amounts.

To residents from nonresidents

n.a.

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Settlements of debts abroad by immigrants	n.a.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	ADs may allow remittances of up to US\$100,000 or its equivalent at the time of emigration, and thereafter US\$1 million a year out of balances held in an NRO account, subject to certain conditions.
<i>Transfer into the country by immigrants</i>	Yes.
Transfer of gambling and prize earnings	Remittances of earnings from sweepstakes, gambling, and lotteries are not permitted.
References to legal instruments and hyperlinks	http://rbidocs.rbi.org.in/rdocs/notification/PDFs/71613.pdf ; http://rbidocs.rbi.org.in/rdocs/notification/PDFs/74798.pdf ; http://dipp.nic.in/publications/fdi_policy_2006.pdf .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	<p>External commercial borrowing is subject to the policy framed by the RBI in consultation with the MOF. ADs may avail themselves of foreign currency borrowing not exceeding 25% of their unimpaired Tier I capital or the equivalent of US\$10 million, whichever is higher.</p> <p>Banks are allowed to raise capital using two foreign exchange instruments. First, banks may augment their capital funds through the issue of IPDI in foreign currency up to 49% of the eligible amount (i.e., 15% of Tier I capital) without seeking the prior approval of the RBI, subject to compliance with certain specified conditions. Second, banks may augment their capital funds through the issue of Upper Tier II Instruments in foreign currency up to 25% of their unimpaired Tier I capital without seeking the prior approval of the RBI, subject to compliance with certain specified conditions. Capital funds raised through the issue of these two instruments in foreign currency are in addition to the existing limit for foreign currency borrowing by ADs.</p>
Maintenance of accounts abroad	There are no restrictions on ADs maintaining accounts abroad.
Lending to nonresidents (financial or commercial credits)	ADs are free to manage surplus balances in their exchange accounts through overnight placement and investments with their branches or correspondent banks, subject to limits imposed by their respective boards.
Lending locally in foreign exchange	Banks may lend to residents to meet foreign exchange requirements toward pre-shipment credit in foreign currency for financing domestic inputs. Banks may also use their foreign currency deposit resources to grant loans to residents.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Effective January 1, 2006, the cash reserve ratio (CRR) was increased by 25 basis points. The CRR was increased further by 25 basis points on February 2, 2007, and again by another 25 basis points on March 3, 2007. Effective March 3, 2007, all rupee and foreign currency deposits are subject to a CRR of 6% (previously, 5%) of net demand and time liabilities; ACU funds in U.S. dollars, however, are subject to a minimum ratio of 3% of net demand and time liabilities maintained by commercial banks.
<i>Liquid asset requirements</i>	All rupee and foreign currency deposits are subject to a statutory liquidity ratio of 25% of net demand and time liabilities.
<i>Interest rate controls</i>	Effective January 31, 2007, interest rates on FCNR (bank) deposits are subject to a ceiling of LIBOR or the swap rate for the corresponding maturity/currency minus 25 basis points (previously, plus 100 basis points). For floating-rate deposits, the interest rate period is six

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months. The LIBOR/swap rates prevailing on the last working day of the preceding month form the base for fixing the interest rates offered effective the following month. The Foreign Exchange Dealers Association of India publishes/announces the LIBOR/swap rates that all banks should use for the purpose of setting interest rates. Effective January 31, 2007, the interest rates on NRE rupee term deposits of one to three years' maturity should not exceed the LIBOR/SWAP rates, as of the last working day of the previous month, for U.S. dollar deposits of corresponding maturities, plus 50 basis points (previously, LIBOR/SWAP rates plus 100 basis points effective from close of business on April 18, 2006). The interest rates as determined above for three-year deposits are also applicable in case the maturity period exceeds three years. The changes in interest rates also apply to NRE deposits renewed after their present maturity period.

<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	All nonresident deposits, in both local and foreign currency, are subject to the same cash reserve requirements of 6% of net demand and time liabilities.
<i>Liquid asset requirements</i>	All nonresident deposits in both domestic and foreign currency are subject to the same statutory liquidity ratio of 25% of net demand and time liabilities.
<i>Interest rate controls</i>	Interest rates on deposits of residents, except savings deposits, are deregulated. However, there is an interest rate ceiling linked to international rates on FCNR (bank) deposits and NRE deposits.
Investment regulations	
<i>Abroad by banks</i>	Banks may invest in money market instruments and/or debt instruments held abroad up to the limits approved by their respective boards of directors.
Open foreign exchange position limits	Banks are required to maintain on an ongoing basis Tier I and Tier II capital at 9% of the open position limit approved by the RBI.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	Annual Monetary Policy (page 43): http://rbidocs.rbi.org.in/rdocs/notification/PDFs/69845.pdf .

Changes during 2006

Exchange arrangement	<p><i>December 13.</i> Forward contracts of importers and exporters could not exceed 100% of the limit, out of which 50% (previously, 25%) is required to be deliverable.</p> <p><i>December 13.</i> ADs were allowed to provide forward cover to hedge the economic exposure of importers in the customs duty payable on imports.</p>
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Resident accounts	<i>November 11.</i> Exchange earners were allowed to open EEFC accounts and credit these accounts with up to 100% of their foreign exchange earnings.
Nonresident accounts	<i>July 1.</i> Persons of Indian nationality or origin were allowed to open FCNR (B) accounts in Australian and Canadian dollars. The maximum maturity of the deposit was increased to five years.
Imports and import payments	<i>March 1.</i> Import duties were reduced as follows: (1) to 7.5% from 10% on primary and semi-finished forms of (a) ferro-alloys and other alloy steel, (b) aluminum, (c) copper, (d) zinc, (e) tin, (f) base metals, (g) calcined alumina, and (h) ashes and residues of copper and zinc; (2) to 7.5% from 10% on refractories and specified raw material for refractories; (3) to 2% from 5% on ores and concentrates, styrene, ethylene dichloride, vinyl chloride monomer, and para xylene; (4) to 5% from 10% on naphtha and petroleum coke; (5) to 10% from 15% on basic inorganic chemicals such as halogens, sulphur, carbon, and hydrogen; (6) to 5% from 10% on specified organic chemicals; (7) to 5% from 10% on polymers of ethylene, propylene, styrene, and vinyl chloride; and (8) to 10% from 15% on man-made fibers, filament yarns, PTA, MEG, DMT, caprolactum, vinyl acetate monomer, butyl rubber, two-vinyl pyridine, metallurgical-grade silicon, borax and boric acid, and potassium chloride.
Exports and export proceeds	<i>November 30.</i> Exporters were allowed to retain 100% (previously, 50%) of foreign exchange receipts in foreign exchange accounts with banks in India.
Proceeds from invisible transactions and current transfers	<i>November 11.</i> A person resident in India is permitted to open and maintain with an AD a foreign currency account known as an EEFC account to credit up to 100% (previously, 50%) of their foreign exchange earnings.
Capital transactions	<i>December 20.</i> Resident individuals may remit up to the equivalent of US\$50,000 (previously, US\$25,000) a financial year for any permissible current or capital transactions, or a combination of the two.
Controls on direct investment	<i>February 10.</i> FDI was allowed up to 100% in (1) distillation and brewing of potable alcohol; (2) manufacture of industrial explosives; (3) manufacture of hazardous chemicals; (4) manufacturing activities located within 25 kilometers of the standard urban area limits that require an industrial license under the Industries Development and Regulation Act, 1951; (5) setting up greenfield airport projects; (6) laying natural gas/LNG pipelines, market study and formulation, and investment financing in the petroleum and natural gas sector; (7) cash and carry wholesale trading and export trading; (8) coal and lignite mining for captive consumption; (9) setting up infrastructure relating to marketing in the petroleum and natural gas sector; (10) exploration and mining of diamonds and precious stones; and (11) the petroleum and natural gas retail industry. Also effective that date, the requirement that 26% of foreign equity be diverted to business-to-business e-commerce was eliminated. FDI in single-brand product retail trading is allowed up to 5% with prior government approval. <i>December 22.</i> Foreign investment up to 49% is allowed in stock exchanges, depositories, and clearing corporations, with the prior approval of the FIFB.
Controls on real estate transactions	<i>November 16.</i> Proceeds from the sale of immovable property may be remitted without a limitation on how long the property was owned (previously, the property had to be owned at least 10 years). <i>December 20.</i> Residents may acquire property abroad using a personal remittance up to the equivalent of US\$50,000 (previously, US\$25,000) a financial year.
Controls on personal capital transactions	<i>December 20.</i> ADs are allowed to permit remittances of gifts and donations by resident individuals with a limit subsumed under the limit of US\$50,000 (previously, the limit was US\$5,000) a financial year under the LRS.
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<i>April 18.</i> The interest rates on NRE rupee term deposits of one to three years' maturity should not exceed the LIBOR/SWAP rates plus 100 basis points.

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Changes during 2007

Exchange arrangement	<i>February 8.</i> ADs may allow FIIs to cancel and rebook forward contracts up to 2% of the market value of their entire investment in equity and/or debt in India.
Resident accounts	<i>January 8.</i> Exporters may be permitted to open foreign exchange accounts in any currency or country with interproject transferability of funds. They may also deploy their cash surpluses generated outside India in (1) investments in short-term paper abroad, including treasury bills and other monetary instruments with a maturity or remaining maturity of one year or less and with a rating of at least A-1/AAA by Standard & Poor's or P-1/Aaa by Moody's Investors Service or F1/AAA by Fitch, IBCA, etc., and (2) deposits with branches/subsidiaries outside India of an AD Category-I bank in India.
Imports and import payments	<i>February 28.</i> A credit report on the overseas supplier (where the import documents are received directly) need not be obtained when the invoice value does not exceed US\$100,000, provided the ADs are satisfied about the bona fides of the transaction and track record of the importer. <i>March 2.</i> ADs may allow advance remittance without any limit and without a bank guarantee or standby letter of credit by an importer (other than a public sector company or a department/undertaking of the government of India/state governments), for the import of rough diamonds into India from certain mining companies. <i>April 1.</i> Peak import tariff rates for nonagricultural products are 12.5% to 10%. Other changes in import duties include (1) reduction in duty on most chemicals and plastics, from 12.5% to 7.5%; (2) on seconds and defectives of steel, from 20% to 10%; (3) on polyester fibers and yarns, from 10% to 7.5%; (4) on certain raw materials, from 10% to 7.5%; (5) on cut and polished diamonds, from 5% to 3%; (6) on rough synthetic stones, from 12.5% to 5%; (7) on unworked corals, from 30% to 10%; (8) on drip irrigation systems, agricultural sprinklers, and food processing machinery, from 7.5% to 5%; (9) on the general rate of import duty on medical equipment to 7.5%; (10) exemption from additional CV duty of 4% for crude and refined edible oil; and (11) reduction in duty from 7.5% to 5% on 15 specified machines for pharmaceutical and biotechnology sector.
Exports and export proceeds	<i>January 8.</i> Exporters executing turnkey/construction contracts are not required to recover the market value of equipment/machinery if it is used for another overseas project. <i>February 28.</i> Software companies or firms do not have to repatriate 30% of the contract value of on-site contracts. <i>February 28.</i> ADs may extend the period of realization of export proceeds beyond six months from the date of export, up to a period of six months at a time, irrespective of the invoice value of the export, subject to conditions. <i>February 28.</i> Exporters may write off outstanding export dues up to (1) 5% of their average annual realization during the preceding three financial years or (2) 10% of the export proceeds due during the financial year, whichever is higher . <i>February 28.</i> ADs may allow reduction in the export invoice value up to 25% of the invoice (previously, 10%), subject to conditions.
Capital transactions	
Controls on capital and money market instruments	<i>March 31.</i> The cumulative debt investment limit for the FIIs/subaccounts is US\$3.2 billion (previously, US\$2 billion).
Controls on credit operations	<i>January 31.</i> Banks may not grant loans to depositors in India and abroad against the security of NRE of FCNR accounts.
Controls on direct investment	<i>April 19.</i> FDI in certain telecom services was raised to 74% from 49%.
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<i>January 6.</i> The CRR was increased by 25 basis points.

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January 31. Interest rates on FCNR (bank) deposits are subject to a ceiling of LIBOR or the swap rate for the corresponding maturity/currency minus 25 basis points (previously, plus 100 basis points).

January 31. The interest rates on NRE rupee term deposits of one to three years' maturity should not exceed the LIBOR/SWAP rates, as of the last working day of the previous month, for U.S. dollar deposits of corresponding maturities, plus 50 basis points (previously, LIBOR/SWAP rates plus 100 basis points effective from close of business on April 18, 2006).

February 17. The CRR was increased by 25 basis points.

March 3. The cash reserve ratio on rupee and foreign currency deposits was increased to 6% from 5%.

March 3. The CRR was increased by 25 basis points.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: May 7, 1988.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Measures have been taken to freeze the accounts and assets of and prohibit payments to listed individuals and organizations associated with terrorism, in accordance with the relevant UN Security Council resolutions.

Other security restrictions Restrictions against countries on which the UN has imposed a trade embargo are in effect.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Indonesia is the Indonesian rupiah.

Other legal tender Commemorative gold coins are also legal tender but seldom circulate.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The exchange rate is determined by supply and demand conditions in the foreign exchange market. However, the Bank Indonesia (BI) may intervene in the foreign exchange market to maintain stability of the exchange rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market If there is no underlying local investment activity, forward contracts against rupiah offered by domestic banks to nonresidents are limited to \$1 million or its equivalent a customer. These restrictions do not apply to investment-related transactions, such as equity participation, purchase of securities, and provision of credit.

Official cover of forward operations n.r.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements n.a.

Payments arrangements

Regional arrangements Indonesia is a member of ASEAN.

Barter agreements and open accounts There are countertrade arrangements as part of bids for government-sponsored construction or procurement projects whose import component is valued at more than Rp 500 million.

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Administration of control	The Commercial Offshore Loan Team (COLT) has the authority to institute regulations regarding the commercial offshore borrowing of state-owned enterprises (SOEs), and the BI has the authority to regulate banks' commercial offshore borrowing. Banks and nonbank financial institutions (including SOEs, private enterprises, and cooperatives) are required to report all offshore commercial borrowing, and individuals are required to report commercial offshore borrowing equivalent to \$200,000 or more.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Travelers may take out freely up to Rp 65,000 a person in Indonesian commemorative gold and silver coins issued in August 1970 and up to Rp 130,000 a person in gold and silver coins issued in October 1974; amounts in excess of these limits require prior approval of the BI. Gold may be imported freely. Imports are subject to a levy of Rp 25 per \$1.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Travelers are free to take out Indonesian notes and coins up to Rp 100 million a person. For amounts in excess of this limit, prior approval of the BI is required and the BI's approval must be submitted to customs.
On imports	
<i>Domestic currency</i>	Travelers are free to bring in Indonesian notes and coins up to Rp 100 million a person. For imports of amounts in excess of this limit, a declaration must be submitted to customs and a check on the authenticity of the rupiah is conducted at customs.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	No checks may be drawn on foreign currency accounts.
Held abroad	Yes.
Accounts in domestic currency held abroad	These accounts are prohibited.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	Only checking and time deposit accounts are permitted. No checks may be drawn on foreign currency accounts.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.

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References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports Requirements generally are set by commercial banks on the basis of their assessment. Exporters, however, require banks to guarantee 100% of the face value of red-clause LCs and advance payments.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement Yes.

Letters of credit LCs may be issued by foreign exchange banks in the form of sight or usance LCs. Payment settlement under usance LCs and any changes in the due date of payment are based solely on agreements between the parties involved.

Other Cement/asbestos sheets, dry batteries, steel slabs, low-voltage electric cords, and electric light bulbs are subject to quality control.

Import licenses and other nontariff measures

Negative list Imports from countries against which the UN has imposed a trade embargo are prohibited, as are imports from all sources of most secondhand goods and of certain other products. Secondhand engines, however, and their parts and other capital goods may be imported by industrial firms for their own use or for reconditioning, in accordance with the guidelines of the Ministry of Trade and Industry (MOT). Certain categories of agricultural imports, including foodstuffs, beverages, and fruits, may be imported only by registered importers designated by the MOT. The procurement policies of companies approved for the importation of fruit, alcoholic beverages, and chicken are evaluated annually by the government, although explicit quantitative restrictions are not placed on these products. An import ban applies on rice.

Open general licenses There is a registry of authorized importers that includes only Indonesian nationals, although foreign investors are permitted to import the items required for their own projects. Although all imports into Indonesia are subject to licensing requirements, most are classified under the General Importer License.

Import taxes and/or tariffs Certain products are granted preferential duties within the framework of the AFTA and the WTO. A 5% tariff applies to imports of capital goods and raw materials.

Taxes collected through the exchange system Import taxes are collected through foreign exchange banks authorized by the MOF.

State import monopoly Imports of certain goods remain restricted to approved importers, most of which are state enterprises. Pertamina has a monopoly on the importation of lubricating oil and lubricating fats, and Dahana on the importation of ammunition and gel explosives. The monopoly rights of approved importers (sole agents) also remain in effect for the importation of certain heavy equipment and motor vehicles, although this right may be transferred to general importers. The importation of trucks is restricted.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

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Documentation requirements

Letters of credit	Exports with sight LC conditions must be settled no later than 30 days from the date on which the exports are registered with the foreign exchange bank.
Domiciliation	Yes.
Preshipment inspection	Exports of goods containing imported material that was exempt from import taxes must be examined before shipment.
Other	Yes.

Export licenses

	Exports are prohibited to countries against which the UN has imposed a trade embargo, as are exports to all countries of certain categories of unprocessed or low-quality rubber, brass and copper scrap (except from the island of Irian Jaya), iron scrap, steel scrap, and antiques of cultural value. Exporters are required to obtain trade permits issued by the MOT.
Without quotas	To meet domestic demand and encourage domestic processing of certain raw materials, exports of certain domestically produced commodities must have prior MOT authorization. Items affected by such controls include clove seeds, logs, fertilizer, cement, iron for construction reinforcement, automobile tires, paper, asphalt, stearin, cattle, salt, wheat flour, maize, soybeans, rice, copra, olein, raw rattan, meat, and all goods produced from subsidized raw materials. Concern about domestic price stability sometimes leads to the suspension of exports of various items in this category.
With quotas	Manioc may be exported only by approved exporters. Textiles and textile products subject to import quotas in the consumer countries may be exported only by approved textile exporters, who may transfer their allocated quotas to other approved exporters through the Commodity Exchange Board.

Export taxes

Collected through the exchange system	Taxes are collected through foreign exchange banks authorized by the MOF.
Other export taxes	Export taxes ranging from the equivalent of \$250 to \$4,800 a cubic meter are applied to sawed and processed timber. Exports of logs are subject to taxes ranging from \$500 to \$4,800 a cubic meter. Certain processed wood products are not taxed. Certain other products are subject to export taxes ranging from 5% to 30%.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Onshore banks are prohibited from conducting the following transactions with nonresidents: (1) lending or provision of overdrafts in rupiah or foreign currency, except for noncash credit or guarantees pertaining to investment activities in Indonesia with certain requirements; (2)
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placing funds in rupiah with nonresidents, including rupiah transfers to banks abroad; (3) purchase of rupiah-denominated securities issued by nonresidents, except for securities related to export or import activities and bank drafts issued by overseas banks for the accounts of Indonesian workers overseas; (4) interoffice transactions in rupiah and interoffice accounts in foreign currency for provision of credit outside Indonesia; (5) equity participation in rupiah with nonresidents; and (6) rupiah transfers to an account held by nonresidents and/or a joint account held by a nonresident and a resident at a domestic or foreign bank, except for economic activities in Indonesia or between accounts held by the same nonresident.

Repatriation requirements

No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Foreign investors are allowed to purchase without limit shares issued by Indonesian companies in the Indonesian capital market. There is a limit on the ownership of a joint securities company that is a finance company.

Sale or issue locally by nonresidents

Foreign companies are permitted to issue Indonesian depository receipts (IDRs) through custodian banks in Indonesia. IDRs are instruments that facilitate the trading of shares of foreign companies in the Indonesian capital market. Custodian banks in turn issue IDRs based on the shares that the foreign companies have in the custodian bank.

Sale or issue abroad by residents

No controls apply as long as the shares are not listed on the Indonesian Stock Exchange (ISM). Securities listed on the ISM should comply with the Capital Market Act and with the requirement on the maximum percentage of foreign ownership of shares. However, Indonesian companies do not issue shares but rather U.S. depository receipts in the U.S. capital market and global depository receipts on the London Stock Exchange.

Bonds or other debt securities

Purchase locally by nonresidents

Foreign investors may purchase government bonds issued in the primary market without limitation.

Sale or issue locally by nonresidents

n.r.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Banks are allowed to issue securities on primary capital markets, subject to regulations on offshore loans.

On money market instruments

Purchase locally by nonresidents

Yes.

Sale or issue locally by nonresidents

The regulations governing bonds or other debt securities apply.

Purchase abroad by residents

The regulations governing bonds or other debt securities apply.

Sale or issue abroad by residents

The approval of the BI is required for issuance of instruments by banks with maturities of more than one year. Issuance of instruments with maturities of less than one year does not require approval; however, it should not exceed 30% of a bank's capital.

On collective investment securities

Purchase locally by nonresidents

No person may purchase more than 1% of any fund.

Controls on derivatives and other instruments

Derivatives transactions are prohibited, except for those associated with foreign exchange and interest rates which are controlled. Banks are obliged to enter into a written agreement with their clients and explain the risks of these transactions and also to submit a daily report to the BI online. Banks are also prohibited from making losses from derivative transactions exceeding 10% of their capital; engaging in margin trading on foreign currency against rupiah; and maintaining derivative exposure transacted by the related parties of the banks. Forward and swap sales or option transactions involving selling to and/or purchasing from nonresidents foreign currency against rupiah by domestic banks are limited to the equivalent

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of \$1 million a bank or a customer, except for hedging purposes with underlying investment-related transactions in Indonesia with a time frame of no less than three months, and for merchandise exports and imports using LCs.

Controls on credit operations

Commercial credits

By residents to nonresidents

Resident banks are prohibited from granting credit (including overdrafts in rupiah or foreign currencies) to nonresidents.

To residents from nonresidents

Resident entities, especially the nonbank private sector, may borrow from nonresidents; however, they have to submit periodic reports to the BI on their borrowing. The following borrowings are subject to approval by the coordinating minister of the economy: (1) related to development projects using nonrecourse, limited recourse, advance payment, trustee borrowing, leasing, and similar financing; (2) related to certain development projects; and (3) related to the government or a state company (including Pertamina), including in the form of government equity participation or guarantee for provision of feedstock supply.

Financial credits

By residents to nonresidents

There are limitations on the granting of credit by banks to nonresidents.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

Banks are allowed to provide sureties and guarantees to nonresident entities only under the following conditions: (1) when there is a sufficient counterguarantee from bona fide overseas banks (excluding overseas branches of the relevant bank) and (2) when there is a cash deposit valued at 100% of the guarantee granted.

Controls on direct investment

Inward direct investment

Several sectors are controlled: (1) foreign investment companies in infrastructure projects, such as seaports; electricity generation, transmission, and distribution for public use; telecommunications; shipping; airlines; potable water supply; public railways; and nuclear electric power generation should be established by way of a joint venture between foreign and Indonesian partners, and the share of Indonesian partners should be at least 5% of the total capital issued at the establishment of the company; and (2) a foreign investment company may be established as a straight investment; that is, 100% of the shares may be owned by a foreign citizen and/or entities. However, some of the company's shares must be sold to Indonesian citizens and/or entities through direct placement and/or indirectly through the domestic capital market no later than 15 years after the commencement of commercial operations.

Foreign ownership of direct investments must begin to be divested by the eleventh year of production. For investments above \$50 million or its equivalent, divestment of 50% must be completed within 20 years. For smaller investments, the divestment requirement is less stringent.

All foreign enterprises are eligible to receive preferential customs duty treatment for imports of required raw materials for the first two years of production activity. Raw materials may be imported with no time limit. In addition, an enterprise exporting more than 65% of its production is free to hire foreign experts as needed to meet its export commitments.

Income tax holdings for up to eight years are granted to newly established corporations in 22 industrial sectors.

Takeovers of nonstrategic operations by foreign investors are permitted without government approval.

Controls on liquidation of direct investment

Investors are granted the right to repatriate capital, to transfer profits (after settlement of taxes and financial obligations in Indonesia), and to make transfers relating to expenses connected with the employment of foreign nationals in Indonesia and to depreciation allowances. No transfer permit is issued for capital repatriation as long as investment benefits from tax relief are being received; at present, however, foreign payments do not require a transfer permit.

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Controls on real estate transactions

Purchase locally by nonresidents Nonresidents are not allowed to buy real estate. However, they are permitted to engage in inward direct investment in local real estate.

Sale locally by nonresidents Yes.

Controls on personal capital transactions No.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Onshore banks are prohibited from conducting the following transactions with nonresidents: (1) lending or provision of overdrafts in rupiah or foreign currency, except for noncash credit or guarantees pertaining to investment activities in Indonesia with certain requirements; (2) placing funds in rupiah with nonresidents, including rupiah transfers to banks abroad; (3) purchase of rupiah-denominated securities issued by nonresidents, except for securities related to export or import activities and bank drafts issued by overseas banks for the accounts of Indonesian workers overseas; (4) interoffice transactions in rupiah and interoffice accounts in foreign currency for provision of credit outside Indonesia; (5) equity participation in rupiah with nonresidents; and (6) rupiah transfers to an account held by nonresidents and/or a joint account held by a nonresident and a resident at a domestic or foreign bank, except for economic activities in Indonesia or between accounts held by the same nonresident. Banks are prohibited from owning assets in the form of stock or securities with an underlying reference stock. A new regulation, effective January 30, 2006, (1) allowed consolidated risk management for banks performing control on subsidiary companies; (2) reduced the risk weighting of some of the banks' assets (i.e., small business loan, 85%; house ownership loan, 40%; and employee or retirement loan, 50%), provided the loan has met certain requirements; and (3) required implementation of good corporate governance in commercial banks.

Borrowing abroad Short-term borrowings (maturities of up to one year) by banks are limited to 30% of the bank's capital, and long-term borrowings (maturities of more than one year) by banks require approval of the BI. Banks are required to observe a daily limit on short-term offshore loan (STOL) balances of 30% of capital, excluding loan balances arising from (1) STOLs from controlling shareholders for liquidity support; (2) operating funds of a foreign bank branch in Indonesia of up to 100% of declared operating funds; (3) current and savings accounts and time deposits held by foreign country representatives and international institutions; and (4) current accounts held by nonresidents for investment activities in Indonesia.

Lending to nonresidents (financial or commercial credits) Yes.

Lending locally in foreign exchange Banks are permitted to lend locally in foreign exchange. Banks may also purchase locally issued securities denominated in foreign exchange, subject to the requirement that the securities be investment grade and not be issued by their groups. To do this, banks should take into account other exchange regulations, namely, the regulation on net open position aimed at prudential control.

Purchase of locally issued securities denominated in foreign exchange This is allowed; however, transactions are limited by open position limits.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Deposit accounts in foreign exchange are subject to a 3% reserve requirement. Accounts in rupiah are subject to a daily reserve requirement in the range of 5% to 8%, depending on the total amount of deposits. The reserve requirements are raised by an additional 1% to 5% based on the loan-to-deposit ratio.

Liquid asset requirements n.r.

Interest rate controls n.r.

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Investment regulations

Abroad by banks

Banks may invest, within certain limits, only in financial institutions, including businesses that operate in financial services, such as leasing, venture capital, securities underwriting, insurance, and clearinghouse settlement institutions.

In banks by nonresidents

Equity participation of foreign banks in a joint bank may reach 99%. Foreign legal entities have to obtain a recommendation from the monetary authorities of their country of origin. Such a recommendation should at least include information that the foreign legal entity has a good reputation and sound financial ability and has never committed any unethical act in the banking business.

Open foreign exchange position limits

Banks must maintain a maximum overall on- and off-balance-sheet position and on-balance-sheet net open position, both intraday and end-day, of 20% of capital. The maximum net open position for banks that are required to incorporate market risk in the calculation of capital is 30% of capital.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on investment portfolio held abroad

Insurance and reinsurance companies licensed in Indonesia are not allowed to invest abroad except for private placement in companies conducting insurance business overseas, such as insurance companies, reinsurance companies, insurance brokers, loss adjusters, etc.

Currency-matching regulations on assets/liabilities composition

Liabilities of insurance and reinsurance companies denominated in foreign currency exceeding assets denominated in foreign currency may not be more than 10% of shareholders' equity.

Pension funds

n.a.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

Indonesian mutual funds are prohibited from investing abroad.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 30. A new regulation (1) allowed consolidated risk management for banks performing control on subsidiary companies; (2) reduced the risk weighting of some banks' assets; and (3) required implementation of good corporate governance in commercial banks.

ISLAMIC REPUBLIC OF IRAN

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: September 6, 2004.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with the Islamic Republic of Iran states that as of March 8, 2006, the Islamic Republic of Iran maintained one exchange restriction and two multiple currency practices subject to Fund jurisdiction under Article VIII, Sections 2(a) and 3. The exchange restriction arises from limitations set out in the by-laws adopted to implement the Foreign Investment and Promotion Act on the transferability of (periodic) rial profits from certain foreign direct investments. The multiple currency practices arise from: budget subsidies for foreign exchange purchases in connection with payments of certain letters of credit opened prior to March 21, 2002, under the previous multiple exchange rate system; and obligation of entities that had received allocation of foreign exchange for payments based on subsidized “allocated rates” under the previous multiple exchange rate system to surrender unused allocations to the Central Bank of Iran (CBI) at the allocation rate. (Country Report No. 06/154)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

All banking, finance, and credit institutions have been instructed to freeze suspected accounts, based on an official list. These measures were taken in accordance with UN Security Council resolutions.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the Islamic Republic of Iran is the Iranian rial.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Although the Islamic Republic of Iran continues to maintain a de jure crawling peg arrangement based on a basket, the rate of crawl of the exchange rate has been near zero vis-à-vis the dollar since October 2006. As a result, the exchange rate arrangement has been reclassified effective October 1, 2006, to the category conventional pegged arrangement to a composite from the category crawling peg.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

ISLAMIC REPUBLIC OF IRAN

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

The use of foreign exchange for domestic transactions among residents is not permitted, except for internationally linked transactions with prior approval of the CBI.

Payments arrangements

Bilateral payments arrangements

All bilateral payments arrangements have been terminated, and the outstanding credit balances are in the process of being settled.

Clearing agreements

The Islamic Republic of Iran is a member of the ACU. Bimonthly settlements of current transactions with the member countries of the ACU take place in convertible currencies.

Administration of control

A negative list of imports and exports is regulated and issued periodically by the Ministry of Commerce (MOC). Foreign exchange may be purchased for authorized goods and services.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

Authority to trade in gold for monetary purposes is reserved for the Bank of Markazi Jomhuri Islami Iran (BMJII). The exportation of Iranian gold coins for numismatic purposes requires prior BMJII approval.

Controls on exports and imports of banknotes

On exports

Domestic currency

Travelers are allowed to export up to Rls 500,000 a person a trip.

Foreign currency

Travelers are allowed to export up to \$5,000 a person a trip.

On imports

Domestic currency

The import of up to Rls 500,000 a person is permitted.

Foreign currency

No limit applies to the amount of foreign exchange that foreign travelers may bring into the country, but a customs declaration is required for amounts exceeding \$5,000.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Residents may purchase foreign currency up to \$1,000 to open these accounts.

Held domestically

Iranian nationals may open foreign-currency-denominated (FCD) accounts both domestically and abroad.

Held abroad

Yes.

Approval required

Approval is required only for public institutions.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

n.a.

ISLAMIC REPUBLIC OF IRAN

Nonresident Accounts

Foreign exchange accounts permitted	Foreign exchange funds deposited in these accounts may be transferred abroad without limitations, subject to anti-money laundering regulations.
Approval required	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Nonresidents may convert funds in rial accounts into foreign exchange at the market rate to repatriate their income from contracts and permitted activities. Such conversions require submission of supporting documents and evidence of income tax payment. Rial incomes not converted and transferred within six months from the transaction date will be considered as capital balances.
Approval required	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Preshipment inspection	This applies only for commodities subject to minimum standards.
Letters of credit	Yes.
Import licenses used as exchange licenses	Yes.
Other	Yes.
Import licenses and other nontariff measures	All importers must obtain import licenses from the relevant ministries (mainly the MOC). Clearance through customs is authorized on presentation of shipping documents endorsed by an authorized bank and a permit issued by the MOC. Certain goods, such as pharmaceuticals, must be accompanied by a special permit issued by the Ministry of Health, Treatment, and Medical Education. Telecommunication devices require a permit issued by the Ministry of Communication and Information Technology.
Negative list	Some goods on the negative list may be imported under certain conditions with special permits. Imports from Israel are prohibited.
Import taxes and/or tariffs	Imports are subject to import tariffs of at least 4%, and to a commercial benefit tax that varies by product category.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.

ISLAMIC REPUBLIC OF IRAN

Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Invisible payments may be made in excess of limits established by the BMJII from externally financed FCD accounts on presentation of satisfactory supporting documents.
Trade-related payments	Freight charges may be transferred through LCs, bills of exchange, money orders (up to the equivalent of \$10,000), or cash fund credits. Only Iranian insurance companies may issue insurance policies for the import of goods. The payment of commissions is not controlled.
<i>Prior approval</i>	Approval is granted for payments of unloading and administrative charges on a case-by-case basis.
Payments for travel	
<i>Quantitative limits</i>	The limit is €2,000 a person a trip.
<i>Indicative limits/bona fide test</i>	Amounts in excess of the limit may be approved by the CBI on presentation of satisfactory documents.
Personal payments	Applications for payment of registration fees for participation in research projects must be submitted to the relevant ministry for approval.
<i>Quantitative limits</i>	Allowances are provided on a monthly basis to students on scholarships abroad, approved by the Ministry of Higher Education. All other students abroad may purchase the needed amounts of foreign exchange for tuition and board on submission of justification. Individuals who seek medical treatment abroad may obtain a foreign exchange allowance of up to \$30,000 on presentation of the diagnosis by an Iranian physician; allowances exceeding this limit may be provided with justification.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Quantitative limits</i>	Foreign workers with work permits are allowed to transfer their salaries without limitation, on confirmation by their employers.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Quantitative limits</i>	A limit of \$10,000 applies.
Other payments	
<i>Prior approval</i>	Payment of consulting or legal fees is permitted with the approval of the Bureau of Legal Services.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.

ISLAMIC REPUBLIC OF IRAN

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents Subject to prior approval by the MOF, nonresidents may invest in instruments traded on the Tehran Stock Exchange in accordance with the Foreign Investment Promotion Act.

Sale or issue locally by nonresidents Yes.

Bonds or other debt securities

Purchase locally by nonresidents Yes.

Sale or issue locally by nonresidents Yes.

On money market instruments

Purchase locally by nonresidents Yes.

Sale or issue locally by nonresidents Yes.

On collective investment securities

Purchase locally by nonresidents Yes.

Sale or issue locally by nonresidents Yes.

Controls on derivatives and other instruments

Purchase locally by nonresidents n.a.

Sale or issue locally by nonresidents n.a.

Controls on credit operations

Controls apply to all credit operations and all transactions in sureties, guarantees, and financial backup facilities.

Controls on direct investment

Outward direct investment Yes.

Inward direct investment

If the investment takes place in accordance with the Law on Attraction and Protection of Foreign Capital Investment, controls are administered by the Organization for Investment and Economic and Technical Assistance of the Ministry of Economic Affairs and Finance (OIETA-MEAF).

Controls on liquidation of direct investment

The repatriation of capital is guaranteed, with the approval of the OIETA-MEAF.

Controls on real estate transactions

Purchase locally by nonresidents Yes.

Sale locally by nonresidents Yes.

ISLAMIC REPUBLIC OF IRAN

Controls on personal capital transactions

Gifts, endowments, inheritances, and legacies

By residents to nonresidents Yes.

Settlements of debts abroad by immigrants Yes.

Transfer of assets

Transfer abroad by emigrants Yes.

Transfer of gambling and prize earnings Yes.

References to legal instruments and hyperlinks

Foreign Investment Promotion Act; Law on Attraction and Protection of Foreign Capital Investment.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Yes.

Maintenance of accounts abroad Yes.

Lending to nonresidents (financial or commercial credits) Yes.

Lending locally in foreign exchange Yes.

Purchase of locally issued securities denominated in foreign exchange n.a.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements Yes.

Liquid asset requirements Yes.

Interest rate controls Yes.

Credit controls Yes.

Differential treatment of deposit accounts held by nonresidents

Reserve requirements Yes.

Liquid asset requirements Yes.

Interest rate controls Yes.

Credit controls Yes.

Investment regulations

Abroad by banks Yes.

In banks by nonresidents Yes.

Open foreign exchange position limits

On resident assets and liabilities Yes.

On nonresident assets and liabilities Yes.

ISLAMIC REPUBLIC OF IRAN

Provisions specific to institutional investors n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Exchange arrangement *October 1.* The exchange rate arrangement was reclassified to the category conventional pegged arrangement from crawling peg.

IRAQ

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Iraq is the Iraqi dinar.

Exchange rate structure Unitary.

Classification

Crawling peg Under a policy of pursuing exchange rate stability, the Central Bank of Iraq (CBI) limited the fluctuations of the dinar to within $\pm 1\%$, until October 2006. Since then the CBI has changed its monetary stance and allowed the exchange rate to gradually appreciate following a predetermined path. As a result, the exchange arrangement of Iraq has been reclassified, effective November 1, 2006, to the category crawling peg from the category conventional pegged arrangement.

Within these limits, the exchange rate of the dinar is determined in the foreign exchange market. Auctions are held daily, and eligible bidders may buy and sell foreign exchange at freely determined rates. All final transactions are allocated at a single settlement price. Brokerage companies buying and selling foreign currencies are authorized to charge commissions in Iraqi dinars not exceeding 0.25% for purchases and 0.5% for sales. Exchange bureaus of private banks are permitted to participate at the daily auction but must remain within the bureau's capital ceiling. The amounts of letters of guarantee issued to the CBI by brokerage companies to ensure against the misuse of foreign exchange transfers, and to ensure good performance by brokerage firms in buying and selling foreign currencies authorized by the CBI and compliance with relevant instructions, are up to 20% of a company's capital.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Payments to and receipts from Israel are prohibited.

Use of foreign exchange among residents n.a.

IRAQ

Payments arrangements	No.
Administration of control	The CBI is responsible for monitoring exchange controls and determining the extent of delegation of powers to commercial banks through the Anti–Money Laundering Unit, which replaced the Foreign Exchange Department.
Payments arrears	
Official	Yes.
Controls on trade in gold (coins and/or bullion)	
On external trade	Iraqi citizens and noncitizens may bring into Iraq worked and unworked gold, regardless of its weight, provided they declare it on importation. Adult Iraqi citizens may take out with them personal gold jewelry up to 100 grams a person, provided they agree to bring the jewelry back on return. Noncitizens are allowed to take out gold jewelry that they brought with them for personal use up to the amount previously imported and declared.
Controls on exports and imports of banknotes	Amounts in excess of the limits below may be transferred for purposes of importing goods or making external payments not made through the banking system on submission of supporting documents.
On exports	
<i>Domestic currency</i>	The maximum amount allowed is ID 200,000 for adult Iraqis.
<i>Foreign currency</i>	The maximum allowed is \$10,000 or its equivalent for adult Iraqis. Foreigners may take out the amount imported and declared up to one year from the date of importation.
On imports	
<i>Domestic currency</i>	The maximum allowed is ID 200,000 for Iraqis and others.
<i>Foreign currency</i>	Travelers may bring in foreign exchange, including currency notes (except for Israeli currency), in unlimited amounts, provided they declare the funds on an exchange control form; amounts not intended to be taken out of the country are exempt from declaration.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Resident Iraqis, resident nationals of other Arab countries, and domestic and foreign companies are allowed to open foreign currency accounts at commercial banks and to use the balances in these accounts for domestic and foreign payments and transfers in accordance with banking procedures, provided documents are submitted proving that the accounts have been credited with foreign currency.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

IRAQ

Nonresident Accounts

Foreign exchange accounts permitted	Nonresidents are allowed to open foreign currency accounts at commercial banks and to use the balances in these accounts without restriction, provided the accounts have been credited with foreign currency.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	Yes.
Letters of credit	Banks are authorized to open or accept LCs relating to the import or export of permitted goods. The relevant amount is transferred subject to the following conditions: (1) banks are in compliance with the terms of payment described in the LC, (2) the goods are insured in Iraq to the extent possible, and (3) the bill of lading is the name of an Iraqi bank.
Import licenses and other nontariff measures	
Positive list	n.a.
Other nontariff measures	n.a.
Import taxes and/or tariffs	All imports are subject to a 5% import duty ("reconstruction levy"), except food, medicine, medical equipment, clothing, books, and goods delivered as humanitarian assistance. Imports by coalition forces, nonprofit organizations, foreign governments, and foreign companies undertaking reconstruction projects in Iraq are also exempt from all import duties.
State import monopoly	No.
References to legal instruments and hyperlinks	Foreign Exchange Department (FED) Note No. 4 of May 10, 2005; CBI Letter No. 13998 of October 18, 2006.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	Yes.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Other	n.a.
Export licenses	All exports to Israel are prohibited.
Export taxes	No.

IRAQ

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Some restrictions apply on these transactions.
Trade-related payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	n.a.
Investment-related payments	
<i>Indicative limits/bona fide test</i>	n.a.
Payments for travel	
<i>Prior approval</i>	n.a.
<i>Quantitative limits</i>	The limit is up to the equivalent of \$10,000 a traveler.
<i>Indicative limits/bona fide test</i>	n.a.
Personal payments	
<i>Prior approval</i>	n.a.
<i>Quantitative limits</i>	n.a.
<i>Indicative limits/bona fide test</i>	Transfers of tuition fees require proof of current enrollment. Transfers for medical treatment require a medical report certified by a competent medical authority. Transfers for subscriptions of journals require documentation of the subscription.
Foreign workers' wages	
<i>Prior approval</i>	Remuneration paid to contracted foreign experts, whether with the government or the private sector, may be transferred on submission of supporting documents.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Prior approval</i>	n.a.
Other payments	
<i>Prior approval</i>	In the case of payments and transfers that banks are not explicitly authorized to make, prior approval of the CBI and compliance with the anti-money laundering law are required.
<i>Quantitative limits</i>	Domestic or foreign companies operating in Iraq requesting the transfer of funds abroad must submit proof of the amount of the contract and the percentage that may be converted into foreign exchange.
References to legal instruments and hyperlinks	FED Note No. 3 of March 20, 2005; FED Note No. 15 of 2006, cancelling and replacing FED Note No. 6 of July 28, 2005.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

IRAQ

Capital Transactions

Controls on capital transactions	Effective November 30, 2006, a new Investment Law (Investment Law No. 13 of 2006) went into effect to promote investment in Iraq. Restrictions on capital transactions are not enforced; however, documentation and reporting requirements apply.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	n.a.
Controls on derivatives and other instruments	n.a.
Controls on credit operations	n.a.
Controls on direct investment	
Inward direct investment	All economic sectors are open for foreign investment, except direct and indirect ownership of natural resource firms involved in primary extraction and initial processing.
Controls on liquidation of direct investment	n.a.
Controls on real estate transactions	
Purchase abroad by residents	n.a.
Purchase locally by nonresidents	Foreign investors may hold long-term and renewable leases of real property but not ownership rights.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	n.a.
Gifts, endowments, inheritances, and legacies	n.a.
Settlements of debts abroad by immigrants	n.a.
Transfer of assets	n.a.
References to legal instruments and hyperlinks	Investment Law No. 13 of 2006; www.coriraq.net .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Borrowing abroad	n.a.
Maintenance of accounts abroad	Banks may conclude agreements with correspondent banks abroad, subject to CBI approval.
Lending to nonresidents (financial or commercial credits)	n.a.
Lending locally in foreign exchange	n.a.
Purchase of locally issued securities denominated in foreign exchange	n.a.

IRAQ

Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
<i>Interest rate controls</i>	n.a.
<i>Credit controls</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	Effective November 30, 2006, a new Investment Law (Investment Law No. 13 of 2006) went into effect.
<i>Abroad by banks</i>	n.a.
<i>In banks by nonresidents</i>	n.a.
Open foreign exchange position limits	n.a.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement	<i>November 1.</i> The exchange arrangement of Iraq was reclassified to the category crawling peg from the category conventional pegged arrangement.
Capital transactions	<i>November 30.</i> A new Investment Law went into effect to promote investment in Iraq.
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<i>November 30.</i> A new Investment Law went into effect to promote investment in Iraq.

IRELAND

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained on the making of payments and transfers for current international transactions with respect to the former government of Iraq, the Democratic Republic of the Congo, Myanmar, certain individuals associated with the previous government of the former Federal Republic of Yugoslavia, Zimbabwe, Liberia, Sudan, Côte d'Ivoire, Uzbekistan, certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafik Hariri, and in support of the effective implementation of the mandate of the International Criminal Tribunal for the Former Yugoslavia. Financing related to military activities in Somalia and Lebanon is prohibited. Restrictions also apply on transfers and transactions with respect to the Taliban, the Al-Qaida network, and individuals and organizations associated with terrorism.

In accordance with IMF Executive Board Decision No. 144-(52/51)

Yes.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Ireland is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Ireland participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Banks are free to provide forward exchange facilities.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

IRELAND

Payments arrangements	No.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Accounts may be frozen in accordance with the relevant EU regulations.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	For reasons of national policy, imports of certain goods (e.g., specified drugs, explosives, and firearms and ammunition) are prohibited without special licenses.
Licenses with quotas	Imports of certain goods (including textiles, steel, footwear, and ceramic products) originating in certain non-EU countries are subject to either quantitative restrictions or

IRELAND

surveillance measures. Imports from non-EU countries of products covered by the CAP are subject to a system of access quotas.

Import taxes and/or tariffs	The EU system of customs duties applies to imports.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Exports of controlled military and dual-use goods to both EU and non-EU countries may require export licenses.
Without quotas	n.a.
With quotas	n.a.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Controls on capital transactions apply in accordance with EU regulations.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.

IRELAND

Controls on direct investment

Inward direct investment Controls apply to (1) investment in air transport by non-EU states or nationals of non-EU states; (2) acquisition of Irish-registered shipping vessels except through an enterprise incorporated in Ireland; (3) acquisition by non-EU nationals of sea fishing vessels registered in Ireland; and (4) investment by residents of non-EU member countries in flour milling activities. Investment by foreign-controlled enterprises does not require authorization, except for a very limited number of sectors that are subject to special conditions.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents Persons, individuals, and companies whose principal place of residence or registered office is outside the territory of the EU/EEA must apply to the Ministry of Agriculture, Food, and Rural Development through its Land Services Division for permission to purchase land. Such permission is rarely withheld.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

No.

Provisions specific to institutional investors

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

ISRAEL

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: September 21, 1993.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Israel is the new Israeli sheqel (NIS Law 1985).
Exchange rate structure	Unitary.
Classification	
Independently floating	The exchange rate of the new Israeli sheqel is determined on the basis of market forces.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Yes.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	No.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	Foreign Exchange Control General Permit 1998, Section 2.

ISRAEL

Resident Accounts

Foreign exchange accounts permitted	Banks are required to classify the accounts of residents of areas under autonomous Palestinian administration as a separate group and to report these accounts on the basis of the same principles that apply to nonresident accounts.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	Foreign Exchange Control General Permit 1998, Section 2.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	Foreign Exchange Control General Permit 1998, Section 2.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Positive list	n.a.
Negative list	n.a.
Open general licenses	n.a.
Licenses with quotas	n.a.
Other nontariff measures	Israel has taken steps to reduce tariffs and nontariff barriers, and there are plans to further reduce them. With the exception of agricultural products, imports are free of quantitative restrictions. A special regime applies to imports from countries that restrict or prohibit imports from Israel. Most of Israel's trade is already covered by bilateral free trade agreements; additional free trade agreements with neighboring countries are under consideration.
Import taxes and/or tariffs	No.
State import monopoly	No.
References to legal instruments and hyperlinks	Foreign Exchange Control General Permit 1998, Section 2.

ISRAEL

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Except for exports of oil and certain defense equipment, most exports do not require licenses.
Export taxes	No.
References to legal instruments and hyperlinks	Foreign Exchange Control General Permit 1998, Section 2.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	There are no restrictions; however, residents' investments abroad are subject to a reporting requirement regarding financial asset and direct investment balances abroad and also purchases and realizations of such assets above a certain threshold. In addition, there is a reporting requirement above a certain threshold regarding loans taken from nonresidents by Israeli residents or given by Israeli residents to nonresidents.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Foreign Exchange Control General Permit 1998, Section 2.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

The same reserve requirement ratios apply to bank accounts held by residents and nonresidents. Reserve requirements against resident foreign currency accounts are denominated in local currency, whereas reserve requirements against nonresident foreign currency accounts are denominated in foreign currency.

Liquid asset requirements

Yes.

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

The same reserve requirement ratios apply to bank accounts held by residents and nonresidents. Reserve requirements against resident foreign currency accounts are denominated in local currency, whereas reserve requirements against nonresident foreign currency accounts are denominated in foreign currency.

Liquid asset requirements

Yes.

Provisions specific to institutional investors

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

ITALY

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

The assets of certain senior officials of the governments of Myanmar and Zimbabwe have been frozen.

Other security restrictions

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained with respect to former Liberian President Taylor and his associates, President Lukashenko and certain officials of Belarus, Slobodan Milosevic and certain other individuals associated with the government of the former Federal Republic of Yugoslavia, Myanmar, Zimbabwe; Osama bin Laden, Al-Qaida, the Taliban, and other individuals and organizations associated with terrorism; and certain persons impeding the peace process and breaking international law in the conflict in the Darfur region. Financing of and financial assistance related to military activities in Somalia and the Democratic Republic of the Congo are prohibited. Financial assistance related to military activities in Sudan is prohibited. Funds and economic resources in the Syrian Arab Republic and Lebanon (both with certain exemptions), of persons and entities associated with Liberia's former President Taylor, and of individuals who constitute a threat to peace and national reconciliation in Côte d'Ivoire are frozen. Funds and economic resources of persons indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) are frozen.

References to legal instruments and hyperlinks

EU regulations (www.europa.eu); Decree No. 369 of October 12, 2001; Law No. 431 of December 14, 2001 (www.italia.gov.it).

Exchange Arrangement

Currency

The currency of Italy is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Italy participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Premiums and discounts in the forward exchange market are left to the interplay of market forces.

References to legal instruments and hyperlinks

n.a.

ITALY

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Clearing agreements	Italy maintains clearing accounts with Croatia and Slovenia. The accounts are used for trade in cross-border areas. The balances in these accounts may be used only to finance trade between certain districts of Croatia and Slovenia and the Italian provinces of Trieste and Gorizia. The balances are not transferable. There is no automatic mechanism through which outstanding balances are settled within 90 days. Only Italy is allowed to maintain a debit balance on these accounts.
Administration of control	Residents are allowed to conduct foreign exchange transactions freely, with settlements to be effected either indirectly—through the Bank of Italy, other financial intermediaries, or the Poste Italiane S.p.a.—or directly by drawing on external accounts or by offsetting debts and credits vis-à-vis other residents or nonresidents. Operators and intermediaries must transmit, for statistical purposes, data to the Ufficio Italiano dei Cambi (UIC) on those foreign transactions that exceed the equivalent of €12,500, by filling out a foreign exchange statistical return.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Domestic purchases and sales of gold exceeding the equivalent of €12,500 must be declared to the UIC.
On external trade	Purchases and sales of gold exceeding the equivalent of €12,500 must be declared to the UIC.
Controls on exports and imports of banknotes	Residents and nonresidents are allowed to take into or out of the country unlimited amounts of cash and securities in euros and/or foreign currency. For fiscal and anti-money laundering purposes, the transfer of cash and/or securities exceeding the equivalent of €12,500 must be declared in writing when departing for or entering from a non-EU country, and the declaration must be submitted to a border customs office. When departing for or entering from an EU country, this declaration must be submitted to a bank, customs office, post office, or a customs guard station within 48 hours after entry into Italian territory or 48 hours prior to departure from Italian territory. For transfers by mail, the declaration must be submitted within 48 hours after receipt or at the time of mailing. The declaration has to be sent to the UIC by banks, customs offices, post offices, or customs guard stations.
On exports	Yes.
On imports	Yes.
References to legal instruments and hyperlinks	Trade Agreement between Yugoslavia and Italy, dated March 3, 1955; Law No. 7, dated January 17, 2000; Decree Law No. 167, dated June 1990; Law No. 227, dated August 1990; www.uic.it .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.

ITALY

References to legal instruments and hyperlinks Ministerial Decree, April 27, 1990.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks Ministerial Decree, April 27, 1990.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures Imports are governed by EU regulations, according to which imports of most products, except for textiles and some products originating from China, are free of licensing and quantitative restrictions. Imports from non-EU countries of most products covered by the CAP are subject to variable import levies. Common EU regulations are also applied to imports of most other agricultural and livestock products from non-EU countries. Payments for imports are not regulated, but are subject to the general rules cited in the section on administration of control.

Negative list Yes.

Licenses with quotas Yes.

Import taxes and/or tariffs Yes.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

Documentation requirements No.

Export licenses

Without quotas Exports to non-EU countries are permitted freely, with the exception (1) of high-technology products included in an EU regulation of oil extracted from the seabed and (2) of agricultural products governed by EU regulations, which are subject to ministerial authorization.

Export taxes No.

References to legal instruments and hyperlinks n.a.

ITALY

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	Ministerial Decree, April 27, 1990.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Effective January 25, 2007, the obligation to report to the supervisory authority and to attach the corresponding prospectuses of public offerings of financial products in Italy has been eliminated.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	The offering of securities issued by mutual funds that are not covered by EU directives is subject to authorization.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Controls apply to the acquisition (1) of majority participation or controlling interest in companies that publish daily newspapers and periodicals; (2) of licenses granted to audio-visual communications enterprises having their headquarters in a non-EU member country; (3) of majority participation by non-EU residents in companies licensed for television and radio broadcasting, and participation by non-EU residents in companies having no legal entity and licensed for television and radio broadcasting; (4) by foreigners of aircraft in Italy and foreign ownership exceeding one-third of the share capital of companies possessing such aircraft; and (5) by foreigners other than EU residents of a majority interest in Italian flag vessels or of a controlling interest in ship-owning companies having their headquarters in Italy and the establishment of branches, agencies, etc., of securities investment companies.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	Legislative Decree No. 58, dated February 24, 1998; www.bancaditalia.it ; Legislative Decree No. 303, dated December 29, 2006, effective January 25, 2007.

ITALY

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	Portfolio investments abroad by life insurance companies and pension funds are subject to prudential regulations.
<i>Currency-matching regulations on assets/liabilities composition</i>	Yes.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Portfolio investments abroad by pension funds are subject to prudential regulations.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement	<i>January 1.</i> The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.
Capital transactions	
Controls on capital and money market instruments	<i>January 25.</i> The obligation to report to the supervisory authority and to attach the corresponding prospectuses of public offerings of financial products in Italy was eliminated.

JAMAICA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: February 22, 1963.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Repayment of the loan from Iraq has been suspended in line with UN sanctions.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Jamaica is the Jamaican dollar.

Other legal tender Commemorative gold coins in denominations of J\$100 and J\$500 and souvenir coins in denominations of J\$5, J\$10, J\$25, J\$50, and J\$100 are legal tender but do not circulate.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the Jamaican dollar is determined in the domestic foreign exchange market. This market is operated by ADs, cambios, bureaux de change, and the Bank of Jamaica (BOJ). The ADs include all commercial banks, selected merchant banks, and the three largest building societies. ADs engage in (1) the purchasing and selling of foreign currency in the form of cash, drafts, traveler's checks, and other instruments; (2) the granting of loans and the taking of deposits; and (3) the making of other international payments. Cambios are allowed to purchase and sell unlimited amounts of foreign exchange in any form to any person. Their main function is the exchange of currency for hotel guests. However, unlike ADs, cambios are not permitted to grant loans or accept deposits. Excess foreign exchange may be sold without restriction to commercial banks, other ADs, and the general public.

Proceeds from official loans, divestment of government assets, and taxes on the bauxite sector payable in foreign currency are sold directly to the BOJ. The BOJ purchases foreign exchange from ADs and cambios under the following terms: (1) purchases are made in U.S. dollars, Canadian dollars, pounds sterling, and euros; (2) the minimum amount that the BOJ will purchase in a single transaction is 50,000 units of the foreign currency; and (3) the exchange rates for these currencies are negotiated by the BOJ.

Exchange tax No.

Exchange subsidy No.

Forward exchange market This market is currently inactive.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Although there is no restriction on transactions in any currency, the principal foreign currencies accepted in the exchange market are the Canadian dollar, the pound sterling, and

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	<p>the U.S. dollar. Surrender may be made in any of these three major currencies. Surrender in Canadian dollars and pounds sterling may be made in U.S. dollars and must be covered at the cross-currency rate derived from their respective weighted-average buying rates in the local market on the day of purchase. Payments to all countries may be made by crediting Jamaican dollars to an external account or a foreign currency account. Receipts from all countries must be debited to an external account in any foreign currency.</p>
Controls on the use of domestic currency	Economic agents are free to settle all transactions with domestic currency. The Jamaican dollar may be used to conduct and settle all current and capital transactions.
Payments arrangements	
Regional arrangements	Jamaica is a member of CARICOM.
Clearing agreements	The clearing arrangements within the framework of CARICOM have been suspended since November 1, 1990. The BOJ no longer intervenes in CARICOM private sector commercial transactions; settlements for such transactions are effected by the commercial banking sector in convertible currencies.
Administration of control	Trading in foreign exchange, other than by and through an AD, is prohibited. The MOF has the authority to issue directions to specified classes of persons regarding the acquisition of foreign assets.
Payments arrears	
Private	n.a.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	These accounts may be credited with payments by residents of Jamaica, with transfers from other external accounts, and with the proceeds from the sale of gold or foreign currencies to an AD. They may be debited for payments to residents of Jamaica, for transfers to other external accounts, and for the purchase of foreign currencies.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Residents are free to convert balances in domestic currency to foreign currency at the prevailing exchange rate through ADs and cambios. Residents may maintain B accounts in domestic currency that were opened prior to September 21, 1991, using proceeds of foreign currency inflows. Balances in these accounts may be converted into foreign currency at the prevailing exchange rate. Interest on these accounts is exempt from tax, provided deposits are held as certificates of deposit with at least a one-year maturity. New B accounts have not been permitted since September 22, 1991.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Nonresidents may hold foreign exchange accounts (A accounts) in Jamaica. These accounts are tax-free under the Income Tax Act once the statutory criteria are met. All credits to these
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accounts must originate directly from foreign remittances and not from local purchases of foreign exchange.

Funds from these accounts may be transferred freely between residents and nonresidents.

Domestic currency accounts

The regulations governing accounts held by residents apply.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

Import licenses are required for pharmaceutical products and items that endanger public health or security; otherwise, goods may be imported freely without a license. Import licenses, when required, are issued by the Trade Board, which functions under the direction of the Ministry of Industry and Commerce. Imports of motor vehicles require a permit for government statistical purposes. Payments for imports may be made by commercial banks without reference to the BOJ.

Negative list

Prohibited items include indecent and obscene prints and base or counterfeit coins of any country. Restricted items, which require a permit prior to importation, include meat, fruits, vegetables, pharmaceuticals, chemicals, herbal teas, firearms, used tires, radios (two-way), coconut derivatives, oil-producing seeds, edible oils, detergent (solid or liquid form), motor vehicles, explosives, alcohol in bulk, sugar, human remains, pesticides, and live animals. Imports of bone marrow, brains, and cows older than 2.5 years are banned. The concession granted on the importation of chicken leg quarters is discontinued.

Import taxes and/or tariffs

Imports are subject to customs tariffs of up to 20% for nonagricultural products and 40% for agricultural products, in compliance with the fourth phase of the CARICOM CET. Some agricultural imports are subject to additional stamp duties of up to 95%. Taxes are collected by customs agents at the port of entry. The WTO-bound tariffs on 10 categories of agricultural products (certain poultry and vegetables) are 100%. Additional stamp duties on these imported products raise the rate of total duty payable to 260%.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Most goods may be exported without restriction. However, specific licenses are required for exports of certain agricultural products, ammunition, explosives, firearms, antique furniture, motor vehicles, mineral and metal ores, paintings, jewelry, and petroleum products.

Without quotas

n.r.

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With quotas	n.r.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities	Deposit-taking financial institutions are prohibited from investing on behalf of clients. This business is conducted by separate corporate entities.
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Shares or other securities of a participating nature

Purchase locally by nonresidents	There are no limitations on the acquisition of shares in a company by nonresidents, with the exception of locally incorporated commercial banks and licensed deposit-taking institutions, 5% of which may be held by a foreign government or an agency of a foreign government unless the minister of finance approves otherwise.
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Sale or issue locally by nonresidents	Any issuer that proposes to sell or issue instruments denominated in a foreign currency, other than an issuer designated by the minister of finance as an AD in foreign currency, must obtain from the minister prior exemption from the prohibition against engaging in such transactions.
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Bonds or other debt securities

	These transactions are subject to the Securities Act and the Securities (Commercial Papers) Regulations.
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Purchase locally by nonresidents	Yes.
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Sale or issue locally by nonresidents	Yes.
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Purchase abroad by residents	ADs, insurance companies, credit unions, building societies, exchange bureaus, unit trusts, and pension fund managers are prohibited from acquiring foreign assets, except in accordance with directives issued by the MOF.
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Sale or issue abroad by residents	These transactions are subject to the regulations of the issuing jurisdiction.
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On money market instruments

<i>Purchase locally by nonresidents</i>	These transactions are subject to the Securities (Mutual Funds) Regulations.
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<i>Sale or issue locally by nonresidents</i>	These transactions are subject to ministerial approval; a prospectus is required under the Companies Act.
<i>Purchase abroad by residents</i>	For banks, licensed deposit-taking institutions, credit unions, building societies, cambio operators, unit trusts, and pension funds that acquire foreign assets as part of their business activities, the purchase must be in accordance with directions issued by the MOF. Jamaican residents may acquire foreign assets unless acquisition is prohibited by the foreign jurisdiction concerned.
<i>Sale or issue abroad by residents</i>	The laws of the overseas jurisdiction apply.
On collective investment securities	MOF approval is required for banks, licensed deposit-taking institutions, credit unions, building societies, cambio operators, unit trusts, and pension funds.
<i>Sale or issue locally by nonresidents</i>	These transactions are subject to the Securities Act and the Unit Trusts Act.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	These transactions are subject to the Securities Act and the Unit Trusts Act.
Purchase abroad by residents	n.r.
Sale or issue abroad by residents	n.r.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	n.r.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Effective May 1, 2006, the special deposit requirement of 1% applicable to commercial banks and other institutions licensed under the Financial Institutions Act has been eliminated. Deposit-taking financial institutions are prohibited from investing on behalf of clients. This business is conducted by separate corporate entities.
Lending locally in foreign exchange	Currently, lending in foreign currency may be carried out only by ADs. Other lenders may apply for exemptions issued by the MOF.
Purchase of locally issued securities denominated in foreign exchange	Any person may purchase instruments denominated in foreign currency. However, only ADs may carry out transactions with securities issued in foreign currency. Other specific categories of companies are allowed to acquire foreign securities only in accordance with the directions issued by the MOF. The MOF may exempt other parties from such prohibitions.
Differential treatment of deposit accounts in foreign exchange	
<i>Liquid asset requirements</i>	The liquid assets ratio of commercial banks and entities licensed under the Financial Institutions Act with respect to local and foreign currency liabilities is 23%, and the cash reserve ratio is 9%. All debt securities or instruments issued by the government of Jamaica, whether denominated in Jamaican dollars or in a foreign currency, irrespective of their

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	original maturity terms, are designated as liquid assets within nine months of their maturity date.
Differential treatment of deposit accounts held by nonresidents	All deposit accounts, whether held by residents or nonresidents, are treated alike.
Investment regulations	
<i>Abroad by banks</i>	There are limits on investments by deposit-taking institutions that apply to all equity investments. Aggregate shareholdings may not exceed 50% of the capital base, and shareholdings in any one company may not exceed 10% of the capital base. Investments by all related parties may not exceed 20% of the capital base.
<i>In banks by nonresidents</i>	All substantial ownership in banks is subject to the approval of the MOF.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	General investments, including overseas investments by commercial banks, merchant banks, and building societies, are subject to limits.
<i>Limits (min.) on investment portfolio held locally</i>	The minimum to be specified by the Superintendent of Insurance must not exceed 70% of the domestic liabilities of the company.
<i>Currency-matching regulations on assets/liabilities composition</i>	Commercial banks and licensed deposit-taking institutions may be required to match their Jamaican dollar liabilities to their clients with Jamaican dollar assets.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	For pension funds that acquire foreign assets as part of their business activities, the purchase must be in accordance with directions issued by the MOF. MOF approval is required for transactions with collective investment securities.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	Nonresident companies must be incorporated or registered in Jamaica or other CARICOM member states in order to obtain a license to deal in securities or give investment advice. Nonresident companies must be owned, controlled, or supervised by persons who are citizens of, and are actually residents in, Jamaica or other CARICOM states, as may be prescribed. Mutual fund schemes must be approved by the Securities Commission, and there are limits on investments by deposit-taking institutions.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

May 1. The special deposit requirement of 1% applicable to commercial banks and other institutions licensed under the Financial Institutions Act was eliminated.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: April 1, 1964.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

A license from the MOF and the METI is required for capital transactions between residents and the following nonresidents: (1) organizations, high officials, and persons affiliated with the former Iraqi regime, in accordance with a UN Security Council resolution; (2) former Yugoslav President Slobodan Milosevic and affiliated persons; (3) Al-Qaida and the Taliban, and individuals, groups, and organizations associated with terrorism; (4) former Liberian President Charles Taylor, his immediate family, and senior officials of the former Taylor regime, in accordance with a UN resolution; and (5) in accordance with a UN resolution, individuals and entities who violated the arms embargo to the Democratic Republic of the Congo; (6) individuals constituting a threat to the peace and national reconciliation process in Côte d'Ivoire; (7) individuals impeding the peace process in Darfur, Sudan; (8) entities and individuals involved with the Democratic People's Republic of Korea's missile or WMD programs; and (9) entities and individuals engaged in the Islamic Republic of Iran's nuclear and other activities.

References to legal instruments and hyperlinks

Foreign Exchange and Foreign Trade Law.

Exchange Arrangement

Currency The currency of Japan is the Japanese yen.

Exchange rate structure Unitary.

Classification

Independently floating

The exchange rate of the yen is determined on the basis of supply and demand in the foreign exchange market. However, the authorities intervene when necessary to counter disorderly conditions in the market. The principal intervention currency is the dollar.

Exchange tax No.

Exchange subsidy No.

Forward exchange market There are no officially set rates in the forward market, and forward exchange transactions are based on free market rates.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements No.

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Administration of control	The exchange and trade control system is operated mainly by the MOF, the METI, and the Bank of Japan, which acts as the government's agent. Import- and export-reporting requirements are handled by the METI.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Exports and imports of gold exceeding one kilogram in total weight must be declared to the MOF through the customs authorities.
On external trade	Yes.
Controls on exports and imports of banknotes	Exports and imports of banknotes (including checks, traveler's checks, promissory notes, and securities) in both domestic and foreign currency exceeding the equivalent of ¥1 million in value must be reported to the MOF through the customs authorities.
On exports	Yes.
On imports	Yes.
References to legal instruments and hyperlinks	Foreign Exchange and Foreign Trade Law.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Controls apply to deposits of foreign-currency-denominated funds with resident financial institutions by an insurance company that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets.
Held abroad	Controls apply to deposits of funds with nonresident financial institutions by an insurance company that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

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Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Certain goods are subject to import restrictions under the Import Control Order for reasons of national security, public health, and environmental and moral protection. Imports of these goods require prior approval from the METI. For the restricted items, authorization from the METI and an import quota certificate are required. For the importation of certain other goods from specific countries or shipping areas, individual authorization must be obtained from the METI. Import settlements effected under special methods require authorization from the METI.
Negative list	Yes.
Open general licenses	Yes.
Licenses with quotas	Yes.
Other nontariff measures	Certain illicit goods, including drugs, guns, and counterfeit goods, are prohibited from being imported under the Customs Law.
Import taxes and/or tariffs	The Japanese tariff system is stipulated by the Customs Law, Customs Tariff Law, and Temporary Tariff Measures Law. The harmonized classification schedule annexed in the Customs Tariff Law sets out both the classification and the corresponding customs duty rate (called the general rate) of particular products. The rate actually applied, however, is not necessarily the general rate. The Temporary Tariff Measures Law sets out the temporary rate for certain products, which in these cases prevails over the general rate. In addition, when the customs duty rate in the WTO Concession Schedule (so-called WTO rate) or the rate set forth by the Economic Partnership Agreement (so-called EPA rate) is lower than the general rate (or the temporary rate, if applicable), the WTO rate or EPA rate is applied. For designated developing countries, the Customs Tariff Law and the Temporary Tariff Measures Law also provide a preferential rate, which is applicable to certain products and lower than any of the above rates.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Export restrictions may be applied either globally or to certain destinations, and these may cover export volume, export prices, or other conditions. Exports of specified raw materials for foreign processing and reimportation require individual licenses. Certain goods are subject to export restrictions under the Export Control Order for reasons of international security and environmental protection.
Without quotas	Yes.
With quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
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References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase abroad by residents

Controls apply to the acquisition or repurchase by an insurance company of securities issued on a foreign financial market that would cause its assets denominated in foreign currency to exceed 30% of its total assets.

Bonds or other debt securities

Purchase abroad by residents

Controls apply to the purchase by an insurance company of securities issued on a foreign financial market that would cause its assets denominated in foreign currency to exceed 30% of its total assets.

On money market instruments

Purchase abroad by residents

Controls apply to the acquisition or repurchase by an insurance company of securities issued on a foreign financial market that would cause its assets denominated in foreign currency to exceed 30% of its total assets.

On collective investment securities

Purchase abroad by residents

Controls apply to the purchase by an insurance company of securities issued on a foreign financial market that would cause its assets denominated in foreign currency to exceed 30% of its total assets.

Controls on derivatives and other instruments

Purchase abroad by residents

Controls apply to the purchase of or swap operations by an insurance company in instruments and claims denominated in foreign currency on foreign markets that would cause its assets denominated in foreign currency to exceed 30% of its total assets.

Controls on credit operations

Financial credits

By residents to nonresidents

Controls apply to credits and loans granted to nonresident borrowers by an insurance company that would cause its assets denominated in foreign currency to exceed 30% of its total assets.

Controls on direct investment

Outward direct investment

Outward direct investments by residents in the following industries require prior notification: (1) fisheries, (2) manufacturing of leather or leather products, (3)

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	manufacturing of weapons, (4) manufacturing of equipment related to manufacturing weapons, and (5) manufacturing of narcotics.
Inward direct investment	Prior notification is required for inward direct investments (1) in aircraft, armament, nuclear power, space technology, and explosives production industries for national security reasons; (2) in electricity, gas, heat supply, telecommunications, broadcasting, water, railroad, and passenger transport industries for reasons of public order; (3) in biological and security industries for public safety reasons; (4) in oil, leather and leather products, agriculture, forestry and fisheries, air transport, and maritime industries to ensure the smooth operation of the national economy; and (5) by foreign investors of countries with which there is no treaty or other international agreement with Japan concerning inward direct investments, etc.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	Controls apply to the acquisition by an insurance company of real estate abroad that would cause its assets denominated in foreign currency to exceed 30% of its total assets.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Controls apply to the purchase by an insurance company of securities issued on a foreign financial market that would cause its assets denominated in foreign currency to exceed 30% of its total assets.
<i>Limits (max.) on investment portfolio held abroad</i>	Controls apply to (1) the purchase of or swap operations by an insurance company in instruments and claims denominated in foreign currency on foreign markets, (2) credits and loans granted to nonresident borrowers by an insurance company, and (3) deposits of funds with nonresident financial institutions by an insurance company if these would cause its assets denominated in foreign currency to exceed 30% of its total assets.
<i>Limits (min.) on investment portfolio held locally</i>	Controls apply to the (1) purchase by an insurance company of securities in foreign currency on the domestic market, (2) purchase of or swap operations by an insurance company in instruments and claims denominated in foreign currency of domestic markets, (3) credits and loans granted by an insurance company in foreign currency to resident borrowers, and (4) deposits of foreign-currency-denominated funds with resident financial institutions by an insurance company if these would cause its assets denominated in foreign currency to exceed 30% of its total assets.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

JORDAN

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: February 20, 1995.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

The Central Bank of Jordan (CBJ) instructed banks to comply with all UN Security Council resolutions regarding freezing of funds. Banks are required to inform the CBJ of financial transactions by natural or legal persons listed by the UN in accordance with Security Council resolutions.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Jordan is the Jordanian dinar.

Other legal tender

The CBJ issues commemorative gold coins, which, although legal tender, do not circulate but are available to residents and nonresidents.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

The dinar is officially pegged to the SDR, but in practice it has been pegged to the dollar since late 1995. The difference between the CBJ's buying and selling rates is 0.3%.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Licensed banks may buy forward an unlimited amount of foreign currency against dinars from their customers, and they may sell forward foreign currencies against dinars to their customers to pay for imports into Jordan.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

No restrictions apply on transactions in domestic or foreign currency.

Use of foreign exchange among residents

Residents may use foreign exchange for transactions.

Payments arrangements

Bilateral payments arrangements

Inoperative

There is an inoperative arrangement with the Syrian Arab Republic.

Administration of control

No.

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Payments arrears

Official	Payments arrears to bilateral creditors have been rescheduled under a Paris Club agreement.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	These accounts are permitted without any restrictions.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	For statistical purposes, proof of domicile is required when nonresident accounts are opened.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	The funds in the blocked bank accounts of certain individuals associated with the former government of Iraq have been transferred to the frozen deposits management fund.
References to legal instruments and hyperlinks	Frozen Deposits Management Law No. 33, 2003.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	The negative list includes certain goods that are prohibited for national security reasons.
Import taxes and/or tariffs	The maximum tariff rate is 30%, excluding cigarettes and alcoholic beverages, to which higher rates apply.

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State import monopoly	Oil imports are effected by a state agency.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Licenses for exports are not required, except for wheat and barley products.
With quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	There are no controls on these transactions, except for exposure limits.
Controls on direct investment	
Inward direct investment	Nonresident investments are limited to a maximum of 49% ownership or 50% subscription in shares in the following major sectors: commerce and trade services, construction, contracting, and transportation. The amount of investment in any one project must total at least JD 50,000. Investments in the following sectors are not permitted for nonresidents: investigation and security, quarries for natural sand and stones, sport clubs, and passenger and freight road transportation services.

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Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	These transactions are allowed only if reciprocal agreements exist. Cabinet approval is required.
Controls on personal capital transactions	
Transfer of gambling and prize earnings	Gambling is illegal in Jordan, but the transfer of prize earnings is not restricted.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)	Licensed banks may lend to nonresidents who have business activities in Jordan.
Lending locally in foreign exchange	Licensed banks may lend to residents and nonresidents up to 30% of their foreign exchange deposits (after deducting the legal monetary reserve in the CBJ). Lending in foreign exchange is restricted to foreign exchange earners.
Investment regulations <i>Abroad by banks</i>	No controls apply except for foreign exchange exposure limits.
Open foreign exchange position limits	Open positions in individual foreign currency (excluding dollars) are limited to a total of 5% of bank equity. The aggregate open position (and that on dollars) is limited to 15% of bank capital.

Provisions specific to institutional investors

Insurance companies <i>Currency-matching regulations on assets/liabilities composition</i>	No controls apply, except for foreign exchange exposure limits.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The Social Security Corporation (SSC) is not allowed to invest more than 10% of its assets abroad.
<i>Limits (min.) on investment portfolio held locally</i>	The SSC must invest at least 90% of its assets locally.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

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Changes during 2006

No significant changes occurred in the exchange and trade system.

KAZAKHSTAN

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: July 16, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

There is provision for the right to introduce a special permit regime for certain foreign exchange operations in the event of a threat to the economic security of Kazakhstan and the stability of its financial system. Decisions to introduce or extend the special permit regime, and also the list of operations that may be performed only with a special permit, are determined by the president after joint consultations with the government and the National Bank of Kazakhstan (NBK).

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Kazakhstan is the Kazakhstani tenge.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the tenge is determined on the basis of supply and demand in the foreign exchange market. The foreign exchange market includes the Kazakhstan Stock Exchange (KASE), which conducts daily trading online using an electronic trading system, an over-the-counter interbank market, and a network of more than 3,000 exchange bureaus handling foreign exchange cash transactions. Banks may participate in trading sessions on their own account or on behalf of their clients. Banks may also trade in an over-the-counter interbank market at freely negotiated rates.

The official exchange rate of the tenge against the dollar is determined daily on the basis of the weighted average rate at 11:00 a.m. the previous day on the KASE. The rates for other currencies are calculated on the basis of their cross rates against the dollar. The NBK publishes daily exchange rates of certain currencies against the tenge for accounting and customs payments computation purposes. Commercial banks set their own exchange rates without restrictions.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Foreign exchange futures are quoted on the KASE. Forward exchange operations are also conducted in the interbank market.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Payments and transfers between residents are effected in domestic currency with the exception of cases explicitly specified by the Law on Foreign Exchange Regulation and Foreign Exchange Control.

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	Payments and transfers between residents and nonresidents may be conducted in any currency as long as they comply with the requirements of the foreign exchange laws.
Controls on the use of domestic currency	
<i>For capital transactions</i>	When used in transactions between residents and nonresidents, domestic currency is considered a foreign exchange asset. Therefore, such transactions are subject to all provisions of foreign exchange laws with respect to capital transactions.
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Use of foreign exchange among residents	Foreign exchange transactions among residents are prohibited, with the exception of (1) transactions in which one of the parties is the NBK or the MOF; (2) transactions with foreign exchange assets that are considered banking and other transactions, which authorized banks and authorized organizations have a right to perform in accordance with a license and the laws; (3) payment for banking services involving the performance of foreign exchange transactions, as well as the payment of fines (penalties) under banking service agreements for services involving foreign currency; (4) transactions involving the purchase, sale, payment of commissions, and/or redemption of securities issued by residents in foreign currency and securities issued by nonresidents; (5) payments and transfers of funds under agency agreements involving exports (imports) with the use of transferable LCs as a form of payment; (6) the transfer of bills of exchange denominated in foreign currency in fulfillment of monetary obligations; (7) settlements with residents who are licensed by the NBK to engage in retail trade and provide services for cash foreign exchange; (8) payment for expenses related to business travel by employees outside Kazakhstan; (9) unrequited money transfers or unrequited transfers of foreign exchange assets by individuals to individuals and to legal entities engaged in charitable activities; (10) placement of bank deposits by individuals on behalf of other individuals; and (11) transactions involving the payment of taxes and other compulsory payments to the budget in those cases provided for by law.
Payments arrangements	No.
Administration of control	Foreign exchange control is provided by the NBK, other government bodies within the scope of their authority as established by law, and foreign exchange control agents. Foreign exchange control agents are authorized banks and authorized organizations performing certain types of banking operations, as well as other organizations that have been assigned responsibility for monitoring compliance with foreign exchange legislation in the performance of their operations in accordance with licenses they have received. The NBK monitors compliance by residents and nonresidents with the requirements of foreign exchange legislation and proper performance of the functions of foreign exchange control agents by authorized banks and authorized organizations. The MOF provides for monitoring and supervision of government loans, supervision of the earmarked and efficient use of government guaranteed loans, and monitoring of government and government guaranteed debt. The Ministry of Industry and Trade issues licenses to import and export goods (work, services) and to perform other activities within the scope of its authority, and it also monitors licensees' compliance with qualification requirements and licensing regulations. The Agency for the Regulation and Supervision of the Financial Market and Financial Institutions is responsible for licensing the organization by banks of exchange operations with foreign currency as part of a general banking license. The Customs Control Committee of the MOF performs customs control and, within the scope of its authority, foreign exchange control.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Refined gold bullion is classified as a foreign exchange asset.
On external trade	There are no restrictions on the export of refined precious metals. Control over the foreign trade of refined precious metals is maintained in the same manner as over other goods.

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Controls on exports and imports of banknotes

Individuals exporting or importing domestic or foreign currency in excess of the equivalent of \$3,000 must declare it to customs.

On exports

Foreign currency

Residents and nonresidents may export cash foreign currency up to \$10,000 without documentary evidence of legal origin. Individuals exporting cash foreign currency from Kazakhstan in an amount in excess of \$10,000 must present the following to customs authorities: (1) a customs declaration confirming the import of cash foreign exchange into Kazakhstan, for the export of previously imported cash foreign exchange; and/or (2) a personal income tax return (taxpayer's copy), for the export by residents of cash foreign exchange with a different origin.

References to legal instruments and hyperlinks

Law on Foreign Exchange Regulation and Foreign Exchange Control; http://213.211.77.60/cont/publish557033_3640.pdf.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Residents may open foreign currency accounts in authorized banks without restrictions.

Held abroad

Yes.

Approval required

Effective January 1, 2007, residents are free to open accounts with nonresident banks. However, they are required to inform the NBK of the accounts opened within 30 days following the agreement or returning from abroad. Previously, an NBK license was required to open these accounts, except in cases where the account holders were (1) banks, (2) resident individuals who opened accounts with banks in member countries of the OECD or FATF, or (3) resident individuals residing abroad temporarily who opened accounts with foreign banks. In the latter case, if the account was opened at a bank located in a country that was not on the OECD and FATF list, on their return to Kazakhstan the resident individuals had to have closed the account at the foreign bank or applied to the NBK for a license to continue using the account.

Depending on the purpose for which an account was opened, an NBK license was not required by (1) resident financial institutions, if the accounts were opened for the purpose of effecting transactions with financial instruments in international securities markets; (2) resident legal entities, if the account was intended for the transfer of funds required for paying in authorized capital of a legal entity, in cases in which the requirement to open such an account was established by the legislation of the foreign state in which the resident was planning to invest; (3) resident legal entities, if the accounts were intended for the transfer of funds for the purpose of securing the liabilities of residents to nonresidents under loans solicited from nonresidents; and (4) resident legal entities, if the accounts were intended for the financing of expenses related to the maintenance of branches and representative offices of the given legal entity because these accounts were subject to registration with the NBK.

Accounts in domestic currency held abroad

The regulation of accounts abroad is identical for foreign and domestic currency accounts.

Accounts in domestic currency convertible into foreign currency

All domestic currency accounts are convertible.

References to legal instruments and hyperlinks

Law on Foreign Exchange Regulation and Foreign Exchange Control; http://213.211.77.60/cont/publish557033_3640.pdf.

Nonresident Accounts

Foreign exchange accounts permitted

Effective January 1, 2007, nonresidents may open foreign exchange accounts with authorized banks without restrictions.

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Domestic currency accounts	Effective January 1, 2007, nonresidents may open domestic currency accounts with authorized banks without restrictions.
Convertible into foreign currency	All domestic currency accounts are convertible.
Blocked accounts	No.
References to legal instruments and hyperlinks	Law on Foreign Exchange Regulation and Foreign Exchange Control; http://213.211.77.60/cont/publish557033_3640.pdf .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	<p>Effective January 1, 2007, all advance payments for imports are allowed without restrictions. Previously, advance payment for imports for a period of up to 180 days was allowed without restriction. Advance payment for imports for a period of more than 180 days was considered movement of capital and required an NBK license if the transaction amount exceeded \$10,000.</p> <p>An NBK license was also required if the import contract specified a delivery date of less than 180 days, but the actual date on which the nonresident fulfilled the obligation to deliver goods or return funds exceeded 180 days.</p>
Documentation requirements for release of foreign exchange for imports	Effective January 1, 2007, presentation of an import contract or other supporting documents is required for effecting import payments.
Domiciliation requirement	Resident juridical persons are required to submit relevant import contracts to an authorized bank when purchasing foreign exchange for import payments.
Other	<p>Effective January 1, 2007, a transaction passport must be completed for accounting purposes only for each import transaction valued in excess of the equivalent of \$10,000 with the servicing bank. Previously, the transaction passport had to be completed for the customs authorities and was used to verify compliance with the terms of the import contract. It was monitored by the customs office and the bank until the completion of the transaction. Registration with the NBK was required for early delivery by a nonresident of imports valued in excess of \$300,000 more than 180 days before the payment date. Registration requirements did not apply to import contracts when transaction passports had been completed for the entire amount of the contract.</p> <p>Also, effective January 1, 2007, deferral of payment on imports or advance payment on imports is considered a commercial credit. A resident importer must register a commercial credit with the NBK in specified cases.</p>
Import licenses and other nontariff measures	There is a licensing regime for imports of alcoholic products, explosives, products for military use, weapons, poisonous substances, industrial wastes, nuclear materials (equipment), and special equipment for police investigation uses.
Negative list	Imports of all types of military-style weapons and ammunition; weapons of mass destruction, as well as materials and equipment that could be used in the production of weapons of mass destruction; narcotic drugs, psychotropic substances and their precursors, as well as paraphernalia for their use; printed and graphic materials aimed at the overthrow of the state system and social order that contain propaganda promoting war, terrorism, violence, or racism, as well as materials with pornographic content; and ozone-depleting substances, as well as products that contain ozone-depleting substances, are prohibited.
Import taxes and/or tariffs	Imports are subject to (1) VAT and customs duties (certain goods are exempt); (2) excise taxes (where applicable); and (3) antidumping, protection, and compensation duties (if such duties exist). The VAT rate is 15%. Effective August 17, 2006, some import tariff rates were changed.
State import monopoly	No.

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References to legal instruments and hyperlinks

Law on Foreign Exchange Regulation and Foreign Exchange Control http://213.211.77.60/cont/publish557033_3640.pdf; Resolution No. 129 of the NBK Board of December 11, 2006, on Approval of Rules for the Performance of Foreign Exchange Operations in the Republic of Kazakhstan; http://213.211.77.60/cont/publish369313_3431.doc; Resolution No. 86 of the NBK Board of August 17, 2006, on Approval of Rules on the Performance of Export-Import Foreign Exchange Controls in the Republic of Kazakhstan; http://213.211.77.60/cont/publish432181_3279.doc; Government Resolution No. 1037 of June 30, 1997, on Licensing Exports and Imports of Goods (Work, Services) in the Republic of Kazakhstan; Government Resolution No. 681 of July 10, 2003, on Approval of Import and Export Bans in the Republic of Kazakhstan on Goods and Vehicles, Lists of Goods That May Not Be Placed under Certain Customs Regimes, and Bans and Restrictions on the Performance of Operations with Goods Placed under Specific Customs Regimes; Government Resolution No. 1716 of November 16, 1999, on Approval of the Protocol on the Uniform Procedure for the Application of Technical, Medical, Pharmaceutical, Public Health, Veterinary, Phytosanitary, and Environmental Standards, Regulations, Rules, and Requirements with Respect to Goods Imported into Customs Union Member States; and Government Resolution No. 765 of August 17, 2006, on the Customs Tariff of the Republic of Kazakhstan.

Exports and Export Proceeds

Repatriation requirements

Effective January 1, 2007, residents must ensure that domestic and foreign currency received by them in payment for export goods (work, services) is credited to bank accounts with authorized banks within the time period stipulated by the terms of the transaction. Previously, all proceeds from exports of goods (work, services) had to be received by residents and credited to accounts at authorized banks within 180 days of the date of export of the goods (work, services).

An NBK license was previously required to credit export proceeds in foreign exchange to accounts at authorized banks or to fulfill obligations in some other manner more than 180 days from the export date. An NBK license established repatriation deadlines substantiated by the resident.

In order to credit export proceeds to a resident's account at a foreign bank, the resident must have had an NBK license to open the given account at a foreign bank or a certificate of registration with the NBK, or the resident must have notified the NBK of the existence of such an account.

The crediting of export proceeds by a resident to bank accounts at authorized banks is not required in the following cases: (1) the foreign exchange proceeds are credited to the resident's accounts at foreign banks if these accounts are intended to provide security for the resident's obligations under the terms of a loan solicited from a nonresident; and (2) the foreign exchange proceeds are credited to accounts at foreign banks if these accounts are intended to support the activities of branches and representative offices of the resident that have been opened abroad. In the event that export proceeds in foreign exchange are not credited to accounts at authorized banks, the repatriation requirement is considered to have been met in full or in part if (1) a nonresident's obligation is offset by a counterclaim of the same nature; (2) a nonresident's obligation is met by replacing the original obligation between the parties with a different obligation between the same parties that provided for a different object or means of fulfillment; (3) the right of claim on a nonresident is assigned to another party; and (4) an insurance payment is received, if an insured event occurs under insurance agreements covering the risk of default by a nonresident.

Financing requirements

No.

Documentation requirements

Effective January 1, 2007, the export contract must be presented only to the bank servicing the transaction (previously, to the customs authorities also). Effective January 1, 2007, a transaction passport must be completed for accounting purposes for export transactions involving the movement of goods valued in excess of the equivalent of \$10,000 only for the bank servicing the transaction (previously, to the customs authorities). Previously, the transaction passport was checked to verify compliance with the terms of the export contract and was monitored by the customs office and the bank until completion of the transaction. Effective January 1, 2007, deferral of payment on exports or advance payment on exports is considered a commercial credit. A resident exporter must register a commercial credit for

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exports with the NBK in the following instances: (1) if a resident made early delivery on exports valued in excess of the equivalent of \$50,000 more than 180 days before the payment date, effective January 1, 2007; and (2) if a nonresident makes prepayment on exports valued in excess of the equivalent of \$300,000 more than 180 days before the delivery date. Registration requirements do not apply to export contracts where transaction passports are required. Previously, advance delivery of exports for a period of up to 180 days was allowed without restriction. Deferral of payment for exports beyond 180 days was considered a capital transaction and required an NBK license if the amount of the export delivery exceeded \$10,000. An NBK license was also required in the event that the export contract specified a delivery date of less than 180 days, but the actual date on which the nonresident fulfilled the obligations to pay for goods or return delivered goods exceeded 180 days.

Export licenses

Export licenses are required for 21 categories of goods.

Without quotas

Certain listed exports require licenses, and some listed exports are licensed with governmental approval.

With quotas

Certain listed exports require licenses in accordance with the international obligations of Kazakhstan.

Export taxes

Other export taxes

Customs duties apply to exports of scrap and waste of ferrous and nonferrous metals, aluminum and aluminum products, skins and hair of domesticated animals, and parts of railway locomotives, wagons, or rolling stock. Seasonal duties apply to exports of petroleum products. There is a rent tax on crude oil and gas condensate exports ranging from zero to 33%, depending on the market price (it does not apply to developers who have signed production-sharing contracts). Effective August 17, 2006, changes were introduced in the rates of export customs duties applicable on an interim basis for goods produced from oil, and in the list of such goods.

References to legal instruments and hyperlinks

Law on Foreign Exchange Regulation and Foreign Exchange Control; http://213.211.77.60/cont/publish557033_3640.pdf; Resolution No. 129 of the NBK Board of December 11, 2006, on Approval of Rules for the Performance of Foreign Exchange Operations in the Republic of Kazakhstan; http://213.211.77.60/cont/publish369313_3431.doc; Resolution No. 86 of the NBK Board of August 17, 2006, on Approval of Rules on the Performance of Export-Import Foreign Exchange Controls in the Republic of Kazakhstan; http://213.211.77.60/cont/publish432181_3279.doc; Government Resolution No. 1037 of June 30, 1997, on Licensing Exports and Imports of Goods (Work, Services) in the Republic of Kazakhstan; Government Resolution No. 1282 of October 18, 2000, on Approval of a List of Products Subject to Export Controls in the Republic of Kazakhstan; Code of the RK No. 209 of June 12, 2001, on Taxes and Other Mandatory Payments to the Budget (the Tax Code), Section 9-1; Government Resolution No. 1036 of October 15, 2005, on Collection of Customs Duties When Exporting from the Customs Territory of the Republic of Kazakhstan Goods Produced from Oil; Government Resolution No. 765.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Supporting documents must be presented.

Trade-related payments

Quantitative limits

The total amount of insurance premiums paid by the assignor to nonresident reinsurance organizations, less commissions received from them by the assignor, must not exceed 85% of the total amount of insurance premiums received under insurance agreements (with consideration for those paid to reinsurance organizations) at the completion of a full fiscal year.

Indicative limits/bona fide test

Yes.

Investment-related payments

Indicative limits/bona fide test

Yes.

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Payments for travel

Indicative limits/bona fide test

In order to use foreign exchange funds for the purposes of paying for travel by their employees, resident legal entities must present documents confirming the use of the funds as designated.

Personal payments

Indicative limits/bona fide test

In the event that an individual does not have supporting documents, payment (the disbursement of funds to the individual) is effected only if the individual records an entry confirming the personal nature of the given payment and permitting the authorized bank to provide information about the transaction to law enforcement authorities and the NBK on their request.

Foreign workers' wages

Indicative limits/bona fide test

Yes.

Credit card use abroad

Indicative limits/bona fide test

Resident legal entities paying more than \$10,000 are subsequently required to provide documents identifying the purpose of the expense.

Other payments

Effective January 1, 2007, deferral of payment or advance payment on services provided by a nonresident is considered a commercial credit.

Prior approval

Effective January 1, 2007, no prior approval is required for advance payment for services by nonresidents in excess of \$10,000, if delivery of the services is deferred for more than 180 days. Previously, an NBK license was required to effect such payments.

Indicative limits/bona fide test

Yes.

References to legal instruments and hyperlinks

Law on Foreign Exchange Regulation and Foreign Exchange Control; http://213.211.77.60/cont/publish557033_3640.pdf; Resolution No. 129 of the NBK Board of December 11, 2006, on Approval of Rules for the Performance of Foreign Exchange Operations in the Republic of Kazakhstan; http://213.211.77.60/cont/publish369313_3431.doc; RK Law No. 126 of December 18, 2000, on Insurance Activity.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Repatriation requirements extend to foreign exchange proceeds from exports of services (work). Effective January 1, 2007, the time limit to repatriate proceeds from the export of services (work) was changed from 180 days to the time period stipulated by the terms of the transaction.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

Law on Foreign Exchange Regulation and Foreign Exchange Control; http://213.211.77.60/cont/publish557033_3640.pdf; Resolution No. 129 of the NBK Board of December 11, 2006, on Approval of Rules for the Performance of Foreign Exchange Operations in the Republic of Kazakhstan; http://213.211.77.60/cont/publish369313_3431.doc.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

Yes.

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Controls on capital and money market instruments

On capital market securities

Transactions (with the exception of those involving direct investments) performed through Kazakhstani professional participants in the securities market within the limits of their licenses do not require an NBK license or registration with the NBK.

Shares or other securities of a participating nature

Effective January 1, 2007, residents must notify the NBK after the fact of foreign exchange transactions associated with the acquisition of shares or other securities of a participating nature not considered direct investment that exceed \$50,000 (for securities issued by nonresidents) or \$300,000 (for securities issued by residents). Previously, these transactions had to be registered with the NBK, except for purchases effected through resident brokerage companies on the basis of brokerage agreements or for purchases from resident banks.

Professional securities market participants must provide notification of transactions with securities effected via Kazakhstani professional securities market participants.

Purchase locally by nonresidents

Yes.

Sale or issue locally by nonresidents

Sale or issue locally of securities of nonresidents must go through an authorization process for trading in the organized securities market, following the procedure established by a regulatory legal act of the authorized body.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

An appropriate permit from the authorized body is required for the issue or placement of issued securities by a resident organization of Kazakhstan on the territory of a foreign state.

Bonds or other debt securities

Regulations governing shares or other securities of a participating nature apply.

On money market instruments

Regulations governing shares or other securities of a participating nature apply.

On collective investment securities

Regulations governing shares or other securities of a participating nature apply.

Controls on derivatives and other instruments

Accounting and registration of transactions involving derivative securities traded in the organized securities markets are performed in accordance with the rules for securities trading on the stock exchange. Effective January 1, 2007, residents must notify the NBK after the fact of foreign exchange transactions associated with derivative financial instruments, if the amount of the payment and/or transfer by the resident to a nonresident and/or nonresident to a resident exceeds \$50,000. Professional securities market participants must provide notification of transactions with derivatives effected via Kazakhstani professional securities market participants. Previously, residents had to have an NBK license to perform transactions with derivative financial instruments between residents and nonresidents, except if the residents were banks, insurance organizations, organizations involved in the investment management of pension assets, and pension savings funds independently engaged in the investment management of pension assets; the transactions were effected through Kazakhstani professional participants in the securities market within the limits of their licenses.

Controls on credit operations

Effective January 1, 2007, registration with the NBK is required for credits for a term of more than 180 days in excess of \$50,000 by residents to nonresidents and \$300,000 to residents from nonresidents. Registration is also required in instances where commercial credits were provided for a term of 180 days or less but the actual time period for return of the resources or other execution of obligations by the resident or nonresident exceeded 180 days.

The registration requirement does not apply to commercial credits associated with the delivery of goods for which transaction passports have been prepared or to financial credits of resident banks. Previously, a license from the NBK was required for commercial credits by residents to nonresidents in excess of \$10,000 for a term of more than 180 days. Registration with the NBK was required when the maturity of the credits was less than 180 days, but the actual time period of the return of the resources exceeded 180 days. The registration did not apply to resident banks. Resident banks must notify the NBK after the fact of financial credits solicited by them from nonresident, if the credit exceeds \$300,000.

Commercial credits

Controls apply to all these transactions.

Financial credits

Controls apply to all these transactions.

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Controls on direct investment

Outward direct investment Effective January 1, 2007, registration with the NBK is required for direct investments in excess of \$50,000 (previously, \$10,000), except for resident banks, which must notify the NBK of such transactions after the fact.

Inward direct investment Registration with the NBK is required for residents to solicit direct investments in excess of \$300,000, except for resident banks, which must notify the NBK of such transactions after the fact.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents Effective January 1, 2007, residents must notify the NBK after the fact of foreign exchange transactions associated with the acquisition of ownership rights to real estate if (1) the amount paid to the resident exceeds \$300,000 and (2) the amount of transfer of resources to the nonresident exceeds \$50,000.

The resident bank effecting the payments and/or transfers must provide notification of payments and/or transfers of money of an individual associated with the acquisition of ownership rights to real estate. Previously, the acquisition by resident legal entities from nonresidents of ownership rights to real estate valued in excess of \$10,000 was subject to NBK registration.

Purchase locally by nonresidents Yes.

Sale locally by nonresidents Yes.

Controls on personal capital transactions

Loans

By residents to nonresidents Effective January 1, 2007, loans in excess of \$50,000 (previously, \$10,000) for a term of more than 180 days are subject to NBK registration.

To residents from nonresidents Loans to residents for a term of more than 180 days and in excess of \$300,000 are subject to NBK registration.

Transfer of assets Natural persons are entitled to transfer without restriction their resources abroad or into the country on presentation of documents identifying the purpose of the transfer or completion of a form providing information on the transfer to the NBK and law enforcement agencies.

References to legal instruments and hyperlinks

Law on Foreign Exchange Regulation and Foreign Exchange Control; http://213.211.77.60/cont/publish557033_3640.pdf; Resolution No. 129 of the NBK Board of December 11, 2006, on Approval of Rules for the Performance of Foreign Exchange Operations in the Republic of Kazakhstan; http://213.211.77.60/cont/publish369313_3431.doc.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Investments abroad by resident banks are limited by requirements regarding the investment of own and borrowed funds in domestic assets.

Banks are prohibited from engaging as a commercial entity in operations and transactions that are not classified as banking activity and are not explicitly stipulated in the Law on Banks and Banking Activity in the Republic of Kazakhstan.

Banks are prohibited from purchasing stakes in the authorized capital or shares of legal entities, with the exception of (1) financial institutions; (2) legal entities that are not financial institutions whose shares are listed in the highest listing category of a stock exchange operating in Kazakhstan; (3) credit bureaus; pawn shops; special financial companies established in accordance with the legislation of Kazakhstan on securitization; special organizations that are located in Kazakhstan and established for the purpose of the placement of securities; leasing organizations, as well as organizations that are engaged exclusively in the ownership and management of real estate used to support the bank's operating activities;

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and legal entities engaged in the automation of banking activities; (4) legal entities, if the shares in the authorized capital of these organizations have been accepted as collateral and become the property of banks in accordance with the civil legislation of the Kazakhstan; (5) associations (unions) of banks; (6) joint-stock investment funds that are located in Kazakhstan; and (7) legal entities that are not located in Kazakhstan that have the status of banks, insurance organizations, pension funds, or professional participants in the securities market.

Limits on participation in the authorized capital (purchase of shares) of a legal entity depend on the ratio of (1) the value of the purchase to the bank's equity capital, (2) the overall value of the bank's shares in the authorized capital of legal entities to the bank's equity capital, and (3) the number of shares purchased to the total number of shares placed by the legal entity.

Banks are prohibited from performing transactions with other securities as a form of commercial activity, with the exception of transactions with (1) bonds of legal entities whose securities are listed in the highest and second-highest listing categories of a stock exchange operating in Kazakhstan; (2) bonds of international financial institutions, a list of which is established by the authorized body; and (3) bonds of foreign issuers that have a minimum required rating from one of the rating agencies.

In accordance with the Law on Banks and Banking Activity, banks have the right to perform the following types of professional activities in the securities market: (1) brokerage activity with government securities of Kazakhstan and countries with a minimum required rating from one of the rating agencies or, without such a rating, based on a decision by the authorized body, and derivative securities, a list of which and the procedure for acquisition of the underlying assets of which are determined by the authorized body; (2) dealer activities with government securities of Kazakhstan and countries with a minimum required rating from one of the rating agencies or, without such a rating, based on a decision by the authorized body; derivative securities, a list of which and the procedure for acquisition of the underlying assets of which are determined by the authorized body; and other securities established by Article 8 of the Law on Banks and Banking Activity in the Republic of Kazakhstan; (3) custodial activities; and (4) transfer-agent activities.

The authorized body issues a license for banks to perform one or several compatible types of professional activities in the securities market as listed above. Effective October 1, 2006, changes were made in prudential standards for second-tier banks and the maximum limit for external short-term liabilities (Resolution of the Board of the AFN No. 120 of May 27, 2006).

Lending locally in foreign exchange	Authorized banks may extend credit in foreign currency to resident and nonresident juridical persons only in noncash form.
Purchase of locally issued securities denominated in foreign exchange	The securities that banks may purchase are specified in banking legislation.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Effective July 1, 2006, foreign exchange deposits are included in the group of liabilities for which banks must meet minimum reserve requirements.
<i>Liquid asset requirements</i>	Effective October 1, 2006, the ratio of the average amount of monthly highly liquid assets of a bank in a foreign currency to the average amount of its monthly demand liabilities in that same foreign currency should be not less than 0.9 (the limit of current foreign exchange liquidity).
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Effective July 1, 2006, foreign exchange deposits of nonresidents are included in the group of liabilities for which banks must meet minimum reserve requirements.
Investment regulations	
<i>In banks by nonresidents</i>	A nonresident bank has the right to open its own representative office without approval from the authorized body. The opening of branches of nonresident banks is prohibited. A nonresident legal entity may obtain consent from the authorized body to acquire the status

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of a bank holding company or a major shareholder in a bank if it has a minimum required rating from one of the rating agencies. The minimum rating and a list of rating agencies are established by a regulatory legal act of the authorized body. A nonresident bank that has a certain rating from one of the major rating agencies may be a parent bank of a subsidiary bank. A list of the major rating agencies and the minimum required rating are established by the authorized body. Legal entities that are registered in offshore zones or that have affiliates registered in offshore zones, or individuals who are partners in (founders or shareholders of) legal entities registered in offshore zones, a list of which is established by the authorized body, may not directly or indirectly hold, and/or use, and/or determine the disposition of voting shares in resident banks. This restriction does not apply to banks with an individual credit rating no lower than A from one of the rating agencies, a list of which is established by the authorized body. A nonresident that is a founder of a bank must have written notification from the authorized body (for banks that are not located in Kazakhstan, the banking supervision body) of the relevant country indicating that the person is permitted to hold shares in a bank located in Kazakhstan, or a statement from the authorized body (for banks that are not located in Kazakhstan, the banking supervision body) of the relevant country indicating that such permission is not required under the legislation of the country of the founder in question.

Open foreign exchange position limits

On resident assets and liabilities

The following limits apply: (1) the long and short open foreign exchange position limits for euros and other currencies of countries with a sovereign rating of no lower than A from Standard & Poor's (or a similar rating from one of the other rating agencies) should not exceed, effective October 1, 2006, 12.5% (previously, 15%) of a bank's equity capital; (2) the long and short open foreign exchange position limit for currencies of countries with a sovereign rating below A from Standard & Poor's (or a similar rating from one of the other rating agencies) should not exceed 5% of a bank's equity capital; and (3) effective October 1, 2006, the net foreign exchange position limit should not exceed 25% (previously, 30%) of a bank's equity capital.

Provisions specific to institutional investors

Insurance companies

It is prohibited to establish branches of a nonresident insurance organization in Kazakhstan, as well as branches of a nonresident insurance broker. A legal entity that is registered in an offshore zone, or a legal entity in whose authorized capital legal entities registered in offshore zones participate directly or through affiliates, may not be a founder of an insurance organization in Kazakhstan. Effective June 1, 2006, changes were made in prudential standards for insurance (reinsurance) organizations (Resolution of the Board of the AFN No. 87 of March 25, 2006).

Limits (max.) on securities issued by nonresidents

The total amount of an insurance organization's investment in securities of foreign states, nongovernment securities of nonresidents, and securities of international financial institutions must not exceed 30% of the insurance organization's total assets.

The authorized body establishes for such securities a list of international financial institutions and rating requirements based on the international credit rating scale, following the Standard & Poor's, Fitch, and Moody's Investors Service classifications.

Limits (max.) on investment portfolio held abroad

Restrictions are established for securities issued by nonresidents.

Limits (min.) on investment portfolio held locally

Effective June 1, 2006, the requirement that insurance companies invest at least 15% of their assets in government securities in Kazakhstan has been abolished.

Pension funds

The authorized body establishes a list of financial instruments in which organizations engaging in investment management of assets (pension savings funds) may place pension assets available for investment management for each separate fund, and requirements for them.

Limits (max.) on securities issued by nonresidents

Assets of a pension fund placed in debt securities with a rating below BB- according to Standard & Poor's or a similar rating by one of the other rating agencies and also in futures, options, swaps, and forwards, whose underlying assets are such securities, should not exceed 5% of the pension assets of that fund.

Limits (max.) on investment portfolio held abroad

Effective December 22, 2006, the requirement that investments in securities of foreign states, nongovernment securities of foreign issuers, securities of international financial

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	<p>institutions, and shares in foreign investment funds not exceed 40% of the pension fund's assets was abolished.</p>
<p><i>Limits (min.) on investment portfolio held locally</i></p>	<p>Effective December 22, 2006, the requirement that pension funds invest at least 25% of their assets in government securities of Kazakhstan other than securities issued by local governments and securities backed by government guarantees and deposits was abolished.</p>
<p>Investment firms and collective investment funds</p>	<p>Assets of an investment fund should be not be invested in securities of a single issuer or in financial instruments issued (provided) by a single person in an amount exceeding (1) 15% of the value of net assets for an open or interval mutual fund or real estate fund, (2) 20% of the value of net assets for a joint-stock investment fund or closed mutual fund, and (3) 30% of the value of net assets for an investment fund for high-risk investment.</p> <p>The authorized body establishes a list of financial instruments in which investment funds may place their assets outside Kazakhstan and requirements for such assets. The requirements established by the authorized body do not apply to high-risk investment funds.</p>
<p><i>Limits (max.) on securities issued by nonresidents</i></p>	<p>Yes.</p>
<p>References to legal instruments and hyperlinks</p>	<p>Republic of Kazakhstan Law No. 2444 of August 31, 1995, on Banks and Banking Activity; Republic of Kazakhstan Law No. 126-II of December 18, 2000, on Insurance Activity; Republic of Kazakhstan Law No. 136-I of June 20, 1997, on Pension Security in the Republic of Kazakhstan; Republic of Kazakhstan Law No. 461-II of July 2, 2003, on the Securities Market; Republic of Kazakhstan Law No. 576-II of July 7, 2004, on Investment Funds; Resolution of the Board of the NBK No. 38 of May 27, 2006, on Approval of the Rules on Minimum Reserve Requirements; Resolution of the Board of the AFN No. 358 of September 30, 2005, on Approval of the Instruction on Standard Figures and Methodology for Calculating Prudential Standards for Second-Tier Banks; Resolution of the Board of the AFN No. 87 of March 25, 2006, on Approval of the Instruction on Standard Figures and Methodology for Calculating Prudential Standards for Insurance (Reinsurance) Organizations and Forms and Deadlines for Submission of Reports on Fulfillment of Prudential Standards; Resolution of the Board of the Republic of Kazakhstan AFN No. 225 of October 27, 2006, on Approval of Rules for Engaging in Activities for Investment Management of Pension Assets; Resolution of the Board of the Republic of Kazakhstan AFN No. 258 of August 21, 2004, on Approval of Rules for Investing Assets of an Investment Fund Outside the Republic of Kazakhstan.</p>
<h3>Changes during 2006</h3>	
<p>Imports and import payments</p>	<p><i>August 17.</i> Some import tariff rates were changed.</p>
<p>Exports and export proceeds</p>	<p><i>August 17.</i> Changes were introduced in rates of export customs duties applicable on an interim basis for goods produced from oil, and in the list of such goods.</p>
<p>Provisions specific to the financial sector</p>	
<p>Provisions specific to commercial banks and other credit institutions</p>	<p><i>July 1.</i> Foreign exchange deposits were included in the group of liabilities for which banks must meet minimum reserve requirements.</p> <p><i>October 1.</i> The ratio of the average amount of monthly highly liquid assets of a bank in a foreign currency to the average amount of its monthly demand liabilities in that same foreign currency should be not less than 0.9 (the limit of current foreign exchange liquidity).</p> <p><i>October 1.</i> The net foreign exchange position limit was decreased to 25% from 30%.</p> <p><i>October 1.</i> Changes were made in prudential standards for second-tier banks and the maximum limit for external short-term liabilities.</p> <p><i>October 1.</i> The long and short open position limits for euros and other currencies of countries with a sovereign rating of no lower than A from Standard & Poor's was decreased to 12.5% from 15%.</p>
<p>Provisions specific to institutional investors</p>	<p><i>June 1.</i> Changes were made in prudential standards for insurance (reinsurance) organizations.</p>

KAZAKHSTAN

June 1. The requirement that insurance companies invest at least 15% of their assets in government securities in Kazakhstan was abolished.

December 22. The requirement that investments in securities of foreign states, nongovernment securities of foreign issuers, securities of international financial institutions, and shares in foreign investment funds not exceed 40% of the pension fund's assets was abolished.

December 22. The requirement that pension funds invest at least 25% of their assets in government securities of Kazakhstan other than securities issued by local governments and securities backed by government guarantees and deposits was abolished.

Changes during 2007

Resident accounts

January 1. Residents are free to open accounts with nonresident banks.

Nonresident accounts

January 1. Nonresidents may open foreign exchange and domestic currency accounts with authorized banks without restrictions.

Imports and import payments

January 1. All advance payments are allowed without restrictions.

January 1. Presentation of an import contract or other supporting documents is required for effecting import payments.

January 1. A transaction passport must be completed for accounting purposes only for each import transaction valued in excess of the equivalent of \$10,000 with the servicing bank.

January 1. Deferral of payment on imports or advance payment on imports is considered a commercial credit. A resident importer must register a commercial credit with the NBK in specified cases.

Exports and export proceeds

January 1. The time limit for the repatriation of export proceeds was changed from 180 days to the time period stipulated by the terms of the transaction.

January 1. A resident exporter was allowed to register a commercial credit with the NBK in specified cases if a resident made early delivery on export valued in excess of the equivalent of \$50,000 more than 180 days before the payment date.

January 1. The export contract must be presented only to the bank servicing the transaction (previously, to the customs authorities also).

January 1. A transaction passport must be completed for accounting purposes for export transactions involving the movement of goods valued in excess of the equivalent of \$10,000 only for the bank servicing the transaction (previously, to the customs authorities).

January 1. Deferral of payment on exports or advance payment on exports is considered a commercial credit.

Payments for invisible transactions and current transfers

January 1. Deferral of payment or advance payment on services provided by a nonresident is considered a commercial credit.

January 1. No prior approval is required for advance payment for services by nonresidents in an amount in excess of \$10,000, if delivery of the services is deferred for more than 180 days.

Proceeds from invisible transactions and current transfers

January 1. The time limit to repatriate proceeds from the export of services (work) was changed from 180 days to the time period stipulated by the terms of the transaction.

Capital transactions

Controls on capital and money market instruments

January 1. Residents must notify the NBK after the fact of foreign exchange transactions associated with the acquisition of shares or other securities of a participating nature that exceed \$50,000 (for securities issued by nonresidents) or \$300,000 (for securities issued by residents).

Controls on derivatives and other instruments

January 1. Residents must notify the NBK after the fact of foreign exchange transactions associated with derivative financial instruments, if the amount of the payment and/or transfer by the resident to a nonresident and/or nonresident to a resident exceeds \$50,000.

KAZAKHSTAN

Controls on credit operations	<i>January 1.</i> Registration with the NBK is required for credits for a term of more than 180 days in excess of \$50,000 by residents to nonresidents and \$300,000 to residents from nonresidents.
Controls on direct investment	<i>January 1.</i> Registration with the NBK is required for direct investments in excess of \$50,000 (previously, \$10,000), except for resident banks, which must notify the NBK of such transactions after the fact.
Controls on real estate transactions	<i>January 1.</i> Residents must notify the NBK after the fact of foreign exchange transactions associated with the acquisition of ownership rights to real estate, if (1) the amount paid to the resident exceeds \$300,000 and (2) the amount of transfer of resources to the nonresident exceeds \$50,000.
Controls on personal capital transactions	<i>January 1.</i> Personal loans by residents to nonresidents in excess of \$50,000 (previously, \$10,000) for a term of more than 180 days require NBK registration.

KENYA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 30, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks Central Bank of Kenya Act, Part VIA; www.centralbank.go.ke.

Exchange Arrangement

Currency The currency of Kenya is the Kenya shilling.

Exchange rate structure Unitary.

Classification
Managed floating with no predetermined path for the exchange rate
The exchange rate is determined in the foreign exchange market. Authorized banks are licensed to buy, sell, borrow, or lend in foreign currency or transact any other business involving foreign currency. Foreign exchange bureaus may buy and sell foreign currency in cash and buy foreign traveler's checks, personal checks, bank drafts, and bank transfers. Foreign exchange bureaus may also sell traveler's checks with the prior approval of the Central Bank of Kenya (CBK). The dollar is the principal intervention currency. The official exchange rate is set at the previous day's average market rate and applies only to government and government-guaranteed external debt-service payments and to government imports for which there is a specific budget allocation.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Commercial banks are authorized to enter into forward exchange contracts with their customers at market-determined exchange rates in currencies of their choice. There are no limits on the amount or period of cover. For prudential purposes, commercial banks require approval from the CBK before introducing new forward contract products.

References to legal instruments and hyperlinks Central Bank of Kenya Act, Part V, Sections 19(1) and 20; Guidelines on Foreign Exchange Transactions under the Central Bank of Kenya Act Sections 1.3, 2.2, and 2.3; www.centralbank.go.ke.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements
Regional arrangements Kenya is a member of COMESA, the EAC, and the East African Payment Systems Harmonization Committee.

Administration of control The Central Bank Act gives the CBK the power to license and regulate foreign exchange dealers.

KENYA

Payments arrears	External arrears in 2006 (January–December) were \$3.31 million. However, this amount excludes arrears resulting from security-related commercial loans, which are being audited. The rescheduled amount in 2006 (January–December) was \$100.45 million. The rescheduling with Paris Club creditors ended in December 2006, paving the way for repayments of foreign loans that henceforth fall due.
Official	Yes.
Private	n.a.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	For statistical purposes, persons leaving or entering Kenya must declare amounts exceeding the equivalent of K Sh 500,000 in domestic currency or \$5,000 in foreign currency.
References to legal instruments and hyperlinks	Central Bank of Kenya Act, Section 57; Guidelines on Foreign Exchange Transactions under the Central Bank of Kenya Act, Section 12.2; www.centralbank.go.ke .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	Guidelines on Foreign Exchange Transactions under the Central Bank of Kenya Act, Section 4.19; www.centralbank.go.ke .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	Guidelines on Foreign Exchange Transactions under the Central Bank of Kenya Act, Section 4.19; www.centralbank.go.ke .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Payments should be effected through authorized commercial banks, and the use of Kenya's foreign exchange reserves is not allowed to finance the import of goods and services destined for other countries.
Domiciliation requirement	Yes.

KENYA

Preshipment inspection	An inspection is required for all imports with an f.o.b. value of more than \$5,000 or its equivalent. These are subject to inspection for quality, quantity, and price and require a clean report of findings. Banks are allowed to effect clean payments (for imports), provided they obtain from the importer immediately after shipment a pledge to submit the documents at a later date.
Other	A copy of the import declaration form, a final invoice, and a copy of the customs entry form must be submitted.
Import licenses and other nontariff measures	
Negative list	The list includes a few items for health, security, and environmental reasons.
Import taxes and/or tariffs	A CET applies to imports from countries outside the EAC.
State import monopoly	No.
References to legal instruments and hyperlinks	Central Bank of Kenya Act, Section 33 H(1); Guidelines on Foreign Exchange Transactions under the Central Bank of Kenya Act, Section 4.2; www.centralbank.go.ke .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Coffee, tea, and horticultural produce may be exported only if a sales contract is registered with the Coffee Board, Tea Board, and Horticultural Crops Development Authority, respectively. Exports of certain foods and agricultural products require special licenses to ensure adequate supplies in the domestic market. Exports of minerals, precious stones, and other essential strategic materials are also subject to special licensing.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
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KENYA

Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	A minimum of 25% of the share capital of a listed company must be held by domestic investors.
Sale or issue locally by nonresidents	No controls apply on the sale of securities by nonresidents. However, the issue of securities by nonresidents requires prior approval from the Capital Markets Authority (CMA).
Sale or issue abroad by residents	The sale or issue of securities abroad by residents requires prior approval from the CMA.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	The regulations governing securities of a participating nature apply.
Sale or issue abroad by residents	The regulations governing securities of a participating nature apply.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	No controls apply on sales, but money market instruments may not be issued without prior approval from the CBK.
<i>Sale or issue abroad by residents</i>	The sale or issue of money market instruments abroad by residents requires prior CBK approval.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	Yes.
Controls on derivatives and other instruments	
Sale or issue locally by nonresidents	CBK approval is required for these transactions.
Sale or issue abroad by residents	CBK approval is required for these transactions.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Purchases of real estate are subject to government approval.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	www.cma.or.ke/Legal.html .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Maintenance of accounts abroad	Only banks are allowed to open correspondent relations accounts abroad. Foreign exchange bureaus are prohibited from opening accounts abroad.
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KENYA

Lending to nonresidents (financial or commercial credits)	These transactions are subject to prudential regulations.
Lending locally in foreign exchange	Lending locally in foreign exchange is subject to prudential lending regulations.
Open foreign exchange position limits	Foreign exchange exposure may not exceed 20% of an institution's core capital.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Pension funds may invest up to 15% of the aggregate market value of their total assets or pooled funds abroad. Pension funds may also invest up to 70% of the aggregate market value of their total assets or pooled funds in securities listed on the stock exchanges in Kenya, Uganda, and Tanzania and approved by the CMA.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	Central Bank of Kenya Prudential Guidelines for Institutions Licensed under the Banking Act, www.centralbank.go.ke/downloads/publications/guides/pguides/prudentialguidelines.pdf ; Guidelines on Foreign Exchange Transactions under the Central Bank of Kenya Act, www.centralbank.go.ke/downloads/publications/guides/fxguides/fxguide.pdf ; Retirement Benefits Authority, www.rba.go.ke/page.asp?id=628 .

Changes during 2006

No significant changes occurred in the exchange and trade system.

KIRIBATI

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 22, 1986.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Kiribati is the Australian dollar.

Other legal tender A small number of Kiribati coins are also in circulation.

Exchange rate structure Unitary.

Classification

Exchange arrangement with no separate legal tender There is no central monetary institution, and the authorities do not buy or sell foreign exchange. The Bank of Kiribati (BOK), the only commercial bank, quotes daily rates for 15 currencies on the basis of their respective rates against the Australian dollar.

Exchange tax No.

Exchange subsidy No.

Forward exchange market The BOK provides forward contracts of up to three months of maturity.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Outward and inward payments may be settled in any currency. Purchases and sales of foreign currencies in exchange for Australian dollars must be undertaken with the BOK, the only authorized foreign exchange dealer.

Controls on the use of domestic currency n.r.

Use of foreign exchange among residents n.r.

Payments arrangements

Regional arrangements Kiribati participates in PACER and PICTA.

Administration of control No.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) Only ADs are permitted to own or trade in gold.

On domestic ownership and/or trade Yes.

KIRIBATI

On external trade	Yes.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	n.r.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	n.r.
Convertible into foreign currency	n.r.
Approval required	n.r.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	n.r.
Preshipment inspection	n.r.
Letters of credit	n.r.
Other	n.r.
Import licenses and other nontariff measures	
Positive list	n.r.

KIRIBATI

Negative list	Imports of some goods are prohibited for health, safety, or environmental reasons.
Open general licenses	n.r.
Licenses with quotas	n.r.
Other nontariff measures	n.r.
Import taxes and/or tariffs	Tariffs ranging from zero to 80% apply to most private imports. Specific duties apply to imports of rice, flour, petroleum products, alcoholic beverages, and tobacco products.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	n.r.
Export licenses	Copra may be exported only through the Kiribati Copra Cooperative Society.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	n.r.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	These transactions are covered by the provisions of the Exchange Control Act.
Repatriation requirements	No.
Controls on capital and money market instruments	Controls apply to all these transactions.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	Controls apply to all these transactions.

KIRIBATI

Controls on direct investment

Outward direct investment	Yes.
Inward direct investment	The authorities encourage investments in the export-promoting and import-substituting sectors. All applications for foreign investment up to the equivalent of \$A 250,000 must be submitted to the Foreign Investment Commission for approval. Applications with a larger capital contribution are subject to cabinet approval.

Controls on liquidation of direct investment

n.r.

Controls on real estate transactions

Purchase locally by nonresidents	Nonresidents are not permitted to purchase land or real estate.
Sale locally by nonresidents	Yes.

Controls on personal capital transactions

Loans	n.r.
Gifts, endowments, inheritances, and legacies	n.r.
Settlements of debts abroad by immigrants	n.r.
Transfer of assets	n.r.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

n.r.

Provisions specific to institutional investors

Insurance companies	n.r.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

REPUBLIC OF KOREA

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 1, 1988.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Yes.

Other security restrictions

In accordance with UN Security Council resolutions, financial transactions with individuals, groups, and organizations associated with terrorism are prohibited.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the Republic of Korea is the Korean won.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the won is determined on the basis of supply and demand in the foreign exchange market. However, the authorities intervene when necessary to counter disorderly conditions in the market.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Foreign exchange banks may conduct forward transactions, futures transactions, swaps, and options between foreign currencies, as well as between the won and foreign currencies.

References to legal instruments and hyperlinks

www.bok.or.kr/index.jsp.

Arrangements for Payments and Receipts

Prescription of currency requirements

All settlements with other countries may be made in any convertible currency except won. Nonresidents are permitted to carry out current transactions denominated in won, provided remittances are made in foreign currencies.

Controls on the use of domestic currency

For current transactions and payments

Nonresidents may effect won-denominated current account transactions only through nonresident free won accounts.

For capital transactions

Transactions in derivatives and other instruments

Yes.

REPUBLIC OF KOREA

Use of foreign exchange among residents	Residents are permitted to conduct transactions denominated in foreign currency, provided the payments are made through foreign exchange banks.
Payments arrangements	No.
Administration of control	The Ministry of Finance and Economy (MOFE) initiates policy with respect to prescription of currency, method of settlement, foreign exchange operations, payments for current transactions, and capital transactions and transfers. The Bank of Korea (BOK) executes the policies governing most of the above functions.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Residents are allowed to import and export gold except for gold coins in circulation, subject to the same regulations as those applied to merchandise trade.
Controls on exports and imports of banknotes	Effective April 3, 2006, financial institutions may export and import domestic currency freely with notification to the BOK. Previously, exports and imports of domestic currency exceeding the equivalent of \$10,000 required prior approval from the BOK.
On exports	Effective May 22, 2006, exports and imports of domestic and foreign banknotes by residents and nonresidents in excess of the equivalent of \$10,000 must be declared to customs (previously, required customs approval). Prior approval from the BOK is required for amounts in excess of the equivalent of \$1 million (previously, \$10,000).
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	In addition to the rules above, nonresidents may export the amount they exchanged during their stay in Korea.
On imports	Yes.
References to legal instruments and hyperlinks	Foreign Exchange Transaction Regulation, Articles 6-1-6-3.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	The foreign currency composition of these accounts may be changed without restriction.
Held abroad	Prior BOK notification is required for transfers abroad by individuals exceeding \$50,000 a day. For an insurance company, the sum of its assets denominated in foreign currency must not exceed 30% of its total assets.
Accounts in domestic currency held abroad	Prior MOFE notification is required to open these accounts.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	Foreign Exchange Transaction Regulation, Articles 7-6-7-11; Insurance Business Act, Article 106.

Nonresident Accounts

Foreign exchange accounts permitted	Remittances from these accounts and withdrawals in foreign currency may be made freely. The approval of the bank where the account is held is not required for remittances abroad or transfers to other foreign currency accounts for purchases and withdrawals of foreign means of payment or for payments relating to approved transactions.
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REPUBLIC OF KOREA

Domestic currency accounts	Nonresidents are allowed to open settlement accounts in won for current transactions as well as for reinsurance contracts (free won accounts) and for investments in domestic securities (special domestic currency accounts for securities investment).
Convertible into foreign currency	Remittances from nonresident free won accounts may be made freely, but remittances abroad from nonresident domestic currency accounts require notification to the BOK.
Blocked accounts	Transfers between nonresident special won currency accounts and nonresident free won accounts are blocked.
References to legal instruments and hyperlinks	Foreign Exchange Transaction Regulation, Articles 7-6-7-10, 7-37.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Yes.
Licenses with quotas	There are quantitative import restrictions on rice. The Korea Trade Commission may recommend quotas as a safeguard measure if it has determined that increases in certain imports have seriously harmed domestic industries.
Other nontariff measures	About 4,000 products are subject to special import approval procedures, mostly for health and other reasons, under the regulation on import notices.
Import taxes and/or tariffs	There are adjustment tariffs on 18 products. There are antidumping duties on 14 products.
Taxes collected through the exchange system	Yes.
State import monopoly	There is a state monopoly on the import of 15 agricultural products.
References to legal instruments and hyperlinks	Customs Act.

Exports and Export Proceeds

Repatriation requirements	Effective March 2, 2006, export earnings exceeding \$500,000 (previously, \$100,000) must be repatriated within one and a half years (effective January 1, 2006; previously, six months) of receipt. These funds, however, may be held abroad and used for overseas transactions in accordance with the regulations on foreign exchange transactions.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	There are export bans for environmental reasons on 13 six-digit items from the Harmonized System.
Export taxes	No.
References to legal instruments and hyperlinks	Foreign Exchange Transaction Regulation, Article 1-3; Customs Act; Enforcement Decree of the Foreign Exchange Transactions Act, Article 12.

REPUBLIC OF KOREA

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

Quantitative limits

There is no limit on payments for travel, but exports of banknotes exceeding \$10,000 must be declared to customs.

References to legal instruments and hyperlinks

Foreign Exchange Transaction Regulation, Articles 4-4, 5-11.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Effective March 2, 2006, proceeds from invisible transactions exceeding \$500,000 (previously, \$100,000) must be repatriated within one and a half years (effective January 1, 2006; previously, six months) of receipt. These funds, however, may be held abroad and used for overseas transactions in accordance with the regulations on foreign exchange transactions.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

Foreign Exchange Transaction Regulation, Article 1-3.

Capital Transactions

Controls on capital transactions

Controls on capital transactions are based on a negative list system. Effective January 1, 2006, all BOK and MOFE approvals required for capital transactions are replaced with requirements to notify the BOK or the MOFE.

Repatriation requirements

Effective March 2, 2006, proceeds from capital transactions in excess of \$500,000 (previously, \$100,000) or the equivalent must be repatriated within one and a half years (effective January 1, 2006; previously, six months) of accrual. These funds, however, may be held abroad and used for overseas transactions in accordance with the regulations on foreign exchange transactions.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Foreign investors are allowed to freely purchase shares issued by Korean companies. However, purchase of shares of unlisted or nonregistered corporations requires notification to a foreign exchange bank. Acquisitions of shares exceeding certain ratios of designated public sector utilities in the process of privatization are limited by the relevant laws.

Sale or issue locally by nonresidents

Foreign institutions are eligible to list their shares on the Korean Stock Exchange in the form of depository receipts. These institutions include international financial organizations, central or municipal governments, public organizations, and general companies. However, the issuer must submit notification to the MOFE and the Financial Supervisory Commission (FSC).

Purchase abroad by residents

Residents are allowed to freely purchase foreign-currency-denominated shares abroad through Korean securities companies. In other cases, notification to the BOK is required. Controls apply to the purchase by an insurance company of securities issued on a foreign financial market that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets.

Sale or issue abroad by residents

The sale or issuance of foreign-currency-denominated shares abroad by residents, except foreign exchange banks, requires notification to a designated foreign exchange bank. The

REPUBLIC OF KOREA

sale or issuance of foreign-currency-denominated shares exceeding the equivalent of \$30 million or won-denominated shares abroad by residents requires notification to the MOFE.

Bonds or other debt securities

Sale or issue locally by nonresidents Foreign institutions may issue won-denominated bonds in the domestic capital market. However, the issuer must submit a notification to the MOFE and the FSC.

Purchase abroad by residents Residents are allowed to freely purchase foreign-currency-denominated shares abroad through Korean securities companies. In other cases, notification to the BOK is required. Controls apply to the purchase by an insurance company of securities issued on a foreign financial market that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets.

Sale or issue abroad by residents The sale or issuance of foreign-currency-denominated bonds abroad by residents, except foreign exchange banks, requires notification to a designated foreign exchange bank. The sale or issuance of foreign-currency-denominated bonds exceeding the equivalent of \$30 million or won-denominated bonds abroad by residents requires notification to the MOFE.

On money market instruments

Sale or issue locally by nonresidents The issuance of won-denominated securities with a maturity of less than one year requires notification to the MOFE.

Purchase abroad by residents Purchases of short-term securities abroad denominated in won require notification to the BOK. There are no controls on the operations in foreign currency between nonresident banks and authorized resident foreign exchange banks.

Controls apply to the purchase by an insurance company of securities issued on a foreign financial market that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets.

Sale or issue abroad by residents The sale or issuance of foreign-currency-denominated money market instruments abroad by residents, except foreign exchange banks, requires notification to a designated foreign exchange bank. The sale or issuance of foreign-currency-denominated money market instruments exceeding the equivalent of \$30 million or won-denominated money market instruments abroad by residents requires notification to the MOFE.

On collective investment securities

Sale or issue locally by nonresidents Foreign institutions may issue collective investment securities in the domestic market, provided they establish themselves in Korea and submit a notification to the FSC. However, if collective investment securities are sold through a domestic distributor, a notification to the FSC is not required.

Purchase abroad by residents Residents are allowed to freely purchase foreign-currency-denominated shares abroad through Korean securities companies. In other cases, notification to the BOK is required. Controls apply to the purchase by an insurance company of securities issued on a foreign financial market that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets.

Sale or issue abroad by residents Residents may issue collective investment securities denominated in foreign currency in foreign markets. However, the issuer must submit a notification to the designated exchange bank. The sale or issuance of foreign-currency-denominated collective investment securities exceeding the equivalent of \$30 million or won-denominated collective investment securities abroad by residents requires notification to the MOFE.

Controls on derivatives and other instruments

There are no controls on the trading of over-the-counter-related derivatives if the transactions are made through domestic foreign exchange banks. However, transactions in credit derivatives with domestic foreign exchange banks and those directly related to specific capital transactions require BOK notification. Security companies may carry out freely transactions in derivatives—such as forwards, foreign exchange swaps, foreign currency swap options, and interest rate swap options—with nonresident juridical persons.

Purchase locally by nonresidents

Controls apply to purchases of derivatives by nonresidents if the transactions are not made through domestic foreign exchange banks. However, there are no controls on the purchase of stock index futures and options.

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Sale or issue locally by nonresidents	There are controls on all derivative transactions by nonresidents involving the use of won-denominated financing.
Purchase abroad by residents	No controls apply to transactions by resident foreign exchange banks. In all other cases, notification to the BOK is required.
Sale or issue abroad by residents	No controls apply to transactions by resident foreign exchange banks. In all other cases, notification to the BOK is required.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Commercial credits other than deferred receipts and advance payments in domestic currency and in foreign currency require notification to the BOK. Effective January 1, 2006, no notification is necessary in the case of credits in domestic currency granted by authorized foreign exchange banks and institutional investors up to W 1 billion a borrower and in foreign currency granted by authorized banks.
<i>To residents from nonresidents</i>	Commercial credits other than trade credits (including deferred payments, installment payments, export advances, and export down payments) up to \$30 million require notification to foreign exchange banks. Other credits exceeding \$30 million require notification to the MOFE.
Financial credits	
<i>By residents to nonresidents</i>	Credits and loans denominated in domestic currency require notification to the BOK, except for credits and loans granted to authorized resident foreign exchange banks up to W 10 billion.
<i>To residents from nonresidents</i>	Financial credits up to the equivalent of \$30 million require notification to foreign exchange banks. Other credits exceeding \$30 million require notification to the MOFE.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Guarantees and sureties by residents to nonresidents require notification to the BOK.
Controls on direct investment	
Outward direct investment	
	Residents are free to invest abroad on notification to the designated foreign exchange bank. However, investments in financial institutions or insurance companies require notification to and acceptance by the MOFE. Investment by individuals is also limited to 30% of annual sales revenue. Effective March 2, 2006, the limit on investment by individuals was abolished. Previously, effective January 1, 2006, the limit was the equivalent of \$10 million (previously, \$3 million). Effective February 26, 2007, reports on overseas direct investments were simplified and the direct investments were extended to all domestic stocks (previously, only stocks listed on or registered with the domestic securities markets were included). Effective March 9, 2007, certain examination requirements, such as financing and appropriateness, have been eliminated, except for investments in the banking and insurance business.
Inward direct investment	
	Nonresidents are free to invest in Korea as long as they meet the requirements specified by the relevant laws.
	Controls apply to (1) investment in primary sectors, as follows: (a) the growing of rice and barley; (b) cattle husbandry and the wholesale selling of meat if foreign investors hold 50% or more of the share capital; (c) coastal and inshore fishery if foreign investors hold 50% or more of the share capital; (d) production and provision of fuel for nuclear electric power generation; (e) electric power generation if nuclear power is used or if foreign investors purchase more than 30% of the total amount of electric power generation facilities in Korea from Korea Electric Power Corporation; and (f) electric power transmission, and electric power distribution and supply if foreign investors hold 50% or more of the share capital or if a foreign investor would become the single largest shareholder; (2) establishment of financial institutions, as follows: (a) domestic banks, except commercial banks and regional banks; and (b) investment trust companies; (3) investment in the transport sector, as follows: (a) airline companies if foreign investors hold 50% or more of the share capital; and (b) shipping companies engaged in cabotage, except those transporting passengers or cargo between the Republic of Korea and the Democratic People's Republic of Korea in

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partnership with shipping companies of the Republic of Korea if foreign investors hold less than 50% of the share capital; (4) investment in the communications sector, as follows: (a) news agencies if foreign investors hold 25% or more of the share capital; (b) enterprises publishing newspapers if foreign investors hold 30% or more of the share capital; (c) enterprises publishing periodicals if foreign investors hold 50% or more of the share capital; (d) broadcasting companies, except if foreign investors hold 33% or less of the share capital in the case of satellite broadcasters or 49% or less of the share capital in the case of general cable broadcasters; (e) businesses using broadcasting channels if foreign investors hold more than 49% of the share capital; and (f) telecommunications (including services leasing related facilities) if foreign investors hold more than 49% of the share capital; and (5) investment in designated resident public sector utilities in the process of privatization, in cases in which the investment in question would bring individual or aggregate holdings of foreign investors above the respective percentages of the firms' outstanding shares allowed by the relevant laws.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

The acquisition of real estate for business activities and for the establishment of hospitals, schools, and religious institutions requires notification to and acceptance by the BOK except for, effective May 22, 2006, purchases of less than \$1 million. However, neither acceptance nor notification is required for the acquisition of overseas real estate by foreign exchange banks or residents if given as gifts by or received through inheritance from nonresidents. Controls apply to the acquisition of real estate by an insurance company that would cause the sum of its assets denominated in foreign currency to exceed 30% of its total assets. Effective January 1, 2006, the limit for individuals to purchase real estate abroad without BOK approval was raised to the equivalent of \$1 million from \$500,000. Effective February 26, 2007, the limit on purchases of real estate abroad by individuals, except those intending to reside abroad for more than two years, was raised to \$3 million from \$1 million. Effective March 2, 2006, the limit (prior to January 1, 2006, \$500,000) on purchases of real estate abroad by individuals intending to reside abroad for more than two years was abolished, and individuals were no longer obliged to sell any overseas properties within three years of returning to Korea.

Purchase locally by nonresidents

Nonresidents are free to purchase local real estate and its associated rights. The acquisition of real estate with imported funds requires notification to a foreign exchange bank. Otherwise, notification to the BOK is required.

Sale locally by nonresidents

No controls apply if the real estate was acquired in compliance with foreign exchange regulations.

Controls on personal capital transactions

Loans

By residents to nonresidents

Notification to the BOK is required for all lending by residents to nonresidents.

To residents from nonresidents

Notification to the BOK is required for all lending to residents by nonresidents.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

There is no limit, but gifts and endowments exceeding the equivalent of \$50,000 must be declared to the designated foreign exchange banks.

References to legal instruments and hyperlinks

Foreign Exchange Transaction Regulation, Articles 2-5-2-7, 7-1-7-46, 9-1-9-15; Foreign Investment Promotion Act; Insurance Business Act, Article 106; Law Regarding Public Enterprise Management Structural Improvement and Privatization.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Foreign exchange banks must maintain (1) short-term assets in foreign currencies (with a maturity of less than three months) in a ratio of at least 85% against short-term liabilities in

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	foreign currencies, and (2) long-term borrowings in foreign currencies (with a maturity of one year or longer) in a ratio of at least 80% against long-term loans in foreign currencies.
	Foreign exchange banks must maintain positive maturity mismatches from sight to seven days. Any negative mismatch must not exceed 10% of total foreign currency assets from sight to one month.
Borrowing abroad	Foreign exchange banks are required to notify the MOFE of funding with maturities exceeding one year and amounts exceeding \$50 million.
Lending to nonresidents (financial or commercial credits)	Effective May 22, 2006, credits and loans in domestic currency of more than W 10 billion (previously, W 1 billion) granted by foreign exchange banks require BOK notification. Effective March 2, 2006, loans to nonresidents exceeding the equivalent of \$500,000 (previously, \$100,000) must be repaid within three years of the maturity date.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	The reserve requirements on foreign currency deposit accounts are (1) 1% for nonresident/emigrant accounts and resident accounts opened by foreign exchange banks, (2) 2–5% for time and saving deposits and certificates of deposit, and (3) effective December 23, 2006, 7% (previously, 5%) for foreign currency deposits, including demand deposits, except those indicated above.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	The reserve requirement on nonresident foreign currency deposit accounts is 1%. The reserve requirements on nonresident domestic currency deposit accounts are (1) effective December 23, 2006, zero (previously, 1%) for long-term time and savings deposits; (2) 2% for time deposits, installment savings deposits, and certificates of deposit; and (3) effective December 23, 2006, 7% (previously, 5%) for other deposits, including demand deposits.
Investment regulations	
<i>In banks by nonresidents</i>	Nonresidents may acquire up to 10% of stocks without restrictions; acquisition exceeding 10% requires approval of the FSC.
Open foreign exchange position limits	Effective May 22, 2006, the overall net open position (short-hand position) of foreign exchange banks measured by the sum of the net short positions or the sum of the net long positions, whichever is greater, is limited to 50% (previously, effective March 2, 2006, 30%; prior to that, 20%) of the total equity capital at the end of the previous month.
<i>On resident assets and liabilities</i>	Yes.
<i>On nonresident assets and liabilities</i>	The overbought or long positions of nondeliverable forwards between foreign exchange banks and foreign financial institutions may not exceed 110% of the positions.
Provisions specific to institutional investors	Effective February 26, 2007, the scope of institutional investors classification was established.
Insurance companies	The sum of the assets of an insurance company denominated in foreign currency must not exceed 30% of its total assets.
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
Pension funds	There are no restrictions on the compositions of foreign currency assets imposed by the relevant laws. For example, according to the National Pension Fund (NPF) Act, there is no limitation on the composition of the NPF's foreign currency assets. Instead, this is ruled by internal asset management guidelines.
Investment firms and collective investment funds	According to the Indirect Investment Asset Management Business Act, there are no limitations on the compositions of investment firms and collective investment funds.

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References to legal instruments and hyperlinks

Foreign Exchange Transaction Regulation, Articles 2-6 and 7-16; National Pension Fund Act; Indirect Investment Asset Management Business Act; Insurance Business Act.

Changes during 2006

Arrangements for payments and receipts

April 3. Financial institutions exporting and importing domestic currency require only BOK notification. Previously, exports and imports of domestic currency exceeding the equivalent of \$10,000 required prior approval from the BOK.

May 22. Residents and nonresidents carrying domestic and foreign currency into and out of Korea in excess of the equivalent of \$10,000 no longer require customs approval and are required only to make a declaration. The limit on the transfer of domestic currency abroad requiring prior approval from the BOK was raised from the equivalent of \$10,000 to \$1 million.

Exports and export proceeds

January 1. The time limit for the repatriation requirements of export proceeds was extended to within one and a half years from within six months of receipt.

March 2. The limit on the repatriation requirements of export proceeds was raised to the equivalent of \$500,000, from \$100,000.

Proceeds from invisible transactions and current transfers

January 1. The time limit for the repatriation requirements of proceeds from invisible transactions was extended to within one and a half years from within six months of receipt.

March 2. The limit on the repatriation requirements of proceeds from invisible transactions was raised to the equivalent of \$500,000 from \$100,000.

Capital transactions

January 1. All approval requirements from the BOK and the MOFE for capital transactions were changed to requirements to notify the BOK or the MOFE.

January 1. The time limit for repatriation of proceeds from capital transactions was extended to within one and a half years from within six months of accrual.

March 2. The limit on the repatriation requirements for proceeds from capital transactions was increased to the equivalent of \$500,000 from \$100,000.

Controls on credit operations

January 1. The notification requirement related to credits in domestic currency granted by authorized foreign exchange banks and institutional investors up to W 1 billion a borrower and in foreign currency granted by authorized foreign exchange banks was lifted.

Controls on direct investment

January 1. The limit on investment by individuals was raised to the equivalent of \$10 million from \$3 million.

March 2. The limit on investment by individuals was abolished.

Controls on real estate transactions

January 1. The limit for individuals to purchase real estate abroad without BOK approval was raised to the equivalent of \$1 million from \$500,000.

March 2. The limit on purchase of real estate abroad by individuals intending to reside abroad for more than two years was eliminated. Individuals are no longer obliged to sell any overseas properties within three years of returning to Korea.

May 22. Real estate purchases abroad of less than \$1 million for business purposes are allowed, subject to notification to a foreign exchange bank.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

March 2. The threshold for the exemption of nonresident loan repayment within three years of the maturity date was raised to \$500,000 from \$100,000.

March 2. The overall net open position (short-hand position) of foreign exchange banks measured by the sum of the net short positions or the sum of the net long positions, whichever is greater, was limited to 30% (previously, 20%) of the total equity capital at the end of the previous month.

May 22. The threshold on credits and loans in domestic currency to nonresidents requiring BOK notification was raised to W 10 billion from W 1 billion.

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May 22. The overall net open position (short-hand position) of foreign exchange banks measured by the sum of the net short positions or the sum of the net long positions, whichever is greater, was limited to 50% (previously, 30%) of the total equity capital at the end of the previous month.

December 23. The reserve requirement on foreign currency and nonresident deposits was increased to 7% from 5%.

December 23. The reserve requirement on nonresident long-term time and savings deposits in domestic currency was decreased to zero from 1%.

Changes during 2007

Capital transactions

Controls on direct investment

February 26. The direct investments were extended to all domestic stocks (previously, stocks listed on or registered with the domestic securities markets were included). Reports on overseas direct investments were simplified.

March 9. Certain examination requirements, such as financing and appropriateness, were eliminated, except in the case of investments in the banking and insurance business.

Controls on real estate transactions

February 26. The limit on purchases of real estate abroad by individuals, except those intending to reside abroad for more than two years, was raised to \$3 million from \$1 million.

Provisions specific to the financial sector

Provisions specific to institutional investors

February 26. The scope of institutional investors classification was established.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: April 5, 1963.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Measures have been taken to implement the relevant UN Security Council resolutions with regard to anti-money laundering operations through financial transfers involving charitable organizations and suspect accounts.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of Kuwait is the Kuwaiti dinar.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The exchange rate for the dinar is pegged to the dollar within margins of $\pm 3.5\%$ around a parity rate set at KD 0.29963 per \$1. Effective May 11, 2006, the dinar was revalued to KD 0.28914 per \$1 (from KD 0.29205 per \$1), and thus reached the upper limit of its de jure band.

Exchange tax n.r.

Exchange subsidy n.r.

Forward exchange market Yes.

Official cover of forward operations Official coverage is extended to forward contracts related to commercial transactions.

References to legal instruments and hyperlinks n.r.

Arrangements for Payments and Receipts

Prescription of currency requirements n.r.

Payments arrangements

Regional arrangements Kuwait is a member of the GAFTA and the GCC Customs Union.

Barter agreements and open accounts Yes.

Administration of control

There is no exchange control, and both residents and nonresidents may freely purchase and sell foreign exchange. All trade with Israel is prohibited; payments may not be made to or received from Israel for any type of transaction.

Payments arrears No.

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Controls on trade in gold (coins and/or bullion)

On external trade

Monetary authorities and merchants registered with the Ministry of Commerce and Industry (MCI) may import and export gold in any form if such gold is at least 18-karat fine; gold jewelry may not be imported or sold unless it is properly hallmarked. Jewelry and precious metals in any form, manufactured or unmanufactured, are subject to an import duty of 5%.

Controls on exports and imports of banknotes

n.r.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

Import licenses are required for all commercial imports other than fresh fruits and vegetables, wheat, and flour. Licenses are issued freely to registered Kuwaiti merchants and companies. To be registered, the importer must be either a Kuwaiti citizen, a firm in which all partners are Kuwaiti nationals, or a shareholding or limited liability company in which Kuwaiti nationals own at least 51% of the stock.

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Negative list

Imports of the following goods are prohibited: fireworks; oxygen; gas cylinders; certain steel and asbestos pipes; pork and foodstuffs containing pork; alcoholic beverages; some types of used vehicles more than five years old; portable telephones; chewing tobacco; products, machinery, and equipment that operate with ozone-depleting materials; and fresh, chilled, frozen, or processed bovine meat and/or its derivatives. Source-specific import prohibitions apply as follows: (1) all kinds of scrap material from Iraq; (2) all kinds of bird meat (fresh, chilled, or frozen) if not heated above 70 degrees centigrade from Croatia, all eastern and southern Asian countries (the prohibition for Malaysia lifted effective August 1, 2006); Germany and India (lifted effective September 26, 2006); Kazakhstan, Mongolia, the Russian Federation, and southern African countries; effective January 8, 2006, Ukraine; effective March 4, 2006, Bulgaria, Greece, Iran, Iraq, Italy, Nigeria, and Slovenia; effective March 14, 2006, Austria, Azerbaijan, Bosnia and Herzegovina, Egypt, France, Germany, and India; effective March 25, 2006, Serbia; effective April 1, 2006, Sweden; effective April 4, 2006, Albania, Niger, Poland, Slovak Republic, and Swaziland; effective April 11, 2006, Afghanistan, Cameroon, Georgia, Myanmar, and Pakistan; effective May 1, 2006, Burkina Faso; effective May 16, 2006, United Kingdom; effective July 1, 2006, Denmark and Djibouti; (3) all kinds of horses from Syria (lifted effective April 26, 2006), Switzerland, and the United States; (4) all kinds of ruminant meat from Iraq; (5) ruminant animals imported from the EU and Turkey (lifted for sheep from Turkey on November 14, 2006); and (6) jamo tea containing lead, effective March 4, 2006.

Source-specific temporary import prohibitions apply as follows: (1) all kinds of live birds and eggs from Canada, and eastern and southern Asian countries; effective February 18, 2006, Bulgaria, Iraq, Italy, Nigeria, and Slovenia; effective February 20, 2006, Greece and Iran; effective March 13, 2006, Serbia; effective March 21, 2006, Sweden; effective March 22, 2006, Albania, Niger, Poland, Slovak Republic, and Swaziland; effective April 12, 2006, Afghanistan; effective April 3, 2006, Cameroon, Georgia, Myanmar, and Pakistan; effective April 18, 2006, Burkina Faso; effective April 26, 2006, United Kingdom; effective May 6, 2006, Côte d'Ivoire and Sudan; effective June 14, 2006, Denmark and Djibouti; (2) all kinds of live birds from Oman, Morocco, southern African countries, the Russian Federation, Mongolia, Kazakhstan, Turkey, Romania, Croatia, and Malaysia; (3) all kinds of bovine meat from Switzerland; (4) all kinds of sheep from Portugal; (5) all kinds of live animals from Tajikistan, Kazakhstan, and Turkmenistan; (6) all kinds of ruminant meat from Colombia and other Latin American countries, Iraq, and Morocco; (7) all kinds of horses from Latin American countries; (8) live cows from some states of the United States (Oklahoma, effective April 22, 2006, eliminated effective December 5, 2006; and Alabama, effective December 5, 2006); (9) fresh and frozen shrimp from República Bolivariana de Venezuela; (10) goats from Iran; (11) beef from Oklahoma, U.S.A., effective June 3, 2006; (12) chili powder from Spain and Uzbekistan; (13) salmon containing nitrate from Norway, effective March 4, 2006, eliminated effective June 3, 2006; (14) iron from Ukraine, effective March 19, 2006; (15) because of cholera, all kinds of fish from Iran and Pakistan, effective September 26, 2006; (16) because of NAG microbes, all kinds of seafood from India, effective November 1, 2006; and (17) all kinds of animals from Turkey, effective February 20, 2006. The prohibition of orange juice importation from the United States was eliminated effective April 24, 2006.

As a precautionary measure, imports of fresh, chilled, or frozen bovine, buffalo, camel, gazelle, goat, and sheep meats from countries affected by ulcerative stomatitis are temporarily prohibited; imports of the above-mentioned meats are permitted from India and Pakistan. Imports of potentially diseased or disease-carrying animals, plants, or feed from infected areas are prohibited. Effective February 8, 2006, the prohibition on the import of cows from the Netherlands, Nigeria, and Sweden was lifted.

There are also prohibitions on the importation of certain goods, or goods in certain types of packaging, for moral or religious reasons.

Trade in endangered species of wild fauna and flora or their derivatives is prohibited in accordance with CITES.

Imports of certain weapons are prohibited.

Open general licenses

Imports of industrial equipment and machinery, and their spare parts, require industrial licenses valid for one-time use only. Licenses are issued to registered and licensed industrial establishments with the approval of the Industrial Development Commission at the MCI. Private imports of personal objects may be permitted under individual or specific licenses. Registered importers handling a variety of commodities may obtain a general license valid

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	for one year. Other importers must obtain specific licenses for individual commodities, which are also valid for one year.
Other nontariff measures	Government procurement policies grant preferences to Kuwaiti-produced goods up to a price margin of 5% over goods produced in other GCC countries, and 10% over goods produced in non-GCC countries.
Import taxes and/or tariffs	In accordance with the GCC Customs Union, a minimum tariff of 5% applies to non-GCC imports, whereas no tariffs apply to imports with at least 40% local value added from other GCC members. Imports of foodstuffs, as well as some machinery and equipment, spare parts, and raw materials, are exempt from import duties. Kuwait applies higher tariffs in industries where domestic producers cater to at least 40% of the local market. Tariff rates differ depending on the domestic value-added content of the products in question. If the domestically produced goods contain at least 20%, 30%, or 40% of domestic value added, protective duties of 15%, 20%, and 25%, respectively, may be applied to competing imports. The degree of protection given by the formula is reduced by 5% in the case of consumer goods. The maximum duty imposed on products that compete with locally manufactured goods is 100%. Duties on goods imported from member countries of the GAFTA are being gradually reduced.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Exports of live sheep and poultry, sugar, fats, rice, meat, eggs, milk, cheese, butter, olive oil, fresh fruits, vegetables in any form, beans, lentils, chickpeas, jams, and cement may be prohibited in time of emergency or shortage in Kuwait. These items may be exported in limited quantities only under a special license issued by the MCI. Exports of arms and ammunition also require licenses. Exports of scrap iron are temporarily prohibited.
With quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.r.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.r.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	The listing of foreign stocks and bonds on the Kuwait Stock Exchange is subject to the approval of the Exchange Committee.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Controls apply to banks and financial institutions subject to Central Bank of Kuwait (CBK) supervision.
Sale or issue locally by nonresidents	Yes.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Yes.
Sale or issue abroad by residents	Controls apply to banks and financial institutions subject to CBK supervision.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	Yes.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
Controls on derivatives and other instruments	Some restrictions apply for Islamic financial institutions.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Government approval is necessary for the participation of nonresident capital in resident corporations in Kuwait. Foreigners are allowed to own up to 100% of Kuwaiti companies, subject to conditions determined by the Council of Ministers.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Only GCC nationals may purchase real estate of up to 3,000 square meters for private residence purposes.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Controls apply to the sale or issue of bonds or other debt securities abroad.
Lending to nonresidents (financial or commercial credits)	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Liquid asset requirements</i>	Yes.
<i>Interest rate controls</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Liquid asset requirements</i>	Yes.
Open foreign exchange position limits	
<i>On nonresident assets and liabilities</i>	Open foreign exchange position limits may not exceed 10% of a bank's capital, and in some cases, lower limits are set.

Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange arrangement

May 11. The dinar was revalued to KD 0.28914 per \$1 from KD 0.29205 per \$1, reaching the upper limit of its de jure band.

Imports and import payments

January 8. The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Ukraine was prohibited.

February 8. The prohibition on the import of cows from the Netherlands, Nigeria, and Sweden was lifted.

February 18. The importation of all kinds of live birds and eggs from Bulgaria, Iraq, Italy, Nigeria, and Slovenia was temporarily prohibited.

February 20. The importation of all kinds of live birds and eggs from Iran and Greece was temporarily prohibited.

February 20. The importation of all kinds of animals from Turkey was temporarily prohibited.

March 4. The importation of salmon fish containing nitrate from Norway was temporarily prohibited.

March 4. The importation of jamo tea, which includes lead, was prohibited.

March 4. The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Bulgaria, Greece, Iran, Iraq, Italy, Nigeria, and Slovenia was prohibited.

March 13. The importation of all kinds of live birds and eggs from Serbia was temporarily prohibited.

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- March 14.* The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Austria, Azerbaijan, Bosnia and Herzegovina, Egypt, France, Germany, and India was prohibited.
- March 19.* The importation of iron from Ukraine was temporarily prohibited.
- March 21.* The importation of all kinds of live birds and eggs from Sweden was temporarily prohibited.
- March 22.* The importation of all kinds of live birds and eggs from Albania, Niger, Poland, Slovak Republic, and Swaziland was temporarily prohibited.
- March 25.* The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Serbia was prohibited.
- April 1.* The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Sweden was prohibited.
- April 3.* The importation of all kinds of live birds and eggs from Cameroon, Georgia, Myanmar, and Pakistan was temporarily prohibited.
- April 4.* The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Albania, Niger, Poland, Slovak Republic, and Swaziland was prohibited.
- April 11.* The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Afghanistan, Cameroon, Georgia, Myanmar, and Pakistan was prohibited.
- April 12.* The importation of all kinds of live birds and eggs from Afghanistan was temporarily prohibited.
- April 18.* The importation of all kinds of live birds and eggs from Burkina Faso was temporarily prohibited.
- April 22.* The importation of live cows from Oklahoma, U.S.A., was temporarily prohibited.
- April 24.* The prohibition on the import of orange juice from the United States was lifted.
- April 26.* The importation of all kinds of live birds and eggs from the United Kingdom was temporarily prohibited.
- April 26.* The prohibition on the import of horses from Syria was lifted.
- May 1.* The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Burkina Faso was prohibited.
- May 6.* The importation of all kinds of live birds and eggs from Sudan and Côte d'Ivoire was temporarily prohibited.
- May 16.* The importation of all kinds of bird meat from the United Kingdom unless heated above 70 degrees centigrade was prohibited.
- June 3.* The importation of beef from Oklahoma, U.S.A., was prohibited.
- June 3.* The prohibition on the import of salmon fish containing nitrate from Norway was lifted.
- June 14.* The importation of all kinds of live birds and eggs from Denmark and Djibouti was temporarily prohibited.
- July 1.* The importation of all kinds of bird meat, unless heated above 70 degrees centigrade, from Denmark and Djibouti was prohibited.
- August 1.* The prohibition on the import of all kinds of bird meat, unless heated above 70 degrees centigrade, from Malaysia was lifted.
- September 26.* The prohibition on the import of all kinds of bird meat, unless heated above 70 degrees centigrade, from Germany and India was lifted.
- September 26.* The importation of all kinds of fish from Iran and Pakistan was temporarily prohibited.
- November 1.* The importation of all kinds of seafood from India was temporarily prohibited.

KUWAIT

November 14. The prohibition on the import of sheep from Turkey was lifted.

December 5. The importation of live cows from Alabama, U.S.A., was temporarily prohibited.

KYRGYZ REPUBLIC

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 29, 1995.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

The authorities notified the IMF of certain exchange restrictions that have been imposed in accordance with the relevant UN Security Council resolutions.

Other security restrictions

Measures have been taken to restrict financial transactions and to freeze accounts of certain individuals or organizations associated with terrorism pursuant to (1) relevant UN Security Council resolutions and (2) the list of current terrorist organizations designated by the U.S. Secretary of State.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of the Kyrgyz Republic is the Kyrgyz som.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The official exchange rate of the som against the dollar is defined as the average-weighted exchange rate of interbank foreign exchange market transactions for the week. The National Bank of the Kyrgyz Republic (NBKR) participates and intervenes in the interbank foreign exchange market to smooth temporary market fluctuations as necessary.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For capital transactions

Transactions in capital and money market instruments

Locally issued securities must be denominated in local currency.

KYRGYZ REPUBLIC

Payments arrangements

Bilateral payments arrangements There are agreements on settlement procedures with China, Malaysia, and countries of the CIS.

Operative Yes.

Regional arrangements There are agreements with the Interstate Bank of the CIS to participate in the national gross settlement system.

Administration of control

The NBKR has responsibility for managing international reserves and for issuing foreign exchange licenses to commercial banks and to foreign exchange bureaus.

Payments arrears

Official Technical indebtedness to bilateral official creditors is allowed as a result of discussions with Paris Club creditors in March 2005 on restructuring the Kyrgyz Republic's external debt. Debt consolidation and restructuring agreements have been signed with all creditor countries that are Paris Club members: Denmark, France, Germany, Japan, and the Russian Federation. A debt-restructuring agreement was signed with Turkey in the first quarter of 2006.

Controls on trade in gold (coins and/or bullion)

All gold produced is sold at market prices. The government and the NBKR have priority in purchasing and also the right to participate as sellers in the market. If the government and the NBKR do not exercise that right, the gold is sold either in the domestic market or abroad. Transactions in precious metals (standard and uniform ingots) performed by commercial banks are governed by Regulation No. 30/5, as amended. The purchase and sale of uniform ingots of precious metals domestically by natural and juridical persons are governed under Resolution No. 834.

Controls on exports and imports of banknotes

Imports and exports of foreign currency are not subject to restrictions, provided they are declared to customs for statistical purposes.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

These accounts are permitted and must be registered with the NBKR for statistical purposes. Balances of funds on accounts opened by resident banks are subject to statistical reporting.

Accounts in domestic currency held abroad

Balances of funds in som accounts opened by resident banks at foreign banks are subject to statistical reporting.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Balances of foreign currency accounts opened by nonresident banks are subject to statistical reporting.

Domestic currency accounts

Balances of som accounts opened in Kyrgyz banks are subject to statistical reporting.

Convertible into foreign currency

Yes.

Blocked accounts

No.

KYRGYZ REPUBLIC

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures Licenses are required for imports of alcohol and alcohol products, raw materials and components for the production of commercial petroleum products, and tobacco.

Negative list This list includes weapons; ammunition; explosives; poisons; psychotropic narcotics; publications, photographs, photographic plates, negatives, exposed film, video recordings, and graphic works containing information that may harm the political and economic interests of the Republic, state security, or public order; ozone-depleting substances and products; and other articles prohibited and regulated by law. Imports of nuclear materials, technologies, and equipment; special nonnuclear materials; and radioactive sources of ionizing radiation are regulated by the government.

Open general licenses Open general and single-use licenses are issued. OGLs are issued for a period of up to one calendar year. Imports under OGLs may be carried out under one or several contracts, and the nature of the transactions must be specified. The following products are subject to licensing: encryption equipment; weapons and military hardware and special equipment for their production; military uniforms, clothing, and accessories; specifications and technical documentation for products intended for military use; gunpowder and explosives; nuclear materials, technologies, equipment, and devices; special nonnuclear materials; sources of radioactive radiation; materials, equipment, technologies, and scientific and technical information that are intended for peaceful purposes but could be used in the creation of weapons of mass destruction; precious metals, from ores to scrap and waste; natural precious stones, from powders to recovered materials; precursor chemicals; high-potency poisons; hazardous waste; narcotics and psychotropic substances; tobacco; alcohol and alcohol products; ozone-depleting substances and products; and works of art and antiquities that are of significant artistic, historical, scientific, or other value.

Licenses with quotas Quotas are applied on imports of alcohol and alcohol products.

Other nontariff measures Excise taxes apply to ethyl alcohol (wood and grain), alcohol products, tobacco products, jewelry made of precious stones and metals, crystal products, clothing made from fur and skins, gas-operated arms and firearms, petroleum products, coffee, cocoa, and rugs.

Import taxes and/or tariffs Five tariff bands apply (zero, 5%, 10%, 12%, and 15%); the average tariff rate is 5.1%.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

Documentation requirements Export contracts for the following are subject to mandatory registration: fish and fish products; grains; soybeans; ethyl alcohol; raw materials for the production of ferrous and nonferrous metals; crude oil; petroleum products; natural gas; electricity; mineral and chemical fertilizers; casein; wood, sawed timber, and lumber materials; raw hides; cotton; tobacco; wool; flax fiber; cobalt and products thereof; rare metals; aluminum oxide; and ferrous and nonferrous metal waste and scrap.

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Export licenses	Exports and reexports of controlled products are subject to mandatory licensing. The list of controlled products includes raw materials and supplies, equipment and technologies, scientific and technical information, work and services, dual-use products, and intellectual property that are included in the National Control List of the Kyrgyz Republic and that could be used in the creation of weapons of mass destruction or means for their delivery, as well as other types of weapons and military hardware. Exports of nonferrous metal waste and scrap are subject to licensing. Other exports that require a permit from the government include wild animals and wild plants.
Without quotas	Yes.
With quotas	Quotas, set annually, apply to alcohol exports.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	Controls on securities market instruments are enforced by the State Agency for Financial Supervision and Regulation (SAFSR) under the government of the Kyrgyz Republic, except with respect to the following: (1) debt securities issued by state and local governments; (2) securities issued or guaranteed by the government of the Kyrgyz Republic, by the NBKR, or by local government authorities, with the exception of certificates that are subject to requirements under Article 2 of the Securities Market Law; (3) bills of exchange; and (4) documented payment obligations arising in the course of usual business activities that are valid for a period not exceeding one year.
<i>Shares or other securities of a participating nature</i>	Acquisition exceeding 5% of an issuer's statutory capital or 5% of its stock shares must be reported to the SAFSR. Acquisition of a bank's shares exceeding 20% is subject to approval by the NBKR. Legal entities may not own more than 20% of a bank's voting shares.
Purchase locally by nonresidents	Nonresidents may purchase shares in accordance with regulations. An issuer is required to inform the SAFSR of an acquisition by any person exceeding 5% of its statutory capital or exceeding 5% of its stock shares, as well as all increases of a multiple of 5%. Acquisition of a bank's shares exceeding 20% is subject to approval by the NBKR.

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Sale or issue locally by nonresidents	Nonresidents may sell shares in accordance with general regulations provided for by legislation of the Kyrgyz Republic. The holder is required to inform the SAFSR of the sale of shares if the shareholder reduces his or her stake to a level that is a multiple of 5% of the stock shares.
Sale or issue abroad by residents	Shares to be offered by a resident for sale and/or circulation abroad must be registered in advance in accordance with legislation.
<i>Bonds or other debt securities</i>	The issuance and circulation of corporate bonds are regulated by the SAFSR. The regulations governing shares or other securities of a participating nature also apply.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	These transactions are subject to prior reporting to the SAFSR.
<i>Sale or issue locally by nonresidents</i>	These transactions are subject to prior registration with the SAFSR.
<i>Sale or issue abroad by residents</i>	These transactions are subject to prior registration with the SAFSR.
On collective investment securities	Securities invested in joint-stock investment funds and mutual funds are regulated by the Law on Investment Funds. The operations of other funds are not currently regulated by legislation.
<i>Purchase locally by nonresidents</i>	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue abroad by residents</i>	Prior to their sale or issue abroad, these instruments must be registered with the SAFSR.
Controls on derivatives and other instruments	In the absence of a market in these instruments, they are not currently regulated.
Controls on credit operations	
Commercial credits	There are no controls on these transactions; however, all economic entities must report commercial (trade) credits received and issued to statistical agencies. The NBKR licenses and carries out prudential regulation of the lending activities of financial institutions.
Financial credits	The MOF is responsible for the management of official external debt. Private loans with a maturity of more than 180 days received by residents from nonresidents must be reported to the NBKR for statistical purposes.
<i>To residents from nonresidents</i>	The MOF monitors external government debt. The NBKR maintains records on private external debt.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Guarantees provided by the Kyrgyz Republic government must be registered with the MOF.
Controls on direct investment	
Inward direct investment	All direct investment enterprises must be registered with the Ministry of Justice, statistical agencies, the social fund, and the tax inspectorate.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Purchases are subject to approval by the Ministry of Justice.
Controls on personal capital transactions	No.

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References to legal instruments and hyperlinks

Law No. 39, dated July 12, 1996, on State Registration of Legal Entities; Statute No. 116-03, dated December 17, 2003, on Procedures for the Registration of Legal Entities, Affiliates, and Representative Offices by Agencies of the Ministry of Justice of the Kyrgyz Republic.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	These transactions must be reported to the NBKR.
Maintenance of accounts abroad	These transactions must be reported to the NBKR.
Lending to nonresidents (financial or commercial credits)	These transactions must be reported to the NBKR.
Lending locally in foreign exchange	These transactions must be reported to the NBKR.
Purchase of locally issued securities denominated in foreign exchange	Locally issued securities must be denominated in local currency. However, the use of foreign currency, or of payment documents in foreign currency, is permitted in certain instances and according to procedures established by legislation.
Investment regulations	
<i>Abroad by banks</i>	These transactions must be reported to the NBKR.
<i>In banks by nonresidents</i>	Acquisition of a bank's shares exceeding 10% is subject to approval by the NBKR.
Open foreign exchange position limits	Limits are established by the NBKR.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	Insurance companies may not invest abroad more than 20% of insurance reserves.
<i>Limits (min.) on investment portfolio held locally</i>	At least 80% of insurance reserves should be invested in the Kyrgyz Republic.
<i>Currency-matching regulations on assets/liabilities composition</i>	Investment in foreign exchange values may not exceed 10% of insurance reserves.
Pension funds	Pension assets should be invested according to the principles of reliability, safekeeping, liquidity, and diversification.
<i>Limits (max.) on investment portfolio held abroad</i>	The Law on Fully Funded Pension Funds in the Kyrgyz Republic is currently being drafted, and it should establish limits in this area.
Investment firms and collective investment funds	Investment funds are not permitted to invest, locally or abroad, more than 15% of their net assets in the securities of a single issuer, with the exception of investment in government securities or securities guaranteed by the government of the Kyrgyz Republic. Investment funds may not borrow capital if the total volume of the credit (loan) subject to repayment will exceed 10% of the value of the net assets of the investment fund on the date that the credit (loan) agreement is signed. The credit (loan) may be obtained for a period of not more than six months, without right of extension. The credit (loan) agreement may be executed by a joint-stock investment fund or the management company of a mutual fund exclusively to satisfy a short-term need for money to redeem securities issued by the investment fund.
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.

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Currency-matching regulations on assets/liabilities composition

Yes.

References to legal instruments and hyperlinks

Article 33 of the Law on Investment Funds; Section 3 of the Statute on Assets of Investment Funds; Resolution of the State Securities Committee No. 75, dated November 12, 2003.

Changes during 2006

No significant changes occurred in the exchange and trade system.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with the Lao People's Democratic Republic states that as of February 22, 2006, Lao P.D.R. maintained a restriction subject to Fund approval under Article VIII (tax payment certificates are required for some transactions). (Country Report No. 06/399)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

There are frozen accounts and restrictions have been imposed on financial transactions involving listed terrorist groups pursuant to the relevant UN Security Council resolutions and to the list of current terrorist organizations maintained by the U.S. Secretary of State.

Other security restrictions

In accordance with the relevant UN Security Council resolutions, financial transactions are restricted and accounts are frozen if they involve individuals and organizations included in the list of terrorists maintained by the U.S. Secretary of State.

References to legal instruments and hyperlinks

Bank of Lao P.D.R., www.bol.gov.la; Ministry of Industry and Commerce, www.moc.gov.la.

Exchange Arrangement

Currency

The currency of Lao P.D.R. is the Lao kip.

Other legal tender

Dollars and Thai baht are used for some transactions.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

Effective February 19, 2007, to ensure gradual adjustment in the exchange rate, commercial banks are required to adjust their buying and selling rates within $\pm 0.3\%$ of the daily reference rate of the Bank of the Lao P.D.R. (BOL) for the dollar. Previously, commercial banks were required to adjust their buying and selling rates within the following range: (1) $\pm 0.25\%$ of the BOL daily reference rate for the dollar; and (2) margins between the buying and selling rates not exceeding 1.15% for the dollar. Adjustments for exchange rates for other currencies are correspondingly limited by the adjustments for the dollar. Within the prescribed limits, commercial banks are free to set their own rates. The official reference exchange rate is calculated as the weighted average of the previous day's commercial bank and interbank rates.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

Decision of the Governor of the Bank of the Lao P.D.R. dated February 19, 2007.

Arrangements for Payments and Receipts

Prescription of currency requirements

No prescription of currency requirements is imposed on receipts or payments but, in practice, the BOL provides and accepts only dollars, euros, yen, pounds sterling, Swiss francs, and Thai baht.

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Controls on the use of domestic currency	n.a.
Use of foreign exchange among residents	This requires formal authorization from the government, although the use of foreign exchange (principally dollars and Thai baht) for domestic payments is widespread. Duty-free shops are authorized to accept payment in foreign currency.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	The bilateral payments agreement with Vietnam is in the process of being renewed.
<i>Inoperative</i>	An inoperative bilateral payments agreement exists with Malaysia.
Regional arrangements	n.a.
Clearing agreements	n.a.
Barter agreements and open accounts	Bilateral trading arrangements are maintained with China and Vietnam.
Administration of control	The BOL is the controlling authority over the foreign exchange market. Commercial banks are the primary participants in this market. Foreign exchange shops are authorized to buy banknotes, coins, and traveler's checks and to sell only banknotes and coins. External borrowing by the public sector requires approval by the MOF. External borrowing by the private sector requires BOL approval.
Payments arrears	n.a.
Controls on trade in gold (coins and/or bullion)	
On external trade	Imports and exports of gold and silver exceeding the equivalent of \$2,000 require BOL authorization.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports of domestic currency in excess of KN 5 million require BOL authorization.
<i>Foreign currency</i>	Effective November 15, 2006, residents traveling abroad may take out foreign currency up to the equivalent of \$5,000 (previously, \$2,000). Amounts exceeding this sum require BOL approval and a customs declaration. Nonresidents are authorized to take out foreign currency up to the amount they brought in and declared on arrival. Exports by commercial banks require BOL approval and must be for approved purposes.
On imports	
<i>Domestic currency</i>	Imports of domestic currency require BOL authorization for amounts exceeding KN 5 million.
<i>Foreign currency</i>	Effective November 15, 2006, persons entering the country may bring in unlimited amounts of foreign currency, but amounts in excess of the equivalent of \$5,000 (previously, \$2,000) must be declared to customs at the port of entry. Imports by commercial banks require BOL approval.
References to legal instruments and hyperlinks	Decision of the Governor of the Bank of the Lao P.D.R. No. 457, dated November 15, 2007.

Resident Accounts

Foreign exchange accounts permitted	Balances in foreign exchange accounts may be used for foreign and domestic transactions, subject to general or specific approval. Withdrawals in cash are limited to \$10,000 or its
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LAO PEOPLE'S DEMOCRATIC REPUBLIC

	equivalent an account a day. Withdrawals exceeding this limit may be approved by authorized banks but must be reported to the BOL.
Held domestically	Resident accounts may be credited with (1) foreign exchange transferred from overseas; (2) foreign exchange transferred from other foreign exchange accounts with BOL approval; (3) foreign exchange purchased legally from the domestic market; (4) foreign currency brought into Lao P.D.R. supported by a customs certificate; and (5) foreign exchange derived from salaries, bonuses, travel allowances, family financial assistance, and inheritances supported by proof of source. These accounts may be debited for (1) permitted external payments; (2) domestic payments, where permitted; (3) conversion into domestic currency; (4) purchases of other payment instruments, for example, traveler's checks and bank drafts; and (5) withdrawals in cash for approved purposes. The opening of an account with an amount in excess of \$10,000 or its equivalent requires proof of source of funds.
Held abroad	Residents may open accounts abroad in exceptional cases with the approval of the BOL.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	The regulations governing credits and debits on resident accounts apply.
Domestic currency accounts	Commercial banks are required to establish kip accounts for nonresidents who obtain kip by the conversion of foreign currency or from other legal sources. Such accounts may be used to pay for domestic goods and services, or to withdraw funds to spend in Lao P.D.R., to make gifts, or to establish trusts.
Convertible into foreign currency	Account holders may convert balances to foreign currency for transfer abroad. At conversion, the servicing bank must ensure that the funds were originally converted from foreign currency or obtained as kip from some other legal source.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Minimum financing requirements	n.a.
Advance payment requirements	n.a.
Advance import deposits	Margin deposits are required against LCs; the rates are set by commercial banks.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement	n.a.
Letters of credit	Yes.
Import licenses used as exchange licenses	Yes.
Other	Proof of payment of import duties is required.

Import licenses and other nontariff measures

Effective October 11, 2006, import licenses are required for 25 categories of goods: most are used for quality control, safety, or animal quarantine; however, some (e.g., cement) are used for limiting the overall level of imports. Previously, import licenses were issued automatically, but were subject to indicative limits on the overall level of imports.

Positive list	Yes.
Negative list	Yes.
Licenses with quotas	Quotas are imposed on imports of petroleum and gas.

Import taxes and/or tariffs

The tariff structure is composed of six rates (5%, 10%, 15%, 20%, 30%, and 40%). The lowest rates apply to imports of raw materials, certain inputs, and certain essential consumer goods. The highest rates of 30% and 40% apply to luxury consumer goods, certain beverages, and tobacco. Lao P.D.R. applies the ASEAN free trade agreement; imports from ASEAN countries are subject to CEPT rates of 5% to 30%. In addition to CEPT rates, a rate of 40% applies to luxury consumer goods.

Taxes collected through the exchange system	Yes.
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State import monopoly

No.

References to legal instruments and hyperlinks

Decree on Import-Export Management No. 205/PMO of October 11, 2006.

Exports and Export Proceeds

Repatriation requirements

Income from exports of goods and services must be repatriated within 120 days from delivery at the border (date of f.o.b. shipment) except for parts of the income (1) used for external loan repayments approved by the BOL, (2) used for payment of an LC approved by the BOL, or (3) specified in a contract between the foreign investor and the government.

Surrender requirements

Surrender to authorized dealers

Receipts from exports of wood and wood products must be surrendered to state-owned commercial banks after all payments due to the government have been settled, as follows: 80% for exports of sawed timber and 60% for exports of wood products.

Financing requirements

n.a.

Documentation requirements

n.a.

Export licenses

Effective October 11, 2006, export licenses are required for live animal, fish, paddy, and forestry products (such as resin). Also, export licenses are required for mining and for processed and semiprocessed wood products. These licenses are issued by the trade department under the Vientiane prefecture and provincial government authorities.

With quotas	Exports of logs and timber are prohibited.
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Export taxes

Other export taxes	Taxes are levied on selected products.
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References to legal instruments and hyperlinks

Decree on Import-Export Management No. 205/PMO of October 11, 2006.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	Payments for imports and direct-trade-related services, such as transportation, insurance, and warehousing, are permitted.
Investment-related payments	Remittances of profits, dividends, interest, and other payments related to foreign investment are permitted. Remittances of profits and dividends require a tax payment certificate. No restrictions apply to the remittance of interest and amortization relating to external debts incurred with official approval.
Payments for travel	Foreign exchange bureaus may sell up to \$2,000 or its equivalent. Commercial banks may sell larger amounts with supporting documentation.
Personal payments	Foreign exchange bureaus may sell up to \$2,000 or its equivalent for medical treatment or education abroad. Commercial banks may sell larger amounts with supporting documentation.
Foreign workers' wages	Remittances of wages and salaries of foreign personnel associated with foreign investment are permitted.
Other payments	
<i>Indicative limits/bona fide test</i>	Application for payments not explicitly mentioned in Article No. 5 of the Decree on Management of Foreign Currency and Precious Metal may be submitted with documents supporting the need for foreign exchange.
References to legal instruments and hyperlinks	Decree on Management of Foreign Currency and Precious Metal.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisibles are, in practice, treated in the same way as proceeds from merchandise exports.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Yes.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	All capital transactions require BOL authorization.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Controls apply to all these transactions.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Controls on credit operations

Commercial credits

By residents to nonresidents

Approved loans must be registered, and the performance of the loan, from disbursement to full repayment through the banking system, must be reported to the BOL.

To residents from nonresidents

Yes.

Financial credits

Controls apply to all these transactions.

Controls on direct investment

Direct investments are subject to the Law on the Promotion and Management of Foreign Investment.

Outward direct investment

Investment by residents abroad requires approval by the relevant authority; based on this authorization, the BOL approves the export of capital. Investment abroad with funds borrowed from a domestic commercial bank is prohibited.

Inward direct investment

Foreign investment is allowed in all sectors and zones of investment in Lao P.D.R., except for fields detrimental to national security, the environment, public health, or the national culture. Foreign investment may be wholly foreign-owned. Joint ventures require a minimum contribution of 30% of equity by a foreign investor. Business cooperation by contract is a business arrangement between domestic and foreign legal entities without establishing a new legal entity in Lao P.D.R. Foreign investors may borrow revolving capital only from commercial banks in Lao P.D.R.

Controls on liquidation of direct investment

Foreign investors may repatriate profits, capital gains, and other income after full payment of duties, taxes, and other fees, in accordance with the regulations and laws, to their home countries or a third country through a bank located in Lao P.D.R.

Controls on real estate transactions

Purchase abroad by residents

Yes.

Purchase locally by nonresidents

Foreign investors have the right to receive benefits for the lease of or the concession over land, such as the right to use or sell the assets associated with the leased land or concession, to create security interests over such assets in favor of any persons or financial institutions or to take such assets for the purpose of the joint venture, to sublease the right to use the land, to transfer the land lease or concession agreement in accordance with the terms of the lease, or to use the land lease contract or concession in favor of other persons. The details of the rights, benefits, and obligations of foreign investors relating to the land lease or concession must be in compliance with the Land Law and other relevant laws.

Sale locally by nonresidents

Yes.

Controls on personal capital transactions

Loans

Controls apply to all these transactions.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

n.a.

Settlements of debts abroad by immigrants

n.a.

Transfer of assets

Transfer abroad by emigrants

n.a.

References to legal instruments and hyperlinks

Law on the Promotion and Management of Foreign Investments; Land Law.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	n.a.
Maintenance of accounts abroad	Authorized commercial banks may open accounts abroad.
Lending to nonresidents (financial or commercial credits)	These are subject to BOL approval. Approved loans must be registered and the performance of the loan, from disbursement to full repayment through the banking system, must be reported to the BOL.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Liquid asset requirements</i>	n.a.
<i>Interest rate controls</i>	Yes.
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	
<i>Liquid asset requirements</i>	n.a.
<i>Credit controls</i>	n.a.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	If a bank holds a net open position in any foreign currency in excess of 15% of its Tier I capital or an overall open position in excess of 20% of its Tier I capital at the end of a business day, the bank must sell the surplus or purchase the shortage of each foreign currency from the interbank market on the following business day.
<i>On nonresident assets and liabilities</i>	n.a.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Arrangements for payments and receipts	<i>November 15.</i> Persons entering or leaving the country were allowed to bring in or take out the equivalent of \$5,000 (previously, \$2,000) in foreign currency without customs declaration.
Imports and import payments	<i>October 11.</i> The list of goods subject to prohibition and import licenses was revised.
Exports and export proceeds	<i>October 11.</i> The list of goods subject to prohibition and export licenses was revised.

Changes during 2007

Exchange arrangement	<i>February 19.</i> Commercial banks were required to adjust their buying and selling rates within $\pm 0.3\%$ of the daily reference rate of the BOL for the dollar. Previously, the following ranges applied: (1) $\pm 0.25\%$ of the BOL daily reference rate for the dollar; and (2) margins between the buying and selling rates not exceeding 1.15% for the dollar.
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LATVIA

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 10, 1994.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On March 21, 2007, the authorities notified the IMF that in accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained with respect to the funds and resources of (1) certain persons indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY), and Slobodan Milosevic and persons associated with him; (2) certain persons and entities involved in the situation in Côte d'Ivoire; (3) certain persons and entities associated with the former government of Iraq; (4) certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafik Hariri; (5) persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo; (6) certain persons impeding the peace process and breaking international law in the conflict in the Darfur region of Sudan; (7) persons and entities associated with Osama bin Laden, Al-Qaida, and the Taliban; (8) persons, groups, and entities associated with terrorism; and (9) President Lukashenko and certain officials of Belarus (effective May 18, 2006). Restrictions on financial transactions are also in place against Liberia, Myanmar, and Zimbabwe (restrictions against Myanmar were renewed May 29, 2006, and amended September 25, 2006).

References to legal instruments and hyperlinks

Council Regulation (EC) No. 1411/2006 of September 25, 2006, amending Regulation (EC) No. 817/2006 renewing the restrictive measures with respect to Myanmar and repealing Regulation (EC) No. 798/2004 (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_267/l_26720060927en00010001.pdf); Council Regulation (EC) No. 817/2006 of May 29, 2006, renewing restrictive measures with respect to Myanmar and repealing Regulation (EC) No. 798/2004 (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_148/l_14820060602en00010029.pdf); Council Regulation (EC) No. 765/2006 of May 18, 2006, concerning restrictive measures against President Lukashenko and certain officials of Belarus (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_134/l_13420060520en00010011.pdf); Council Regulation (EC) No. 305/2006 of February 21, 2006, imposing specific restrictive measures against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafik Hariri (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_051/l_05120060222en00010008.pdf); Council Regulation (EC) No. 1184/2005 of July 18, 2005, imposing certain specific restrictive measures directed against certain persons impeding the peace process and breaking international law in the conflict in the Darfur region in Sudan (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_193/l_19320050723en00090016.pdf); Council Regulation (EC) No. 1183/2005 of July 18, 2005, as amended, imposing certain specific restrictive measures directed against persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_193/l_19320050723en00010008.pdf); Council Regulation (EC) No. 560/2005 of April 12, 2005, as amended, imposing certain specific restrictive measures directed against certain persons and entities involved with the situation in Côte d'Ivoire (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_095/l_09520050414en00010008.pdf); Council Regulation (EC) No. 1763/2004 of October 11, 2004, as amended, imposing certain restrictive measures in support of effective implementation of the mandate of the ICTY (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_315/l_31520041014en00140023.pdf); Council Regulation (EC) No. 872/2004 of April 29, 2004, concerning further restrictive measures in relation to Liberia (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_162/l_16220040430en00320037.pdf); Council Regulation (EC) No. 314/2004 of February 19, 2004, concerning certain restrictive measures with respect to Zimbabwe (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_055/l_05520040224en00010013.pdf); Council Regulation (EC) No. 1210/2003 of July 7,

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2003, as amended, concerning certain specific restrictions on economic and financial relations with Iraq and repealing Regulation (EC) No. 2465/96 (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l_169/l_16920030708en00060023.pdf); Council Regulation (EC) No. 881/2002 of May 27, 2002, as amended, imposing certain specific restrictive measures directed against certain persons and entities associated with Osama bin Laden, the Al-Qaida network, and the Taliban and repealing Council Regulation (EC) No. 467/2001 prohibiting the export of certain goods and services to Afghanistan, strengthening the flight ban, and extending the freeze of funds and other financial resources with respect to the Taliban of Afghanistan (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2002/l_139/l_13920020529en00090022.pdf); Council Regulation (EC) No. 2580/2001 of December 27, 2001, as amended, on specific restrictive measures directed against certain persons and entities with a view to combating terrorism (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/l_344/l_34420011228en00700075.pdf); Council Regulation (EC) No. 2488/2000 of November 10, 2000, as amended, maintaining a freeze of funds in relation to Slobodan Milosevic and those persons associated with him and repealing Regulations (EC) Nos. 1294/1999 and 607/2000 and Article 2 of Regulation (EC) No 926/98 (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/l_287/l_28720001114en00190037.pdf).

Exchange Arrangement

Currency	The currency of Latvia is the Latvian lats.
Exchange rate structure	Unitary.
Classification	
Conventional pegged arrangement	The lats is pegged to the euro at the rate of LVL 0.702804 per €1 in the context of the ERM II. The Bank of Latvia (BOL) daily fixes the rates of the lats against 33 convertible currencies and the price of gold. These rates are used for accounting purposes and are valid through the next day. The BOL quotes fixed buying and selling rates in euros only. The spread between the buying and selling rates is 2%.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	All forward transactions may be conducted in the interbank market, with most liquidity in maturities of up to one year.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	n.r.
Payments arrangements	
Regional arrangements	Latvia is a member of the EU.
Administration of control	Government decisions adopted by the cabinet of ministers and approved by parliament prevail in foreign exchange and trade matters, but the authority to issue regulations governing foreign exchange transactions has been delegated to the BOL. All foreign exchange transactions must be effected through authorized banks and enterprises licensed by the Financial and Capital Market Commission (FCMC) and the BOL, respectively.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Gold articles for the domestic market are subject to compulsory hallmarking. Market surveillance control on domestic trade with gold articles is also in place.
On domestic ownership and/or trade	The location of business activity must be registered with the State Assay Supervision Inspectorate.

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Controls on exports and imports of banknotes	Effective July 1, 2006, all natural persons must declare domestic currency or foreign exchange cash amounting to €10,000 or more when crossing the state border of Latvia (both leaving and entering the country) at the external border of the EU.
On exports	Yes.
On imports	Yes.
References to legal instruments and hyperlinks	Law on the Control and Marking of Articles of Precious Metals; Procedures for the Registration of Places of Economic Activity with Precious Metals, Precious Stones, and Articles Thereof; Procedures for Their Mandatory Assaying and Marking; Procedures for the Safekeeping of Precious Metals, Precious Stones, and Articles Thereof That Are not Assayed; www.vpui.gov.lv . Regulation (EC) No.1889/2005 of the European Parliament and of the Council of October 26, 2005, on controls of cash entering or leaving the Community (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_309/l_30920051125en00090012.pdf); Law on declaring of cash when crossing the state border, in effect as of July 1, 2006 (in Latvian, http://www.likumi.lv/doc.php?id=120369&mode=DOC).

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Accounts may be blocked in cases specified by law; e.g., if account holders are suspected of engaging in money laundering transactions. These provisions apply equally to resident and nonresident accounts, irrespective of the currency of denomination.
References to legal instruments and hyperlinks	Law on the Prevention of Laundering of Proceeds Derived from Criminal Activity: www.fktk.lv/law/general/laws/article.php?id=16381 .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.

Import licenses and other nontariff measures

Negative list

The following groups of goods are subject to licensing: (1) strategic goods (weapons, ammunition, and other military supplies) and dual-use goods; (2) plants and animals protected by CITES; (3) narcotic substances, psychotropic substances, and precursors; and (4) sources of ionizing radiation and radioactive goods, steel, and some categories of textiles. Licensing is automatic except for pyrotechnic products, arms and ammunition, combat vehicles, and prepared explosives. The processing time for license applications is no more than 10 business days, and license fees reflect only processing costs.

Import taxes and/or tariffs

The EU Common Customs Tariffs, the Free Trade Agreements of the EU, and the EU trade measures concerning antidumping and countervailing duties apply.

State import monopoly

No.

References to legal instruments and hyperlinks

(1) Regarding strategic goods and dual-use goods: Law on the Movement of Strategic Goods, in effect as of January 5, 2004; Council Regulation (EC) No. 1334/2000 of June 22, 2000, setting up a community regime for the control of exports of dual-use items and technology (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/l_159/l_15920000630en00010215.pdf).

(2) Regarding plants and animals protected by CITES: Council Regulation (EC) No. 338/97 of December 9, 1996, on the protection of species of wild fauna and flora by regulating trade therein (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31997R0338:EN:HTML>).

(3) Regarding narcotic substances, psychotropic substances, and precursors: Law on the Order of Legitimate Movement of Narcotic and Psychotropic Substances and Medicaments, in force since 1996; Regulation (EC) No. 273/2004 of the European Parliament and of the Council of February 11, 2004, on drug precursors; (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_047/l_04720040218en00010010.pdf); Council Regulation (EC) No. 111/2005 of December 22, 2004, establishing rules for the monitoring of trade in drug precursors between the Community and third countries; Commission Regulation (EC) No. 1277/2005 of July 27, 2005, establishing rules for Regulation (EC) No. 273/2004 of the European Parliament and of the Council on drug precursors and for Council Regulation (EC) No. 111/2005 establishing rules for the monitoring of trade in drug precursors between the Community and third countries (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_022/l_02220050126en00010010.pdf).

(4) Regarding sources of ionizing radiation and radioactive goods, steel, and some categories of textile goods: Law on Radiation Safety and Nuclear Safety, in effect November 21, 2000.

(5) Regarding EU trade measures concerning antidumping duties: Council Regulation (EC) No. 384/96 of December 22, 1995, on protection against dumped imports from countries that are not members of the European Community (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:202:0007:01:EN:HTML>).

(6) Regarding EU trade measures concerning countervailing duties: Council Regulation (EC) No. 2026/97 of October 6, 1997, on protection against subsidized imports from countries that are not members of the European Community (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31997R2026:EN:HTML>); Commission Regulation (EC) No 1549/2006 of October 17, 2006, amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_301/l_30120061031en00010880.pdf).

(7) Regarding EU Common Customs Tariff: Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community Customs Code, and following amendments (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31992R2913:EN:HTML>); Commission Regulation (EEC) No. 2454/93 of July 2, 1993, establishing provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code and following amendments (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R2454:EN:HTML>); 89/197/EEC: Commission Decision of March 3, 1989, concerning the import by member states of fresh meat from Albania (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31989D0197:EN:HTML>); Council Regulation (EC) No. 1859/2005 of

November 14, 2005, imposing certain restrictive measures with respect to Uzbekistan (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_299/l_29920051116en00230031.pdf); Council Regulation (EC) No. 1236/2005 of June 27, 2005, concerning trade in certain goods that could be used for capital punishment, torture, or other cruel, inhuman, or degrading treatment or punishment (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_200/l_20020050730en00010019.pdf); Commission Regulation (EC) No. 29/2006 of January 10, 2006, amending Regulation (EC) No. 2037/2000 of the European Parliament and of the Council with regard to customs codes for bromochloromethane (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_006/l_00620060111en00270028.pdf).

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Without quotas

The following groups of goods are subject to licensing: (1) strategic goods (weapons, ammunition, and other military supplies) and dual-use goods; (2) plants and animals protected by CITES; (3) narcotic substances, psychotropic substances, and precursors; and (4) objects of artistic and historical value.

Export taxes

No.

References to legal instruments and hyperlinks

(1) Regarding strategic goods (weapons, ammunition, and other military supplies) and dual-use goods: Law on the Movement of Strategic Goods, in effect as of January 5, 2004; Council Regulation (EC) No. 1334/2000 of June 22, 2000, setting up a Community regime for the control of exports of dual-use items and technology (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/l_159/l_15920000630en00010215.pdf).

(2) Regarding plants and animals protected by CITES: Council Regulation (EC) No. 338/97 of December 9, 1996, on the protection of species of wild fauna and flora by regulating trade therein (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31997R0338:EN:HTML>).

(3) Regarding narcotic substances, psychotropic substances, and precursors: Law on the Order of Legitimate Movement of Narcotic and Psychotropic Substances and Medicaments, in force since 1996; Regulation (EC) No. 273/2004 of the European Parliament and of the Council of February 11, 2004, on drug precursors (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_047/l_04720040218en00010010.pdf); Council Regulation (EC) No. 111/2005 of December 22, 2004, establishing rules for the monitoring of trade in drug precursors between the Community and third countries (http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_022/l_02220050126en00010010.pdf); Commission Regulation (EC) No. 1277/2005 of July 27, 2005, establishing implementing rules for Regulation (EC) No. 273/2004 of the European Parliament and of the Council on drug precursors and for Council Regulation (EC) No. 111/2005 establishing rules for the monitoring of trade in drug precursors between the Community and third countries (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:202:0007:01:EN:HTML>).

(4) Regarding objects of artistic and historical value: Council Regulation (EEC) No. 3911/92 of December 9, 1992, on the export of cultural goods (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31992R3911:EN:HTML>); Council Regulation (EC) No. 1210/2003 of July 7, 2003, concerning certain specific restrictions on economic and financial relations with Iraq and repealing Regulation (EC) No. 2465/96 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32003R1210:EN:HTML>).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

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References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments No.

Controls on derivatives and other instruments No.

Controls on credit operations No.

Controls on direct investment

Inward direct investment

Foreign investors are not allowed to hold more than 49% of shares in companies organizing raffles and gambling, except for investors from the EU, associated countries, and countries with which Latvia has concluded bilateral agreements.

Controls on liquidation of direct investment No.

Controls on real estate transactions

Purchase locally by nonresidents

Foreign natural persons may acquire land under certain restrictions. The procedure whereby land properties may be obtained in towns is governed by the Law on Land Reform in Towns in the Republic of Latvia. Article 21 thereof stipulates that a foreign natural person may not obtain title to land in borderland, in the dune shelter belt of the Baltic Sea and the Riga Gulf, and in the shelter belt of other public water bodies and water courses, except in cases when such land is intended for construction needs pursuant to a town master plan, or land that is intended for agriculture and forestry pursuant to a town master plan. The procedure for buying and selling land property in rural areas is governed by the Law on Privatizing Land in Rural Areas. Article 28 thereof stipulates that during the transition period from May 1, 2004, until May 1, 2011, land may be obtained pursuant to the Civil Law and other laws by EU citizens who wish to engage in business in Latvia as self-employed farmers and have been living in Latvia for three years without leaving and have been active in agriculture for three subsequent years, and by other EU citizens and legal persons licensed in the EU, provided the land is not intended for agriculture and forestry. Article 29 thereof stipulates that a foreign natural person may not acquire title to land in borderland, in natural reserves and natural reserve areas of other protected territories, in the dune shelter belt of the Baltic Sea and the Gulf of Riga, in the shelter belts of public water bodies and water courses, except land plots meant for construction needs pursuant to a local government territory plan, land for agriculture and forestry pursuant to a local government territory plan, and land in mineral deposit fields of national importance. Restrictions do not apply when title to land is acquired by heirs.

Controls on personal capital transactions

Transfer of assets

Controls apply to all these transactions.

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References to legal instruments and hyperlinks

Law on Land Reform in Towns of the Republic of Latvia; Law on Gambling and Lotteries; Law on Privatizing Land in Rural Areas.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Prudential regulations that are harmonized with EU directives apply.

Open foreign exchange position limits

The open foreign currency position is limited to 10% of capital for any single foreign currency (excluding the euro) and 20% of own funds for all foreign currencies (excluding the euro).

Provisions specific to institutional investors

Insurance companies

Currency-matching regulations on assets/liabilities composition

The cover for technical provisions and the technical provisions themselves shall be matched by currency. The FCMC has set forth the permitted deviations in matching the technical provisions with the cover for technical provisions by currency. Insurance undertakings are permitted not to cover technical provisions with matching assets if the application of the matching principle would result in a holding of assets in a currency amounting to no more than 7% of the assets existing in other currencies. They are not authorized to hold matching assets to cover an amount not exceeding 20% of their commitments in a particular currency. The matching principle is considered to be observed if liabilities in lats are covered with assets in lats or euros.

Pension funds

Currency-matching regulations on assets/liabilities composition

The open foreign currency position of a defined contribution scheme shall not exceed (1) 10% of the assets of that pension scheme in a single foreign currency (excluding the euro) and (2) 20% of the assets of that pension scheme in all foreign currencies (excluding the euro). Funds of a funded pension scheme may be invested in such currency by which payments of the funded pension capital are made in compliance with the following additional conditions: (1) the funds of the scheme may be invested in currencies unmatched with the obligations if the total amount of such investments does not exceed 30% of the assets of the investment plan and (2) investments of funds of the scheme in a currency unrelated to the obligations may not exceed 10% of the assets of the investment plan.

Investment firms and collective investment funds

Limits (max.) on investment portfolio held abroad

An investment fund may invest only in demand and time deposits, with original maturity not exceeding one year in banks licensed in the EU, the EEA, or an OECD member country. A closed-end fund may invest in real estate located and registered only in the EU, the EEA, or an OECD member country.

References to legal instruments and hyperlinks

Credit Institution Law: www.fktk.lv/law/credit/laws/article.php?id=12835; Law on Private Pension Funds: www.fktk.lv/law/pension/laws/article.php?id=15520; Law on State Funded Pensions: www.fktk.lv/law/pension/laws/article.php?id=14191; Law on Investment Management Companies: www.fktk.lv/law/securities/laws/article.php?id=12832; FCMC Regulations on Currency Matching for Assets and Technical Provisions: www.fktk.lv/law/insurance/regulations/article.php?id=24232.

Changes during 2006

Exchange measures

May 18. Restrictive measures were put in place against President Lukashenko and certain officials of Belarus.

May 29. Restrictive measures against Myanmar were renewed.

September 25. Restrictive measures against Myanmar were amended.

LATVIA

Arrangements for payments and receipts

July 1. Any natural person was required to declare domestic currency or foreign exchange cash amounting to €10,000 or more when crossing the state border of Latvia (both leaving and entering the country) at the external border of the EU.

Changes during 2007

Exchange measures

March 21. The authorities informed the IMF of certain financial sanctions imposed against certain countries, individuals, and entities, in accordance with relevant UN Security Council resolutions and EU regulations.

LEBANON

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 1, 1993.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Lebanon is the Lebanese pound.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Exchange rates are market determined, but the authorities may announce buying or selling rates for certain currencies and intervene when necessary in order to maintain orderly conditions in the exchange market. In practice, the exchange rate remains within a very narrow band vis-à-vis the dollar. Banks are allowed to engage in spot transactions in any currency except Israeli new sheqalim.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Banks are permitted to engage in forward operations for their own account for hedging purposes only. Forward operations for the accounts of clients are allowed, provided a minimum margin deposit of 20% is made by the client for each speculative operation.

References to legal instruments and hyperlinks Circulars issued by the Banque du Liban (BDL) and the Banking Control Commission; Code of Money and Credit; www.bdl.gov.lb.

Arrangements for Payments and Receipts

Prescription of currency requirements Banks and financial institutions are prohibited from opening debit or credit accounts in pounds for nonresident financial entities.

Controls on the use of domestic currency

For current transactions and payments Yes.

For capital transactions

Transactions in capital and money market instruments Yes.

Transactions in derivatives and other instruments These are prohibited for banks for their own accounts, except for hedging purposes.

Credit operations Yes.

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Payments arrangements

Regional arrangements Lebanon applies the GAFTA and the Lebanese-Syrian Trade Agreement.

Administration of control No.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes No.

References to legal instruments and hyperlinks Circulars issued by the BDL; www.bdl.gov.lb; www.economy.gov.lb.

Resident Accounts

Foreign exchange accounts permitted All accounts are subject to the Law on Fighting Money Laundering (dealing also with terrorism financing).

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad Nonfinancial entities are permitted to hold these accounts abroad.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks Fighting Money Laundering Law No. 318 amended by Law 547 to include terrorism financing; www.bdl.gov.lb/circ/en/Law318e.htm.

Nonresident Accounts

Foreign exchange accounts permitted All accounts are subject to the Law on Fighting Money Laundering (dealing also with terrorism financing).

Domestic currency accounts Nonresident individuals, nonbanks, and nonfinancial entities may freely hold onshore accounts in pounds. Nonresident banks and financial entities are not allowed to have debit or credit accounts in pounds (including fiduciary accounts) with resident banks and financial institutions, except for (1) purchasing treasury bills and BDL certificates of deposit in pounds, after obtaining approval from the BDL and on the condition that the funds used for this purpose were originally foreign currency deposits converted to pounds specifically for this purpose; and (2) guarantees issued by nonresident banks against loans in pounds that are for commercial or investment activities in Lebanon. All accounts are subject to the Law on Fighting Money Laundering.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks Circulars issued by the BDL and the Banking Control Commission; Code of Money and Credit; Fighting Money Laundering Law No. 318; www.bdl.gov.lb.

Imports and Import Payments

Foreign exchange budget No.

LEBANON

Financing requirements for imports

Advance import deposits Importers are required to deposit with a bank a margin equivalent to 15% of an LC value and in the same currency as the LC.

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

Negative list

In general, import licenses are issued mainly for health, security, and fraud-prevention reasons and apply to about 3% (in value terms) of all goods imported into Lebanon. Licenses generally apply to imports of certain animal and plant products, medically hazardous substances, arms, ammunition, explosive materials, and certain telecommunications equipment and petroleum products, as well as a group of industrial products.

Other nontariff measures

Import prohibitions apply to a list of products for the protection of health and the environment, as well as for safety and security reasons. All imports from Israel are prohibited. In addition, certain commercial entities listed under the Arab Boycott List are banned from trading with Lebanon.

Import taxes and/or tariffs

Effective January 1, 2007, Lebanon started using the Harmonized System Tariff, 2007 version. Previously, Lebanon used the Harmonized System Tariff, 2002 version. Customs valuation is on the basis of c.i.f. value; customs duties are generally ad valorem. The WTO valuation principle is also applied. The ad valorem rates vary between zero and 70%. There are preferential duty rates for goods imported for industrial, agricultural, or public use. In addition to ad valorem duties, which apply to about 93% of products, the following other methods are used: (1) the bracket-based calculation in the case of cars, in which the value of a car is divided into two brackets and the total duty is the sum of the duties applied at each rate; (2) duties calculated on the basis of units of measure, such as weight or volume (e.g., gasoline); and (3) a combined duty calculated on an ad valorem and specific basis, so that the higher amount is collected (e.g., tropical fruits and chickens). In addition, excise duties are collected on alcoholic and nonalcoholic beverages, cars, cement, and fuels.

Lebanon applies the Arab Free Trade Area Convention and has bilateral free trade agreements with Egypt, Iraq, Jordan, Kuwait, Saudi Arabia, the Syrian Arab Republic, and the United Arab Emirates. In addition, Lebanon signed an interim agreement with the EU on trade and commercial issues on March 1, 2003, which formally triggered the start of the 12-year transition period to free trade. On April 1, 2006, the government of Lebanon and the EU announced the entry into force of the formal association agreement, which replaced the interim agreement.

A VAT of 10% is levied on all goods and services, whether imported or produced domestically, except for some exempted goods and services.

State import monopoly

Imports of some goods are reserved for the government.

References to legal instruments and hyperlinks

www.customs.gov.lb; www.finance.gov.lb; www.economy.gov.lb; www.dellbn.cec.eu.int/en/eu_and_lebanon/06/index.htm.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Exports of a limited number of products are prohibited for reasons of biodiversity conservation, forest conservation, ecology, security, and health.

Without quotas

Yes.

Export taxes

No.

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References to legal instruments and hyperlinks www.customs.gov.lb; www.finance.gov.lb; www.economy.gov.lb.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers All accounts are subject to the Law on Fighting Money Laundering (dealing also with terrorism financing).

References to legal instruments and hyperlinks Fighting Money Laundering Law No. 318, dated April 20, 2001.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Limits are imposed on the acquisition of shares in companies, depending on the nature of the company. No limitations apply to banks and financial institutions.

Sale or issue abroad by residents

Banks and financial institutions require prior BDL approval to issue shares locally or abroad.

Bonds or other debt securities

Purchase locally by nonresidents

Nonresident financial entities must obtain approval from the BDL when purchasing treasury securities or BDL certificates of deposit denominated in pounds, dollars, or euros. Funds used to purchase treasury securities or certificates of deposit in pounds must originally have been deposits in foreign currencies that are converted to pounds specifically for this purpose.

Sale or issue locally by nonresidents

Prior BDL approval is required.

Purchase abroad by residents

The purchase of sovereign bonds (except from G-10 countries) with at least a BBB rating by Standard and Poor's or an equivalent rating of another internationally recognized rating agency is limited to 50% of Tier I capital of banks and financial institutions. This limitation applies also to the purchase of corporate bonds, which should be issued by corporations supervised by a country rated at least BBB. The total value of corporate bonds and structured financial instruments with one issuer may not exceed 10% of Tier I capital.

Sale or issue abroad by residents

Prior BDL approval is required by banks and financial institutions to issue bonds locally or abroad.

On money market instruments

The regulations governing bonds or other debt securities apply.

On collective investment securities

Purchase locally by nonresidents

The acquisition by residents or nonresidents of more than 10% of the shares of a collective investment company is subject to prior BDL approval. Mutual fund managers are required

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	to report the acquisition of more than 10% of the total value of a mutual fund to the BDL and the Banking Control Commission.
<i>Sale or issue locally by nonresidents</i>	The promotion of and trading in foreign collective investment securities are subject to prior BDL approval.
<i>Purchase abroad by residents</i>	The limit for banks to purchase parts or stocks in collective investments securities is set by Article 153 of the Code of Money and Credit.
<i>Sale or issue abroad by residents</i>	The regulations governing bonds or other debt securities apply.
Controls on derivatives and other instruments	
Sale or issue locally by nonresidents	The regulations governing bonds or other debt securities apply.
Purchase abroad by residents	There are no controls on purchases of derivatives or any financial instruments from abroad. However banks, unlike other financial institutions and brokerage firms, may engage, for their own accounts, in derivative transactions locally or abroad for hedging purposes only. Banks and financial institutions are prohibited from carrying out for their own account, with nonresident sectors and in any currency, operations on structured financial instruments, except for capital-guaranteed structured financial instruments rated A and above, provided their total nominal value does not exceed 25% of Tier I capital of the concerned banks and financial institutions. When the structured financial products are issued by companies, the latter should be supervised by countries rated at least BBB. Moreover, the total value of corporate bonds and structured financial instruments carried out with one issuer should not exceed 10% of Tier I capital.
Sale or issue abroad by residents	The regulations governing purchase abroad by residents apply.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Effective March 2, 2006, credit extended in foreign currencies to nonresidents must be limited to 5% of the bank's Tier I capital to each borrower or group of related borrowers. Moreover, the overall limit of credit extended to nonresidents and to residents for use abroad is 25% of Tier I capital. Effective November 9, 2006, credit to a single nonresident, or to a resident for use abroad, must be limited to 20% of the bank's Tier I capital for countries with a sovereign rating of A+, and 10% for countries with a sovereign rating of A or lower. Total credit to countries with sovereign ratings of A through BBB cannot exceed 200% of Tier I capital and 50% for any one of these countries. For countries with sovereign ratings below BBB, these limits are, respectively, 100% and 25%. Total credit facilities to an individual, legal entity, or related group of resident or nonresident borrowers may not exceed 20% of the bank's Tier I capital, regardless of whether the funds are for use in Lebanon or other countries.
Financial credits	
<i>By residents to nonresidents</i>	The net debtor interbank position between a Lebanese bank and its affiliates (subsidiaries and sister companies) abroad may not exceed 25% of Tier I capital. This restriction applies to credit facilities granted by banks operating in Lebanon to affiliated nonfinancial entities abroad.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	The regulations governing commercial credits apply.
<i>To residents from nonresidents</i>	Nonresident financial entities may issue guarantees against loans made in pounds if the loans are related to investment or commercial activities carried out in Lebanon.
Controls on direct investment	
Outward direct investment	Direct investments abroad by banks require prior BDL approval and are subject to the limit set by Article 153 of the Code of Money and Credit.
Inward direct investment	Foreign investments in some sectors are subject to specified ceilings and, in some cases, to prior authorization.

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Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	The limit for banks is set by Article 153 of the Code of Money and Credit.
Purchase locally by nonresidents	All foreigners must obtain a license from the Council of Ministers to acquire real estate exceeding a certain maximum area. In addition, a ceiling is imposed on the total area that may be acquired in the capital city as well as in various Lebanese districts.
Controls on personal capital transactions	These transactions are permitted without limitation, provided anti-money laundering and terrorism financing regulations are followed.
References to legal instruments and hyperlinks	Fighting Money Laundering Law No. 318, dated April 20, 2001; Legislative Decree No. 11614; Law No. 296, dated April 2001; BDL circulars; Article 153 of the Code of Money and Credit; www.bdl.gov.lb.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Prior BDL approval is required for resident banks and financial institutions to issue bonds locally or abroad.
Maintenance of accounts abroad	Financial entities are prohibited from maintaining accounts abroad in pounds.
Lending to nonresidents (financial or commercial credits)	The purchase of sovereign bonds, except from G-10 countries, with at least a BBB rating by Standard and Poor's or an equivalent rating of another internationally recognized rating agency, is limited to 50% of Tier I capital of banks and financial institutions. This limitation applies also to the purchase of corporate bonds, which should be issued by corporations supervised by a country rated at least BBB. The total value of corporate bonds and structured financial instruments with one issuer may not exceed 10% of Tier I capital. Effective March 2, 2006, credit extended in foreign currencies to nonresidents must be limited to 5% of Tier I capital to each borrower or group of related borrowers. Moreover, the overall limit of credit extended to nonresidents and to residents for use abroad is 25% of Tier I capital. Effective November 9, 2006, credit to a single nonresident, or to a resident for use abroad, must be limited to 20% of the bank's Tier I capital for countries with a sovereign rating of A+ or higher, and 10% for countries with a sovereign rating of A or lower. Total credit to countries with sovereign ratings of A through BBB cannot exceed 200% of the bank's Tier I capital and 50% for any one of these countries. For countries with sovereign ratings below BBB, these limits are, respectively, 100% and 25%. Total credit facilities to an individual, legal entity, or related group of resident or nonresident borrowers may not exceed 20% of the bank's Tier I capital, regardless of whether the funds are for use in Lebanon or other countries.
Purchase of locally issued securities denominated in foreign exchange	Banks are allowed to purchase these securities stocks within limits set by Article 153 of the Code of Money and Credit and to purchase nonlisted corporate bonds issued locally within the limit of 20% of Tier I capital. Effective February 6, 2007, banks are allowed to repurchase their own securities and GDRs issued against their shares within the limit of 10% of their total shares and with prior BDL approval.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	The reserve requirements on Lebanese pound deposits are 25% for demand and 15% for term deposits. Banks are subject to a 15% reserve requirement for all foreign currency deposits at BDL.
<i>Liquid asset requirements</i>	Net liquid assets must not be less than 10% of all foreign-exchange-denominated deposits, certificates of deposit, bonds, and loans contracted from the financial sector and whose remaining maturity is one year or less.

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Differential treatment of deposit accounts held by nonresidents

Reserve requirements

Nonresidents' deposits in foreign currencies satisfying the conditions of the Banking Free Zone are not subject to taxes, fees, or reserve requirements.

Investment regulations

Abroad by banks

Prior BDL approval is required for banks to acquire shares in financial entities abroad within the limit set by Article 153 of the Code of Money and Credit.

In banks by nonresidents

Acquisition by a resident or nonresident of shares in a bank is subject to prior authorization from the Central Council of the BDL in the following cases: (1) the shares to be acquired represent more than 5% of total shares or voting rights; (2) the purchaser already holds more than 5% of total shares or voting rights; (3) the purchaser or seller of the shares is a member of the senior management of the bank involved; or (4) effective November 9, 2006, the purchaser or seller of the shares is a member of senior management or an employee of the bank involved and holds more than 1% of total shares. Prior authorization and regulations apply also to the ascendants and descendants of the bank employee. Foreign banks may establish fully owned branches, subject to BDL approval. Banks and financial institutions require prior BDL approval to issue shares locally or abroad.

Open foreign exchange position limits

The net open foreign exchange position is limited to 1% of the net Tier I capital, and the global position is limited to 40% of net Tier I capital. Overall, banks and financial institutions are allowed to hold a structural position in foreign currencies up to 60% of their net Tier I capital denominated in pounds.

Provisions specific to institutional investors

Insurance companies

These limits are applicable to insurance companies in covering technical and mathematical reserves by admitted assets.

Limits (max.) on securities issued by nonresidents

For life insurance, a maximum of 50% of mathematical reserve is allowed as admitted assets, whereas for non-life insurance, it is not allowed.

Limits (max.) on investment portfolio held abroad

For life insurance, a maximum of 50% of mathematical reserve is allowed as admitted assets, whereas for non-life insurance, it is not allowed.

Limits (min.) on investment portfolio held locally

For life and non-life insurance companies, there are different minimum limits for cash investments as well as different maximums on other investments for admitted assets purposes.

Currency-matching regulations on assets/liabilities composition

For life insurance, in covering mathematical reserves, the 50% maximum investment as admitted assets should be in the currency of issued policies.

Pension funds

n.a.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

In general, no limits are imposed, but prior BDL approval is required for promoting and selling foreign collective investment schemes. In some cases, to grant its approval, the BDL may require financial guarantees to be submitted by the representative in Lebanon. In case the latter is a bank, the value of financial guarantees should not exceed 7% of its Tier I capital.

Limits (max.) on investment portfolio held abroad

Managers of a collective investment scheme are prohibited from owning more than 15% of the securities issued by a single issuer, except for Lebanese treasury bills and bonds issued by the G-10 countries.

Limits (min.) on investment portfolio held locally

Managers of a collective investment scheme are prohibited from owning more than 15% of the securities issued by a single issuer, except for Lebanese treasury bills. Moreover, at least 65% of the investments must reflect the scheme's declared investment policy, in terms of bonds' quality, geographic distribution, and risk ratio.

Currency-matching regulations on assets/liabilities composition

Eighty five percent of total investments of an open-end company must be in liquid financial instruments.

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References to legal instruments and hyperlinks

Circulars issued by the BDL; Code of Money and Credit; Law No. 706, dated December 9, 2005; www.bdl.gov.lb; www.economy.gov.lb; Decree No. 13144, dated August 24, 2004; Decree No. 29 of February 5, 1977.

Changes during 2006

Imports and import payments

April 1. The formal association agreement replaced the interim agreement with the EU.

Capital transactions

Controls on credit operations

March 2. Credit extended in foreign currencies to nonresidents was limited to 5% of the bank's Tier I capital to each borrower or group of related borrowers. Moreover, the overall limit of credit extended to nonresidents and to residents for use abroad was limited to 25% of Tier I capital.

November 9. Credit to a single nonresident, or to a resident for use abroad, was limited to 20% of the bank's Tier I capital for countries with a sovereign rating of A+ and 10% for countries with a sovereign rating of A or lower. Total credit to countries with sovereign ratings of A through BBB was limited to 200% of the bank's Tier I capital and 50% for any one of these countries. For countries with sovereign ratings below BBB, these limits were set at, respectively, 100% and 25%. Total credit facilities to an individual, legal entity, or related group of resident or nonresident borrowers was limited to 20% of the bank's Tier I capital regardless of whether the funds were for use in Lebanon or other countries.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

March 2. Credit extended in foreign currencies to nonresidents was limited to 5% of the bank's Tier I capital to each borrower or group of related borrowers. Moreover, the overall limit of credit extended to nonresidents and to residents for use abroad was limited to 25% of Tier I capital.

November 9. Credit to a single nonresident, or to a resident for use abroad, was limited to 20% of the bank's Tier I capital for countries with a sovereign rating of A+ or higher and 10% for countries with a sovereign rating of A or lower. Total credit to countries with sovereign ratings of A through BBB was limited to 200% of the bank's Tier I capital and 50% for any one of these countries. For countries with sovereign ratings below BBB, these limits were set at, respectively, 100% and 25%. Total credit facilities to an individual, legal entity, or related group of resident or nonresident borrowers was limited to 20% of the bank's Tier I capital regardless of whether the funds were for use in Lebanon or other countries.

Provisions specific to institutional investors

November 9. Prior authorization from the Central Council of the BDL was required if the purchaser or seller of bank shares is a member of senior management or an employee of the bank involved and holds more than 1% of total shares. Prior authorization and regulations apply also to the ascendants and descendants of the employee.

Changes during 2007

Imports and import payments

January 1. The Harmonized System Tariff, 2007 version, came into effect, replacing the 2002 version.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

February 6. Banks were allowed to repurchase their own securities and GDRs issued against their shares with prior BDL approval and within the limit of 10% of their total shares.

LESOTHO

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 5, 1997.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Lesotho is the Lesotho loti.

Other legal tender The South African rand is also legal tender.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The loti is pegged to the South African rand at M 1 per R 1.

Exchange tax No.

Exchange subsidy No.

Forward exchange market ADs are permitted to conduct forward exchange operations through their correspondent banks abroad at rates quoted by the latter. Forward exchange cover, however, is not common in Lesotho.

Official cover of forward operations Yes.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements by or with residents of CMA member countries with all countries outside the CMA may be made to and from a nonresident account in rand or in any other foreign currency.

Use of foreign exchange among residents Yes.

Payments arrangements

Regional arrangements Lesotho is a member of the CMA, within which payments are unrestricted, except that transactions must be reported for statistical and customs purposes. In its relations with countries outside the CMA, Lesotho applies exchange controls that are largely similar to those applied by Namibia, South Africa, and Swaziland.

Administration of control The Central Bank of Lesotho (CBL) controls foreign exchange transactions and delegates to commercial banks the authority to approve certain types of current payments up to established limits. Permits are issued by the Department of Customs and Excise based on the recommendation of the Department of Trade and Industry. Licenses for financial

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	institutions accepting deposits, insurance companies, brokers, and agents are issued by the CBL.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Only ADs may trade in gold, but anyone may hold gold.
On external trade	Exports of gold from the CMA by individuals are subject to controls.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports of domestic currency from Lesotho are subject to controls.
<i>Foreign currency</i>	Exports of foreign currency from the CMA by residents are subject to controls; visitors may reexport the unspent portion of foreign currency brought into the country.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Residents may deposit up to the equivalent of M 250,000 in foreign exchange accounts with an AD in Lesotho without approval.
Held abroad	No.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	No.
Blocked accounts	Funds in an emigrant's blocked loti account may be invested in quoted securities and other such investments approved by the CBL. The free transfer of income from an emigrant's blocked assets is limited to M 300,000 a family a year.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
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Financing requirements for imports

Advance payment requirements Payments are not normally allowed before the date of shipment, except with prior approval or special authorization from the CBL. ADs may permit, without the CBL's approval, advance payments of up to 33.3% of the ex-factory cost of capital goods if suppliers require it or if it is normal practice in the trade concerned.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement Yes.

Preshipment inspection Yes.

Letters of credit Yes.

Import licenses used as exchange licenses Yes.

Other Yes.

Import licenses and other nontariff measures

Lesotho is a member of the SACU; all imports originating in any country of the SACU are unrestricted, except certain food items. Imports from countries outside the SACU are usually licensed in conformity with SACU import regulations. Lesotho reserves the right to restrict certain imports. Import permits are valid for all countries and entitle the holder to buy the foreign exchange required to make payments for imports from outside the SACU.

Negative list With certain exceptions, imports from outside the SACU must be licensed and conform to a negative list (e.g., ammunition, flora and fauna, and illegal drugs).

Licenses with quotas Some food imports from countries within the SACU are subject to import licensing.

Import taxes and/or tariffs

Lesotho applies the external customs tariffs of the SACU.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

All export proceeds must be repatriated.

Surrender requirements

Surrender to authorized dealers

Residents may retain their export proceeds in foreign currency accounts with ADs for six months, after which point balances must be surrendered to ADs.

Financing requirements

A state-supported export credit and guarantee scheme provides credit guarantees, pre- and post-shipment credits, and insurance against commercial and political risks.

Documentation requirements

Letters of credit Yes.

Guarantees Yes.

Domiciliation Yes.

Preshipment inspection Yes.

Export licenses

Without quotas Certain exports are subject to licensing for revenue purposes; this requirement, in practice, is limited to the exportation of diamonds. Most exports are shipped without license to or through South Africa.

Export taxes

No.

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References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments	Profit and dividend transfers are not restricted, provided the investment funds were not obtained through excessive use of local borrowing facilities.
<i>Quantitative limits</i>	Emigrants may transfer up to the equivalent of M 300,000 of earnings on blocked assets.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Quantitative limits</i>	The limit for an adult is the equivalent of M 130,000 a year, and the limit for a child under 12 years of age is M 40,000.
<i>Indicative limits/bona fide test</i>	Larger allowances may be obtained for business travel.
Personal payments	
<i>Quantitative limits</i>	For study abroad, the limits are the equivalent of M 160,000 a year for a single student or M 180,000 a year for a student accompanied by a spouse who is not studying.
Credit card use abroad	
<i>Quantitative limits</i>	The limit for credit card use abroad is the equivalent of M 20,000.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	Proceeds must be surrendered within 30 days of the date of accrual, unless an exemption is obtained.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Nonresidents may invest freely in Lesotho if the maturity of the investment exceeds 365 days. CBL notification is required for nonresidents to acquire securities of any kind, regardless of maturity.

LESOTHO

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents Yes.

Sale or issue locally by nonresidents Yes.

Sale or issue abroad by residents Yes.

Bonds or other debt securities

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

On money market instruments

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

On collective investment securities

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Controls on derivatives and other instruments

These instruments are not available in Lesotho.

Controls on credit operations

Commercial credits

By residents to nonresidents

Export credits are available for up to six months; in certain circumstances, the maturity can be extended by six months. Longer-term credits require exchange control approval.

To residents from nonresidents

These credits require exchange control approval.

Financial credits

By residents to nonresidents

These credits require prior approval. However, wholly nonresident-owned subsidiaries may borrow locally up to 100% of the total shareholders' investment.

To residents from nonresidents

Prior approval is required to ensure that repayments and servicing of the loans do not disrupt the balance of payments and that the interest rate paid is reasonable in terms of prevailing international rates.

Controls on direct investment

The rulings on applications for inward and outward capital transfers may depend on whether the applicant is a resident, a foreign national who is a temporary resident, or a nonresident.

Outward direct investment

Residents are free to invest abroad through domestic banks up to the equivalent of M 250,000 a person. Subject to CBL approval, resident corporations and businesses are allowed to invest abroad up to the equivalent of M 50 million in SACU countries or M 30 million in other countries.

Inward direct investment

Nonresidents may invest freely in Lesotho if the maturity of the investment exceeds 365 days. However, CBL approval is required for nonresidents to acquire securities of any kind, regardless of maturity.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Prior approval is required.

Controls on personal capital transactions

Loans

Prior approval for these transactions is required.

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Transfer of assets	
<i>Transfer abroad by emigrants</i>	Emigrants may transfer abroad up to the equivalent of M 300,000 a year.
Transfer of gambling and prize earnings	Prior approval is required.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	No securities denominated in foreign currency are available in Lesotho.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
Open foreign exchange position limits	The limits are 10% a currency and 20% of overall exposure.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	The limit is up to 20% of assets under management.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

LIBERIA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Liberia is the Liberian dollar.

Other legal tender The U.S. dollar is also legal tender and circulates freely.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

All foreign exchange dealers, including banks, are permitted to buy and sell currencies, including the U.S. dollar, at market-determined exchange rates. The Central Bank of Liberia (CBL) intervenes in the foreign exchange market to counter speculative movements.

Liberia participates in the W-ERM II, which requires that the CBL maintain the spot exchange rate between the Liberian dollar and the U.S. dollar within margins of $\pm 15\%$ around a central rate. However, the CBL has yet to implement these measures.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements No.

Administration of control Regulations on export and import licenses are administered by the Ministry of Commerce and Industry (MCI).

Payments arrears

Official Yes.

Private Yes.

LIBERIA

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Domestic trade in gold is subject to licenses issued by the Ministry of Land, Mines, and Energy.

On external trade

Imports and exports of gold in any form are subject to licenses issued by the Ministry of Land, Mines, and Energy; import licenses are issued freely, but export licenses are granted restrictively.

Controls on exports and imports of banknotes

No.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

Preshipment inspection

Preshipment inspection is required to ascertain the country of origin, quality, quantity, and value of all goods to be shipped. Both final and intermediate goods are subject to inspection, except for imports with an f.o.b. value of less than the equivalent of US\$2,000.

Letters of credit

Yes.

LIBERIA

Import licenses and other nontariff measures

Negative list

There is no general system of import control, but the importation of some items, including safety matches, electrode welding rods, and liquefied petroleum gas, is subject to licensing and quantitative restrictions. Licensing requirements are usually not enforced. Imports of arms, ammunition, and explosives require prior licenses. In addition, imports of certain goods (e.g., narcotics, other than for medicinal purposes) are prohibited. Licenses to import inexpensive, widely consumed varieties of rice are issued to private distributors by the MCI. The importation of more expensive rice is not subject to official controls.

Import taxes and/or tariffs

The nominal average tariff rate is 15.7%.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

n.r.

Export licenses

Licenses generally are issued to exporters to ensure certification of quality and origin. These licenses are not issued freely.

Export taxes

Export taxes are imposed on processed and unprocessed goods at rates of zero and 2.5%, respectively, and on diamonds at a rate of 4%.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

No.

Repatriation requirements

No.

Controls on capital and money market instruments

No.

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Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending locally in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
Investment regulations	n.r.
Open foreign exchange position limits	n.r.

Provisions specific to institutional investors

Insurance companies	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of Acceptance: June 21, 2003.

Exchange Measures

Restrictions and/or multiple currency practices The staff report for the 2005 Article IV consultation with Libya states that as of March 1, 2006, IMF staff was awaiting the necessary clarifications from the authorities before the review of the exchange restrictions can be completed. (Country Report No. 06/136)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Libya is the Libyan dinar.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Libyan dinar is pegged to the SDR at LD 1 per SDR 0.5175. The margin on sales of foreign exchange is 0.5%. For foreign exchange cash sales, the Central Bank of Libya (CBL) adds 1% to the noncash selling rate to account for cash transportation and insurance costs. The margin on selling rates applicable to money orders is 1.5%.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements All transactions with Israel are prohibited. Transactions with other countries are made in convertible currencies. On February 18, 2007, the CBL signed an agreement with the Central Bank of Tunisia under which the Libyan dinar and the Tunisian dinar became convertible with each other for personal uses through banks and exchange bureaus up to LD 4,000 or TD 4,000 a transaction for each resident of the two countries annually. The agreement became effective March 20, 2007.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents Transactions may be executed through the use of the Libyan dinar as a middle currency in determining the exchange rates.

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Payments arrangements

Bilateral payments arrangements

Operative

Agreements are maintained with Algeria, Morocco, and Tunisia. Outstanding balances are settled in convertible currencies 15 days after the end of each month. These arrangements became operational on January 1, 2007.

Inoperative

The arrangement with Malta was terminated May 8, 2006.

Regional arrangements

Libya is a signatory to the GAFTA.

Administration of control

The CBL administers exchange controls and has delegated some powers to authorized banks. The General People's Congress regulates policy on imports and exports, which is executed by the Secretariat of Economy and Commerce (SEC).

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents may freely purchase, hold, and sell gold in any form other than bars.

On external trade

Imports of unworked gold are duty-free.

Controls on exports and imports of banknotes

On exports

Domestic currency

Residents and nonresidents are allowed to export Libyan currency up to LD 50 (nonconvertible).

Foreign currency

Residents and nonresidents may export any amount of foreign exchange for personal, noncommercial purposes through authorized banks. To control money laundering, ceilings of the equivalent of \$5,000 and \$10,000 a transaction are enforced on the purchase of foreign exchange in cash and traveler's checks, respectively. However, all bona fide requests above these limits are satisfied without prior approval of the CBL.

Foreign exchange converted into Libyan dinars by visiting tourists may be reconverted on departure.

On imports

Domestic currency

Residents and nonresidents are allowed to import Libyan currency up to LD 50 (nonconvertible).

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Resident individuals are allowed to keep foreign currencies in domestic bank accounts and to transfer balances abroad without restriction. Exporters are allowed to retain foreign exchange earnings in a special account that may be used to finance imports of raw materials, spare parts, and machinery needed for export production. The National Oil Co. is required to keep its foreign exchange account at the CBL. Private companies are required to keep their foreign exchange export proceeds at domestic commercial banks.

Held abroad

n.a.

Approval required

n.a.

Accounts in domestic currency held abroad

n.a.

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Accounts in domestic currency convertible into foreign currency	Transfers from resident dinar accounts to a foreign currency account require submission of a pro forma invoice only for business purposes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	Yes.
Domestic currency accounts	Nonresident accounts are determined on the basis of the duration of residency of the account holders in accordance with the IMF's Balance of Payments Manual. Nonresidents who are employed in the country are permitted to open these accounts, which may be credited with their legitimate earnings. All other credits to nonresident accounts require the prior approval of the CBL. Funds brought in by nonresident contractors undertaking contracts in their own names must be kept with an authorized bank. Payments received by contractors for contracts may also be credited to these accounts, but, in general, remittances are permitted up to the net-of-tax amount specified in the contract. Funds brought in by nonresidents may be reexported if not used, after submission of evidence. Accounts held by foreign contractors licensed under Law No. 5 (1997) for the promotion of foreign capital investment are exempt from any restrictions. Remittances from nonresident accounts are free and do not require any prior approval of the CBL.
Convertible into foreign currency	These accounts may be converted, but approval is required.
Approval required	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Minimum financing requirements	The CBL requires commercial banks to impose a cash margin of no less than 15% on LCs opened for imports (in practice, the cash margin requirement ranges from 15% to 100% depending on the creditworthiness of importers).
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	n.a.
Preshipment inspection	n.a.
Letters of credit	Authorized banks may open LCs without approval from the CBL. Before an LC is established, a marine insurance policy from a local insurance company must be submitted.
Import licenses used as exchange licenses	Exchange permits required for imports are readily granted by authorized banks, provided a firm contract exists.
Other	n.a.
Import licenses and other nontariff measures	Import licenses are not required. However, importers may import only the types of products that relate to their business specialty. Effective January 1, 2006, the state monopoly on imports is limited to petroleum products and weaponry. Previously, strategic goods (i.e.,

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	seven essential food items, medicines, insecticides, petroleum products, tobacco, and gold) could be imported only by public corporations, whereas all other goods could be imported by public or private entities.
Negative list	Effective January 1, 2006, import bans for religious, health, and ecological reasons are limited to fewer than 10 products. Previously, imports of the following were prohibited: live pigs, meat, fat, skins, or other pork products; alcoholic beverages and spirits of all types; preserved meats and foods prepared with them; animal fats for consumption; frozen fish, except for sliced fish and tuna for manufacturing purposes; eggs for direct consumption; live or slaughtered poultry and birds, with the exception of breeding stock; cucumber seeds; fresh fruit (citrus fruit, grapes, figs, apricots, watermelon, dates, peaches, plums); olive oil; fresh, frozen, dried, or ground vegetables ready for consumption, except for dried legumes; mineral water, natural or carbonated; buses more than five years old, with a capacity of fewer than 30 passengers; buses with a capacity of more than 30 passengers; trucks and tractor-trailers more than 10 years old that are designed for civilian use with a capacity of 5–40 tons and one, two, or three axles; ribbed sheet iron; school notebooks; paper tissue products, with the exception of table napkins, pocket tissues, and toilet paper rolls; robes and cloaks; ordinary hand brooms; caustic soda of all kinds and potash; plastic covers for greenhouses and pipes made of PVC, with the exception of drip irrigation tubes; and bread flour additives containing potassium bromate.
Open general licenses	n.a.
Licenses with quotas	n.a.
Other nontariff measures	All imports from Israel are prohibited. Importers are required to deal directly with producers abroad and not through intermediaries.
Import taxes and/or tariffs	The tariff rate has been adjusted to zero for all imported goods with the exception of some tobacco products that are subject to a 10% rate. Effective March 10, 2006, a consumption tax of 15% to 25% (previously, 25% to 50%) applies to a list of 81 imported goods that are also produced locally. A general service fee of 4% is imposed on all imported goods. All products from Arab countries are exempt from customs duties, provided domestic value added is at least 40%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	All proceeds must be repatriated within three months of shipment.
Surrender requirements	Exporters are allowed to retain up to 100% of nonhydrocarbon earnings. The previously existing surrender requirements have been abolished with the adoption of the Banking Law (2005).
Financing requirements	No.
Documentation requirements	
Letters of credit	All exports require the opening of LCs.
Guarantees	n.a.
Domiciliation	n.a.
Preshipment inspection	n.a.
Other	n.a.
Export licenses	In general, exporters do not need export licenses but must register with the SEC and supply on a regular basis the relevant documentation on their exports. Exports of electricity, hides, nonmonetary gold (other than for processing abroad), paper products, school supplies, scrap metal, and telecommunication services are prohibited. Exports or reexports of vegetable

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	oils, wheat, wheat flour, crushed wheat, barley, rice, coffee, tea, sugar, and semolina—all of which are subsidized products—are prohibited. All exports to Israel are prohibited.
Without quotas	Export licenses are required for raw wool, hides and skins, and agricultural products.
With quotas	n.a.
Export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments for invisibles related to authorized imports are not restricted.
Investment-related payments	Profits generated by foreign capital invested in projects deemed to contribute to the economic development of the country may be transferred freely to the country of origin. Profits generated by foreign capital invested in projects set up within the context of Law No. 5 and approved by the Foreign Investment Board (FIB) may also be transferred without restriction. A Jihad tax of 4% applies on profits and dividends of nonresidents and residents.
Payments for travel	Residents are allowed to purchase foreign exchange for tourism from authorized banks up to the equivalent of \$10,000 in traveler's checks or \$5,000 in cash.
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	Residents are allowed to purchase foreign exchange for education, medical treatment, and family remittances from authorized banks up to the equivalent of \$10,000 in traveler's checks or \$5,000 in cash.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	n.a.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	n.a.
Credit card use abroad	n.a.
Other payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	n.a.
<i>Indicative limits/bona fide test</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	All foreign exchange receipts must be surrendered.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	n.a.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	The purchase abroad of these instruments by residents requires approval.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
Controls on derivatives and other instruments	n.a.
Controls on credit operations	Public enterprises are allowed to sell any amount of foreign exchange they earn to open or settle credit through the banking system, provided they report the sources and uses of the foreign exchange.
Commercial credits	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	n.a.
Financial credits	
<i>By residents to nonresidents</i>	n.a.
<i>To residents from nonresidents</i>	Yes.

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Guarantees, sureties, and financial backup facilities

By residents to nonresidents n.a.

To residents from nonresidents Yes.

Controls on direct investment

Outward direct investment For prudential reasons, the CBL has prohibited the purchase of foreign exchange by commercial banks for investment abroad.

Inward direct investment Full foreign ownership is permitted in ventures established in the context of Law No. 5 and approved by the FIB. Approval is granted for projects that lead to domestic job creation or training, use of local raw materials, transfers of technology, and inflows of foreign currencies.

Controls on liquidation of direct investment

Foreign capital invested in projects deemed to contribute to the economic development of the country may be transferred freely to the country of origin. Capital invested in projects set up in the context of Law No. 5 and approved by the FIB may also be transferred freely to the country of origin. Effective January 1, 2006, the lower limit on foreign direct investment in the non-oil sector was reduced to the equivalent of \$1.5 million.

Controls on real estate transactions

Purchase locally by nonresidents Yes.

Sale locally by nonresidents n.a.

Controls on personal capital transactions n.a.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad n.a.

Maintenance of accounts abroad n.a.

Lending to nonresidents (financial or commercial credits) n.a.

Lending locally in foreign exchange Article 53 of Law No. 1 of 2005 (Banking Law) allows commercial banks to extend loans in foreign currency, provided sufficient collateral is presented. Banks may also borrow from each other through interbank lending.

Purchase of locally issued securities denominated in foreign exchange n.a.

Differential treatment of deposit accounts in foreign exchange n.a.

Differential treatment of deposit accounts held by nonresidents n.a.

Investment regulations n.a.

Open foreign exchange position limits n.a.

Provisions specific to institutional investors n.a.

References to legal instruments and hyperlinks n.a.

SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

Changes during 2006

Arrangements for payments and receipts

May 8. The payments arrangement with Malta was terminated.

Imports and import payments

January 1. The state monopoly on imports was limited to petroleum products and weaponry.

January 1. Imports bans for religious, health, and ecological reasons were reduced to fewer than 10 products.

March 10. The consumption tax on a list of 81 imported goods was reduced to 15% to 25% from 25% to 50%.

Capital transactions

Controls on liquidation of direct investment

January 1. The minimum limit on foreign direct investments on the non-oil sector was reduced to the equivalent of \$1.5 million.

Changes during 2007

Arrangements for payments and receipts

January 1. The bilateral payments arrangements with Algeria, Morocco, and Tunisia became operational.

March 20. The agreement between the CBL and the Central Bank of Tunisia, signed on February 18, 2007, became effective, allowing the Libyan dinar and the Tunisian dinar to be convertible with each other for personal uses through banks and exchange bureaus up to LD 4,000 or TD 4,000 a transaction for each resident of the two countries annually.

LITHUANIA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: May 3, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Lithuania notified the IMF that certain exchange restrictions have been imposed in accordance with the relevant UN Security Council resolutions and EU regulations.

Other security restrictions In accordance with UN resolutions, sanctions have been imposed against individuals, groups, and organizations associated with terrorism.

References to legal instruments and hyperlinks www3.lrs.lt/cgi-bin/getfmt?C1=e&C2=21921.

Exchange Arrangement

Currency The currency of Lithuania is the Lithuanian litas.

Exchange rate structure Unitary.

Classification

Currency board arrangement The litas is pegged to the euro at the rate of LTL 3.4528 per €1 within the context of the ERM II.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Any natural or juridical person may enter into a forward exchange contract with a bank operating in Lithuania or in a foreign country without limitation.

References to legal instruments and hyperlinks www3.lrs.lt/cgi-bin/getfmt?C1=e&C2=21921.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements

Bilateral payments arrangements

Operative Yes.

Regional arrangements Lithuania is a member of the EU.

Administration of control Parliament has legislative authority in foreign exchange and trade matters. A banking law has delegated to the Bank of Lithuania (BOL) the authority to issue regulations governing foreign exchange transactions. All foreign exchange transactions involving domestic currency must be effected through authorized credit institutions licensed by the BOL. Authorized banks are allowed to transact among themselves, as well as with residents and

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	nonresidents; the BOL may limit on a case-by-case basis the types of transactions that may be conducted as a part of enforcement measures applied by the Law on Banks, Article 72.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	Imports or exports of domestic or foreign cash from or to countries outside the EU, exceeding LTL 10,000 or its equivalent must be declared in writing to customs by presenting a traveler's declaration. Transactions exceeding the equivalent of LTL 50,000 are reported to the Financial Crime Investigation Service.
On exports	Yes.
On imports	Yes.
References to legal instruments and hyperlinks	www3.lrs.lt/cgi-bin/getfmt?C1=e&C2=260890 ; www3.lrs.lt/cgi-bin/getfmt?C1=e&C2=262724 .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Natural and juridical persons must report the opening and closing of these accounts to the tax authorities.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	n.r.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	Approval is necessary if required by legislation of the other country.
Domestic currency accounts	Yes.
Convertible into foreign currency	There is no distinction between resident and nonresident accounts in this regard.
Blocked accounts	Certain accounts are blocked by government resolutions in accordance with UN Security Council resolutions.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

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Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	There are no quantitative restrictions or licensing requirements on imports, except for health and national security reasons and as noted below. Certain food products, such as semiprocessed meat products, poultry, and fish, are subject to licensing.
Other nontariff measures	Certain agricultural goods and alcoholic beverages are subject to duties, and certain quantitative restrictions are used to protect Lithuania's cultural heritage. Alcoholic beverages and tobacco may be imported only by traders registered with the government, but import quantities are unrestricted. There are licensing requirements governing trade in strategic goods and technology and certain oil products.
Import taxes and/or tariffs	The EU Common Customs Tariff applies. A VAT of 18% applies to domestic and imported goods and an excise duty to the following products: ethyl alcohol and alcoholic beverages, manufactured tobacco, energy products, electricity, coal, coke, and lignite.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	There are licensing requirements governing trade in strategic goods. There are also licensing requirements governing exports of certain oil products, but without quotas.
Without quotas	Yes.
With quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Foreign investments are prohibited in national security and defense, except for investments by foreign entities that meet the criteria for European and transatlantic integration, provided they are approved by the State Defense Council.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Foreign enterprises and individuals are allowed to acquire agricultural and nonagricultural land, subject to provisions in the constitution.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Loans granted by legal persons or enterprises to foreign economic entities must be registered with the BOL.
<i>To residents from nonresidents</i>	Foreign loans without the guarantee of the government of the Republic of Lithuania received by legal persons or enterprises must be registered with the BOL.
References to legal instruments and hyperlinks	www3.lrs.lt/cgi-bin/getfnt?C1=e&C2=21904 ; www3.lrs.lt/pls/inter2/dokpaieska.showdoc_e?p_id=252663 .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	These transactions must be registered with the BOL.
Lending to nonresidents (financial or commercial credits)	These transactions must be registered with the BOL.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Foreign exchange liabilities are subject to reserve requirements, which must be held in dollars and/or euros in a special account at the BOL. The choice of currency or currencies is left to the bank's discretion.
Open foreign exchange position limits	Banks' overall open positions may not exceed 25% of their capital (excluding their euro position), and the open position in individual currencies may not exceed 15% of a bank's capital (excluding its euro position).

Provisions specific to institutional investors

Insurance companies	The Insurance Supervisory Commission (ISC) is authorized to supervise insurance activity in Lithuania.
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<i>Limits (max.) on investment portfolio held abroad</i>	Insurance undertakings may cover technical provisions only by assets localized in Lithuania, an EU member state (this also applies to EEA countries), or an OECD member country. Insurance companies intending to cover technical provisions with assets localized in other countries are required to apply for approval to the ISC indicating their reasons. An ISC approval sets forth the applicable conditions.
<i>Currency-matching regulations on assets/liabilities composition</i>	Insurance technical provision funds must be, with some exceptions, invested in assets expressed in the currency in which the insurance company's commitments are due, as established in the insurance or reinsurance contracts. If commitments by an insurer are required to be covered with assets expressed in the currency of the EU member state, this requirement is considered satisfied when the assets are expressed in euros.
Pension funds	The ISC is authorized to supervise pension funds that are managed by life insurance companies. Other pension funds are supervised by the Securities Commission (SC).
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	The SC is authorized to supervise investment firms and collective investment funds.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	www.lb.lt/eng/about/supervision.html ; ww.lb.lt/eng/institutions/disclosure1.htm .

Changes during 2006

No significant changes occurred in the exchange and trade system.

LUXEMBOURG

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with UN Security Council resolutions and relevant EU regulations, certain restrictions are maintained with respect to the Democratic Republic of the Congo, Côte d'Ivoire, Iraq, Liberia, Myanmar, Somalia, Sudan, Uzbekistan, and Zimbabwe. Restrictions apply with respect to individuals associated with the government of the former Federal Republic of Yugoslavia and with respect to Al-Qaida, the Taliban, and individuals or organizations associated with terrorism.

Other security restrictions

In accordance with relevant EU regulations, the following restrictive measures apply: (1) effective April 19, 2007, against the Islamic Republic of Iran (Council Regulation (EC) No. 423/2007); (2) effective February 21, 2006, against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafik Hariri (Council Regulation (EC) No. 305/2006); (3) effective May 18, 2006, against President Lukashenko and certain officials of Belarus (Council Regulation (EC) No. 765/2006); and (4) effective March 27, 2007, against the Democratic People's Republic of Korea (Council Regulation (EC) No. 329/2007).

References to legal instruments and hyperlinks

Council Regulations (EC) Nos. 423/2007, 305/2006, 765/2006, and 329/2007.

Exchange Arrangement

Currency

The currency of Luxembourg is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Luxembourg participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

References to legal instruments and hyperlinks

n.a.

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Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	No.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Controls apply to deposits held with financial institutions established outside the EU if these assets are to form part of the technical provisions of an insurance company or of a private pension fund.
Accounts in domestic currency held abroad	Controls apply to deposits held with financial institutions established outside the EU if these assets are to form part of the technical provisions of an insurance company or of a private pension fund.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Accounts affected by international security restrictions are blocked.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

LUXEMBOURG

Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Positive list	Payments for imports may be made freely. Individual licenses are required for certain specified imports from all countries (imports from another EU member country do not require licenses), including textile and steel products, diamonds, and weapons. All other commodities are free of license requirements.
Licenses with quotas	An EU quota system is applied to imports of certain textile products (10 categories) originating in China, along with the other EU countries. Luxembourg applies a system of quotas to some steel products originating in Kazakhstan, the Russian Federation, and Ukraine. A double-checking system (with quota) is applied to imports of some steel products from Moldova.
Other nontariff measures	The EU's prior surveillance system is in effect on imports of certain steel products originating in non-EU countries.
Import taxes and/or tariffs	Luxembourg applies the Common Import Regime of the EU to imports of most other agricultural and livestock products from non-EU countries.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Export licenses are required for a few products, mostly of a strategic character, such as arms, dual-use goods, and diamonds. Export licenses are also required for exports to countries under UN embargo.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

LUXEMBOURG

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase abroad by residents	Controls apply to the purchase of securities issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of an insurance company or of a private pension fund.
<i>Bonds or other debt securities</i>	
Purchase abroad by residents	Controls apply to the purchase of securities issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of an insurance company or of a private pension fund.
On money market instruments	
<i>Purchase abroad by residents</i>	Controls apply to the purchase of securities issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of an insurance company or of a private pension fund.
On collective investment securities	
<i>Purchase abroad by residents</i>	Controls apply to the purchase of securities issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of an insurance company or of a private pension fund.
Controls on derivatives and other instruments	
Purchase abroad by residents	Controls apply to the purchase of or swap operations in instruments and claims issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of an insurance company or of a private pension fund.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Controls apply to credits and loans granted to nonresident borrowers if these assets are to form part of the cover of the technical provisions of an insurance company or of a private pension fund.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	Controls apply to the acquisition of real estate situated outside the EU if the assets in question are to form part of the cover of the technical provisions of an insurance company or of a private pension fund.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

LUXEMBOURG

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Controls apply to the purchase of capital, money market, and collective investment securities issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of an insurance company.
<i>Limits (max.) on investment portfolio held abroad</i>	Controls apply to (1) deposits held with financial institutions established outside the EU if these assets are to form part of the technical provisions of an insurance company; (2) credits and loans granted to nonresident borrowers if these assets are to form part of the cover of the technical provisions of an insurance company; (3) the purchase of or swap operations in instruments and claims issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of an insurance company; and (4) the acquisition of real estate situated outside the EU if the assets in question are to form part of the cover of the technical provisions of an insurance company.
<i>Currency-matching regulations on assets/liabilities composition</i>	These are applicable only to insurance undertakings.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Controls apply to the purchase of capital, money market, and collective investment securities issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of a private pension fund.
<i>Limits (max.) on investment portfolio held abroad</i>	Controls apply to (1) deposits held with financial institutions established outside the EU if these assets are to form part of the technical provisions of a private pension fund; (2) credits and loans granted to nonresident borrowers if these assets are to form part of the cover of the technical provisions of a private pension fund; (3) the purchase of or swap operations in instruments and claims issued by non-EU residents if the assets in question are to form more than 5% of the cover of the technical provisions of a private pension fund; and (4) the acquisition of real estate situated outside the EU if the assets in question are to form part of the cover of the technical provisions of a private pension fund.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange measures	<i>February 21.</i> Restrictions were imposed against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafiq Hariri. <i>May 18.</i> Restrictions were imposed against President Lukashenko and certain officials of Belarus.
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Changes during 2007

Exchange measures	<i>March 27.</i> Restrictions were imposed against the Democratic People's Republic of Korea. <i>April 19.</i> Restrictions were imposed against the Islamic Republic of Iran.
Exchange arrangement	<i>January 1.</i> The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

FORMER YUGOSLAV REPUBLIC OF MACEDONIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 19, 1998.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with the former Yugoslav Republic of Macedonia states that as of July 14, 2006, FYR Macedonia maintained an exchange restriction subject to the Fund's approval under Article VIII, Section 2(a), arising from restrictions imposed on the transferability of proceeds from current international transactions contained in the former frozen foreign currency savings deposits. (Country Report No. 06/344)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the former Yugoslav Republic of Macedonia is the Macedonian denar.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

The exchange market operates at two levels: wholesale (enterprises, commercial banks, and the National Bank of the Republic of Macedonia (NBRM)) and retail (foreign exchange bureaus and natural persons). The NBRM participates in the wholesale market to maintain the value of the denar against the euro. Buying and selling rates for transactions between authorized banks and enterprises have to be reported to the NBRM. Based on the reported transactions between authorized banks, and on transactions between the NBRM and authorized banks, the NBRM calculates the selling rate of the euro against the denar as a weighted average of the realized turnover. Based on this rate and the ECB euro foreign exchange reference fixing, the NBRM determines rates for 12 currencies and deals at the buying and selling rates (i.e., midpoint rates plus or minus a margin of 0.5%).

Foreign exchange bureaus owned and operated by savings institutions, trade companies, sole proprietors, and other legal entities may hold foreign exchange in cash up to the specified maximum level, and must keep the balances above this level in a special account with the commercial banks of their preference. Foreign exchange offices owned by banks are excluded from previous provision.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward foreign exchange operations are allowed for all residents.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

All settlements must be in denars except for (1) purchases or sales of foreign exchange by natural persons from authorized exchange bureaus, (2) interest earnings on resident foreign

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exchange deposit accounts, (3) valuations of contracts among residents, and (4) extensions of credit from authorized banks to residents under conditions determined by the NBRM.

Payments arrangements

Bilateral payments arrangements

Inoperative

An agreement is maintained with Slovenia.

Administration of control

The NBRM controls foreign exchange operations of banks, savings institutions, foreign exchange bureaus, and entities providing rapid money transfer services. The MOF controls foreign exchange and trade operations and credit operations of natural and juridical persons for transactions not controlled by the NBRM. The customs authorities control cross-border transfers of goods, banknotes, securities, and gold. The Ministry of Economy (MOE) administers the New Trade Law.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

The importation and exportation of gold require NBRM approval.

Controls on exports and imports of banknotes

On exports

Domestic currency

Up to MDen 20,000 may be exported in denominations of 500-, 100-, 50-, or 10-denar banknotes in circulation or in the form of checks.

Foreign currency

Resident natural persons may export up to the equivalent of €2,000 without documentation or up to €4,000 with documentation issued by an exchange bureau or a bank (exports exceeding €4,000 are not permitted). Nonresidents may export up to €2,000 without documentation; exports exceeding this limit require a certificate of imported banknotes from the customs authorities.

On imports

Domestic currency

The limits governing exports apply.

Foreign currency

Residents may import up to the equivalent of €10,000 without documentation (imports exceeding this limit are allowed in accordance with the Law on the Prevention of Money Laundering). Nonresidents may import up to €2,000 without documentation; amounts exceeding that limit require documentation from the customs authorities in accordance with the Law on the Prevention of Money Laundering.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Resident natural persons, on proof of identity, may open and operate foreign exchange accounts without restriction. Resident juridical persons may open foreign exchange accounts on presentation of their court registration.

Held abroad

The following residents are allowed to maintain accounts abroad: banks; government representatives; citizens of the former Yugoslav Republic of Macedonia who have an emigration visa or work permit valid for more than six months during the period of their stay abroad; juridical persons performing services in the international transportation of goods or passengers; investment companies, insurance companies, or scientific institutions; or juridical persons with a representative office or business unit abroad.

Approval required

NBRM approval is required for residents other than authorized banks, government representatives, and citizens of the former Yugoslav Republic of Macedonia who have an

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	emigration visa or work permit valid for more than six months during the period of their stay abroad.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Only resident natural persons are permitted to maintain these accounts.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	Nonresidents, other than diplomatic representatives of foreign countries or international institutions, must obtain a certificate from the customs authorities for cash deposits larger than the equivalent of €2,000.
Domestic currency accounts	Nonresidents may open denar accounts on proof of identity. Nonresident diplomatic representatives of foreign countries or international institutions may use accounts without restriction. Other nonresidents may use accounts without restriction, except for cash withdrawals, which are limited to €10,000 a month in denar equivalent.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Commercial banks require documents (e.g., invoices, contracts) from natural and juridical persons in order to verify the purpose of the transaction. Additional documents (e.g., certificates from certain government authorities, credit applications) may be required, depending on the nature of the imports.
Import licenses and other nontariff measures	
Negative list	Imports of certain goods, such as weapons and medicines, are subject to licensing requirements for security or public health reasons.
Import taxes and/or tariffs	The average nonweighted tariff rate for 2006 is about 10%. Effective January 1, 2007, the fixed customs fee for import declaration has been abolished. Previously, a fixed customs fee equivalent to €19 applied to each tariff group identified in the import declaration, except for duty-free imports.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
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Financing requirements	No.
Documentation requirements	No.
Export licenses	Generally, exports do not require a license. However, in some exceptional cases, the export of certain goods requires a license from the appropriate authorities.
Without quotas	Yes.
Export taxes	
Other export taxes	Effective January 1, 2006, the fee of 0.01% for export promotion purposes has been abolished.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Certain documents (such as invoices and contracts) are required for all payments in order to verify the purpose of the transaction. Personal payments up to the equivalent of €2,500 may be made without supporting documents.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Nonresidents are allowed to purchase securities issued locally. When investing in securities, nonresidents are required to open a custody account with a domestic commercial bank. Nonresidents do not have to open custody accounts when investing in (1) initial public offerings, (2) shares representing more than 10% of the voting rights or more than 10% of the equity of a shareholding company, or (3) private placements. All portfolio investments by nonresidents are subject to the payment of a premium for the right to buy foreign exchange from the NBRM in case of repatriation of the investment. This premium is set quarterly by the NBRM. Portfolio investments that have been committed for holding permits longer than one year are exempt from the premium. Nonresidents must register investments with the MOE within 60 days.
Sale or issue locally by nonresidents	Nonresidents may issue or sell locally shares or other securities of a participating nature locally with permission from the Securities and Exchange Commission (SEC).
Purchase abroad by residents	Authorized banks may freely purchase abroad only (1) securities issued by an OECD member state or international financial institution and (2) securities with a minimum BAA (according to Moody's) or BBB (according to Standard and Poor's) rating. All residents may purchase securities traded on foreign stock exchanges with which the stock exchange of the former Yugoslav Republic of Macedonia has an agreement. The Deposit Insurance Fund, insurance companies, pension funds, and investment funds may also purchase securities abroad in accordance with the appropriate laws.
Sale or issue abroad by residents	Permission from the SEC is required for residents to issue securities abroad.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	Purchases of bonds in private placements are treated as credit transactions; for other categories, the regulations for shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	These transactions are permitted for debt securities with maturities of up to three years.
Purchase abroad by residents	The regulations governing shares or other securities of a participating nature apply.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing capital market securities apply.
On collective investment securities	The regulations governing capital market securities apply.
Controls on derivatives and other instruments	The regulations governing capital market securities apply. In the case of sales or issue abroad by nonresidents, the SEC's permission is not required.
Controls on credit operations	Credit activities following the conclusion of a contract must be recorded with the NBRM for statistical purposes.
Commercial credits	Effective January 1, 2006, the previous requirement to record commercial credits exceeding one year individually with the NBRM has been abolished.
Financial credits	Controls apply to all these transactions.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Yes.

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Controls on direct investment

Outward direct investment

Residents must register investments with the MOE within 60 days.

Inward direct investment

Nonresidents are allowed to invest in existing companies, establish their own firms, or establish joint ventures under the same conditions as domestic investors. Nonresidents are not permitted to invest in a few sectors (such as arms production, trade in narcotics, and protection of historical and cultural heritage). Imports by joint-venture companies of raw materials, spare parts, and equipment not produced domestically are exempt from customs duties if the foreign share in the investment is at least 20%. All foreign investments registered with the MOE are protected from nationalization. The transfer of profits and other proceeds is permitted freely after meeting all tax obligations in the former Yugoslav Republic of Macedonia.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Residents in general are not allowed to acquire real estate abroad, except under the condition of reciprocity pursuant to the provisions of an international agreement. The government may acquire real estate abroad for diplomatic and consular purposes. Acquisitions of real estate must be registered with the Central Registry (CR) within 60 days.

Purchase locally by nonresidents

Nonresidents may acquire real estate locally pursuant to the provisions of a special law or an international agreement, under the condition of reciprocity. Acquisitions of real estate must be registered with the CR within 60 days.

Sale locally by nonresidents

Nonresidents may sell real estate to residents after registration of the real estate with the CR.

Controls on personal capital transactions

Loans

Controls apply to all these transactions.

Gifts, endowments, inheritances, and legacies

Transfers related to inheritances require a reciprocity agreement.

By residents to nonresidents

Documentary evidence (such as invoices or contracts) to verify the purpose of the transaction is required for payments exceeding the equivalent of €2,500.

To residents from nonresidents

Individuals may receive grants in foreign currency without limits.

Transfer of assets

Transfer abroad by emigrants

Emigrants are allowed to sell their assets and transfer the money by changing their status from resident to nonresident.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Yes.

Maintenance of accounts abroad

Yes.

Lending to nonresidents (financial or commercial credits)

Credit exposure to one entity may not exceed 25% of a bank's guarantee capital. If the entity is a shareholder of a bank owning more than 5% of the voting shares or a company in which the bank has an equity holding, the credit exposure to that entity may not exceed 10% of the bank's guarantee capital.

Lending locally in foreign exchange

Commercial banks may lend in foreign exchange to residents for current payments abroad. If legal entities intend to use the loan proceeds domestically, the loan proceeds will be

FORMER YUGOSLAV REPUBLIC OF MACEDONIA

	received in denars. Credit exposure to one person may not exceed 25% of a bank's guarantee capital. The NBRM determines the conditions under which these transactions may be made.
Purchase of locally issued securities denominated in foreign exchange	Credit exposure to the issuer may not exceed 25% of a bank's guarantee capital. If the entity is a shareholder of a bank owning more than 5% of the voting shares or a company in which the bank has an equity holding, the credit exposure to that entity may not exceed 10% of the bank's guarantee capital.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Deposits in denars and in foreign currency are subject to a uniform reserve requirement of 10%.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Deposits in denars and in foreign currency are subject to a uniform reserve requirement of 10%.
Investment regulations	
<i>Abroad by banks</i>	Banks are required to obtain prior approval from the NBRM and register these investments with the MOE within 60 days.
<i>In banks by nonresidents</i>	For initial investments in banks by nonresidents, prior approval from the NBRM and registration with the MOF within 60 days are required. Prior approval from the NBRM is also required when additional investments reach 5%, 10%, 20%, 33%, 50%, and 75% of capital shares. In addition, the source of funds is verified for purchases of shares exceeding 1% of capital.
Open foreign exchange position limits	The limit on the open foreign exchange position is 20% of a bank's guarantee capital for each foreign currency (for euros, 30%), and the limit on the aggregate open foreign exchange position is 50% of a bank's guarantee capital.
Provisions specific to institutional investors	Insurance companies, pension funds, and investment funds may purchase securities abroad in accordance with respective laws governing their operations.
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	The regulations governing capital market securities apply.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.r.
Pension funds	Effective January 1, 2006, private pension funds are operational.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Changes during 2006

Exports and export proceeds	<i>January 1.</i> The export promotion fee of 0.01% was abolished.
Capital transactions	
Controls on credit operations	<i>January 1.</i> The individual recording of commercial credits exceeding one year was abolished.
Provisions specific to the financial sector	
Provisions specific to institutional investors	<i>January 1.</i> Private pension funds are operational.

Changes during 2007

Imports and import payments	<i>January 1.</i> The fixed customs fee for import declaration was abolished.
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MADAGASCAR

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 18, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Madagascar is the ariary, which circulated together with the Malagasy franc since July 31, 2003; the two were convertible at the rate of ariary 1 per FMG 5.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The exchange rate is determined in the official interbank market. The euro and the dollar are the only currencies quoted on this market, and the exchange rates of other currencies are determined on the basis of the cross rate of these currencies in the Paris exchange market. The Central Bank of Madagascar (CBM) is a net supplier of dollar funds to the foreign exchange market and intervenes to smooth large exchange rate fluctuations and meet foreign reserve targets.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Importers may buy foreign currency from their bank 120 days prior to settlement.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents Yes.

Payments arrangements

Bilateral payments arrangements
Operative n.a.

Inoperative There is an arrangement with Mauritius that has been inoperative for some time.

Regional arrangements Madagascar is a member of the RIFF.

MADAGASCAR

Barter agreements and open accounts	Regulations prohibit barter trade.
Administration of control	Exchange control is administered by the Exchange Operations Monitoring Unit of the General Directorate of the Treasury, which also supervises borrowing and lending abroad by residents, and the issue, sale, or introduction of foreign securities in Madagascar. Approval authority for exchange control has been delegated to authorized intermediaries, except for capital operations, which require prior MOF authorization. All exchange transactions must be effected through such intermediaries.
Payments arrears	
Private	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Approved collectors acting in their own name and on their own account may purchase gold within the country from holders of valid gold-mining titles, from authorized holders of Gold Board gold-washing rights, and from agencies for approved collectors.
On external trade	Imports and exports of gold require prior authorization from the Ministry of Commerce after review by the Directorate of Energy and Mines. Exempt from this requirement are (1) imports and exports by or on behalf of the CBM and (2) imports and exports of manufactured articles containing a minor quantity of gold (such as gold-filled or gold-plated articles). Travelers are authorized to export up to 50 grams or 250 karats of gold jewelry or gold articles a person, and up to 50 grams or 250 karats of numismatic items a person. Imports of gold, whether licensed or exempt from license, are subject to customs declaration. Holders of a valid gold-mining title or a gold-washing permit or rights thereto are free to sell any gold recovered to any approved collector. However, Malagasy authorities or their agents have first rights to purchase gold produced in the country. The Gold Board and agencies authorized by the Ministry of Mining may export gold in all its forms. Jewelers, goldsmiths, and private sector professionals who use gold may export it only in worked form, with the approval of the minister of mining.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Resident and nonresident travelers may take abroad up to FMG 2 million in Malagasy banknotes.
<i>Foreign currency</i>	Resident and nonresident travelers may take abroad any amount of foreign currency, but a declaration is required if the amount exceeds the equivalent of €7,622.45.
On imports	
<i>Domestic currency</i>	Residents and nonresidents may bring in up to FMG 2 million.
<i>Foreign currency</i>	Resident and nonresident travelers may bring in any amount of foreign currency, but a declaration is required if the amount is the equivalent of €7,622.45 or more.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Residents may freely open foreign currency accounts with local commercial banks. Only transfers from abroad, foreign banknotes, and traveler's and bank checks may be deposited in these accounts without documentation. These accounts may be freely debited for conversion into domestic currency through a sale on the interbank market. Conversion into foreign banknotes is allowed only within the limits stipulated under the applicable foreign exchange control regulation and requires prior MOF approval. Transfers of foreign exchange from one resident's foreign currency account to another's are not permitted. Transfers from

MADAGASCAR

one account to another between residents and nonresidents are also not permitted, with the following exceptions: (1) transfers between free trade areas, (2) payments by free-trade zone enterprises within the national customs territory, (3) payments made by international institutions or embassies in favor of foreign consultants with resident status, and (4) transfers for which payments procedures are governed by special conventions signed by the government on August 24, 2004.

Held abroad	The authorization of the MOF is required for opening foreign exchange accounts in foreign banks.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Nonresidents are treated the same as residents for the purpose of opening these accounts.
Domestic currency accounts	Transactions between residents and enterprises in the free trade zone are conducted either through the enterprises' special accounts in domestic currency or through their foreign exchange accounts. Transactions by free-trade zone enterprises for residents through special domestic currency accounts are limited to settlements of domestic costs and charges, servicing of domestic loans, and amounts due to the government and resident shareholders.
Convertible into foreign currency	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	The requirement applies to all imports.
Preshipment inspection	Yes.
Other	n.a.
Import licenses and other nontariff measures	
Licenses with quotas	n.a.
Other nontariff measures	There is a short list of imports subject to administrative control, primarily for health and security reasons.
Import taxes and/or tariffs	Certain construction materials; livestock; automobiles; agricultural, domestic, and industrial products; and materials for tailoring are exempt from all taxes for a period of two years. A customs duty and import tax are levied with combined rates of 5%, 10%, 20%, and 25%.

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State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	All merchandise export proceeds must be repatriated within 90 days of the date of shipment for resident enterprises and within 190 days for free-trade zone enterprises.
Financing requirements	No.
Documentation requirements	
Letters of credit	All exports, excluding free deliveries, require either a collection on delivery or settlement against delivery of documents.
Guarantees	n.a.
Domiciliation	This requirement applies only to exports exceeding FMG 1 million.
Preshipment inspection	Yes.
Other	n.a.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	Circular No. 1570-MEFB/SG/DGT/DOF/SSOC amending Circular No. 0093-MEFB/SG/DGT/DOF/SSOC of February 13, 2002, Amending and Supplementing Some Provisions of Circular No. 005 of June 30, 1994, on Domiciliation and Payments for Exports.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	All proceeds must be repatriated within 30 days of the due date.
Restrictions on use of funds	n.a.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital transactions between Madagascar and foreign countries and between residents and nonresidents are subject to prior authorization from the MOF. There are no capital market regulations, because there is no capital market.
Repatriation requirements	No.

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Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Controls apply to all these transactions.

Bonds or other debt securities

n.r.

On money market instruments

n.r.

On collective investment securities

n.r.

Controls on derivatives and other instruments

n.r.

Controls on credit operations

Commercial credits

By residents to nonresidents

Currently these operations do not take place.

To residents from nonresidents

Credits for export prefinancing operations are permitted.

Financial credits

To residents from nonresidents

Borrowing abroad by natural or juridical persons, whether public or private—except authorized banks or credit institutions with special legal status—requires prior authorization from the MOF. Enterprises in the free trade zone are permitted to contract and service foreign loans freely, and interest and amortization payments on foreign loans contracted directly by these companies are not restricted.

Guarantees, sureties, and financial backup facilities

n.a.

Controls on direct investment

Outward direct investment

Investments abroad by Malagasy nationals, including those made by resident-owned foreign companies and their overseas branches or subsidiaries, are subject to prior authorization from the MOF.

Inward direct investment

Investments, including those made by nonresident-owned companies in Madagascar and their Malagasy branches or subsidiaries, as well as corresponding transfers, may be conducted freely within Madagascar without authorization or investment approval.

Controls on liquidation of direct investment

The total or partial liquidation of these investments, whether Malagasy investments abroad or foreign investments in Madagascar, must be reported to the MOF. Proceeds from the liquidation of foreign investments may be repatriated with the prior authorization of the MOF.

Controls on real estate transactions

Purchase abroad by residents

These transactions are prohibited, unless a waiver is granted by the MOF.

Purchase locally by nonresidents

n.a.

Sale locally by nonresidents

The transfer of proceeds of sales requires the prior authorization of the MOF.

Controls on personal capital transactions

Loans

n.a.

Gifts, endowments, inheritances, and legacies

n.a.

Settlements of debts abroad by immigrants

n.a.

Transfer of assets

n.a.

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References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions Controls are implemented through bank supervision.

Maintenance of accounts abroad n.a.

Lending to nonresidents (financial or commercial credits) n.a.

Lending locally in foreign exchange Yes.

Purchase of locally issued securities denominated in foreign exchange n.a.

Differential treatment of deposit accounts in foreign exchange n.a.

Differential treatment of deposit accounts held by nonresidents

Liquid asset requirements n.a.

Interest rate controls n.a.

Credit controls n.a.

Investment regulations n.a.

Open foreign exchange position limits n.a.

Provisions specific to institutional investors n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

MALAWI

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 7, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the second review under the Poverty Reduction and Growth Facility and Request for Waiver of Performance Criteria with Malawi states that as of August 16, 2006, Malawi maintained an exchange restriction (as evidenced by the private external payment arrears) and a multiple currency practice under Article VIII (arising from the significant spread between the commercial bank exchange rate and the rates at foreign exchange bureaus). (Country Report No. 06/445)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Malawi is the Malawi kwacha.

Exchange rate structure

Dual

Effective August 16, 2006, the exchange rate structure was reclassified to dual because there is a significant spread between the commercial bank exchange rate and the rates at foreign exchange bureaus.

Classification

Managed floating with no predetermined path for the exchange rate

Beginning January 2006, the temporary administrative measures introduced in 2005 to deal with the drought that required exchange market participants to trade at the rate determined by the Reserve Bank of Malawi (RBM) were removed because the country had a good harvest season. The spread between the buying and selling rates may not exceed 2%. Foreign exchange bureaus may conduct spot transactions with the general public on exchange rates negotiated with their clients. Official intervention focuses on meeting the target on the net foreign reserves position and smoothing operations, and takes into account seasonal fluctuations.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Payments to and receipts from nonresidents may be made in any convertible currency traded in Malawi or in kwacha through nonresident accounts.

Controls on the use of domestic currency

For current transactions and payments

Current transactions between a resident and a nonresident must be settled in foreign exchange, except transactions through nonresident accounts, which may be settled in kwacha.

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<i>For capital transactions</i>	Payments to and receipts from nonresidents with respect to capital transactions may be made through the banking system, but foreign exchange must be converted into kwacha.
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Use of foreign exchange among residents	It is prohibited to quote, demand, or accept foreign currency for goods or services sold or procured in Malawi.
Payments arrangements	
Regional arrangements	Malawi is a member of the RIFF.
Administration of control	Exchange Control (EC) is administered by the RBM under the authority of the MOF.
Payments arrears	
Private	The arrears accumulated as a result of imports of maize during the drought period were cleared on June 1, 2006.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents may purchase, hold, and sell gold coins for numismatic purposes. Only the monetary authorities may hold or acquire gold at home or abroad in any form other than jewelry.
On external trade	Only the monetary authorities may conduct external trade in gold. Imports of gold in any form other than jewelry require licenses issued by the Ministry of Trade and Private Sector Development (MOTPSD) in consultation with the MOF; such licenses are not normally granted except for imports by or on behalf of the monetary authorities and industrial users.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Up to MK 3,000 may be exported.
<i>Foreign currency</i>	Residents may export foreign currency up to the equivalents of \$3,000, \$4,000, and \$5,000, applicable to tourist, medical, and business travel, respectively. Nonresidents may export foreign currency up to the amount that they imported, less any amount spent.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Residents receiving foreign exchange from exports of goods and services or any other bona fide economic activity may open and maintain foreign currency accounts (FCAs), for which the terms and conditions are set by the bank involved. Balances in FCAs may be used to make foreign payments and transfers satisfying exchange control regulations.
Held abroad	No.
Accounts in domestic currency held abroad	Residents and nonresidents are not allowed to hold offshore accounts denominated in kwacha.
Accounts in domestic currency convertible into foreign currency	No.

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References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted These accounts are permitted, but authorized dealer banks (ADB) are required to report them to the RBM.

Domestic currency accounts These accounts may be credited with the proceeds from sales of any convertible currency, with authorized payments in kwacha from abroad, and with transfers from other nonresident accounts. These accounts may also be debited to make payments to residents of Malawi for any purpose, transfer freely to other nonresident accounts, and make payments to account holders temporarily residing in Malawi.

Convertible into foreign currency Balances in these accounts are freely remittable.

Blocked accounts Credits to and debits from these accounts require prior authorization, which is normally given to be invested in an approved manner. Interest earned on balances may be transferred to the account holder's country of residence.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports Importers are free to choose any method of payment, and imports may be paid for in kwacha to an appropriate local nonresident account or in any convertible currency. When imports arrive in the country and payment is due, the importer must submit to an ADB an application for foreign exchange. Such applications must be accompanied by relevant importation, customs, and preshipment inspection documents.

Advance payment requirements Prepayment for imports is not encouraged.

Advance import deposits Advance import deposits are not required by law; however, ADBs may require them as a banking practice, depending on the mode of payment (e.g., LCs).

Documentation requirements for release of foreign exchange for imports

Preshipment inspection A clean-report-of-findings certificate is required. All imports into Malawi amounting to the equivalent of \$2,000 (f.o.b.) and more are subject to preshipment inspection.

Import licenses and other nontariff measures

Negative list Imports of clothing and uniforms designed for military or police use; radioactive substances; mist nets for the capture of wild birds, wild animals, and live fish; compound products suitable only for use as animal fodder; eggs of domestic or wild birds; live poultry (including day-old chicks); and meat dieldrin, aldrin, and table salt require specific licenses from the MOTPSD. Specific import licenses are usually issued within one week of application and are normally valid for six months.

Open general licenses Most imports are subject to OGLs, including imports from Commonwealth and WTO member countries.

Other nontariff measures Yes.

Import taxes and/or tariffs Customs tariffs are ad valorem and range up to 30% of c.i.f. value, with a weighted average of about 15%. Customs tariffs on all items with MFN status range from zero to 25%. Tariffs on items from the COMESA region range from zero to 13%. Selected government imports are exempt from customs tariffs. Imports are also subject to a surtax of up to 17.5%.

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State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Yes.
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Surrender requirements

Surrender to authorized dealers

ADB's are required to convert 40% of foreign exchange received from exports immediately on receipt at the prevailing buying exchange rate, and to credit the kwacha proceeds to the customer's account. The remaining 60% may be credited to the exporter's FCA. There are no restrictions on the time period during which such balances may be held. The 40% conversion requirement also applies to dollar proceeds from tobacco and tea auctions. In the case of certain tobacco proceeds, the conversion requirement is 100% until the seller has fully repaid any bank overdraft.

Financing requirements	Yes.
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Documentation requirements	Exporters are required to complete a customs declaration form or an export form.
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Export licenses

Without quotas	Yes.
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Export taxes	No.
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References to legal instruments and hyperlinks	n.a.
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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	ADB's are authorized to provide foreign exchange, without reference to the exchange control authorities, for all current invisible payments.
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Investment-related payments	These payments are allowed, provided the investment is registered with and the foreign loan has been approved by the RBM.
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Payments for travel

Indicative limits/bona fide test

The limits are the equivalent of \$3,000 a trip for tourist travel and \$5,000 a trip for business travel. Foreign exchange in excess of these limits is granted on proof of need. Subsequent issues of foreign exchange to the same individual with respect to private or business travel are granted on proof of need.

Personal payments

Quantitative limits

ADB's may approve up to the equivalent of \$1,000 for family maintenance and alimony payments.

Indicative limits/bona fide test

Indicative limits apply to payments for medical treatment.

Foreign workers' wages

Quantitative limits

The limit on remittances is two-thirds of current net earnings.

Credit card use abroad

Prior approval

Yes.

Indicative limits/bona fide test

Travelers' use of credit cards abroad is subject to indicative limits.

References to legal instruments and hyperlinks	n.a.
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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Forty percent of total proceeds are converted into local currency on receipt, and the balance may be held in FCAs.
Restrictions on use of funds	Funds may be used only in accordance with exchange control regulations.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Inward transfers of non-debt-creating capital are not restricted. Outward transfers of capital are controlled mainly for residents.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase abroad by residents	EC approval is required.
Sale or issue abroad by residents	EC approval is required.
<i>Bonds or other debt securities</i>	
Purchase abroad by residents	EC approval is required.
On money market instruments	
<i>Purchase abroad by residents</i>	EC approval is required.
<i>Sale or issue abroad by residents</i>	EC approval is required.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	These transactions must be registered with the EC.
<i>Purchase abroad by residents</i>	EC approval is required.
Controls on derivatives and other instruments	
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
Controls on credit operations	Borrowing abroad by residents requires prior exchange control approval, which is normally granted provided the terms of repayment, including the servicing costs, are acceptable.
Commercial credits	Controls apply to all these transactions.
Financial credits	
<i>To residents from nonresidents</i>	Yes.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	EC approval is required.
<i>To residents from nonresidents</i>	EC approval is required.

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Controls on direct investment

Outward direct investment EC approval is required.

Inward direct investment These transactions must be registered with the EC.

Controls on liquidation of direct investment

Repatriation of investment is permitted when the original investment was made with funds brought into the country.

Controls on real estate transactions

Purchase abroad by residents Yes.

Purchase locally by nonresidents These transactions must be registered with the EC.

Controls on personal capital transactions

Loans

By residents to nonresidents Yes.

To residents from nonresidents Borrowing abroad by residents requires prior EC approval, which is normally granted, provided the terms of repayment, including the servicing costs, are acceptable.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents ADs authorize payments on the basis of guidelines issued by the RBM.

Settlements of debts abroad by immigrants These transactions require EC approval.

Transfer of assets

Transfer abroad by emigrants No controls apply for the transfer of assets that were legitimately acquired.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Yes.

Lending to nonresidents (financial or commercial credits) EC approval is not required for lending to nonresidents who conduct business in Malawi.

Lending locally in foreign exchange Yes.

Purchase of locally issued securities denominated in foreign exchange Yes.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements Yes.

Liquid asset requirements Certain liquid asset ratios must be met.

Credit controls These are subject to prudential regulations.

Open foreign exchange position limits Yes.

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Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents n.a.

Limits (max.) on investment portfolio held abroad n.a.

Currency-matching regulations on assets/liabilities composition n.a.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Exchange arrangement

January 1. The temporary administrative measures (introduced in 2005) that required exchange market participants to trade at the rate predetermined by the RBM were eliminated.

August 16. The exchange rate structure was reclassified to dual because there is a significant spread between the commercial bank exchange rate and the rates at foreign exchange bureaus.

Arrangements for payments and receipts

June 1. The arrears accumulated as a result of imports of maize during the drought period were cleared.

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(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 11, 1968.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On May 8, 2006, the authorities notified the IMF that all banking institutions and all licensed offshore financial institutions have been informed of the amendments to the list of persons belonging to, or associated with, the Taliban, Osama bin Laden, and the Al-Qaida organization, in accordance with the UN Security Council list updated February 22, 2006. Financial institutions have been instructed to freeze the accounts of the Taliban and of individuals and economic entities associated with terrorism. These measures were taken in accordance with the relevant UN Security Council resolutions.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Malaysia is the Malaysian ringgit.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The Bank Negara Malaysia (BNM) operates a de jure managed float for the ringgit with reference to a currency basket. The composition of the basket is not disclosed. Based on information on the exchange rate behavior, the de facto exchange rate regime of Malaysia has been reclassified, effective January 1, 2006, to the category managed floating with no predetermined path for the exchange rate from the category conventional pegged arrangement.

Exchange tax

n.a.

Exchange subsidy

n.a.

Forward exchange market

All forward exchange contracts undertaken by residents and forward exchange contracts by nonresidents involving ringgit must be made only with licensed onshore banks. Residents are free to enter into forward exchange contracts against ringgit or a foreign currency with licensed onshore banks for the following purposes: (1) hedging for any payments or receipts for current account transactions. The contracts may be based on a firm commitment or on an anticipatory basis. For forward contracts entered into on an anticipatory basis, the total outstanding value of the contracts should not exceed the total amount paid or received in the preceding 12 months; (2) effective April 1, 2007, hedging for any committed capital inflows or outflows such as drawdown or repayment of permitted foreign currency credit facilities and payment for permitted investment in foreign currency assets. Previously, hedging of foreign currency loan repayments was allowed only for commitments of up to 24 months; and (3) hedging the value of permitted foreign currency investments. Nonresidents may enter into forward contracts to buy or sell foreign currency against ringgit with licensed onshore banks to hedge (1) committed payments or receipts for current account transactions, which are permitted to be settled in ringgit with residents, and (2) committed inflows and outflows for investments in, or divestments of, ringgit assets other than (a) funds in the external account, including fixed deposits; (b) negotiable instruments of deposits in ringgit; and (c) over-the-counter derivatives or structured products, which are tantamount to lending or borrowing of ringgit between residents and nonresidents. Effective April 1,

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2007, licensed onshore banks may appoint overseas branches of their banking group as a vehicle to facilitate the settlement of any ringgit assets of their nonresident clients. The ringgit transactions undertaken by the overseas branches are subject to the following conditions: (1) the overseas bank must conduct only straight pass-through transactions matched with a back-to-back arrangement on both amount and tenure with the licensed onshore banks. There must not be gapping of the ringgit positions in the books of the overseas branches; (2) the arrangement is available only to nonresident investors with a firm underlying commitment to invest in ringgit assets; and (3) the licensed onshore banks undertake full responsibility to ensure compliance on the conditions by establishing internal control and procedures as well as documentation of the overseas branches' transactions for audit purposes. Nonresident intermediaries may enter into swap arrangements not exceeding three working days with licensed onshore banks to cover payment for ringgit securities purchased by the nonresident intermediaries' nonresident clients, with the following conditions: (1) a swap arrangement must be based on a firm commitment and not on an anticipatory basis and (2) the maturity date of the arrangement must be the committed payment date with no rollover option. Multilateral development banks (MDBs) and foreign multinational corporations (MNCs) that are allowed to issue ringgit-denominated bonds may enter into forward contracts to sell foreign currency for ringgit to meet coupon or principal payment of the bonds. In addition, they may purchase forward foreign currency for repatriation of proceeds of the issuance abroad. A resident with a firm underlying commitment may enter into interest rate swaps with licensed onshore banks or licensed offshore banks in Labuan. All payments or receipts involving licensed offshore banks in Labuan must be made in foreign currency. The maturity date of the forward foreign exchange contract must be the expected date of receipt or payment of the underlying transactions. For forward sale of export proceeds, the maturity date of the forward contract should not be later than six months after the intended date of export.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

All dealings and transactions with or in the currency of Israel require the prior approval of the controller of foreign exchange (COFE).

Controls on the use of domestic currency

Cross-border payment in domestic currency is not allowed.

For current transactions and payments

Yes.

For capital transactions

Transactions in capital and money market instruments

Prior approval of the COFE is required for payment in ringgit between a resident and a nonresident for foreign currency capital and money market instruments.

Use of foreign exchange among residents

Residents are allowed to make payment in foreign currency to another resident, for payments for education or employment overseas, repayment of foreign currency credit facilities obtained from licensed onshore banks, payments for futures contracts denominated in foreign currency traded on the Bursa Malaysia, and for settlement of foreign currency products offered onshore. Effective April 1, 2007, resident corporations are allowed to lend in foreign currency the proceeds arising from listing shares on foreign stock exchanges to other resident companies within the same corporate group and to issue foreign currency bonds in Malaysia.

Payments arrangements

Bilateral payments arrangements

Operative

There are 22 arrangements.

Inoperative

There is one arrangement.

Regional arrangements

Malaysia is a member of the ASEAN Swap Arrangement (ASA) under ASEAN and the Bilateral Swap Arrangements (BSAs) under ASEAN+3. The ASA and the BSAs are regional financial arrangements.

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Clearing agreements	Yes.
Barter agreements and open accounts	n.a.
Administration of control	The COFE, who is also the governor of the BNM, administers foreign exchange administration rules.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	The limit on exports of domestic currency by resident and nonresident travelers is RM 1,000 a person. The export of domestic currency exceeding this amount requires prior approval by the COFE.
<i>Foreign currency</i>	Effective March 31, 2006, resident travelers may export foreign currency up to the equivalent of \$10,000 (previously, the equivalent of RM 10,000), and nonresident travelers may export up to the amount they previously brought into Malaysia. Exports of larger amounts require prior approval by the COFE.
On imports	
<i>Domestic currency</i>	Resident and nonresident travelers may import up to RM 1,000 in domestic banknotes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Residents are allowed to open foreign currency accounts (FCAs) with licensed onshore banks for any purpose with no overnight limit. Effective April 1, 2007, residents are allowed to open and maintain joint foreign currency accounts for any purpose. Previously, residents were allowed to maintain joint foreign currency accounts only for purposes of education and employment overseas.
<i>Approval required</i>	Effective April 1, 2007, prior approval from the COFE is required for residents with domestic ringgit credit facility to convert ringgit into foreign currency exceeding RM 1 million a year for individuals and RM 50 million a year for a corporate group for credit to an FCA.
Held abroad	Effective April 1, 2007, residents are allowed to open FCAs with licensed offshore banks in Labuan or overseas banks for any purpose except retention of export proceeds. FCAs are not subject to any limit. Resident companies maintaining FCAs with licensed offshore banks in Labuan or overseas banks are required to submit a monthly statement, Statement OA, on the accounts to the COFE. Previously, residents were allowed to open FCAs to facilitate payment of education and employment expenses overseas, with an aggregate overnight limit of up to \$150,000 with licensed offshore banks in Labuan, and up to \$50,000 with overseas banks.
<i>Approval required</i>	Prior approval from the COFE is required for a resident (1) to retain export proceeds abroad or (2) with domestic currency credit facilities to convert ringgit into foreign currency for deposit into an FCA exceeding the permitted limits.
Accounts in domestic currency held abroad	These accounts are not allowed.
Accounts in domestic currency convertible into foreign currency	Effective April 1, 2007, prior approval from the COFE is required for residents with domestic ringgit credit facility to convert ringgit into foreign currency exceeding RM 1 million a year for individuals and RM 50 million a year for a corporate group for

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investment in foreign currency, for credit to an FCA. Previously, the limit was RM 100,000 and RM 10 million, respectively.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

All licensed onshore banks are allowed to maintain these accounts for nonresidents.

Domestic currency accounts

All licensed onshore banks are allowed to open ringgit accounts for nonresidents.

Nonresident ringgit accounts in Malaysia are known as external accounts. Sources of funds in these accounts may include (1) sales of foreign currency; (2) sales of ringgit assets in Malaysia; (3) income from salaries, wages, rentals, commissions, interest, profits, and dividends; (4) proceeds from permitted ringgit loans extended by residents and/or extended in accordance with the terms and conditions of employment; (5) proceeds from repayment of permitted ringgit loans; (6) deposits of ringgit in cash of up to RM 10,000 a day; (7) transfers of up to RM 5,000 a transaction from an account for any purpose through automated teller machine cards, Internet banking, or ringgit checks; and (8) transfers of any amount from another external account held by the same entity. Funds in external accounts may be used for (1) payments for purchases of foreign currency and ringgit assets in Malaysia; (2) payments for administrative and statutory expenses incurred in Malaysia; (3) payments for goods and services for personal use in Malaysia; (4) granting of loans and advances to staff in Malaysia in accordance with the terms and conditions of employment; (5) payments of nonfinancial guarantees to residents (when a guarantee is required); (6) repayments of permitted ringgit loans; and (7) ringgit cash withdrawals. Prior approval from the COFE is required for transfers of funds between external accounts of different account holders and for uses of funds other than for permitted purposes. There are no restrictions on the operation of external accounts of nonresidents working in Malaysia (including their spouses, children, and parents residing in Malaysia), embassies, consulates, high commissions, central banks, or international organizations in Malaysia.

Convertible into foreign currency

Nonresidents are free to convert ringgit funds in external accounts into foreign currency for repatriation.

Blocked accounts

Prior approval of the COFE is required for residents of Israel to open accounts with financial institutions in Malaysia.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

Payments for imports may be made freely in foreign currency.

Financing requirements for imports

Residents may obtain trade credits extended by the supplier for all types of goods and services. However, credits extended by a nonresident supplier for capital goods for a period longer than 12 months are considered foreign currency credit facilities. Foreign currency trade financing facilities obtained from nonresidents other than the supplier are limited to a maximum of RM 5 million in aggregate on a corporate group basis.

Minimum financing requirements

There are minimum financing requirements for rice, fish, and fishery products that vary depending on the agreement between the parties involved.

Advance payment requirements

In accordance with a special agreement, sales of rice from Myanmar are subject to advance payments.

Advance import deposits

n.r.

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Documentation requirements for release of foreign exchange for imports

Domiciliation requirement	n.r.
Preshipment inspection	Preshipment inspections are made by independent surveyors for rice imports.
Letters of credit	n.r.
Import licenses used as exchange licenses	n.r.
Other	Other documents required are an invoice, a bill of lading, a sanitary or phytosanitary certificate, and a certificate of origin.

Import licenses and other nontariff measures

	The authority for import control rests with the Royal Malaysian Customs Department of the MOF. Import licensing in Malaysia is administered by various authorities, including the Ministry of International Trade and Industry (MITI), the Ministry of Plantation Industries and Commodities, the Malaysian Timber Board, the Department of Agriculture (DOA), and the Department of Veterinary Services of Malaysia (DVSM), as stated in the Animal Ordinance of 1953.
Positive list	A positive list is established by the Malaysian Trade Classification and Customs Duties Order 2007.
Negative list	Import licenses for fish and fishery products are issued by the Fisheries Development Authorities of Malaysia (LKIM). A service charge of RM 0.05 a kilogram is imposed on imported fish and fishery products. The shipment of live fish (including among peninsular Malaysia, Sabah, and Sarawak) also requires a permit issued by the Department of Fisheries, which stipulates, among other conditions, the requirement of a certificate of health from the exporting country. In addition, all shipments of live fish into Malaysia are subject to inspection at the entry point. In accordance with CITES, a permit is required from the Department of Wildlife for the import of endangered species. Import permits for animals and animal products—including those from Sabah and Sarawak—are issued by the DVSM. Import approvals are subject to import risk analysis and accreditation of establishments/premises under the Animal Ordinance of 1953 and in accordance with the regulations of the Office of International Epizootics and other standards. Permits for the importation of round cabbage and raw coffee must be obtained from the Federal Agricultural Marketing Authority (FAMA). Import quotas for round cabbage are issued every month, and import quotas for raw coffee are issued every three months. The following require import permits issued by the DOA under the Plant Quarantine Act: planting material; organic fertilizer; processed mineral clay; processed sand; plants and plant parts, including seeds and other planting material; soils (e.g., clay, sand, processed and unprocessed soils); growth media; herbaria; dried flowers; organic fertilizer; and microorganisms. Imports of unprocessed food and plants from tropical America and Central Africa are prohibited under the same law. Imports of cereals and nuts from countries known to harbor khapra beetles must be treated and accompanied by a phytosanitary certificate. Imports of plant products intended for consumption or processing are subject to inspection on arrival. Approval from the DOA is required to import fresh pineapples; in addition, a duty of 300% is levied. Approval from the Ministry of Health is required to import 19 chemical substances. All radio communication apparatuses capable of telecommunication in frequency bands of less than 3,000 GHz require a license from the Standard and Industrial Research Institute of Malaysia, except for receivers designed for use in broadcasting services and radio communication apparatuses that have a valid license issued by the telecommunications authority of any country or an international automatic roaming card issued by a licensed operator. Imports of certain iron and steel products and certain types of cement and ceramics products are prohibited unless they conform to certain standards and are imported in accordance with the Fourth Schedule, Part III, of the Customs Order of 1998.
Open general licenses	Import licenses for rice are issued by the Ministry of Agriculture and Agro-Based Industry.
Licenses with quotas	Certain imports (e.g., sugar) are subject to quantitative restrictions, which are reviewed periodically, to protect local industries temporarily when necessary.

Import taxes and/or tariffs

Antidumping duties are imposed on imports of, among others, self-copy paper from the EU and Indonesia, and newsprint paper from Canada, Indonesia, the United States, and the Republic of Korea.

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Taxes collected through the exchange system	n.a.
State import monopoly	Under a privatization agreement, the corporation BERNAS was granted the sole right to import rice into Malaysia for 15 years beginning in 1996.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports must be received and repatriated according to the payment schedule specified in the commercial contract, but no later than six months from the date of export. Export proceeds must be received in foreign currency, except the currency of Israel.
Surrender requirements	Exporters may retain any amount of export proceeds in FCAs with onshore licensed banks.
Financing requirements	Foreign currency trade financing facilities involving export proceeds can be obtained only from licensed onshore banks.
Documentation requirements	
Letters of credit	n.r.
Guarantees	n.r.
Domiciliation	n.r.
Preshipment inspection	<p>The export of live fish is subject to preshipment inspection and, if requested, a certificate of health, a certificate of sanitation, and a certificate of origin may be issued by the Department of Fisheries.</p> <p>Veterinary examination, laboratory testing, and animal quarantine procedures—as well as accreditation of establishments/premises for export of animals and animal products—are carried out by the DVSM in accordance with import requirements of importing countries.</p>
Other	Exports of rubber from peninsular Malaysia require a certificate issued by the Malaysian Rubber Exchange and Licensing Board.
Export licenses	<p>Certain exportable products are monitored to avoid shortages in the domestic market. Export licenses for fish and fishery products are issued by the LKIM. The shipment of live fish (including among peninsular Malaysia, Sabah, and Sarawak) also requires a permit issued by the Department of Fisheries. In accordance with CITES, a permit from the Department of Wildlife is required for exports of endangered species. The FAMA acts on behalf of the Royal Malaysian Customs Department to endorse exports or reexports of all types of vegetables, especially to Singapore, Brunei Darussalam, Indonesia, Thailand, and other countries. Exports of plants, seeds, or shoots for purposes of propagation require export permits issued by the DOA. Exports of endangered species of plants require a CITES permit from the DOA. Export permits and veterinary health certification from the DVSM are required for exports of animals and animal products. Export licenses (issued by the Malaysian Pineapple Industry Board) are required for fresh pineapple and canned pineapple products. A service charge of RM 0.184 a kilogram is imposed on exports of canned pineapple. Export licenses or permits from the MITI are required for exports of scrap and waste metals, certain iron and steel products, and toxic chemicals and their precursors under the Chemical Weapons Convention. Effective September 1, 2006, all applications for live fish import and export permits must be made through an Internet-based system, e-permit. Importers or exporters may get online approval through this system, provided the conditions set out in the requirements are met.</p>
Without quotas	Yes.
Export taxes	Export taxes on most commodities, except for crude palm oil and crude oil, have been abolished. Export taxes on other items are negligible.
Collected through the exchange system	n.a.
Other export taxes	n.a.

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References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers Payments for invisibles and current transfers may be made without restriction to all countries other than Israel. For any payment from a resident to a nonresident in excess of RM 50,000, supporting documents must be submitted to the remitting bank for statistical purposes.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Surrender requirements Proceeds may be retained in permitted foreign currency accounts or converted into ringgit with a licensed onshore bank.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Resident companies on a corporate group basis and individuals without domestic ringgit facilities are free to invest in foreign currency assets using their own foreign currency and ringgit funds. Resident companies on a corporate group basis and individuals with domestic ringgit credit facilities may fund their investment in foreign currency assets using (1) any amount from their own foreign currency funds; (2) effective April 1, 2007, any amount of proceeds from listing shares through an initial public offering on the main board of the Bursa Malaysia (stock exchange in Malaysia); or (3) effective April 1, 2007, conversion of ringgit into foreign currency up to the following limits: (a) RM 50 million in aggregate a calendar year, on a corporate group basis for companies and (b) RM 1 million a calendar year for individuals (previously, RM 10 million and RM 100,000, respectively). Effective April 1, 2007, restrictions on Labuan offshore banks to transact in ringgit assets on behalf of nonresident clients were removed to enhance the role and scope of business of Labuan offshore banks.

Repatriation requirements n.a.

Surrender requirements n.a.

Controls on capital and money market instruments A withholding tax exemption is given on interest income derived by nonresident individuals and companies from the following: (1) ringgit-denominated securities and debentures other than convertible loan stocks approved by the Securities Commission (SC); (2) securities issued by the government of Malaysia; and (3) foreign-currency-denominated sukuk (the Islamic equivalent of bonds) originating in Malaysia.

On capital market securities Ringgit assets purchased by residents from nonresidents may be settled in ringgit or in any foreign currency other than the currency of Israel, and nonresidents may transfer ringgit securities to other nonresidents. Settlements for such transfers may be made in ringgit or foreign currency if settled in Malaysia, or in foreign currency if settled abroad. In addition, remittances of funds for investment in foreign shares offered by the overseas parent or related company under the Employee Share Option/Purchase Scheme may be made freely.

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Shares or other securities of a participating nature

Sale or issue locally by nonresidents Effective April 1, 2007, nonresident corporations are allowed to utilize abroad proceeds arising from the listing of shares through an initial public offering on the main board of the Bursa Malaysia. Previously, these transactions were subject to approval. Foreign incorporated companies that seek listing on the Bursa Malaysia are subject to meeting certain criteria that look into, among other things, the level of foreign operations and the standards of investor protection of the place of incorporation. Any acquisition of voting shares may be required to comply with Section 33 of the Securities Commission Act (SCA) and Malaysian Code on Takeovers and Mergers, 1998. Furthermore, the Foreign Investment Committee (FIC) Guidelines on the Acquisition of Interests, Mergers, and Takeovers by Local and Foreign Interests (FIC Guidelines) may be applicable.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Resident corporations may issue shares on foreign stock exchanges. Controls do not apply to the sale of securities abroad by residents, but approval must be obtained to issue securities other than ordinary shares and irredeemable preferred shares. Under securities laws, SC approval is required when a public company intends to issue securities, whether within or outside Malaysia. Approval is granted based on criteria set forth in securities laws, SC guidelines, and FIC guidelines.

Bonds or other debt securities

Sale or issue locally by nonresidents Issuance locally by nonresidents requires approval. The BNM may consider applications on the issuance of ringgit and foreign currency bonds in Malaysia by MDBs, foreign governments, foreign government agencies, and foreign MNCs on the merit of each case.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Primary offerings or issuance by residents require approval, although the SC has relaxed various regulatory requirements. Sales of bonds or other debt securities abroad are allowed freely. However, proceeds from these sales must be repatriated. Effective April 1, 2007, residents are allowed to issue foreign currency bonds in Malaysia.

On money market instruments

Sale or issue locally by nonresidents Some restrictions apply to issuers of money market instruments.

Purchase abroad by residents The regulations governing shares or other securities of a participating nature apply.

Sale or issue abroad by residents Sales are freely permitted. Securities regulations require approval for issuing money market instruments if such instruments are within the definition of securities under the SCA.

On collective investment securities

All collective investment securities (CIS) must be managed and administered by a Malaysia-incorporated company. CIS funds distributed to the general public must be managed and administered by a management company that is a public company incorporated in Malaysia and approved by the SC. Effective April 1, 2006, CIS funds of limited distribution to sophisticated investors (restricted investment schemes) must be managed and administered by a fund management company licensed by the SC.

Sale or issue locally by nonresidents The issue of CIS requires the prior approval of the SC and COFE. An issue of CIS by nonresidents may not be sold locally unless it fulfills the requirements of the SCA, and the guidelines on unit trust funds and is distributed by an approved Malaysian management company. There is no restriction on the repatriation abroad of proceeds from such sales.

Purchase abroad by residents Yes.

Sale or issue abroad by residents The regulations governing shares or other securities of a participating nature apply. In addition, residents are generally required to obtain approval from the COFE and SC to make available, to offer for subscription or purchase, or to issue an invitation to subscribe to or purchase securities of a public company abroad, or to list such securities abroad. However, approval is not required for residents to sell unit trust schemes abroad. Residents selling CIS abroad must adhere to the relevant securities and CIS laws.

Controls on derivatives and other instruments

Residents must obtain approval for making payments for derivatives and other instruments not traded on an exchange in Malaysia.

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Purchase locally by nonresidents	No controls apply on the trading of futures and options by nonresidents on the Bursa Malaysia.
Sale or issue locally by nonresidents	The issuance of derivatives by nonresidents requires approval from the COFE. The payment for the purchase of foreign-currency-denominated derivatives not traded on a futures exchange in Malaysia by residents to nonresidents requires prior approval. Issuance of warrants and securities of a nonparticipatory nature requires the SC's approval. Where the derivatives, etc., fall within the definition of futures contracts under the Futures Industry Act 1993, the nonresident must be licensed by the SC. Sale of specified futures contracts on specified exchanges is permitted pursuant to Futures Industry (Specified Exchanges) Order 2005. Nonresidents are not permitted to market or offer to Malaysian residents futures contracts or securities of a nonparticipatory nature abroad through any medium, including electronic communication.
Purchase abroad by residents	Prior approval is required. A resident must obtain permission to make payments to a nonresident for any spot or forward contract or interest rate futures not transacted with a licensed onshore bank or at a futures exchange in Malaysia.
Sale or issue abroad by residents	Residents must obtain permission from the COFE to issue and to sell financial instruments abroad. Issuance of securities of a nonparticipatory nature abroad requires the SC's approval.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	The terms of export credits extended to nonresidents must not exceed six months from the date of export shipment.
<i>To residents from nonresidents</i>	Residents may obtain trade credits extended by a supplier for all types of goods and services. However, credits extended by a nonresident supplier for capital goods for periods longer than 12 months are considered foreign currency credit facilities. Residents are free to obtain foreign currency trade financing up to RM 5 million in aggregate on a corporate group basis from nonresidents other than the supplier. Approval is required for amounts exceeding the permitted limit.
Financial credits	
<i>By residents to nonresidents</i>	A nonresident may obtain any amount of foreign currency credit facilities from licensed onshore banks. Effective April 1, 2007, a nonbank resident may lend in foreign currency to a nonresident up to the permitted limit for investment in foreign currency assets. A nonresident is free to obtain ringgit credit facilities from (1) a nonbank resident up to RM 10,000 for any purpose; (2) licensed onshore banks up to an aggregate of RM 10 million for use in Malaysia if the nonresident is not a correspondent bank or a stockbroking company or a custodian bank; (3) a licensed onshore bank, effective April 1, 2007, any amount of ringgit overdraft facility if a nonresident is a stockbroking or a custodian bank (previously, a RM 200 million limit applied on overdraft credit facilities). The facilities are strictly for settlement due to inadvertent or technical delays as well as time zone differences, and the facility must not exceed two working days with no rollover options; (4) resident stockbroking companies for margin financing by a nonresident that is not a correspondent bank or a stockbroking company; (5) resident insurers up to the cash surrender value of insurance policies purchased by nonresidents; and (6) residents of any number of property loans to finance the purchase or construction of residential or commercial properties in Malaysia, effective April 1, 2007. Previously, only three such loans were allowed to finance investments related to immovable properties.
<i>To residents from nonresidents</i>	Effective April 1, 2007, residents are allowed to obtain foreign currency credit facilities up to the equivalent of RM 100 million (previously, RM 50 million) in aggregate on a corporate group basis from licensed onshore banks and nonresidents as well as through issuance of foreign currency bonds in Malaysia. Residents are allowed to obtain foreign currency credit facilities up to the equivalent of RM 10 million (previously, RM 5 million) in aggregate from licensed onshore banks and nonresidents. Prior approval is required for amounts exceeding the above permitted limits. Residents are allowed to prepay foreign currency credit facilities.
Guarantees, sureties, and financial backup facilities	Effective April 1, 2007, residents are required to seek prior permission from the COFE to issue a financial guarantee to or on behalf of a nonresident or obtain a financial guarantee from nonresidents.

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<i>By residents to nonresidents</i>	A licensed onshore bank is free to issue a financial guarantee on behalf or in favor of a nonresident. Any payment to a nonresident related to guarantees must be made in foreign currency.
<i>To residents from nonresidents</i>	A licensed onshore bank or a nonbank resident is free to obtain a financial guarantee from a nonresident.
Controls on direct investment	
Outward direct investment	The regulations governing capital and money market instruments apply.
Inward direct investment	Controls are imposed on equity shares in accordance with the national economic policy; however, no foreign exchange restrictions apply. The following inward investments require prior approval under the FIC guidelines: (1) acquisition of property (such as land, land with commercial or residential buildings) by local or foreign interests, depending on the value of the properties. Effective January 1, 2007, the guidelines were relaxed on the acquisition of residential property with a value of not less than RM 250,000; (2) acquisition of assets or interest, mergers, or takeovers of companies and businesses in Malaysia by any means that will cause ownership or control to be transferred from local to foreign interests even if the value is less than RM 10 million; (3) acquisition (or acquisition that will result in an increase) of 15% or more of the voting power (equity interest) by any foreign interest or associated or nonassociated group of foreign interest in the aggregate of 30% or more of the voting power of a Malaysian company or business, regardless of whether the value is less than RM 10 million, with the exception of open market acquisitions on the Bursa Malaysia intended for short-term holding; (4) control of Malaysian companies and businesses through any form of joint-venture agreement, management agreement, or technical assistance arrangement; and (5) merger or takeover of any company or business in Malaysia. Applications requiring approval of the SC under the securities and futures laws as well as approval under the FIC guidelines are centralized at the SC. Notwithstanding the above, certain exemptions or relaxation of the foreign equity limits are granted to companies with Multimedia Super Corridor (MSC) status; companies with major foreign-based operations seeking listing on the Bursa Malaysia; and intermediaries licensed under the relevant acts and regulations administered by the SC, such as the investment banks, local and foreign fund managers, investment advisers, and exempt dealers. For the acquisition of more than 33% of voting shares or if holding more than 33% but less than 50%, and for the acquisition of more than 2% in any six-month period, compliance with Section 33 of the SCA and Malaysian Code on Takeovers and Mergers, 1998, may be required.
Controls on liquidation of direct investment	The proceeds of investments by nonresidents may be repatriated freely.
Controls on real estate transactions	
Purchase abroad by residents	The regulations governing purchases of shares or other securities of a participating nature by residents abroad apply.
Purchase locally by nonresidents	Purchases of residential, commercial, and office property by nonresidents may be made freely, provided the purchase price is more than RM 150,000. Financing for such acquisitions may be obtained from financial institutions outside of or within Malaysia and may be made by nonresidents in their own capacity without incorporating as a Malaysian entity. Effective April 1, 2007, nonresidents may borrow from residents to finance investments related to any number of properties. Previously, nonresidents were not allowed to obtain more than three property loans.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	The regulations governing investment limits apply.
<i>To residents from nonresidents</i>	The regulations governing financial credits apply.
Gifts, endowments, inheritances, and legacies	n.r.
Settlements of debts abroad by immigrants	n.a.

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Transfer of assets	n.r.
References to legal instruments and hyperlinks	FIC Guidelines on the Acquisition of Interests, Mergers, and Takeovers by Local and Foreign Interests (FIC Guidelines on Interests); FIC Guidelines on the Acquisition of Properties by Local and Foreign Interests (FIC Guidelines on Properties).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Effective April 1, 2007, investment banks in Malaysia may undertake foreign currency business subject to a comprehensive supervisory review on the capacity and capability of the investment banks. Effective January 1, 2007, the restriction on Labuan offshore banks to transact in ringgit assets on behalf of nonresident clients has been removed to enhance the role and scope of business of Labuan offshore banks.
Borrowing abroad	Licensed onshore banks are allowed to borrow freely in foreign currency from nonresidents. Effective April 1, 2007, financial institutions other than licensed onshore banks require prior approval if the aggregate amount exceeds the equivalent of RM 100 million on a corporate group basis (previously, RM 50 million).
Maintenance of accounts abroad	Residents are allowed to open FCAs with licensed onshore banks, offshore banks in Labuan, and overseas banks. Effective April 1, 2007, the limit imposed on licensed onshore banks for foreign currency accounts maintained by residents was abolished.
Lending to nonresidents (financial or commercial credits)	The regulations governing financial credits apply.
Lending locally in foreign exchange	The regulations governing financial credits apply.
Purchase of locally issued securities denominated in foreign exchange	Purchases are allowed, provided the issuance of the securities has been approved.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations <i>Abroad by banks</i>	Investments both locally and abroad are subject to certain prudential limits: (1) investments in shares and interest-in-shares may not exceed 25% of the bank's capital base; (2) banks may not conduct direct real estate investments except for the purpose of conducting their business, or for providing housing or other amenities for their staff unless approved by the BNM. Banks are exempt from this restriction when they realize any security given to or held by them; (3) the aggregate value of long-term investment in shares, immovable properties, and units of unit trust funds and property trust funds may not exceed 50% of the bank's capital base; (4) banks are allowed to hold private debt securities (PDS) rated BB and above by recognized rating agencies while ensuring that PDS issued by any single issuer do not exceed 10% of its capital funds. Notwithstanding the above, banking institutions are free to increase their holdings of PDS issued by a single issuer to beyond 10%, but not exceeding 35% of their capital funds, provided the amount of other credit facilities that can be extended to the single issuer within the 25% single customer credit limit is reduced proportionately; and (5) investments in property trust funds and unit trust funds may not exceed 10% of the bank's capital funds. Investments in individual funds may not exceed 5% of the issue size of a fund or 5% of the bank's capital funds, whichever is lower.
<i>In banks by nonresidents</i>	Nonresidents are generally limited to an aggregate participation of not more than 30% equity interest in a bank.
Open foreign exchange position limits	Effective April 1, 2007, licensed onshore banks are not subject to net open position limits, which were previously set at 20% of a bank's capital base.
Provisions specific to institutional investors	The regulations governing shares or other securities of a participating nature apply.
Insurance companies <i>Limits (max.) on securities issued by nonresidents</i>	The regulations governing outward direct investment apply.

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<i>Limits (max.) on investment portfolio held abroad</i>	A licensed insurer is allowed to invest abroad up to a maximum of 5% of its margin of solvency. Effective January 18, 2007, the sublimit of 2% for investments in any one foreign jurisdiction of an insurer's solvency margin has been removed. In addition, effective April 1, 2007, for investment-linked funds offered by resident insurers, the insurer is allowed to invest abroad up to 50% (previously, 30%) of the total net asset value (NAV) of the funds.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	The general investment limits apply.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The guidelines on unit trust funds issued by the SC allow unit trust schemes to invest in foreign securities traded in or under the rules of a foreign market, although this requires prior approval from the BNM, the SC, and other relevant authorities. However, effective May 29, 2006, investments in securities listed on exchanges recognized by Bursa Malaysia Securities Berhad SC require only prior notification. The guidelines on restricted investment schemes issued by the SC on April 7, 2006, allow such schemes to invest in foreign securities provided there is prior approval from the BNM and SC. Resident unit trust management companies are allowed to invest abroad up to 50% (previously, 30%) effective April 1, 2007, and 100% of the NAV attributable to resident and nonresident subscribers, respectively. Resident fund and asset management companies are allowed to invest abroad up to (1) 100% of funds managed on behalf of nonresidents and resident clients with no domestic ringgit credit facilities and (2) 50% (previously, 30%) of total funds managed on behalf of resident clients with domestic ringgit credit facilities effective April 1, 2007.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	Guidelines on Unit Trust Funds.

Changes during 2006

Exchange measures	<i>May 8.</i> The authorities notified the IMF that all banking institutions and all licensed offshore financial institutions had been informed of the amendments to the list of persons belonging to, or associated with, the Taliban, Osama bin Laden, and the Al-Qaida organization, in accordance with the UN Security Council list updated February 22, 2006.
Exchange arrangement	<i>January 1.</i> The de facto exchange rate regime of Malaysia was reclassified to the category managed floating with no predetermined path for the exchange rate from the category conventional pegged arrangement.
Arrangements for payments and receipts	<i>March 31.</i> The limit on the export of foreign currency banknotes by residents was increased to the equivalent of \$10,000 from the equivalent of RM 10,000.
Exports and export proceeds	<i>September 1.</i> All applications for live fish import and export permits were required to be made through an Internet-based system, e-permit. Importers and exporters may get online approval through this system, provided the conditions set out in the requirements are met.
Capital transactions	
Controls on capital and money market instruments	<i>April 1.</i> CIS funds of limited distribution to sophisticated investors (restricted investment schemes) were required to be managed and administered by a fund management company licensed by the SC.

MALAYSIA

Provisions specific to the financial sector

Provisions specific to institutional investors

April 7. Restricted investment schemes were allowed to invest in foreign securities subject to prior approval by the BNM and the SC.

May 29. Investments in securities listed on exchanges recognized by Bursa Malaysia Securities Berhad SC require only prior notification of the BNM and other relevant authorities.

Changes during 2007

Exchange arrangement

April 1. Residents were allowed to hedge foreign currency loan repayment up to the full amount of the underlying commitment. Under the previous policy, hedging for foreign currency loan repayment was allowed for a commitment of only up to 24 months. Licensed onshore banks were allowed to appoint overseas branches of their banking group as a vehicle to facilitate the settlement of any ringgit assets of their nonresident clients. The ringgit transactions undertaken by the overseas branches are subject to the following conditions: (1) the overseas branches must conduct only straight pass-through transactions matched with a back-to-back arrangement on both amount and tenure with the licensed onshore banks. There must not be gapping of the ringgit positions in the books of the overseas branches; (2) this arrangement is made available only to nonresident investors with a firm underlying commitment to invest in ringgit assets; and (3) the licensed onshore banks must undertake full responsibility to ensure compliance on the conditions by establishing internal control and procedures as well as documentation of the overseas branches' transactions for audit purposes.

Arrangements for payments and receipts

April 1. Restrictions on payments in foreign currency between residents for settlement of foreign currency financial products offered onshore were abolished. Resident corporations were allowed to lend in foreign currency the proceeds arising from listing shares on foreign stock exchanges to other resident companies within the same corporate group. Resident corporations were allowed to issue foreign currency bonds in Malaysia.

Resident accounts

April 1. Residents were allowed to open and maintain joint foreign currency accounts for any purpose. Previously, residents were allowed to maintain joint foreign currency accounts only for purposes of education and employment overseas.

April 1. Prior approval from the COFE is required for residents with domestic ringgit credit facility to convert ringgit into foreign currency exceeding RM 1 million a year for individuals and RM 50 million a year for a corporate group for crediting into an FCA.

April 1. Residents were allowed to open FCAs with licensed offshore banks in Labuan or overseas banks for any purpose except for retention of export proceeds. FCAs are not subject to any limit.

Capital transactions

April 1. Resident corporations were allowed to utilize proceeds arising from the listing of shares through initial public offering on the main board of the Bursa Malaysia for offshore investment purposes.

April 1. The limit for resident corporations with domestic ringgit borrowing to invest in foreign currency assets through conversion of ringgit into foreign currency was increased to RM 50 million a calendar year from the previous limit of RM 10 million.

April 1. The limit for residents with domestic ringgit borrowing to invest in foreign currency assets through conversion of ringgit into foreign currency is increased to RM 1 million a calendar year from the previous limit of RM 100,000.

April 1. Restrictions on Labuan offshore banks to transact in ringgit assets on behalf of nonresident clients were removed to enhance the role and scope of business of Labuan offshore banks.

Controls on capital and money market instruments

April 1. Nonresident corporations were allowed to utilize abroad proceeds arising from the listing of shares through an initial public offering on the main board of the Bursa Malaysia.

April 1. Residents were allowed to issue foreign currency bonds in Malaysia.

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Controls on credit operations	<p><i>April 1.</i> Lending by nonbank residents to nonresidents in foreign exchange is allowed up to the following limits: (1) residents without ringgit credit facilities may lend any amount and (2) resident corporations and individuals with ringgit credit facilities may lend up to RM 5 million and RM 1 million a year, respectively.</p> <p><i>April 1.</i> Nonresidents were allowed to obtain an unlimited number of property loans.</p> <p><i>April 1.</i> Licensed onshore banks were allowed to extend to nonresident stockbroking companies and custodian banks ringgit overdraft credit facilities without limit for the financing of funding gaps arising from unforeseen or inadvertent technical delays in relation to (1) settlement of trades on the Bursa Malaysia and (2) ringgit instruments settled through the Real Time Electronic Transfer of Funds and Securities System and Bursa Malaysia. The licensed onshore banks, in granting the overdraft facility, are required to observe the following conditions: (1) the facility is not for funding purposes and is granted strictly for settlement due to inadvertent or technical delays as well as time zone differences and (2) the facility must not exceed two working days with no rollover options.</p> <p><i>April 1.</i> The limit on foreign currency borrowing that can be obtained by resident corporations from licensed onshore banks and nonresidents as well as through issuance of onshore foreign currency bonds was increased to RM 100 million equivalent in aggregate and on a corporate group basis from the previous RM 50 million equivalent. The proceeds may be used for domestic purposes or offshore investment. Residents are allowed to obtain foreign currency credit from nonresidents up to RM 10 million.</p> <p><i>April 1.</i> Residents are required to seek prior permission from the COFE to issue financial guarantees to or on behalf of a nonresident or to obtain financial guarantees from nonresidents.</p>
Controls on direct investment	<p><i>January 1.</i> The FIC Guidelines on Property on the acquisition of residential properties valued at not less than RM 250,000 for personal use by foreign investors were relaxed.</p>
Controls on real estate transactions	<p><i>April 1.</i> The limit on the number of residential or commercial property loans obtained by nonresidents was abolished. Under the previous policy, nonresidents were allowed to obtain a maximum of three property loans from residents to finance the purchase or construction of residential or commercial properties in Malaysia.</p>
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<p><i>January 1.</i> The restriction on Labuan offshore banks to transact in ringgit assets on behalf of nonresident clients was removed to enhance the role and scope of business of Labuan offshore banks.</p> <p><i>April 1.</i> Investment banks in Malaysia were allowed to undertake foreign currency business, subject to a comprehensive supervisory review of their capacity and capability.</p> <p><i>April 1.</i> The limit on borrowing abroad by financial institutions other than banks was increased to RM 100 million from RM 50 million.</p> <p><i>April 1.</i> The limit imposed on licensed onshore banks for foreign currency accounts maintained by residents was abolished.</p> <p><i>April 1.</i> The net open position limit of licensed onshore banks, previously capped at 20% of the banks' capital base, was abolished.</p>
Provisions specific to institutional investors	<p><i>January 18.</i> The sublimit for investments in any one foreign jurisdiction of 2% of an insurer's solvency margin was removed.</p> <p><i>April 1.</i> The limits for resident institutional investors to invest in foreign currency assets were increased as follows: (1) unit trust companies may invest up to 50% of NAV attributable to residents (previously, 30% of NAV); (2) fund management companies may invest up to 50% of funds of resident clients with domestic credit facilities (previously, up to 30% level); and (3) insurance companies and takaful operators may invest up to 50% of NAV of investment-linked funds marketed (previously, 30% of NAV).</p>

MALDIVES

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Maldives is the Maldivian rufiyaa.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The rufiyaa is pegged to the dollar at the buying rate of Rf 12.75 per \$1 and a selling rate of Rf 12.85 per \$1.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For capital transactions n.r.

Use of foreign exchange among residents The use of foreign currency for domestic payments is prohibited, except for payments of taxes, rents, payments for goods and services, and fines due to the government from foreign exchange earners. Conversion between domestic and foreign currencies may be effected only by licensed entities.

Payments arrangements No.

Administration of control No.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) n.r.

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Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	No distinction is made between accounts held by residents and those held by nonresidents.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Import operations may be conducted only after registering with and obtaining licenses from the Ministry of Economic Development and Trade (MEDT).
Negative list	Prohibited items are listed in Law 4/75.
Open general licenses	All goods may be imported under an OGL system. Licenses are issued on application.
Licenses with quotas	All imports of rice, wheat flour, and sugar are subject to quotas.
Other nontariff measures	Prohibitions are imposed on imports in accordance with UN sanctions.
Import taxes and/or tariffs	Duties are levied on all products other than rice, flour, and sugar. The tariff structure has 10 rates, ranging from zero for staple goods to 100% for cars and 200% for plastic bags, with an estimated average nominal duty rate of about 20%. Cigarettes are subject to a specific rate of Rf 0.30 a cigarette or Rf 6 a package. The tariff rate on electronic equipment is 5%.
State import monopoly	No.

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References to legal instruments and hyperlinks Law 4/75.

Exports and Export Proceeds

Repatriation requirements No.
Financing requirements No.
Documentation requirements No.
Export licenses Export licenses are issued by the MEDT. The private sector may export all products.
Without quotas Yes.
With quotas Exports of aquarium fish are subject to a quota.
Export taxes A 50% tax is levied on the export of ambergris.
References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.
References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.
Restrictions on use of funds No.
References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.
Repatriation requirements No.
Controls on capital and money market instruments
On capital market securities Effective July 31, 2006, public issues are approved by the Registrar of Companies under the Companies Act (Law No. 10/96) and the prospectus Regulation and the Capital Market Development Authority under the Maldives Securities Act (Law No. 2/2006) and the rules made thereunder.
Shares or other securities of a participating nature
Purchase locally by nonresidents Yes.
Controls on derivatives and other instruments
Purchase locally by nonresidents n.r.

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Sale or issue locally by nonresidents	n.r.
Sale or issue abroad by residents	n.r.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	With the exception of commercial banks, natural and juridical persons may not extend credit and charge interest without approval from the Maldives Monetary Authority.
Controls on direct investment	
Inward direct investment	Investments require prior approval from the government. Foreign investors are required to ensure that at least 75% of their equity shares are financed from outside Maldives.
Controls on liquidation of direct investment	
	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	
Transfer of gambling and prize earnings	Gambling is not permitted in Maldives.
References to legal instruments and hyperlinks	Companies Act, Law No. 10/96; Maldives Securities Act, Law No. 2/2006.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Effective June 1, 2006, the minimum reserve requirement of commercial banks was reduced to 25% from 30% of their total demand and time liabilities.
Differential treatment of deposit accounts in foreign exchange	
<i>Interest rate controls</i>	Interest rate control exists only with respect to local currency, for which the annual rate of interest chargeable on loans and advances may not exceed 20%.
Provisions specific to institutional investors	
Insurance companies	n.r.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Capital transactions	
Controls on capital and money market instruments	<i>July 31.</i> Public issues were approved by the Registrar of Companies under the Companies Act (Law No. 10/96) and the prospectus Regulation and the Capital Market Development Authority under the Maldives Securities Act (Law No. 2/2006) and the rules made thereunder.

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Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

June 1. The minimum reserve requirement of commercial banks was reduced to 25% from 30% of their total demand and time liabilities.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. The framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks

Regulation 14/2002/CM/UEMOA by the WAEMU Council of Ministers of September 19, 2002; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency

The currency of Mali is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Mali participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rate for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy

No.

Forward exchange market

Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Mali is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU and

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CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.

Controls on the use of domestic currency

For capital transactions

Transactions in derivatives and other instruments

Yes.

Use of foreign exchange among residents

The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account.

Clearing agreements

A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.

Administration of control

Exchange control is administered jointly by the MOF and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MOF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Mali for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Mali require prior authorization by the RCPSFM.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Domestic trade in gold and other precious materials or fossils is permitted only for persons of Malian nationality or licensed nationals of other countries with which Mali has a reciprocal agreement and who hold professional identity cards. There are no controls on holding gold for noncommercial purposes.

On external trade

Imports of gold require prior MOF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO, (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles), and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration. Exports of gold have been liberalized.

Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. However, the suspension of BCEAO repurchases of exported banknotes continues. In addition, the exchange of BCEAO banknotes between authorized intermediaries and their correspondents outside the WAEMU is prohibited.

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<i>Foreign currency</i>	The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks.
On imports	
<i>Foreign currency</i>	Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int .

Resident Accounts

Foreign exchange accounts permitted	The holding by residents of foreign currency accounts is subject to prior MOF authorization, after consent by the BCEAO.
Held domestically	Yes.
<i>Approval required</i>	Yes.
Held abroad	Yes.
<i>Approval required</i>	Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, prior authorization by the MOF, after BCEAO approval, is required to open an account abroad.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Approval required	The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.
Domestic currency accounts	Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU area, nonresident accounts may not be credited or debited with BCEAO banknotes. These accounts may not be overdrawn without prior MOF authorization. Transfers of funds between nonresident accounts are not restricted.
Convertible into foreign currency	Convertible foreign currency accounts may be debited freely for the purchase by nonresidents of foreign currencies on the official exchange market.
Blocked accounts	No.
References to legal instruments and hyperlinks	Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int .

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Documentation requirements for release of foreign exchange for imports	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirement	All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	An inspection for quality and price is required.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	There are no import licensing requirements, but imports are required to be registered and permits are issued automatically.
Negative list	Imports of certain goods are prohibited.
Import taxes and/or tariffs	The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1% and a community solidarity levy of 1%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports, excluding those from WAEMU countries, must normally be collected within 120 days of shipment and repatriated through the BCEAO not later than one month after the due date of the payment.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if authorized by the BCEAO.
Financing requirements	No.
Documentation requirements	
Domiciliation	All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Other	A health certificate is required for exports of food products, including live animals.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts made by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Authorized banks may transfer profits and interest payments based on supporting documentation.
<i>Prior approval</i>	Payments for depreciation of direct investments require prior authorization from the MOF, because this type of depreciation is not specifically mentioned in the regulations.
<i>Indicative limits/bona fide test</i>	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	
<i>Quantitative limits</i>	Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.
<i>Indicative limits/bona fide test</i>	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	
<i>Indicative limits/bona fide test</i>	All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	The use of credit cards is allowed only when issued by specialized institutions.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of CFAF 300,000 or its equivalent that they bring in and must surrender it to an authorized bank within eight days of their return.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	The proceeds from the sale or liquidation of investments in foreign assets by residents must be surrendered to authorized intermediary banks within one month.
Controls on capital and money market instruments	Prior authorization by the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities, canvassing, and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	These purchases are subject to prior declaration to the MOF for statistical purposes.
Sale or issue locally by nonresidents	The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to prior authorization by the MOF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MOF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes. Residents may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing shares or other securities of a participating nature apply.
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.

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<i>Sale or issue abroad by residents</i>	Residents may sell money market instruments abroad. Sales liquidating an investment are subject to prior declaration.
On collective investment securities	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
Controls on derivatives and other instruments	These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Residents may not purchase commodities or securities abroad for the purpose of delivering them locally within the context of a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.
Controls on credit operations	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	
<i>By residents to nonresidents</i>	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment. The transfer of funds abroad for this purpose is subject to prior MOF authorization.
<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval of the MOF. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the BCEAO acting on behalf of the MOF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be reported for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	The granting of guarantees and sureties is subject to prior approval by the MOF. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval by the MOF, and the submission of supporting documents.
<i>To residents from nonresidents</i>	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MOF.
Controls on direct investment	Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 20% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents, including investments through foreign companies under the direct or indirect control of residents of Mali and investments by foreign branches or subsidiaries of companies established in Mali, require prior authorization by the MOF.

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Outward direct investment	All investment abroad by residents is subject to prior MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes.
Controls on liquidation of direct investment	The liquidation of investments abroad must be reported to the MOF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MOF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MOF for statistical purposes.
Controls on real estate transactions	
Purchase abroad by residents	These purchases require prior authorization by the MOF.
Purchase locally by nonresidents	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MOF for statistical purposes.
Sale locally by nonresidents	Sales by nonresidents to residents require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF.
Controls on personal capital transactions	Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless prior authorization is obtained from the MOF.
Loans	The regulations governing securities and investments apply.
<i>By residents to nonresidents</i>	These transactions require prior MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.
<i>To residents from nonresidents</i>	These transactions may be made freely, but are subject to declaration for statistical purposes to the MOF when granted and when repaid.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Inheritances and dowries are generally authorized. Gifts and endowments, however, are subject to prior MOF authorization.
<i>To residents from nonresidents</i>	These transactions are subject to declaration.
Settlements of debts abroad by immigrants	Immigrants who have received resident status must obtain prior authorization by the MOF to settle debts contracted abroad while they were nonresidents.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions are subject to prior authorization by the MOF.
<i>Transfer into the country by immigrants</i>	Foreign accounts (in foreign currencies or CFA francs) of nonresidents who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	For statistical purposes, these transactions must be declared to the MOF when they are granted and when they are repaid.
Maintenance of accounts abroad	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Commercial lending is allowed. Financial credits are subject to prior MOF authorization following BCEAO approval.
Lending locally in foreign exchange	No explicit regulations exist regarding these transactions, but prior authorization by the MOF is required with the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	These purchases require prior RCPSFM authorization, after approval by the MOF.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents are subject to prior MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Monetary regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
<i>Credit controls</i>	Any overdraft or advance granted to a nonresident requires prior authorization by the MOF with the approval of the BCEAO.
Investment regulations	The regulations governing direct investments apply.
<i>Abroad by banks</i>	Yes.
Open foreign exchange position limits	No prudential ratios apply. Open positions result from special dispensations.

Provisions specific to institutional investors

Insurance companies	Controls are imposed by the CIMA Code.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The CIMA Code does not allow insurance companies to invest abroad.
<i>Limits (min.) on investment portfolio held locally</i>	The CIMA Code includes specific rules for the use of insurance companies' technical reserves.
<i>Currency-matching regulations on assets/liabilities composition</i>	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

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Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

MALTA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 30, 1994.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Yes.

Other security restrictions

Malta complies with all sanctions imposed in accordance with relevant UN Security Council resolutions. These are incorporated in national legislation. Currently, financial restrictions and the freezing of assets apply to listed individuals and organizations or entities of the following countries: the Islamic Republic of Afghanistan (Al-Qaida and the Taliban), the Democratic Republic of the Congo, Côte d'Ivoire, The Islamic Republic of Iran, Iraq, the Democratic People's Republic of Korea, Liberia, Somalia, Sudan, and the former Federal Republic of Yugoslavia.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Malta is the Maltese lira.

Other legal tender

Malta has 25 denominations of gold coins, 54 silver coins, and 2 cupronickel coins that are legal tender but do not circulate.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Malta participates in the ERM II. The central rate of the lira vis-à-vis the euro is Lm 0.429300 per €1. A fixed spread of approximately 0.0625% is applied to the middle rate to compute the buying and selling rates for transactions between the Central Bank of Malta (CBM) and credit institutions. These transactions may be conducted only in euros, in amounts of not less than the equivalent of Lm 150,000. The CBM also quotes indicative rates for other currencies based on international market rates. There is no limit on the spread between the buying and selling rates that credit and financial institutions may quote in the foreign exchange market.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

Official cover of forward operations

The CBM may provide forward cover directly to government departments and public sector agencies. In exceptional circumstances, the CBM may also engage in forward transactions in euros with credit institutions. Forward rates are based on interest rate differentials between domestic and international money market rates.

References to legal instruments and hyperlinks

n.a.

MALTA

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Regional arrangements	Malta is a member of the EU.
Administration of control	According to the External Transactions Act, all external transactions and related payments have been liberalized. The Act also gives the MOF the power to reimpose (in exceptional circumstances, related to a balance of payments crisis) capital account restrictions for a limited period of time. Restrictions may also be imposed under UN or other international directives. The minister of finance has appointed the CBM to act as the MOF's agent for any purpose of the Act. Although external transactions are liberalized, reporting agents have an obligation to report information on these transactions for statistical purposes.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	There are no limits on the amount of foreign and local currency that may be exported and imported. However, exports and imports of banknotes and other monetary instruments equivalent to or exceeding Lm 5,000 must be declared to customs.
References to legal instruments and hyperlinks	External Transaction Act (Cap. 223); docs.justice.gov.mt/lom/legislation/english/leg/vol_5/chapt233.pdf ; docs.justice.gov.mt/lom/Legislation/English/SubLeg/233/05.PDF ; docs.justice.gov.mt/lom/Legislation/English/SubLeg/233/06.pdf ; docs.justice.gov.mt/lom/Legislation/English/SubLeg/233/07.pdf .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	No restrictions apply to accounts in EU member states.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

MALTA

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	The Ministry of Competitiveness and Communications administers certain import controls in accordance with the Importation (Control) Regulations.
Negative list	An import license is required for the importation of certain items listed in the schedules of the Importation (Control) Regulations. These items include meat and fish products, fruit and vegetables, beverages, toxic chemicals, petroleum products, rough diamonds, explosives, and weapons. Textile and steel products imported from certain countries also require an import license.
Open general licenses	All products not listed in the schedules of the Importation (Control) Regulations may be imported without a license.
Other nontariff measures	Quantitative restrictions apply on textiles and steel products imported from certain non-EU countries.
Import taxes and/or tariffs	Yes.
State import monopoly	Imports of petroleum products are controlled by a state monopoly.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Exports of articles of historical value, antiques, Maltese worked stone, and rough diamonds require a license, in accordance with the Export Control Regulations.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.

MALTA

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions In accordance with the External Transactions Act (Cap. 233), the MOF has lifted all remaining restrictions on external transactions, except transactions in real estate with residents of third countries (i.e., non-EEA countries).

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Transactions in securities registered in Malta but not listed on the Malta Stock Exchange and originating from residents of a non-EEA country have to be cleared by the Registrar of Companies of the Malta Financial Services Authority (MFSA). This procedure, however, is not applicable in the case of international companies as defined in Article 2 of the Income Tax Act, or to companies owning a vessel registered under the Merchant Shipping Act, and where resident participation does not exceed 20% of the equity.

Controls on derivatives and other instruments No.

Controls on credit operations No.

Controls on direct investment No.

Controls on liquidation of direct investment No.

Controls on real estate transactions

Purchase locally by nonresidents

All applications for the acquisition of real estate in Malta by nonresidents from outside the EU/EEA area require MOF approval. Nonresidents from the EU/EEA area may acquire one piece of immovable property in Malta to be used as their primary residence; they are not permitted to acquire a secondary residence without MOF approval unless they have resided in Malta for a period of not less than five years. Nonresidents from the EU/EEA area may acquire property freely in specially designated areas of the country.

Sale locally by nonresidents

Nonresidents are not allowed to engage in real estate property transactions, except for sales of properties that were acquired with the approval of the MOF.

Controls on personal capital transactions No.

References to legal instruments and hyperlinks

External Transaction Act (Cap. 223); docs.justice.gov.mt/lom/legislation/english/leg/vol_5/chapt233.pdf; docs.justice.gov.mt/lom/Legislation/English/SubLeg/233/06.pdf; Immovable Property (Acquisition by Nonresidents) Act (Cap. 246); docs.justice.gov.mt/lom/legislation/english/leg/vol_6/chapt246.pdf.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

The liberalization of external transactions also applies to the financial sector. These, however, remain subject to prudential regulations.

Open foreign exchange position limits

Open foreign exchange position limits are subject to the following prudential limits set by the MFSA: a total open foreign exchange position not exceeding 20% of the credit institution's own funds, with individual currency limits of up to 5%, except for up to 20% in euro-denominated holdings.

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Provisions specific to institutional investors

Insurance companies

Prudential regulations impose limitations on the types of assets insurance companies are required to maintain to cover technical liabilities arising from their business. They also impose diversification rules and limits on the amount of assets such companies may maintain. The regulations do not impose restrictions on the location of these assets; therefore, assets covering technical liabilities can be located outside Malta.

Pension funds

In accordance with prudential regulations, pension funds (i.e., occupational pension schemes and related investment vehicles) are required to comply with prudential investment restrictions to ensure diversification and minimize exposure to single entities or issuers. Certain borrowing restrictions also apply.

Investment firms and collective investment funds

For prudential purposes, investment firms are subject to certain minimum financial resource requirements, and collective investment funds are subject to certain investment and borrowing restrictions.

References to legal instruments and hyperlinks

Malta Financial Services Authority; see Legislation section of www.mfsa.com.mt.

Changes during 2006

No significant changes occurred in the exchange and trade system.

MARSHALL ISLANDS

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 21, 1992.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of the Marshall Islands is the U.S. dollar.
Exchange rate structure	Unitary.
Classification	
Exchange arrangement with no separate legal tender	The authorities do not buy or sell foreign exchange. Foreign exchange transactions are handled by two commercial banks, which are authorized foreign exchange dealers and are regulated by a statutory banking commissioner. The banks buy and sell foreign exchange at the rates quoted in the international markets.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Forward transactions may be conducted through commercial banks without restrictions.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	Outward and inward payments may be settled in dollars or in any other convertible currency.
Controls on the use of domestic currency	n.a.
Use of foreign exchange among residents	n.a.
Payments arrangements	
Regional arrangements	Yes.
Administration of control	There are no exchange control regulations.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	n.a.

MARSHALL ISLANDS

Controls on exports and imports of banknotes

On exports n.a.

References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Approval required n.a.

Held abroad Commercial banks are not permitted to transfer abroad more than 30% of deposits received from residents. In practice, this regulation is not strictly enforced.

Approval required n.a.

Accounts in domestic currency held abroad The dollar is used as domestic currency, and no distinction is made between accounts in dollars held domestically and those held abroad.

Accounts in domestic currency convertible into foreign currency The dollar is used as domestic currency, and balances may be converted into foreign currency without restriction.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Approval required n.a.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Approval required n.a.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures Imports are not subject to licensing requirements, but importers must obtain a business license.

Negative list Imports of some products are prohibited for environmental, health, safety, or social reasons.

Other nontariff measures n.a.

MARSHALL ISLANDS

Import taxes and/or tariffs	Specific and ad valorem duties are levied on imports. Ad valorem duties range from 5% to 150%. Most items are subject to an 8% tariff rate; higher rates apply to motor vehicles (15%), gasoline (20%), and alcoholic drinks (25%). Specific duties apply to motor vehicles whose value cannot be determined; cigarettes and other tobacco products (excluding cigars, which have a tariff rate of 150%); soft drinks; beer; wine; and spirits.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	The exportation of copra and its by-products is conducted solely by the government-owned Tobolar Copra Processing Plant, Inc.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Bonds or other debt securities</i>	n.a.
On money market instruments	n.a.
On collective investment securities	n.a.
Controls on derivatives and other instruments	n.a.

MARSHALL ISLANDS

Controls on credit operations	n.a.
Controls on direct investment	
Outward direct investment	n.a.
Inward direct investment	Foreign investors are required to submit applications to the registrar of corporations and obtain licenses in order to engage in business or to acquire an interest in a business in the Marshall Islands.
Controls on liquidation of direct investment	n.a.
Controls on real estate transactions	
Purchase abroad by residents	n.a.
Purchase locally by nonresidents	Foreigners are prohibited from owning land, but investors may obtain long-term leases for up to 50 years with an option to renew on land needed for their businesses.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	n.a.
Gifts, endowments, inheritances, and legacies	n.a.
Settlements of debts abroad by immigrants	n.a.
Transfer of assets	n.a.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	n.a.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

MAURITANIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 19, 1999.

Exchange Measures

**Restrictions and/or multiple
currency practices**

No restrictions as reported in the latest staff report as of December 31, 2006.

The staff report for the second review under the staff monitored program with the Islamic Republic of Mauritania states that as of December 4, 2006, the Central Bank of Mauritania (CBM) eliminated in October 2006 the foreign exchange rationing, which constituted a restriction on the making of payments and transfers for current international transactions under Article VIII, Section 2(a). (Country Report No. 07/43).

International security restrictions

Other security restrictions n.a.

**References to legal instruments and
hyperlinks** n.a.

Exchange Arrangement

Currency The currency of Mauritania is the Mauritanian ouguiya.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The exchange rate has been de facto pegged to the U.S. dollar at the rate of UM 268.5 per \$1 since October 24, 2005. In late 2006, the CBM completed all the prior actions for establishing a new framework to determine the exchange rate based on supply and demand mechanisms. This led to the lifting of exchange measures on current transactions and the opening of the first rate-fixing session on January 25, 2007.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

**References to legal instruments and
hyperlinks** n.a.

Arrangements for Payments and Receipts

**Prescription of currency
requirements** No.

Payments arrangements

Bilateral payments arrangements

Inoperative Yes.

Regional arrangements An inoperative arrangement exists within the framework of the Arab Maghreb Union.

Administration of control Administration of control is the responsibility of the CBM. Exchange control authority to approve current international transactions is delegated to authorized banks.

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Payments arrears

Private All arrears reported by banks and private operators were settled by end-2006.

Controls on trade in gold (coins and/or bullion)

On external trade All imports and exports of gold, except manufactured articles containing small quantities of gold, require prior authorization from the CBM.

Controls on exports and imports of banknotes

On exports

Domestic currency

Travelers are not allowed to take out domestic banknotes and coins.

Foreign currency

Effective December 31, 2006, CBM permission is required for residents to export foreign currency exceeding the equivalent of UM 2 million or \$7,000 (previously, \$3,000), and nonresidents must declare amounts in excess of this limit; in both cases, documentary evidence of the source of the funds must be presented. Any additional requests (for amounts exceeding that ceiling) to buy foreign exchange required to pay for travel, submitted to the CBM through an AD, will be fulfilled based on the supporting documentation provided. If nonresidents wish to repurchase amounts exceeding the equivalent of \$1,000 previously sold for ouguiyas, they must present a receipt of sale from a bank or an exchange bureau. Nonresident holders of foreign accounts denominated in a foreign currency or in convertible ouguiyas and maintained with a licensed banking intermediary may export any amount of traveler's checks denominated in foreign currencies or foreign banknotes withdrawn from foreign exchange accounts.

On imports

Domestic currency

Travelers are not allowed to take out domestic banknotes and coins.

Foreign currency

Imports of foreign banknotes exceeding the equivalent of \$3,000 must be declared.

References to legal instruments and hyperlinks

Law 2004-042; www.bcm.mr/reglementation/Loi2004-042-fr.pdf.

Resident Accounts

Foreign exchange accounts permitted

Effective December 31, 2006, the previous caps of 1.0% and 1.25% on commissions applicable to withdrawals from dollar accounts of banknotes and traveler's checks, respectively, were removed. Rates and commissions can be freely set.

Held domestically

Residents may open accounts denominated in convertible foreign currencies. These accounts may be credited and debited freely. Foreign bill withdrawals are limited to the account holders' travel needs. Transfers abroad to finance trade transactions are authorized as long as supporting documents are supplied.

Held abroad

Licensed banks may freely open accounts with banks abroad to accommodate foreign exchange transactions. Other residents are not allowed to maintain accounts abroad.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

New convertible accounts in domestic currency may not be opened. Those that existed prior to 2000 may be operated in accordance with the provisions of Circular No. GR/005/2000, which was revoked by Instruction 04/GR/05.

References to legal instruments and hyperlinks

Instruction 04/GR/05; www.bcm.mr/Instr04-gr-05.pdf.

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Nonresident Accounts

Foreign exchange accounts permitted

Licensed intermediary banks may operate freely nonresident foreign exchange accounts and transit accounts on behalf of nonresident individuals and juridical persons. Nonresident convertible accounts may be credited with (1) transfers from abroad; (2) transfers from another account in the same currency belonging to the same account holder; (3) dividends and real net proceeds from capital transactions, from the sale or settlement of investments by importing foreign currency; (4) undocumented transfers in ouguiyas from the holder's account up to the equivalent of \$6,000 a year; and (5) proceeds from the surrender of foreign exchange held in the account on the foreign exchange market (banknotes, however, whether foreign or issued by the CBM, may not be deposited). These accounts may be debited for (1) withdrawals of foreign currency notes by the account holder, exclusively for the holder's travel needs and in accordance with the existing regulations; (2) foreign transfers ordered by the account holder, in compliance with existing regulations; (3) checks and drafts issued by the account holder, for foreign exchange payments authorized under existing exchange regulations; (4) foreign exchange surrendered; and (5) bank commissions charged on these accounts.

Domestic currency accounts

Nonresidents may open domestic currency accounts, and balances on these accounts are freely transferable. Existing convertible ouguiya accounts may be credited in the same manner as foreign exchange accounts.

Convertible into foreign currency

Existing nonresident accounts in convertible ouguiyas may be converted, but new convertible accounts may not be opened.

Blocked accounts

No.

References to legal instruments and hyperlinks

Instruction 04/GR/05; www.bcm.mr/Instr04-gr-05.pdf.

Imports and Import Payments

Foreign exchange budget

A direct intervention system is in effect in the foreign exchange market for allocating foreign exchange to primary banks that submit evidence of need on behalf of clients or on their own behalf.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

Preshipment inspection

Imports exceeding the equivalent of \$5,000 must be inspected by the Société Générale de Surveillance (SGS) before shipment. The SGS provides the CBM with copies of import documentation.

Import licenses used as exchange licenses

On presentation of advance import notification, the importer may purchase foreign exchange from an authorized bank.

Import licenses and other nontariff measures

Negative list

Imports of a few goods, such as arms and alcoholic beverages, are prohibited for reasons of health or public policy.

Open general licenses

Yes.

Import taxes and/or tariffs

Four duty rates apply: zero, 5%, 13%, and 20%. In addition, a statistical tax of 3% is levied. Goods that are imported by some public enterprises or with external financing are exempt from all import duties. Effective January 1, 2006, the new tariff schedules were included in the 2006 Budget Law and the 2006 Supplementary Budget Law. The newly adopted Budget Law of 2007 provides for the adoption of a simplified and more transparent tariff schedule in accordance with the WAEMU. The four tariff rates remain unchanged.

State import monopoly

No.

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References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

Yes.

Surrender requirements

Effective December 14, 2006, the remaining surrender requirements have been eliminated. Previously, exporters of fish were required to repatriate their export proceeds via the CBM, of which 60% was required to be surrendered and the remaining 40% deposited in the exporter's foreign currency account.

Financing requirements

n.r.

Documentation requirements

Letters of credit

Some exports require an LC.

Guarantees

n.r.

Domiciliation

Exports exceeding the equivalent of UM 20,000 must be domiciled.

Preshipment inspection

n.r.

Other

Export certificates—which must specify the quantity, value, and destination of all goods—are processed by the customs valuation office (CVO); the CBM receives a copy for information purposes.

Export licenses

Exports of goods require only a certificate endorsed by the CVO.

Without quotas

Yes.

Export taxes

Effective January 1, 2006, the taxes levied on exports of fish were eliminated by the 2006 Supplementary Budget Law and replaced by a 1% statistical tax. Previously, a tax was levied on exports of fish and crustaceans at rates ranging from 8% to 20% for specialized catches, and at a rate of 5% for shrimp and crayfish. Effective January 1, 2007, the newly adopted Budget Law of 2007 allows the generalization of the statistical tax to all exports (apart from oil and mining exports) and the reduction of its rate to 1%.

Other export taxes

n.r.

References to legal instruments and hyperlinks

Circular 08/GR/06 of the CBM; Supplementary Budget Law of 2006; Budget Law of 2007.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

All payments for invisibles may be effected freely.

Trade-related payments

Indicative limits/bona fide test

Yes.

Investment-related payments

Total or partial repayments of foreign capital invested in Mauritania, as well as capital gains therefrom, are permitted freely in accordance with Circular No. GR/006/1999.

Indicative limits/bona fide test

Yes.

Payments for travel

Controls apply to all these transfers.

Personal payments

Restrictions apply on payments of family maintenance and alimony.

Indicative limits/bona fide test

Yes.

Foreign workers' wages

Foreign workers' wages may be transferred freely, usually through foreign exchange accounts.

Indicative limits/bona fide test

Yes.

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Credit card use abroad	n.a.
References to legal instruments and hyperlinks	Instruction 03/GR/05; www.bcm.mr/Instr03-gr-05.pdf ; Circular No. GR/006/1999.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds must be repatriated within four months.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Capital transactions are subject to exchange control. Outward capital transfers require CBM approval and are controlled, but inward capital transfers are permitted freely.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Purchases of securities of private enterprises are permitted.
Sale or issue locally by nonresidents	The facilities for these transactions do not exist at present.
Purchase abroad by residents	Purchases are subject to CBM authorization.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Securities brokerage operations may be carried out only by residents who have received CBM approval.
<i>Purchase abroad by residents</i>	The purchase abroad of bonds by residents requires CBM authorization.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.

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Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
Controls on credit operations	All credit transactions, guarantees, sureties, and financial backup facilities by residents to nonresidents are controlled.
Controls on direct investment	The investment code (Law No. 2002-03) governs direct investments and all associated incentives and benefits.
Controls on liquidation of direct investment	There are no controls on the liquidation of direct investments, and their transfer is guaranteed by law.
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	n.a.
Transfer of assets	Controls apply to all these transactions.
Transfer of gambling and prize earnings	n.r.
References to legal instruments and hyperlinks	Law No. 2002-030; www.maed.gov.mr/pdf/code-invest/loi2002-03.pdf .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	n.r.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
Investment regulations	n.a.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	n.a.
<i>On nonresident assets and liabilities</i>	The limits on commercial banks' net open foreign positions in foreign exchange are a maximum of 10% of net capital for each currency and a maximum of 20% of net capital for all currencies. These limits apply to the weekly averages of the banks' net open foreign

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positions (in addition, at any given time, the positions should not exceed these limits by more than 2%).

Provisions specific to institutional investors

n.a.

References to legal instruments and hyperlinks

Instruction 05/GR/05; Circular 04/GR/06; www.bcm.mr/reglementation/Instruction-04GR06.pdf.

Changes during 2006

Exchange measures

October 27. The CBM eliminated foreign exchange rationing, which constituted an exchange restriction under Article VIII, Section 2(a).

Arrangements for payments and receipts

December 31. All arrears reported by banks and private operators were settled.

December 31. The amount of foreign exchange that residents could export without CBM approval was increased to the equivalent of UM 2 million.

Resident accounts

December 31. The 1.0% and 1.25% caps on commissions applicable to withdrawals from dollar accounts were removed.

Imports and import payments

January 1. The new tariff schedules were included in the 2006 Budget Law and the 2006 Supplementary Budget Law.

Exports and export proceeds

January 1. The taxes levied on exports of fish were eliminated by the 2006 Supplementary Budget Law and replaced by a 1% statistical tax.

December 14. The remaining surrender requirements were eliminated.

Changes during 2007

Exchange arrangement

January 25. The first rate-fixing session opened.

Exports and export proceeds

January 1. The newly adopted Budget Law of 2007 allowed the generalization of the statistical tax to all exports (except for oil and mining exports) and the reduction of the tax rate to 1%.

MAURITIUS

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 29, 1993.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Restrictions are imposed in accordance with UN Security Council resolutions.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Mauritius is the Mauritian rupee.

Other legal tender Commemorative gold coins are also legal tender.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The exchange rate of the Mauritian rupee is determined by supply and demand conditions in the foreign exchange market.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Commercial banks are free to provide forward exchange cover to their clients.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Cash payments in excess of MUR 500,000 or its equivalent must be reported for anti-money laundering purposes, except in the case of specific transactions involving banks or financial institutions.

Controls on the use of domestic currency Controls apply to the use of domestic currency for current and capital transactions and payments.

Use of foreign exchange among residents Yes.

Payments arrangements

Regional arrangements Mauritius is a member of COMESA and the RIFF.

Clearing agreements Yes.

Barter agreements and open accounts n.a.

Administration of control No.

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Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents are permitted to hold gold for numismatic purposes or as personal jewelry and ornaments.
On external trade	A permit is required to import gold.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	There is no distinction between accounts of residents and nonresidents in Mauritius. Resident natural and juridical persons may hold accounts in foreign currencies with commercial banks.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Companies and individuals may maintain accounts denominated in foreign currencies with commercial banks.
Domestic currency accounts	Nonresident natural and juridical persons may maintain accounts denominated in Mauritian rupees with commercial banks, except international business companies, which are allowed to maintain accounts only for their day-to-day local payments.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Import licenses used as exchange licenses	For goods that are not controlled for consumer protection purposes, an import permit issued by the Ministry of Trade and Shipping is required for foreign exchange to be released.

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Import licenses and other nontariff measures

Positive list	n.a.
Negative list	n.a.
Open general licenses	Most goods are imported under OGLs.
Licenses with quotas	When necessary, imports of potatoes and salt are subject to quotas.
Other nontariff measures	Imports of agricultural, horticultural, and livestock products require phytosanitary inspection. Imports of sugarcane are prohibited.

Import taxes and/or tariffs

Effective June 1, 2006, tariff rates range up to 30%. Previously, effective January 1, 2006, tariff rates ranged up to 65% (previously, 80%). Certain items are subject to excise duties ranging from 15% to 230% (previously, 15% to 360%).

Taxes collected through the exchange system	n.a.
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State import monopoly

The following imports are under state monopoly: (1) 100% of petroleum products, including liquified petroleum gas; (2) 100% of long grain white rice (25% broken); (3) 50% of flour; and (4) 33% of cement.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

A permit is required for exports of textile products to Canada and the United States.

Without quotas

n.a.

With quotas

Mauritius abides by quotas on exports of textiles and clothing to the United States and Canada under bilateral export restraint agreements. The volume of sugar exports to the EU is restricted under the Sugar Protocol of the Lomé Convention; sugar exports to the United States are subject to U.S. quotas.

Export taxes

n.a.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	There are no controls on the purchase by nonresidents of shares listed on the Stock Exchange of Mauritius (SEM). However, under the Noncitizens (Property Restriction) Act, the authorization of the prime minister and the minister of internal affairs is required for nonresidents to purchase shares not listed on the stock exchange. In addition, such purchases must be financed by funds transferred from banks abroad.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Noncitizens are not allowed to hold more than 15% of shares in listed sugar companies. Authorization from the prime minister and the minister of internal affairs is required in the case of investments in banks that are not listed on the SEM and hold any immovable property in Mauritius. Holdings in excess of 10% of a bank's capital by residents or nonresidents require Bank of Mauritius (BOM) approval.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Authorization of the prime minister and minister of internal affairs is required for noncitizens to acquire property in Mauritius, and these purchases must be financed by funds transferred from abroad through the banking system.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Deposits in foreign currency by nonresidents are not subject to cash reserve requirements if the proceeds from these are invested in foreign assets.

Investment regulations

Abroad by banks

Investments in shares require BOM approval.

In banks by nonresidents

Nonresidents may freely invest in shares of banks that are listed on the SEM. Authorization from the prime minister and the minister of internal affairs is required in the case of investments in banks that are not listed on the SEM and hold any immovable property in Mauritius. Holdings in excess of 10% of a bank's capital by residents or nonresidents require BOM approval.

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Open foreign exchange position limits A daily overall foreign exchange exposure limit of 30% in relation to Tier I capital is applicable to dealers transacting in the interbank foreign exchange market. Daily overall foreign exchange exposure limits of 30% and 75% of required net owned funds apply to foreign exchange dealers and money changers, respectively.

Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Imports and import payments

January 1. The maximum tariff rate was reduced to 65% from 80%.

June 1. The maximum tariff rate was reduced to 30% from 65%, and the excise duties on certain items were reduced to the range of 15%–230% from the range of 15%–360%.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: November 12, 1946.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Mexico is the Mexican peso.

Exchange rate structure Unitary.

Classification

Independently floating

The exchange rate of the peso is determined freely in the foreign exchange market. The Exchange Commission established a rules-based mechanism to reduce the rate of international reserves accumulation. The Bank of Mexico (BOM) sells dollars directly in the foreign exchange market every day according to the following procedure: the BOM announces every quarter the total amount of dollars it will offer to the currency market each day during the following four quarters. The total amount of dollars to be sold will equal 50% of the net international reserves accumulated during the previous quarter, with one-fourth of the established amount being auctioned each quarter, not including the cumulative amount of dollars sold through the auction mechanism during the same period. Based on the total amount of dollars, the BOM auctions on a daily basis a fixed amount of dollars following a preestablished schedule (the daily amount to be sold is determined according to the number of working days in the current quarter).

Exchange tax No.

Exchange subsidy No.

Forward exchange market

Only commercial and development banks are allowed to enter into exchange rate, stock exchange, and other derivative transactions. Authorization from the BOM is required, which is granted on the basis of certain organizational, legal, and risk management requirements.

References to legal instruments and hyperlinks

Circular-Fax 18/2003, 18/2003 BIS, and 18/2003 BIS I on U.S. Dollar Auctions, www.banxico.org.mx/tipo/disposiciones/bancos/cir18-2003-compilado.htm; Nos. M.52.1, M.52.2, M.52.3, and Annex 8 of Circular 2019/95, on Borrowing and Lending Operations and Services of Full-Service Banks, www.banxico.org.mx/tipo/disposiciones/Circular2019/default.htm; Circular 1/2006, on Borrowing and Lending Operations and Services of the Development Banks, No. BD.72, www.banxico.org.mx/polmoneinflacion/disposiciones/dispDirigidasInstitucionesCredito/dispDirigidasInstitucionesBancaDesarrollo/Circular1_2006TextoCompilado.html.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

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Payments arrangements

Bilateral payments arrangements

Operative

There is a payments arrangement with the Bank Negara Malaysia.

Regional arrangements

In accordance with the Reciprocal Credits and Payments Agreements entered into by the BOM with the CBs of Argentina, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Paraguay, Peru, Uruguay, and República Bolivariana de Venezuela, payments to these countries may be made through the BOM and the CB of the country concerned within the framework of the multilateral clearing system of the LAIA. A similar payments arrangement exists with the CBs of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. Mexico has free trade agreements with several other countries.

Clearing agreements

There are clearing agreements in accordance with the regional payments agreements referred to above.

Administration of control

No.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

No.

Controls on exports and imports of banknotes

On imports

The customs law requires that persons bringing into the country an amount of cash, checks, or a combination of both in domestic or foreign currency exceeding the equivalent of \$10,000 declare it to the customs authorities.

Domestic currency

Yes.

Foreign currency

Yes.

References to legal instruments and hyperlinks

Reciprocal Payment and Credit Agreement signed by the Bank of Mexico and the central banks of the other LAIA member countries and the Dominican Republic. Rules of operation: Circular 2031/97, www.banxico.org.mx/sistema financiero/disposiciones/dispDirigidasInstitucionesCredito/dispDirigidasInstitucionesCreditoBaMulYBaDes/circular2031-97/Circular2031-97.html; Article 9 of the Customs Law, www.diputados.gob.mx/leyesBiblio/pdf/12.pdf.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Commercial banks are permitted to hold foreign exchange demand deposits payable in Mexico, provided the holders of such accounts are (1) residents of the 20-kilometer-long strip along the northern border area of Mexico or living in Baja California or Baja California Sur, or (2) firms domiciled in Mexico. Effective March 17, 2006, demand deposits in foreign currency may be withdrawn with debit cards. Commercial banks may also hold foreign exchange time deposits from firms established in Mexico, provided such deposits are payable abroad. Controls apply to deposits denominated in foreign currency by an insurance company or a privately managed pension fund with Mexican financial institutions or foreign financial entities that are affiliates of these.

Held abroad

Controls apply to deposits of funds denominated in foreign currency by an insurance company or a privately managed pension fund with nonresident financial institutions other than those registered in the National Register of Securities (NRS).

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

No.

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References to legal instruments and hyperlinks Circular 2019/95, on Borrowing and Lending Operations and Services of Full-Service Banks, Nos. M.12.1, M.12.11, M.12.2, M.12.21, and Annex 2, www.banxico.org.mx/dDisposiciones/Disposiciones2019/default.htm.

Nonresident Accounts

Foreign exchange accounts permitted Commercial banks are permitted to hold foreign exchange demand deposits payable in Mexico with respect to official representations of foreign governments and international organizations, including foreign individuals employed in such entities and foreign correspondents. In such cases, they must be registered in Mexico with the appropriate authority. Effective March 17, 2006, demand deposits in foreign currency may be withdrawn with debit cards.

Domestic currency accounts Yes.

Convertible into foreign currency No.

Blocked accounts No.

References to legal instruments and hyperlinks Circular 2019/95, on Borrowing and Lending Operations and Services of Full-Service Banks, No. M.12.11.3 and Annex 2, www.banxico.org.mx/dDisposiciones/Disposiciones2019/default.htm.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures Import licenses issued by the Ministry of Economy (MOE) are required for 180 of the 11,954 items on which Mexico's general import tariff is levied, including the 26 tariff lines related to "special operations," under which manufacturing industries may import (with zero duties but under a license) finished goods that allow them to complement their offer and fulfill the program of manufacture in which they have registered; temporary imports of raw materials and intermediate inputs for exporting industries do not need a license. New licenses are issued, provided the criteria set by the MOE are satisfied. On average, import licenses are valid for a period of one year, but for some sensitive products, they are valid only for six months. For some products, open-ended import licenses may be granted, allowing imports to be effected during a period of six months to one year, subject to an overall limit. Depending on the importer's performance, the license may be renewed repeatedly. No import license is required for funeral cars and coaches, go-karts, and collectors' vehicles (at least 30 years old). Imports of used cars other than funeral cars and coaches, go-karts, and collectors' vehicles, are subject to the prior approval of the MOE, but only special-purpose vehicles that are different from those made locally are allowed.

Negative list Yes.

Open general licenses Effective March 13, 2006, imports of gold and silver are allowed under OGLs.

Licenses with quotas Yes.

Other nontariff measures Imports of used agricultural machinery, raw materials, and intermediate products require agricultural certificates, inspection, and lab analysis. Goods covered by CITES are prohibited. Other nontariff regulations, such as those related to national security concerns (firearms and weapons); Health Department standards; ecological and environmental regulations; and restrictions on drugs, narcotic substances, nuclear energy, and toxic and hazardous materials, apply to about 1,680 of the 11,954 items of Mexico's general import tariff. About 3,712 tariff items are subject to qualitative examinations by customs to verify if goods fulfill certain Mexican consumer standards.

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Import taxes and/or tariffs

Import duties range from zero to 20%, with higher rates for a few products, such as fructose (subject to a 210% tariff) and clothing, footwear, and leather goods (35% tariff), whereas 2,500 tariff items are totally duty-free without restriction on country of origin. A 50% tariff applies to imports of new cars from countries with which no commercial agreement exists. A 7% to 10% duty rate applies on 17 tariff items in the automobile sector. Imports from members of the LAIA are granted preferential duty treatment. Free trade agreements exist with Bolivia, Chile, Colombia, Costa Rica, the EFTA, El Salvador, the EU, Guatemala, Honduras, Israel, Japan, Nicaragua, and Uruguay. Trade with Canada and the United States takes place under the NAFTA. Mexico has applied antidumping duties to the following products: electrical transformers and steel products from Brazil; textiles and articles of apparel, electronic products, nonelectronic toys, pencils, padlocks, bicycles and bicycle tires, iron and steel valves, and chemical products from China; beef, rice, sodium hydroxide, polyvinyl chloride, fructose, seamless steel tubes, rods and bars, and polystyrene from the United States; seamless steel tubes from Japan; polyester from Korea; steel products from Canada, the Russian Federation, Ukraine, and República Bolivariana de Venezuela; chemical products from Denmark; and frozen beef and polystyrene from EU countries. Tariffs do not apply to imports destined for reexportation, except those under a free trade agreement. The tariff measures are designed to support competitiveness of the industrial plant, to allow imports of strategic inputs, and to reduce production costs. Effective September 5, 2006, the duty rates applicable to aluminum ingots and lysine (a foodstuff input), some chemical substances, inputs for tanning, flats for bike tires, and some handheld tools were reduced. A tariff item for statistical purposes was created for footwear heels and soles, as well as machinery for repairing airships and aircraft parts. Effective September 29, 2006, generalized duty rates for about 6,900 tariff lines related to inputs were reduced to reorder productive chains and standardize the rates applicable to intermediate inputs. Effective November 27, 2006, the duty rates applicable to textile inputs were reduced. A new quota was imposed on textile inputs. A new tariff item was introduced to keep track of wines, brandy, and distilled agave. Tariff classifications were made for steel products. The duty rate applicable to specialized boats used in the processing of crude petroleum was eliminated, and the preferential rates applicable to goods from the European Community, AELC, El Salvador, Guatemala, Honduras, Nicaragua, and Japan were adjusted. Also, the presidential decree that establishes special duty rates for inputs imported under the Sectorial Programs (PROSEC) was updated to support the manufacturing industries that operate these programs.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Most exports do not require licenses. Exports of a few specified items related to drugs, narcotic substances, endangered species, and archaeological pieces are prohibited.

With quotas

Effective April 1, 2006, an export license is required to export cement to the United States in fulfillment of an agreement between Mexico and the United States. A maximum amount on these exports is set.

Export taxes

Export taxes apply to endangered species' skins, turtle oil, vegetable alkaloids, human organs, and electricity.

References to legal instruments and hyperlinks

n.a.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities Effective June 1, 2006, the new Securities Market Law is in effect.

Shares or other securities of a participating nature

Purchase locally by nonresidents

Purchases of shares and other securities of a participating nature may be affected by the laws on inward direct investment. Such laws specify activities for which investment is reserved for the government or Mexican investors. Thus, with the authorization of the MOE, investment trusts may be established by Mexican banks acting as trustees. These trusts issue ordinary participation certificates that may be acquired by foreign investors; the certificates grant only economic rights to their holders and do not confer voting rights in the companies whose stock is held by the trusts (such voting rights being exercisable only by the trustee).

Sale or issue locally by nonresidents

Foreign commercial entities must be authorized by the MOE before engaging in habitual commercial activities in Mexican territory. Foreign securities publicly offered in the domestic market must be approved by the National Banking and Securities Commission (CNBV).

Purchase abroad by residents

MOF authorization is required for banks and securities firms to purchase shares of foreign financial intermediaries. Controls apply to the purchase (1) of foreign securities by securities firms on their own account and on the account of their clients; and (2) by an insurance company or a privately managed pension fund of securities denominated in foreign currency, with the exceptions of capital market instruments registered in the NRS and of securities issued in foreign currency by the federal government or payable abroad by Mexican financial institutions or by foreign financial entities that are affiliates of these.

Sale or issue abroad by residents

Domestic securities offered in foreign markets must be registered with the NRS.

Bonds or other debt securities

Sale or issue locally by nonresidents

The rules applicable to shares or other securities of a participating nature apply.

Purchase abroad by residents

The rules applicable to shares or other securities of a participating nature apply.

Sale or issue abroad by residents

The rules applicable to shares or other securities of a participating nature apply.

On money market instruments

Sale or issue locally by nonresidents

The rules applicable to shares or other securities of a participating nature apply.

Purchase abroad by residents

The rules applicable to shares or other securities of a participating nature apply.

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<i>Sale or issue abroad by residents</i>	The rules applicable to shares or other securities of a participating nature apply.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	Irrespective of the holder's nationality or residence, the board of directors of each mutual fund must establish a maximum limit on individual holdings of its shares.
<i>Sale or issue locally by nonresidents</i>	The rules applicable to shares or other securities of a participating nature apply.
<i>Purchase abroad by residents</i>	Controls apply to the purchase by an insurance company of securities denominated in foreign currency, with the exceptions of those securities registered in the special section of the NRS and of securities issued in foreign currency payable abroad by Mexican financial institutions or by foreign financial entities that are affiliates of these. Pension funds may invest up to 30% of their net assets in debt instruments and foreign debt securities denominated in foreign currency.
<i>Sale or issue abroad by residents</i>	The rules applicable to shares or other securities of a participating nature apply.
Controls on derivatives and other instruments	Effective January 27, 2006, in accordance with a circular, development banks are allowed to conduct borrowing, lending, and derivatives operations.
Purchase locally by nonresidents	Foreigners are restricted to investing in publicly traded options when investments in the underlying assets or other securities of a participating nature of such options are reserved exclusively for Mexican residents.
Sale or issue locally by nonresidents	Financial intermediaries can enter into futures and option agreements, as clients, only when the underlying asset of such agreements is a commodity or right that they are authorized to negotiate with, according to the applicable regulation.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	There are limits on the amounts that banks are allowed to lend to individual borrowers and on the open foreign exchange position of banks. In addition, controls apply to credits and loans denominated in foreign currency granted by an insurance company or a private pension fund.
<i>To residents from nonresidents</i>	There are limits on credits denominated in foreign currency granted to Mexican banks and on open foreign exchange positions.
Guarantees, sureties, and financial backup facilities	
<i>To residents from nonresidents</i>	Contracting with foreign bonding companies to insure actions of persons who must fulfill obligations on Mexican territory, except for reguarantee operations, is prohibited.
Controls on direct investment	Effective April 24, 2006, the General Law on Mutual Insurance Companies and Institutions and Federal Law on Bonding Companies were amended to conform to the wording of the other financial laws that establish that foreign entities that exercise governmental functions may not invest in such companies.
Inward direct investment	Controls apply to (1) acquisitions exceeding a total of 49% of the capital stock of a Mexican company, which are subject to review if the total value of the assets of that company exceeds MEX\$2.186 million; (2) acquisition of land used for agriculture, livestock, or forestry purposes; however, "T" shares that represent the value of such land may be purchased up to a total of 49% of the capital stock of the company; (3) investment in (a) retail trade in gasoline and distribution of liquefied petroleum gas; (b) supply of fuels and lubricants for ships, aircraft, and railroad equipment up to a total of 49% of the capital stock; and (c) construction of oil pipelines and other derivative products, and oil and gas drilling, exceeding a total of 49% of capital stock, unless an authorization is granted; (4) investment not exceeding a total of 49% in fishing, other than aquaculture, in coastal and fresh waters or in the Exclusive Economic Zone; (5) investment in air, maritime, and ground transport and related services, including cabotage and port services, except (a) participation up to a total of 25% of the capital stock in national air transport, specialized air services, and aerotaxis; up to a total of 49% in the administration of air terminals and more than 49%, provided an authorization is granted; (b) participation up to a total of 49% of the capital stock in interior navigation and coastal sailing, except tourist cruises and the exploitation of dredges and other naval devices for ports; in integral port administration and port pilot services for

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interior navigation; and in companies dedicated only to the export of high-speed ships and port services for interior navigation, in which participation may be authorized up to 100%; (c) railroad-related services and participation up to 49% in the capital stock of a railway concessionaire enterprise (full ownership may be authorized); and (d) participation in the capital stock of a company engaged in national ground transport of passengers, tourism, and loading within Mexico; (6) investment in radio and television broadcasting other than cable television; (7) investment exceeding a total of 49% of the capital stock (a) in using, utilizing, or developing a frequency band in national territory, except for the free-use spectrum and the official-use spectrum; and (b) in installing, operating, or developing public telecommunications networks, occupying geostationary orbital positions and satellite orbits assigned to Mexico, or developing the corresponding frequency bands and developing signal transmission and reception rights of frequency bands associated with foreign satellite systems that may cover or render services in the national territory; (8) investment up to a total of 49% in newspapers for national distribution; (9) investment in cellular telephony, in which participation may be authorized up to 100%; (10) direct or indirect investment by entities that exercise governmental authority functions in financial institutions, effective April 26, 2006 (previously, insurance and bonding companies were exempt); (11) acquisition of real estate in the restricted zone (100-kilometer strip along the Mexican land border and 50-kilometer strip in and from the Mexican coast), where some controls apply as for “Controls on real estate transactions”; (12) investment by foreign nationals in (a) legal services and private education services exceeding 49% of the capital stock, unless an authorization is granted; and (b) certain professional and technical services; (13) investment up to a total of 49% of the capital stock of companies manufacturing explosives and firearms; (14) investment in the following financial institutions: insurance companies, financial leasing companies, factoring companies, general deposit warehouses, bonding companies, foreign exchange firms, limited scope financial institutions, securities advisory companies, and pension funds, in which foreign investment may not exceed 49%. Any shareholder, regardless of nationality, may acquire the control of series “O” shares of a commercial bank, securities firm, or financial holding company; and (15) investment in credit unions and development banks, which is reserved exclusively for Mexican individuals or Mexican corporations with a foreign exclusion clause.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate abroad by an insurance company or by a privately managed pension fund.

Purchase locally by nonresidents

Controls apply for the direct acquisition by foreign nonresidents of real estate inside the restricted zone (a 100-kilometer strip along the Mexican land border and a 50-kilometer strip in and from the Mexican coast). Foreign nonresidents may acquire real estate through Mexican companies according to whose by-laws these nonresidents are considered Mexican, provided they refrain from invoking the protection of their government regarding the property acquired and their rights to the real estate within the zone defined above. Such acquisitions may take place (1) through the acquisition of shares of Mexican companies dedicated to nonresidential activities, with notification to the Ministry of Foreign Affairs (MFA); or (2) through a real estate trust for residential activities, with the approval of the MFA.

Controls on personal capital transactions

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

These transactions are subject to local civil provisions. In some states, foreign inheritances from a Mexican resident are subject to international reciprocity.

References to legal instruments and hyperlinks

Political Constitution of the United Mexican States, www.diputados.gob.mx/leyinfo/pdf/1.pdf; Foreign Investment Law, www.diputados.gob.mx/leyinfo/pdf/44.pdf; Law on the Stock Market, www.diputados.gob.mx/leyinfo/pdf/89.pdf; Law on Credit Institutions, www.diputados.gob.mx/leyinfo/pdf/43.pdf; Law on Investment Companies, www.diputados.gob.mx/leyinfo/pdf/69.pdf; Law on Retirement Savings Systems, www.diputados.gob.mx/leyinfo/pdf/52.pdf; Law Regulating Credit Information Companies, www.diputados.gob.mx/leyinfo/pdf/237.pdf; Federal Law on Bonding

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Companies, www.diputados.gob.mx/leyinfo/pdf/108.pdf; General Law on Mutual Insurance Companies and Institutions, www.diputados.gob.mx/leyinfo/pdf/138.pdf; General Law on Credit Organizations and Auxiliary Activities, www.diputados.gob.mx/leyinfo/pdf/139.pdf; Federal Law on Telecommunications, www.diputados.gob.mx/leyinfo/pdf/118.pdf; Circular 1/2002 Setting out Regulations for Investment Companies Specializing in Retirement Funds Entering into Financial Transactions Known as Derivatives, [www.banxico.org.mx/dDisposiciones/otras_ent_fin/Circular1-2002\(compilado\).htm](http://www.banxico.org.mx/dDisposiciones/otras_ent_fin/Circular1-2002(compilado).htm); Circular 2019/95 on Borrowing and Lending Operations and Services of Full-Service Banks, www.banxico.org.mx/dDisposiciones/Disposiciones2019/default.htm; Regulations on Risk Diversification in Lending Operations, as referred to in Article 51, para. II of the Law on Credit Institutions, www.shcp.gob.mx/servs/normativ/rdiversas/rd_020225.html; General Resolution No. 5, which determines the present value of the assets referred to in Article 9 of the Foreign Investment Law, www.economia.gob.mx/pics/p/p1195/rg5cnie.doc; Prudential arrangements to which participants in the market for futures and exchange-trade options are subject, www.mexder.com.mx/inter/info/mexder/avisos/Disposiciones.doc.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Banks that obtain an unconditional warranty from foreign financial entities may be exempt from the limits on foreign currency liabilities and investments for foreign exchange transactions, provided the long-term debt of the warrantor is rated at least “AA–” by Standard & Poor’s or “Aa3” by Moody’s Investors Service. BOM approval is required for debt rated by other agencies. Banks and limited scope financial institutions must disclose fees and commissions to users of financial services, and the BOM is authorized to determine if there is reasonable competition with respect to the fees of banks and other financial intermediaries. Effective July 18, 2006, the General Law on Credit Organizations and Auxiliary Activities has been amended to overrule all the provisions regarding financial leasing companies and financial factoring companies. Granting of credits, financial leasing, and financial factoring may be provided by any person without prior approval by the federal government. People who engage in the aforesaid activities in a customary and professional manner are considered multiple scope companies, which may be regulated or not regulated. Regulated multiple scope companies are supervised by the CNBV and are those entities that maintain economic links with credit institutions, or holding companies that have a credit institution in their financial group.

Borrowing abroad

Borrowing abroad is permitted, subject to the limits on the liabilities of commercial banks denominated in foreign currency and on open foreign exchange positions.

Maintenance of accounts abroad

Foreign exchange risk positions, both total and for each foreign currency, must not exceed the daily limit of 15% of a bank’s base capital.

Lending to nonresidents (financial or commercial credits)

There are limits on the amount banks may lend, regardless of the borrower’s residence.

Lending locally in foreign exchange

There are limits on the amount that banks may lend regardless of the borrower’s nationality or residence, and on their net open foreign exchange position.

Purchase of locally issued securities denominated in foreign exchange

Banks may enter into transactions on their own account with respect to securities, commercial debt instruments not registered with the NRS, and capital instruments, whether or not registered with the NRS.

Differential treatment of deposit accounts in foreign exchange

Liquid asset requirements

Banks must invest in liquid assets—as determined by the BOM and denominated in foreign currency—an amount calculated through the maturity structure of their liabilities payable in foreign currency.

Investment regulations

Abroad by banks

Controls apply on the types and amounts of transactions for banks.

In banks by nonresidents

Any shareholder, regardless of nationality or residence, may acquire the control of “O” shares, with prior MOF approval. If the acquisition exceeds 5% of the shares representing

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the capital stock of a banking institution, CNBV opinion is required prior to MOF approval. The limits on shareholders do not apply to foreign offshore banking institutions that were set up in accordance with an international trade treaty.

Open foreign exchange position limits

On resident assets and liabilities

Irrespective of the counterparty's residence, total liabilities of commercial banks denominated in or referred to foreign currency (excluding cash and liquid assets, as determined by the BOM) must not exceed an amount equal to 183% of the capital stock of the respective bank. (Calculation of the base capital stock reflects the capitalization procedure set under the Basel Accord. The conversion of the base capital into national currency takes into account the exchange rate published by the BOM in the Official Gazette of the business day following the date of the calculation of the base capital.) Notwithstanding this requirement, the BOM allows short or long foreign exchange risk positions, which, both jointly and for each foreign currency at the end of each day, do not exceed 15% of the bank's base capital (base capital being calculated pursuant to rules issued by the MOF). For the calculation of the foreign exchange position, commercial banks must include the foreign currency operations of their agencies and affiliates—in Mexico and abroad—except for securities firms, foreign exchange firms, bonding companies, insurance companies, managing companies of mutual funds, mutual funds, and pension fund management companies.

Commercial banks may be authorized by the BOM to determine the positions referred to above from a long position in dollars.

On nonresident assets and liabilities

The regulations governing resident assets and liabilities apply.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Insurance companies may invest in equity of other insurance, reinsurance, or bonding companies. However, they may invest their reserves only pursuant to rules issued by the MOF. These rules specify the type of instruments and amounts in which insurance companies may invest. In particular, controls apply to the purchase by an insurance company of securities denominated in foreign currency, with the exception of capital market instruments registered with the NRS and its intermediaries and of securities issued in foreign currency by the federal government or payable abroad by Mexican financial institutions or by foreign financial entities that are affiliates of these.

Limits (max.) on investment portfolio held abroad

The regulations governing limits on securities issued by nonresidents apply. In addition, controls apply to (1) credits and loans denominated in foreign currency granted by an insurance company, (2) deposits of funds denominated in foreign currency by an insurance company with financial institutions other than those registered with the NRS, and (3) acquisition of real estate abroad by an insurance company.

Pension funds

Limits (max.) on securities issued by nonresidents

Pension fund management companies may invest their net assets in the types of instruments and amounts specified in the rules established by the Pension Fund Systems National Commission (CONSAR). In particular, controls apply to the purchase by a privately managed pension fund of securities denominated in foreign currency, with the exceptions of capital market instruments registered in the special section of the NRS and of securities issued in foreign currency by the federal government or payable abroad by Mexican financial institutions or by foreign financial entities that are affiliates of these. Pension fund management companies may invest in government issued instruments and in instruments rated by international rating agencies. In addition, pension fund management companies may invest up to 20% of their net assets in securities issued by nonresidents subject to approval by the CONSAR.

Limits (max.) on investment portfolio held abroad

Pension funds may invest up to 30% of their net assets in debt instruments and foreign debt securities denominated in foreign currency. In addition, controls apply to (1) deposits of funds in foreign exchange with financial institutions other than those registered with the NRS, (2) credits and loans denominated in foreign currency granted by a pension fund, and (3) acquisition of real estate abroad.

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Investment firms and collective investment funds

Effective December 4, 2006, new provisions regarding the investment regime on mutual funds have been issued to establish the minimum capital requirement and investment regime of the different types of mutual funds. Mutual funds must invest at least 96% of their total assets in specially designated “assets for investment”—which include securities registered with the NRS and others established by law, depending on the types of funds—and those authorized by the CNBV. Mutual funds that invest in fixed income instruments, debt instruments, and assets and other instruments of a participating nature must invest their assets in accordance with the regulations issued by the CNBV.

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of foreign securities by mutual funds in variable income and in debt instruments, on their own account and on the account of their clients.

Limits (max.) on investment portfolio held abroad

Controls apply to the purchase of foreign securities by mutual funds in variable income and in debt instruments, on their own account and on the account of their clients.

Limits (min.) on investment portfolio held locally

Yes.

References to legal instruments and hyperlinks

Law on Credit Institutions, www.diputados.gob.mx/leyinfo/pdf/43.pdf; General Law on Mutual Insurance Companies and Institutions, www.diputados.gob.mx/leyinfo/pdf/138.pdf; Law on Investment Companies, www.diputados.gob.mx/leyinfo/pdf/69.pdf; Law on Retirement Savings Systems, www.diputados.gob.mx/leyinfo/pdf/52.pdf; Law on the Transparency and Management of Financial Services, www.diputados.gob.mx/leyinfo/pdf/265.pdf; Circular 2019/95 on Borrowing and Lending Operations and Services of Full-Service Banks, www.banxico.org.mx/dDisposiciones/Disposiciones2019/default.htm; Circular CONSAR 15-12 Setting out the General Regulations Establishing the Investment Regime to Which Investment Companies Specializing in Retirement Funds Are Subject, www.consar.gob.mx/normatividad/circulares/COMPULSA%20CC%2015-12%20a%2015-16.pdf; Regulations on Risk Diversification in Lending Operations, as referred to in Article 51, para. II of the Law on Credit Institutions, www.shcp.gob.mx/servs/normativ/rdiversas/rd_020225.html; Regulations for the Investment of Technical Reserves of Mutual Insurance Companies and Institutions, www.shcp.gob.mx/servs/normativ/rdiversas/rd_000818.html; Circular Setting out the General Provisions Applicable to Investment to Mutual Insurance Companies, www.cnbv.gob.mx/recursos/circula/Otras/Circular%20SINCAS%20.htm; Circular 12-22: General Provisions Applicable to Common Investment Funds and Funds Investing in Debt Instruments on Behalf of Individuals and Legal Entities, www.cnbv.gob.mx/recursos/circula/Valores/12-22.htm.

Changes during 2006

Resident accounts

March 17. Demand deposits in foreign currency were permitted to be withdrawn with debit cards.

Nonresident accounts

March 17. Demand deposits in foreign currency were permitted to be withdrawn with debit cards.

Imports and import payments

March 13. Imports of gold and silver were allowed under OGLs.

September 5. The duty rates applicable to aluminum ingots and lysine (a foodstuff input), some chemical substances, inputs for tanning, flats for bike tires, and some handheld tools were reduced. A tariff item for statistical purposes was created for footwear soles and heels, as well as machinery for repairing airships and aircraft parts.

September 29. Generalized duty rates for about 6,900 tariff lines related to inputs were reduced to reorder productive chains and standardize the rates applicable to intermediate inputs.

November 27. The duty rates applicable to textile inputs were reduced. A new quota was imposed on textile inputs. A new tariff item was introduced to keep track of wines, brandy, and distilled agave. Tariff classifications were made for steel products. The duty rate applicable to specialized boats used in the processing of crude petroleum was eliminated, and the preferential rates applicable to goods from the European Community, AELC, El Salvador, Guatemala, Honduras, Nicaragua, and Japan were adjusted. Also, the presidential decree that establishes special duty rates for inputs imported under PROSEC was updated to support the manufacturing industries that operate these programs.

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Exports and export proceeds

April 1. An export license was required to export cement to the United States in fulfillment of an agreement between Mexico and the United States. A maximum amount on these exports was set.

Capital transactions

Controls on capital and money market instruments

June 1. The new Securities Market Law went into effect.

Controls on derivatives and other instruments

January 27. A circular was issued allowing development banks to conduct borrowing, lending, and derivatives operations.

Controls on direct investment

April 24. The General Law on Mutual Insurance Companies and Institutions and Federal Law on Bonding Companies were amended to conform to the wording of the other financial laws that establish that foreign entities that exercise governmental functions may not invest in such companies.

April 26. Controls applied on direct or indirect investment by entities that exercise governmental authority functions in financial institutions.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

July 18. The General Law on Credit Organizations and Auxiliary Activities was amended to overrule all the provisions regarding financial leasing companies and financial factoring companies. Granting of credits, financial leasing, and financial factoring may be provided by any person without prior approval by the federal government. People who engage in the aforesaid activities in a customary and professional manner are considered multiple scope companies, which may be regulated or not regulated. Regulated multiple scope companies are supervised by the CNBV and are those entities that maintain economic links with credit institutions, or holding companies that have a credit institution in their financial group.

Provisions specific to institutional investors

December 4. New provisions regarding the investment regime on mutual funds were issued to establish the minimum capital requirement and investment regime of the different types of mutual funds.

FEDERATED STATES OF MICRONESIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 24, 1993.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of the Federated States of Micronesia is the U.S. dollar.
Exchange rate structure	Unitary.
Classification	
Exchange arrangement with no separate legal tender	The authorities do not buy or sell foreign exchange. Foreign exchange transactions are handled by the two commercial banks that are authorized foreign exchange dealers and are regulated by a statutory banking board. The banks may buy and sell foreign exchange at the rates quoted in international markets.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Forward transactions may be conducted through commercial banks without restriction.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Regional arrangements	Micronesia participates in PACER and PICTA.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

FEDERATED STATES OF MICRONESIA

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	The dollar is used as domestic currency, and no distinction is made between accounts in dollars held domestically and those held abroad.
Accounts in domestic currency convertible into foreign currency	The dollar is used as domestic currency, and balances may be converted into foreign currency without restriction.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Importers must obtain a business license.
Negative list	Imports of certain products are prohibited for environmental, health, safety, or social reasons.
Import taxes and/or tariffs	The following tariffs and specific duties apply: (1) cigarettes, \$0.025 (the specific duty is scheduled to increase by \$0.025 a cigarette January 1 of the years 2007, 2009, 2011, 2013, and 2015); (2) beverages with fruit juice content of 25% or more by volume, 3%; (3) beer and malt beverages, \$0.25 per 12 fluid ounces; distilled alcoholic beverages, \$12 a gallon; (4) wine, 30%; (5) imported fresh and frozen fish and seafood, 25%; (6) laundry bar soap, 25%; (7) tobacco products other than cigarettes, 50%; (8) perfume, cosmetics, and toiletries, 25%; (9) foodstuffs for human consumption, 3%; (10) gasoline and diesel fuel, \$0.05 a gallon; and (11) all other imported products, except those subject to specific duties, 4%. The ad valorem duties are based on the c.i.f. value of the goods.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

FEDERATED STATES OF MICRONESIA

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	
Letters of credit	n.a.
Guarantees	n.a.
Domiciliation	n.a.
Preshipment inspection	The Department of Health, Education, and Social Affairs conducts preshipment inspections of foodstuffs.
Export licenses	Exports are not subject to licensing requirements, taxes, or quantitative restrictions. The purchase and export of copra are conducted solely by the Coconut Development Authority.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	Controls apply to all these transactions.
<i>Bonds or other debt securities</i>	
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.r.
<i>Purchase abroad by residents</i>	n.r.

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<i>Sale or issue abroad by residents</i>	n.r.
Controls on derivatives and other instruments	No.
Controls on credit operations	n.r.
Controls on direct investment	
Inward direct investment	Foreign investors must obtain an application from the federal government and submit it for review and action to the Foreign Investment Board of the state in which the business will be located. They must also obtain a license from the federal government to engage in business or to acquire an interest in a business in the Federated States of Micronesia. If a foreign investor wishes to conduct business in more than one state, an application for each state must be obtained from the federal government and submitted to the Foreign Investment Board of each of the states in which the business will be located and operated. Priorities for foreign investment are reviewed from time to time by the federal and state authorities.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Foreign investment in the real estate and construction sectors is prohibited in accordance with the laws prohibiting land ownership by foreigners. Foreign investors normally obtain long-term leases (usually up to 55 years with an option to renew for another 44 years) for land needed for their businesses.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	n.r.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Lending to nonresidents (financial or commercial credits)	The statutory lending limit to any person is set at 20% of capital.
Lending locally in foreign exchange	n.a.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	n.a.
<i>Liquid asset requirements</i>	n.a.
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	
<i>Abroad by banks</i>	Domestic banks are prohibited from investing in the stocks of any corporation, domestic or foreign.
<i>In banks by nonresidents</i>	Foreign investment in domestic banks may not exceed one-third of available shares.
Open foreign exchange position limits	n.a.

FEDERATED STATES OF MICRONESIA

Provisions specific to institutional investors n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Imports and import payments *January 1.* The specific duty on cigarettes increased to \$0.050 from \$0.025.

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(Position as of May 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 30, 1995.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	The Law on Fighting against Terrorism stipulates that the funds and other financial assets of persons associated with terrorism are to be blocked.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Banks and other financial institutions have been instructed to freeze all funds, financial assets, and other economic sources of individuals, groups, and organizations associated with terrorism, pursuant to the relevant UN Security Council resolutions.
Other security restrictions	Yes.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Moldova is the Moldovan leu.
Exchange rate structure	Unitary.
Classification	
Managed floating with no predetermined path for the exchange rate	The official exchange rate of the leu against the dollar is determined daily as the weighted average of the exchange rates used in market transactions. The official exchange rate is used in accounting and statistical calculations. Institutions eligible to deal in foreign exchange are authorized banks and foreign exchange bureaus. The latter and foreign exchange offices of authorized banks are authorized to purchase from and sell to resident and nonresident individuals foreign banknotes, coins, and traveler's checks in any currency. These transactions can be effected through bank cards. Authorized banks and foreign exchange bureaus are allowed to set their own buying and selling rates in their foreign exchange transactions.
Exchange tax	Foreign exchange purchased by individuals against cash at foreign exchange offices of authorized banks or at foreign exchange bureaus is subject to a tax of 0.1%. Receipts from this tax are used for domestic social services.
Exchange subsidy	No.
Forward exchange market	This market does exist, but it is small and operations are insignificant.
References to legal instruments and hyperlinks	Instruction on the Procedure of Setting, Distribution, and Archiving of the Official Exchange Rate of Moldovan Leu (NBM Decision No. 399, dated December 23, 1999); Regulation on Foreign Exchange Regulation on the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); Regulation No. 10018-20, on Organization and Operation on the Territory of the Republic of Moldova of Foreign Exchange Offices and Foreign Exchange Bureaus by Hotels (NBM Decision No. 22, dated May 6, 1994); Law on Republican and Local Funds for Social Support of the Population (No. 827-XIV, dated February 18, 2000); Law on the National Bank of Moldova (No. 548-XII, dated July 21, 1995); www.bnm.org.

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Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

The leu is the only legal tender within the territory of Moldova.

For current transactions and payments

The regulations governing international current transactions in foreign currencies also apply to those effected with domestic currency.

For capital transactions

Foreign investments may be undertaken in domestic and foreign convertible currencies. The National Bank of Moldova (NBM) regulations on capital transactions apply to capital transactions in foreign currency and in domestic currency.

Transactions in capital and money market instruments

Yes.

Transactions in derivatives and other instruments

Yes.

Credit operations

Yes.

Use of foreign exchange among residents

The use of foreign currency among residents is allowed only in cases stipulated by legislation.

Payments arrangements

Bilateral payments arrangements

Operative

Moldova has concluded agreements on settlements with some CIS countries, providing for settlements and payments in accordance with international banking practices. There are several bilateral agreements for the promotion of investments and trade development that include provisions on payments between the signatories.

Regional arrangements

Moldova has 10 bilateral interstate agreements on free trade with CIS countries, except for Tajikistan. The agreements on free trade within the CIS stipulate the full application of preferential trade, except for bilateral trade with the Russian Federation, the Republic of Belarus, and Ukraine, which apply unilateral exceptions to this regime. Moldova has eight bilateral interstate agreements on free trade with countries that are members of the Stability Pact for Southeastern Europe. On December 19, 2006, the Stability Pact members, including Moldova, signed the CEFTA, which is in effect as of May 1, 2007. CEFTA replaces the existing agreements on free trade within the Stability Pact and provides for canceling all import and export customs duties, quantitative restrictions, and other taxes with an equivalent effect on the trading of industrial products and most agro-industrial products. Moldova is a member of the Payments Union within the CIS; however, the arrangement is inoperative.

Administration of control

The NBM has ultimate authority for foreign exchange arrangements and is responsible for managing the country's foreign exchange reserves, regulating the currency market, and granting licenses to engage in foreign currency transactions. According to the amendments to the Law on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions, control over the repatriation of funds, goods, and services is transferred from commercial banks, the NBM, and the Centre for Combating Economic Crimes and Corruption to fiscal authorities, which carry out verification on repatriation through on-site inspections of legal entities' economic activities.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Activity with precious metals is licensed by the state. The state depository of valuables has the exclusive right to purchase precious metals for filling the state fund. Buying-up centers and pawnshops are not allowed to purchase or accept for storage or as collateral precious metals in bullion or precious metal coins.

On external trade

A license from the Chamber of Licensing is required to conduct international trade in gold.

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Controls on exports and imports of banknotes

Foreign currency may be imported and exported by resident banks with a B- or C-type license and, with NBM approval, by nonresident banks that have loro correspondent accounts with resident banks.

Domestic currency may be imported and exported only by nonresident banks that have loro corresponding accounts with resident banks, and then only with NBM approval.

Imports and exports of banknotes and coins by resident and nonresident banks must be declared to customs.

On exports

Effective July 7, 2006, resident and nonresident individuals have the right to export when departing from Moldova (1) domestic currency cash and checks, as well as cash and traveler's checks in foreign currency, up to the equivalent of €10,000 an individual without the submission to customs authorities of justifying document; and (2) domestic currency cash and checks, as well as cash and traveler's checks in foreign currency, up to the equivalent of €50,000 an individual by submitting to customs authorities the following justifying documents: (a) customs documents confirming the import of currency into Moldova; and/or (b) export permissions, issued, according to the NBM normative acts, by authorized banks or by the NBM. Previously, up to MDL 7,000 could be imported or exported without declaration.

Resident and nonresident individuals are obliged to declare in written form to customs authorities banknotes, coins, and checks in national currency, and banknotes, coins, and traveler's checks in foreign currency, if the export of their total amount exceeds the equivalent of €10,000 an individual.

Domestic currency

Yes.

Foreign currency

Yes.

On imports

Effective July 7, 2006, resident and nonresident natural persons have the right to import unlimited banknotes, coins, and checks in national currency, as well as banknotes, coins, and traveler's checks in foreign currency.

Resident and nonresident natural persons are obliged to declare in written form to the customs authorities the import of banknotes, coins, and checks in national currency, as well as banknotes, coins, and traveler's checks in foreign currency, if their total amount exceeds the equivalent of €10,000 an individual.

References to legal instruments and hyperlinks

Civil Code No. 1107-XV, dated June 6, 2002; Law No. 81-XV, dated March 18, 2004, on Investments in Entrepreneurial Activity; Law No. 548-XIII, dated July 21, 1995, on the National Bank of Moldova; Law No. 1466-XIII, dated January 29, 1998, on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions; Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); Instruction on Bringing into/Taking out of the Republic of Moldova of Cash by Banks (NBM Decision No. 340, dated November 18, 1998); Law No. 282-XV, dated July 22, 2004, on Precious Metals and Stones Regime; Law No. 451-XV, dated July 30, 2001, on Licensing of Some Activities; Law No. 1569-XV, dated December 20, 2002, on the Procedure of Import and Export of Goods to/from Moldova by Individuals; www.bnm.org.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Resident legal entities and individuals may open an unlimited number of accounts in any foreign currency. All foreign currency earnings of resident legal entities must be deposited in their accounts at authorized banks, and account holders may use foreign exchange balances in their accounts to settle their transactions according to legislation. Domestic transactions may be settled only after the foreign currency has been converted into lei. All payments or transfers by legal entities must be effected through bank transfers, unless otherwise expressly provided for in the legislative acts of the Republic of Moldova or in the NBM regulations.

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Effective September 1, 2006, in accordance with the amendments to the regulation on foreign exchange, resident individuals' foreign exchange accounts have been changed to a single type of account in foreign currency that may be credited with foreign exchange received from abroad or with foreign currency purchased locally (no documentary proof of origin is required). Previously, resident individuals could open types A and B accounts in any foreign currency. Type A accounts were credited with foreign currency that was received from abroad (documentary proof was required), and type B accounts were credited with foreign currency purchased locally (no documentary proof of origin was required). Effective September 1, 2006, cash can be deposited into and withdrawn from resident individuals' foreign exchange accounts without restrictions. There are no restrictions on the use of funds for current international transactions. Effective September 1, 2006, the requirement to submit a customs declaration confirming the import of currency into the Republic of Moldova or funds export permissions, issued by authorized banks or the NBM, when depositing cash and traveler's checks in residents' foreign exchange accounts was lifted.

Approval required

MOF approval is required for the opening of bank accounts for public institutions. Financial services to these public institutions are provided through treasury accounts.

Held abroad

Yes.

Approval required

NBM approval is required for all residents to hold these accounts abroad, with the following exceptions: (1) banks holding a B or C license; (2) resident individuals during a temporary stay abroad; (3) consular offices, diplomatic missions, and other official representative offices of the Republic of Moldova located abroad; (4) effective September 1, 2006, residents making direct investments and real estate investments abroad, if the opening of such accounts by investors (in their own name) is compulsory under the laws of the foreign state where the investments are made; and (5) resident public institutions conducting transactions abroad of the national public budget funds, with the approval of the MOF. Banks holding type A licenses are not allowed to open foreign currency accounts (FCAs) abroad. Authorized banks are not allowed to open accounts in shell banks.

Accounts in domestic currency held abroad

Authorized banks are not allowed to open accounts in shell banks. NBM approval is required for all residents to hold these accounts abroad, with the following exceptions: (1) resident individuals during their temporary stay abroad; (2) effective September 1, 2006, residents making direct investments and real estate investments abroad, if the opening of such accounts by investors (in their own name) is compulsory under the laws of the foreign state where the investments are made; and (3) resident public institutions conducting transactions abroad of the national public budget funds, after the approval of the MOF.

Accounts in domestic currency convertible into foreign currency

Funds from leu-denominated accounts may be converted into foreign exchange in accordance with regulations. Resident legal entities (except for authorized banks and foreign exchange bureaus) may purchase foreign currency only for making payments and transfers.

References to legal instruments and hyperlinks

Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); Regulation on Opening, Modification, and Closing of Accounts with Authorized Banks of the Republic of Moldova (NBM Decision No. 297, dated November 25, 2004); Instruction on Opening Accounts Abroad (NBM Decision No. 279, dated November 13, 2003); NBM Decision No. 185, dated July 23, 2003, on the Procedure for Buying Foreign Currency by Resident Legal Entities; www.bnm.org.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresident individuals and legal entities may open accounts in any foreign currency. These accounts may be credited with funds from abroad obtained through purchases in the domestic foreign exchange market and from other legal sources. Nonresidents with FCAs at authorized banks in Moldova are permitted to transfer the balances from these accounts abroad or sell them on the foreign exchange market through authorized banks without restriction. Effective September 1, 2006, cash may be deposited into and withdrawn from nonresident individuals' foreign exchange accounts without restrictions. All payments and transfers by nonresident legal entities must be effected through bank transfers, unless otherwise expressly provided for in the legislative acts or in NBM regulations.

Domestic currency accounts

Accounts in lei may be opened freely by nonresidents, except for those from countries with which the NBM has signed a bilateral agreement that requires permission by the relevant

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central bank to open such accounts. These accounts may be credited with funds from the sale of foreign exchange in the domestic foreign exchange market and from other legal sources. Nonresidents with lei accounts at authorized banks may transfer the balances from these accounts abroad or convert them into foreign exchange on the foreign exchange market through authorized banks without restriction. All payments by nonresident legal entities must be effected through bank transfers, unless otherwise expressly provided for in the legislative acts of Moldova or in NBM regulations. Cash may be deposited into and withdrawn from nonresident individuals' foreign exchange accounts without restrictions.

Convertible into foreign currency

Balances on lei accounts of nonresidents may be converted freely into foreign currency.

Blocked accounts

No.

References to legal instruments and hyperlinks

Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); NBM Decision No. 202, dated August 13, 2003, on Opening of Banking Accounts within the Framework of Foreign Technical Assistance Projects in the Republic of Moldova; Regulation on Opening, Modification, and Closing of Accounts with Authorized Banks of the Republic of Moldova (NBM Decision No. 297, dated November 25, 2004); www.nbm.org.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Goods must be imported and services rendered no later than one year from the date of the advance payment. The value of all imported goods and rendered services must equal the amount paid.

If a contract is not executed, the amount of the advance payment must be repatriated to Moldova no later than one year after such advance payment was effected. However, the length of this period may vary, depending on the type of contract.

Documentation requirements for release of foreign exchange for imports

Purchases by resident legal entities of foreign currency against domestic currency for import payments are based on supporting documents such as contracts or invoices.

Import licenses and other nontariff measures

The following imports are subject to licensing for the purpose of consumer protection and to ensure compliance with domestic standards: dual purpose goods and technologies, ammunition, military equipment, and special compounds for the manufacture thereof; explosive substances; nuclear products and technology; medicine, equipment for the manufacture of medicine, and medical equipment; chemicals; cultures for developing microorganisms; and stupefying or psychotropic materials and compounds for their derivation or production.

Import taxes and/or tariffs

There are several tariff bands for imports. A zero customs tariff is applied to cotton, fertilizers, pharmaceutical products, textbooks, and base metals and products thereof, as well as to other goods. Customs duties are not imposed on goods and objects produced in and imported from CIS countries that have ratified the Agreement on the Creation of a Free Trade Zone or with which Moldova has bilateral interstate agreements on free trade. Imported goods and services are subject to a standard VAT of 20%; imports of gas and liquid gases are subject to a reduced VAT of 5%. In 2004, a temporary four-year exceptional tax was imposed as a safeguard measure on imports of sugar (whether made from cane or beets). Currently, according to Law No. 8, dated May 2, 2004, on safeguard measures, starting January 2007 until February 15, 2008, the import of sugar is subject to a customs duty of 40% of the customs price, but not less than €100 a ton.

The Southeastern Stability Pact countries signed on December 19, 2006, the CEFTA, which went into effect May 1, 2007. This Agreement supersedes all existing free trade agreements in the framework of the Stability Pact, and foresees the abolishment of all import and export customs duties, quantitative restrictions, and other taxes of equivalent effect in regard to the trade in industrial goods and the majority of agroindustrial goods.

State import monopoly

No.

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References to legal instruments and hyperlinks

Law No.1466-XIII, dated January 29, 1998, on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions; Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); NBM Decision No. 185, dated July 23, 2003, on the Procedure for Buying Foreign Currency by Resident Legal Entities; Decision No. 484, dated May 30, 2005, of the government of the Republic of Moldova, on Regulating the Import of Goods Originating from Member Countries of the Stability Pact for Southeastern Europe.

Exports and Export Proceeds

Repatriation requirements

Proceeds from exports of goods must be repatriated to the exporter's accounts with authorized banks no later than one year from the issuance of the export customs declaration.

Financing requirements

No.

Documentation requirements

Other

Yes.

Export licenses

Export licenses apply to a limited list of activities considered important for health and security reasons.

Export taxes

No.

References to legal instruments and hyperlinks

Law No.1466-XIII, dated January 29, 1998, on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions; Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994; Law No. 451-XV, dated July 30, 2001, on Licensing of Some Activities.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Resident individuals may freely purchase foreign currency through authorized banks or foreign exchange bureaus.

Effective September 1, 2006, after unifying the types of foreign exchange accounts of resident natural persons, the following rules apply for the making of current payments and transfers abroad (in foreign and domestic currencies) by resident natural persons: (1) transfer abroad for the purpose of family expenses, as follows: (a) up to €1,000 (previously, \$500 without documentation, and with NBM approval, \$3,000), without the submission of documents confirming kinship; (b) from €1,000 to the equivalent of €10,000 on submission of documents confirming kinship; and (c) more than €10,000 on submission of documents confirming kinship and of documents confirming the necessity of making the payment or transfer by the individual in whose favor the transfer is made; (2) transfer abroad in the resident's name for the purpose of current expenses for the period of his or her temporary stay abroad: (a) up to €10,000, on submission of documents confirming the fact of temporary stay abroad; and (b) more than €10,000, on submission of documents confirming the fact of temporary stay abroad and documents confirming the necessity of making the payment or transfer by the individual in whose favor the transfer is made; (3) transfer abroad in the resident's name for the purpose of obtaining a study visa, on submission of a document confirming the admission of the respective individual at the education institution and the document or information confirming the necessity of depositing funds in his or her account abroad for the purpose of obtaining the study visa; and (4) payment or transfer in favor of a nonresident in the amount of up to €1,000, without the submission of supporting documents, unless otherwise provided for in the normative acts of the NBM. Transfers exceeding €1,000 require the submission of supporting documents.

Resident legal entities may purchase foreign currency and effect payments or transfers through authorized banks in favor of nonresidents for current international transactions up to the amounts shown in the supporting documents.

Services must be rendered by nonresidents to resident legal entities no later than one year from the date of the advance payment for the services. Rendered services must be equal in value to the amount paid for them. If services are not rendered by nonresidents to resident

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legal entities, any amount of advance payment must be repatriated no later than one year after the advance payment was made.

Nonresident natural persons may purchase foreign currency through authorized banks or foreign exchange bureaus freely. Nonresident legal entities may purchase foreign currency through authorized banks freely.

Effective September 1, 2006, nonresidents may make payments and transfers abroad in foreign or domestic currency on submission to the authorized bank of supporting documents (such as contracts, invoices, documents confirming kinship, etc.). Submission to the authorized bank of the above documents is not required in the following cases: (1) for legal entities, in case of (a) transfers in the name of the same account holder; (b) payments or transfers by diplomatic missions, consular offices, other official representation of foreign states, and the representation of international organizations located and accredited in the Republic of Moldova; and (c) payments or transfers by nonresident banks; and (2) for individuals, in the case of (a) transfer in their own name; and (b) payment or transfer in favor of an individual or legal entity in an amount not exceeding the equivalent of €1,000.

Trade-related payments

Indicative limits/bona fide test

Payments are permitted up to the amount set forth in the supporting documents.

Investment-related payments

After payment of all fiscal obligations, foreign investors may transfer abroad any funds obtained domestically as a result of their investment activities.

Effective September 1, 2006, the NBM must be notified of private loans from nonresidents (previously, these loans were registered by the NBM). Current payments related to these loans may be effected by residents on presentation of the certificates of notification.

Indicative limits/bona fide test

Payments are permitted up to the amount set forth in the supporting documents.

Payments for travel

Authorized banks may provide resident legal entities and representative offices of nonresident legal entities with foreign currency (cash and/or traveler's checks) for business travel expenses abroad up to €10,000 a month a representative office, along with the corresponding permission to export foreign currency, if requested. Transactions with amounts of currency exceeding this level must be effected through banks, in accordance with the regulations for making payments or transfers abroad.

Quantitative limits

Yes.

Indicative limits/bona fide test

Yes.

Personal payments

Indicative limits/bona fide test

Yes.

Foreign workers' wages

Indicative limits/bona fide test

Yes.

Credit card use abroad

International cards may be issued to individuals and legal entities against resident and nonresident accounts.

Effective September 1, 2006, international cards issued against leu or foreign exchange accounts of resident individuals may be used abroad up to €10,000 a month for cash withdrawal, as allowed under NBM regulations. International cards of resident individuals may be used abroad for payment at commercial entities (shops, hotels, gas stations, etc.) without quantitative limits.

Resident legal entities may make payments through international cards issued against their accounts (1) for business travel expenditures whereby, effective September 1, 2006, cash withdrawals are subject to a €10,000 limit a month; and (2) for some types of duties, taxes, and penalties related to payments for import of goods and services in favor of nonresidents. Cash withdrawals for such payments are not allowed.

Quantitative limits

Yes.

Indicative limits/bona fide test

Yes.

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Other payments

Indicative limits/bona fide test

Yes.

References to legal instruments and hyperlinks

Law No. 1466-XIII, dated January 29, 1998, on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions; Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); Law No. 81-XV, dated March 18, 2004, on Investments in Entrepreneurial Activity.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Proceeds received by residents from invisible transactions must be repatriated to Moldova unless a specific exemption has been granted by law.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

Law No. 1466-XIII, dated January 29, 1998, on Regulation of Repatriation of Funds, Goods, and Services Obtained from External Economic Transactions; Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994).

Capital Transactions

Controls on capital transactions

Approval from the NBM is required for the transfer of capital in monetary form to nonresidents. However, NBM regulations exempt certain monetary capital flows from approval or registration requirements. Effective September 1, 2006, notification of the NBM is required for capital flows from nonresidents in the form of commercial and financial credits and guarantees. Effective September 1, 2006, NBM approval is not required for the transfer of capital by residents if the transfer is performed on the account of the national public budget funds.

Effective September 1, 2006, resident legal entities are allowed to make transfers abroad without NBM approval, as a gift, donation, or gratuitous assistance in favor of nonresidents, up to €10,000.

Repatriation requirements

Proceeds received by residents from capital transactions must be repatriated to Moldova unless a specific exemption has been granted by law.

Controls on capital and money market instruments

Effective September 1, 2006, resident banks may purchase (in their portfolios) securities issued and guaranteed by the governments of OECD countries (previously, G-7 countries) without NBM approval. Issuance in Moldova of securities denominated in foreign currency is not permitted.

The procedures for purchases of state securities by foreign investors at auctions are similar to those applied in the case of local investors. A foreign investor may not possess more than 50% of state securities within a single international securities identification number (ISIN), whether obtained on the primary or the secondary market.

A noncompetitive bid submitted by an investor for state securities may not exceed MDL 300,000 at face value within a single ISIN number.

On capital market securities

Shares or other securities of a participating nature

Purchases or acquisition of more than 5% of the total value of the securities of an issuer—and each subsequent purchase or acquisition of 5%—must be reported to both the issuer and the National Securities Commission (NSC) within 10 days from purchase. A person who purchases directly or indirectly, independently or together with affiliated persons, a significant share of an open corporation's equity (that constitutes more than 25% of the corporation's shares with voting rights) must publish the relevant information in the mass media indicated in the corporation's statute, within 10 calendar days after acquisition. A compulsory tender offer is required (1) if a person, independently or together with affiliated persons, purchases more than 50% of an open corporation's total volume of shares with

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voting rights; (2) on purchase or sale of an issuer's securities by an insider, except in cases of inheritance and donation; and (3) on purchase by the issuer of the issuer's securities.

It is not permitted to submit a tender offer, purchase, sell, or negotiate the acquisition or selling of securities based on the tender offer, or advertise the relevant offer prior to its registration with the NSC.

A compulsory norm applies to the nominal holder to disclose information to the securities' issuer or registry holder, regarding the securities reflected in the holder's accounting, with the data indicating the owners of the securities and the number of securities held by them, as well as other data required by law. The purchase and sale of securities by insiders other than under the tender offer conditions are prohibited.

Sale or issue locally by nonresidents Foreign securities may be sold in Moldova only as Moldovan Depository Receipts (MDRs) issued by residents who are professional participants in the securities market, with registered capital of at least MDL 500,000. Issuance of MDRs requires registration with the NSC, subsequent to NBM approval, for the exportation of capital from Moldova.

Purchase abroad by residents NBM approval is required, except for the acquisition by banks of securities of a participating nature that represent less than 10% of the capital of a legal entity.

Sale or issue abroad by residents The NSC registers the securities issued by residents in Moldova and issues permits for securities to circulate outside the country.

Bonds or other debt securities

Sale or issue locally by nonresidents Regulations governing shares or other securities of a participating nature apply.

Purchase abroad by residents NBM approval is required.

Sale or issue abroad by residents The NSC registers the securities issued by residents in Moldova and issues permits for securities to circulate outside the country.

On money market instruments

Purchase locally by nonresidents

The procedures for purchasing state securities by foreign investors at auctions are similar to those applied to local investors. A foreign investor may not possess more than 50% of state securities within a single ISIN number, whether obtained on the primary or secondary market.

A noncompetitive bid submitted by the investor may not exceed MDL 300,000 at face value within a single ISIN number of state securities.

Sale or issue locally by nonresidents NBM approval is required.

Purchase abroad by residents NBM approval is required.

Sale or issue abroad by residents n.r.

On collective investment securities

Sale or issue locally by nonresidents NBM approval is required.

Purchase abroad by residents NBM approval is required.

Sale or issue abroad by residents n.r.

Controls on derivatives and other instruments

Acquisition by resident banks from nonresidents of financial derivatives (forwards, swaps, options, futures) with foreign currencies as the basic asset may be conducted without NBM approval.

Sale or issue locally by nonresidents NBM approval is required.

Purchase abroad by residents NBM approval is required.

Sale or issue abroad by residents The NSC registers the securities issued by residents in Moldova and issues permits for securities to circulate outside the country.

Controls on credit operations

Credit operations contracted or guaranteed by the government of Moldova are not subject to NBM approval or notification to the NBM.

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Commercial credits

By residents to nonresidents

NBM approval is not required for commercial borrowings or credits from residents to nonresidents.

To residents from nonresidents

Effective September 1, 2006, NBM notification is required for interest-bearing commercial loans or credits, except for factoring operations, if the nonresident factor assumes the risk of the debtor's insolvency. Previously, NBM registration was required, except for credits in the form of delivery of goods or rendering of services, or in the form of advance money transfers, for a period not exceeding 180 days when interest does not accrue.

Financial credits

By residents to nonresidents

Effective September 1, 2006, NBM approval is required, except for (1) interbank credits (for the purpose of a bank's liquidity management) with an initial repayment period of less than one year; and (2) financial leasing. Previously, NBM approval was required, except for government and overnight credits. Credits involving resident or nonresident nonentrepreneurial individuals were not allowed.

To residents from nonresidents

Effective September 1, 2006, NBM notification is required for financial loans or credits, except for (1) interbank credits (for the purpose of a bank's liquidity management) with an initial repayment period of less than one year; and (2) loans or credits received from nonresidents by using credit cards issued by nonresidents at a residents' request. Previously, NBM registration was required, except for financial credits received by the government or under government guarantees and overnight financial credits received by residents.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

Effective September 1, 2006, NBM approval is required for guarantees issued by a resident guarantor (other than an authorized bank) based on a transaction between two nonresidents. Previously, NBM approval was required for these transactions, except for (1) guarantees issued by the government and (2) guarantees issued by resident banks to nonresident beneficiaries against resident current transactions.

To residents from nonresidents

Effective September 1, 2006, NBM notification is required for guarantees issued by a nonresident guarantor based on a transaction between two residents. Previously, NBM registration was required, except for (1) guarantees received by the government, (2) guarantees issued by nonresidents with respect to transactions with residents when the beneficiary of the guarantee was a nonresident, and (3) guarantees issued by nonresidents with respect to transactions with nonresidents when the beneficiary of the guarantee was a resident.

Controls on direct investment

Outward direct investment

Effective September 1, 2006, NBM approval is no longer required for direct investment by resident individuals.

Controls on liquidation of direct investment

Foreign investors may transfer abroad funds obtained domestically as a result of liquidation of direct investment after having fulfilled all fiscal obligations.

Proceeds from the liquidation or sale of investments abroad must be repatriated to Moldova, except for proceeds that are reinvested abroad in investments not requiring NBM approval.

Controls on real estate transactions

Purchase abroad by residents

Effective September 1, 2006, the control on the purchase of real estate abroad by residents has been lifted. Previously, NBM approval was required for the purchase of real estate abroad, including rights to land or subsoil.

Purchase locally by nonresidents

Nonresidents are allowed to own property in Moldova, except for agricultural land and forests.

Sale locally by nonresidents

Agricultural land and forests inherited by nonresidents in accordance with Moldovan law must be sold only to resident individuals or legal entities.

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Controls on personal capital transactions

Loans

By residents to nonresidents

Effective September 1, 2006, these transactions are governed by the rules on commercial and financial loans. Previously, loans from residents to nonresidents were not allowed and loans to residents from nonresidents had to be registered.

To residents from nonresidents

Yes.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

Effective September 1, 2006, resident individuals may transfer abroad as gifts, donations, or gratuitous assistance without NBM approval up to €1,000 (previously, \$1,000 from type A foreign currency accounts and \$500 from type B accounts). Funds in the form of inheritances or legacies from residents to nonresidents may be transferred abroad without NBM approval.

Settlements of debts abroad by immigrants

Effective September 1, 2006, these transactions do not require NBM authorization.

Transfer of assets

Transfer abroad by emigrants

Effective September 1, 2006, emigrants may transfer money abroad without NBM approval.

Transfer of gambling and prize earnings

NBM approval is required for transfers from residents to nonresidents.

References to legal instruments and hyperlinks

Law No. 81-XV, dated March 18, 2004, on Investments in Entrepreneurial Activity; Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); Instruction on Performing Transfers of Capital in the Form of Investments (NBM Decision No. 186, dated July 29, 2004); Instruction on External Commitments (NBM Decision No. 185, dated July 13, 2006); Law No. 192-XIV, dated November 12, 1998, on the National Securities Commission; Law No. 459-XII, dated January 22, 1991, on Property; Law No. 1308-XIII, dated July 25, 1997, on Regulatory Price and Procedure for Selling-Purchasing of Land; Law No. 199-XVI, dated November 18, 1998, on the Securities Market.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Effective September 1, 2006, resident banks are permitted to purchase (for their portfolios) without NBM approval securities issued and guaranteed by the governments of OECD countries (previously, G-7 countries).

Acquisition by banks from nonresidents of financial derivatives (forwards, swaps, options, futures) with foreign currencies as the basic asset may be conducted without NBM approval. Effective September 1, 2006, resident banks are allowed to make real estate investments abroad without NBM approval. Effective January 12, 2006, amendments were passed to the regulation on equity investments of banks in legal entities to ensure the consolidated supervision of risks assumed by banks as a result of banks' investments in legal entities, by obliging banks to present financial reports of the legal entities in which banks hold 25% or more of the capital, as well as informing the NBM on the investments held in the capital of legal entities. Effective April 20, 2006, amendments were accepted to the recommendations on the internal control systems of banks in Moldova to ensure transparency in the banks' ownership structure and knowing the person who considerably influences banks' management and activity through determining the minimum list that has to be maintained by the banks of its direct and indirect owners. Effective July 13, 2006, recommendations on the country/transfer risk management system by the banks in Moldova were approved, which determine the fundamental principles related to internal policies and procedures of banks' risk management. Effective November 30, 2006, amendments were accepted to the regulation on holding significant interest in a bank, by extending the requirements for the presentation of information regarding the persons affiliated with the applicant wishing to hold a significant interest in banks' equity, as well as by determining the procedures of the presentation of the documents related to holding by the foreign bank of a significant interest

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	<p>in a bank in Moldova. Effective December 17, 2006, amendments were accepted to the regulation on publishing information on financial activity by authorized banks of Moldova to oblige banks to inform the public of the total exposure of a bank to affiliated persons; accounting policy; principal strategic directions of banks' activities; the conditions of credit extension to individuals; and information on the bank's management. Effective February 15, 2007, amendments were accepted to the regulation on the licensing of banks, to increase the information presented for obtaining a license.</p>
Borrowing abroad	<p>Effective September 1, 2006, the procedure of registration of commercial and financial credits and guarantees received by resident banks from nonresidents was changed to a procedure of notification to the NBM.</p> <p>Notification to the NBM is required for (1) financial loans or credits, except for interbank loans (for the purpose of managing bank liquidity) with an initial repayment period of less than one year; and (2) commercial loans or credits bearing interest, except for factoring operations in cases in which the nonresident factor assumes the risk for the debtor's insolvency.</p>
Maintenance of accounts abroad	<p>There are no controls on the opening and maintaining of FCAs abroad by banks holding types B and C banking licenses. Authorized banks may open accounts in lei with nonresident banks only with NBM approval.</p> <p>Authorized banks are prohibited from opening accounts in shell banks.</p>
Lending to nonresidents (financial or commercial credits)	<p>Effective September 1, 2006, NBM approval is required for financial loans or credits, except for (1) interbank credits (for the purpose of managing of bank liquidity) with an initial repayment period of less than one year; and (2) financial leasing. Granting loans to nonresident nonentrepreneurial individuals is allowed with NBM approval (previously, it was not allowed) according to the rules established for commercial and financial loans or credits.</p>
Lending locally in foreign exchange	<p>Banks holding types B or C licenses are allowed to extend foreign currency credits to (1) other resident banks; (2) resident legal entities and individuals engaged in entrepreneurial activities for settlements with nonresidents; (3) residents mentioned in item (2) from funds received in accordance with credit agreements between the government and nonresidents or between resident banks and international financial institutions; (4) residents mentioned in item (2) from funds under cofinancing programs, in accordance with credit agreements between the government and nonresidents or between resident banks and international financial institutions; (5) resident individuals for settlements with nonresidents for personal expenses such as education, medical treatment, and items for personal use; and (6) legal entities and individuals for reimbursing credits in foreign exchange from another resident bank received for the purpose of settlement with nonresidents.</p>
Purchase of locally issued securities denominated in foreign exchange	<p>Securities denominated in foreign exchange are not issued in the country.</p>
Differential treatment of deposit accounts in foreign exchange	<p>Banking regulations do not provide for separate accounts in foreign exchange; banks, however, perform separate accounting for each currency.</p>
Differential treatment of deposit accounts held by nonresidents	<p>Banking regulations do not provide for separate accounts for nonresidents; banks, however, perform separate accounting for nonresidents.</p>
Investment regulations	<p>The significant interest of a bank in a legal entity for which NBM approval is required is 5% of the equity or of the voting rights.</p>
<i>Abroad by banks</i>	<p>NBM approval is required.</p>
<i>In banks by nonresidents</i>	<p>Written NBM approval is required in order to transfer any equity interest in a bank that represents a 5%, 25%, 33%, or 50% share of the aggregate capital of the bank. Previously, the lowest limit was 10%.</p> <p>The sum of all interests in a bank's equity whose direct or indirect owners are residents of offshore countries and/or zones and/or any group of persons acting together that includes a person from the offshore countries and/or zones, may not exceed 5%.</p>
Open foreign exchange position limits	<p>Foreign currency assets may not exceed 125% or be less than 75% of foreign currency liabilities in balance sheets. The open long or short exchange position limit for each currency may not exceed or be less than 10% of aggregate capital, respectively. The open long or</p>

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short foreign exchange position limit for all currencies may not exceed or be less than 20% of aggregate capital, respectively.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Yes.

Limits (max.) on investment portfolio held abroad

The use of insurance reserves for stock exchange and financial activities is prohibited.

Limits (min.) on investment portfolio held locally

Securities issued by residents of Moldova registered with the NSC and allowed for circulation on the stock market may represent up to 40% of the total technical reserves of an insurer.

Pension funds

n.a.

Investment firms and collective investment funds

According to procedures for the admission of foreign securities to the Moldova securities market, the issuer of MDRs has the right to issue MDRs only in the amount that represents the equivalent of foreign securities of which the issuer is the nominal holder, and for the admission of which the issuer has obtained the permission of the NSC and of the NBM. The amount of MDRs issued (taking into consideration the MDR issues previously registered by this issuer) should not exceed the amount of net assets according to the latest balance sheet multiplied by four.

Limits (max.) on securities issued by nonresidents

Yes.

Limits (max.) on investment portfolio held abroad

n.a.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

References to legal instruments and hyperlinks

Regulation on Foreign Exchange in the Territory of the Republic of Moldova (NBM Decision No. 2, dated January 13, 1994); Instruction on Performing Transfers of Capital in the Form of Investments (NBM Decision No. 186, dated July 29, 2004); Instruction on External Commitments (NBM Decision No. 185, dated July 13, 2006); Instruction on Opening Accounts Abroad (NBM Decision No. 279, dated November 13, 2003); Instruction No. 8/1001 on Extension of Credits in Foreign Currency (NBM Decision No. 8, dated February 2, 1996); Law No. 407-XVI, dated December 21, 2006, on Insurance; Order No. 34, dated March 9, 2006, of the State Inspectorate for Insurance and Non-State Pension Funds Supervision on Approval of the Rules of Placement of Insurance Reserves and Funds; Law No. 550-XIII, dated July 21, 1995, on Financial Institutions; Regulation on Banks' Open Foreign Exchange Position (NBM Decision No. 126, dated November 28, 1997); Regulation No. 42/09-01, on Holding Significant Interest in a Bank (Minutes No. 53 of the NBM Administrative Council, dated November 29, 1996); Regulation on Equity Investments of Banks in Legal Entities (NBM Decision No. 81, dated April 9, 1998).

Changes during 2006

Arrangements for payments and receipts

July 7. The limit on imports of domestic currency by natural persons was lifted.

July 7. Resident and nonresident individuals have the right to export when departing from Moldova (1) domestic currency cash and checks, as well as cash and traveler's checks in foreign currency, up to the equivalent of €10,000 an individual without the submission to customs authorities of justifying documents; and (2) domestic currency cash and checks, as well as cash and traveler's checks in foreign currency, up to the equivalent of €50,000 an individual by submitting to customs authorities the following justifying documents: (a)

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customs documents confirming the import of currency into Moldova; and/or (b) export permissions, issued, according to the NBM normative acts, by authorized banks or by the NBM. Previously, up to MDL 7,000 could be imported or exported without declaration.

If the total amount exported exceeds the equivalent of €10,000, residents and nonresidents must declare it to the customs authorities.

December 19. Moldova signed the CEFTA agreement.

Resident accounts

September 1. The requirement to submit a customs declaration confirming the import of currency into the Republic of Moldova or funds export permissions, issued by authorized banks or the NBM on depositing of cash and traveler's checks in residents' foreign exchange accounts was lifted.

September 1. Resident foreign exchange accounts were changed to a single foreign currency account from two types (A and B) of foreign currency accounts.

September 1. Cash may be deposited into and withdrawn from resident individuals' foreign exchange accounts without restrictions.

September 1. Residents may open foreign exchange accounts and domestic currency accounts abroad without NBM permission (1) for making direct investments and real estate investments, if the opening of such accounts is compulsory under the legislation of the concerned foreign state; and (2) resident public institutions for making operations abroad on the account of the national public budget fund.

Nonresident accounts

September 1. Cash may be deposited into and withdrawn from nonresident individuals' foreign exchange accounts without restrictions.

Imports and import payments

December 19. Moldova signed the CEFTA, which took effect May 1, 2007, and replaced existing agreements on free trade within the Stability Pact.

Payments for invisible transactions and current transfers

September 1. Nonresidents may make payments and transfers abroad of domestic and foreign currency on submission of supporting documents. These documents are not required in the following cases: (1) for legal entities, in the case of (a) transfers in the name of the same account holder; (b) payments or transfers by diplomatic missions, consular offices, other official representation of foreign states, and the representation of international organizations located and accredited in the Republic of Moldova; and (c) payments or transfers by nonresident banks; and (2) for individuals, in the case of (a) transfer in their own name; and (b) payment or transfer in favor of an individual or legal entity in an amount not exceeding the equivalent of €1,000.

September 1. The NBM must be notified of private loans from nonresidents (previously, these loans were registered by the NBM). Current payments related to these loans may be effected by residents on presentation of the certificates of notification.

September 1. International cards issued against leu or foreign exchange accounts of resident individuals may be used abroad up to €10,000 a month for cash withdrawal, as allowed under NBM regulations.

September 1. Cash withdrawals abroad for business travel by resident legal entities are limited to €10,000 a month.

September 1. Residents may make the following payments and transfers abroad: (1) for the purpose of family expenses, as follows: (a) up to €1,000 (previously, \$500 without documentation and with NBM approval, \$3,000) without the submission of documents confirming kinship; (b) from €1,000 to the equivalent of €10,000 on submission of documents confirming kinship; (c) more than €10,000 on submission of documents confirming kinship, and of documents confirming the necessity of making the payment or transfer by the individual in whose favor the transfer is made; (2) in the resident's name for the purpose of current expenses for the period of his or her temporary stay abroad: (a) up to €10,000, on submission of documents confirming the fact of temporary stay abroad; (b) more than €10,000, on submission of documents confirming the fact of temporary stay abroad and documents confirming the necessity of making the payment or transfer by the individual in whose favor the transfer is made; (3) in a resident's name for the purpose of obtaining a study visa, on submission of a document confirming the admission of the respective individual at the education institution and the document or information confirming the necessity of depositing funds in his or her account abroad for the purpose of

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	<p>obtaining the study visa; and (4) in favor of a nonresident, in the amount of up to €1,000, without the submission of supporting documents, unless otherwise provided for in the normative acts of the NBM. Transfers exceeding €1,000 require the submission of supporting documents.</p>
Capital transactions	<p><i>September 1.</i> NBM approval is not required for the transfer of capital by residents if the transfer is performed on the account of the national public budget funds.</p> <p><i>September 1.</i> Notification of the NBM is required for capital flows from nonresidents in the form of commercial and financial credits and guarantees.</p> <p>Resident legal entities are allowed to make transfers abroad without NBM approval, as a gift, donation, or gratuitous assistance in favor of nonresidents, up to €10,000.</p>
Controls on capital and money market instruments	<p><i>September 1.</i> Amendments to the Instruction on Performing Transfers of Capital in the Form of Investments extended the right of commercial banks to purchase securities issued and guaranteed by the governments of OECD countries (previously, G-7 countries).</p> <p><i>September 1.</i> Resident banks may purchase (in their portfolios) securities issued and guaranteed by the governments of OECD countries (previously, G-7 countries) without NBM approval.</p>
Controls on credit operations	<p><i>September 1.</i> NBM approval is not required for financial credits granted by residents to nonresidents for (1) interbank credits (for the purpose of a bank's liquidity management) with an initial repayment period of less than one year; and (2) financial leasing.</p> <p><i>September 1.</i> NBM notification is not required for financial credits granted by nonresidents to residents for (1) interbank credits (for the purpose of a bank's liquidity management) with an initial repayment period of less than one year; and (2) loans or credits received from nonresidents by using credit cards issued by nonresidents at a residents' request.</p> <p><i>September 1.</i> NBM approval is required for guarantees issued by a resident guarantor (other than an authorized bank) based on a transaction between two nonresidents.</p> <p><i>September 1.</i> NBM notification is required in the case of guarantees issued by a nonresident guarantor based on a transaction between two residents.</p> <p><i>September 1.</i> NBM notification is required for interest-bearing commercial loans or credits to be accepted by residents from nonresidents, except for factoring operations, if the nonresident factor assumes the risk of the debtor's insolvency.</p> <p><i>September 1.</i> Granting loans to nonresident nonentrepreneurial individuals is allowed with NBM approval (previously, it was not allowed) according to the rules established for commercial and financial loans or credits.</p>
Controls on direct investment	<p><i>September 1.</i> All residents may make direct investments abroad without NBM approval.</p>
Controls on real estate transactions	<p><i>September 1.</i> The requirement of NBM approval for purchase of real estate abroad by residents was lifted.</p>
Controls on personal capital transactions	<p><i>September 1.</i> Loans by residents to nonresidents and from nonresidents to residents are subject to the same rules as commercial and financial loans.</p> <p><i>September 1.</i> Residents may transfer abroad as gifts, donations, or gratuitous assistance up to €1,000 without NBM approval (previously, \$1,000 from type A foreign currency accounts and \$500 from type B accounts).</p> <p><i>September 1.</i> Settlement of debt abroad by immigrants is not subject to NBM approval.</p> <p><i>September 1.</i> Emigrants are allowed to transfer money abroad without NBM approval.</p>
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<p><i>January 12.</i> Amendments were passed to the regulation on equity investments of banks in legal entities to ensure the consolidated supervision of risks assumed by banks as a result of banks' investments in legal entities, by obliging banks to present financial reports of the legal entities in which banks hold 25% or more of the capital, as well as informing the NBM of the investments held in the capital of legal entities.</p>

MOLDOVA

April 20. Amendments were accepted to the recommendations on the internal control systems of banks in Moldova to ensure transparency in the banks' ownership structure and knowing the person who considerably influences banks' management and activity through determining the minimum list that has to be maintained by the banks of its direct and indirect owners.

July 13. Recommendations on the country/transfer risk management system by the banks in Moldova were approved, which determine the fundamental principles related to internal policies and procedures of banks' risk management.

September 1. Resident banks were allowed to make real estate investments abroad without NBM approval.

September 1. Amendments to the Instruction on Performing Transfers of Capital in the Form of Investments extended the right of the commercial banks to purchase securities issued and guaranteed by the governments of OECD countries (previously, G-7 countries).

September 1. The procedure of registration of commercial and financial credits received by resident banks from nonresidents was changed to a procedure of notification of such transactions to the NBM.

September 1. Granting loans to nonresident nonentrepreneurial individuals is allowed with NBM approval (previously, it was not allowed) according to the rules established for commercial and financial loans or credits.

November 30. Amendments were accepted to the regulation on holding significant interest in a bank, by extending the requirements for presentation of information regarding the persons affiliated with the applicant wishing to hold a significant interest in banks' equity, as well as by determining the procedures of the presentation of the documents related to holding by the foreign bank of a significant interest in a bank in Moldova.

December 17. Amendments were accepted to the regulation on publishing information on financial activity by authorized banks of Moldova to oblige banks to inform the public of the total exposure of a bank to affiliated persons; accounting policy; principal strategic directions of banks' activities; the conditions for credit extension to individuals; and information on the bank's management.

Changes during 2007

Arrangements for payments and receipts

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

May 1. Moldova became a member of the CEFTA.

February 15. Amendments were accepted to the regulation on the licensing of banks, to increase the information presented for obtaining a license.

MONGOLIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: February 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Restrictions are imposed on certain transactions with the former Republic of Serbia and Montenegro.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of Mongolia is the Mongolian togrog.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement

The official (reference) exchange rate of the togrog against the dollar is set daily by the Bank of Mongolia (BOM) as the daily average of the buying and selling rates of transactions among participants in the interbank foreign exchange market. The BOM reserves the right to intervene in the foreign exchange market using the dollar as the principal intervention currency. Effective June 1, 2006, reflecting the stability of the togrog exchange rate owing to BOM interventions, the de facto exchange rate arrangement of Mongolia was reclassified to a conventional pegged arrangement from managed floating with no predetermined path for the exchange rate.

The official exchange rate is applied to customs valuation and public sector imports and service payments, including debt service, and to trade and service transactions conducted under bilateral payments arrangements. All other transactions, including sales of retained foreign exchange by public sector enterprises, take place through the interbank market. Exchange rates for other convertible currencies are calculated on the basis of the cross rates against the dollar in international markets.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Banks are granted a supplementary foreign exchange settlement license from the BOM for engaging in forward exchange transactions.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Within the territory of Mongolia, all settlements, advertisements, setting of prices, and tariffs must be made in togrogs.

Controls on the use of domestic currency n.a.

MONGOLIA

Use of foreign exchange among residents	Yes.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	There are outstanding balances under the clearing arrangement with the Russian Federation and under bilateral trade arrangements with the Islamic Republic of Afghanistan, China, the Republic of Montenegro, and the Republic of Serbia.
Clearing agreements	Mongolia maintains a bilateral clearing agreement with the Democratic People's Republic of Korea.
Administration of control	International transactions are governed by the Foreign Exchange Law.
Payments arrears	
Official	Some arrears are still owed to Bulgaria, China, Romania, and the Russian Federation.
Controls on trade in gold (coins and/or bullion)	
On external trade	Effective July 31, 2006, gold mining companies do not have to register their gold exports with the BOM or a commercial bank.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exportation of domestic banknotes is prohibited.
<i>Foreign currency</i>	The source of foreign currency must be documented.
On imports	
<i>Domestic currency</i>	Importation of domestic banknotes is prohibited.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Accounts may be held at authorized banks; they may be credited with retained export earnings and foreign exchange transferred from abroad, and the balances may be used for any purpose without restriction.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Inclusion in the State Registry is required.
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MONGOLIA

Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Imports of drugs, alcohol, materials that encourage or depict violence or pornography, and items that could cause environmental damage are banned.
Open general licenses	A special permit is required for imports of historical artifacts, precious metals, weapons, radioactive materials, ferrous and nonferrous metals, and goods and services requiring licenses under international contracts and agreements.
Other nontariff measures	Yes.
Import taxes and/or tariffs	A uniform import duty of 5% applies. Effective January 1, 2007, a uniform VAT of 10% (previously, 15%) is levied on imports of most goods. Specific excise taxes are levied on imports of alcohol, cigarettes, tobacco and tobacco products, passenger cars, and petroleum products.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	A special permit is required for exports of historical artifacts, precious metals, weapons, radioactive materials, ferrous and nonferrous metals, and goods and services requiring licenses under international contracts and agreements.
With quotas	Yes.
Export taxes	Export taxes apply to the export of nonferrous and scrap metals, raw cashmere, raw camel wool, and lumber and other wood products.
Other export taxes	Yes.
References to legal instruments and hyperlinks	n.a.

MONGOLIA

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Securities may be issued only by government institutions on the approval of the Great Hural or by companies registered in Mongolia.

It is prohibited to lend securities. Any person owning 5% or more of the total shares of any company must report that information to the Securities Committee of the Great Hural within five days after acquisition. Any person who intends to own, directly or indirectly, 20% or more of the total shares of any company must make a tender in accordance with the Securities Law of Mongolia.

Sale or issue locally by nonresidents

The issue of capital market securities is prohibited.

Bonds or other debt securities

Purchase locally by nonresidents

Registration with the Mongolian Stock Exchange is required.

Sale or issue locally by nonresidents

n.r.

Purchase abroad by residents

n.r.

Sale or issue abroad by residents

n.r.

On money market instruments

Sale or issue locally by nonresidents

The issue of money market instruments is prohibited.

On collective investment securities

Sale or issue locally by nonresidents

The issue of collective investment securities is prohibited.

Controls on derivatives and other instruments

Sale or issue locally by nonresidents

The issue of derivatives and other instruments is prohibited.

MONGOLIA

Controls on credit operations

Commercial credits

By residents to nonresidents Registration with the MOF is required.

To residents from nonresidents Registration with the BOM is required.

Financial credits

By residents to nonresidents Registration with the MOF is required.

To residents from nonresidents Registration with the BOM is required.

Controls on direct investment

Outward direct investment n.r.

Inward direct investment Investment by private corporations is encouraged, particularly in projects involving export promotion, the use of advanced technology, and the exploitation of natural resources. Effective January 1, 2007, the base rate of the profit tax is 10%, and a 25% income tax is levied on companies with revenue of Tug 3 billion or more. Previously, the maximum profit tax rate was 30%, and foreign investors were exempt from the tax for 5 to 10 years, depending on the sector and export performance. Any person who intends to own, directly or indirectly, 20% or more of the total shares of any company must make a tender in accordance with the Securities Law of Mongolia.

Effective, January 1, 2007, tax holidays for new foreign investors are eliminated.

Controls on liquidation of direct investment No.

Controls on real estate transactions

Purchase abroad by residents Inclusion in the State Real Estate Registry is required.

Purchase locally by nonresidents Inclusion in the State Real Estate Registry is required.

Controls on personal capital transactions

Loans Registration with the BOM and the MOF is required.

Gifts, endowments, inheritances, and legacies Gifts, endowments, inheritances, and legacies involving antiques must be registered with the appropriate state administrative authority.

By residents to nonresidents Yes.

To residents from nonresidents n.r.

Settlements of debts abroad by immigrants n.a.

Transfer of assets n.a.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Registration with the BOM is required.

Maintenance of accounts abroad BOM permission is required.

Lending to nonresidents (financial or commercial credits) Banks are required to obtain a supplementary foreign exchange settlement license to engage in these transactions.

Lending locally in foreign exchange Yes.

MONGOLIA

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

There is a 50% cap on the share of the reserve requirement that may be met by cash in vault, and on the symmetrical treatment of domestic and foreign currency deposits in meeting reserve requirements.

Investment regulations

Abroad by banks

Banks are required to obtain a supplementary foreign exchange settlement license to engage in these transactions.

Open foreign exchange position limits

The limits are 15% of capital base for the net position in a single currency and 40% of capital base for the total net position in all currencies.

Provisions specific to institutional investors

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange arrangement

June 1. The exchange rate arrangement was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.

Arrangements for payments and receipts

July 31. Gold mining companies were not required to register their exports with the BOM or a commercial bank.

Changes during 2007

Imports and import payments

January 1. The VAT levied on imports of most goods was reduced to 10% from 15%.

Capital transactions

Controls on direct investment

January 1. Tax holidays for new foreign investors were eliminated.

January 1. The base rate of the profit tax was set at 10%, and a 25% income tax was levied on companies with revenue of Tog 3 billion or more. Previously, the maximum profit tax rate was 30%.

REPUBLIC OF MONTENEGRO

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: January 18, 2007.

Exchange Measures

Restrictions and/or multiple currency practices As of December 31, 2006, Montenegro was not a member of the Fund.

International security restrictions

Other security restrictions As a member of the UN, Montenegro observes and implements all mandatory measures of UN resolutions.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The euro is legal tender in the Republic of Montenegro.

Exchange rate structure Unitary.

Classification

Exchange arrangement with no separate legal tender The euro circulates as legal tender.

Exchange tax No.

Exchange subsidy No.

Forward exchange market A forward exchange market does not exist in the Republic of Montenegro, but there are no restrictions on forward deals by residents abroad.

Official cover of forward operations n.a.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements No.

Administration of control The Central Bank of Montenegro (CBOM), which is not an issuing bank, prescribes prudential rules on the operations of dealers and banks in foreign exchange transactions and sets limits on their foreign exchange positions.

Payments arrears n.a.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes The export and import of cash exceeding €2,000 must be reported to customs by residents and nonresidents.

On exports Yes.

REPUBLIC OF MONTENEGRO

On imports Yes.
References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.
Held domestically Government agencies and organizations may hold foreign exchange accounts with the CBOM or with commercial banks.
Held abroad Residents may hold foreign exchange accounts abroad.
Accounts in domestic currency held abroad Residents may hold euro accounts abroad without approval.
Accounts in domestic currency convertible into foreign currency Accounts denominated in euros are freely convertible into other currencies.
References to legal instruments and hyperlinks Law on Capital and Financial Transactions (Official Gazette of the Republic of Montenegro No. 45/05).

Nonresident Accounts

Foreign exchange accounts permitted Nonresident natural and juridical persons may hold foreign exchange accounts with authorized banks in the form of demand and time deposits. Deposits may be held in currencies traded on the domestic foreign exchange market. Deposits to foreign currency accounts may be made with transfers or, in certain cases, with cash.
Citizens of Montenegro who have resided abroad for more than six months are considered nonresidents.
Domestic currency accounts Nonresidents may hold domestic currency in their accounts with authorized banks in the form of sight deposits and time deposits.
Nonresidents may deposit domestic currency acquired through authorized transactions in accounts with authorized banks.
Convertible into foreign currency Yes.
Blocked accounts No.
References to legal instruments and hyperlinks Law on Capital and Financial Transactions (Official Gazette of the Republic of Montenegro No. 45/05).

Imports and Import Payments

Foreign exchange budget No.
Financing requirements for imports
Minimum financing requirements Payments for imports of goods and services are free of restrictions, provided documentary proof is submitted.
Documentation requirements for release of foreign exchange for imports
Domiciliation requirement Payments for imports may be effected through authorized banks and in cash. Residents are obligated to provide the bank with the standard import documentation.
Preshipment inspection Yes.

REPUBLIC OF MONTENEGRO

Import licenses and other nontariff measures	<p>Licenses are required for armaments (including firearms, sport and hunting arms, and ammunition), explosives and raw materials used in explosives, military equipment, certain precious metals, addictive drugs, and goods that are subject to international agreements. The regime of licenses consists of 180 items, or 1.75% of the total number of items in the customs tariff (i.e., 98.25% of goods belong to the free import regime).</p> <p>Licenses for export, import, and transit of goods that are subject to international agreements are issued by the appropriate government agency, a list of which is annexed to the control list. The goods include narcotics; precursors; ozone-layer-damaging substances; dangerous waste; endangered plant and animal species; and protected rare, thinned, endemic, and endangered plant and animal species.</p>
Positive list	An estimated 97.34% of all tariff items may be imported freely. Goods not on the control list are free to be imported and exported.
Negative list	Imports of used vehicles that do not comply with EU standards and hazardous waste materials are prohibited. Used motor vehicles may be imported if they satisfy traffic security, human environment protection, and human health conditions. Dangerous waste material imports are prohibited.
Licenses with quotas	<p>The government does not issue specific licenses with value or volume quotas. Certain kinds of goods originating in the former Yugoslav Republic of Macedonia are quantitatively restricted, according to the type of license; these restrictions are set out in the trade agreement signed between the two countries.</p> <p>Import licensing requirements and quotas apply to specific steel products. Quotas defined for Albania, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, and Romania in the agreements on free trade signed in the Stability Pact apply in Montenegro. The quotas are not defined for contracts with Bosnia and Herzegovina and Moldova. A new agreement with the former Yugoslav Republic of Macedonia, which took effect in 2006, does not have defined quotas.</p>
Other nontariff measures	All export and import quotas have been eliminated in the Republic of Serbia and the Republic of Montenegro in accordance with an agreement between the two republics for harmonizing their trade, customs, and indirect tax regimes.
Import taxes and/or tariffs	The import tariff schedule has a maximum import duty of 30% and a simple average rate of under 10%. The Law on Customs Tariff defines customs duty payments for import of goods at a rate that does not exceed 30%. The average tariff rate is 6.17%.
State import monopoly	No.
References to legal instruments and hyperlinks	Law on Customs Tariff HS 2002 (Official Gazette of the Republic of Montenegro No. 75/05).

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	
Preshipment inspection	Yes.
Export licenses	Of the 10,268 tariff items, the free export regime applies to 10,010 items (or 97.49%). After the new Law on Customs Tariff, which includes 10,290 items, was adopted, and according to the new control list, the license regime consists of 84 items or 0.8% of the total number of customs tariff items (i.e., 99.2% of goods belong to the free export regime).
Without quotas	A new control list will be adopted. Licenses for export will be introduced when necessary for the protection of national, artistic, cultural, historical, and archeological treasures; endangered plant and animal species; national security; the environment or natural resources; and intellectual property rights; or for implementation of special rules on trade in gold and silver.
Export taxes	No.

REPUBLIC OF MONTENEGRO

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Documentary requirements must be satisfied. Natural persons are permitted to make payments for current transactions, including imports of goods and services that are permitted by law. No limits apply, but amounts exceeding €15,000 require a declaration of source and purpose.
Foreign workers' wages	These transactions may be made freely after payment of the appropriate taxes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Decision on Prescribed Amount of Cash That Can Be Transferred in and out of the Republic of Montenegro without Reporting (Official Gazette of the Republic of Montenegro No. 58/05); Law on the Prevention of Money Laundering and Terrorism Financing (Official Gazette of the Republic of Montenegro Nos. 55/03, 58/03, and 17/05).

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Law on Foreign Investments (Official Gazette of the Republic of Montenegro No. 52/00).

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	The Securities Commission controls the issue and supervises trading on the capital market.
<i>Shares or other securities of a participating nature</i>	Yes.
<i>Bonds or other debt securities</i>	Yes.
On money market instruments	Although the MOF has been issuing treasury bills, and the necessary infrastructure for trading operations and clearance is in place, the secondary market is not yet developed.
Controls on derivatives and other instruments	Derivatives are governed by the Law on Securities, which does not discriminate between resident and nonresident issuers, buyers, and sellers.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	A nonresident seeking to acquire real estate must prove to the appropriate public authority that the real estate acquired is necessary for the nonresident to do business in the territory

REPUBLIC OF MONTENEGRO

	of Montenegro. Purchases of real estate determined to be restricted (such as national parks, border areas, etc.) are prohibited.
Sale locally by nonresidents	Proceeds from these transactions may be transferred abroad freely, provided tax liabilities have been settled.
Controls on personal capital transactions	There are no controls on these transactions.
References to legal instruments and hyperlinks	Law on Securities (Official Gazette of the Republic of Montenegro Nos. 59/00, 10/01); Law on Capital and Financial Transactions (Official Gazette of the Republic of Montenegro No. 45/05); Law on Foreign investments (Official Gazette of the Republic of Montenegro No. 52/00).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

The reserve requirements for accounts denominated in euros or in other foreign currency are 19% and 5%, respectively.

Liquid asset requirements

n.a.

Credit controls

Credit controls apply only for the management of risk.

Provisions specific to institutional investors

Insurance companies

n.r.

Pension funds

Limits (max.) on securities issued by nonresidents

n.r.

Limits (max.) on investment portfolio held abroad

n.r.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

Investment firms and collective investment funds

n.r.

References to legal instruments and hyperlinks

n.a.

REPUBLIC OF MONTENEGRO

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Status under IMF articles of agreement

January 18. The Republic of Montenegro became an IMF member and accepted the obligations of Article VIII Sections 2, 3, and 4, of the IMF Articles of Agreement.

MOROCCO

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: January 21, 1993.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) In accordance with the relevant UN Security Council resolutions, prior authorization from the Foreign Exchange Office (FEO) is required to conduct financial transactions with nonresident individuals or entities with suspected links to terrorism.

Other security restrictions Morocco maintains restrictions against certain countries pursuant to UN Security Council resolutions.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Morocco is the Moroccan dirham.

Other legal tender Commemorative gold coins with a face value of DH 250 and DH 500 and commemorative silver coins with a face value of DH 50, DH 100, DH 150, and DH 200 are also legal tender.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Bank Al-Maghrib (BAM)—the central bank—intervenes continuously in the market during the day by setting the buying and selling rates applicable to its operations with banks, based on a basket of currencies weighted in accordance with the geographic distribution of Morocco's foreign trade and the pattern of currencies of settlement. This quotation system is also based on the observance of the cross exchange rates in the international market. For exchange operations with customers, banks may not exceed the rate limits set by the BAM. Banks charge a commission of 0.2% on their foreign exchange transactions with customers.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Banks may provide forward exchange contracts for commercial and financial operations for periods of up to 12 months. They may also open foreign exchange options to economic operators as a hedge against exchange rate risks.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements All transactions between Morocco and foreign countries—regardless of the type of transaction—must be settled in foreign currencies that are quoted by the BAM or in convertible dirhams.

Controls on the use of domestic currency Controls apply to the use of domestic currency for current and capital transactions and payments.

MOROCCO

Use of foreign exchange among residents	Transactions among residents in Morocco must be denominated and settled in domestic currency.
Payments arrangements	
Regional arrangements	A regional payments arrangement among the CBs of Algeria, Libya, Mauritania, Morocco, and Tunisia governs payment operations among those countries. Effective August 18, 2006, economic operators may settle their transactions either within the framework of these arrangements or by following normal procedures.
Administration of control	Exchange control is administered by the FEO, an agency under the MOF. This office has delegated the execution of the main exchange control measures to authorized banks. Import and export licenses, which are required for some products, are issued by the Department of Foreign Trade (DFT).
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents may purchase, hold, and sell gold coins in Morocco for numismatic or investment purposes. Ten different types of foreign gold coins are traded on the Casablanca Stock Exchange, which does not, however, deal in gold bars.
On external trade	Imports of gold are subject to authorization from the Customs and Indirect Taxes Administration. The MOF fixes annually a quota for the importation of gold ingots. The quota is then allocated among jewelers and industrial users of precious metals. Exports of gold are also regulated.
Controls on exports and imports of banknotes	Effective December 1, 2006, a new regulatory framework for manual foreign exchange operations was established governing foreign currency banknote buying and selling operations and spelling out the terms to be met by entities carrying out these operations: (1) creation of foreign exchange bureaus dealing exclusively with manual foreign exchange business; those involved must be legal entities with a minimum capital of DH 500,000; (2) authorization for intermediation corporations involved in the cash transfer business to engage in manual foreign exchange along with their cash transfer activities; and (3) redefinition of the system of subdelegations in the area of manual foreign exchange, limiting engagement in this business to institutions related to the tourism sector. Foreign exchange bureaus and cash transfer corporations are authorized to buy, in exchange for domestic currency, foreign banknotes and/or foreign-currency-denominated traveler's checks, and to sell for cash, in exchange for domestic currency, foreign banknotes or traveler's checks, as part of the allowance for tourists and the allowances for missions and internships abroad undertaken by personnel of central and local governments and of public institutions and enterprises. Subdelegated institutions may engage solely in the purchase of foreign-currency-denominated banknotes and traveler's checks in exchange for dirhams, on behalf of an authorized intermediary of their choice.
On exports	
<i>Domestic currency</i>	The exportation of domestic banknotes is subject to authorization. However, authorized intermediary banks may export dirham-denominated banknotes to the Tangiers free export zone, subject to an export declaration. The dirhams must be drawn from convertible dirham accounts of operators in the free export zone and used solely for payments to residents for the following expenditures: wages and other wage-earner remuneration up to any amount, transportation, repairs, work, and supplies of products from the territory covered, in sums of up to DH 3,000 an operation and subject to an annual ceiling of DH 120,000 an operator.
<i>Foreign currency</i>	Foreign and Moroccan nonresidents may export foreign banknotes debited from their foreign exchange or convertible dirham accounts, or previously imported. Foreign nationals visiting Morocco are permitted to repurchase foreign exchange on presentation of receipts indicating the amount of the original conversion of foreign exchange into dirhams. Residents may also export foreign banknotes within the limits specified in foreign exchange regulations.
On imports	
<i>Domestic currency</i>	The importation of domestic banknotes is subject to authorization.

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Foreign currency

Nonresident travelers may bring in unlimited amounts of foreign banknotes, traveler's checks, and other means of payment denominated in foreign exchange. If nonresidents wish to take out some or all of the foreign exchange they are importing, a customs declaration is necessary for amounts in excess of the equivalent of DH 50,000. Resident travelers may also import unlimited amounts of foreign banknotes or any other means of payment denominated in foreign exchange, but must surrender them for dirhams within 30 days of their return to Morocco. Foreign exchange banknotes may be brought into the country without a customs declaration.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Two types of accounts may be opened.

(1) Foreign resident individuals and corporations may open foreign exchange accounts in Moroccan banks without limitation. These accounts may be credited with transfers from abroad, any foreign-exchange-denominated means of payment (e.g., banknotes or traveler's checks), or foreign currency that was withdrawn from a Moroccan bank in accordance with current foreign exchange regulations. They may be debited for transfers abroad or for purchases of dirhams for all domestic settlements. There are no restrictions on the rate of interest payable on the accounts or on transfers between foreign exchange accounts or between these accounts and convertible dirham accounts. Authorized banks may issue international credit cards to holders of these accounts. Overdrafts on these accounts are not permitted.

(2) Moroccan exporters of goods and services holding a convertible export promotion account (CCPEX) may open foreign exchange accounts; those without a CCPEX must obtain prior approval from the FEO. Up to 20% of foreign exchange receipts from exports may be credited to these accounts (deep sea fishing companies may credit up to 25%), and the remainder must be sold to Moroccan banks. Exporters' foreign exchange accounts may also be credited without restriction with proceeds (principal and interest) from financial investments made from these accounts and with transfers from other foreign exchange accounts held by the same account holder. These accounts may be debited for payment of business expenses, as provided for in the exchange regulations; for investments in authorized banks; for subscribing to bonds issued by the Moroccan Treasury; to credit another foreign exchange account or a CCPEX held in the name of the same account holder; and for the surrender of foreign exchange to banks. Authorized banks may issue international credit cards to holders of these accounts. Overdrafts on these accounts are not permitted.

Effective March 1, 2007, authorized banks may open foreign currency accounts for insurance and reinsurance companies and make transfers related to foreign deposit, investment, and placement operations. Effective March 21, 2007, authorized banks may open foreign currency accounts to allow traders to improve their management of international trade operations while avoiding exchange rate fluctuations and the commissions and fees related to foreign currency buying and selling operations.

Approval required

Approval is not required for resident foreign nationals.

Held abroad

Yes.

Approval required

Approval is not required for foreign residents.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

Resident foreign nationals may open accounts in convertible dirhams in Moroccan banks. The accounts may be credited with the proceeds of foreign exchange sales and amounts transferable from Morocco, in accordance with exchange regulations. The accounts may be debited to purchase foreign exchange or for any other domestic settlement.

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There are no restrictions on interest payments or on transfers between accounts abroad in convertible dirhams and between convertible dirham accounts and foreign exchange accounts. Authorized banks may issue international credit cards to holders of these accounts. Overdrafts are not permitted on these accounts. Exporters of goods and services may open a CCPEX. These accounts may be credited with the dirham equivalent of 20% of foreign exchange that is repatriated and transferred to approved intermediary banks for exports of goods and services. Funds in the accounts may be used to finance expenditures abroad in relation to the professional activities of the interested parties. Fishing companies may deposit up to 100% of the exchange value of repatriated foreign exchange.

Exporters may open a foreign exchange account, a CCPEX, or both, provided the overall percentage of foreign exchange earnings to be deposited in the accounts does not exceed 20% of repatriated earnings. Authorized banks may issue international credit cards to holders of these accounts. Overdrafts are not permitted on these accounts.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Two types of accounts may be opened:

(1) Foreign currency accounts in the names of foreign nationals may be maintained by nonresident natural or juridical persons of foreign nationality. These accounts may be credited with transfers from abroad; with foreign banknotes, checks, and traveler's checks; with any other means of payment denominated in foreign currency; and with foreign currency withdrawn from domestic banks, in accordance with exchange regulations. They may be debited for transfers abroad or for the surrender of foreign currency for dirhams for all domestic settlements.

(2) Foreign currency accounts may be opened by Moroccan nationals residing abroad. These accounts may be credited with transfers from abroad; with traveler's checks, foreign banknotes, or any other means of payment denominated in foreign currency; and with foreign currency withdrawn from domestic banks in accordance with exchange regulations. They may be debited for transfers abroad and for the surrender of foreign currency for dirhams for all domestic settlements. There are no restrictions on interest payments on these accounts, on transfers between foreign currency accounts, or on transfers between foreign currency accounts and convertible dirham accounts.

Domestic currency accounts

There are three types of accounts.

(1) Foreign dirham accounts convertible into foreign currency are restricted to resident and nonresident natural and juridical persons of foreign nationality.

(2) Convertible dirham accounts held in the name of Moroccans residing abroad.

Both types of accounts may be credited with proceeds from the surrender of foreign currency and amounts freely transferable from Morocco in accordance with general or special authorization from the FEO. They may be debited for the purchase of foreign currency and all domestic settlements. There are no restrictions on transfers between foreign accounts in convertible dirhams or between these accounts and foreign currency accounts. Holders of these accounts may obtain international credit cards from authorized banks. Overdrafts are not allowed, and there are no restrictions on the payment of interest on these accounts.

(3) Nonresident foreign nationals holding funds not deemed transferable under the exchange control regulations may deposit said funds in convertible term accounts held at authorized intermediary banks. Funds in these accounts with balances less than or equivalent to DH 200,000 on September 10, 2004, could be transferred abroad without restriction until December 31, 2005, at the latest. Funds available in convertible term accounts may be transferred within a maximum period of four years in annual installments of 25%.

Holders of convertible term accounts and those acquiring them, including Moroccans resident abroad, may make unlimited use of the funds in these accounts to cover any domestic expenditure in dirhams, including investment expenditures. Investments financed from the

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	accounts are covered by the convertibility arrangements for a period of two years from the date of the investment.
Convertible into foreign currency	Nonresident foreign natural or juridical persons may open convertible domestic currency accounts and foreign accounts in convertible dirhams in authorized banks. These accounts may be credited with the proceeds of foreign exchange sales and transferable amounts from Morocco in accordance with exchange regulations. The accounts may be debited for the purchase of foreign exchange or for any domestic settlements and for dirham term placements in Morocco. There are no restrictions on the payment of interest on these accounts, or on transfers between foreign accounts in convertible dirhams and between convertible dirham accounts and foreign exchange accounts. Authorized banks may issue international credit cards to holders of these accounts. Overdrafts are not permitted on these accounts.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Importers may make advance payments for imports of capital goods up to 40% of the f.o.b. value of the goods. In the case of spare parts, consumer goods, and samples, advance payment is limited to the foreign exchange equivalent of DH 20,000. Importers may make payment in advance of the due date under a commercial contract in exchange for a discount of at least 3% from the foreign suppliers.
Documentation requirements for release of foreign exchange for imports	Effective September 5, 2006, import settlements of spillage differentials and settlements of imports by a third party in lieu of the initial importers were liberalized. Effective March 21, 2007, new liberal arrangements have been introduced for international trade operations: (1) authorization has been granted to individuals duly listed in the trade register to engage in international trade operations; and (2) these operations have been expanded to include services not related to commercial operations.
Domiciliation requirement	For all imports, a commercial security must be underwritten by the importer and domiciled at an authorized bank to cover eventual payment for goods and related fees. This domiciliation is not required for imports that do not involve payments.
Other	Except for goods imported by air or by postal package, insurance policies for imports must be taken out with insurance companies in Morocco. For certain groups of goods, however, insurance policies may be underwritten abroad. This group includes (1) externally financed imports if the terms include foreign insurance; (2) capital goods and equipment under turnkey contracts; and (3) crude oil, gas, heifers, and wood.
Import licenses and other nontariff measures	
Positive list	Imports are not restricted, except for arms and explosives, secondhand clothing, chemical products that deplete the ozone layer, and used tires and wheels with used tires or retreads. These products require an import license issued by the DFT.
Negative list	Imports of products that affect public health, morals, order, or security are prohibited.
Other nontariff measures	Imports may be restricted for limited periods to protect infant industries or to countervail dumping. Tariff measures may be established for periods of five years to protect infant industries, and they may be extended to eight years. In the case of dumping, the product in question is subject to a prior import declaration for a maximum period of nine months, and this measure is renewable once. During this period, investigations are carried out to determine whether or not dumping is taking place and, if it is, to determine what tariff measures are to be introduced.

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Import taxes and/or tariffs	Customs duties are levied on an ad valorem basis. A large number of consumer goods not produced in Morocco are subject to a 10% duty. Imports of products to be used in the manufacture of goods for export are exempt from customs duties. Specific rates are applied to certain agricultural products.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	All exporters must provide an export certificate guaranteeing repatriation and surrender of foreign exchange proceeds. Certain exports are exempt from this regulation. Proceeds from exports may be collected abroad and used directly to finance imports of goods and raw materials needed to manufacture goods for export.
Surrender requirements	Foreign exchange must be surrendered within one month of the date of payment by foreign buyers specified in the commercial contract. In principle, this date must not be more than 150 days from the date of the shipment of goods. For products sold on consignment abroad (fresh fruit and vegetables, citrus fruit, flowers, and craft products), the deadline set may be within a period of up to 180 days. This deadline may be extended if warranted by business conditions and approved by the FEO. Exporters of goods and services are authorized to hold up to 20% of export earnings in convertible dirham or foreign exchange CCPEX accounts. Companies exporting clothing, household textile products, and related products may grant their foreign clients a discount of up to 3% of the invoice price.
<i>Surrender to authorized dealers</i>	Yes.
Financing requirements	No.
Documentation requirements	Effective March 21, 2007, new liberal arrangements have been introduced for international trade operations: (1) authorization has been granted to individuals duly listed in the trade register to engage in international trade operations; and (2) these operations have been expanded to include services not related to commercial operations. Exporters must provide an export certificate guaranteeing repatriation and surrender of proceeds from their exports.
Preshipment inspection	Preshipment inspection is not required; however, exports of food products are subject to quality control.
Export licenses	
Without quotas	Exports of grain flour, charcoal, archaeological items, chemical products that deplete the ozone layer, and hides and skins require export licenses issued by the DFT.
Export taxes	A tax of DH 34 a ton is levied on exports of phosphates. A 1% quality control tax is levied on exports of foodstuffs.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Authorized banks may make payments for current transactions; namely (1) fees relating to international trade transactions, transportation, services, technical assistance, income from capital (including interest and dividends), and wages; (2) transfers of amounts owed to foreign suppliers for international business transactions (goods and services) conducted by Moroccan corporations (purchases of goods abroad for direct sale to foreign customers); (3) tax-exempt and taxable earnings of foreign or Moroccan artists residing abroad who are invited to exhibit or perform in Morocco; (4) transfers of funds representing prizes won at film festivals; (5) transfers for services rendered by residents to call centers in Morocco: rentals of specialized lines or satellite segments, use of telephone lines abroad, etc. (effective July 19, 2006); and (6) transfers of funds payable for book printing, publishing, copublishing, or calligraphy.
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Effective September 5, 2006, the following have also been liberalized: (1) transfers for the definitive acquisition of manufacturing license rights; (2) provision by authorized intermediary banks of foreign-currency-denominated banknotes to nonresident individuals providing occasional technical assistance to public bodies and remunerated in advance in dirhams; (3) transfers for fees related to the use of artistic rights belonging to nonresidents by legal entities operating in the audiovisual sector or by cultural associations recognized as having a public purpose; (4) transfers for expenses related to the printing, publishing, copublishing, and calligraphy of works or to the organization in Morocco of meetings, events, and sport, cultural, and artistic celebrations in favor of public agencies and associations recognized as having a public purpose; (5) transfers to cover expenses of foreign registration of contracts awarded to Moroccan entities by nonresident entities; (6) transfers to reimburse the travel and living expenses of foreign nationals participating in technical assistance operations in favor of resident legal entities; (7) settlements of the participation costs of Moroccan sport federations in events abroad (living expenses); (8) transfers (up to DH 7,000 a month, for up to one year's duration) to Moroccan students pursuing their studies abroad or to those who have completed their studies and are beginning an unremunerated internship; (9) transfers or awards of foreign-currency-denominated banknote allowances related to net gains on taxes and fees of foreign or Moroccan prize-winners residing abroad, in the context of competitions organized by Moroccan sport federations or by public entities; (10) transfers of funds in the form of prizes won at film festivals by foreign nationals or by Moroccans residing abroad; and (11) transfers to foreign public agencies and multilateral institutions for the repayment of funds received as grants and not used fully or in part.

Trade-related payments

Payments for freight, unloading, and storage are not restricted. Importers may pay for overweight freight charges in amounts not exceeding 10% of the amount initially stated in the commercial contract, as well as any penalty for the shipment. Representation and brokerage charges of exporters of goods or services may be settled for up to 10% of the value of exports of goods or services.

Rental fees for stands and exhibitor fees for fairs and exhibitions abroad by residents who do not hold a CCPEX may be transferred by authorized intermediaries on presentation of an invoice or fee slip duly signed by the organizer of the fair or exhibition.

Costs related to consignment sales—consignment commission; transit charges; costs of transportation between foreign locations; handling charges; customs duty; wrapping and reconditioning costs; warehousing and storage fees; expert costs; analysis or sampling fees; destruction expenses in cases of damage; and costs for advertising and promotion incurred by foreign commissioners and purchasing cooperatives, by foreign consignees for the marketing of goods sold in the context of consignment sales (fresh fruit and vegetables, citrus fruits, flowers, and craft products)—may be settled directly by prior deduction from the selling price of the above-mentioned goods sold on consignment.

Authorized intermediaries may also freely transfer funds returned by the General Treasury of the Realm for the VAT on bills of purchase in Morocco collected by diplomatic and consular representatives, representatives of international public bodies, or by foreign staff of those bodies.

Effective March 1, 2007, the new regulatory framework governing insurance and reinsurance operations was established. The new framework lists the foreign currency operations eligible for insurance in Morocco that economic operators may underwrite with insurance and reinsurance companies established in Morocco (imports and exports when the related contracts are underwritten by or on behalf of nonresidents, merchandise shipments from a foreign country or a free trade zone in Morocco to a foreign country within the framework of international trade operations initiated by resident operators, exports not involving payments, etc.) and foreign currency operations abroad (mandatory insurance for which coverage cannot be found from insurance and reinsurance companies established in Morocco, "Aviation" and "Maritime and Transportation" insurance, including international road transportation (hull and cargo)) within the framework of free trade agreements for risks, whether covered or not with insurance and reinsurance companies established in Morocco.

Indicative limits/bona fide test

Yes.

Investment-related payments

Indicative limits/bona fide test

There are indicative limits on transfers of interest, which must be market based.

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Payments for travel

Quantitative limits

Effective April 5, 2007, for tourist travel, authorized banks may provide Moroccan or foreign nationals the equivalent of DH 20,000 (previously, DH 15,000) a person a year. An additional allowance of DH 7,500 (previously, DH 7,000) may be granted for a minor child on the passport of the beneficiary parent, when accompanying the parent at the time of travel abroad. For a given trip, the tourist allowance may be combined, in whole or in part, with any other foreign exchange allowances granted under a general or special FEO authorization. The same allowance for tourist travel may also be granted to Moroccan nationals living abroad on their return to their country of residence following their stay in Morocco, provided they have not benefited from the 15% allowance on remittances within the previous 12 months, up to a limit of DH 20,000. Residents of foreign nationality who wish to travel abroad may be granted the foreign exchange equivalent of all their income savings. Effective April 5, 2007, Moroccan or foreign nationals residing in Morocco and Moroccan nationals residing abroad are eligible for a foreign exchange allowance equivalent to DH 15,000 (previously, DH 14,000) for Umra (lesser pilgrimage) travel. Allowances for tourist and religious travel (Umra) may be granted in whole or in part, by subrogation, to Moroccan travel agencies approved by the Ministry for Tourism, for tourism, family, cultural, or private travel abroad, by means of an individual or group check, or by transfer to foreign service providers. Business travel by exporters of goods and services may be financed without restriction by debiting convertible export promotion accounts or foreign exchange accounts maintained with Moroccan banks. In the case of business travel other than by exporters of goods and services, annual foreign exchange allowances are approved by the FEO on the basis of need, with a daily limit of DH 2,000. Banks have been authorized to provide allowances of up to DH 40,000 to small and medium-size enterprises and of up to DH 20,000 a year for business travel by individuals not belonging to either of these categories. Larger allowances may be approved by the FEO on proof of need. The allowances for specific business travel may not be added to other allowances, except for the tourist allowance.

Indicative limits/bona fide test

Yes.

Personal payments

Prior approval

Approval from the Ministry of Health is required to make transfers abroad for medical treatment when the patient is not covered by an insurance policy.

Quantitative limits

Authorized banks may provide foreign exchange allowances to Moroccan nationals for travel abroad for medical treatment up to a maximum of the equivalent of DH 30,000, and to make transfers on patients' behalf for treatment abroad to hospitals and medical institutions concerned. Banks are authorized to make transfers for study abroad as follows: (1) an annual installation allowance equivalent to DH 20,000 and the same amount for a person accompanying a minor student leaving Morocco for the first time; (2) school fees to foreign academic institutions, in unlimited amounts, on presentation of supporting documents; (3) allowances for living expenses amounting to (a) the equivalent of DH 7,000 a month for 12 months for those without scholarships; (b) DH 7,000 a month less the amount of the scholarship for those with scholarships; (c) expenses required for boarding school plus DH 2,500 a month for school fees; and (d) for students in the United States, the sum of tuition fees and living expenses stated in U.S. immigration documents; (4) payments of rent and corresponding charges to a foreign landlord on presentation by a student or guardian of a lease and a certificate of residence or other equivalent document; (5) the purchase price of a computer, up to DH 25,000 over a three-year period; and (6) repayment of student loans contracted with foreign banks. Effective September 5, 2006, authorized intermediaries may transfer up to DH 7,000 a month for meeting the costs of unremunerated internships of up to one year's duration, to Moroccan students still pursuing higher education or beginning an internship during the 12 months following the end of their studies.

To cover the costs of internships and missions abroad, banks are authorized to sell foreign exchange to staff of public agencies, local governments, public institutions and enterprises, and foreign institutions or bodies up to the amount allocated by their employers. Medical staff in public agencies, local governments, and public institutions and enterprises wishing to attend professional events abroad are also eligible to purchase foreign exchange. If the costs of the mission or internship are borne in full by the traveler, banks may provide DH 2,000 a day up to DH 20,000 a trip. Banks may transfer funds to cover immigration application fees. In addition, immigrants who have obtained a visa may purchase up to the equivalent of DH 25,000 for moving expenses.

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<i>Indicative limits/bona fide test</i>	Requests for additional amounts require FEO approval, which is granted on presentation of supporting documents.
Foreign workers' wages	
<i>Quantitative limits</i>	Foreign nationals residing in Morocco and employed in either the private or public sector or engaged in industrial, commercial, agricultural, and certain other professions may transfer all their income. They may also contribute freely to pension or social security funds in their countries of origin. These arrangements apply equally to foreign spouses of Moroccan nationals. Commercial banks may transfer pensions paid by government or private organizations to retired individuals residing permanently abroad. In addition, retired foreign nationals and foreign spouses of Moroccan nationals may transfer their entire pensions. They may also transfer severance benefits by order of a Moroccan court.
Credit card use abroad	
<i>Prior approval</i>	Banks may issue credit cards without restriction to (1) foreign nationals holding accounts in foreign exchange or convertible dirhams; (2) staff of international organizations that have offices or headquarters in Morocco; (3) Moroccan nationals residing abroad who hold accounts in convertible dirhams or in foreign exchange; (4) exporters of goods or services who hold foreign exchange or CCPEX accounts; and (5) economic operators, other than exporters of goods and services, who have a foreign exchange travel allowance. Authorized banks may also issue international credit cards to other economic operators and to any Moroccan or foreign individual eligible for a foreign exchange allowance under the exchange regulations for travel for tourism, religious, medical, educational, or emigration purposes.
<i>Quantitative limits</i>	The limit is the amount of funds in the beneficiary's account and the authorized foreign exchange allowance.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Residents of Moroccan nationality and Moroccan legal entities must repatriate foreign exchange receipts accruing from all their claims on nonresidents and sell them on the foreign exchange market. Resident foreign nationals must repatriate only those foreign exchange receipts that result from their activities in Morocco. Repatriation must take place within one month of the date of the claim.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Exporters of goods and services may keep up to 20% of their foreign exchange receipts in foreign currency or convertible dirham accounts.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Yes.

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Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents	Nonresidents may purchase Moroccan securities without limitation.
Sale or issue locally by nonresidents	The issue of capital market securities by nonresidents is subject to authorization. There are, however, no restrictions on the sale of Moroccan securities by nonresidents. Proceeds from such sales may be transferred freely, provided the relevant purchases are financed by foreign exchange inflows or other comparable means. In other cases, the proceeds must be deposited in a convertible dirham account and may be transferred abroad over a four-year period.
Purchase abroad by residents	Purchases of foreign securities by residents of Moroccan nationality and transfers of the funds required for such purchases are subject to the prior approval of the FEO. Authorized intermediary banks may place foreign exchange with correspondent banks abroad and may acquire sovereign securities issued by international financial institutions. Resident foreign nationals are free to purchase securities and other funds, provided these purchases are financed from their foreign exchange holdings abroad or from their foreign exchange accounts or convertible dirham accounts.

Sale or issue abroad by residents These transactions are subject to prior FEO authorization.

Bonds or other debt securities

	The regulations governing shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.

On money market instruments

Sale or issue locally by nonresidents

The issue of these instruments by nonresidents is prohibited.

Purchase abroad by residents

Purchases by Moroccan nationals require prior FEO authorization. Resident foreign nationals are free to engage in these transactions, provided they are financed with their own foreign exchange holdings.

Sale or issue abroad by residents

These transactions require prior FEO authorization.

On collective investment securities

The regulations governing money market instruments apply.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Yes.

Controls on derivatives and other instruments

Purchase locally by nonresidents

Authorized intermediary banks may offer instruments to hedge against exchange, interest rate, and commodity price fluctuation risks to resident operators only.

Sale or issue locally by nonresidents

Only Moroccan banks may offer instruments to hedge against exchange, interest rate, and commodity price fluctuation risks to operators.

Purchase abroad by residents

Economic agents may acquire hedging instruments through authorized banks against price fluctuations for certain commodities that are or may be traded on a secondary market. Authorized intermediary banks may offer their customers their own exchange options, to the exclusion of foreign instruments. To hedge against customer risks, authorized intermediary banks must have recourse to the local interbank market. However, if they are unable to find the appropriate hedging instrument on the local market, they may turn to the international market for foreign exchange hedging instruments. Hedging transactions should be backed by the foreign exchange options taken by customers. Authorized banks may also offer resident economic operators who take out foreign loan instruments to hedge against the risk of interest rate fluctuation. These instruments (option, hedge against interest rate

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	risk) should be backed by real trade or financial transactions, excluding speculative transactions.
Sale or issue abroad by residents	These transactions are subject to prior approval by the FEO.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Exporters of goods are free to extend commercial credits to nonresidents for up to 150 days. Credits with longer terms may be extended with FEO approval, if justified on the basis of commercial necessity. Authorized intermediary banks may use funds from foreign currency accounts in the names of exporters of goods and services, resident nationals, and resident and nonresident foreign nationals in lines of credit that they grant to each other, and especially for the granting of buyer credits for foreign customers of Moroccan exporters.
Financial credits	
<i>By residents to nonresidents</i>	These transactions are subject to FEO approval. Local banks may extend loans in dirhams to foreign nonresident individuals for the purchase or development of Moroccan real estate, up to 70% of the value of the real estate to be purchased or developed; these loans must be serviced with funds transferred from abroad or with debits from convertible dirham accounts.
<i>To residents from nonresidents</i>	Resident enterprises may obtain loans abroad without limitation, provided they are backed by investment or foreign trade transactions. Repayments must be made from Morocco through the banking system.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Moroccan banks may issue securities to nonresidents on behalf of residents for (1) the participation of the latter in markets abroad (the provision of goods or services); (2) the refund of down payments received from foreign customers; and (3) the guarantee of loans or any other financial instruments mobilized in accordance with foreign exchange regulations. In addition, effective August 15, 2006, authorized intermediary banks may issue securities for (1) the substitution of a holdback corresponding to the portion payable in foreign currency under a public or private contract awarded to a nonresident; (2) the guarantee of a settlement of operations related to international transportation; (3) guarantees in favor of foreign banks granting medium- or long-term loans to nonresident foreign individuals, in amounts of up to 70% of the value of the goods to be purchased; and (4) payment to foreign lenders of the foreign currency equivalent of the amounts received, within the framework of contracts to perform works, and/or provide services fully or partly financed by foreign lenders, in lieu of the contract principals.
<i>To residents from nonresidents</i>	Moroccan banks may issue or accept, in favor of residents, sureties issued on behalf of nonresidents in support of the participation of those nonresidents in public or private contracting, the supply of goods or services, and the refund of down payments. They may also issue sureties on behalf of nonresidents in settlement of tax liabilities or financial obligations. A counter-guarantee from a foreign bank is required for sureties issued by Moroccan banks on behalf of nonresidents. When claims are entered under sureties issued or accepted in favor of residents on behalf of nonresidents, the relevant amounts must be repatriated to Morocco.
Controls on direct investment	
Outward direct investment	Outward direct investments are subject to the prior approval of the FEO, but resident foreign nationals are free to invest abroad, provided the operations are financed from their own funds abroad or from their holdings denominated in convertible dirhams or foreign exchange.
Controls on liquidation of direct investment	There are no controls on transfers made directly through the banking system of the proceeds of the liquidation or sale of foreign investments, including capital gains, when such investment is financed by sale of foreign exchange or by debit from a convertible dirham account in foreign currency.
Controls on real estate transactions	These operations are subject to the investment regulations.

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Purchase abroad by residents	Purchases of real estate abroad by Moroccan nationals require prior FEO authorization. Residents of foreign nationality may purchase real estate abroad with funds from foreign exchange accounts.
Purchase locally by nonresidents	Foreign nationals may purchase real estate, except farmland.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	These operations are subject to FEO approval. However, Moroccan banks may grant loans in dirhams to foreign individuals for the purchase or development of real estate in Morocco up to 70% of the value of the real estate to be purchased or developed.
<i>To residents from nonresidents</i>	These operations are subject to FEO approval.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Gifts and grants are subject to authorization. However, transfers of inheritance may be effected freely if the inherited property is covered by convertibility arrangements. In other cases, eligible parties may enjoy transfer rights if such rights have not been already exercised by the deceased.
Settlements of debts abroad by immigrants	These operations are unrestricted, provided they are financed from the foreign funds of the parties concerned or from their funds in foreign exchange or in convertible dirhams.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	On departure from Morocco, foreign nationals may freely transfer those assets not subject to the convertibility arrangement for amounts up to DH 30,000 or the equivalent for each year of residence in Morocco, in addition to other transfer rights (e.g., income or savings). Any remainder must be deposited in a convertible term account.
Transfer of gambling and prize earnings	These earnings are transferable, provided the gambling was financed with foreign currency.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Commercial banks may borrow abroad only to finance foreign trade or investment operations on behalf of customers.
Maintenance of accounts abroad	Banks may open and maintain accounts with their correspondents to effect outward payments and to manage hedging operations against price fluctuation risk for certain commodities.
Lending to nonresidents (financial or commercial credits)	Lending by Moroccan banks is subject to FEO approval. However, banks may grant loans to nonresident foreign individuals for purchases or development of real estate in Morocco, up to 70% of the value of the real estate. Banks may use available cash held in foreign exchange accounts held by foreign nationals, Moroccan citizens residing abroad, and exporters to provide buyer credits to foreign customers to finance Moroccan exports.
Lending locally in foreign exchange	FEO approval is required for these transactions.
Purchase of locally issued securities denominated in foreign exchange	These transactions are subject to prior FEO approval.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Convertible dirham and foreign exchange accounts are excluded from reserve requirements.

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<i>Liquid asset requirements</i>	Credit institutions must calculate this coefficient on the basis of accounting records of their head office in Morocco and, where applicable, of all their agencies and branches abroad.
<i>Credit controls</i>	Overdrafts are not permitted in foreign exchange accounts.
Differential treatment of deposit accounts held by nonresidents	
<i>Credit controls</i>	Overdrafts are not permitted in foreign exchange accounts.
Investment regulations	
<i>Abroad by banks</i>	These operations are subject to approval by the FEO and the monetary authorities. Authorized intermediary banks may undertake foreign exchange investments with counterparts abroad and may purchase sovereign bonds and securities issued by international financial institutions.
<i>In banks by nonresidents</i>	These operations are subject to approval by the monetary authorities.
Open foreign exchange position limits	The open foreign exchange position limit for each currency is 10% of net capital and 20% in aggregate for all currencies.
<i>On resident assets and liabilities</i>	The assets and liabilities of these accounts are included in the calculation of banks' foreign exchange positions.
<i>On nonresident assets and liabilities</i>	The assets and liabilities of these accounts are included in the calculation of banks' foreign exchange positions.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Arrangements for payments and receipts	<p><i>August 18.</i> Under the regional payments arrangement among the CBs of Algeria, Libya, Mauritania, Morocco, and Tunisia, economic operators were permitted to settle their transactions within the framework of these arrangements or by following normal procedures.</p> <p><i>December 1.</i> A new regulatory framework for manual foreign exchange operations was established governing foreign currency banknote buying and selling operations and spelling out the terms to be met by entities carrying out these operations.</p>
Imports and import payments	<p><i>September 5.</i> Import settlements of spillage differentials and settlements of imports by a third party in lieu of the initial importer were liberalized.</p>
Payments for invisible transactions and current transfers	<p><i>July 19.</i> Transfers for services rendered by residents to call centers in Morocco—rentals of specialized lines or satellite segments, use of telephone lines abroad, etc.—and related costs were liberalized.</p> <p><i>September 5.</i> The following payments for current transactions were liberalized: (1) transfers for the definitive acquisition of manufacturing license rights; (2) authorization for authorized intermediary banks to provide foreign-currency-denominated banknotes to nonresident individuals providing occasional technical assistance to public bodies and remunerated in advance in dirhams; (3) transfers for fees related to the use of artistic rights belonging to</p>

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nonresidents by legal entities operating in the audiovisual sector or by cultural associations recognized as having a public purpose; (4) transfers for expenses related to the printing, publishing, copublishing, and calligraphy of works or to the organization in Morocco of meetings, events, and sport, cultural, and artistic celebrations in favor of public agencies and associations recognized as having a public purpose; (5) transfers to cover expenses of foreign registration of contracts awarded to Moroccan entities by nonresident entities; (6) transfers to reimburse the travel and living expenses of foreign nationals participating in technical assistance operations in favor of resident legal entities; (7) settlements of the participation costs of Moroccan sport federations in events abroad (living expenses); (8) transfers (up to DH 7,000 a month, for up to one year's duration) to Moroccan students pursuing their studies abroad or to those who have completed their studies and are beginning an unremunerated internship; (9) transfers or awards of foreign-currency-denominated banknote allowances related to net gains on taxes and fees of foreign or Moroccan prize-winners residing abroad, in the context of competitions organized by Moroccan sport federations or by public entities; (10) transfers of funds in the form of prizes won at film festivals by foreign nationals or by Moroccans residing abroad; and (11) transfers to foreign public agencies and multilateral institutions for the repayment of funds received as grants and not used fully or in part.

Capital transactions

Controls on credit operations

August 15. The issuing of guarantees, sureties and financial backup facilities was liberalized in the following cases: (1) substitution of holdbacks corresponding to the portion payable in foreign currency under a public or private contract awarded to a nonresident; (2) securities guaranteeing the settlement of operations related to international transportation; (3) securities to be issued within the framework of contracts to perform work, supply goods, and/or provide services financed by a foreign lender; and (4) securities in favor of foreign banks that grant medium- or long-term loans to nonresident foreign individuals for the acquisition of real property in Morocco, for amounts representing up to 70% of the value of the property to be acquired.

Changes during 2007

Resident accounts

March 1. Authorized banks were allowed to open foreign currency accounts for insurance and reinsurance companies and transfer related to foreign deposit, investment, and placement operations.

March 21. Authorized banks were allowed to open foreign currency accounts to allow traders to improve their management of international trade operations while avoiding exchange rate fluctuations and the commissions and fees related to foreign currency buying and selling operations.

Imports and import payments

March 21. New liberal arrangements were introduced for international trade operations: (1) authorization was granted to individuals duly listed in the trade register to engage in international trade operations; and (2) these operations were expanded to include services not related to commercial operations.

Exports and export proceeds

March 21. New liberal arrangements were introduced for international trade operations: (1) authorization was granted to individuals duly listed in the trade register to engage in international trade operations; and (2) these operations were expanded to include services not related to commercial operations.

Payments for invisible transactions and current transfers

March 1. The new regulatory framework governing insurance and reinsurance operations was established.

April 5. The tourist allowance was increased to DH 20,000 from DH 15,000; to DH 7,500 from DH 7,000 for minor children included in the recipient parent's passport; and to DH 15,000 from DH 14,000 for Umra (lesser pilgrimage).

MOZAMBIQUE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the fifth review under the Three-Year Arrangement under the Poverty Reduction and Growth Facility with the Republic of Mozambique states that as of December 4, 2006, Mozambique maintained restrictions on the making of payments and transfers for current international transactions subject to Fund approval under Article VIII as evidenced by: (i) the discretionary prior approval for remittances of family living expenses; (ii) the authorization for the purchase of foreign exchange in excess of US\$5,000 for certain transactions; (iii) the prohibition for the conversion of balances of nonresidents' domestic currency accounts into foreign currency or transfer abroad; and (iv) the need for proof of performance of a service prior to authorizing its payment. (Country Report No. 07/36)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Mozambique is the Mozambican metical.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The Bank of Mozambique (BM) discloses the average foreign exchange buying and selling rates of commercial banks in the interbank foreign exchange market (MCI) recorded online by banks using software provided by the BM. This rate is used by the BM in its foreign exchange buying and selling transactions in the MCI (including auction sales), based on the best price criterion (highest sale price and lowest purchase price). However, the BM introduced a temporary band in the interbank foreign exchange market that the authorities have committed to eliminate by end-June 2007.

The foreign exchange auctions introduced in 2005 have a spot-value date set by the software provided by the BM. The exchange rate the BM currently publishes daily (D) is an average of the exchange rates quoted by the commercial banks at the BM's computerized rates window, as determined at 3:30 p.m. the previous day (D - 1).

Commercial banks, which participate in the market, may buy and sell foreign exchange from and to individual customers at freely negotiated rates, and exchange bureaus may do the same. Negotiated transactions between the BM and commercial banks have a spot-value date (up to two business days).

Effective December 18, 2006, a new regulation (Notice No. 5 of December 2006) came into effect stipulating that commercial banks participating in the MCI must subscribe to a code of conduct and must honor up to one firm quotation of \$50,000 a day. According to this regulation, the maximum spread between the foreign exchange buying and selling rates is set at the discretion of the BM. There is also an interbank money market and an interdealer market in foreign exchange (commercial banks and exchange bureaus) outside the fixing sessions.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

The use of this market is not common.

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References to legal instruments and hyperlinks

Notice No. 1/GGBM/2005; Notice No. 5/GGBM/2006; www.bancomoc.mz.

Arrangements for Payments and Receipts

Prescription of currency requirements

The metical may not be used for transactions abroad.

Controls on the use of domestic currency

Controls apply to the use of domestic currency for current and capital transactions and payments.

Use of foreign exchange among residents

The use of foreign currency by residents in domestic transactions is common, although not encouraged.

Payments arrangements

No.

Administration of control

The BM is responsible for foreign exchange policy and administers its control.

Payments arrears

Official

n.a.

Private

n.a.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents other than monetary authorities are permitted to hold gold for numismatic purposes or as jewelry or ornaments.

On external trade

The exportation of gold is governed by special regulations; the same regulations that apply to other import items are applicable to the importation of nonmonetary gold.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports of domestic currency are subject to a limit of Mt 500.

Foreign currency

Immigrants may export foreign banknotes up to \$5,000 and, above that, up to the amount they declared on entry.

On imports

Domestic currency

Imports of domestic currency are subject to a limit of Mt 500, provided they had been previously exported.

Foreign currency

Imports of foreign currencies in excess of \$5,000 must be declared.

References to legal instruments and hyperlinks

Law 3/96; www.bancomoc.mz.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Legal entities must obtain prior approval from the BM to open these accounts.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

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References to legal instruments and hyperlinks Law 3/96; www.bancomoc.mz.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts These accounts may be opened only with funds from the conversion of foreign currency or from employment and technical assistance contracts approved by the appropriate institutions.

Convertible into foreign currency This is permitted only for funds whose origin has been proven; prior approval is required. Transfers of such funds abroad are permitted once the origin of the funds has been proven.

Approval required Yes.

Blocked accounts Yes.

References to legal instruments and hyperlinks Law 3/96; wwwbancomoc.mz.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports

Advance payment requirements Documentary proof of the arrival of goods must be presented.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement Import transactions must be made through a commercial bank.

Preshipment inspection There is a list of goods that are subject to preshipment inspection.

Letters of credit The law favors the use of LCs and documentary remittances or collection (because they entail lower risks) without prejudice to other means widely used in international trade.

Import licenses and other nontariff measures All imports must be registered with customs. An import clearance ("single document" form) is required.

Negative list A negative product list exists under the current commercial code.

Open general licenses Single licenses are issued.

Import taxes and/or tariffs Sugar imports are subject to a variable surcharge.

State import monopoly No.

References to legal instruments and hyperlinks Notice No. 6/GGBM/2005 of May 23, 2005.

Exports and Export Proceeds

Repatriation requirements All export proceeds, except in cases authorized by the BM, must be collected through commercial banks.

Financing requirements No.

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Documentation requirements	Exporters must present the export clearance (“single document” form), a commercial invoice, and a bill of lading.
Letters of credit	The law favors the use of checks and transfers, LCs, and documentary collection.
Domiciliation	Yes.
Preshipment inspection	Inspection is performed only at the request of an importer.
Other	Yes.
Export licenses	All exports must be registered with customs. An export clearance (“single document” form) is required.
Export taxes	Exports of raw cashew nuts are subject to an 18% overvaluation tax.
References to legal instruments and hyperlinks	Notice No. 6/GGBM/2005.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Commercial banks are authorized to sell foreign exchange up to \$5,000 for the payment of all types of invisible transactions and current transfers, except for profits and dividends from investments. Operations exceeding the limits and those relating to profits and dividends are subject to prior approval of the BM. Exchange bureaus are authorized to sell foreign exchange up to \$5,000 to individuals to pay expenses associated with travel, study, or medical treatment abroad, as well as for film rental, expenses for fairs and exhibitions, contributions to international organizations, and subscriptions to publications.
Trade-related payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
Investment-related payments	Remittances of profits and dividends from foreign direct investment may be made in accordance with the specific project authorization.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
Payments for travel	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
Personal payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
Foreign workers’ wages	Foreign experts working in Mozambique may remit abroad all or part of their salaries, depending on the terms of their employment contracts.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
Credit card use abroad	
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Prior approval</i>	Approval is required for payments in excess of \$5,000.
<i>Quantitative limits</i>	Yes.

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References to legal instruments and hyperlinks Law 3/96; www.bancomoc.mz.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Certain Mozambican nationals working abroad under officially arranged contracts (specifically, miners in South Africa) are obliged to remit 60% of their earnings through the BM and to convert them into meticaís.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Portugal–South Africa Working Agreement of October 13, 1964.

Capital Transactions

Controls on capital transactions	Controls apply to all capital transactions in accordance with Law 3/96.
Repatriation requirements	No.
Controls on capital and money market instruments	Controls apply to all these transactions.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	Controls apply to all credit operations and transactions in sureties, guarantees, and financial backup facilities. Public and private enterprises need BM approval to borrow abroad. All foreign borrowing must be registered with the BM. Borrowing by the government must be obtained on concessional terms.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Foreign investors are guaranteed the right to repatriate their initial capital. Incentives for foreign investments include tax and customs exemptions for specified periods and access to domestic credit. Foreign investment proposals are processed by the Investment Promotion Center. Foreign investors may remit profits and dividends from their investments.
Controls on liquidation of direct investment	Yes.
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Nonresidents are prohibited from purchasing real estate from the government.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	Controls apply to all these transactions.

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Transfer of gambling and prize earnings	Earnings from gambling are fully transferable, provided they are confirmed by the casinos, in accordance with a special permanent authorization granted to the casinos by the BM.
References to legal instruments and hyperlinks	Law 3/96; www.bancomoc.mz .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Prior approval is required and the borrowing must be registered at the BM.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	In accordance with Notice No. 5/GGBM/2005, Notice No. 7/GGBM/2005 of June 6, 2005, and Notice No. 5/99 of February 26, 1999, banks must record a 50% provision on lending when there are strong doubts about repayment or when borrowers are nonexporters, and a 100% provision for overdue credits.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	In accordance with Notice No. 2/GBM/2004 and Notice No. 3/GGBM/2004, legal reserves should not fall below 10% at any time. In addition, banks need to hold on average 11.51% of their eligible deposits in legal reserves over a preestablished period of two weeks. This reserve requirement applies to deposits in both domestic and foreign currencies.
<i>Liquid asset requirements</i>	Yes.
<i>Credit controls</i>	Yes.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	Limits are set as a percentage of core capital.

Provisions specific to institutional investors

Insurance companies	Decree No. 42/03 of December 10, 2003, regulates the financial guarantees required of the insurance business.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	n.r.
Investment firms and collective investment funds	Decree No. 54/99 of September 8, 1999, regulates the creation and functioning of investment funds.
<i>Limits (max.) on securities issued by nonresidents</i>	n.r.

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Limits (max.) on investment portfolio held abroad n.r.

Limits (min.) on investment portfolio held locally n.r.

Currency-matching regulations on assets/liabilities composition n.r.

References to legal instruments and hyperlinks

Notice No. 2/GGBM/2004; Notice No. 5/GGBM/2005; Notice No. 7/GGBM/2005; Notice No. 5/99; Notice No. 3/GGBM/2005; Decree No. 54/99 of September 8, 1999; Decree No. 42/03 of December 10, 2003.

Changes during 2006

Exchange arrangement

December 18. A new regulation (Notice No. 5 of December 2006) went into effect stipulating that commercial banks participating in the MCI must subscribe to a code of conduct and must honor up to one firm quotation of \$50,000 a day.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with Myanmar states that as of September 20, 2006, Myanmar maintained exchange restrictions and multiple currency practices subject to Fund approval under Article VIII. These include (i) limits on the availability of foreign exchange for foreign travel by residents, (ii) limits on remittances of wage income by nonresidents, and (iii) limits on payments and transfers for certain other invisible transactions, and a multiple currency practice resulting from the divergence between the official exchange rate and the parallel market-determined FEC rate.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with the relevant UN Security Council resolutions, measures have been taken to freeze the funds and other financial assets of listed individuals and organizations associated with terrorism.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Myanmar is the Myanmar kyat.

Exchange rate structure

Dual

In addition to the official exchange rate, an unofficial rate is determined in an officially tolerated parallel foreign exchange market. FECs are issued by the Central Bank of Myanmar (CBM) in denominations of 1, 5, 10, and 20 units and are exchangeable for euros, yen, pounds sterling, Swiss francs, and U.S. dollars or for authorized traveler's checks at the rate of FEC 1 per US\$1. FECs are widely used and serve the needs of visitors and investors in Myanmar. FECs may be exchanged for kyats at a fixed rate at FEC exchange centers. There is also an illegal parallel market that exchanges U.S. dollars for kyats at a premium over the parallel market FEC rate. Holders of FECs may open foreign currency accounts and/or deposit their FECs into their foreign exchange accounts.

Classification

Managed floating with no predetermined path for the exchange rate

The kyat is officially pegged to the SDR at K 8.50847 per SDR 1 within margins of $\pm 2\%$. The exchange rates of the kyat for the euro, Indian rupee, yen, Pakistani rupee, pound sterling, Singapore dollar, Sri Lanka rupee, Swiss franc, and the U.S. dollar are determined on the basis of the daily calculations of the value of these currencies against the SDR. The exchange rates for other currencies are determined on the basis of the daily foreign exchange rates in the Singapore market.

The exchange rate of the parallel market, through which the majority of foreign exchange transactions take place, is determined freely.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

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Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements with member countries of the ACU are made in AMUs through the ACU mechanism. Border trade may be conducted in euros, kyats, yen, Singapore dollars, U.S. dollars, and, in the respective border areas, Chinese yuan, Indian rupees, Lao kip, and Thai baht.

Controls on the use of domestic currency

Controls apply to the use of domestic currency for current and capital transactions and payments.

Use of foreign exchange among residents

Yes.

Payments arrangements

Regional arrangements

Myanmar is a member of the ACU.

Clearing agreements

Yes.

Barter agreements and open accounts

Bilateral trade arrangements with neighboring countries exist. These arrangements do not provide for the extension of credit.

Administration of control

Exchange control is administered by the CBM in accordance with instructions from the Ministry of Finance and Revenue (MFR). Ten percent of the gross earnings of Myanmar nationals working abroad must be paid as income tax. Myanmar nationals working abroad in UN organizations are not required to pay this tax.

Payments arrears

Official

Arrears have been incurred with respect to debt-service payments of the central government.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports and exports of gold are not allowed for the private sector. Jewelry for personal use may be brought into Myanmar, subject to customs declaration at the port of arrival. Personal jewelry of a prescribed value may be taken out, subject to approval by the controller of foreign exchange and the condition that the jewelry be brought back into the country. No conditions are attached, however, to the taking out of personal jewelry that was declared to customs when it was brought into Myanmar. Gold bullion may not be imported from any source.

Controls on exports and imports of banknotes

On exports

Domestic currency

The export of Myanmar currency is prohibited.

Foreign currency

Residents who have been granted an official permit to travel abroad are allowed to buy the equivalent of US\$100–US\$200 against FECs, and those who have sufficient balance in their foreign currency account are allowed to withdraw from their own foreign currency accounts with the approval of the MFR.

Foreigners are not required to purchase FECs on arrival.

On imports

Domestic currency

The importation of Myanmar currency is prohibited.

Foreign currency

Foreigners may bring in up to US\$2,000 or its equivalent without any declaration.

References to legal instruments and hyperlinks

n.a.

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Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Foreign currency accounts of national firms may be kept with state-owned banks. Accounts may be opened in U.S. dollars or euros only by Myanmar nationals who earn foreign exchange. Account holders are allowed to effect imports under import licenses issued by the Ministry of Commerce (MOC) on the basis of LCs. However, telegraphic transfers are also allowed with agreement between the seller and the buyer.
<i>Approval required</i>	With prior approval, account holders may use funds from their accounts to purchase air tickets for family visits abroad and to make payments for personal imports, for examination fees for their children, and for medical treatment abroad. Transfers of funds between accounts are permitted.
Held abroad	These accounts may be opened, but prior approval is required.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Conversion is permitted only for payment of official expenses.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Foreign currency accounts of diplomatic missions and international organizations and their home-based personnel may be kept with the MFTB only. For other nonresidents, prior approval is required.
Approval required	Yes.
Domestic currency accounts	These accounts are permitted, but all debits and credits require prior authorization.
Convertible into foreign currency	These accounts may be converted, but approval is required.
Approval required	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	An import program for the public sector is prepared annually as part of the foreign exchange budget drawn up jointly by the Ministry of National Planning and Economic Development and the MFR.
Financing requirements for imports	Imports are permitted relative to the level of export earnings or service earnings.
Advance payment requirements	A 100% advance payment is required.
Advance import deposits	Yes.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	n.a.

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Preshipment inspection	Yes.
Letters of credit	Yes.
Import licenses used as exchange licenses	Yes.
Other	n.a.
Import licenses and other nontariff measures	Imports from countries under UN embargo or with which Myanmar has severed diplomatic relations are prohibited. State economic enterprises under the different ministries are authorized to engage in their own external trade, but must apply for an export or import license from the MOC. Private importers also need to obtain licenses. Generally, no quota or ceiling is imposed on import items. Some restrictions apply to the imports of certain goods, mainly foodstuffs (e.g., monosodium glutamate, soft drinks, all types of biscuits, canned goods, instant noodles, liquor, beer, cigarettes, fresh or dried fruit, chewing gum, water, cakes, and chocolate). These may be imported for the use of hotels and duty-free shops in exceptional cases.
Negative list	Certain items, such as opium and other narcotics, playing cards, and gold and silver bullion, may not be imported from any source.
Open general licenses	OGLs are issued for trade fair purposes.
Import taxes and/or tariffs	Import customs duties are collected at the MFN rate, ranging from zero to 40% of assessed value, with the conversion factor for the calculation of assessed value set at K 450 per US\$1.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports must be fully repatriated.
Financing requirements	No.
Documentation requirements	
Letters of credit	Yes.
Domiciliation	n.a.
Preshipment inspection	Yes.
Other	n.a.
Export licenses	Export trade may be conducted with any country without restriction, except with those under UN embargo or with which Myanmar has severed diplomatic relations.
Without quotas	In practice, state agencies responsible for production may export any product in excess of what is needed for domestic consumption. State enterprises have a monopoly on the export of teak, petroleum, natural gas, pearls, jade, and other precious stones and metals. Private companies that have entered into a joint-venture agreement with other enterprises or that have obtained permission from the ministries concerned are also allowed to export these products.
Export taxes	Exports from which proceeds are received in foreign currency are subject to a commercial tax of 8% and an income tax of 2%.
References to legal instruments and hyperlinks	n.a.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	All payments for invisibles outside the public sector are subject to approval, which is granted on a case-by-case basis. The maximum amount that may be remitted against FECs is US\$10,000 a month or its equivalent.
Trade-related payments	
<i>Prior approval</i>	Prior approval from the controller of foreign exchange is required for remittances of insurance premiums.
<i>Indicative limits/bona fide test</i>	n.a.
Investment-related payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	n.a.
Payments for travel	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	n.a.
Personal payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Remittances to retired government employees are permitted only if the persons concerned were not Myanmar nationals throughout their term of service and are now residing in their native countries. Family remittances are permitted only for foreign technicians employed under contract by the government or by private firms established under the Foreign Investment Law. The limit is one-half of the net salary if the spouse is living abroad, and one-third of the net salary if the spouse is living in Myanmar.
<i>Indicative limits/bona fide test</i>	n.a.
Foreign workers' wages	Balances of salary and lawfully earned income that remain after payment of taxes and deduction of living expenses of workers and their families may be transferred abroad through a bank with the approval of the CBM.
<i>Prior approval</i>	Yes.
Credit card use abroad	n.a.
Other payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	Use of funds is subject to exchange control approval.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Bonds or other debt securities</i>	n.a.
On money market instruments	n.a.
On collective investment securities	n.a.
Controls on derivatives and other instruments	n.a.
Controls on credit operations	
Commercial credits	
<i>To residents from nonresidents</i>	Yes.
Financial credits	
<i>To residents from nonresidents</i>	Yes.
Guarantees, sureties, and financial backup facilities	
<i>To residents from nonresidents</i>	Yes.
Controls on direct investment	
Outward direct investment	n.a.
Inward direct investment	<p>Foreign investors may set up their business in the form of either a wholly foreign-owned or a joint venture with any partner (an individual, a private company, a cooperative society, or a state-owned enterprise). In all joint ventures, the minimum share of a foreign party is 35% of the total equity capital. If foreign investors intend to form wholly foreign-owned ventures, they must negotiate with the respective ministry and submit the proposal to the Myanmar Investment Commission (MIC) through the respective ministry. Economic activities allowed under the Foreign Investment Law cover almost all sectors of the economy (MIC Notification No. 1/89). The Union of Myanmar Foreign Investment Law provides attractive tax incentives such as a tax holiday for three years, which is extendable. Moreover, the MIC may also grant exemption or relief from income tax on profit that is reinvested within one year; relief from income tax of up to 50% on the profit from exports; rights to pay income tax on behalf of foreign employees and to deduct the same from the assessable income of the enterprise; rights to pay income tax of foreign employees at the rate applicable, and to pay development expenditure; rights to accelerate depreciation; rights to carry forward and set off losses up to three consecutive years from the year the loss is sustained; an exemption or relief or both from customs duty or other taxes on import of machinery equipment, instruments, machinery components, spare parts, and materials used during the period of construction; and an exemption or relief or both from customs duty or other taxes or both on imported raw materials for the first three years of commercial production after the completion of construction.</p>
Controls on liquidation of direct investment	<p>The government guarantees that an economic enterprise formed under a permit will not be nationalized during the term of the contract or during an extended term. Repatriation of capital and profits is allowed through banks after payment of taxes and prescribed funds.</p>
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Land may not be owned by foreign investors but may be leased from the state.

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Sale locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	n.a.
Gifts, endowments, inheritances, and legacies	n.a.
Settlements of debts abroad by immigrants	n.a.
Transfer of assets	n.a.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	MIC Notification No. 1/89; Union of Myanmar Foreign Investment Law.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	State approval is required.
Maintenance of accounts abroad	Yes.
Lending locally in foreign exchange	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.

Provisions specific to institutional investors n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

NAMIBIA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 20, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions In accordance with UN Security Council resolutions, the Bank of Namibia (BON) prohibits financial transactions with the Taliban.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of Namibia is the Namibia dollar.

Other legal tender The South African rand is also legal tender.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Namibia dollar is pegged to the South African rand at par. The exchange rate of the Namibia dollar against other currencies is determined on the basis of cross rates in international markets of the South African rand against the currencies concerned. The exchange market in Namibia has developed as an extension of the exchange market in South Africa.

Exchange tax No.

Exchange subsidy No.

Forward exchange market

ADs are permitted to conduct forward exchange operations, including forward cover, with residents in any foreign currency with respect to authorized trade and nontrade transactions. Forward exchange contracts may cover the entire period of the outstanding commitments and accruals. Forward cover is also provided to nonresidents, subject to certain conditions. Gold mining companies and houses may sell forward anticipated receipts of their future gold sales. Forward cover is provided in U.S. dollars only and is available to ADs for maturities not exceeding 12 months at a time in the form of swap transactions involving Namibia dollars (South African rand) and U.S. dollars, with a margin based on the interest rate differential between the two currencies.

Official cover of forward operations Special forward cover at preferential rates is provided for import financing.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements If a particular type of payment is not covered in the Exchange Control Rulings (ECR), an application is lodged with the BON. Each application is considered on its merits.

Controls on the use of domestic currency n.a.

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Use of foreign exchange among residents	In accordance with CMA arrangements, residents are not allowed to transact business in foreign currencies. Transactions may be invoiced in foreign currencies, but payments must be made in local currency.
Payments arrangements	
Regional arrangements	Namibia is part of the CMA, and no restrictions are applied to payments within the CMA.
Administration of control	The BON has delegated some powers to ADs that assist the BON in administering exchange control. When an AD is not authorized to approve a transaction under the terms of the ECR, an application is lodged with the BON. The norms applied by the BON in scrutinizing applications are subject to policy guidelines established within the CMA.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Exchange control regulations prohibit the purchase and sale, both domestically and abroad, of unworked gold by Namibian residents without the specific authority of the BON. All such requests are considered on their merits.
On domestic ownership and/or trade	Residents are permitted to purchase, hold, and sell gold coins within the CMA for numismatic and investment purposes only.
On external trade	All exports and imports of gold require the prior approval of the monetary authority.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	An individual may export up to N\$5,000.
<i>Foreign currency</i>	Residents and contract workers departing from Namibia to destinations outside the CMA may take out their travel allowance in foreign banknotes. Foreign visitors leaving Namibia may take with them the unspent portion of the proceeds of foreign currency imported and exchanged in Namibia.
On imports	
<i>Domestic currency</i>	On entry from countries outside the CMA, residents and nonresidents may bring in a total of N\$5,000 in Namibian banknotes or R 5,000 in South African banknotes. There are no limitations on the importation of domestic currency from Lesotho and Swaziland.
<i>Foreign currency</i>	Importation of foreign currency by nonresidents of the CMA is unrestricted. However, Namibian residents are allowed to import into Namibia only the residual balance of foreign currency initially exported.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Resident private individuals are allowed to hold foreign currency accounts with local ADs, subject to prior approval. Exporters may retain export proceeds for 90 days after accrual in foreign currency accounts with ADs. Effective March 31, 2006, up to the equivalent of N\$2,000,000 may be held in a domestic foreign currency account.
<i>Approval required</i>	Yes.
Held abroad	Approval is required and is granted on the merit of the application to resident private individuals. Effective March 31, 2006, resident private individuals are allowed to invest up to the equivalent of N\$2,000,000 (previously, N\$750,000) and to retain abroad income earned overseas. No prior approval is required for these transactions.
<i>Approval required</i>	Yes.

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Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Payments in foreign currency may be effected from resident accounts, provided the transaction is covered under the ECR or with prior approval.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Only foreign currency accounts of EPZ customers and exports and imports related to businesses are allowed without prior approval. These accounts are kept with a local AD and are set up to facilitate the foreign currency disbursements of these enterprises. Transactions through these accounts must conform to normal banking practices and must be carried out with the full cognizance and approval of the AD concerned.
Approval required	Yes.
Domestic currency accounts	EPZ nonresident accounts are allowed. These are Namibia dollar accounts funded with foreign currency that are used for the normal operational requirements and expenditures of EPZ enterprises and to facilitate local investments. Balances remaining in these accounts are freely convertible and transferable abroad.
Convertible into foreign currency	These accounts may be converted, but approval is required.
Approval required	Yes.
Blocked accounts	Residents who emigrated from Namibia on or before February 28, 2002, may transfer their blocked funds abroad freely through an authorized bank. The assets of residents who emigrated after that date are subject to normal emigration procedures. Effective March 31, 2006, emigrants may transfer up to the equivalent of N\$4,000,000 (previously, N\$1,500,000) a family or N\$2,000,000 (previously, N\$750,000) an individual, inclusive of any assets previously transferred abroad. Transfers in excess of these limits are subject to a transfer tax of 10% of the amount in excess of the limit. Emigrants may subsequently transfer annual income from their remaining blocked assets, but may not dispose of the assets through sale to Namibian residents.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payment for the importation of capital goods is allowed on filing an application with the BON. ADs may approve 33.3% of the ex-factory cost of capital goods. ADs may also approve cash-with-order advance payments of up to N\$250,000 a transaction for permissible imports other than capital goods.
Documentation requirements for release of foreign exchange for imports	Documentation confirming receipt of the imported articles into Namibia (e.g., a bill of entry or local post receipts) is required.
Letters of credit	LCs may be established locally by ADs.
Import licenses and other nontariff measures	There are no restrictions on imports originating in any country of the SACU. Imports from countries outside the SACU are usually licensed in conformity with South Africa's import regulations. These permits are valid for one year for imports and are expressed in value terms. At present, about 90% of imports require a permit.

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Negative list	Namibia has the right to restrict certain imports (through customs duties or quantitative restrictions) from countries outside the SACU and, under certain conditions, from countries within the SACU.
Licenses with quotas	n.a.
Other nontariff measures	n.a.
Import taxes and/or tariffs	
Taxes collected through the exchange system	A general sales tax of 10% is levied on all imports in addition to a sales duty between zero and 15%, depending on the type of commodity.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	All export proceeds are normally required to be repatriated within 30 days of accrual.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Exporters may retain export proceeds for 90 days after accrual in a customer foreign currency account with an AD.
Financing requirements	No.
Documentation requirements	All exports from Namibia over the amount of N\$50,000 must be accompanied by an export declaration, and, on receipt of export proceeds locally, the inflow of foreign currency must be declared.
Letters of credit	Yes.
Guarantees	Yes.
Export licenses	All exports, except to SACU member countries, require a license.
Without quotas	Permits are required for exports of goods in short supply to non-SACU countries.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	ADs may approve trade-related invisible payments without limitation and other invisible payments up to established limits. Larger amounts may be approved on presentation of documentary proof of need.
Investment-related payments	
<i>Prior approval</i>	No prior approval is required, but if a local company is contracting any loans via a local source, an application should be filed with the BON. The repayment of foreign loans requires BON approval.
Payments for travel	Payments for travel allowances no longer require passenger tickets to be endorsed.
<i>Quantitative limits</i>	Residents who are 12 years old or older may obtain up to the equivalent of N\$160,000 a person a year and those who are less than 12 years old may obtain up to N\$50,000 a person a year. Residents traveling to destinations outside the CMA are allowed to take out in any form the foreign exchange that was made available to them.
<i>Indicative limits/bona fide test</i>	Amounts in excess of the indicative limits are approved when the applicant provides documents in support of a bona fide request.

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Personal payments	There are no restrictions on payments of medical costs. Remittances for alimony (subject to presentation of a court order) are permitted up to the equivalent of N\$9,000 a month.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	The annual allowance for study abroad for a single student is the equivalent of N\$160,000, and for a student accompanied by a nonstudent spouse, N\$320,000. Student holiday allowances are N\$50,000 for an individual and N\$100,000 if accompanied by a spouse. Family maintenance transfers are limited to N\$9,000 a month for a recipient family.
<i>Indicative limits/bona fide test</i>	Amounts in excess of the indicative limits for payment of study abroad are approved when applicants provide documents in support of a bona fide request.
Foreign workers' wages	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Contract workers may transfer two-thirds of their monthly salary.
Credit card use abroad	
<i>Prior approval</i>	No prior approval is required for travel expenses.
<i>Quantitative limits</i>	Limits must be in accordance with prescribed travel allowances. ADs may permit up to the equivalent of N\$20,000 a transaction for permissible imports.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Prior approval</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Namibian private individuals may retain income earned abroad from any source other than merchandise exports.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Proceeds from invisibles must be surrendered within 30 days of the date of accrual, unless exemption is authorized.
Restrictions on use of funds	Prior BON approval should be obtained to use such funds outside the CMA.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Effective March 31, 2006, the investment limit for private residents abroad is the equivalent of N\$2,000,000 (previously, N\$750,000). Proceeds from the sale of quoted or unquoted CMA securities, real estate, and other equity investments by nonresidents are freely transferable.
Repatriation requirements	Yes.
Surrender requirements	n.a.
Controls on capital and money market instruments	Inward transfers of capital from non-CMA countries for equity investment are freely permitted. Namibian corporations are allowed to invest substantial amounts in SADC member countries, and dual listing of companies on both the Namibia Stock Exchange and other SADC stock exchanges is permitted.

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On capital market securities

Shares or other securities of a participating nature

Purchase abroad by residents Effective March 31, 2006, these transactions are permitted up to the N\$2,000,000 (previously, N\$750,000) foreign investment limit of resident individuals.

Sale or issue abroad by residents Yes.

Bonds or other debt securities

Purchase abroad by residents The controls governing shares or other securities of a participating nature apply.

Sale or issue abroad by residents Yes.

On money market instruments

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents The controls governing shares or other securities of a participating nature apply.

Sale or issue abroad by residents Yes.

On collective investment securities

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents The controls governing shares or other securities of a participating nature apply.

Sale or issue abroad by residents Yes.

Controls on derivatives and other instruments

Purchase locally by nonresidents n.a.

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Controls on credit operations

Interest rates applicable on foreign-currency-denominated loans should not exceed LIBOR plus 2%; those on local-currency-denominated loans should not exceed the prime overdraft rate plus 3%.

Commercial credits

Credit operations outside the CMA are subject to the specific approval of the BON, which is generally given for borrowing abroad with a maturity of at least six months by domestic entrepreneurs, except for speculative borrowing or consumer credit. ADs are generally permitted to raise funds abroad in their own names for the financing of Namibia's foreign trade and other approved purposes.

Financial credits

By residents to nonresidents Only companies that are 75% or more foreign owned are subject to exchange controls. A wholly nonresident-owned company may borrow locally up to 200% of shareholder equity.

To residents from nonresidents Foreign loans to Namibian residents require prior approval, which is usually granted when the repayment and servicing of loans do not disrupt the balance of payments, and the level of interest rates paid is reasonable in terms of prevailing international rates.

Guarantees, sureties, and financial backup facilities

Controls apply to all these transactions.

Controls on direct investment

Outward direct investment

Applications by residents to retain funds in, or transfer them to, countries outside the CMA for bona fide long-term investments in specific development projects or for the expansion of existing projects owned or controlled by residents are considered on their merits.

Effective March 31, 2006, the previous limit of N\$750 million was abolished. Consideration is given to foreign borrowing to finance direct investment with recourse to or guarantee from Namibia, implying that the local corporation's balance sheet may be used in negotiating

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	<p>such a facility. Approved foreign subsidiaries may expand activities abroad without prior approval, provided such expansion is financed by foreign borrowing or by profits earned by the foreign subsidiary.</p> <p>Effective March 31, 2006, Namibian private individuals over 18 years of age may invest abroad in any form or place in a domestic foreign currency account up to the equivalent of N\$2,000,000 (previously, N\$750,000), on presentation of a tax clearance certificate from the Namibia Inland Revenue. Income earned abroad and capital introduced into Namibia on or after July 1, 1997, by private individuals resident in Namibia may be transferred abroad, provided the income and/or capital had previously been converted into Namibia dollars.</p> <p>The BON is now considering applications by private individuals to invest in fixed property (e.g., holiday homes and farms) in SADC member countries.</p>
Inward direct investment	Inward transfers of capital from non-CMA countries for equity investment may be effected freely.
Controls on liquidation of direct investment	Yes.
Controls on real estate transactions	
Purchase abroad by residents	Effective March 31, 2006, these purchases are permitted up to the foreign investment limit of N\$2,000,000 (previously, N\$750,000). Other purchases are subject to exchange control approval.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Residents require prior approval.
<i>To residents from nonresidents</i>	Residents require prior approval. ADs may allow the transfer of loans up to a limit of N\$30,000 an applicant a year.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Cash bequests and the cash proceeds of legacies and distributions from such estates due to nonresidents may be remitted abroad.
<i>To residents from nonresidents</i>	Residents must declare funds obtained and repatriate them to Namibia. An exemption may be obtained from the BON for the retention of such funds abroad. Transfer by ADs of monetary gifts of up to N\$30,000 an applicant are allowed annually.
Settlements of debts abroad by immigrants	If immigrants have formally declared their assets and liabilities and have no cash resources available with which to pay a debt, the BON may consider requests for exemption.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	The regulations that apply to the transfer of assets abroad in South Africa also apply in Namibia. Effective March 31, 2006, emigrants are allowed to export household and personal effects for an emigrating family or single person up to an overall limit of N\$4,000,000 (previously, N\$1,500,000) or N\$2,000,000 (previously, N\$750,000), respectively. Emigrants are allowed to transfer abroad funds in excess of the aforementioned limits, subject to a transfer tax of 10% of the amount in excess of the limits.
<i>Transfer into the country by immigrants</i>	Immigrants are required to furnish the exchange control authorities with a complete account of their foreign assets and liabilities at the time of their arrival. Any foreign assets they transfer to Namibia may, through the same channel, be retransferred abroad.
Transfer of gambling and prize earnings	Namibians are discouraged from participating in international lotteries; therefore, most requests are denied.
References to legal instruments and hyperlinks	n.a.

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	ADs are generally permitted to raise funds abroad in their own names for the financing of Namibia's foreign trade and for other approved purposes.
Lending to nonresidents (financial or commercial credits)	Prior approval is needed for lending not related to trade transactions. Only companies that are 75% or more foreign owned are subject to exchange controls, and permission is given for local financial assistance to be granted to nonresident-owned companies against a nonresident guarantee, provided the amount made available does not exceed the limit calculated in terms of the formula requirements.
Lending locally in foreign exchange	ADs may lend money locally in Namibia dollars. However, lending locally in foreign currency is not allowed.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	As long as these deposits are liabilities to the public arising from operations in Namibia, they will be included in the basis for calculating the minimum liquid assets and reserve requirements.
<i>Credit controls</i>	The limit for credit facilities to any person or group of related persons is 30% of a banking institution's capital funds. In addition to the above limit, granted credit facilities of more than 10% of capital funds may not exceed, in aggregate, 800% of the total capital funds of the banking institution in Namibia. These limits apply to all customers, regardless of their citizenship.
Differential treatment of deposit accounts held by nonresidents	As long as these deposits are liabilities to the public, arising from operations in Namibia, they will be included in the basis for calculating the minimum liquid assets and reserve requirements.
<i>Credit controls</i>	The regulations governing deposit accounts in foreign exchange apply.
Investment regulations	
<i>Abroad by banks</i>	Banking institutions are at all times required to maintain minimum local assets situated in Namibia of an aggregate value of not less than 100% of the amount of their liabilities payable in Namibia dollars (excluding capital funds), less any debit balances denominated in South African rand in the clearing account held with their associate banks in South Africa.
Open foreign exchange position limits	There is no distinction between residents and nonresidents. The net open position limit is 15% of a bank's share capital and unimpaired reserves.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	The maximum is 65% of the total assets of insurance companies.
<i>Limits (max.) on investment portfolio held abroad</i>	Effective July 31, 2006, with BON approval, qualifying institutions (i.e., insurance companies, pension funds, and fund managers) may invest up to 20% (previously, 15%) of total assets under management by fund managers and unit trust management companies.
<i>Limits (min.) on investment portfolio held locally</i>	The minimum is 35% of the total assets of insurance companies.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	The maximum is 65% of the total assets of pension funds.
<i>Limits (max.) on investment portfolio held abroad</i>	Effective July 31, 2006, with BON approval, qualifying institutions (i.e., insurance companies, pension funds, and fund managers) may invest up to 20% (previously, 15%) of total assets under management by fund managers and unit trust management companies.

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<i>Limits (min.) on investment portfolio held locally</i>	The minimum is 35% of the total assets of the pension fund.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Resident accounts	<p><i>March 31.</i> Residents were allowed to hold amounts up to the equivalent of the investment limit of N\$2,000,000 in a domestic foreign currency account.</p> <p><i>March 31.</i> Resident private individuals were allowed to invest up to the equivalent of N\$2,000,000 (previously, N\$750,000) and to retain abroad income earned overseas. No prior approval is required for these transactions.</p>
Nonresident accounts	<p><i>March 31.</i> Emigrants were allowed to transfer up to the equivalent of N\$4,000,000 (previously, N\$1,500,000) a family or N\$2,000,000 (previously, N\$750,000) an individual, inclusive of any assets previously transferred abroad.</p>
Capital transactions	<p><i>March 31.</i> The investment limit for private individuals abroad was raised to N\$2,000,000 (previously, N\$750,000).</p>
Controls on capital and money market instruments	<p><i>March 31.</i> The foreign investment limit applicable to purchase of shares and other securities abroad by resident individuals was raised to N\$2,000,000 from N\$750,000.</p>
Controls on direct investment	<p><i>March 31.</i> Namibian private individuals over 18 years of age were allowed to invest abroad in any form or place in a domestic foreign currency account up to the equivalent of N\$2,000,000 (previously, N\$750,000), on presentation of a tax clearance certificate from the Namibia Inland Revenue.</p> <p><i>March 31.</i> The N\$750,000,000 limit on outward direct investment was abolished.</p>
Controls on real estate transactions	<p><i>March 31.</i> Real estate purchases abroad by residents were permitted up to the foreign investment limit of N\$2,000,000 (previously, N\$750,000).</p>
Controls on personal capital transactions	<p><i>March 31.</i> Emigrants were allowed to export household and personal effects for an emigrating family or single person up to an overall limit of N\$4,000,000 (previously, N\$1,500,000) or N\$2,000,000 (previously, N\$750,000), respectively.</p>
Provisions specific to the financial sector	
Provisions specific to institutional investors	<p><i>July 31.</i> With BON approval, qualifying institutions (i.e., insurance companies, pension funds, and fund managers) were allowed to invest up to 20% (previously, 15%) of total assets under management by fund managers and unit trust management companies.</p>

NEPAL

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: May 30, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) n.a.

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Nepal is the Nepalese rupee.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Nepalese rupee has been pegged to the Indian rupee at the rate of Nrs 1.6 per Re 1 since February 1993. The reference rate of the dollar quoted by the Nepal Rastra Bank (NRB) is based on the average of the quoted buying and selling rates of commercial banks. Exchange rates of other major currencies are quoted on the basis of overseas markets. Buying and selling rates are quoted daily for certain other currencies, with quotes based on the buying and selling rates for the dollar in markets abroad.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Banks provide forward exchange cover for trade transactions.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Convertibility between the Indian rupee and the Nepalese rupee is unrestricted in Nepal. All current transactions with member countries of the ACU other than India must be effected through the ACU. Payments for selected imports from India may be settled in dollars. Effective May 29, 2006, four items have been added to the list, increasing the number of items eligible for import from India through payments in convertible foreign exchange to 91 from 87. Commercial banks are permitted to make payments in dollars for imports from India by international organizations for their own use. Other imports and proceeds from exports to India must be settled in Indian rupees. Proceeds from exports to other countries must be received in convertible currencies. Commercial banks may transact in renminbi with Chinese tourists.

Controls on the use of domestic currency n.a.

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Use of foreign exchange among residents	Commercial banks may engage in interbank transactions in Indian rupees. Resident individuals may purchase Indian rupees and sell them to the NRB.
Payments arrangements	
Regional arrangements	Nepal is a member of the ACU.
Clearing agreements	Yes.
Administration of control	Payments in convertible currencies may be made without permission, subject to the procedures prescribed by the NRB. All exchange transactions must be settled through ADs. Nonbank ADs are licensed to accept foreign currencies only for their services to foreign nationals.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Persons who have stayed abroad for more than one month and have an official source of foreign earnings may import up to 10 kilograms of gold. Effective March 13, 2006, imports of gold and silver are allowed under OGLs.
Controls on exports and imports of banknotes	
On exports	
<i>Foreign currency</i>	Foreign banknotes, other than Indian banknotes, may not be taken out by residents without permission. Nonresidents may take out any unconverted foreign banknotes they brought in.
On imports	
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Residents and nonresidents may bring in foreign banknotes freely but must declare amounts exceeding the equivalent of \$2,000. No limit applies to Indian rupees.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Exporters may deposit up to 100% of export earnings in a foreign exchange account to cover trade-related expenses. Nepalese citizens earning foreign exchange from working abroad (except in Bhutan and India) for more than three months may also open these accounts. Commercial banks may accept deposits denominated in most freely usable currencies and are free to determine the rate of interest paid on deposits. Current accounts may be opened with a minimum equivalent to \$500, and time deposits with a minimum equivalent to \$3,000. Banks are free to determine the minimum balance on time deposits. Foreign exchange earners (exporters and the tourism sector) are allowed to make payments from their foreign currency account directly to the foreign party for promotional activities such as booth reservations, registration fees, and service charges. Remittance agencies licensed by the NRB, employment agencies, and, effective August 8, 2006, money changers are allowed to open foreign exchange accounts.
Held abroad	Yes.
<i>Approval required</i>	Prior approval is required for commercial banks to open these accounts. Commercial banks may open foreign exchange accounts abroad with nonbank financial institutions for facilitating e-commerce payments.
Accounts in domestic currency held abroad	No.

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Accounts in domestic currency convertible into foreign currency No.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Accounts may be maintained in all specified convertible currencies, and balances in these accounts may be transferred abroad freely. Diplomats and foreign nationals, except Indian nationals, are free to open foreign currency accounts with Nepalese banks.

Domestic currency accounts No.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports Effective May 29, 2006, four items have been added to the list, increasing the number of items eligible for import from India through payments in convertible foreign exchange to 91 from 87.

Letters of credit Banks are required to obtain information regarding the business credibility of suppliers before opening LCs in excess of the equivalent of \$50,000.

Other Effective July 25, 2006, the time limit for the deferred payment of LCs has been abolished. Previously, deferred-payment LCs of up to one year were allowed for all imports.

Other Importers are allowed to make payments up to the equivalent of \$30,000 by draft or wire transfer.

Import licenses and other nontariff measures Most imports are covered by OGLs.

Positive list Yes.

Negative list Imports of arms, ammunition, wireless transmitters, precious metals, and jewelry require special permission from the government. Imports of live birds along with their nonprocessed meat products, eggs, and other bird-related nonprocessed items are prohibited from all Asian countries except India, Bangladesh, Sri Lanka, and Bhutan.

Open general licenses Yes.

Other nontariff measures Quantitative restrictions are in effect for the importation of poppy seeds.

Import taxes and/or tariffs Effective July 25, 2006, there are nine tariff rates: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 55%, and 80%. Previously, there were seven tariff rates (5%, 10%, 15%, 25%, and 40%, and two special rates of 80% and 130%). Most goods are subject to either the 15% or the 25% rate. Nepalese citizens returning from abroad who have spent at least 15 nights out of the country are permitted to bring in goods worth the equivalent of Nrs 1,000 free of customs duty and sales tax. Citizens with official sources of foreign exchange earnings and who have stayed abroad for one month or more are allowed additional imports without official documentation.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

NEPAL

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports must be repatriated within 180 days of receipt. Exporters are allowed to accept deferred payments of export proceeds if they do not exceed the equivalent of \$1,000 or 2% (previously, \$500 or 1%), whichever is higher. Approval of the NRB is required for amounts above the specified limit.
Surrender requirements	Exporters may retain the export earnings on their foreign currency accounts with local banks.
Financing requirements	Commercial banks may grant preexport credits of up to 70% of the f.o.b. value of products to all individuals and institutions holding irrevocable LCs opened or endorsed by foreign banks and acceptable to Nepalese banks. Such credit may be provided for a maximum of three months; this period may be extended without penalty in special circumstances beyond the control of the exporter.
Documentation requirements	
Letters of credit	Exports to countries other than India are allowed only against irrevocable LCs or against advance payments by foreign banks.
Guarantees	Export consignments not exceeding \$200,000 or its equivalent may be undertaken on the basis of a bank guarantee or securities acceptable to the banks.
Domiciliation	Reexportation to India of non-Nepalese goods and reexportation to any destination of goods imported from India are prohibited.
Preshipment inspection	Preshipment inspection is not compulsory.
Export licenses	Exports of items having archaeological or religious value, old coins, narcotics, and explosive materials are prohibited.
With quotas	Effective July 25, 2006, the quota system for the export of selected ready-made garments to the United States has been abolished.
Export taxes	
Other export taxes	Export taxes are levied on 23 specific items, and a 5% service charge—based on the f.o.b. value of the item in question—is levied on all other exports.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Effective July 25, 2006, payments and transfers exceeding the equivalent of \$2,500 (previously, \$1,500) require NRB permission.
Trade-related payments	Commercial banks are permitted to make payments in dollars for imports from India by international organizations for their own use.
Investment-related payments	
<i>Prior approval</i>	Prior approval is required in the case of private sector loan amortization; approval is not required for foreign investors operating in Nepal to repatriate profits earned from their investments.
<i>Quantitative limits</i>	n.a.
Payments for travel	
<i>Indicative limits/bona fide test</i>	The indicative limit for Nepalese passport facilities of \$2,000 or its equivalent a year has been eliminated. Now travelers can obtain these facilities for each visit. Bona fide payments in excess of the limit are permitted. Effective July 25, 2006, the limit on payments under passport facilities for travel to the South Asian Association for Regional Cooperation (SAARC) countries and Tibet, except India by road, has been increased to \$1,000 from \$300 each visit.

NEPAL

Personal payments	Commercial banks are permitted to make payments directly to an educational institution on the basis of a recommendation letter issued by the Ministry of Education.
<i>Prior approval</i>	Prior approval of the government is required for transfers related to medical expenses and costs related to study abroad.
<i>Quantitative limits</i>	n.a.
Foreign workers' wages	
<i>Prior approval</i>	Yes.
Credit card use abroad	The use of credit cards abroad is allowed under specific guidelines. Commercial banks may issue debit cards for use abroad.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	Foreign exchange earners (exporters and the tourism sector) are allowed to make payments from their foreign currency account directly to a foreign party for promotional activities such as booth reservations, registration fees, and service charges. Commercial banks are permitted to make payments for business credibility information for their own purposes.
<i>Prior approval</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	Yes.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	Yes.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Nonresidents may invest in equity shares of up to 25% of the capital of Nepalese companies.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On collective investment securities	n.a.

NEPAL

Controls on derivatives and other instruments	Commercial banks are permitted to conduct interest rate swap operations. Effective March 20, 2007, banks and some financial institutions may enter into transactions in derivatives and other instruments, such as forward operations, swaps, options, and futures. They may also invest their convertible foreign exchange in various financial instruments with any maturity. However, these transactions must be approved by the board of the respective banks and financial institutions.
Controls on credit operations	Specified borrowers may borrow from abroad in accordance with guidelines.
Controls on direct investment	
Outward direct investment	Nepalese citizens, whether or not they reside in Nepal, are not allowed to make any type of investment in foreign countries, except as specifically permitted by government notice. Exemptions include the purchase and sale of insurance policies abroad and investments abroad by any banking or financial institution incorporated in Nepal.
Inward direct investment	Investments require prior approval in the form of a guarantee from the Department of Industry. Foreign investment is not permitted in cottage, small-scale, or defense-related industries. Foreign investors may hold 100% equity in large and medium-scale industries. Foreign securities firms are permitted to form joint ventures with local state exchange members, but their ownership is limited to 25% of the capital of Nepalese companies.
Controls on liquidation of direct investment	Controls are in effect based on the provisions of the Company Act.
Controls on real estate transactions	Controls apply to all these transactions.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	n.a.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Maintenance of accounts abroad	Approval of the NRB is required. Commercial banks may enter into interest rate swap arrangements with foreign banks and other financial entities without NRB approval.
Lending locally in foreign exchange	Exporters, tourism-related businesses, and specific industries are entitled to such credits. Commercial banks may conduct interbank lending and borrowing in Indian currency.
Purchase of locally issued securities denominated in foreign exchange	No such transactions have occurred.
Differential treatment of deposit accounts in foreign exchange	Differential treatment is based on the type of currency.
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
<i>Interest rate controls</i>	Yes.
<i>Credit controls</i>	Yes.
Investment regulations	
<i>In banks by nonresidents</i>	Yes.

NEPAL

Provisions specific to institutional investors

Insurance companies n.r.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Arrangements for payments and receipts

March 13. Imports of gold and silver were allowed under OGLs.

May 29. The number of items eligible for import from India through payments in convertible foreign exchange was increased to 91 from 87.

Resident accounts

August 8. Money changers were allowed to open foreign exchange accounts.

Imports and import payments

May 29. The number of items eligible for import from India through payments in convertible foreign exchange was increased to 91 from 87.

July 25. The time limit for the deferred payment of LCs was abolished.

July 25. The number of import tariff rates was increased to nine from seven.

Exports and export proceeds

July 25. The quota system for the export of selected ready-made garments to the United States was abolished.

Payments for invisible transactions and current transfers

July 25. The limit on payments and transfers that do not require NRB permission was increased to the equivalent of \$2,500 from \$1,500.

July 25. The limit on payments under passport facilities for travel to the SAARC countries and Tibet, except to India by road, was increased to \$1,000 from \$300 a visit.

Changes during 2007

Capital transactions

Controls on derivatives and other instruments

March 20. Banks and other financial institutions were allowed to conduct transactions in derivatives and other instruments and to invest their convertible foreign exchange in various financial instruments, provided these transactions were approved by the board of the respective banks and financial institutions.

NETHERLANDS

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On April 26, 2007, the Kingdom of the Netherlands notified the IMF that in accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained on the making of payments and transfers for international transactions with respect to certain individuals and entities associated with the president of Belarus (2006), the former governments of Iraq and the Federal Republic of Yugoslavia and certain individuals and/or entities associated with the governments of Côte d'Ivoire, Myanmar, and Zimbabwe, as well as Lebanese and Syrian officials involved in the assassination of former Lebanese Prime Minister Rafik Hariri (2006). In accordance with EU regulations, financing of and financial assistance related to military activities in the Democratic Republic of the Congo, Côte d'Ivoire, Liberia, Myanmar, Sierra Leone, Somalia, Sudan, and Zimbabwe are prohibited. Restrictions also apply on transfers with respect to Osama bin Laden, Al-Qaida, the Taliban, and individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the Netherlands is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Netherlands participates in a currency union with 12 other members of the EMU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward exchange contracts are not limited as to delivery period, nor is an underlying trade transaction required.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

NETHERLANDS

Payments arrangements	No.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	In accordance with EU Regulation No. 1889/2005, natural persons entering or leaving the EU and carrying cash of a value of €10,000 or more must declare that sum to the relevant authorities of the member state through which they are entering or leaving the Community.
On exports	Yes.
On imports	Yes.
References to legal instruments and hyperlinks	EU Regulation No. 1889/2005.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	In compliance with relevant UN Security Council resolutions and/or EU regulations, accounts belonging to specific persons and/or entities related to Osama bin Laden, Al-Qaida, the Taliban, and individuals and organizations associated with terrorism are blocked. Accounts belonging to specific persons or entities associated with the president of Belarus, the former governments of Iraq and the Federal Republic of Yugoslavia, and the governments of Myanmar, Côte d'Ivoire, and Zimbabwe, as well as Lebanese and Syrian officials involved in the assassination of former Lebanese Prime Minister Rafik Hariri are also blocked.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

NETHERLANDS

Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Import licenses are required for a limited number of textile and steel products, mainly from China.
Other nontariff measures	Imports of most products covered by the CAP from non-EU countries are subject to common EU regulations.
Import taxes and/or tariffs	Yes.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Export licenses are required for only a few commodities, mostly of a strategic nature.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Inward and outward capital transfers by residents and nonresidents are generally not restricted, but they are subject to reporting requirements based on the External Financial Relations Act.
Repatriation requirements	No.

NETHERLANDS

Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Controls apply to investment in enterprises operating an airline, unless otherwise implied by the provision of international agreements to which the Netherlands is a party, and ownership of Netherlands flag vessels, unless the investment is made by shipping companies incorporated under Netherlands law, established in the Netherlands, and having their actual place of management in the Netherlands.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Provisions specific to institutional investors	
Insurance companies	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange measures	<i>April 26.</i> The authorities notified the IMF that the Kingdom of Netherlands maintains certain exchange restrictions in accordance with EU regulations and the relevant UN Security Council resolutions solely for the preservation of national or international security.
Exchange arrangement	<i>January 1.</i> The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

NETHERLANDS ANTILLES

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Yes.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Pursuant to UN Security Council resolutions, economic sanctions are imposed against the former government of Iraq, the Taliban, and individual groups and organizations associated with terrorism.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Netherlands Antilles is the Netherlands Antillean guilder.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The guilder is pegged to the dollar, the intervention currency, at NA f. 1.7900 per \$1. The official selling rate is NA f. 1.82 per \$1. Official buying and selling rates for certain other currencies are set daily on the basis of rates of the dollar abroad.

Exchange tax There is no tax, but a license fee of 1% applies to all transfers to nonresidents.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements No.

Administration of control The Central Bank of the Netherlands Antilles (CBNA) issues exchange licenses, whereas the Department of Finance issues import licenses. Authorized banks may provide foreign exchange for all current transactions without prior approval of the CBNA.

Payments arrears No.

Controls on trade in gold (coins and/or bullion) No.

Controls on exports and imports of banknotes Exports and imports of banknotes exceeding the equivalent of NA f. 20,000 must be declared to customs.

On exports

Domestic currency Exportation is prohibited, except for travel purposes.

NETHERLANDS ANTILLES

<i>Foreign currency</i>	Nonresidents may take with them on departure any foreign currency that they brought in, although amounts exceeding the equivalent of NA f. 20,000 must be declared to customs.
On imports	Yes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Resident individuals may hold these accounts without a special license.
Held domestically	Yes.
Held abroad	Transfers from a local bank account to foreign accounts are allowed up to NA f. 50,000 a quarter without prior CBNA approval. These accounts and all transfers from and to these accounts must be reported to the CBNA.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	These accounts are permitted, but approval is required for accounts exceeding NA f. 200,000. In addition, these accounts may be funded only with foreign exchange.
Convertible into foreign currency	Yes.
Approval required	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	Imports with delivery dates exceeding payment dates by more than 12 months must be reported to the CBNA.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	No.
Import taxes and/or tariffs	Imported goods are subject to tariffs and levies. Goods for which locally produced substitutes are available are not subject to import surcharges.
State import monopoly	No.

NETHERLANDS ANTILLES

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements	If export proceeds are not received within 12 months of shipment, the delay must be reported to the CBNA.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Most types of current invisible payments and remittances may be made freely. A license is required if the delivery and payment dates are more than one year apart.
Investment-related payments	These transactions are subject to certain conditions.
<i>Prior approval</i>	Companies must submit their financial statements to the CBNA for verification of the actual amount of profits and dividends recorded before they may remit them.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Investments by residents in officially listed foreign securities (and in mutual funds whose shares are listed) are permitted free of license in amounts up to the equivalent of NA f. 100,000 a year, provided these payments are effected through a local exchange bank. Reinvestment of proceeds from the sales of securities is also allowed.
On capital market securities	There are licensing requirements for most capital market transactions.
On money market instruments	Controls apply to all these transactions.
On collective investment securities	Controls apply to all these transactions.

NETHERLANDS ANTILLES

Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	Credit operations require licenses, which are normally granted.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Investments require licenses, which are normally granted.
Controls on liquidation of direct investment	Yes.
Controls on real estate transactions	No.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	A license is required if these transactions involve local currency.
Lending to nonresidents (financial or commercial credits)	A license is required if these transactions involve local currency.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Nonresident deposits with local banks are not subject to reserve requirements.
Investment regulations	CBNA approval is required for acquisition of more than 5% of shares in other companies.
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	Banks are not allowed to have negative net foreign asset positions. Any negative position is subject to penalty.

Provisions specific to institutional investors

Insurance companies	Insurance companies, under certain conditions, may invest with nonresidents amounts equal to the amount invested in qualifying local investments (50%/50%). Effective January 4, 2006, deviations from these limits are allowed, but at a penalty.
<i>Limits (min.) on investment portfolio held locally</i>	The limits are 40% for the first NA f. 10 million, 50% for the next NA f. 10 million, and 60% for additional amounts of the total provisions and liabilities.
<i>Currency-matching regulations on assets/liabilities composition</i>	There must be sufficient assets in a particular currency to cover the liabilities in that currency (currency exposure is not allowed).
Pension funds	Pension funds, under certain conditions, may invest with nonresidents amounts equal to the amount invested in qualifying local investments (50%/50%). Effective January 4, 2006, deviations from these limits are allowed, but at a penalty.
<i>Limits (min.) on investment portfolio held locally</i>	The limits are 40% for the first NA f. 10 million, 50% for the next NA f. 10 million, and 60% for additional amounts of the total provisions and liabilities.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Provisions specific to the financial sector

Provisions specific to institutional investors

January 4. Deviation from the minimum limits on the investment portfolio held locally by insurance companies and pension funds was allowed, but at a penalty.

NEW ZEALAND

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: August 5, 1982.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Measures have been taken to prohibit dealing with or making available to any person assets of the Taliban and of other designated individuals and organizations associated with terrorism, in accordance with the relevant UN Security Council resolutions.

Other security restrictions

A prohibition has been imposed on dealing with or making available to any person assets of the former government of Iraq, except for transfers to the Development Fund for Iraq or as authorized by the minister of foreign affairs and trade. A prohibition also applies within New Zealand and on New Zealand citizens abroad against dealing with or making available to any persons assets or funds belonging to the former Taylor regime in Liberia and its associates.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of New Zealand is the New Zealand dollar.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the New Zealand dollar is determined on the basis of supply and demand in the foreign exchange market.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

Payments arrangements

No.

Administration of control

No.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

No.

NEW ZEALAND

Controls on exports and imports of banknotes	Exports and imports of banknotes, coins, and traveler's checks exceeding \$NZ 10,000 or its equivalent require customs documentation (Border Cash Report).
References to legal instruments and hyperlinks	Financial Transactions Reporting Act of 1996.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Yes.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Import prohibitions and restrictions affect some 70 products or classes of products—primarily plants, animals, and products considered dangerous to human health or not in the public interest.
Import taxes and/or tariffs	For nonprimary produce, tariffs apply to imported products that compete with New Zealand's domestic production. Most primary produce competing with New Zealand's domestic production is admitted free of tariff. Overall, 95% of imports (by value) are free of duty. Tariffs on imports from nonpreferential sources are generally in the range of 6% to 7%. Under New Zealand's unilateral tariff reduction program, these tariffs (along with 10%

NEW ZEALAND

tariffs) will gradually be reduced to 5% by July 2008. Higher tariff rates of 17% on clothing, footwear, carpets, ambulances, and motor homes will gradually be reduced to 10% by 2009.

New Zealand also provides tariff preferences on a multilateral, bilateral, and regional basis. Tariffs on goods originating from Brunei Darussalam, Chile, and Thailand were reduced to 10% on January 1, 2007, and will gradually be reduced further to become duty-free on January 1, 2010. Goods originating from Australia, Canada, Singapore, least developed countries, and Forum Island countries are free of duty. Eligible imports from developing countries are also granted tariff preferences.

State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	

Without quotas

Export prohibitions and restrictions have been introduced to protect New Zealand's culture (e.g., on antiquities) and economy (e.g., on the export of certain horticultural products, kiwifruit, dairy products, and animal products) and to enable New Zealand to comply with international agreements that the New Zealand government has signed (e.g., on hazardous waste). Certain items classified as strategic goods may be exported only when specific requirements have been met and an export permit has been issued. For conservation reasons, there are also restrictions or prohibitions on exports of various animals and plants.

With quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.

NEW ZEALAND

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

No person who is not a New Zealand national may acquire, without the consent of the minister of finance (the Kiwi shareholder), 49.9% or more of the shares of Telecom Corporation of New Zealand Ltd., or an interest in equity securities that confers 10% or more of the total voting rights in Air New Zealand Ltd.

Controls on derivatives and other instruments

No.

Controls on credit operations

No.

Controls on direct investment

Inward direct investment

Consent is required under

(1) Section 12 of the Overseas Investment Act 2005 for the acquisition by an overseas person or an associate of an overseas person of (a) an interest in sensitive land; and (b) rights or interests in securities of a person (A), if A owns or controls (directly or indirectly) an interest in sensitive land and as a result of the acquisition the overseas person or the associate has a 25% or more ownership or controlling interest in A, or an increase in an existing 25% ownership or controlling interest in A, or A becomes an overseas person. "Sensitive land" investments must meet an "investor" test and generally be for the benefit of New Zealand or a group of New Zealanders. If the sensitive land is more than five hectares, the benefit must be substantial and identifiable. If the sensitive land is farmland, it must be advertised in accordance with the Overseas Investment Regulations 2005, unless exempted.

(2) Section 13 of the Overseas Investment Act 2005 for (a) the acquisition by an overseas person or an associate of an overseas person of rights and interests in the securities of a person (A), if as a result of the acquisition the overseas person or the associate has a 25% or more ownership or controlling interest in A, or an increase in an existing 25% or more controlling interest in A, and the value of the securities or consideration or the value of the assets of A and its 25% or more subsidiaries exceeds \$NZ 100 million; (b) the establishment by an overseas person of a business in New Zealand if the business is carried out for more than 90 days in any year (whether consecutively or in aggregate) and the total expenditure expected to be incurred before establishing that business exceeds \$NZ 100 million; and (c) the acquisition by an overseas person or an associate of an overseas person of property (including goodwill and other intangible assets) in New Zealand used in carrying out business in New Zealand if the total value of the consideration exceeds \$NZ 100 million. "Significant business asset" investments must meet an investor test.

(3) Section 57B of the Fisheries Act 1996 for the acquisition by an overseas person or an associate of an overseas person of (a) an interest-in-fishing quota; or (b) rights or interests in securities of a person (A) if A owns (directly or indirectly) an interest-in-fishing quota and as a result of the acquisition the overseas person or the associate has a 25% or more ownership or controlling interest in A, or an increase in a 25% or more ownership or controlling interest in A, or A becomes an overseas person. Fishing quota investments must meet an investor test and meet a national interest test.

No person who is not a New Zealand national may acquire, without the consent of the minister of finance (the Kiwi shareholder), 49.9% or more of the shares of Telecom Corporation of New Zealand Ltd., or an interest in equity securities that confers 10% or more of the total voting rights in Air New Zealand Ltd.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

For foreign investment in certain types of land, the investor must meet an investor test, and the investment generally must also be for the benefit of New Zealand or a group of New Zealanders. If the sensitive land is more than five hectares, the benefit must be substantial and identifiable. Consent is required for acquisitions of the following: non-urban land

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exceeding five hectares; land on specified islands exceeding 0.4 hectare; land on all other islands (other than the North or South Island); the foreshore or seabed; land including or adjoining the bed of a lake exceeding 0.4 hectare; land containing or adjoining land held for conservation purposes, reserves, public parks, recreation, open space, or historic or heritage areas; land adjoining the foreshore in excess of 0.2 hectare; land adjoining regional parks; land adjoining certain listed land under section 37 of the Overseas Investment Act 2005; land of more than 0.4 hectare adjoining a sea or lake; and land of more than 0.4 hectare adjoining an esplanade reserve, recreation reserve, road, or Maori reservation.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

Overseas Investment Act 2005; Fisheries Act 1996.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

No.

Provisions specific to institutional investors

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Imports and import payments

January 1. Tariffs on goods originating from Brunei Darussalam, Chile, and Thailand were reduced to 10%.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 30, 1964.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Nicaragua is the Nicaraguan córdoba.
Exchange rate structure	Unitary.
Classification	
Crawling peg	The official exchange rate of the córdoba is determined and preannounced by the Central Bank of Nicaragua (CBN). The exchange rate of the córdoba against the dollar depreciates 5% a year.
Exchange tax	There is no tax, but the CBN charges a commission of 1% on sales of foreign exchange.
Exchange subsidy	No.
Forward exchange market	No.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	International loans may be settled in the currency of the lender or in any other currency set by the lender.
Use of foreign exchange among residents	There are no restrictions. However, financial institutions must report to the Bank Superintendency any individual transactions, including multiple or piecemeal transactions, with respect to deposits, withdrawals, currency exchanges, securities trading or other financial transactions, or other payments or transfers involving the exchange of currency in cash and exceeding US\$10,000 or its equivalent in local currency.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	Yes.
Regional arrangements	Nicaragua is a member of the CACM.
Administration of control	Exchange operations between private agents are not restricted. The CBN allows the central government, authorized commercial banks, and exchange houses to conduct foreign exchange transactions.

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Payments arrears

Official	Payments arrears are maintained with some non-Paris Club members on debt that is subject to rescheduling or restructuring.
Private	n.a.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade	The Ministry of Development, Industry, and Commerce (MIFIC) and the National Administration of Geological Resources coordinate, manage, and supervise the mining, production, and exportation of gold. Natural and juridical persons may trade gold coins for numismatic purposes only (commemorative gold coins were issued in 1967, 1975, 1980, and 2001).
On external trade	A permit from the MIFIC is required to export gold.

Controls on exports and imports of banknotes

On exports	Exports of the equivalent of US\$10,000 or more require a customs declaration.
<i>Domestic currency</i>	Outward transfers by financial institutions must comply with the regulations issued by the Superintendency of Banks and Other Financial Institutions (SOBOFI).
<i>Foreign currency</i>	Yes.
On imports	Imports of the equivalent of US\$10,000 or more require a customs declaration.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	The CBN is the only entity authorized to import nonredeemable currencies.

References to legal instruments and hyperlinks

Article 17 of the Regulations on Preventing the Laundering of Money and Other Assets; anti-money laundering regulations; www.siboif.gob.ni.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
<i>Approval required</i>	The opening of foreign exchange accounts in the national financial system must comply with the standards issued by the SOBOFI.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Accounts denominated in córdobas are dollar-indexed, except for current account deposits. Conversion may be effected through foreign exchange operations with financial institutions and exchange bureaus at buy and sell market rates.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Only foreigners with approved immigration status (e.g., diplomatic missions and international organizations) may open these accounts.
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Domestic currency accounts	Only foreigners with approved immigration status may open these accounts.
Convertible into foreign currency	Conversion may be effected through foreign exchange operations with financial institutions and exchange bureaus at buy and sell market rates.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Importers must register with the unified taxpayers' register. Foreign exchange is obtained on the foreign exchange market (financial institutions and exchange bureaus).
Letters of credit	LCs' requirements are regulated in the contract between importers and nonresident suppliers. Some import payments are made through certified drafts, but almost all are made through LCs.
Other	Yes.
Import licenses and other nontariff measures	Licenses are required for the following imports: cane sugar and sucrose, alcoholic and nonalcoholic beverages, medications for human and veterinary use, cosmetics, vegetables, agrochemicals, and bananas.
Negative list	Certain categories of imports are banned.
Other nontariff measures	Measures apply to certain imports, including those related to public health, national security, the environment, and national emergencies.
Import taxes and/or tariffs	The import tariff regime is harmonized with that of the CACM. The maximum tariff rate, which applies to chicken legs and thighs, is 170%. A 72% duty applies to rice imports from non-WTO countries. A selective consumption tax is imposed on imports of alcoholic and nonalcoholic beverages and cigarettes. An additional 35% sovereignty tax is imposed on imports from Colombia. All imports are subject to a VAT of 15%, with few exceptions.
State import monopoly	No.
References to legal instruments and hyperlinks	Technical Circular 022/2002, published by the MIFIC (CT-022-2002 Restrictions and Prohibition); www.dga.gob.ni ; www.mific.gob.ni .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	Exporters complete an export form, for submission to customs, in the case of exports to Central American countries, and for purposes of compiling statistics on exporters.
Export licenses	Export licenses are generally not required, but all exports must be registered with the MIFIC. Licenses are required for exports of wildlife and forestry products, including worked goods and taxidermic work; precious woods (excluding cedar and mahogany); shrimp and lobster; gold coffee; live animals; automobiles; personal effects; scientific or commercial samples; itinerant exhibitions; and toluene. Controls also apply on sea cucumbers, giant pink or queen conches, agrochemical and veterinary products, and ornamental fish.
With quotas	Quotas apply on exports of sugar and beef to the United States and on exports of black beans, powdered milk, and cheese to Mexico. On Nicaragua's entry into CAFTA, quotas were assigned to peanuts, peanut butter, and dairy products, among other products.

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Export taxes	No.
References to legal instruments and hyperlinks	CT-022-2002 Restrictions and Prohibitions; www.cetrex.com.ni ; www.dga.gob.ni ; www.mific.gob.ni .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	Investors must be registered with the MIFIC to receive benefits from the investment law.
Inward direct investment	Pursuant to the foreign investment law, investors must report their investments to the CBN, directly or through commercial banks.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	n.r.
Controls on personal capital transactions	
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions are subject to prior authorization of the MIFIC.
Transfer of gambling and prize earnings	n.r.
References to legal instruments and hyperlinks	Foreign Investment Law; General Law on Securities; www.siboif.gob.ni ; www.mific.gob.ni .

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Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Institutions may borrow abroad, subject to compliance with regulations governing foreign indebtedness. Violation of these regulations is punishable with fines under the General Law on Banks, Nonbank Financial Institutions, and Financial Groups.
Lending locally in foreign exchange	Banks may extend loans in general and collect them in the same currency in which they were granted.
Purchase of locally issued securities denominated in foreign exchange	These instruments may be issued by the CBN, the government, or any private corporation registered on the local stock exchange.
Investment regulations <i>Abroad by banks</i>	There are prudential limits established by the SOBOFI.
Open foreign exchange position limits	There is a maturity and currency-matching standard governing open positions. Foreign exchange positions are regulated by the capital adequacy standards for financial institutions.

Provisions specific to institutional investors

Insurance companies	The General Law on Insurance Companies, the amendment of the regulatory standards for the authorization of insurance intermediaries and the exercise of their intermediation activities, and the regulations on investment limits for insurance and reinsurance companies apply.
<i>Currency-matching regulations on assets/liabilities composition</i>	There are prudential limits established by the SOBOFI.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	Yes.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	The Law on the Pension Saving System applies.

References to legal instruments and hyperlinks

General Law on Banks (Article 53, Law 561); General Law on Banks, Nonbank Financial Institutions, and Financial Groups; Law on the Deposit Insurance System; Regulations on Investment Limits for Insurance and Reinsurance Companies; General Law on Insurance Companies; Amendment of the Regulatory Standards for the Authorization of Insurance Intermediaries and the Exercise of Their Intermediation Activities; Law on the Pension Saving System; www.siboif.gob.ni.

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Changes during 2006

No significant changes occurred in the exchange and trade system.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. The framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks

Regulation 14/2002/CM/UEMOA by the WAEMU Council of Ministers of September 19, 2002; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency

The currency of Niger is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Niger participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at a fixed rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rate for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy

No.

Forward exchange market

Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Niger is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU and

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CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.

Controls on the use of domestic currency

For capital transactions

Transactions in derivatives and other instruments Yes.

Use of foreign exchange among residents

The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account.

Clearing agreements

A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.

Administration of control

Exchange control is administered jointly by the MOF and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MOF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Niger for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Niger require prior authorization by the RCPSFM.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports of gold require prior MOF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO, (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles), and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration. Exports of gold have been liberalized.

Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. However, the suspension of BCEAO repurchases of exported banknotes continues. In addition, the exchange of BCEAO banknotes between authorized intermediaries and their correspondents outside the WAEMU is prohibited.

Foreign currency

The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or

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their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks.

On imports

Foreign currency

Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Resident Accounts

Foreign exchange accounts permitted

The holding by residents of foreign currency accounts is subject to prior MOF authorization, after consent by the BCEAO.

Held domestically

Yes.

Approval required

Yes.

Held abroad

Yes.

Approval required

Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, prior authorization by the MOF, after BCEAO approval, is required to open an account abroad.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Approval required

The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.

Domestic currency accounts

Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU countries, these accounts may not be credited with BCEAO banknotes. These accounts may not be overdrawn without prior MOF authorization. Transfers of funds between nonresident accounts are not restricted.

Convertible into foreign currency

Convertible foreign currency accounts may be debited freely for the purchase by nonresidents of foreign currencies on the official exchange market.

Blocked accounts

No.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Documentation requirements for release of foreign exchange for imports	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirement	All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	Imports of goods exceeding CFAF 3 million f.o.b. require an inspection for quality and price.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	
Negative list	Imports of narcotics and firearms are prohibited.
Other nontariff measures	Quantitative restrictions may be applied on products for public health and security reasons.
Import taxes and/or tariffs	The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1% and a community solidarity levy of 1%.
Taxes collected through the exchange system	Yes.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports, excluding those from WAEMU countries, must normally be collected within 120 days of shipment and repatriated through the BCEAO not later than one month after the due date of the payment.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if authorized by the BCEAO.
Financing requirements	No.
Documentation requirements	
Domiciliation	All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Other	A customs declaration is required.
Export licenses	Authorization is required for exports of gold.
Without quotas	Yes.
Export taxes	No.

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References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts made by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Payments for imports with countries outside the CFA franc zone exceeding the equivalent of the CFAF 5 million limit must be domiciled with an AD, which is required to verify the validity of the request and open a file to include all supporting documents required by the exchange regulations.
Investment-related payments	Authorized banks may transfer profits and interest payments based on supporting documentation.
<i>Prior approval</i>	Payments for depreciation of direct investments require prior authorization from the MOF, because this type of depreciation is not specifically mentioned in the regulations.
<i>Indicative limits/bona fide test</i>	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	
<i>Quantitative limits</i>	Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.
<i>Indicative limits/bona fide test</i>	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	
<i>Prior approval</i>	Prior approval is required for payment of family maintenance.
<i>Indicative limits/bona fide test</i>	All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	The use of credit cards is allowed only when issued by specialized institutions.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.

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Surrender to authorized dealers All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of CFAF 300,000 that they bring in and must surrender it to an authorized bank within eight days of their return.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.

Repatriation requirements Yes.

Surrender requirements

Surrender to the central bank n.a.

Surrender to authorized dealers The proceeds from the sale or liquidation of investments in foreign assets by residents must be surrendered to authorized intermediary banks within one month.

Controls on capital and money market instruments Prior authorization by the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities, canvassing, and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents These purchases are subject to prior declaration to the MOF for statistical purposes.

Sale or issue locally by nonresidents The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation.

Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.

Purchase abroad by residents The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to prior authorization by the MOF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.

Sale or issue abroad by residents Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MOF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.

Residents may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.

Bonds or other debt securities The regulations governing shares or other securities of a participating nature apply.

Sale or issue locally by nonresidents Yes.

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Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing shares or other securities of a participating nature apply.
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Residents may sell money market instruments abroad. Sales liquidating an investment are subject to prior declaration.
On collective investment securities	The regulations governing shares or other securities of a participating nature apply.
Controls on derivatives and other instruments	These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.
Controls on credit operations	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	
<i>By residents to nonresidents</i>	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment. The transfer of funds abroad for this purpose is subject to prior MOF authorization.
<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval by the MOF. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the BCEAO acting on behalf of the MOF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be reported for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	The granting of guarantees and sureties is subject to prior approval by the MOF. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval by the MOF, and the submission of supporting documents.
<i>To residents from nonresidents</i>	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MOF.
Controls on direct investment	Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 20% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents, including investments through foreign companies under the direct or indirect control of residents of Niger and investments by foreign branches or subsidiaries of companies established in Niger, require prior authorization by the MOF.
Outward direct investment	All investment abroad by residents is subject to prior MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for

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	purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes.
Controls on liquidation of direct investment	The liquidation of investments abroad must be reported to the MOF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MOF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MOF for statistical purposes.
Controls on real estate transactions	
Purchase abroad by residents	These purchases require prior authorization by the MOF.
Purchase locally by nonresidents	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MOF for statistical purposes.
Sale locally by nonresidents	Sales by nonresidents to residents require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF.
Controls on personal capital transactions	Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal administration, or an authorized intermediary bank, unless prior authorization is obtained from the MOF.
Loans	The regulations governing securities and investments apply.
<i>By residents to nonresidents</i>	These transactions require prior MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.
<i>To residents from nonresidents</i>	These transactions may be made freely, but are subject to declaration for statistical purposes to the MOF when granted and when repaid.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Inheritances and dowries are generally authorized. Gifts and endowments, however, are subject to prior MOF authorization.
<i>To residents from nonresidents</i>	These transactions are subject to declaration.
Settlements of debts abroad by immigrants	Immigrants who have received resident status must obtain prior authorization by the MOF to settle debts contracted abroad while they were nonresidents.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions are subject to prior authorization by the MOF.
<i>Transfer into the country by immigrants</i>	Foreign accounts (in foreign currencies or CFA francs) of nonresidents who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	For statistical purposes, these transactions must be declared to the MOF when they are granted and when they are repaid.
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Maintenance of accounts abroad	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Commercial lending is allowed. Financial credits are subject to prior MOF authorization following BCEAO approval.
Lending locally in foreign exchange	No explicit regulations exist regarding these transactions, but prior authorization by the MOF is required with the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	These purchases require prior RCPSFM authorization, after approval by the MOF.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents are subject to prior MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Monetary regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
<i>Credit controls</i>	Any overdraft or advance granted to a nonresident requires prior authorization by the MOF with the approval of the BCEAO.
Investment regulations	The regulations governing direct investment apply.
<i>Abroad by banks</i>	Yes.
Open foreign exchange position limits	No prudential ratios apply. Open positions result from special dispensations.
Provisions specific to institutional investors	
Insurance companies	Controls are imposed by the CIMA Code.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The CIMA Code does not allow insurance companies to invest abroad.
<i>Limits (min.) on investment portfolio held locally</i>	The CIMA Code includes specific rules for the use of insurance companies' technical reserves.
<i>Currency-matching regulations on assets/liabilities composition</i>	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

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Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the second review under the Policy Support Instrument with Nigeria states that as of December 6, 2006, the comprehensive assessment by IMF staff was needed to identify the extent of remaining restrictions and multiple currency practices. (Country Report No. 07/20)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Nigeria is the Nigerian naira.

Exchange rate structure

Multiple

There are four exchange rates: (1) the official exchange rate, which results from auctions of foreign exchange by the Central Bank of Nigeria (CBN); (2) the interbank market exchange rate, at which commercial banks transact among themselves using proceeds from non-oil exports and personal transfers; (3) the exchange bureau rate; and (4) the parallel market rate. During 2006, the rates in the four markets largely converged.

Classification

Conventional pegged arrangement

Effective January 1, 2006, reflecting the stability of the naira exchange rate owing to CBN interventions, the de facto exchange rate arrangement of Nigeria was reclassified to a conventional pegged arrangement from managed floating with no predetermined path for the exchange rate. The authorities have indicated that their current policy is to pursue a managed float. The official exchange rate of the naira is determined in the twice-weekly wholesale Dutch auction system (WDAS), which was introduced on February 20, 2006. Previously, a retail Dutch auction system (DAS) prevailed, in which banks bid on behalf of legitimate users to purchase foreign exchange from the CBN with requests supported by the required documentation. The auction is a sealed bid–multiple price system. The CBN announces the amount on offer the day before the auction, and the auction results the day after. Effective April 1, 2006, the exchange bureaus are allowed access to the official foreign exchange market.

The interbank rate is freely negotiable among ADs, including commercial banks. Funds obtained through the DAS are not eligible for utilization in the interbank market.

Nigeria participates in the W-ERM II of the WAMZ, which requires that the spot exchange rate between the Nigerian naira and the dollar be maintained within margins of $\pm 15\%$ around the central rate. However, the CBN has not yet implemented these measures.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward exchange transactions in the interbank market are permitted among the ADs in foreign exchange and between the dealers and their customers, subject to prudential limits and provided the transactions relate to trade in goods and services.

References to legal instruments and hyperlinks

Updated Monetary Policies and Foreign Trade, and Exchange Rate Circulars for 2006, www.cenbank.org; CBN Foreign Exchange Manual, September 2006 (Revised).

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Arrangements for Payments and Receipts

Prescription of currency requirements	n.r.
Payments arrangements	
Regional arrangements	Yes.
Administration of control	The CBN formulates basic foreign exchange policy and issues directives as appropriate for the operation of the interbank market. The CBN approves and revokes the appointments of ADs or authorized buyers of foreign currency, and supervises and monitors the operation of the interbank market.
Payments arrears	
Official	Arrears to the Paris Club were regularized April 20, 2006, and arrears to the London Club were regularized November 10, 2006.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents other than the monetary authorities, producers of gold, and authorized industrial users are not allowed, without special permission, to hold or acquire gold in any form other than jewelry or coins, at home or abroad.
On external trade	The importation and exportation of gold in any form other than jewelry require specific licenses issued by the Federal Ministry of Finance (FMF).
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	The exportation of naira notes and coins by travelers, including residents, in excess of N 10,000 is subject to declaration.
<i>Foreign currency</i>	The exportation of amounts in excess of \$5,000 or its equivalent must be declared.
On imports	
<i>Domestic currency</i>	Importation of naira notes and coins by travelers, including residents, in excess of N 10,000 is subject to declaration.
<i>Foreign currency</i>	The importation of amounts in excess of \$5,000 or its equivalent must be declared.
References to legal instruments and hyperlinks	Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org ; CBN Foreign Exchange Manual of September 2006 (Revised).

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Any person may open, maintain, and operate a foreign currency account with an AD.
Held abroad	No.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Conversion is permitted only with respect to balances remaining after the completion of contracts or of the account holders' business in Nigeria.
References to legal instruments and hyperlinks	Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org ; CBN Foreign Exchange Manual of September 2006 (Revised).

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Nonresident Accounts

Foreign exchange accounts permitted	External accounts are maintained for diplomatic representatives of all countries and international organizations. They may be credited with authorized payments by residents of Nigeria to residents of foreign countries, with payments from other external accounts, and with proceeds from sales of foreign currencies. They may be debited for payments to residents of Nigeria, for payments to other external accounts, and for purchases of foreign currencies.
Domestic currency accounts	Funds derived from local sources may be deposited in nonresident accounts.
Convertible into foreign currency	Nonresident accounts may be credited with proceeds from services rendered locally, and remittances may be effected subject to adequate documentation.
Blocked accounts	No.
References to legal instruments and hyperlinks	Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org ; CBN Foreign Exchange Manual of September 2006 (Revised).

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	The CBN may not sell foreign exchange for imports of bottled water, beer, or other imports on the prohibited list.
Documentation requirements for release of foreign exchange for imports	
Preshipment inspection	All imports, irrespective of their value, are subject to preshipment inspection. Importers are responsible for the payment of 1% of the f.o.b. value of goods as a service charge for the Comprehensive Import Supervision Scheme.
Letters of credit	Import payments covered by confirmed LCs are made, on presentation of the specified documents to the overseas correspondents, on the understanding that the goods paid for will arrive in Nigeria and that all shipping documents are filed by importers with an AD within 90 days of negotiation of the specified LCs.
Other	Unless a clean report of inspection has been issued on the goods to be imported, foreign exchange settlements for imports may not be effected. Transactions involving the use of bills for collection are allowed. Transactions executed on private sector initiative do not, however, carry any government guarantee or obligation. Remittances are to be made through the official foreign exchange market or with autonomous funds, and the relevant shipping documents for the transactions are to be channeled through ADs.
Import licenses and other nontariff measures	
Negative list	The importation of the following items is prohibited: barite and bentonite, gypsum, kaolin, barley and malt, beer and stout, bottled water, poultry (including eggs), maize, millet, sorghum, vegetable oils, wheat flour, secondhand clothing, gaming machines, housewares, mosquito repellent coils, plastic, used air conditioners, compressors, textile materials containing hazardous chemicals (such as chloride), refrigerators, motor vehicles and motorcycles more than eight years old, and retreaded or used tires. The importation across land borders of cassava, cassava products, and frozen poultry is prohibited. The importation of biscuits, noodles, cacao products, spaghetti, and toothpicks is prohibited.
Other nontariff measures	An appropriate insurance certificate issued by a registered insurance company in Nigeria is required for importing goods.
Import taxes and/or tariffs	Import duties range from zero to 50%. Products in the 50% band include rice, vegetable oils, sugar, tobacco, various plastics and steel products, vehicles, and selected electrical appliances. Tariff protection is high for finished goods. In addition, the following import surcharges apply: a 5% port development surcharge, a 1% Raw Materials and Development Council surcharge, a 0.02% freight rate stabilization surcharge earmarked for the Nigerian

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Shippers Council, and an ECOWAS levy of 0.5%. Certain categories of imports are exempt from import taxes. Imports that were duty-free in the past are now subject to a duty charge of at least 2.5%. Imports of sugar confectionery are prohibited. Imports of sugar are subject to a 50% duty. In 2005, trade reform was enacted to decrease tariffs.

State import monopoly

No.

References to legal instruments and hyperlinks

Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org; CBN Foreign Exchange Manual of September 2006 (Revised).

Exports and Export Proceeds

Repatriation requirements

Export proceeds must be repatriated within 90 days of the date of shipment of the goods. Non-oil exporters are permitted to sell their export proceeds to AD banks at interbank rates or they may use the funds to finance eligible transactions.

Financing requirements

No.

Documentation requirements

Letters of credit

Payment for exports should be made with LCs or any other international mode of payment.

Domiciliation

Repatriated non-oil export proceeds and other inflows should be held in domiciliary accounts maintained with ADs in Nigeria. Holders of the domiciliary accounts have easy access to their funds maintained therein and may sell their export proceeds to banks other than those in which they maintain their domiciliary accounts. Withdrawal of such funds is allowed in the currency deposited.

Preshipment inspection

All exports except personal effects; used motor vehicles; day-old chicks; human remains; vaccines; yeast; periodicals or magazines; noncommercial exports, such as gifts, trade samples, or printed business matter; machinery and equipment for repairs abroad; and supplies to diplomatic consular missions and international organizations are subject to preshipment inspection irrespective of value. Exporters are required to pay a service charge of 1% of f.o.b. value, which accrues to the Nigerian Export Supervision Scheme.

Other

Exports require the following: (1) completion of an official foreign exchange form, (2) registration with an AD, (3) inspection of the goods by an agent, (4) submission of all original copies of bills of lading relative to all commercial exports to the collecting or negotiating bank, and (5) proof of payment of administrative charges to the Nigerian Export Supervision Scheme.

Export licenses

Production of unrefined gold and petroleum products is subject to licensing. The exportation of African antiques, works of art, and objects used in African ceremonies is prohibited, except under certain conditions. Exports of timber (rough and sawed), raw hides and skins, scrap metal, unprocessed rubber latex and rubber lumps, palm kernels, and yam tubers are prohibited. Exports of petroleum are handled by the Nigerian National Petroleum Corporation and marginal field operators.

Without quotas

Yes.

Export taxes

No.

References to legal instruments and hyperlinks

Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org; CBN Foreign Exchange Manual of September 2006 (Revised).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Applications for foreign exchange must be submitted to banks; such payments are allowed, subject to documentation requirements.

Trade-related payments

Indicative limits/bona fide test

Yes.

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Investment-related payments	Transfers of profits and dividends from capital investment are permitted freely by ADs when the basic transaction has been approved, subject to completion of the official foreign exchange form for invisible trade and other documentation requirements. ADs are required to submit monthly reports to the CBN on capital transfer and repatriation and remittances of profits and dividends.
<i>Indicative limits/bona fide test</i>	Interest on bills for collection transactions is limited to a maximum of 1% above the prime rate prevailing in the country of the beneficiary for a maximum period of 180 days, calculated based on the c.i.f. value of the final invoice.
Payments for travel	
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	ADs may sell foreign exchange for personal travel, subject to documentation requirements (i.e., a completed official foreign exchange form for invisible trade, a valid passport, and evidence of travel). There are additional documentation requirements for travel for medical and business purposes.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Up to 100% of net salary after taxes may be transferred abroad, subject to documentation requirements.
Other payments	Up to 5% of consulting and legal fees for projects of a highly technological nature, for which local expertise is not available, may be remitted.
<i>Quantitative limits</i>	Yes.
References to legal instruments and hyperlinks	Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org ; CBN Foreign Exchange Manual of September 2006 (Revised).

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	All proceeds must be received through banks.
Surrender requirements	Inflows for the domestic operations of oil companies are sold directly to banks.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org ; CBN Foreign Exchange Manual of September 2006 (Revised).

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Applications for private capital transfers abroad are processed by banks, subject to satisfactory documentation. No prior approval is required, except in the case of the Debt Conversion Program (DCP).
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	These transactions may be conducted through ADs, subject to documentary requirements.
Purchase abroad by residents	Residents of Nigeria may deal in foreign currency securities and may buy from, or sell to, nonresidents of Nigeria any security payable in naira without prior approval.

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<i>Bonds or other debt securities</i>	The debt management office regulates the purchase of selected Nigerian foreign debt instruments (mainly CBN promissory notes arising from past consolidation of unsecured trade credit arrears) at a discount, and the disposition of the naira proceeds on the conversion of such debt.
On money market instruments	
<i>Purchase locally by nonresidents</i>	Controls apply to purchase by nonresidents of debt instruments with maturity of more than one year.
<i>Purchase abroad by residents</i>	Although documented investments are permitted, the transfer to external accounts is not.
Controls on derivatives and other instruments	No.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Permission of the FMF is not required for nonresident individuals or companies (other than banks) registered in Nigeria that are controlled directly or indirectly from outside Nigeria. Licensed banks in Nigeria may grant loans or permit overdrafts for periods of up to 14 days, or may increase the amount of any advance or overdraft by the amount of loan interest or bank charges payable thereon. General permission is also given for any loan, bank overdraft, or other credit facility to be arranged to finance Nigerian imports or exports of goods.
<i>To residents from nonresidents</i>	Approval is not required from the FMF for any individual, firm, company, or branch resident in Nigeria to borrow abroad. However, official agencies and state-controlled corporations need the prior approval of the FMF for any foreign borrowing. The contracting of suppliers' credits abroad by state-controlled corporations or agencies is also subject to approval from the FMF.
Controls on direct investment	
Inward direct investment	There are no ceilings for foreign capital participation in the equity capital of enterprises in various sectors of the economy. The Nigerian Investment Promotion Commission (NIPC) deals with all matters relating to registration and the prescription of applicable incentives for direct capital investment in priority areas. ADs must issue a Certificate of Capital Importation within 24 hours of the receipt of capital. Nonresident investors are required to register their investment with the NIPC for statistical purposes.
Controls on liquidation of direct investment	Approval of the FMF is not needed. Capital proceeds arising from the subsequent disposal of investments made under the DCP may be repatriated only 10 years after the effective investment of the proceeds, and are limited to 20% a year.
Controls on real estate transactions	No.
Controls on personal capital transactions	
Loans	
<i>To residents from nonresidents</i>	Yes.
Gifts, endowments, inheritances, and legacies	Controls apply if gifts exceed \$1,000 or its equivalent to charitable organizations and \$500 or its equivalent to individuals.
<i>By residents to nonresidents</i>	Residents may make cash gifts not exceeding the equivalent of \$500 a year to charitable organizations and \$200 a year to individuals, subject to documentation requirements.
<i>To residents from nonresidents</i>	Yes.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	Controls apply to all these transactions.
Transfer of gambling and prize earnings	Gambling is prohibited.

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References to legal instruments and hyperlinks

Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org; CBN Foreign Exchange Manual of September 2006 (Revised).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Licensed banks in Nigeria may grant loans or permit overdrafts for periods of up to 14 days, or may increase the amount of any advance or overdraft by the amount of loan interest or bank charges payable thereon.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Liquid asset requirements</i>	Liquid asset requirements are not applied on foreign exchange deposits.
Investment regulations	
<i>Abroad by banks</i>	CBN approval is required.
<i>In banks by nonresidents</i>	The inflow of funds is subject to the provisions of the Money Laundering Decree.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Yes.
<i>On nonresident assets and liabilities</i>	Yes.

Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.

References to legal instruments and hyperlinks

Foreign Trade and Exchange Rate Circulars for 2006, www.cenbank.org; CBN Foreign Exchange Manual of September 2006 (Revised).

Changes during 2006

Exchange arrangement

January 1. The exchange rate arrangement of Nigeria was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.

February 20. A WDAS was introduced replacing the retail DAS for transactions in the official foreign exchange market.

April 1. The exchange bureaus were allowed access to the official foreign exchange market.

Arrangements for payments and receipts

April 20. Arrears to the Paris Club were regularized.

November 10. Arrears to the London Club were regularized.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 11, 1967.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On January 15, 2007, Norway notified the IMF that in accordance with UN Security Council resolution, restrictions have been imposed on certain individuals and entities of the Democratic People's Republic of Korea. On October 11, 2006, Norway notified the IMF that in accordance with (1) UN Security Council resolution, restrictions have been imposed on certain individuals and entities of Sudan and the Democratic Republic of the Congo; and (2) EU regulations, restrictions had been implemented against certain citizens of Belarus and entities linked to them. The restrictions involve the freezing of funds and other financial assets or economic resources and a prohibition against making funds, financial assets, or economic resources available to such persons and entities. In accordance with the relevant UN Security Council resolutions, measures have been taken to freeze financial assets and impose restrictions on financial transactions with respect to (1) certain individuals associated with the former government of Iraq and the previous governments of the former Federal Republic of Yugoslavia and Côte d'Ivoire; (2) certain members of the current governments of Myanmar and Zimbabwe; and (3) Osama bin Laden, Al-Qaida, the Taliban, and other individuals and organizations associated with terrorism. Similar restrictions have been imposed on certain Liberian individuals and entities.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

Act of June 7, 1968, No. 4, relating to the implementation of binding resolutions of the UN Security Council; Royal Decree of June 2, 2006; Prince Regent's Decree of October 10, 2003, as amended June 3, 2005; Royal Decree of September 8, 2006; sanctions in force (in Norwegian only), www.lovdatabank.no.

Exchange Arrangement

Currency

The currency of Norway is the Norwegian krone.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the krone is determined on the basis of supply and demand in the foreign exchange market. Monetary policy is anchored in accordance with an inflation-targeting framework.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

References to legal instruments and hyperlinks

Regulation on Monetary Policy; Royal Decree, dated March 29, 2001; www.norges-bank.no.

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Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	Norway participates in the CLS system. Norwegian banks participate in EURO1, STEP1, and STEP2—pan-European clearing systems operated by the Euro Banking Association.
Regional arrangements	Yes.
Administration of control	Banks and finance companies under supervision, including EU/EEA branches of such entities, are allowed to undertake foreign exchange activity. Specialized foreign exchange dealers may get authorization as finance companies. The Foreign Exchange Register Act requires that banks and finance companies report foreign payments to the foreign exchange register operated by the customs authority. In addition, the customs authority must report coins and notes brought from or into the Norwegian customs territory.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	Residents bringing coins or notes in domestic or foreign currency exceeding the equivalent of Nkr 25,000 are required to notify the customs authority. Transport of domestic or foreign banknotes and/or coins across the border, through the postal service or by couriers, exceeding the equivalent of Nkr 25,000 must be reported to the customs authority on the prescribed form.
References to legal instruments and hyperlinks	Customs Regulation of December 15, 1967, No. 8962, Article 4.5.7 and Article 4.10.2; Foreign exchange activity is regulated by the Financial Institutions Act (LOV 1988-06-10-40), www.kreditillsynet.no ; Foreign Exchange Register Act (LOV 2004-05-28-29), www.ub.uio.no .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	The notification and reporting requirement does not apply to transactions and/or average balances at the end of the previous 12 months exceeding the equivalent of Nkr 100 million.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Accounts belonging to the following are blocked: (1) certain individuals associated with the former government of Iraq; (2) certain individuals and entities of Liberia; (3) the previous government of the former Federal Republic of Yugoslavia; (4) certain members of the current governments of Myanmar and Zimbabwe; (5) individuals and organizations

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associated with terrorism; (6) certain individuals and entities of Côte d'Ivoire; (7) certain individuals and entities of Sudan and the Democratic Republic of the Congo; and (8) certain citizens of Belarus and entities linked to them.

References to legal instruments and hyperlinks

Sanctions in force (in Norwegian only), www.lovdatab.no.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

Negative list

Direct or indirect imports of all rough diamonds, round logs, and timber products from Liberia are prohibited. Imports of cultural items from Iraq are prohibited. Other imports subject to regulation are listed and require licenses.

The trade in or transfer of cultural property that has been removed from Iraq illegally is prohibited.

Other imports subject to regulation are listed and require licenses.

Open general licenses

Import licenses are maintained mainly for MFN and preferential quota administration purposes.

Licenses with quotas

Yes.

Other nontariff measures

Certain measures are imposed for environmental, health, safety, sanitary, and phytosanitary reasons or to satisfy labeling requirements.

Import taxes and/or tariffs

Under the EEA agreement and other preferential agreements, most imports are not taxed. In general, tariffs applied on industrial goods are zero, except for some textiles and chemical products, whereas tariffs on agricultural products are higher. All products from least developed countries may be imported duty- and tariff-free. The national customs laws are being modified to enhance their legal structure and transparency.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Without quotas

Exports subject to regulation are listed and require licenses.

Export taxes

Exports of fish and fish products are subject to levies varying between 0.3% and 0.75%, depending on the species and the stage of processing. In addition, a research and development duty of 0.3% is levied on most products.

Other export taxes

Yes.

NORWAY

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers No.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements No.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Control applies to the purchase of shares or other securities of a participating nature that may be affected by laws on inward direct investment and establishment. This includes general nondiscriminatory provisions on ownership control in financial institutions based on EEA directives.

Controls on derivatives and other instruments

Purchase abroad by residents

Collective investment schemes, insurance companies, and private funds are subject to nondiscriminatory limitations on exposure to derivatives.

Controls on credit operations

No.

Controls on direct investment

Inward direct investment

Controls apply to (1) acquisitions exceeding one-third, one-half, or two-thirds of the shares of the voting share capital of an enterprise owning or leasing secondary residences, unless authorization is granted; (2) investment in enterprises engaged in mineral exploration unless all members of the board of directors are Norwegian nationals; (3) establishment of branches of foreign banks; (4) establishment of branches of securities brokerage firms or management companies for collective investment funds; (5) investment in air transport, except through a limited liability company in which at least two-thirds of the capital is Norwegian; (6) investment in the accounting sector exceeding 49%, and in the legal sector by nonresidents; (7) ownership of Norwegian flag vessels, except (a) through a partnership or joint-stock company in which Norwegian citizens own at least 60% of the capital and (b) by registering the vessel in the Norwegian International Ship Register under the applicable conditions; (8) investment in a registered fishing vessel bringing foreign ownership of the vessel above 40%; and (9) investment in a national operating broadcasting corporation bringing foreign ownership above one-third of the corporation's share capital.

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Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Controls apply to the acquisition of secondary residences by nonresidents.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)	Credit institutions and investment firms are subject to nondiscriminatory exposure regulations. Net positions must be kept within 25% of these institutions' capital liability (equity and subordinated loan capital).
Investment regulations	
<i>Abroad by banks</i>	The book value of a bank's domestic and foreign holdings of real property and shares in real estate holding companies may not exceed 4% of total assets. Savings banks are not allowed to acquire or purchase shares in a sea vessel.
<i>In banks by nonresidents</i>	Nondiscriminatory rules on ownership control in financial institutions, based on EEA directives, apply.
Open foreign exchange position limits	Credit institutions and investment firms are subject to exposure regulations. Net positions of up to 15% of institutions' equity and subordinated loan capital may be taken out in individual currencies, and the aggregate positions must be kept within 30% of the financial institutions' equity and subordinated loan capital.

Provisions specific to institutional investors

Insurance companies	Insurance companies are subject to controls regarding classes of investments held against technical provisions to ensure a sufficiently diversified portfolio (e.g., there is a combined cap of 35% on domestic and foreign shares) and to nondiscriminatory exposure regulations. Net positions must be kept within 4% of non-life insurance companies' technical provisions and within 3% of life insurance companies' technical provisions.
<i>Currency-matching regulations on assets/liabilities composition</i>	The net financial assets of an insurance company in a given currency have to be equivalent to at least 80% of the technical provisions in the same currency at any time. An insurance company cannot have negative financial assets in a currency.
Pension funds	Pension funds are subject to controls regarding classes of investments held against technical provisions to ensure a sufficiently diversified portfolio (e.g., there is a combined cap of 35% on domestic and foreign shares).
<i>Currency-matching regulations on assets/liabilities composition</i>	The net financial assets of a pension fund in a given currency have to be equivalent to at least 80% of the technical provisions in the same currency at any time.
Investment firms and collective investment funds	Investment firms are subject to nondiscriminatory exposure regulations. Net positions must be kept within 25% of these institutions' capital liability (equity and subordinated loan capital). Collective investment schemes are subject to limitations on investments, which are related to the place of listing.
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.

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Currency-matching regulations on assets/liabilities composition

There are no currency-matching regulations on the composition of assets and liabilities for investment funds.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange measures

October 11. Norway notified the IMF that, in accordance with (1) UN Security Council resolution, restrictions were imposed on certain individuals and entities of Sudan and the Democratic Republic of the Congo; and (2) EU regulations, restrictions were implemented against certain citizens of Belarus and entities linked to them. The restrictions involved the freezing of funds and other financial assets or economic resources and a prohibition against making funds, financial assets, or economic resources available to such persons and entities.

Changes during 2007

Exchange measures

January 15. Norway notified the IMF that in accordance with UN Security Council resolution, restrictions were imposed on certain individuals and entities of the Democratic People's Republic of Korea.

OMAN

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 19, 1974.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	Restrictions are imposed with respect to Israel.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Measures have been taken to impose restrictions on financial transactions of and to freeze accounts belonging to individuals or organizations associated with terrorism pursuant to UN Security Council resolutions.
Other security restrictions	Yes.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Oman is the rial Omani.
Exchange rate structure	Unitary.
Classification	
Conventional pegged arrangement	The exchange rate of the rial Omani is pegged to the dollar at RO 1 per \$2.6008. The commercial rates for other currencies are based on market rates in London.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Yes.
Official cover of forward operations	Yes.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	All settlements with Israel and the use of its currency are prohibited.
Payments arrangements	
Regional arrangements	Oman is a member of the GCC Customs Union.
Administration of control	The Central Bank of Oman has exclusive exchange control authority; there is no exchange control legislation.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Gold transactions with Israel are prohibited.

OMAN

Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	No distinction is made between accounts held by residents and those held by nonresidents.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Residents are not allowed to maintain domestic currency accounts abroad.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Licenses are required for some imports. Importers must be registered in the commercial register.
Negative list	Companies operating in Oman and trading in manufactured oil products are prohibited from importing specified products as long as domestic production is deemed adequate to satisfy local demand.
Other nontariff measures	Imports from Israel are prohibited.
Import taxes and/or tariffs	In accordance with the GCC Customs Union, a maximum CET of 5% is applied on most dutiable goods, and duties range from 5% for most goods to 100% for alcoholic beverages. Duties are not levied on imports from GCC countries or on government imports.
Taxes collected through the exchange system	Yes.

OMAN

State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	Exports to Israel are prohibited.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments for invisibles are generally not restricted, except for payments to Israel.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Foreign share ownership in Omani companies is generally limited to 70%, but it may be raised to 100%. A nonresident portfolio investor may not hold more than 10% of the shares in an Omani company.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.

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Controls on direct investment

Inward direct investment Investment in business firms in Oman by nonresidents requires prior approval. Foreign ownership is generally limited to 70%, but it may be raised to 100% in certain cases. For prudential purposes, all locally incorporated banks in Oman must be in the form of public joint-stock companies, and must comply with the regulation on shareholding patterns (i.e., up to 15% for an individual and related parties, up to 25% for an incorporated body, and up to 35% for a joint-stock company or a holding company and its related parties).

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents These transactions are not allowed, although some exceptions apply to citizens of the GCC countries.

Sale locally by nonresidents Yes.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Foreign borrowing by individual commercial banks is restricted to 300% of their net worth. Subceilings of 200% and 100% are applicable for foreign loans with maturity periods of up to five years and up to two years, respectively. Foreign currency borrowing by nonbank financial institutions is limited to 100% of net worth.

Lending to nonresidents (financial or commercial credits) Lending to nonresidents is limited to 30% of the lending bank's net worth, with a sublimit of 5% for an individual nonresident borrower.

Investment regulations

In banks by nonresidents

For prudential purposes, all locally incorporated banks in Oman must be in the form of public joint-stock companies and must comply with the regulation on shareholding patterns (i.e., up to 15% for an individual and related parties, up to 25% for an incorporated body, and up to 35% for a joint-stock company or a holding company and its related parties).

Open foreign exchange position limits A limit of 40% of banks' respective capital and reserves applies. To limit maturity mismatches, the cumulative gaps in domestic and foreign currency may not exceed 15% of cumulative liabilities (outflows) in each of the first five time bands.

Provisions specific to institutional investors

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

PAKISTAN

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 1, 1994.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with Pakistan states that as of November 1, 2006, Pakistan maintained an exchange restriction on payments for current international transactions subject to Fund approval under Article VIII, Section 2a, resulting from limitations on advance payments for certain imports. (Country Report No. 06/426)

International security restrictions

No.

References to legal instruments and hyperlinks

Foreign Exchange Manual (eighth edition, 2002); foreign exchange (FE) circulars and circular letters; www.sbp.org.pk/epd/index.htm.

Exchange Arrangement

Currency

The currency of Pakistan is the Pakistan rupee.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

All current international transactions are conducted in the interbank foreign exchange market. Importers, exporters, and businesses are free to shop around for the best possible rates in the interbank market for all exchange transactions without recourse to the central bank. Banks may purchase foreign exchange from exchange companies (ECs) at freely negotiated rates. Some government foreign exchange transactions (e.g., debt-service payments, conversion of privatization proceeds) are conducted directly by the State Bank of Pakistan (SBP), at the rates determined in the interbank market. Individuals may purchase foreign exchange through the interbank or EC foreign exchange market.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

The maximum term of forward cover provided by banks for trade transactions is 12 months, although this may be rolled over; these facilities are also provided for funds transferred from abroad for portfolio investment. Forward cover against exports on a contract basis is permitted. ADs may also extend forward cover for imports (only against LCs), exports, and foreign private loans.

Official cover of forward operations

The SBP provides forward cover only for frozen foreign currency accounts (FCAs) and the National Debt Retirement Program, subject to an annual fee of 4% on onshore dollar deposits. No forward cover is offered on new foreign currency deposits.

References to legal instruments and hyperlinks

Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm.

Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements of current and capital account transactions with other countries are allowed in fully convertible currencies as chosen by the contracting parties.

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Controls on the use of domestic currency

For current transactions and payments

n.a.

For capital transactions

Transactions in capital and money market instruments

Nonresidents may acquire such instruments through conversion in rupees of remittances from abroad and repatriation of principal or gains without reference to the CB.

Transactions in derivatives and other instruments

Yes.

Credit operations

Yes.

Use of foreign exchange among residents

All obligations among residents are settled in rupees. Local FCA holders may freely transfer funds to other FCA holders, and the Local U.S. Dollar Instruments Collection and Settlement System exists for such settlements.

Payments arrangements

Regional arrangements

Pakistan is a member of the ACU.

Clearing agreements

Payments to, and receipts from, member countries of the ACU for current transactions are effected in AMUs, at the rate of AMU 1 per \$1. Accounts are settled every two months.

Administration of control

The SBP has delegated authority to banks and a number of other financial institutions to deal in all foreign currencies and to sell or purchase foreign exchange within limits prescribed by the SBP for different transactions. Banks are allowed to provide foreign exchange in excess of the prescribed limit for bona fide requirements. In addition, the SBP issues licenses to ECs for the sale and purchase of foreign currency in cash and for other business remittances. The SBP also issues licenses to Category "B" ECs under the prescribed criteria. Category "B" companies are authorized to deal only in the purchase or sale of foreign currency notes and coins.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Local trade in gold bullion is unrestricted.

On external trade

No restrictions apply to exports. Imports exempt from normal import tariffs may be effected by exporters of gold jewelry registered with the Board of Investment.

Controls on exports and imports of banknotes

On exports

Domestic currency

An individual may take out up to PRs 500 to India and PRs 3,000 to other countries.

Foreign currency

There are no restrictions on the exports of foreign currency through banks and exchange companies. Individuals may take out up to \$10,000 or its equivalent without permission. Exports exceeding \$10,000 or PRs 3,000 to the Islamic Republic of Afghanistan may be effected by international organizations, subject to certain conditions.

On imports

Domestic currency

An individual may bring in up to PRs 500 from India and PRs 3,000 from other countries.

References to legal instruments and hyperlinks

Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm.

Resident Accounts

Foreign exchange accounts permitted

Banks and nonbank financial institutions are allowed to offer a new FCA scheme. Holders of frozen (old) FCAs are permitted to purchase special dollar bonds of the government of

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	Pakistan against the outstanding balances in their FCAs or to convert the foreign currency into rupees at the prevailing exchange rate.
Held domestically	These accounts may be credited with remittances from abroad, traveler's checks, and foreign currency notes. However, receipts from exports of goods and services, earnings from services of residents, earnings and profits of overseas offices or branches of Pakistan firms or companies and banks, and foreign exchange released from Pakistan for any specified purpose may not be credited to these accounts. FCAs maintained by resident corporate bodies or legal entities may not be credited with foreign currency purchased in the exchange market. These accounts may be permanently retained. Under the new FCA scheme, institutions are free to keep or invest their deposits abroad or in Pakistan. To lend these deposit funds to borrowers in Pakistan for trade-related activities, ADs are required to observe prudential regulations of the SBP. ADs are free to decide the rate of return that they offer to depositors. There are no restrictions on operations of or remittances from FCAs.
Held abroad	Balances of up to the equivalent of \$1,000 may be held abroad by residents in any country (except the Islamic Republic of Afghanistan, Bangladesh, India, and Israel) in FCAs, which may not be used for operations from Pakistan without the approval of the SBP.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm .

Nonresident Accounts

Foreign exchange accounts permitted	The following may open FCAs and transact freely with banks in Pakistan without prior approval of the SBP: Pakistan nationals residing abroad; foreign nationals, whether residing abroad or in Pakistan; charitable organizations; firms and companies owned by persons who are otherwise eligible; and diplomatic missions and the staffs of international organizations. ADs are free to decide the rate of return they offer to depositors. Deposit holders wishing to make payments in Pakistan in rupees must first convert the foreign exchange drawn from their accounts into rupees. If Pakistan nationals holding such accounts return to Pakistan, they may retain the accounts permanently. There is no ceiling on interest rates on these accounts. Holders of frozen (old) FCAs are permitted to purchase dollar bonds of the government of Pakistan against outstanding balances in their FCAs. Funds mobilized under the new FCA scheme are not required to be surrendered to the SBP, nor does the SBP provide forward cover for such accounts.
Domestic currency accounts	The accounts of individuals, firms, or companies residing outside Pakistan are designated nonresident accounts. Different rules apply to the nonresident rupee accounts of individuals, firms, or companies, on the one hand, and to the nonresident rupee accounts of banks, on the other hand. Banks are permitted to open nonresident accounts for nonbank nonresidents without prior SBP approval when the accounts are opened with funds received from abroad through banking channels or with rupee funds accepted for remittance abroad. Debits and credits to nonresident accounts for specified purposes may be made by authorized banks without prior approval. Foreign shipping companies and airlines with offices or agents in Pakistan may open and operate interest-bearing rupee accounts, provided the interest is used only to meet local expenses. Banks may issue bank cards as well as supplementary bank cards to individual nonresident rupee account holders. Withdrawals are allowed only in Pakistan.
Convertible into foreign currency	Domestic currency accounts are convertible into foreign currency when opened as convertible rupee accounts with funds received from abroad or credited with funds otherwise accepted for remittance abroad.
Blocked accounts	Accounts of residents of India, other than the accounts of the Indian Embassy and its personnel, are blocked.

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References to legal instruments and hyperlinks

Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

ADs are allowed to process the requests of importers for remittances up to a maximum of \$10,000 or its equivalent on an advance payment basis for all eligible import transactions after verifying the bona fides of the underlying import transaction and ensuring that related shipping documents are submitted to them by the importers within four months of the advance payment. Advance payments of up to 50% of the cost and freight (CFR) value are allowed for imports of industrial capital goods, plant machinery, and manufacturing equipment, excluding spare parts. Payments exceeding this limit require SBP approval. Advance payments for capital goods require irrevocable LCs. Advance payments for noncapital goods imports are permitted up to 50% of the estimated CFR value on submission of evidence of bona fides and a bank guarantee. All other contracted modes of payment are admissible, but require the SBP's prior approval. Foreign currency financing is available for a maximum period of 180 days.

Documentation requirements for release of foreign exchange for imports

Clean-on-board shipped bills of lading and other documentation as stipulated by contracts or LCs are required.

Domiciliation requirement

Yes.

Import licenses and other nontariff measures

Import licenses are not required.

Positive list

A positive list is maintained with respect to imports from India.

Negative list

Many of the products on the negative list consist of products banned for religious and health reasons and goods banned under international agreements.

Other nontariff measures

Imports from Israel are prohibited. Imports of 60 items on the health and safety list are restricted. Imports of 26 items on the procedural list must meet certain technical requirements (e.g., petroleum) or certain other conditions (e.g., unassembled cars).

Import taxes and/or tariffs

The import tariff structure consists of five rates: 5%, 10%, 15%, 20%, and 25%; higher tariffs apply on beverages, liquor, spirits, motor vehicles, and vinegar. In general, a 6% tax is levied on the value of imports by commercial importers.

State import monopoly

No.

References to legal instruments and hyperlinks

Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm.

Exports and Export Proceeds

Repatriation requirements

Proceeds must be repatriated through an AD by the due date or within six months from the date of shipment, whichever is earlier, except for general or specific exemptions of up to 285 days granted by the CB. Exporters may retain the export proceeds, including advance payments in foreign currency, with an AD, for three working days and sell them to ADs. ADs keep the retained proceeds in Special Exporters' Accounts.

Surrender requirements

Surrender to authorized dealers

Exporters are required to sell export proceeds in the intrabank market within three days. Exporters may retain up to 10% of the f.o.b. value in their FCAs to effect payments for such expenses as advertising, purchases of designs and patterns, market studies, and bona fide export claims, and to cover export proceeds, without approval from the SBP. For software

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	and service sector exports, this limit is 35%. Exporters reporting an increase of more than 10% in export earnings may keep 50% of the additional earned amount in FCAs.
Financing requirements	Foreign currency financing is available for a maximum period of 180 days. All foreign exchange loans against intended exports may be settled only through export proceeds or remittances from abroad.
Documentation requirements	The documents required are a firm order and Form E; however, the Goods Declaration Form (which will gradually replace Form E) has been introduced by Pakistan Customs for exports to be made through KICT, Karachi. The Form E requirement does not apply to exports of textbooks for schools and colleges for Pakistan students and other institutions operating under embassies abroad. This exemption also applies to literary, religious, educational, and general books if the value of individual shipments does not exceed \$10,000 or its equivalent.
Domiciliation	Yes.
Preshipment inspection	Preshipment inspection is mandatory for basmati rice exports. Preshipment inspection quality review committee certificates are checked by customs at the time of export, in accordance with serial number 3 of schedule II to the Export Policy Order, 2006.
Export licenses	No.
Export taxes	ADs deduct an export development surcharge of 0.25% when the export proceeds are realized.
Other export taxes	The rates of income tax on export proceeds are 0.75%, 1.00%, 1.25%, and 1.50% of the proceeds of the exports listed in Parts I, II, III, and IV, respectively, of the Seventh Schedule of Central Board of Revenue.
References to legal instruments and hyperlinks	Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	ADs may issue foreign-currency-denominated traveler's checks for any purpose, provided they are paid for with an equivalent amount of foreign currency. Exchange companies may freely transfer funds abroad on behalf of individuals.
Trade-related payments	The payment of freight against invoices is unrestricted. Commissions, brokerage fees, and other charges payable abroad are generally limited to 10% of invoice values. The following rates apply: 1% for cement, 2% for cotton, and higher rates for a few other goods.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Indicative limits or bona fide tests apply to the payment of commissions.
Investment-related payments	The remittance of dividends declared on current profits may be made freely to foreign shareholders if the investment was made on a repatriable basis. The remittance of profits by branches of foreign companies—other than banks and those engaged in insurance, shipping, and the airline business—and of dividends to foreign portfolio investors credited to their convertible rupee accounts is permitted without restriction. Remittances of royalty, franchise, and technical fees or service charges are allowed, subject to certain restrictions.
<i>Quantitative limits</i>	Interest payments are allowed up to 1.5% over LIBOR on borrowing for foreign currency working capital or general purposes. However, there is no limit on interest for project loans. The payment of interest is permitted for imports only on a usance basis.
Payments for travel	
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	The prescribed limit is \$50 or its equivalent a person a day up to a maximum of \$2,100 a calendar year. However, ADs may provide additional travel allowances in bona fide cases.
Personal payments	Foreign exchange allowances for students' tuition fees and expenses, as required by institutions, may be obtained from ADs without approval from the SBP. No restrictions apply on remittances of premiums for all types of life insurance policies.

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Other payments	ADs may release foreign exchange up to a maximum of \$100,000 or its equivalent an invoice with respect to payments for information technology services. This applies to companies incorporated in Pakistan and branches of foreign companies that operate in Pakistan with the permission of the Board of Investment and that pay local taxes and repatriate their profits abroad. ADs may remit lease payments by airlines incorporated in Pakistan up to the guaranteed hours; payments for time over the guaranteed hours require SBP approval. No limits apply to subscriptions and membership fees paid by individuals. Insurance companies are allowed to issue health or medical policies in foreign currency to meet the guidelines for issuance of travel visas to Schengen countries. ADs are allowed to remit claims arising under such policies under the prescribed procedure.
References to legal instruments and hyperlinks	Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Proceeds of foreign exchange earnings must be sold to an AD.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm .

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	With prior SBP permission, Pakistan residents, as well as firms and companies, may make equity-based investments, other than portfolio investments, in companies abroad (i.e., joint ventures) on a repatriable basis. However, individuals may purchase and remit abroad foreign currencies through licensed exchange companies without any restrictions on amount and purpose. Locally established mutual funds are allowed to invest abroad for the purposes of diversifying their asset classes or portfolios up to 30% of the aggregate funds mobilized (including foreign currency funds) in permissible categories, subject to a cap of \$15 million or its equivalent at any given time. Prior approval of the SBP and the Securities and Exchange Commission of Pakistan (SECP) is required (FE Circular No. 11, dated August 12, 2005).
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Banks are authorized to open Special Convertible Rupee Accounts (SCRAs) for nonresidents to acquire quoted or listed securities with remittances from abroad. All dividends, capital gains, and disposal proceeds may be credited to these accounts for remittance abroad without reference to the SBP.
Sale or issue locally by nonresidents	No controls apply on the sale of securities purchased in Pakistan. Nonresidents may solicit subscriptions for shares and debentures in Pakistan with prior SECP approval.
Purchase abroad by residents	Prior SBP approval is required.
Sale or issue abroad by residents	Residents may sell or issue securities with approval from the SECP. The proceeds associated with these issues must be transferred to Pakistan or used to purchase plants and machinery from abroad. Transfer of funds required to service these securities issues is permitted.

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Bonds or other debt securities

Purchase locally by nonresidents	Nonresidents are allowed to trade freely in registered corporate debt instruments and bonds listed on the stock exchange, federal investment bonds, Pakistan investment bonds (PIBs), and market treasury bills (MTBs). Foreign bank branches in Pakistan and foreign-controlled investment banks are permitted to make investments in registered, listed corporate debt instruments in the primary and secondary markets.
Sale or issue locally by nonresidents	There are no controls on the sale of bonds and other debt securities purchased in Pakistan. Nonresidents may solicit subscriptions in Pakistan with prior SECP approval.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Prior SECP approval is required.

On money market instruments

<i>Purchase locally by nonresidents</i>	No controls apply to the purchase of certificates of investment, PIBs, MTBs, and term finance certificates by nonresidents.
<i>Sale or issue locally by nonresidents</i>	Nonresidents are not permitted to issue such instruments in Pakistan.
<i>Purchase abroad by residents</i>	These transactions are not permitted through ADs.
<i>Sale or issue abroad by residents</i>	Residents may sell or issue money market instruments after obtaining approval from the SECP. The proceeds associated with these issues must be transferred to Pakistan or used to purchase plants and machinery from abroad. The transfer of funds required to service these securities issues is permitted.

On collective investment securities

<i>Sale or issue locally by nonresidents</i>	There are no controls on the sale of collective investment securities in Pakistan. Nonresidents may solicit subscriptions in Pakistan with prior SECP approval.
<i>Purchase abroad by residents</i>	These transactions are generally not permitted through ADs.
<i>Sale or issue abroad by residents</i>	Residents may sell or issue securities after obtaining approval from the SECP. The proceeds associated with these issues must be transferred to Pakistan or used to purchase plants and machinery abroad. The transfer of funds required to service these securities issues is permitted.

Controls on derivatives and other instruments

	Banks that are authorized derivatives dealers may engage in financial derivatives transactions, including foreign currency options, forward rate agreements, and interest rate swaps, as provided for in Financial Derivatives Business Regulations; for all other structured derivatives, the SBP's approval is required. Currently, single stock futures are the only exchange traded derivative instruments traded in Pakistan and are regulated by the SECP.
Purchase locally by nonresidents	Nonresidents may purchase securities and bonds listed on the stock exchange.
Sale or issue locally by nonresidents	There are no controls on the sale of securities purchased in Pakistan. Single stock futures are issued by the stock exchange and not by the companies themselves. Nonresidents are required by the SBP to open SCRA's.
Purchase abroad by residents	Banks are permitted to enter into derivatives transactions abroad to cover their positions for permissible categories without SBP approval.
Sale or issue abroad by residents	Residents may sell such securities with SBP or SECP approval.

Controls on credit operations

Commercial credits

<i>By residents to nonresidents</i>	Credits of up to six months are permitted with respect to exported goods, and up to 12.5 years with respect to the export of plants and machinery.
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Financial credits

<i>By residents to nonresidents</i>	These credits are not allowed. However, ADs may extend rupee overdrafts to foreign nationals locally up to the extent of their requirements.
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Guarantees, sureties, and financial backup facilities

To residents from nonresidents

These transactions are subject to compliance with other credit controls.

Controls on direct investment

Outward direct investment

Direct investment abroad requires prior approval under foreign exchange laws. Pakistan nationals as well as residents, including firms and companies, may make equity-based investments, other than portfolio investments, in companies abroad (i.e., joint ventures) on a repatriable basis. Locally established mutual funds are allowed to invest abroad for the purposes of diversifying their asset portfolio, up to of 30% of the aggregate funds mobilized (including foreign currency funds), in permissible categories subject to a cap of \$15 million or its equivalent at any given time. Prior SBP and SECP permission is required.

Inward direct investment

Prior approval is not required for investment in the manufacturing, agriculture, infrastructure, social, and services sectors. Investment in arms and ammunition, security, printing, currency and minting, high explosives, and radioactive substances requires prior approval. New investment in the production of alcoholic beverages is prohibited. Foreign investments in the services, infrastructure, social, and agricultural sectors are permitted, subject to the condition that the foreign equity investment be at least \$300,000 or the equivalent; for the services sector, the minimum investment is \$150,000.

Controls on liquidation of direct investment

Liquidation proceeds must be repatriated to Pakistan through normal banking channels.

Controls on real estate transactions

Purchase abroad by residents

Residents are not permitted to purchase real estate abroad.

Controls on personal capital transactions

Family remittances and all other remittances effected by nonresidents to residents not exceeding the equivalent of \$10,000 are exempt from the requirement of filing forms; however, they must be declared to ADs.

Loans

By residents to nonresidents

Yes.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

Up to PRs 500 is permitted.

Transfer of assets

Transfer abroad by emigrants

Yes.

Transfer of gambling and prize earnings

Remittance is not allowed.

References to legal instruments and hyperlinks

Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; www.sbp.org.pk/epd/index.htm.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Banks are required to maintain domestically not less than 80% of their assets against time and demand liabilities. Foreign-controlled investment banks are permitted to borrow locally for their working capital requirements up to 100% of their paid capital, reserves, etc., subject to observance of all other nonbank financial institutions' rules.

Borrowing abroad

Transactions are allowed for temporary periods, and only if they are necessary for the normal course of business.

Lending locally in foreign exchange

These transactions are allowed only for financing exports and imports against foreign currency deposits of banks.

Purchase of locally issued securities denominated in foreign exchange

There are no locally issued securities that are denominated in foreign currency.

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<p>Differential treatment of deposit accounts in foreign exchange</p> <p><i>Reserve requirements</i></p>	<p>All bank and nonbank financial institutions that accept foreign currency deposits may use deposited funds freely in Pakistan. Any other use is subject to prudential regulations.</p> <p>Banks are required to maintain separate dollar cash reserves with the SBP against foreign currency deposits. The requirements are 5% in an unremunerated cash reserve account and 15% in a special cash reserve account for liquidity purposes, the interest rate of which is announced monthly. Effective July 22, 2006, rupee demand deposits and time deposits with maturity of six months or less are subject to a 7% (previously, 5%) cash reserve requirement (CRR), rupee time deposits with maturity of six months and longer are subject to a 3% (previously, 5%) CRR, and all rupee demand and time deposits are subject to an 18% (previously, 15%) special statutory liquidity requirement (excluding CRR), which must be held in approved securities. Nonbank finance companies (NBFCs) are required to keep 15% of their customer deposits in government or listed securities (Rule 12 (3) of NBFC Rules of 2003).</p>
<p><i>Liquid asset requirements</i></p>	<p>In accordance with prudential regulations, balances must be kept in dollars.</p>
<p>Differential treatment of deposit accounts held by nonresidents</p> <p><i>Liquid asset requirements</i></p>	<p>In accordance with prudential regulations, balances must be kept in dollars.</p>
<p>Investment regulations</p> <p><i>Abroad by banks</i></p>	<p>All bank and nonbank financial institutions that accept foreign currency deposits may use deposited funds freely in Pakistan. Any other use is subject to prudential regulations.</p>
<p><i>In banks by nonresidents</i></p>	<p>Prior approval is required.</p>
<p>Open foreign exchange position limits</p>	<p>Effective March 26, 2007, the aggregate foreign exchange exposure limit for each bank is 15% of its paid-up capital with a maximum of PRs 1.5 million. Previously, the aggregate foreign exchange exposure limit for each bank was equivalent to 10% of its paid-up capital, with maximum and minimum limits of the equivalent of PRs 500 million and PRs 50 million, respectively, and exceptions required prior SBP approval.</p>
<p>Provisions specific to institutional investors</p>	
<p>Insurance companies</p>	<p>Thirty percent of the shareholder fund of a life insurer or of a statutory fund of a life insurer other than that which contains only investment-linked policies must be invested in government securities. A further 10% of shareholder funds of a life insurer or of a statutory fund of a life insurer other than that which contains only investment-linked policies must be invested in a combination of government securities and other approved securities. Approved securities are defined in Section 2(iii) of the Insurance Ordinance as government securities and any other security based on the revenues of the federal government or of a provincial government, guaranteed fully as regards principal and profit or return (however called or designated) by the federal government or a provincial government, and any debenture or other security for money issued under the authority of any act of the federal legislature or any provincial legislature by or on behalf of the trustees of the port of Karachi; any security issued under the authority of any act of parliament or of a provincial assembly; and any security specified as an approved security for the purpose of this ordinance by the federal government by notification in the official gazette.</p>
<p><i>Limits (max.) on securities issued by nonresidents</i></p>	<p>Yes.</p>
<p><i>Limits (max.) on investment portfolio held abroad</i></p>	<p>Yes.</p>
<p><i>Limits (min.) on investment portfolio held locally</i></p>	<p>Yes.</p>
<p>Pension funds</p>	<p>Only locally incorporated life insurance companies and asset management companies are allowed to offer pension funds. Pension funds may invest in local equity, debt, and money markets. Other investments, including overseas investment, are subject to the approval of the SECP.</p>
<p><i>Limits (max.) on securities issued by nonresidents</i></p>	<p>Yes.</p>

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<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	The investment policy issued for pension funds sets various sector and security limits.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.r.
Investment firms and collective investment funds	Investment firms and collective investment funds may invest in securities 10% of the capital of the company or the net assets of the fund, whichever is smaller; the sectoral limit is 25% of the capital of the company or the net asset of the fund.
<i>Limits (max.) on securities issued by nonresidents</i>	Nonresidents require prior approval from the SECP for issuance of securities in the local market.
<i>Limits (max.) on investment portfolio held abroad</i>	The SBP approves investment abroad and imposes limits on the size of investment. For the purposes of diversifying their asset classes or portfolios, locally established mutual funds are allowed to invest abroad up to 30% of aggregate funds (including foreign currency funds) in permissible categories, subject to a cap of \$15 million or its equivalent at any given time. Prior approval of the SBP and the SECP is required.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	Nonbanking Finance Companies (Establishment and Regulation Rules, 2003); Foreign Exchange Manual (eighth edition, 2002); FE circulars and circular letters; Prudential Regulations; www.sbp.org.pk/epd/index.htm ; Banking Companies Rules of 1963; Voluntary Pension System Rules of 2005; Insurance Rules and Insurance Ordinance; FE Circular No. 11, dated August 12, 2005; www.secp.gov.pk/corporatelaws/pdf/VoluntaryPensionRules.pdf ; www.secp.gov.pk/circulars/pdf/Cir_2005/Cir_08.pdf .

Changes during 2006

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

July 22. The SBP raised the CRR on rupee demand deposits and time deposits with maturity of six months or less to 7% from 5%, reduced the CRR on rupee time deposits with maturity of six months and longer to 3% from 5%, and raised the statutory liquidity requirement (excluding CRR) on all rupee demand and time deposits to 18% from 15%.

Changes during 2007

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

March 26. The SBP raised the aggregate foreign exchange exposure limit for each bank to the equivalent of 15% (previously, 10%) of its paid-up capital, with a maximum of PRs 1.5 million.

PALAU

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 16, 1997.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Palau is the U.S. dollar.
Exchange rate structure	Unitary.
Classification	
Exchange arrangement with no separate legal tender	The currency of Palau is the dollar, which circulates freely.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	No.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	n.a.
Payments arrangements	
Regional arrangements	Palau participates in PACER and PICTA.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No restrictions apply on exports or imports of banknotes; however, transactions that exceed the equivalent of \$10,000 and appear suspicious must be reported under the Money Laundering Act.
References to legal instruments and hyperlinks	n.a.

PALAU

Resident Accounts

Foreign exchange accounts permitted	n.r.
Held domestically	n.r.
<i>Approval required</i>	n.r.
Held abroad	n.r.
<i>Approval required</i>	n.r.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	n.r.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	No.
Domestic currency accounts	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	The importation of controlled substances, guns, ammunition, nonquarantined fruits, live plants, and animals is restricted.
Import taxes and/or tariffs	The tariff for general imports is 3%; government, personal, medical, and food imports are exempt. The tariff for cigarettes is \$2 per 20 and the ad valorem tax on tobacco products is 150%. Cosmetics and toiletries are subject to a tariff of 25%; carbonated soft drinks, \$0.10 per 12 ounces; beer, \$0.03 an ounce; liquor, \$0.30 an ounce; wine, \$0.20 an ounce; wine coolers, \$0.05 an ounce; liquid fuel, \$0.05 a gallon; and vehicles, 5% ad valorem plus \$250. An ad valorem tax of 25% applies to bottled water.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

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Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Yes.
Export taxes	Export taxes are levied on fish at \$0.25 a kilo.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Under the Palau National Code, all foreign investments must be approved by the Foreign Investment Board. Certain categories of investments are not permitted for foreign nationals, except for those who invest jointly with a Palau national.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	According to the constitution, only citizens of Palau and corporations wholly owned by citizens of Palau may acquire title to land or waters in Palau.
Controls on personal capital transactions	No.

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References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions Specific provisions apply only to the Palau National Development Bank—a government-owned bank that is not involved in commercial banking.

Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

PANAMA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 26, 1946.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Panama is the Panamanian balboa. It is the unit of account and is limited to coins.
Other legal tender	The dollar is legal tender and circulates freely in Panama.
Exchange rate structure	Unitary.
Classification	
Exchange arrangement with no separate legal tender	The balboa is pegged to the dollar at the rate of B 1 per \$1.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	No.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	No.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Imports and exports of gold in any form, other than jewelry carried as personal effects by travelers, require a license if effected by residents other than the monetary authorities. Exports of unworked gold produced in Panama are subject to an export duty of 1% ad valorem, and exports of gold coins (other than U.S. coins, which are exempt) are subject to a duty of 0.5%.
Controls on exports and imports of banknotes	No.

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References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad Yes.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures For rice products, pork meat, poultry meat, and tomato paste and puree, a contingent mechanism was negotiated under the WTO Agreement to facilitate the exchange of permits, thereby allowing imports of these products at preferential tariff rates.

Import taxes and/or tariffs All tariff rates are calculated on an ad valorem basis and are assessed on the c.i.f. value of imports. Trade reform has resulted in simplified tariff bands of zero, 3%, 5%, 10%, and 15%. The exceptions to the maximum tariff of 15% are automobiles (17%) and sugar (50% on imports exceeding a historical average price range). Also included are several other products (mainly foodstuffs) whose tariffs are the maximum (and declining) levels negotiated with the WTO, including dairy products (90%–173%); rice (130%); onions (90%); beef (40%); pork (70%–90%); boneless and whole hams (83%); some poultry (300%); cabbages, carrots, celery, and lettuce (32.5%); cooking oils (20%–30%); margarine (20%); salt (87%); ketchup (70%); and tomato paste and puree (87%). All imports into the area designated as the Colón Free Zone and the newly established EPZs are exempt from duties.

A free trade agreement with the United States was reached in principle, reducing tariffs of 88% of U.S. imports to a zero rate, phasing out the remainder over 10 years, increasing

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quotas of agricultural imports, simplifying and harmonizing sanitary requirements, and clarifying market access for public procurement (including the Panama Canal Authorities). Implementation of the agreement is expected in 2007.

State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	

Exports of certain drugs, firearms, and ammunition are prohibited or restricted. Any product (including raw materials and machinery) may be imported into the Colón Free Zone and stored, modified, processed, assembled, repacked, and reexported without being subject to customs procedures.

Export taxes

Other export taxes	Export taxes are levied on gold, silver, platinum, manganese, other minerals, unrefined sugar, coconuts, scrap metal, pearls, tallow, gum, ipecac root, and rubber. Certain nontraditional exports (with a minimum local cost-of-production content of 20%) are eligible for tax credit certificates equivalent to 20% of value added. EPZs are exempt from all taxes.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.

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Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	No.
Provisions specific to institutional investors	
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

PAPUA NEW GUINEA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 4, 1975.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Papua New Guinea is the Papua New Guinea kina.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the kina is determined in the interbank market, in which ADs participate. Commercial banks, the only authorized foreign exchange dealers, publish rates for all transactions with their customers and set their own spreads between the buying and selling rates. The Bank of Papua New Guinea (BPNG) intervenes in the foreign exchange market to smooth out exchange rate volatility.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Exporters and importers are free to engage in forward cover transactions with commercial banks at market-determined rates. Each commercial bank is subject to a prudential limit on its uncovered forward position. ADs may engage in forward cover for themselves or on behalf of customers.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Contractual commitments to persons residing outside Papua New Guinea and expressed in a foreign currency must be paid in the foreign currency. Export proceeds may be received in any foreign currency.

Use of foreign exchange among residents

Residents may not use foreign exchange for domestic transactions.

Payments arrangements

Bilateral payments arrangements

Operative

There is a bilateral agreement with Fiji.

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Regional arrangements	Papua New Guinea participates in the following arrangements: the Melanesian Spearhead Group Trade Agreement, PACER, PICTA, Economic Partnership Agreement with the EU (EPA), and APEC.
Administration of control	Foreign exchange controls are administered by the BPNG under the Central Banking Act (Foreign Exchange and Gold Regulation). Overall policy is determined by the government with the advice of the BPNG. The BPNG has delegated considerable power to the ADs, which have been authorized to carry out foreign exchange transactions. All current account transactions, all government capital account transactions, and all foreign exchange flows arising from approved private capital account contracts or agreements are exempted from obtaining an exchange control authority from the BPNG or from an AD. These exemptions are subject to reporting requirements of the BPNG and tax clearance requirements.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	Dealings in gold are regulated by exchange controls.
On domestic ownership and/or trade	Residents may trade gold freely within Papua New Guinea.
On external trade	The export of gold requires an export license from the BPNG.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	BPNG approval is required for residents and nonresidents to take out kina in notes and coins in excess of K 20,000. BPNG approval is also required for the export of notes and coins for numismatic purposes.
<i>Foreign currency</i>	Residents and nonresidents may take out the foreign currency equivalent to K 20,000 in notes and coins with BPNG approval.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
<i>Approval required</i>	Foreign exchange accounts may be opened with an AD without BPNG approval.
Held abroad	These accounts may be held abroad, but BPNG approval is required.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	ADs may hold such accounts under correspondent bank arrangements. BPNG approval is required for other residents to operate kina accounts abroad.
Accounts in domestic currency convertible into foreign currency	Approval from an AD or the BPNG is required only for accounts held abroad in domestic currency.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	ADs may open these accounts subject to observance of exchange control requirements.
Convertible into foreign currency	Approval from an AD or the BPNG is not required.

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Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	ADs may provide trade finance for any amount, subject to compliance with BPNG reporting requirements.
Advance import deposits	BPNG approval is not required.
Documentation requirements for release of foreign exchange for imports	ADs may process import payments without reference to the BPNG. Payments exceeding K 10,000 or its equivalent require summary commercial invoices and customs forms.
Letters of credit	BPNG approval is required for ADs to issue LCs in favor of nonresidents as guarantees. BPNG approval is not required when such credits originate from nonresidents in favor of residents.
Import licenses and other nontariff measures	
Negative list	Imports of a selected number of goods are restricted for reasons of health and security.
Other nontariff measures	The purpose of these measures is to restrict or prohibit the importation of certain goods to protect health, security, and morals.
Import taxes and/or tariffs	The seven-year tariff reform program commenced in July 1999 was completed. There are four major ad valorem tariff rates (zero, 15%, 25%, and 40%) and some additional specific tariff rates such as 70% on sugar and 20% on mackerel. Effective January 1, 2007, to assist local industries, the following measures were introduced: (1) the tariff on canned dark tuna meat increased to 20%. Previously, all canned tuna was subject to a 15% tariff. This measure is set to end December 31, 2007; (2) the 20% tariff on canned mackerel (a specific tariff), which was supposed to end December 31, 2010, has been extended to December 31, 2011; and (3) the tariff on canned baked beans increased to 25%. Previously, all baked beans were subject to a zero tariff. This measure is set to end December 31, 2007.
State import monopoly	A state import monopoly applies to the importation of military equipment.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	Customs documentation must be submitted to an AD after each shipment.
Export licenses	Gold exports require export licenses from the BPNG.
Without quotas	Licenses are required for exports of logs, pearls, fishery and marine products, wood chips, sandalwood, rattan, coffee, cocoa, and copra. Log export licenses are issued based on minimum export price guidelines.
Export taxes	
Other export taxes	Export taxes apply on logs, mineral ores and concentrates (except gold, silver, and copper), sandalwood, and crocodile skins. Effective January 1, 2007, the export tax on logs has become a flat rate of 28.5%. The previously progressive export tax rate schedule as a function of the dollar value of logs was abolished to avoid "bracket creeping," as the value of the

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kina was appreciating. An export development levy of K 8.00 a cubic meter of logs exported was charged and will be paid to the landowners.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers All current account transactions are exempt from exchange controls and can be effected without limit. A remittance to a nontax haven in excess of K 200,000 requires a taxation clearance certificate (TCC), where applicable. BPNG reporting requirements must be complied with for all current account transactions, where applicable.

Trade-related payments

Indicative limits/bona fide test Yes.

Investment-related payments

Dividends and interest can be remitted through an AD, subject to the provision of a TCC for payments in excess of K 200,000 (or the foreign currency equivalent) and balance of payments reporting forms.

Prior approval

Service payments on foreign debts may be conducted through an AD.

Indicative limits/bona fide test Yes.

Payments for travel

Indicative limits/bona fide test Yes.

Personal payments

Indicative limits/bona fide test Yes.

Foreign workers' wages

Indicative limits/bona fide test Yes.

Credit card use abroad

Credit cards may be used only for travel and travel-related expenses.

Indicative limits/bona fide test Yes.

Other payments

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements No controls apply on invisible receipts and transfers, except for BPNG reporting requirements.

Surrender requirements Proceeds may be converted into domestic currency on receipt or maintained in a foreign currency account with an AD or an approved foreign currency account overseas.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

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Capital Transactions

Controls on capital transactions	All government capital account transactions and all foreign exchange flows arising from approved private capital contracts or agreements are exempted from exchange controls. All private capital account contracts in writing must be approved by the BPNG.
Repatriation requirements	All inflows from approved contracts were liberalized. Funds can be converted into kina or kept in foreign currency accounts in Papua New Guinea or approved foreign currency accounts overseas.
Controls on capital and money market instruments	
On capital market securities	BPNG approval is required to purchase or sell a capital market security, provided there is an underlying written agreement. The transfer of a security from a domestic register to a foreign register does not require prior BPNG approval.
<i>Shares or other securities of a participating nature</i>	Approval is required to deal in any type of security, provided there is an underlying written agreement, except for the transfer of such securities. A TCC is required for the remittance of funds from the sale (or liquidation) of investments or assets in Papua New Guinea, where applicable.
<i>Bonds or other debt securities</i>	Approval is required for the purchase or disposal of such securities, provided there is an underlying written agreement.
On money market instruments	Approval is required for the purchase or disposal of such securities, provided there is an underlying written agreement.
On collective investment securities	Approval is required for the purchase or disposal of such securities, provided there is an underlying written agreement.
Controls on derivatives and other instruments	Transactions in derivatives and other similar instruments to acquire or deal with an asset located within or outside Papua New Guinea require BPNG approval, provided there is an underlying written agreement.
Controls on credit operations	Borrowers must obtain authorization to borrow and comply with BPNG's requirements on gearing ratios and the terms of borrowing.
Commercial credits	Short-term credits with less than a one-month maturity are not actively regulated.
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	BPNG approval is required to borrow from overseas residents. Interest rates and fees may not exceed the levels acceptable to the BPNG. The maturity of the loan may not be less than 12 months and the gearing ratio of 5:1 must be observed. Logging, mining, petroleum, and gas companies must comply with the same requirements, except that the first three must comply with the 3:1 gearing ratio and gas companies must comply with the 4:1 gearing ratio.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	The rules on commercial credits apply. In addition, inward capital for exploration activities is considered risk capital and non-interest-bearing until exploration reaches the commercial development stage, at which time any excess above the 3:1 gearing ratio is converted into an interest-bearing loan, where applicable.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Approval is required for guarantees that may involve a payment by a resident to a nonresident outside Papua New Guinea or to an account of a resident held on behalf of a nonresident.
<i>To residents from nonresidents</i>	Approval is required when a resident is required to pay a guarantee and other fees.
Controls on direct investment	Approval is required for inward and outward investments, provided there is an underlying written agreement.
Controls on liquidation of direct investment	Approval is required for the sale of an investment to a nonresident or its liquidation, provided there is an underlying written agreement.

PAPUA NEW GUINEA

Controls on real estate transactions	Approval is required for real estate transactions, provided there is an underlying written agreement.
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Prior approval is required for debt and equity capital for such purchases, provided there is an underlying written agreement.
Sale locally by nonresidents	Prior approval is required for debt and equity capital for such sales, provided there is an underlying written agreement. Repatriation of funds does not require approval.
Controls on personal capital transactions	Approval is required for personal capital transactions, provided there is an underlying written agreement.
Loans	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	BPNG approval is required for remittances to settle immigrants' debts abroad, provided there is an underlying written agreement.
Transfer of assets	Transfers of assets between residents and nonresidents require BPNG approval, provided there is an underlying written agreement.
<i>Transfer abroad by emigrants</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Approval is required, provided there is an underlying written agreement. The requirements on gearing ratios and terms of borrowing by other residents apply.
Maintenance of accounts abroad	Accounts that are not nostro or vostro accounts require BPNG approval.
Lending to nonresidents (financial or commercial credits)	Bank lending to companies controlled by nonresidents is liberalized.
Lending locally in foreign exchange	These transactions are subject to BPNG approval, and settlement must be in kina.
Purchase of locally issued securities denominated in foreign exchange	Securities denominated in foreign exchange may not be issued locally, except with exchange authority approval, provided there is an underlying written agreement.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	ADs are required to distinguish between resident and nonresident accounts; however, no differential treatment is applied.
<i>Credit controls</i>	n.a.
Investment regulations	
<i>Abroad by banks</i>	Approval is required, provided there is an underlying written agreement.
<i>In banks by nonresidents</i>	Approval is required for nonresidents to invest in local banks, provided there is an underlying written agreement.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Foreign currency exposure limits are 15% of capital for all currencies combined and 10% of capital for a single currency.
<i>On nonresident assets and liabilities</i>	n.a.
Provisions specific to institutional investors	In general, institutional investors are required to meet the interest rate and gearing ratio for the purpose of exchange controls, as well as prudential requirements.

PAPUA NEW GUINEA

Insurance companies

Limits (max.) on securities issued by nonresidents Yes.

Limits (max.) on investment portfolio held abroad Yes.

Limits (min.) on investment portfolio held locally Yes.

Currency-matching regulations on assets/liabilities composition Yes.

Pension funds

Pension funds are required to maintain a balanced portfolio.

Limits (max.) on securities issued by nonresidents Yes.

Limits (max.) on investment portfolio held abroad Yes.

Limits (min.) on investment portfolio held locally Yes.

Currency-matching regulations on assets/liabilities composition n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

Life Insurance Act of 2000 and the Superannuation (General Provisions) Act of 2000.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Imports and import payments

January 1. To assist local industries, the following measures were introduced: (1) the tariff on canned dark tuna meat increased to 20% from 15%. This measure is supposed to end December 31, 2007; (2) the 20% tariff on canned mackerel (a specific tariff), which was supposed to end December 31, 2010, has been extended to December 31, 2011; and (3) the tariff on canned baked beans increased to 25% from zero. This measure is supposed to end December 31, 2007.

Exports and export proceeds

January 1. The export tax on logs became a flat rate of 28.5%. The previous progressive export tax rate schedule as a function of the dollar value of logs was abolished to avoid “bracket creeping,” as the value of the kina was appreciating. An export development levy of K 8.00 a cubic meter of logs exported was charged and would be paid to the landowners.

PARAGUAY

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 23, 1994.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions Yes.

References to legal instruments and hyperlinks Law No. 2381/04, approving the International Convention for the Suppression of the Financing of Terrorism, as adopted by the United Nations.

Exchange Arrangement

Currency The currency of Paraguay is the Paraguayan guaraní.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The exchange rate of the guaraní is determined by supply and demand. The Central Bank of Paraguay (CBP) intervenes in the foreign exchange market to smooth undue fluctuations in the exchange rate.

Exchange tax A 0.2% tax applies to inward and outward international transfers of funds.

Exchange subsidy No.

Forward exchange market Commercial banks are permitted to enter into forward transactions with respect to trade transactions and on terms that may be negotiated freely with customers. The short or long forward position may not exceed 5% of risk-weighted assets and liabilities.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements n.r.

Payments arrangements

Regional arrangements Paraguay is a member of the LAIA and MERCOSUR.

Clearing agreements Payments between Paraguay and the other LAIA countries are made through accounts maintained with the CBP and other central banks that participate in the multilateral clearing arrangements of the LAIA. Clearing takes place every four months.

Administration of control The CBP administers laws and regulations pertaining to monetary policy. The CBP supervises, through the Superintendency of Banks, foreign exchange transactions carried out by banks, finance companies, and exchange bureaus. The CBP regulates open foreign exchange positions.

PARAGUAY

Payments arrears

Private n.a.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade n.r.

Controls on exports and imports of banknotes

Banks and exchange bureaus must notify the Superintendency of Banks of imports or exports of foreign currency within one day of the date of the transaction. Transfers of foreign currency in excess of the equivalent of \$10,000 require a declaration.

On exports

Domestic currency n.r.

Foreign currency Yes.

On imports

Foreign currency Yes.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted No.

Accounts in domestic currency held abroad Yes.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted No.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

PARAGUAY

Import licenses and other nontariff measures

Other nontariff measures Imports are subject to inspection by such regulators as the Ministry of Public Health and the National Institute of Food and Nutrition.

Import taxes and/or tariffs

As a member of MERCOSUR, Paraguay applies its CET, which is composed of 11 rates ranging up to 20%. As part of the agreed transitional implementation of the CET, Paraguay maintains a number of waivers of the CET, many of which are to be phased out by 2010. These are for computer goods, telecommunications products, processed foods, textiles, clothing, and shoes.

Taxes collected through the exchange system Yes.

State import monopoly

Some military equipment and supplies are imported by state agencies.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

Preshipment inspection Yes.

Export licenses

Without quotas Exports of logs and unprocessed forest products, raw hides, and wild animals are prohibited. In addition, certain exports require prior authorization from the appropriate agency. No other exports are restricted; however, technical standards are imposed by the National Institute of Technology and Standardization, the Ministry of Industry and Commerce, the Ministry of Public Health and Social Welfare, or the Ministry of Agriculture and Livestock, depending on the product exported.

Export taxes

Collected through the exchange system Yes.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Indicative limits/bona fide test

Supporting documents, proving the origin of the funds transferred, are required for amounts exceeding the equivalent of \$10,000.

Investment-related payments

Prior approval

Financial enterprises require prior authorization from the CBP to transfer earnings. All transfers of earnings from financial investments are subject to a 5% income tax.

Indicative limits/bona fide test

Supporting documents, proving the origin of the funds transferred, are required for amounts exceeding the equivalent of \$10,000.

Payments for travel

Indicative limits/bona fide test

Transfers of foreign currency above \$10,000 are subject to declaration.

PARAGUAY

Personal payments

Indicative limits/bona fide test

Transfers of foreign currency above \$10,000 are subject to declaration.

Foreign workers' wages

Indicative limits/bona fide test

Transfers of foreign currency above \$10,000 are subject to declaration.

Credit card use abroad

Indicative limits/bona fide test

Financial institutions issuing credit cards are required to present documentation supporting their operations.

Other payments

Indicative limits/bona fide test

Transfers of foreign currency above \$10,000 are subject to declaration.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

No.

Repatriation requirements

No.

Controls on capital and money market instruments

On money market instruments

Purchase abroad by residents

n.r.

Controls on derivatives and other instruments

Sale or issue locally by nonresidents

n.r.

Controls on credit operations

No.

Controls on direct investment

No.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

n.r.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

PARAGUAY

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	In accordance with anti-money laundering legislation, financial entities are required to report all suspicious transactions.
Maintenance of accounts abroad	Accounts maintained abroad are subject to a legal limit of 20% of a bank's effective net worth. This limit may be extended to up to 70% in the case of Tier I banks.
Lending to nonresidents (financial or commercial credits)	These credits may not exceed 5% of a bank's effective net worth. Subject to approval of a guarantee by the Superintendency of Banks, this limit may be increased up to a maximum of 20%.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Reserves on foreign exchange deposits should be maintained in foreign currency. The reserve requirements for maturities of up to 360 days are 26.5% for foreign currency deposits and 15% for domestic currency deposits.
<i>Interest rate controls</i>	Interest rates are subject to ceilings, below which actual rates may be negotiated freely.
Investment regulations	
<i>Abroad by banks</i>	These investments are subject to solvency and capital requirements.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	The maximum daily long and short foreign exchange positions for financial entities are 4% of risk-weighted assets, excluding loans with maturities longer than 24 months, treasury bonds denominated in foreign exchange, and contingent claims at the end of the previous month.
Provisions specific to institutional investors	
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

PERU

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions

In accordance with the relevant UN Security Council resolutions, restrictions are imposed on financial transactions and accounts belonging to individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks

Legislative Decree No. 668; Organic Law of the Central Reserve Bank of Peru.

Exchange Arrangement

Currency The currency of Peru is the Peruvian nuevo sol.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the nuevo sol is determined by supply and demand in the foreign exchange market. However, the Central Reserve Bank of Peru (CRBP) may intervene in the foreign exchange market at its discretion to moderate excessive fluctuations in the exchange rate. In certain circumstances, intervention may be effected through bonds indexed to the exchange rate. Exchange rates of currencies other than the dollar are determined on the basis of their cross rates with the dollar.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Yes.

Official cover of forward operations

The CRBP has issued bonds indexed to the exchange rate and denominated in local currency as an instrument to cover forward sales of dollars (CDRs). The use of this instrument has been limited to cases of unusual volatility in the spot exchange rate associated with pressures arising from the sale of dollars in the futures market. The CRBP made use of this instrument in late 2005 and early 2006. As of December 31, 2006, no CDRs remained outstanding.

References to legal instruments and hyperlinks

Law No. 25295, dated July 1991; Legislative Decree No. 757, dated November 13, 1993; Charter of the CRBP; Circular No. 003-2006-BCRP; www.bcrp.gob.pe/Espanol/normas_legales/Normas_divisas.htm; www.bcrp.gob.pe.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

PERU

Payments arrangements

Bilateral payments arrangements

Operative

A bilateral payments arrangement exists between the CRBP and the Bank Negara Malaysia.

Regional arrangements

Payments between Peru and the other LAIA countries may be made through quarterly multilateral clearing based on the balances of bilateral reciprocal lines of credit granted by the CBs.

Clearing agreements

Yes.

Administration of control

By law, there are no restrictions on exchange transactions, including holding, using, purchasing, or selling of foreign exchange.

Payments arrears

Official

Small amounts of outstanding arrears are owed primarily for unguaranteed suppliers' credits, most of which are under negotiation with the government of Peru.

Controls on trade in gold (coins and/or bullion)

No.

Controls on exports and imports of banknotes

No.

References to legal instruments and hyperlinks

Political Constitution of Peru; Legislative Decree No. 668, dated September 16, 1992; www.tc.gob.pe/legconperu/constitucion; www.congreso.gob.pe/ntley.

Resident Accounts

Foreign exchange accounts permitted

By law, there are no restrictions on exchange transactions, including holding, using, purchasing, or selling of foreign exchange.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Article 5 of Legislative Decree No. 668; www.congreso.gob.pe/ntley.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

PERU

Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Imports may be prohibited for social, health, or security reasons.
Import taxes and/or tariffs	Effective December 29, 2006, the tariff structure has three rates: zero, 12%, and 20%. Previously, there were four: zero, 4%, 12%, and 20%. A temporary surcharge of 5% applies to some agricultural and textile products with basic rates of 12% and 20%. Effective December 29, 2006, the simple average tariff rate is 8.3% (previously, 10.1%) and the weighted average rate is 5.4%. On that date, the tariffs on 2,894 items were reduced: (1) tariffs on 2,798 items (mainly inputs and capital goods) were reduced to zero from 4%; and (2) tariffs on 96 items relating to the Information Technology Agreement (ITA) and capital goods were reduced to zero from 12%.
State import monopoly	No.
References to legal instruments and hyperlinks	D.S. 211-06-EF.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	No.
Repatriation requirements	No.

PERU

Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Maintenance of accounts abroad Capital income on investments abroad are subject to income tax; domestic investments are exempt.

Lending to nonresidents (financial or commercial credits) Lending by resident financial institutions to nonresident financial institutions, individuals, or enterprises is subject to the same prudential limits that apply to lending to residents.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

As a measure of monetary control, there is a difference between the treatment of deposit accounts in domestic currency and deposit accounts in foreign currency, but there is no discrimination between residents and nonresidents. Liabilities in domestic and foreign currencies are subject to a minimum reserve requirement of 6%, and the latter are subject to an additional marginal reserve requirement of 30%. The increase in the foreign liabilities of financial entities is included among liabilities subject to reserve requirements in foreign currency. Effective February 1, 2007, the CRBP remunerates that part of the reserve requirement that exceeds the obligatory minimal reserve requirement in foreign currency with interest of 3% (previously, effective December 31, 2006, the interest was increased to 2.75% and effective July 1, 2006, to 2.5% from 2.25%).

Liquid asset requirements

As a prudential measure, a liquid asset requirement as a percentage of short-term liabilities (20% in foreign currency and 8% in domestic currency) is applied.

Open foreign exchange position limits

On resident assets and liabilities

A prudential limit of 100% of actual net worth applies on the long foreign exchange position of financial institutions. A limit of 10% of actual net worth applies on the short foreign exchange position of financial institutions.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Investments in instruments issued by foreign corporations, or issued in the context of foreign securitization operations, may not exceed 40% of technical liabilities.

Limits (max.) on investment portfolio held abroad

Investments by insurance companies in instruments issued by foreign corporations may not exceed 40% of technical liabilities.

PERU

Pension funds

Limits (max.) on securities issued by nonresidents

Private pension funds may invest up to 20% of their portfolios in foreign securities issued by governments and financial and nonfinancial institutions abroad. Effective February 1, 2007, the CRBP sets an operational limit of 13.5% (previously, the limit was 12%).

Limits (max.) on investment portfolio held abroad

Effective February 1, 2007, investments by private pension funds in securities issued by foreign institutions may not exceed 13.5% (previously, the rate was 12%).

Currency-matching regulations on assets/liabilities composition

Article 178 of the General Law on the Financial System and Insurance System and the Superintendency of Banks and Insurance establishes that companies in the financial system must ensure sufficient, but not necessarily exact, matching of the maturities of their lending and borrowing operations and their deposit-taking and investments. This applies also to exposure in foreign currencies.

References to legal instruments and hyperlinks

Circular No. 004-2004-EF/90 of the CRBP; Circular No. 019-2004-EF/90 of the CRBP; Circular No. 008-2005-CBRP; Circular No. 007-2004-EF/90 of the CRBP; SBS Resolution No. 351-2005; SBS Resolution No. 1455-2003; Article 6 of SBS Resolution No. 0039-2003; General Law on the Financial System and Insurance System and the Superintendency of Banks and Insurance; www.bcrp.gob.pe/Espanol/normas_legales/Circulares/c-2004/C042004.pdf; www.bcrp.gob.pe/Espanol/normas_legales/Circulares/c-2004/c192004.pdf; www.bcrp.gob.pe/Espanol/normas_legales/Circulares/c-2005/c082005.pdf; www.sbs.gob.pe/IDXFINANCIERO/RESOLUCION/0472-2001.R.DOC; www.sbs.gob.pe/IDXFINANCIERO/RESOLUCION/0351-2005.R.DOC; www.sbs.gob.pe/IDXFINANCIERO/RESOLUCION/1455-2003.R.DOC; www.sbs.gob.pe/IDXSEGUROS/RESOLUCION/0039-2002.R.DOC; www.sbs.gob.pe/PortalSBS/normatividad/Leyes/tuo.doc; www.bcrp.gob.pe/Espanol/normas_legales/Circulares/c-2004/c072004.pdf; www.sbs.gob.pe/PortalSBS/normatividad/Leyes/LeyGeneral-diciembre2005.pdf.

Changes during 2006

Imports and import payments

December 29. The tariff structure changed to three rates: zero, 12%, and 20% from four rates: zero, 4%, 12%, and 20%. A temporary surcharge of 5% applies to some agricultural and textile products with basic rates of 12% and 20%. The tariffs on 2,894 items were lowered: tariffs on 2,798 items were decreased to zero from 4%, mainly inputs and capital goods; and to zero from 12% for 96 items related to the ITA and capital goods. The simple average tariff rate decreased to 8.3% from 10.1%.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

July 1. The rate of remuneration of reserve requirements in foreign currency was increased to 2.5% from 2.25%.

December 31. The rate of remuneration of reserve requirements in foreign currency was increased to 2.75% from 2.5%.

Changes during 2007

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

February 1. The rate of remuneration of reserve requirements in foreign currency was increased to 3% from 2.75 %.

Provisions specific to institutional investors

February 1. The operational limits on investment abroad by private pension funds was increased to 13.5% from 12%.

PHILIPPINES

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 8, 1995.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Philippines is the Philippine peso.

Exchange rate structure Unitary.

Classification

Independently floating Exchange rates are determined by market forces. However, when necessary, the Bangko Sentral ng Pilipinas (BSP) acts to limit sharp fluctuations in the exchange rate and intervenes when necessary to maintain orderly conditions in the foreign exchange market. Commercial banks trade in foreign exchange through the Philippine Dealing System (PDS), an electronic screen-based network. The PDS allows trading between 9:00 a.m. and 4:00 p.m. daily among Bankers Association of the Philippines member banks and the BSP. The system allows participants to electronically share information and transact business.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Forward transactions involving the sale of foreign exchange to nonresidents require BSP approval, except for those hedging foreign investments registered with the BSP.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Payments for exports may be made in the following currencies, which are included in the country's international reserves: Australian dollars, Bahrain dinars, Brunei dollars, Canadian dollars, Chinese renminbi, euros, Hong Kong dollars, Indonesian rupiah, Korean won, pounds sterling, Saudi Arabian riyals, Singapore dollars, Swiss francs, Thai baht, U.A.E. dirhams, U.S. dollars, yen, and other such currencies that may be declared acceptable by the BSP. Effective December 4, 2006, the Chinese renminbi and the Korean won were included in the list of currencies convertible with the BSP.

Controls on the use of domestic currency The use of domestic currency for international payments and receipts is not allowed, except for imports from and exports to ASEAN countries. However, in practice, the bulk of all cross-border payments is settled in U.S. dollars.

For current transactions and payments Yes.

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<i>For capital transactions</i>	Cross-border payment and settlement of these transactions are not allowed in domestic currency exceeding the equivalent of PHLP 10,000.
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Banks are not allowed to extend peso loans to nonresidents.
Use of foreign exchange among residents	There are no restrictions, provided the transaction does not involve the purchase of foreign exchange from the domestic banking system. Effective April 2, 2007, residents are allowed to purchase foreign exchange from the domestic banking system for investment in foreign-currency-denominated bonds or notes issued by the Republic of the Philippines and other resident entities.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	A bilateral payments agreement with Bank Negara Malaysia (BNM) is in force for an indefinite period. Commercial banks accredited by the BSP are the authorized channels for transactions within the framework of the agreement, and settlements take place through the BSP or the BNM on a net basis over a two-month period.
Regional arrangements	The Philippines is a member of ASEAN.
Administration of control	Foreign exchange regulations are administered by the BSP on the basis of existing laws and policy decisions adopted by the Monetary Board of the BSP.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	All forms or types of gold may be bought and sold without specific approval of the BSP, except that small-scale miners are required to sell all their production to the BSP.
On external trade	There are no restrictions on the importation of gold in any form, except gold coin blanks and gold bullion lacking indication of the actual fineness of the gold content; the importation of gold blanks requires prior BSP clearance, and the importation of such gold bullion is prohibited. All forms of gold may be exported without BSP approval except gold from small-scale mining, which is required to be sold to the BSP.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Resident and nonresident travelers must obtain prior authorization from the BSP to take out more than PHLP 10,000 in domestic banknotes and coins or checks, money orders, and other bills of exchange denominated in pesos.
<i>Foreign currency</i>	For anti-money laundering purposes, a written declaration on the physical cross-border transport of foreign currency and other foreign-exchange-denominated bearer monetary instruments is required to be submitted to the Bureau of Customs at the exit point if the amount exceeds \$10,000 or its equivalent.
On imports	
<i>Domestic currency</i>	Resident and nonresident travelers must obtain prior authorization from the BSP to bring in more than PHLP 10,000 in domestic banknotes and coins or checks, money orders, and other bills of exchange denominated in pesos.
<i>Foreign currency</i>	A written declaration of the foreign currency notes and coins imported is required to be submitted to the Bureau of Customs at the entry point only if the amount exceeds \$10,000 or its equivalent.
References to legal instruments and hyperlinks	www.bsp.gov.ph/regulations/regulations.asp?type=1&id=1377 .

PHILIPPINES

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Residents may open accounts abroad. However, foreign exchange may not be purchased from the domestic banking system to deposit in these accounts.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	These accounts are allowed, provided they are funded by inward remittances of foreign currency; by peso income from nonresidents' properties, whether real or personal, located in the Philippines; or by proceeds from the sale of the relevant properties.
Convertible into foreign currency	Balances are convertible if these pertain to (1) deposits by tourists or "balikbayans" up to the amount of the peso conversion proceeds of foreign currency brought in and sold to the domestic banking system, and (2) peso proceeds of the divestment of BSP-registered inward foreign investments and accumulated earnings thereon.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Commercial banks may sell foreign exchange for import payments on presentation of the required documents.
Letters of credit	LCs must be opened on or before the date of shipment, with a validity period of up to one year. Only one LC may be opened for each import transaction; amendments to such an arrangement need not be referred to the BSP for prior approval except when the amendment extends the total validity of the LC beyond one year.
Import licenses and other nontariff measures	
Negative list	The importation of certain products is regulated or prohibited for reasons of public health and safety, environmental considerations, national security, international commitments, or development and rationalization of local industries.
Open general licenses	Commodity imports are classified into three categories: freely importable, regulated, and prohibited. To import regulated products, a clearance or permit is required from the appropriate government regulatory agency.
Licenses with quotas	Quantitative restrictions are imposed on imports of selected agricultural products.

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Import taxes and/or tariffs	The tariff structure clusters around five tariff rates: 1%, 3%, 7%, 10%, and 15%. The number of tariff lines dutiable at these rates accounts for more than four-fifths of the total tariff lines. The Philippines is a party to the CEPT scheme for the AFTA.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	All exports must be covered by an export declaration, which may be obtained from the Bureau of Customs or the Philippine Exporters Confederation Inc.'s (Philexport's) One Stop Exports Documentation Center.
Preshipment inspection	For selected items, inspection is conducted by specialized government agencies.
Export licenses	A few export items are regulated for reasons of health, security, national interest, or environmental protection; such exports require prior clearance from the appropriate government regulatory agency.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Effective April 2, 2007, the maximum amount of foreign exchange that may be sold by a bank to a resident for any nontrade transaction (excluding payments related to foreign loans and investments) without documentation is \$10,000 (previously, \$5,000). The "no splitting" rule, which required that cumulative sales to a resident within a 20-day period not exceed the maximum amount of foreign exchange that can be sold to a resident, was eliminated. For sales in excess of this amount, or for payments related to foreign loans and investments, regardless of amount, a resident must submit an application with the prescribed supporting documents; the previous notarization requirement for these applications was eliminated.
Investment-related payments	Remittance of profits, dividends, and earnings related to BSP-registered foreign investments may be fully effected using foreign exchange purchased from the domestic banking system.
References to legal instruments and hyperlinks	www.bsp.gov.ph/regulations/regulations.asp?type=1&id=1737 .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Foreign loans and investments registered with the BSP may be serviced using foreign exchange purchased from the domestic banking system.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	As a general rule, no securities may be sold or offered for sale to the public within the country unless such securities have been registered with and are permitted to be sold by the Securities and Exchange Commission (SEC).
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	If at least one of the parties in the securities transaction is a bank or a nonbank financial intermediary (NBF1) under BSP supervision, securities purchased are required to be held by a BSP-accredited securities custodian/registry that must be a third party, i.e., with no subsidiary or affiliate relationship with the issuer or seller of the securities. However, if the purchaser is a nonresident that is a party to an existing global custody agreement governed by foreign laws and conventions wherein the bank or NBF1 is designated as custodian or subcustodian, the requirement for a third-party BSP-accredited custodian does not apply. Registration of the shares purchased is necessary only if the foreign exchange needed for capital repatriation and remittance of dividends, profits, and earnings that accrue thereon will be purchased from the domestic banking system.
Sale or issue locally by nonresidents	The shares or securities issued or sold by nonresidents are subject to the same SEC approval and registration requirements imposed on those issued by local companies. Payment for redemption of such shares or securities should, however, not involve the purchase of foreign exchange from the domestic banking system. A foreign corporation whose securities are listed and traded on a local stock exchange must designate a transfer agent and registrar in the Philippines.
Purchase abroad by residents	Effective April 2, 2007, residents may freely invest abroad up to \$12 million a year (previously, \$6 million). Investments exceeding this amount require prior BSP approval and registration if the foreign exchange for such investments will be purchased from the domestic banking system. An application to purchase foreign exchange for outward investments, whether or not prior BSP approval is required, must be accompanied by the documents specified under existing rules.
Sale or issue abroad by residents	The regulations governing commercial credits apply.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Nonresidents may freely issue bonds and other debt securities locally after the proper approval or license to do business in the country is secured from the appropriate government agency, provided the foreign exchange used for the redemption of the securities issued will not be purchased from the domestic banking system.
Purchase abroad by residents	The regulations governing shares or other securities of a participating nature apply. Effective April 2, 2007, residents are allowed to fund investments in foreign-currency-denominated bonds or notes of the Republic of the Philippines and other Philippine entities using foreign exchange purchased from the domestic banking system. Previously, residents were not allowed to purchase foreign exchange for such transactions.
Sale or issue abroad by residents	The regulations governing commercial credits apply.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.

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On collective investment securities

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Controls on derivatives and other instruments

BSP-authorized financial institutions may engage in financial derivatives activities, provided one of the parties to the transaction is hedging. Foreign exchange regulations and documentary requirements for derivatives apply.

Purchase locally by nonresidents Derivatives involving forward purchases of foreign exchange by nonresidents are not allowed, except for BSP-registered foreign investments under certain conditions.

Sale or issue locally by nonresidents Nonresidents' derivatives transactions involving the local currency require BSP approval.

Purchase abroad by residents Foreign exchange contracts that do not involve the local currency may be freely contracted. Contracts involving local currency are subject to existing restrictions on the import and export of the local currency.

Sale or issue abroad by residents Foreign exchange contracts that do not involve the local currency may be freely contracted. Contracts involving local currency are subject to existing restrictions on the import and export of the local currency.

Controls on credit operations

Commercial credits

By residents to nonresidents These transactions may be freely undertaken provided they do not involve foreign exchange purchased from the banking system.

To residents from nonresidents Private sector borrowing may be freely obtained provided there is no guarantee from the government sector and the domestic banking system, and payments are not funded with domestic banking system resources. Government sector borrowing requires prior BSP approval.

Financial credits

Loans by nonresidents from expanded foreign currency deposit units (EFCDUs), irrespective of maturity, do not require BSP approval, provided (1) the loan is serviced using foreign exchange purchased outside the domestic banking system; and (2) all applicable banking rules and regulations are complied with, including the single borrower's limit.

By residents to nonresidents These transactions may be freely undertaken if they do not involve foreign exchange purchased from the domestic banking system.

To residents from nonresidents The regulations governing commercial credits apply.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents Guarantees for government sector accounts and those issued by government-owned and government-controlled corporations in favor of nonresidents require prior BSP approval.

Guarantees issued by local banks and financial institutions that cover foreign obligations other than foreign loans must be registered with the BSP to be eligible for servicing using foreign exchange purchased from the domestic banking system.

To residents from nonresidents Guarantees issued by foreign banks and financial institutions to cover obligations other than foreign loans must be registered with the BSP to allow these to be serviced using foreign exchange resources of the domestic banking system.

Controls on direct investment

Outward direct investment

Effective April 2, 2007, the amount of foreign exchange that may be purchased by residents from the domestic banking system to fund outward investments without prior BSP approval and registration is \$12 million an investor a year (previously, \$6 million).

Controls on liquidation of direct investment

No.

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Controls on real estate transactions

Purchase abroad by residents	Residents who have their own foreign exchange assets may freely engage in these transactions.
Purchase locally by nonresidents	Purchases are subject to constitutional and legal limits.
Sale locally by nonresidents	Yes.

Controls on personal capital transactions

Loans

By residents to nonresidents

Loans are permitted, provided foreign exchange is not purchased from the domestic banking system.

To residents from nonresidents

Loans are permitted, provided the transaction is not serviced with foreign exchange purchased from the banking system.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

No private land may be transferred or conveyed except to individuals, corporations, or associations qualified to acquire or hold land in the public domain.

Transfer of gambling and prize earnings

Transfers are subject to appropriate supporting documents.

References to legal instruments and hyperlinks

www.bsp.gov.ph/regulations/regulations.asp?type=1&id=1737.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Banks with foreign exchange trading corporations as subsidiaries or affiliates must make available on a daily basis the names of counterparties and other details of purchases and sales of foreign exchange. Effective April 7, 2006, qualified rural banks and cooperative banks may, subject to prior Monetary Board approval, be authorized to operate an FCDU to enhance their ability to play a meaningful role in the remittance business. They may undertake all transactions that thrift banks with FCDUs are authorized to enter into, except the granting of loans to producers or manufacturers, including oil companies and public utility concerns.

Also effective April 7, 2006, the minimum capital required for a thrift bank with authority to operate an FCDU or those desiring to operate an FCDU is reduced from PHLP 650 million for thrift banks with head offices located in Manila and PHLP 150 million for those with head offices outside Manila to PHLP 325 million and PHLP 52 million, respectively.

Borrowing abroad

Medium- and long-term loans for relending require BSP approval and registration.

Lending to nonresidents (financial or commercial credits)

Banks may grant commercial credit to nonresidents provided loans are serviced using foreign exchange purchased outside the domestic banking system.

Lending locally in foreign exchange

EFCDUs and FCDUs of universal and commercial banks, respectively, are authorized to grant foreign currency loans as allowed by the BSP. FCDUs of thrift banks are authorized to grant only short-term foreign currency loans. Effective April 2, 2007, FCDUs of rural/cooperative banks are also authorized to grant short-term foreign currency loans except to producers or manufacturers, including oil companies and public utility concerns.

Purchase of locally issued securities denominated in foreign exchange

EFCDUs of commercial banks may invest in foreign-currency-denominated securities. An FCDU of a thrift bank or rural/cooperative bank may invest only in foreign-currency-denominated debt instruments that are of short-term maturity and readily marketable.

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Differential treatment of deposit accounts in foreign exchange

Reserve requirements

No reserve requirement is applied to deposit accounts in foreign exchange. The total reserve requirement applied to peso deposits and deposit-substitute liabilities of universal and commercial banks is 21%, consisting of 10% regular reserves and 11% liquidity reserves.

Liquid asset requirements

Depository banks with FCDUs and EFCDUs must maintain at all times 100% asset cover for their foreign currency liabilities. At least 30% of the cover requirement for these liabilities must be in the form of liquid assets. For FCDUs and EFCDUs of commercial banks and expanded commercial banks, respectively, at least 70% of the cover must be maintained in the same currency as the deposit liability and up to 30% may be denominated in other acceptable foreign currencies. FCDUs of thrift banks and rural/cooperative banks must maintain foreign currency cover in the same currency as the deposit liability.

Investment regulations

Abroad by banks

The investment of a bank subsidiary in the equity of a subsidiary located abroad is subject to prior BSP approval provided (1) the bank subsidiary meets certain prequalification and documentary requirements, and (2) the applicant parent subsidiary complies with the licensing requirements of the host country and secures the necessary license to operate. The proposed subsidiary may also invest in another subsidiary with prior BSP approval and is subject to the applicable BSP reporting, supervision, and examination requirements. Any outward investment representing initial capital and other outlays is subject to BSP regulations. At least 50% of the yearly net profits of the proposed subsidiary must be declared and paid as cash dividends to the parent subsidiary. Any additional funding or advances of the parent bank in the Philippines to its subsidiaries abroad or its subsidiary in the Philippines requires prior BSP approval. After the overseas investment is made, the investor is required to register it with the BSP.

In banks by nonresidents

Foreign ownership of domestic banks is allowed up to 100%. Foreign juridical and natural persons may own 40%. However, banks that are majority foreign owned may not account for more than 30% of the total resources of the banking system.

Open foreign exchange position limits

Effective April 2, 2007, banks' allowable open foreign exchange position (either overbought or oversold) is the lower of 20% of their unimpaired capital or \$50 million. Previously, the limit on a bank's long (overbought) foreign exchange position was 2.5% of its unimpaired capital or the equivalent of \$5 million, whichever was smaller. No limit applied on short (oversold) foreign exchange positions. Any excess above the overbought limit had to be settled daily. The BSP imposes sanctions for the violation of open position limits.

Provisions specific to institutional investors

As a general rule, a broker, dealer, or salesperson must register with the SEC to conduct business in the country.

Insurance companies

Limits (max.) on investment portfolio held abroad

Yes.

Pension funds

n.a.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

Except as may be authorized by the Monetary Board, total equity investments in and/or loans to any single enterprise abroad by an investment house with quasi-banking functions may not at any time exceed 15% of its net worth. Effective April 2, 2007, outward investments by residents in amounts exceeding \$12 million (previously, \$6 million) or the equivalent an investor a year require prior approval and registration by the BSP if funded by foreign exchange purchased from the domestic banking system. For amounts below that figure, the funds to be invested may be purchased from authorized agent banks, subject to documentary requirements prescribed by the BSP.

Limits (min.) on investment portfolio held locally

n.a.

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Currency-matching regulations on assets/liabilities composition

n.a.

References to legal instruments and hyperlinks

www.bsp.gov.ph/regulations/regulations.asp?type=1&id=1737; www.bsp.gov.ph/regulations/regulations.asp?type=1&id=796.

Changes during 2006

Arrangements for payments and receipts

December 4. The Chinese renminbi and the Korean won were included in the list of currencies convertible with the BSP.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

April 7. Qualified rural banks and cooperative banks were, subject to prior Monetary Board approval, authorized to operate an FCDU to enhance their ability to play a meaningful role in the remittance business. They may undertake all transactions that thrift banks with FCDUs are authorized to enter into, except the granting of loans to producers or manufacturers, including oil companies and public utility concerns.

April 7. The minimum capital required for a thrift bank with authority to operate an FCDU or those desiring to operate an FCDU was reduced from PHLP 650 million for thrift banks with head offices located in Manila and PHLP 150 million for those with head offices outside Manila to PHLP 325 million and PHLP 52 million, respectively.

Changes during 2007

Arrangements for payments and receipts

April 2. Residents were allowed to purchase foreign exchange from the domestic banking system for investments in foreign-currency-denominated bonds of the Republic of the Philippines or other Philippine entities.

Payments for invisible transactions and current transfers

April 2. The maximum amount of foreign exchange a bank could sell to a resident for any nontrade purpose (excluding payments related to foreign loans and investments) without documentation was increased to \$10,000 or its equivalent. For sales in excess of the limit, a resident must submit the prescribed supporting documents. The “no splitting rule,” which required that cumulative sales to a resident within a 20-day period not exceed the maximum amount of foreign exchange that can be sold to a resident, was eliminated. Notarization was no longer required for applications to purchase foreign exchange exceeding \$10,000.

Capital transactions

April 2. The amount of foreign exchange that may be purchased by residents from banks to fund their outward investments without prior BSP approval and registration was increased to \$12 million an investor a year.

Controls on capital and money market instruments

April 2. Residents were allowed to purchase foreign exchange from the domestic banking system for investments in foreign-currency-denominated bonds of the Republic of the Philippines or other Philippine entities.

Controls on direct investment

April 2. The amount of foreign exchange that may be purchased by residents from banks to fund their outward investments without prior BSP approval and registration was increased to \$12 million an investor a year.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

April 2. FCDUs of rural/cooperative banks were authorized to grant short-term foreign currency loans, except to producers or manufacturers, including oil companies and public utility concerns.

April 2. Banks' allowable open foreign exchange position (either overbought or oversold) is the lower of 20% of their unimpaired capital or \$50 million.

April 2. The amount of foreign exchange that may be purchased by residents from banks to fund their outward investments without prior BSP approval and registration was increased to \$12 million an investor a year.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 1, 1995.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with UN Security Council resolutions, Poland imposed and maintains a ban on trade with Iraq, and on exports of certain products to Libya. The Polish government bans, in accordance with relevant UN Security Council resolutions, exports of arms and military equipment to the following countries: Angola (for UNITA forces), Haiti, Iraq, Liberia, Libya, Rwanda, and Somalia.

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Poland is the Polish zloty.

Exchange rate structure Unitary.

Classification

Independently floating The exchange rate of the zloty is determined on the basis of supply and demand in the foreign exchange market, and the zloty is traded freely against all currencies.

Exchange tax No.

Exchange subsidy No.

Forward exchange market A liquid swap market exists.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

Settlements in foreign currency among residents in Poland require a foreign exchange permit, except for those that are (1) not related to the conduct of business activities between natural persons, (2) related to sales of goods or property rights abroad, (3) conducted between employers and employees regarding business trips or work abroad, (4) related to consumer sales, and (5) settlements in euros within the scope of expending EU funds.

Payments arrangements

Bilateral payments arrangements

Inoperative

There are agreements with Iraq, the Syrian Arab Republic, Tunisia, and Turkey. Outstanding balances are being settled in accordance with the terms of the agreements.

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Regional arrangements	Poland is a member of the EU.
Clearing agreements	There are inoperative agreements with members of the former CMEA.
Administration of control	The authority to make basic changes in the Foreign Exchange Law rests with parliament. Regulations are promulgated by the MOF, in cooperation with the president of the National Bank of Poland (NBP). General foreign exchange permits are granted by the MOF in the form of regulations, whereas individual permits are granted by the NBP as administrative decisions. Decisions concerning individual foreign exchange permits are subject to appeal to the Supreme Administrative Court. The NBP exercises control over foreign exchange permits, exchange office activities, and submission by commercial banks and other residents to the NBP of their banking statistics for the purpose of compiling balance of payments data and the external assets and liabilities position of the country.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Resident individuals may hold gold in any form; trading in gold, other than in jewelry form, is subject to permission from the NBP.
On external trade	The exportation of foreign gold coins requires a permit, except for exports by nonresidents who had previously imported them into the country and imports by residents for conducting business in precious metals. However, the exportation of gold coins issued by the NBP is permitted. Coins made from precious metals are not legal tender in Poland.
Controls on exports and imports of banknotes	The EU regulations relating to anti-money laundering apply.
On exports	The exportation of foreign or domestic banknotes with a total value exceeding the equivalent of €10,000 requires permission, with the following exceptions: (1) exportation by nonresidents of banknotes previously imported into the country or banknotes purchased or exchanged at a bank for banknotes previously imported into the country, (2) exportation by residents and nonresidents of banknotes withdrawn from a bank account or purchased from a bank for banknotes in a bank account, (3) exportation by nonresidents of traveler's checks signed by them and previously imported into Poland, and (4) exportation on the basis of a written declaration.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Yes.
On imports	Imports of domestic or foreign banknotes exceeding the equivalent of €10,000 must be reported to the customs administration authorities.
<i>Domestic currency</i>	Residents and nonresidents may import up to the equivalent of €10,000 in any currency without notification to the customs authorities. There are no limitations on nonresident exports of foreign securities or traveler's checks that had previously been imported by them into Poland; such imports are exempt from customs notifications.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Residents (individuals and enterprises) are allowed to maintain accounts in member countries of the EU, EEA, and OECD without permission. Accounts in other countries may be maintained in connection with the economic activity conducted in these countries or in connection with management of portfolio investments by residents in these countries. Activity in these accounts must be reported quarterly to the NBP. Controls apply to deposits held with nonresident financial institutions by an insurance company if these assets are to

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form more than 5% of the cover of its technical reserves, or by a privately managed occupational pension fund.

Approval required

Yes.

Accounts in domestic currency held abroad

The regulations for foreign exchange accounts held abroad also apply to these accounts.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

These accounts may or may not pay interest, depending on the agreement with the bank, and they may be credited with funds from any source that is in compliance with foreign exchange regulations.

Convertible into foreign currency

These accounts may be converted into foreign currency.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

These transactions are subject to EU regulations.

Negative list

Asbestos and articles containing asbestos, some ozone-depleting substances, and some dangerous chemicals are prohibited.

Licenses with quotas

EU regulations apply.

Import taxes and/or tariffs

The EU Common Customs Tariff applies.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

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Export licenses	Licenses are required for exports carried out within the framework of international agreements that stipulate bilateral settlements and for temporary exports of capital goods and transport equipment for leasing motor vehicles.
Without quotas	Licenses are required for exports of radioactive materials and strategic goods (i.e., dual-use and military products), as well as of goods subject to export quotas. Exports of specific species of live poultry and of ozone-depleting goods are prohibited as are exports to the Republic of Montenegro and the Republic of Serbia of petroleum oils and oils obtained from bituminous minerals.
With quotas	Exports of waste and scrap of copper, nickel, aluminum, lead, zinc, and tin are subject to quota restrictions.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	For payments exceeding €10,000 or its equivalent, all current operations must be effected through banks licensed to operate domestically. Residents and nonresidents must document payments or transfers to banks if these exceed €10,000.
Credit card use abroad	Credit card use abroad is permitted, but the transactions must comply with regulations.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Controls apply to the purchase of shares and other securities of a participating nature, which may be affected by regulations on foreign direct investments. Information must be provided to the Securities and Exchange Commission (SEC) if certain thresholds in voting power or stock purchase are exceeded.
Sale or issue locally by nonresidents	An SEC permit is required for residents and nonresidents to trade in securities. Under the EU uniform passport rule, notification of the SEC is required in the case of emission prospectus approval.
Purchase abroad by residents	Controls apply to the purchase of securities issued by nonresidents (1) from third countries (other than EU, EEA, and OECD countries) with which Poland has not entered into

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	agreements for the promotion and protection of investments; and (2) if these assets are to form more than 5% of the cover of the technical reserves of an insurance company, or of the assets representative of the liabilities of a privately managed occupational pension fund.
Sale or issue abroad by residents	These transactions require the consent of the Polish SEC. Under the EU uniform passport rule, notification of the SEC is required in the case of emission prospectus approval.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Controls apply to mortgage debt securities.
Purchase abroad by residents	Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company, or of the assets representative of the liabilities of a privately managed occupational pension fund.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	No controls apply to securities traded on a recognized market.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company, or of the assets representative of the liabilities of a privately managed occupational pension fund.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	Permission of the Polish SEC is required; however, in the case of UCITS, only the notification requirement applies.
<i>Purchase abroad by residents</i>	Controls apply to the purchase of securities issued by nonresidents (1) if these assets are to form more than 5% of the cover of the technical reserves of an insurance company, or of the assets representative of the liabilities of a privately managed occupational pension fund; and (2) in countries other than members of the EU, EEA, or OECD with which Poland has not entered into agreements on the promotion and protection of investments.
Controls on derivatives and other instruments	All transactions require NBP approval.
Purchase locally by nonresidents	Derivatives quoted on a recognized market may be purchased without permission.
Sale or issue locally by nonresidents	The consent of the Polish SEC is required for both residents and nonresidents to sell or issue securities.
Purchase abroad by residents	Controls apply to operations in instruments and claims on a foreign market if the assets in question are to form more than 5% of the cover of the technical reserves of an insurance company, or of the assets representative of the liabilities of a privately managed occupational pension fund.
Sale or issue abroad by residents	Yes.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Controls apply to credits and loans granted by an insurance company if these assets are to form more than 5% of the cover of its technical reserves, or by a privately managed occupational pension fund. NBP approval is required when the repayment date on more than half the debt is within one year, except for loans granted between immediate family members. No controls apply to credits granted by domestic banks, or with EU, EEA, or OECD countries.
<i>To residents from nonresidents</i>	NBP approval is required when the repayment date on over half the debt is within one year, except for loans granted between immediate family members. No controls apply to credits granted by domestic banks, or with EU, EEA, or OECD countries.

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Guarantees, sureties, and financial backup facilities

By residents to nonresidents

An NBP permit is required for residents to establish a security in favor of nonresidents from third countries with respect to receivables due from other nonresidents. No controls apply to receivables arising from transactions among nonresidents conducted domestically.

Controls on direct investment

Outward direct investment

An NBP permit is required for direct investments, with the exception of the purchase of shares and interests in companies based in Bilateral Investment Treaty countries. No controls apply to investments in EU, EEA, or OECD countries.

Inward direct investment

Controls apply to (1) the provision of asset management services by branches of nonresident investors to domestic pension funds; (2) the acquisition of land reserved for agriculture or forests, and acquisition of water areas, unless authorization is granted; (3) investment in an enterprise operating an airline exceeding 49% of the share capital; (4) investment in a broadcasting company bringing foreign ownership of the share capital above 33%; (5) investment in an enterprise operating in the gambling and betting sector, except through an enterprise incorporated in Poland in which foreign ownership of the capital is 49% or less; and (6) investment in a registered vessel, except through an enterprise incorporated in Poland. In addition, (7) mortgage banks are not authorized to open cross-border branches; the single EU passport principle does not apply to them. A bank may open a branch in Poland, however, if it does not have the ability to issue mortgage bonds on the territory of the host country.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate abroad by an insurance company. In addition, an NBP permit is required for real estate transactions exceeding the equivalent of €50,000, when a natural person residing in Poland purchases real estate located in a third country for personal use. In addition, an exchange permit is required for the transfer abroad of foreign currency used for the purchase of such real estate.

Purchase locally by nonresidents

Nonresidents may acquire real estate or other immovable property in Poland only with permission from the Ministry of the Interior, except if it is inherited. Under the Law on Acquisition of Real Estate by Foreigners, foreigners may also acquire real estate without a permit if (1) it is an apartment; (2) they have lived in Poland for at least five years after obtaining a permanent residence visa; (3) they have been married to a Polish citizen for at least two years (the purchased real estate must constitute part of matrimonial community property); or (4) real estate is purchased by nonresident juridical persons for statutory purposes, and the size of the real estate does not exceed 4,000 square meters in urban areas. The Council of Ministers may issue a regulation defining other cases for which a permit is not required, provided the size of acquired real estate does not exceed 4,000 square meters in urban and 10,000 square meters in rural areas. The Council of Ministers may also extend the area to be acquired without permit to 12,000 square meters in urban and 30,000 square meters in rural areas. Poland maintains until 2009 rules regarding the acquisition of secondary residences by foreigners other than nationals of EU member states and nationals of states that are parties to the EEA and who have been legally residents of Poland for four years continuously. In addition, rules regarding the acquisition of agricultural land and forests are in force until 2016. Under these rules, nationals of another member state or of a state that is party to the EEA who want to establish themselves as self-employed farmers and who have been legally resident and leasing land in Poland as a natural or legal person for at least three years continuously are not subject to any procedures other than those that apply to nationals of Poland; in some western and northern "voivods" (state administrations), the residence and leasing period is for a minimum of seven years.

Sale locally by nonresidents

Yes.

Controls on personal capital transactions

Loans

There are no controls on family loans.

POLAND

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

NBP approval is required for gifts exceeding the equivalent of €10,000.

Settlements of debts abroad by immigrants

Yes.

Transfer of gambling and prize earnings

Yes.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)

Banks are allowed to extend to nonresidents financial or commercial loans or purchase securities abroad up to a certain limit (e.g., large exposures) based on regulations of the Commission for Banking Supervision, implementing prudential regulations in force in the EU.

Open foreign exchange position limits

Banks' overall foreign exchange position (including position in gold) is defined and regulated in accordance with the Basel II Accord, so the relevant Polish regulations implement CRD regulations provided for in the 2006/48/EC and 2006/49/EC directives.

Provisions specific to institutional investors

Insurance companies

In compliance with EU directives, a permit from the Insurance and Pension Funds Supervisory Commission is required for non-EU entities to commence an insurance business; for EU-located insurance entities, the general provisions of EU law apply. The commission is to be informed about investment transactions that would result in the acquisition of 10% of voting power, or in the increase of voting power beyond 20%, 33%, or 50% of total voting power. The commission has the right to reject the transaction within a three-month period. Prudential regulations establishing limits for the investment of insurance funds in the country and abroad are provided by the statute on insurance operating activity.

Limits (max.) on securities issued by nonresidents

The limit for insurance business is 5% if denominated in foreign currency or 12% if denominated in euros, except for risks situated abroad, to which technical provisions in the respective currency apply. Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 5% of the cover of the technical reserves of an insurance company. Foreign assets (outside the EU) denominated in one currency and the total value of these assets may not exceed 5% and 10% of the cover of the technical reserves of an insurance company, respectively.

Limits (max.) on investment portfolio held abroad

The regulations governing limits on securities issued by nonresidents apply. In addition, controls apply to (1) the acquisition of real estate abroad, (2) operations in derivative instruments and claims on a foreign market, (3) credits and loans granted, and (4) deposits held with nonresident financial institutions by an insurance company if these assets are to form more than 5% of the cover of its technical reserves.

Limits (min.) on investment portfolio held locally

The limit for insurance businesses is 99%.

Currency-matching regulations on assets/liabilities composition

The currency-matching rule does not apply if assets denominated in one currency constitute less than 7% of assets denominated in all other currencies. It also does not apply if no more than 20% of assets denominated in a given currency do not meet certain specific requirements set by Polish law. The total assets denominated in all currencies must be at least equal to the total liabilities.

POLAND

Pension funds

Limits (max.) on securities issued by nonresidents

Open pension funds and occupational pension funds are allowed to invest not more than 5% of their assets abroad, and such investments may be only in OECD countries or in countries with which Poland has entered into agreements on the promotion and protection of investments. Further, these investments may be only in (1) securities issued by companies listed on major stock exchanges; (2) securities issued by treasuries or CBs; and (3) mutual fund certificates, provided they are redeemable on demand and issued by entities domiciled in one of the aforementioned countries.

Limits (max.) on investment portfolio held abroad

The regulations governing limits on securities issued by nonresidents apply. In addition, controls apply to (1) operations in derivative instruments and claims on a foreign market, (2) credit and loans granted, and (3) deposits held with nonresident financial institutions by a privately managed occupational pension fund if the assets in question are to form more than 5% of the assets representative of the liabilities of a privately managed occupational pension fund.

Limits (min.) on investment portfolio held locally

The limit for pension funds is 95%.

Currency-matching regulations on assets/liabilities composition

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

Regulations Nos. 2006/48/EC and 2006/49/EC.

Changes during 2006

No significant changes occurred in the exchange and trade system.

PORTUGAL

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: September 12, 1988.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Exchange restrictions have been imposed in accordance with EU regulations.

Other security restrictions

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained with respect to certain individuals associated with the government of Belarus, the Islamic Republic of Iran, the former government of Iraq, the Democratic People's Republic of Korea, Myanmar, certain individuals associated with the government of the former Federal Republic of Yugoslavia, and Zimbabwe. Financing of and financial assistance related to military activities in Côte d'Ivoire, the Democratic Republic of the Congo, Somalia, Sudan, and Uzbekistan are prohibited. Restrictions also apply on transfers with respect to persons and entities associated with Osama bin Laden, Al-Qaida, the Taliban, and the former Liberian president, Charles Taylor, and his allies and associates. In addition, certain restrictive measures are directed against certain persons and entities in view of the situation in Côte d'Ivoire. Special caution is recommended in transactions with countries and with counterparties located in countries or territories not cooperating in efforts to prevent money laundering.

References to legal instruments and hyperlinks

Effective December 4, 2006, the Notice of Banco de Portugal 11/2006 amended the Notice of Banco de Portugal 1/99.

Exchange Arrangement

Currency

The currency of Portugal is the euro.

Exchange rate structure

Unitary.

Classification

Independently floating

Portugal participates in a currency union (EMU) with 12 other members of the EU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

References to legal instruments and hyperlinks

Notice of Banco de Portugal 1/99, amended by Notice of Banco de Portugal 11/2006.

PORTUGAL

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

Operations in foreign exchange are permitted through the banking system.

Payments arrangements

No.

Administration of control

There are no exchange controls. Foreign trade policy is implemented by the Ministry of Economy, which is responsible for administering trade controls and for issuing import and export licenses, declarations, and certificates.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

A declaration is required for exports or imports of gold (coins or bullion) valued at the equivalent of €12,500 or more by resident or nonresident travelers.

Controls on exports and imports of banknotes

The exportation or importation by resident or nonresident travelers of banknotes, coins, checks, and traveler's checks equal to or exceeding the equivalent of €12,500 must be declared to the authorities. Decree-Law No. 61/2007, dated March 14, 2007, amending Decree-Law No. 295/2003 and implementing Regulation (EC) No. 1889/2005 of the European Parliament and of the Council of October 26, 2005, on Controls of Cash Entering or Leaving the Community, established that residents or nonresident travelers entering or leaving the European Community (EC) must declare to the customs authorities exports and imports of gold, banknotes, coins, and other means of payment valued at the equivalent of €10,000 or more. When required by the customs authorities, a similar declaration should be presented for the movements within the EC. This regulation will go into effect in 2007.

References to legal instruments and hyperlinks

Decree-Law No. 295/2003, dated November 21, 2003; Decree-Law No. 61/2007, dated March 14, 2007, amending Decree-Law No. 295/2003 and implementing Regulation (EC) No. 1889/2005 of the European Parliament and of the Council of October 26, 2005, on Controls of Cash Entering or Leaving the Community.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Decree-Law No. 295/2003, dated November 21, 2003.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

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References to legal instruments and hyperlinks Decree-Law 295/2003, dated November 21, 2003.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures

Negative list

Imports of certain products are subject to an import license and are allowed under specific conditions, or are prohibited for reasons of health, public order, or the prevention of commercial fraud. For agricultural products covered by the CAP, an import certificate may be required. A few industrial products, such as steel products and some textiles and clothing, are subject to EU import restrictions when they originate in certain third countries.

In accordance with UN Security Council resolutions and EU regulations, sanctions have been imposed on specific transactions involving diamonds (Liberia and Sierra Leone), armaments (Iraq; Liberia; Zimbabwe; the Taliban; and individuals, groups, and organizations associated with terrorism), and oil (Iraq).

Open general licenses

Products of dual use may require a certificate. Precursor chemicals are subject to licensing.

Licenses with quotas

Imports subject to quantitative restrictions require an import license. Generally, licenses are valid for six months for customs clearance purposes.

Other nontariff measures

For products under EU surveillance, the appropriate import documents, when required, are issued for statistical purposes and are granted automatically in four or five days.

Import taxes and/or tariffs Yes.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements No.

Financing requirements No.

Documentation requirements No.

Export licenses

Without quotas

In accordance with UN Security Council resolutions and EU regulations, sanctions are imposed on specific transactions involving nuclear proliferation concerning the Islamic Republic of Iran and the Democratic People's Republic of Korea. For agricultural products covered by the CAP, an export certificate may be required. Products of dual use may require a certificate. Precursor chemicals are subject to licensing.

Export taxes No.

References to legal instruments and hyperlinks Decree-Law No. 295/2003, dated November 21, 2003.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	Decree-Law No. 295/2003, dated November 21, 2003.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Decree-Law No. 295/2003, dated November 21, 2003.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Controls apply to the purchase of shares and other securities of a participating nature that may be affected by the laws on inward direct investment and establishment. Purchases made through a takeover bid (public offer) are subject to previous registration with the Portuguese Securities Markets Commission (CMVM—Comissão do Mercado de Valores Mobiliários) and require the prior publication of offer documents.
Sale or issue locally by nonresidents	When securities are offered to the public, prior publication of a prospectus is required (Article 134 of the Securities Code). Prospectuses relating to public offerings for distribution are subject to approval by the CMVM (Article 114 of the Securities Code). However, a prospectus approved by the competent authority of an EU member state may be valid in Portugal, provided the CMVM receives from the competent authority certain documentation (Article 146 of the Securities Code). The CMVM may also approve prospectuses of an issuer from a non-EU member state provided they have been drawn up in accordance with international standards set by international securities commission organizations and that they contain information equivalent to the requirements under the Securities Code (Article 146 of the Securities Code).
Sale or issue abroad by residents	Sales or issues through a public offering launched simultaneously in Portugal and abroad require the prior publication of a prospectus in Portugal (Article 134 of the Securities Code), which must be approved by the CMVM (Article 145, subparagraph 1, of the Securities Code). If the sale or issue occurs through a public offering launched only abroad, the CMVM has no authority to control such an offering, but may be consulted by foreign authorities.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	The regulations governing shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	The regulations governing shares or other securities of a participating nature apply.
Sale or issue abroad by residents	The regulations governing shares or other securities of a participating nature apply.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	The sale or issue of units of foreign investment funds is subject to the CMVM's authorization (Article 78, subparagraph 6, of Decree-Law 252/2003, dated October 17, 2003, which

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	applies the UCITS Directive to the national law). This control by the CMVM does not apply to UCITS from EU countries that, following an EU directive, are regulated according to the principle of home country authorization. In such a case, the CMVM is requested to ascertain whether the marketing arrangements for units comply with the directive (Article 78, subparagraphs 1 to 5, of Decree-Law 252/2003, dated October 17, 2003).
<i>Sale or issue abroad by residents</i>	In the case of UCITS regulated by the EU directive, the CMVM has jurisdiction, even when they are marketed in other EU countries (Article 79 of Decree-Law 252/2003, dated October 17, 2003).
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Outward direct investment	Controls apply to establishment in non-EC member countries of branches and subsidiaries of (1) credit institutions and financial companies (“sociedades financieras”); and (2) financial companies that are not subsidiaries of credit institutions, as defined in Article 18 (2) of EC Directive 89/646, dated December 15, 1989.
Inward direct investment	Controls apply to (1) establishment of agencies of foreign insurers originating in non-EU member states for which a special deposit and financial guarantee are required, and whose parent company must have been authorized to exercise such an activity for a least five years; (2) investment by non-EU investors in regular air transport (domestic and international) exceeding 49% of the company’s capital; and (3) establishment of travel agencies by non-EU investors, except through an enterprise incorporated in Portugal.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	English version of the Portuguese Securities Code: www.cmvm.pt/english_pages/legislacao_regulamentos/legislacao/codigo_dos_valores_mobiliarios/index.asp ; Portuguese version of Decree-Law 252/2003, dated October 17, 2003: www.cmvm.pt ; Decree Law No. 201/2002, amending Decree Law No. 298/92, on the Legal Framework of Credit Institutions and Financial Companies; Decree Law No. 295/2003, dated November 21, 2003.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Investment regulations

Abroad by banks

Nondiscriminatory prudential rules apply to (1) the establishment of branches abroad, for which prior notification to and permission of the Banco de Portugal (BDP) are required; (2) the establishment of subsidiaries in non-EEA countries, for which prior notification to and permission of the BDP are required; (3) the acquisition of qualifying holdings in foreign banks or other credit institutions, for which prior notification to the BDP is required; and (4) limits on other investments (e.g., capital holdings in a company may not exceed 15% of a bank’s own funds, and the total amount of qualifying holdings may not exceed 60% of a bank’s own funds—in both cases, these limits are not applied to shareholdings in companies included in the supervision on a consolidated basis to which the shareholding bank is subject). These rules are also applicable to establishments, acquisitions, and investments by other credit institutions.

In banks by nonresidents

Nondiscriminatory prudential rules apply to the acquisition of qualifying holdings in banks and credit institutions.

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Open foreign exchange position limits The prudential minimum own funds requirements are applied on a nondiscriminatory basis to credit institutions as well.

Provisions specific to institutional investors

Insurance companies

Currency-matching regulations on assets/liabilities composition

The currency-matching requirement for insurance companies is 80%.

Pension funds

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

The currency-matching requirement for pension funds is 70%.

Investment firms and collective investment funds

Nondiscriminatory prudential rules apply to (1) the establishment of branches abroad, for which prior notification to and permission of the BDP are required; (2) the establishment of subsidiaries in non-EEA countries, for which prior notification to and permission of the BDP are required; (3) the acquisition of qualifying holdings in foreign banks or other credit institutions, for which prior notification to the BDP is required; and (4) limits on other investments (e.g., capital holdings in a company may not exceed 15% of a bank's own funds, and the total amount of qualifying holdings may not exceed 60% of a bank's own funds—in both cases, these limits are not applied to shareholdings in companies included in the supervision on a consolidated basis to which the shareholding bank is subject). These rules are also applicable to establishments, acquisitions, and investments by other credit institutions.

Nondiscriminatory prudential rules apply to the acquisition of qualifying holdings and the creation of new investment firms. Prudential minimum own funds requirements are applied on a nondiscriminatory basis.

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

n.a.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

References to legal instruments and hyperlinks

Legal Framework Applicable to Credit Institutions and Financial Companies, approved by Decree-Law 298/92, dated December 31, 1992: Articles 36 to 43-A and 100, and Articles 102–108; Notice of Banco de Portugal 7/96 on Capital Requirements Concerning Market Risks.

Changes during 2006

Exchange measures

December 4. The Notice of Banco de Portugal No. 11/2006 amended the Notice of Banco de Portugal No. 1/99.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

QATAR

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: June 4, 1973.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) In accordance with the relevant UN Security Council resolutions, measures have been taken to freeze the accounts and assets of listed individuals, groups, and organizations associated with terrorism.

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Qatar is the Qatar riyal.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Qatar riyal is pegged to the dollar at QR 3.64 per \$1. Exchange rates of commercial banks for transactions in dollars are based on the buying and selling rates of the Qatar Central Bank (QCB). A spread of QR 0.0085 is applied to exchange transactions with the public. The buying and selling rates of commercial banks for other currencies are based on the QCB's rates for the dollar and on market rates for the currency concerned against the dollar.

Exchange tax No.

Exchange subsidy No.

Forward exchange market In the commercial banking sector, importers may purchase foreign exchange in the forward market.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements All settlements with Israel are prohibited. No other prescriptions of currency requirements are in force.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents n.a.

Payments arrangements

Bilateral payments arrangements n.a.

Regional arrangements Qatar is a member of the GCC Customs Union.

QATAR

Clearing agreements	n.a.
Barter agreements and open accounts	n.a.
Administration of control	The QCB is the exchange control authority, but there is no exchange control legislation. Import licenses are issued by the Ministry of Economy and Commerce.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	For trading purposes, the buying and selling of gold and precious metals require import licenses and are subject to customs duty. Transactions with Israel are prohibited.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	No distinction is made between accounts held by residents and nonresidents.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	No distinction is made between accounts held by residents and nonresidents.
Domestic currency accounts	Yes.
Convertible into foreign currency	These accounts may be converted, but approval is required.
Approval required	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.

QATAR

Import licenses and other nontariff measures	Imports of alcoholic beverages, firearms, ammunition, and certain drugs are subject to licensing for reasons of health or public policy.
Negative list	All imports from Israel are prohibited, as are imports of pork and its derivatives.
Import taxes and/or tariffs	In accordance with the GCC Customs Union, a maximum CET of 5% is applied on most dutiable goods. The customs tariff on steel is 20% and on alcohol and tobacco, 100%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	A limit of 25% on ownership applies to nationals of other countries.
Sale or issue locally by nonresidents	The issuance is subject to approval.

QATAR

Bonds or other debt securities

Sale or issue locally by nonresidents The issuance is subject to approval.

Controls on derivatives and other instruments

Sale or issue locally by nonresidents The issuance is subject to approval.

Controls on credit operations

No.

Controls on direct investment

Inward direct investment

Noncitizens may engage in simple crafts as well as in commerce, industry, and agriculture. The foreign direct investment law allows up to 100% foreign ownership in the agriculture, industry, health, and tourism sectors.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Real estate ownership is restricted to GCC nationals, with limited exceptions. Effective January 1, 2006, a new law went into effect giving nationals of other countries (including the GCC) the right to own real estate in specific areas. This right is subject to renewal.

Purchase locally by nonresidents

Yes.

Controls on personal capital transactions

Transfer of assets

Controls apply to all these transactions.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

No.

Provisions specific to institutional investors

Pension funds

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

Yes.

Limits (min.) on investment portfolio held locally

Yes.

Currency-matching regulations on assets/liabilities composition

Yes.

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

Yes.

Limits (max.) on investment portfolio held abroad

Yes.

References to legal instruments and hyperlinks

n.a.

QATAR

Changes during 2006

Capital transactions

Controls on real estate transactions

January 1. A new law went into effect giving nationals of other countries (including the GCC) a renewable right to own real estate in specific areas.

ROMANIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 25, 1998.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions

Measures have been taken to freeze the accounts and assets of listed individuals, groups, and organizations associated with terrorism. These measures were taken in accordance with UN Security Council resolutions.

References to legal instruments and hyperlinks

Emergency Ordinance No. 159 (modified by UN Security Council Resolution No. 1390 of January 24, 2002); Common Position of the European Council of February 27, 2002; Government Decision No. 467 of May 16, 2002, for the approval of the list of legal entities and individuals suspected of committing or financing terrorist acts.

Exchange Arrangement

Currency The currency of Romania is the Romanian leu.

Other legal tender

The transferable ruble continues to be used as a unit of account for outstanding balances of the former CMEA.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the leu is determined in the interbank foreign exchange market. Residents and nonresidents are allowed access to the interbank foreign exchange market without supporting documents. Credit institutions are authorized within their scope of activity to participate in the interbank market as intermediaries. Juridical persons other than authorized credit institutions may purchase or sell foreign exchange through intermediaries. Natural persons may purchase or sell foreign currency either through intermediaries or through foreign exchange offices authorized by the National Bank of Romania (NBR). The NBR quotes rates for 17 foreign currencies based on the rates for these currencies against the euro in the countries concerned. Foreign exchange offices conduct transactions with banknotes of all the above foreign currencies and accept traveler's checks denominated in those currencies.

Exchange tax No.

Exchange subsidy No.

Forward exchange market

Despite the turnover increase of the forward exchange market, its relative size declined to some extent in 2006, mainly because of the development of other derivative transactions.

Official cover of forward operations n.r.

References to legal instruments and hyperlinks n.a.

ROMANIA

Arrangements for Payments and Receipts

Prescription of currency requirements	Payments to and from countries with which Romania has bilateral payments arrangements are made only in convertible currencies and in accordance with the procedures set forth in those arrangements.
Controls on the use of domestic currency	n.a.
Use of foreign exchange among residents	Use of foreign exchange among residents for trading in goods and services is prohibited with certain exceptions.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	There are arrangements with the Democratic People's Republic of Korea, and some former CMEA members, aimed at liquidating the balance of the CMEA accounts.
<i>Inoperative</i>	There are arrangements with Albania, Algeria, Costa Rica, Egypt, and Greece.
Regional arrangements	On accession to the EU on January 1, 2007, Romania terminated its membership in CEFTA as well as all bilateral trade agreements, and adopted all EU trade agreements.
Clearing agreements	There are no operative clearing arrangements currently in force. The former clearing arrangements with Bangladesh, the Democratic People's Republic of Korea, and a few countries of the former CMEA are used only to settle previous balances.
Administration of control	The NBR issues rules and regulations related to the control of foreign exchange transactions.
Payments arrears	
Private	Yes.
Controls on trade in gold (coins and/or bullion)	Processing of and trade in gold by natural and juridical persons are subject to authorization by the National Authority for Consumer Protection.
On domestic ownership and/or trade	Yes.
On external trade	Yes.
Controls on exports and imports of banknotes	Customs declarations are required for amounts equal to or in excess of the equivalent of €10,000 in foreign currency or in domestic currency. Undeclared amounts exceeding these limits are subject to confiscation.
References to legal instruments and hyperlinks	NBR Regulation No. 4/2005, as amended by NBR Regulation No. 6/2005; NBR Regulation No. 4/2006; NBR Regulation No. 5/2006.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	NBR Regulation No. 4/2005 on the Foreign Exchange Regime, as subsequently amended.

ROMANIA

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Accounts are blocked in accordance with international security restrictions.
References to legal instruments and hyperlinks	Emergency Ordinance No. 159 (modified by UN Security Council Resolution No. 1390 of January 24, 2002); Common Position of the European Council of February 27, 2002; Government Decision No. 467 of May 16, 2002, for the approval of the list of legal entities and individuals suspected of committing or financing terrorist acts.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Documentation is required for all import payments.
Import licenses and other nontariff measures	Effective January 1, 2007, Romania applies all EU trade policies, including the community import licensing system, which is regulated by Council Regulation (EC) 3285/1994.
Negative list	Effective January 1, 2007, Romania adopted all EU trade policies. Previously, Romania's list of products subject to licensing procedures was as follows: (1) hunting and target-shooting weapons; firearms for spreading harmful irritating or neutralizing gas; arsenal weapons; ceremonial weapons; weapons using air or other compressed gas; assemblies, subassemblies, and devices that can constitute or function as firearms; and the ammunition for these types of weapons; (2) explosive materials generally used in economic activities; (3) substances frequently used for the illicit manufacture of narcotic drugs (precursors); (4) nonhazardous waste; and (5) products dangerous to public health and the environment.
Other nontariff measures	Effective January 1, 2007, Romania adopted all EU trade policies. Previously, there was a customs fee of 0.5% for imports other than those from the CEFTA, EFTA, the EU, Israel, and Turkey.
Import taxes and/or tariffs	Effective January 1, 2007, Romania adopted all EU trade policies. Previously, tariff rates ranged between zero and 220%, averaging about 19%.
State import monopoly	No.
References to legal instruments and hyperlinks	Council Regulation (EC) 3285/94; modified Council Regulation (EC) 139/96; Council Regulation (EC) 2315/96, Council Regulation 2474/2000; Council Regulation (EC) 2200/2004; available at www.europa.eu .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Effective January 1, 2007, Romania adopted all EU trade policies. Previously, export licenses were required for statistical purposes for certain raw materials and minimally processed goods, as follows: nonferrous concentrates, ashes, and residues; raw hides and skins of cattle and swine; wood in the rough; sawn wood; waste and scrap of paper or

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cardboard; ferrous and nonferrous waste and scrap; precious metals, stones, and objects made thereof; substances frequently used for the illicit production of drugs (precursors); radioactive materials; nuclear installations and apparatus based on the use of x-rays or of alpha, beta, or gamma radiation; hunting and target-shooting weapons; firearms for spreading harmful, irritating, or neutralizing gas; weapons; assemblies, subassemblies, and devices that can constitute or function as firearms; ammunition for these types of weapons; and explosive materials generally used in economic activities.

Export taxes	No.
References to legal instruments and hyperlinks	Council Regulation (EC) 2603/69; modified by Council Regulation (EC) 2604; Council Regulation (EC) 3918; available at www.europa.eu .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	There are no controls on these transactions; however, payments and transfers are subject to documentary procedures.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On money market instruments	Effective January 1, 2007, these transactions do not require NBR authorization.
Controls on derivatives and other instruments	Effective January 1, 2007, these transactions do not require NBR authorization or approval for issuance by the National Commission for Securities (NCS).
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	The following transactions are restricted: (1) purchase of agricultural and forestland and other land outside town limits for a transition period of seven years after EU accession and (2) purchase of land inside town limits for secondary residence for a transition period of five years after EU accession.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	No.

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References to legal instruments and hyperlinks

NBR Regulation No. 4/2005 on the Foreign Exchange Regime, as amended; Romania's Position Paper and the Two Complementary Position Documents for Chapter 4—Free Movement of Capital (which stipulate transition periods for the maintenance of the above restrictions after January 1, 2007).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Law No. 58/1998 on Banking Activity was repealed and new legislation took effect January 1, 2007: Government Emergency Ordinance No. 99/2006 regarding Credit Institutions and Capital Adequacy.

Lending locally in foreign exchange

Effective January 1, 2007, the limit of 300% on the exposure of credit institutions from foreign exchange loans was eliminated. Previously, the exposure of a credit institution from foreign exchange loans to legal entities and individuals, before the deduction of specific credit risk provisions, was limited to 300% of its own funds, a percentage applied to both individual and consolidated loans, at the national level.

The provisioning costs for foreign exchange credits to unhedged borrowers are kept higher than for local currency lending.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Ratios on reserves differ according to the currency and residual maturity involved. Effective July 24, 2006, the reserve requirement rate is 20% (previously, 16%) for leu deposits. Effective March 24, 2006, the reserve requirement for foreign currency deposits is 40% (previously, 35%). The reserve requirement on foreign currency deposits includes foreign exchange inflows of all maturities, including maturities longer than two years. The reserve requirement for foreign currency deposits includes all deposits in foreign currency.

Liquid asset requirements

n.r.

Interest rate controls

n.r.

Credit controls

n.r.

Differential treatment of deposit accounts held by nonresidents

n.r.

Investment regulations

Abroad by banks

A bank is not allowed to have an investment of 10% or more in the capital of a nonfinancial entity, either resident or nonresident, that exceeds 15% of the bank's own capital. The total amount of investments outside the financial sector may not exceed 60% of the bank's own capital. A bank may not acquire participations in a nonfinancial entity, either resident or nonresident, if as a result the bank will gain control over that entity.

In addition, NBR approval is needed if a bank intends to invest in a financial entity outside the EU, if this entity will be included into the scope of the bank's prudential consolidation.

In banks by nonresidents

NBR notification is required for investments by residents or nonresidents of 10% or more in a bank's capital. Within three months of notification, the NBR may oppose the acquisition.

Open foreign exchange position limits

The daily maximum foreign exchange limits are 10% of a bank's own funds for each currency and 20% of a bank's own funds for all currencies in aggregate. For branches of foreign banks, the daily maximum foreign exchange limit is up to the domestic currency equivalent of €5 million.

Provisions specific to institutional investors

Insurance companies

n.r.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

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References to legal instruments and hyperlinks

Regulation No. 8/2005 amending Regulation No. 5/2002 on the Classification of Credits and Investments, as well as the Establishment, Adjustment, and Use of Credit-Risk Provisions, as further amended and supplemented; Government Emergency Ordinance No. 99/2006.

Changes during 2006

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

March 24. The reserve requirement for foreign currency deposits was raised to 40% from 35%.

July 24. The reserve requirement on local currency deposits was raised to 20% from 16%.

Changes during 2007

Arrangements for payments and receipts

January 1. On accession to the EU, Romania terminated its membership in CEFTA as well as all bilateral trade agreements, and adopted all EU trade agreements.

Imports and import payments

January 1. Romania adopted all EU trade policies.

Exports and export proceeds

January 1. Romania adopted all EU trade policies.

Capital transactions

Controls on capital and money market instruments

January 1. NBR authorization was no longer required for money market and derivative transactions.

Controls on derivatives and other instruments

January 1. NBR authorization or approval for issuance by the NCS was no longer required for these transactions.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 1. Government Emergency Ordinance No. 99/2006 took effect, repealing Law No. 58/1998 on Banking Activity.

January 1. The limit of 300% on the exposure of credit institutions from foreign exchange loans was eliminated.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with Russia states that as of September 27, 2006, IMF staff was consulting with the authorities to determine whether the restriction on current account transactions identified at the time of the 2005 Article IV consultation has been removed as part of Russia's full liberalization of capital account and exchange restrictions. (Country Report No. 06/429)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Pursuant to UN Security Council Resolution No. 1373 of 2001, a procedure is in place for administrative (nonjudicial) suspension of operations with monetary resources or with other property when at least one of the parties is an organization or individual known to be a participant in extremist activities, or a legal entity directly or indirectly under the ownership or control of such organizations or individuals acting on behalf of or at the direction of such organizations or individuals. On October 11, 2006, the authorities notified the IMF of the restrictions in place in the Russian Federation on current international transactions for maintaining national and international security. In accordance with UN Security Council resolutions and legislative acts of the Russian Federation, these restrictions and sanctions are imposed against the following foreign states and organizations: (1) Al-Qaida and the Taliban movement (freezing of financial assets of organization members, prohibition of all kinds of operations, ban on entry of persons connected with these organizations into territory of member states or transit travel thereof, and ban on shipments of all kinds of arms); (2) the Democratic Republic of the Congo (ban on direct or indirect deliveries of arms and on provision of technical assistance and consultations, freezing of financial assets, and ban on entry of persons stated in UN Security Council resolutions into member states); (3) Iraq (freezing of financial assets of members of the former government of Iraq or its state bodies and ban on sale and delivery of arms to Iraq); (4) Côte d'Ivoire (ban on sale and delivery of arms and military technical assistance, ban on entry of persons stated in the appropriate UN resolutions into member states and freezing of financial assets/operations thereof); (5) Liberia (ban on sale and delivery of arms and military technical assistance, ban on entry of persons stated in the appropriate UN resolutions into member states and freezing of financial assets/operations thereof, and ban on import of diamonds in the rough by member states); (6) Sudan (ban on sale and delivery of arms and military technical assistance and ban on entry of persons stated in the appropriate UN resolutions into member states and freezing of financial assets/operations thereof); (7) Somalia (ban on sale and delivery of arms, and of military technical and financial assistance); and (8) Sierra Leone (ban on entry/transit travel of representatives of the military junta of Sierra Leone and members of the Revolutionary United Front on territory of member states).

Other security restrictions

Certain commercial and financial transactions with Iraq are prohibited.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the Russian Federation is the Russian ruble.

Exchange rate structure

Unitary.

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Classification

Managed floating with no predetermined path for the exchange rate

The Central Bank of the Russian Federation (CBR) sets and announces the official exchange rates of foreign currencies against the ruble daily. These rates are based on ruble quotes against the dollar on the internal foreign exchange market and on quotes of other foreign currencies against the dollar on the global exchange market. The CBR intervenes in both interbank currency exchanges and the over-the-counter interbank market to limit fluctuations in the exchange rate of the ruble against a basket of the euro and dollar in the short run. The dollar is the main intervention currency.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward transactions are conducted by authorized banks. Trading in futures contracts is conducted on currency and stock exchanges, with the larger part of trading concentrated on the Moscow Interbank Currency Exchange.

References to legal instruments and hyperlinks

Federal Law No. 86-FZ dated July 10, 2002, on the Central Bank of the Russian Federation (Bank of Russia); Statute of the Bank of Russia No. 286-P dated April 18, 2006, on the Establishment and Publication by the Central Bank of the Russian Federation of Official Exchange Rates for Foreign Currencies against the Ruble.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

Settlements between residents in foreign exchange are regulated by law.

Payments arrangements

Bilateral payments arrangements

Operative

There are agreements with the CIS countries, Bulgaria, Mongolia, and Vietnam.

Inoperative

Agreements with the Islamic Republic of Afghanistan, Cuba, Egypt, India, and the Syrian Arab Republic are inoperative.

Clearing agreements

Yes.

Administration of control

The CBR enforces foreign exchange control regulations, supervises and monitors transactions of authorized banks and the authorized exchanges, and regulates banks' open foreign exchange positions. In addition to the CBR, the federal executive authorities (authorized by the government and within the limits of their jurisdiction) have the power to control foreign exchange transactions, with the exception of transactions by credit institutions and currency exchanges.

Payments arrears

Official

Yes.

Private

Yes.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Transactions with precious metals and precious stones subject to obligatory control in accordance with anti-money laundering and terrorism financing legislation must be reported to the Federal Financial Monitoring Service.

On external trade

Residents (including banks) must have a license from the Ministry of Economic Development and Trade (MEDT) to export gold. Banks also must have a license from the CBR to conduct transactions in precious metals in order to export gold.

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Controls on exports and imports of banknotes	Foreign and domestic banknotes may be exported and imported by residents and nonresidents in accordance with procedures established by law. The procedure for the export and import of domestic and foreign currency is uniform.
On exports	Resident and nonresident natural persons may not export foreign and domestic banknotes exceeding the equivalent of \$10,000, and exports exceeding \$3,000 require a customs declaration. Amounts exceeding the equivalent of \$10,000 may be exported only if previously imported, as indicated on the customs declaration.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Yes.
On imports	Residents and nonresidents may import any amount of foreign and domestic currency into the Russian Federation, provided customs regulations are observed.
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Yes.
References to legal instruments and hyperlinks	Article 15 of Federal Law No. 173-FZ, December 10, 2003, "On Foreign Exchange Regulation and Foreign Exchange Control."

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Residents may open foreign exchange accounts with authorized banks without restriction. Effective July 1, 2006, the mandatory use of special accounts and the related reserve requirement were eliminated. Previously, residents were required to open the following special accounts with authorized banks for certain foreign exchange transactions with nonresidents: (1) F accounts, which were used for foreign currency loans (with a maturity of less than three years) and for purchases from and sales to nonresidents by resident individuals of foreign currency securities; (2) R1 accounts, which were used by residents (individual sole proprietors and legal persons) for settlements and transfers of proceeds of foreign exchange loans and credits from nonresidents, for the receipt of proceeds from primary placements to nonresidents of shares and bonds defined as external securities, and for the receipt of proceeds from sales of external securities that were not recorded on the special deposit accounts of nonresidents; and (3) R2 accounts, which were used by resident legal persons for settlements and transfers related to the granting of foreign exchange loans and credits to nonresidents, for the purchase of external securities from nonresidents, and for the receipt of the proceeds from sales of external securities that were recorded on the deposit accounts to nonresidents. Credit and loans of more than three years' maturity and external securities transactions between resident individuals and nonresidents of up to \$150,000 a year could be made without the use of special accounts. A reserve requirement of 2% for 365 calendar days applied on R1 accounts, and a reserve requirement of 25% for 15 calendar days was applicable on R2 accounts.
Held abroad	Effective January 1, 2007, residents may open foreign currency accounts abroad with banks of any country with subsequent notification of tax authorities of the opening of the accounts. Previously, residents were allowed to open foreign currency accounts abroad (1) with banks in OECD and FATF member countries, provided they notified the tax authorities at their place of record and (2) with banks in any country after advance registration with the tax authorities. Resident authorized banks licensed to engage in ruble and foreign exchange transactions may maintain correspondent accounts with nonresident banks. They may also open accounts in nonresident banks to service the activities of their representative offices abroad, subject to notification requirements. If regulations of the parent authorized banks permit, their foreign branches may freely maintain accounts with nonresident banks.
Accounts in domestic currency held abroad	Effective January 1, 2007, residents may open accounts in the currency of the Russian Federation abroad with banks of any country with subsequent notification of tax authorities of the opening of the accounts. Previously, advance registration of the accounts with the tax authorities was required.

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Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Federal Law No. 173-2, Instruction 116-I, Bank of Russia Directive No. 1465-U, June 29, 2004, "On Establishing Reserve Requirements for Entry of Monetary Resources in Special Bank Accounts and for Withdrawal of Monetary Resources from Special Bank Accounts," hereinafter Directive 1465-U; Directive of the Bank of Russia No. 1688-U dated May 29, 2006, on Abolishing the Requirement for Mandatory Use of Special Accounts in the Performance of Foreign Exchange Transactions and on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia; Directive of the Bank of Russia No. 1689-U dated May 29, 2006, on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia; Federal Law No. 173-FZ, effective January 1, 2007.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Effective July 1, 2006, the mandatory use of special accounts for certain transactions and the related reserve requirement was eliminated. Previously, nonresidents were allowed to open and maintain five types of accounts: (1) S accounts for transactions by nonresidents with residents relating to ruble-denominated federal government securities; (2) A accounts for transactions by nonresidents with residents relating to ruble-denominated stocks or shares in mutual funds; (3) O accounts for transactions by nonresidents with residents relating to internal securities issued by residents, except federal government securities; (4) V1 accounts for ruble-denominated loans from residents or for primary placement of stocks, bonds, or promissory notes classified as internal securities; and (5) V2 accounts for ruble-denominated loans to residents and purchases or sales by nonresidents of internal securities (except promissory notes) that were not publicly issued.

In addition, the following reserve requirements applied: 15% for 365 calendar days for S accounts; 2% for 365 calendar days for O accounts; 25% for 15 calendar days for V1 accounts; and 2% for 365 calendar days for V2 accounts.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

Directive of the Bank of Russia No. 1688-U dated May 29, 2006, on Abolishing the Requirement for Mandatory Use of Special Accounts in the Performance of Foreign Exchange Transactions and on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia; Directive of the Bank of Russia No. 1689-U dated May 29, 2006, on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Effective June 1, 2006, residents may make advance payments for imports without restrictions for a period up to 180 days. Previously, advance payments exceeding 180 days or if the contract was not secured by an irrevocable L/C, a bank guarantee, a property insurance agreement, or a bill backed by a nonresident bank were subject to provisioning requirements.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement

n.a.

Preshipment inspection

n.a.

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Import licenses and other nontariff measures	Private imports of ethyl alcohol are prohibited. Licenses are required for imports of various alcoholic products, as well as dual-use items, military equipment, medicine, industrial waste, and ozone-depleting substances.
Negative list	Yes.
Import taxes and/or tariffs	Most customs duties range from 5% to 15%, but duties of 25% to 30% are levied on certain sensitive goods. The following products are exempt from duties: insulin and some other pharmaceuticals, printed materials, cotton and cotton wastes, some animal species, raw diamonds, wheelchairs, works of art, collectibles, and antiques. Imports of goods on the approved list from developing countries are subject to a customs duty that is 75% of the applicable rate.
State import monopoly	No.
References to legal instruments and hyperlinks	Federal Law No. 173-FZ dated December 10, 2003, on Foreign Exchange Regulation and Foreign Exchange Control (incorporating amendments introduced by Federal Law No. 131-FZ dated July 26, 2006, on Amendments to the Federal Law on Foreign Exchange Regulation and Foreign Exchange Control); Directive of the Bank of Russia No. 1688-U dated May 29, 2006, on Abolishing the Requirement for Mandatory Use of Special Accounts in the Performance of Foreign Exchange Transactions and on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia; Directive of the Bank of Russia No. 1689-U dated May 29, 2006, on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia; Resolution of the Government of the Russian Federation No. 400 dated June 29, 2006, on Considering No Longer in Force Resolution of the Government of the Russian Federation No. 302 dated May 16, 2005; Federal Law No. 246-FZ dated December 29, 2006, on Amending Articles 11 and 18 of the Federal Law on Banks and Banking Activity and Article 61 of the Federal Law on the Central Bank of the Russian Federation (Bank of Russia); Federal Law No. 86-FZ dated July 10, 2002, on the Central Bank of the Russian Federation (Bank of Russia).

Exports and Export Proceeds

Repatriation requirements	All proceeds from exports received by residents must be credited in full to their foreign exchange accounts opened with authorized banks. Foreign exchange proceeds may remain in the accounts of residents or third parties with banks outside the Russian Federation if they are received (1) from the export of goods, work, services, or intellectual property up to the amount necessary for execution of the obligations of residents under credit agreements with nonresidents who are agents of governments of foreign states, and under credit agreements with residents of OECD or FATF member states for a period exceeding two years; (2) for construction costs abroad covered by nonresidents; (3) for exhibitions abroad covered by nonresidents; (4) for the netting of counterclaims under obligations between residents and nonresidents for rendering services for fishing abroad to these residents under agency agreements and between resident and nonresident transportation organizations rendering services abroad to these residents under contracts (agreements) or if settlements between them are made via specialized settlement organizations established by international institutions in the international conveyance sector whose members are such resident transportation organizations; (5) for the netting of counterclaims under obligations ensuing from reinsurance agreements or agreements to render services connected with executing and performing reinsurance agreements between a nonresident and a resident who are insurance organizations or insurance brokers; and (6) as payment against expenses incurred by resident transportation organizations outside the Russian Federation associated with aerial navigation, airport, and port fees and other mandatory fees on the territory of foreign states; expenses associated with the servicing of air, river, and sea craft and other vehicles of such transport organizations and their passengers located outside the Russian Federation; and expenses to provide for the activities of branches, representative offices, and other offices of such transportation organizations located outside the Russian Federation. Effective January 1, 2007, certain foreign exchange proceeds of residents are exempt from the repatriation requirement.
Surrender requirements	Effective January 1, 2007, the mandatory surrender requirement of foreign exchange proceeds was eliminated. Previously, a surrender requirement of 10% applied on proceeds from exports of goods, services, and intellectual property of residents. Residents were required to surrender the 10% portion of their foreign exchange proceeds from exports of

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goods within seven days on the interbank foreign exchange market. The following were exempt from the surrender requirement: (1) receipts from transactions of the government, authorized federal authorities, the CBR, and entities acting on their behalf; (2) receipts by authorized banks from operations and transactions stipulated in the Federal Law on Banks and Banking; (3) proceeds of residents up to the amounts necessary to discharge obligations under credit agreements with nonresident organizations that are agents of foreign governments or with residents of OECD or FATF member countries, for a period of more than two years; and (4) foreign exchange received in transactions involving the transfer of publicly issued external securities or of rights thereto.

Financing requirements

No.

Documentation requirements

Preshipment inspection

n.a.

Export licenses

Export licensing is limited to goods on a list approved by the government, including military equipment and arms, precious metals and stones, rare animals and plants, dual-use items, ethyl alcohol and alcoholic products, and goods and services exported in accordance with international obligations. Licenses are issued by the MEDT in accordance with established procedures.

With quotas

Yes.

Export taxes

Other export taxes

Export taxes are levied on 141 items, and the rate for most of them is 6.5%, with a maximum rate of 50% for nonferrous scrap. A number of goods, including crude oil and petroleum products, are subject to specific duties. Certain goods are subject to combined duties.

References to legal instruments and hyperlinks

CBR Instruction No. 111-I, of March 30, 2004, on Surrender of Part of Foreign Exchange Proceeds on the Internal Currency Exchange of the Russian Federation; Federal Law No. 173-FZ dated December 10, 2003, on Foreign Exchange Regulation and Foreign Exchange Control (incorporating amendments introduced by Federal Law No. 131-FZ dated July 26, 2006, on Amendments to the Federal Law on Foreign Exchange Regulation and Foreign Exchange Control).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Receipts of dividends, interest, and profit by residents from nonresidents abroad must be credited to foreign exchange accounts of residents opened with authorized banks. Residents may freely credit to accounts of nonresident banks foreign exchange proceeds received (1) from exports of services and intellectual property in amounts necessary to discharge obligations under credit agreements with nonresidents who are agents of foreign states, and under credit agreements with residents from OECD or FATF member countries, for a period exceeding two years; (2) for construction costs abroad covered by nonresidents; (3) for exhibitions abroad covered by nonresidents; (4) for the netting of counterclaims under obligations between residents and nonresidents for rendering services for fishing abroad to these residents under agency agreements and between resident and nonresident transportation organizations rendering services abroad to these residents under contracts (agreements) or if settlements between them are made via specialized settlement organizations established by international institutions in the international conveyance sector whose members are such resident transportation organizations; (5) for the netting of counterclaims under obligations ensuing from reinsurance agreements or agreements to render services connected with executing and performing reinsurance agreements between a nonresident and a resident who are insurance organizations or insurance brokers; and (6)

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as payment against expenses incurred by resident transportation organizations outside the Russian Federation associated with aerial navigation, airport, and port fees and other mandatory fees on the territory of foreign states; expenses associated with the servicing of air, river, and sea craft and other vehicles of such transport organizations and their passengers located outside the Russian Federation; and expenses to provide for the activities of branches, representative offices, and other offices of such transportation organizations located outside the Russian Federation. Authorized banks participating in the authorized capital of nonresident credit institutions must credit dividends due to them to their correspondent accounts, with the exception of the portion used to replenish the authorized capital of the nonresident credit institution.

Surrender requirements

Effective January 1, 2007, the mandatory surrender requirement of foreign exchange proceeds of residents was eliminated. Previously, 10% of proceeds from exports of services and intellectual property were subject to surrender in the internal exchange market.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

CBR Instruction No. 111-I, of March 30, 2004, on Surrender of Part of Foreign Exchange Proceeds on the Internal Currency Exchange of the Russian Federations; Federal Law No. 173-FZ dated December 10, 2003, on Foreign Exchange Regulation and Foreign Exchange Control (incorporating amendments introduced by Federal Law No. 131-FZ dated July 26, 2006, on Amendments to the Federal Law on Foreign Exchange Regulation and Foreign Exchange Control).

Capital Transactions

Controls on capital transactions

Effective July 1, 2006, the mandatory use of special accounts for certain capital transactions and the related reserve requirements were eliminated. Previously, special accounts were to be used for capital transactions, and a reserve requirement applied to certain transactions requiring the use of special accounts. These requirements did not apply to (1) settlements and transfers of resident individuals with nonresidents connected with the acquisition and alienation of external securities (or rights certified by external securities) in an amount up to \$150,000 a calendar year or (2) settlements and transfers connected with (a) foreign currency credits and loans with a maturity exceeding three years between residents and nonresidents or (b) ruble currency credits and loans with a maturity exceeding three years between residents and nonresidents. Effective July 1, 2006, the ability of the foreign exchange authorities (the CBR and the government of the Russian Federation) to establish reserve requirements on capital transactions, and effective January 1, 2007, the right of the CBR to establish requirements on the use of special accounts, were eliminated.

Repatriation requirements

Yes.

Surrender requirements

Effective January 1, 2007, the mandatory surrender requirement of foreign exchange proceeds was eliminated.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Effective December 29, 2006, the requirement that the acquisition of stocks of resident credit institutions by nonresidents be approved by the CBR was eliminated. Resident juridical persons that are not credit institutions may freely credit to their foreign exchange accounts maintained with authorized banks foreign currency received from nonresidents as shares in their authorized capital.

Purchase locally by nonresidents

Yes.

Sale or issue locally by nonresidents

Initial placement or trading of securities issued by nonresidents on the domestic market is allowed after their prospectus is registered with the Financial Markets Service (FSFR).

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

FSFR authorization is required to issue or sell domestic securities abroad. Proceeds must be transferred to current foreign exchange accounts with authorized banks. Effective July

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1, 2006, the prior approval requirement for resident natural persons to sell or issue foreign and domestic securities abroad exceeding \$150,000 a year was eliminated.

Bonds or other debt securities

Purchase locally by nonresidents Yes.

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Issues and sales abroad of debt securities by residents require FSFR permission. Receipts in foreign currency from the sale abroad of debt securities by residents to nonresidents must be credited to foreign exchange accounts of residents with authorized banks.

On money market instruments Regulations similar to those governing shares or other securities of a participating nature apply.

On collective investment securities Controls apply to all these transactions.

Controls on derivatives and other instruments The transactions are controlled if the derivative instrument stipulates the delivery of the underlying asset.

Controls on credit operations

Financial credits Controls apply to all these transactions.

Controls on direct investment

Outward direct investment Direct investments of resident credit institutions associated with the acquisition of stocks (stakes) of foreign organizations and not leading to the establishment of subsidiaries abroad may be effected without restriction. Investments of credit institutions to establish subsidiaries abroad may be effected only by banks having a general license and equity resources (capital) of at least €5 million, with permission from and in accordance with the requirements of the CBR. Subsequent investments of banks in the authorized capital of foreign subsidiaries may be effected following notification. In accordance with an international agreement concluded between the Russian Federation and the Republic of Belarus, Russian banks satisfying the aforementioned requirements with respect to having a general license and equity resources (capital) may invest in the authorized capital of subsidiary Belarusian banks following notification procedures. Direct investment in the CIS by resident juridical persons that are not credit institutions may take place freely. Other investments require CBR approval.

Inward direct investment Effective December 29, 2006, direct investments of nonresidents individually or as part of a group of persons in the authorized capital of operating credit institutions, comprising more than 20% of the stocks (stakes in the authorized capital) of the credit institution, may be effected on the basis of preliminary consent of the CBR, and above 1% of the stocks (stakes) of the credit institution—with notification of the CBR. Direct investments of nonresidents in the authorized capital of credit institutions that are being established may be effected on the basis of prior permission from the CBR. Previously, all direct investments in the authorized capital of credit institutions required CBR authorization. For other direct investments, the rules governing shares or other securities of a participating nature applied.

Controls on liquidation of direct investment No.

Controls on real estate transactions No.

Controls on personal capital transactions

Loans Controls apply to all these transactions.

References to legal instruments and hyperlinks

Federal Law No. 173-FZ dated December 10, 2003, on Foreign Exchange Regulation and Foreign Exchange Control (incorporating amendments introduced by Federal Law No. 131-FZ dated July 26, 2006, on Amendments to the Federal Law on Foreign Exchange Regulation and Foreign Exchange Control); Directive of the Bank of Russia No. 1688-U dated May 29, 2006, on Abolishing the Requirement for Mandatory Use of Special Accounts in the Performance of Foreign Exchange Transactions and on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia; Directive of the Bank of Russia No.

RUSSIAN FEDERATION

1689-U dated May 29, 2006, on Considering No Longer in Force Certain Regulatory Acts of the Bank of Russia; Resolution of the Government of the Russian Federation No. 400 dated June 29, 2006, on Considering No Longer in Force Resolution of the Government of the Russian Federation No. 302 dated May 16, 2005; Federal Law No. 246-FZ dated December 29, 2006, on Amending Articles 11 and 18 of the Federal Law on Banks and Banking Activity and Article 61 of the Federal Law on the Central Bank of the Russian Federation (Bank of Russia); Federal Law No. 86-FZ dated July 10, 2002, on the Central Bank of the Russian Federation (Bank of Russia).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Maintenance of accounts abroad

Sanctions are imposed on authorized banks violating reporting requirements on foreign exchange transactions.

Differential treatment of deposit accounts in foreign exchange

Authorized banks may open correspondent accounts with banks abroad pursuant to the terms specified in the banking license issued by the CBR.

Reserve requirements

The reserve requirement ratio for ruble liabilities to legal entities and for foreign currency liabilities to legal entities and individuals is 3.5%. A provisioning requirement of 2% applies on ruble and foreign currency obligations of credit institutions to nonresident banks. Credit institutions have the right to fulfill a part of the reserve requirement by maintaining the appropriate balances in their correspondent accounts with the CBR. The required reserves for ruble currency obligations are reduced by the amount of ruble cash balances these credit institutions maintain in their cash departments within limits not exceeding 25% of the required reserves for ruble obligations.

Liquid asset requirements

For the purpose of monitoring liquidity of credit institutions, the CBR has established liquidity ratios, which are determined as the ratio of assets and liabilities of credit institutions, taking into consideration maturities, amounts, and types of assets and liabilities and other factors, as well as the ratio of liquid assets to total assets of credit institutions.

Investment regulations

Abroad by banks

Authorized banks with general licenses from the CBR may transfer foreign exchange balances to banks in the FATF and OECD member countries and Belarus for purposes of participating in their authorized capital with CBR notification, and to other countries with CBR approval.

In banks by nonresidents

Effective December 29, 2006, the acquisition of shares in resident credit institutions no longer requires CBR approval.

Open foreign exchange position limits

The open foreign exchange position of commercial banks is 20% of capital for all currencies and 10% of capital for an individual currency or precious metal. These limits are calculated based on the volume and date of transactions.

Provisions specific to institutional investors

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange measures

October 11. The authorities notified the IMF of the restrictions in place in the Russian Federation on current international transactions for the purpose of national and international security.

RUSSIAN FEDERATION

Resident accounts	<i>July 1.</i> The mandatory use of special accounts for certain foreign exchange transactions and the related reserve requirement were eliminated.
Nonresident accounts	<i>July 1.</i> The mandatory use of special accounts for certain foreign exchange transactions and the related reserve requirement were eliminated.
Imports and import payments	<i>June 1.</i> Residents were allowed to make advance payments for imports without restrictions for a period up to 180 days. Previously, advance payments exceeding 180 days or if the contract was not secured by an irrevocable LC, a bank guarantee, a property insurance agreement, or a bill backed by a nonresident bank were subject to provisioning requirements.
Capital transactions	<i>July 1.</i> The unremunerated reserve requirement and the mandatory use of special accounts to effect payment associated with capital transactions were eliminated. <i>July 1.</i> The ability of the foreign exchange regulatory authorities to establish a reserve requirement on capital transactions was eliminated.
Controls on capital and money market instruments	<i>July 1.</i> The prior approval requirement for resident natural persons selling or issuing securities abroad exceeding \$150,000 was eliminated. <i>December 29.</i> The acquisition of stocks in resident credit institutions by nonresidents no longer required CBR approval.
Controls on direct investment	<i>December 29.</i> Direct investments of nonresidents individually or as part of a group of persons in the authorized capital of operating credit institutions, comprising more than 20% of the stocks (stakes in the authorized capital) of the credit institution, could be effected on the basis of preliminary consent of the CBR, and above 1% of the stocks (stakes) of the credit institution—with notification of the CBR. Direct investments of nonresidents in the authorized capital of credit institutions that are being established could be effected on the basis of prior permission from the CBR.
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<i>December 29.</i> The acquisition of shares in resident credit institutions by nonresidents no longer required a CBR permit.

Changes during 2007

Resident accounts	<i>January 1.</i> The prior registration requirement for residents opening accounts abroad was eliminated.
Exports and export proceeds	<i>January 1.</i> The mandatory surrender requirement of foreign exchange proceeds was eliminated. <i>January 1.</i> Certain foreign exchange proceeds of residents were exempted from the repatriation requirement.
Proceeds from invisible transactions and current transfers	<i>January 1.</i> The mandatory surrender requirement of foreign exchange proceeds was eliminated.
Capital transactions	<i>January 1.</i> The mandatory surrender requirement of foreign exchange proceeds was eliminated.

RWANDA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 10, 1998.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Rwanda is the Rwanda franc.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The exchange rate of Rwanda franc has remained very stable vis-à-vis the U.S. dollar. As a result, the exchange rate regime has been reclassified, effective January 1, 2006, to the category of conventional pegged arrangement from the category of managed floating with no predetermined path for the exchange rate. The exchange rate of the Rwanda franc is determined in the foreign exchange market; however, the authorities intervene to influence the rate. A foreign exchange auction system is in effect. Banks may apply a variable commission to exchange operations. The National Bank of Rwanda (NBR) does not announce official exchange rates, but for reference purposes it calculates and publishes daily the average market exchange rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market A forward exchange market, in which banks may take forward positions of 1–12 months on behalf of exporters and importers, has been authorized; however, it is not yet operational.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents Banknotes and coins issued by the National Bank of Rwanda (NBR) are the only legal tender.

Payments arrangements

Regional arrangements The NBR maintains agreements with the central banks of the CEPGL countries. The clearing mechanism under the agreements is not operational. Payments to and from other member countries of COMESA are made through reciprocal accounts in convertible currencies. The COMESA clearinghouse currently is being restructured because of a declining volume of transactions.

Clearing agreements Yes.

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Barter agreements and open accounts	An arrangement exists with Uganda, but it is not operational.
Administration of control	Foreign exchange control authority is vested in the NBR, which has delegated authority to authorized banks and foreign exchange bureaus to carry out some of the controls.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Trade is restricted to dealers approved by the relevant ministry.
On external trade	Imports and exports of gold require a declaration.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Effective December 14, 2006, no prior approval is required for exports of domestic banknotes (previously, such prior approval was required for an amount exceeding the equivalent of \$100).
<i>Foreign currency</i>	An authorized bank or foreign exchange bureau may sell foreign exchange to nonresidents in exchange for domestic currency on presentation of documents confirming that the domestic currency was purchased at an authorized bank or foreign exchange bureau.
On imports	
<i>Domestic currency</i>	Effective December 14, 2006, no prior approval is required for the import of domestic banknotes (previously, such prior approval was required for an amount exceeding the equivalent of \$100).
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	No.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Approval required	Yes.
Blocked accounts	No.

RWANDA

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports Imports are generally paid for after delivery, but authorized banks may make advance payments on the presentation of supporting documentation showing that such payment is needed.

Import licenses used as exchange licenses Yes.

Other Effective December 14, 2006, a bank import declaration is required only for imports with an f.o.b. value exceeding the equivalent of \$20,000. These declarations must be accompanied by a pro forma invoice stating the f.o.b. value of the merchandise. Also, effective that date, the special limits for imports of fresh foodstuffs and pharmaceutical products are removed. Previously, imports with an f.o.b. value of \$5,000 or more were subject to a bank import declaration, and a limit of \$3,000 applied to fresh foodstuffs and pharmaceutical products.

In addition, licensed intermediaries are authorized to finance cash imports with a c.i.f. value up to \$20,000.

Import licenses and other nontariff measures

Negative list All imports of narcotics are prohibited. Certain categories of imports, such as explosives and weapons, require prior approval from the relevant authorities, regardless of origin and value. For public health reasons, the importation of human or veterinary medicines, disinfectants, insecticides, rodent poisons, fungicides, herbicides, and other toxic or potentially toxic chemicals is subject to the approval of the relevant pro forma invoices by the Ministry of Health.

Open general licenses Yes.

Import taxes and/or tariffs Effective December 31, 2006, consumption taxes of 60% on beer and 10% on powdered milk and mineral water apply. Vehicles with engines of less than 1,500 cm³, those between 1,500 cm³ and 2,500 cm³, and those of more than 2,500 cm³ are subject to consumption taxes of 5%, 10%, and 15%, respectively. The tax on juices, soft drinks, and carbonated beverages is 39%; 70% on wine, brandy, liqueur, and whisky; 120% on tobacco; and 37% on gas (except benzene), heating oil, and diesel oil. Also effective December 31, 2006, the minimum import tariff is zero for all capital goods, and the maximum import tariff is 30% of the c.i.f. value for finished goods. The intermediate rates are 5% and 15%.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements Proceeds must be repatriated within three months of the export date, and any delays must be reported to the NBR.

Financing requirements No.

Documentation requirements A bank export declaration form is required only for exports with a value exceeding \$10,000.

Export licenses

Without quotas Yes.

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Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Effective December 14, 2006, authorized banks are permitted to transfer foreign exchange without restriction to cover payment of standard invisible transactions, such as dividends; salaries of directors and managers and professional fees; copyrights and royalties; merchandise repair costs; interest payments on credit cards to foreign companies; reinsurance premiums; reimbursements of expenses owed to foreign airline companies; advertising costs; rental and leasing costs; maritime, road, and air transportation and transit costs; subscription fees for newspapers and periodicals and membership in trade organizations and professional associations; and costs of correspondence courses and books.
Investment-related payments	
<i>Indicative limits/bona fide test</i>	Authorized banks must require presentation of a certificate of registration of the investment with the NBR.
Payments for travel	
<i>Quantitative limits</i>	Effective December 14, 2006, the restrictions on payments for travel have been eliminated. However, a limit of \$20,000 applies to cash payments. Previously, the maximum tourism allowance was \$5,000 or the equivalent a person a trip, and in the case of business travel, the maximum amount was \$10,000 or the equivalent a person a year.
<i>Indicative limits/bona fide test</i>	Licensed intermediaries are still required to conduct bona fide tests of applications.
Personal payments	Effective December 14, 2006, the restrictions on personal payments have been removed. Previously, payment of pensions required NBR approval.
<i>Quantitative limits</i>	No limits apply effective December 14, 2006. Previously, on presentation of invoices or estimates, authorized banks could transfer foreign exchange for medical care received or to be received abroad by residents. In the case of estimates, authorized banks required their customers to present final invoices at the end of treatment. Authorized banks could sell a maximum of \$5,000 or the equivalent to residents undergoing medical treatment abroad, or to any person accompanying them, to cover living expenses. In addition, authorized banks could transfer foreign exchange abroad without restriction for educational expenses of residents or persons in their charge on presentation of a letter of acceptance or certificate of attendance for the period indicated from a recognized educational institution and a detailed description of required fees—in particular for tuition, rent, or purchases of books and other supplies. Residents could also transfer up to a maximum of \$25,000 a year or the equivalent to cover accommodation and subsistence costs of a Rwandese student abroad.
<i>Indicative limits/bona fide test</i>	Licensed intermediaries are still required to conduct bona fide tests of applications.
Foreign workers' wages	
<i>Quantitative limits</i>	Effective December 14, 2006, the restrictions on these payments have been removed. Previously, authorized banks could approve salary and wage transfers of expatriates working in Rwanda up to a maximum of 70% of their net remuneration after payment of taxes and social security contributions.
<i>Indicative limits/bona fide test</i>	Licensed intermediaries are still required to conduct bona fide tests of applications.
References to legal instruments and hyperlinks	n.a.

RWANDA

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds must be repatriated within three months of the export date, and any delays must be reported to the NBR.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Currently, only the money market is operational. Transactions are governed by the relevant business law provisions. In addition, nonresidents may invest in public securities under conditions determined by the NBR.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	NBR approval is required, except for savings institutions.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	NBR approval is required, except for savings institutions.
Sale or issue abroad by residents	Yes.
On money market instruments	Nonresidents may invest in public securities under conditions determined by the NBR.
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	NBR approval is required, except for savings institutions.
<i>Sale or issue abroad by residents</i>	Yes.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	NBR approval is required, except for savings institutions.
<i>Sale or issue abroad by residents</i>	Sale proceeds must be repatriated.
Controls on derivatives and other instruments	No.
Controls on credit operations	Effective December 14, 2006, residents may contract foreign currency loans from nonresident international banks and financial institutions for business purposes. They may also contract foreign currency loans from other nonresident operators, provided the interest rate applied is lower than LIBOR, plus a surcharge determined by the NBR. Foreign currency loans from nonresidents require a registration certificate issued by the NBR. Previously,

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NBR approval was required for residents to receive foreign exchange loans from nonresidents for business purposes. After approval, the NBR issued a registration certificate.

Authorized banks may effect the repayment of a foreign currency loan from a nonresident to a resident on presentation of a copy of the loan agreement and the loan registration certificate issued by the NBR.

Commercial credits

By residents to nonresidents n.a.

To residents from nonresidents Yes.

Financial credits

By residents to nonresidents n.a.

To residents from nonresidents Yes.

Guarantees, sureties, and financial backup facilities

NBR approval is required.

By residents to nonresidents n.a.

To residents from nonresidents n.a.

Controls on direct investment

Outward direct investment

NBR approval is required for individuals and legal entities other than savings institutions.

Inward direct investment

Foreign direct investment in Rwanda and the purchase of Rwandese securities by nonresident foreigners are not restricted. Securities must be registered with the NBR, which issues a registration certificate after a review of the required information.

Controls on liquidation of direct investment

Subsequent repatriation of current investment income and net proceeds from the transfer or liquidation of capital invested with foreign exchange originating abroad may be freely effected by authorized banks. Banks must require their customers to produce the registration certificate issued by the NBR, as well as all information and supporting documentation required by the NBR. Repatriation of the investment capital of nonresidents is governed by the Investment Code and must be recorded by the authorized banks.

Controls on real estate transactions

No.

Controls on personal capital transactions

Loans

To residents from nonresidents Proof of transfer of the funds to Rwanda is required at the time of payment.

Transfer of assets

Transfer abroad by emigrants Effective December 14, 2006, banks are allowed to sell foreign currency to residents who decide to settle in another country, provided a document attesting that the person has been granted residency in that country is presented. Previously, NBR approval was required for goods and other assets with a value exceeding \$10,000.

References to legal instruments and hyperlinks

Investment Code.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Commercial bank borrowing is subject to the same provisions as borrowing by natural or legal entities, provided the prudential standards are observed.

Maintenance of accounts abroad

Authorized banks may open accounts abroad and maintain credit balances in accordance with prudential rules established by the NBR on the limits on foreign currency holdings.

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Lending locally in foreign exchange	Banks are allowed to extend loans to exporters with NBR authorization.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
Investment regulations	
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	Long and short positions are subject to limits of about 20% of banks' capital and reserves.
Provisions specific to institutional investors	
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement	<i>January 1.</i> The exchange rate regime was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.
Arrangements for payments and receipts	<i>December 14.</i> Prior approval is no longer required for the import of domestic banknotes (previously, such prior approval was required for an amount exceeding the equivalent of \$100). <i>December 14.</i> Prior approval is no longer required for exports of domestic banknotes (previously, such prior approval was required for an amount exceeding the equivalent of \$100).
Imports and import payments	<i>December 14.</i> The limit for a bank import declaration was increased to the equivalent of \$20,000 from the equivalent of \$5,000, and the special limits for imports of fresh foodstuffs and pharmaceutical products were eliminated. <i>December 31.</i> Consumption taxes of 60% on beer and 10% on powdered milk and mineral water apply. Vehicles with engines of less than 1,500 cm ³ , those between 1,500 cm ³ and 2,500 cm ³ , and those of more than 2,500 cm ³ are subject to consumption taxes of 5%, 10%, and 15%, respectively. The tax on juices, soft drinks, and carbonated beverages is 39%; 70% on wine, brandy, liqueur, and whisky; 120% on tobacco; and 37% on gas (except benzene), heating oil, and diesel oil. The minimum import tariff is 0% for all capital goods, and the maximum import tariff is 30% of the c.i.f. value for finished goods. The intermediate rates are 5% and 15%.
Payments for invisible transactions and current transfers	<i>December 14.</i> Authorized banks were permitted to transfer foreign exchange without restriction to cover payment of standard invisible transactions. <i>December 14.</i> The restrictions on payments for travel (except for a limit of \$20,000 for cash payments), personal payments, and foreign worker's wages were eliminated.
Capital transactions	
Controls on credit operations	<i>December 14.</i> Residents were permitted to contract foreign currency loans from nonresident international banks and financial institutions for business purposes.
Controls on personal capital transactions	<i>December 14.</i> Banks were allowed to sell foreign currency to residents who decide to settle in another country, provided a document attesting that the person has been granted residency in that country is presented.

ST. KITTS AND NEVIS

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 3, 1984.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of St. Kitts and Nevis is the Eastern Caribbean dollar, issued by the ECCB.

Exchange rate structure Unitary.

Classification

Currency board arrangement St. Kitts and Nevis participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar is pegged to the U.S. dollar, under a currency board arrangement, at EC\$2.70 per US\$1. Effective January 1, 2007, the exchange arrangement of the ECCU countries has been reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements with residents of ECCB countries must be effected in Eastern Caribbean dollars.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents n.a.

Payments arrangements

Regional arrangements St. Kitts and Nevis is a member of CARICOM.

Clearing agreements Yes.

ST. KITTS AND NEVIS

Administration of control	Exchange control is administered by the MOF and applies to transactions with all countries. The ECCB has lifted the requirement of MOF approval for foreign currency transactions exceeding the equivalent of EC\$250,000. However, the authorities have not yet implemented this measure. The procedure is applied for statistical purposes. Arrangements are being made to collect the relevant statistics by other means.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports of domestic currency outside the ECCU are subject to limits prescribed by the ECCB.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	U.S. dollar accounts may be operated freely, but permission of the MOF is required to maintain other foreign currency accounts.
Held domestically	Yes.
<i>Approval required</i>	These accounts may be credited only with foreign currency earned or received from abroad, but may be debited freely. A minimum balance of US\$1,000 must be maintained at all times to maintain a U.S. dollar account. Permission is normally granted only to major exporters.
Held abroad	No.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	The regulations governing resident accounts apply.
Approval required	Permission to operate foreign currency accounts is normally granted only to foreign nationals whose primary residence is not in St. Kitts and Nevis.
Domestic currency accounts	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
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ST. KITTS AND NEVIS

Financing requirements for imports

Advance payment requirements The ECCB has lifted the requirement for MOF approval of foreign currency transactions exceeding the equivalent of EC\$250,000. However, the authorities have not yet implemented this measure. The procedure is applied for statistical purposes only, until other ways of collecting information can be established.

Advance import deposits n.a.

Documentation requirements for release of foreign exchange for imports

Payments for authorized imports payable in foreign currency are permitted on presentation of an invoice to a bank.

Other Yes.

Import licenses and other nontariff measures

Individual licenses are required for imports that compete with local products, unless the imports come from CARICOM member countries.

Negative list Yes.

Open general licenses Most goods are imported under OGLs.

Import taxes and/or tariffs

St. Kitts and Nevis applies the third phase of the CARICOM CET, and the maximum external tariff is 25%. A customs surcharge of 6% is levied on all imports, except for some importers benefiting from tax concessions, for whom the surcharge is 12% of imports (c.i.f.).

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements Yes.

Surrender requirements

Surrender to authorized dealers Export proceeds must be deposited into an ECCB currency account or an approved U.S. dollar account.

Financing requirements No.

Documentation requirements

Preshipment inspection The Customs Department carries out preshipment inspections.

Export licenses Specific licenses are required for the exportation of certain goods to any destination. However, the regulations governing export licenses are not formally enforced.

Without quotas Yes.

With quotas Yes.

Export taxes Export duties are levied on a few products.

Other export taxes Yes.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers The ECCB has lifted the requirement of MOF approval for foreign currency transactions exceeding the equivalent of EC\$250,000. However, the authorities have not yet implemented this measure.

Trade-related payments Controls apply to all these transfers.

ST. KITTS AND NEVIS

Investment-related payments	Profits and dividends may be remitted in full, subject to confirmation of registration by the commissioner of inland revenue for income tax purposes. Payment of amortization of loans or depreciation of direct investments is made through the ECCB, based on information from the treasury.
Payments for travel	Controls apply to all these transfers.
Personal payments	Controls apply to all these transfers.
Foreign workers' wages	Controls apply to all these transfers.
Credit card use abroad	Controls apply to all these transfers.
Other payments	Controls apply to all these transfers.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Proceeds must be sold to a bank or deposited into an approved U.S. dollar account if the proceeds are in U.S. dollars.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	The ECCB lifted the requirement of MOF approval for foreign currency transactions exceeding the equivalent of EC\$250,000; however, the authorities have not yet implemented this measure. The procedure is applied for statistical purposes only until other ways of collecting information can be established.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	An Alien Land Holding license is required for the purchase of equity shares.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	The regulations governing the sale or issue of capital market securities by nonresidents apply.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Yes.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	The regulations governing the sale or issue of capital market securities by nonresidents apply.
<i>Purchase abroad by residents</i>	The regulations governing the sale or issue of capital market securities by nonresidents apply.

ST. KITTS AND NEVIS

On collective investment securities

Purchase locally by nonresidents

The regulations governing the sale or issue of capital market securities by nonresidents apply.

Sale or issue locally by nonresidents

The regulations governing the sale or issue of capital market securities by nonresidents apply.

Sale or issue abroad by residents

The seller of the instruments must be licensed under the Banking Act.

Controls on derivatives and other instruments

At present, there is no market in derivatives and other instruments.

Controls on credit operations

Financial credits

By residents to nonresidents

MOF approval is required.

To residents from nonresidents

Yes.

Guarantees, sureties, and financial backup facilities

Controls apply to all these transactions.

Controls on direct investment

Outward direct investment

Yes.

Inward direct investment

Investment in equity requires an Alien Land Holding license.

Controls on liquidation of direct investment

The remittance of proceeds from the liquidation of direct investment is permitted, subject to the discharge of any liabilities related to the investment.

Controls on real estate transactions

Purchase abroad by residents

Purchasing real estate abroad for private purposes is not normally permitted.

Purchase locally by nonresidents

Nonresidents require an Alien Land Holding license to purchase real estate; however, some exemptions are in place to stimulate investment.

Controls on personal capital transactions

Transfer of gambling and prize earnings

Yes.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)

MOF approval is required for these transactions.

Lending locally in foreign exchange

MOF approval is required, and is granted only in the case of projects generating foreign exchange to service the loan.

Purchase of locally issued securities denominated in foreign exchange

Locally issued securities must be denominated in Eastern Caribbean dollars. The purchase of locally issued securities denominated in foreign currencies requires MOF approval.

Provisions specific to institutional investors

Pension funds

n.a.

References to legal instruments and hyperlinks

n.a.

ST. KITTS AND NEVIS

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the ECCU countries was reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

ST. LUCIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: May 30, 1980.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of St. Lucia is the Eastern Caribbean dollar, issued by the ECCB.

Exchange rate structure Unitary.

Classification

Currency board arrangement St. Lucia participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar is pegged to the U.S. dollar, under a currency board arrangement, at EC\$2.70 per US\$1. Effective January 1, 2007, the exchange arrangement of the ECCU countries has been reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements must be made in either Eastern Caribbean dollars or U.S. dollars.

Controls on the use of domestic currency

For capital transactions

Transactions in capital and money market instruments Yes.

Transactions in derivatives and other instruments Yes.

Credit operations Yes.

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Use of foreign exchange among residents	n.a.
Payments arrangements	
Regional arrangements	St. Lucia is a member of CARICOM.
Clearing agreements	Yes.
Administration of control	The MOF is responsible for policy decisions related to exchange control, and its banking section is responsible for administration of control. Commercial banks have been delegated the authority to approve payments and transfers exceeding the equivalent of EC\$250,000; in the case of imports with proper customs documentation, banks may approve transactions for any amount.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports of domestic currency outside the ECCU are subject to limits prescribed by the ECCB.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Minimum financing requirements	n.a.
Advance import deposits	n.a.
Documentation requirements for release of foreign exchange for imports	Payments in foreign currency for authorized imports are permitted on application to a local bank and submission of a customs certificate of entry.
Other	Yes.
Import licenses and other nontariff measures	
Negative list	Certain agricultural and manufactured products require individual licenses. There are three types of licenses, for (1) goods originating from CARICOM and the OECS, (2) goods from outside these areas, and (3) goods imported directly from non-OECS countries.
Licenses with quotas	n.a.
Import taxes and/or tariffs	Manufactured goods originating in CARICOM and the OECS are exempt from import duties. All imported goods are subject to a consumption tax and a service charge of 5%, except for fertilizers, for which the rate is 0.2%. Live animals, eggs, fish, meat, milk, fertilizers, and most agricultural and manufacturing machinery are exempt from import duties. For non-CARICOM imports, the fourth phase of the CARICOM CET applies at a maximum rate of 20%.
State import monopoly	The importation of rice, flour, and sugar in bulk form is a state monopoly.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	n.a.
Documentation requirements	n.a.
Export licenses	Export licensing is required for certain primary products.
Without quotas	Yes.
With quotas	n.a.
Export taxes	A special fee of US\$0.02 a barrel is applied to reexports of petroleum.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	
Trade-related payments	Controls apply to all these transfers.
Investment-related payments	
<i>Prior approval</i>	Yes.

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<i>Quantitative limits</i>	With the approval of the MOF, profits may be remitted in full, subject to confirmation by the comptroller of inland revenue and the National Insurance Scheme that liabilities have been discharged. However, in cases where profits are deemed to be high, the MOF reserves the right to phase remittances over a reasonable period.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	Controls apply to all these transfers.
Personal payments	Controls apply to all these transfers.
Foreign workers' wages	Controls apply to all these transfers.
Other payments	Controls apply to all these transfers.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.r.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.

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On collective investment securities

<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.

Controls on derivatives and other instruments

Purchase locally by nonresidents	These transactions require approval from the MOF.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	n.a.
Sale or issue abroad by residents	n.a.

Controls on credit operations

There are controls on all categories of credit operations.

Commercial credits

<i>By residents to nonresidents</i>	These credits require the approval of the MOF. Applications for nonresident loans are submitted by ADs (or other financial intermediaries) to the MOF on behalf of the applicant.
<i>To residents from nonresidents</i>	Yes.

Financial credits

<i>By residents to nonresidents</i>	Approval of the MOF is required, except for loans to nonresident St. Lucians. Applications are submitted by ADs on behalf of the applicant.
<i>To residents from nonresidents</i>	Yes.

Guarantees, sureties, and financial backup facilities

Controls apply to all these transactions.

Controls on direct investment

Outward direct investment	Yes.
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Controls on liquidation of direct investment

n.a.

Controls on real estate transactions

Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Approval is not required for nonresident St. Lucians.
Sale locally by nonresidents	Yes.

Controls on personal capital transactions

Loans

<i>By residents to nonresidents</i>	Yes.
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Gifts, endowments, inheritances, and legacies

<i>By residents to nonresidents</i>	n.a.
<i>To residents from nonresidents</i>	Yes.

Settlements of debts abroad by immigrants	n.a.
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Transfer of assets

<i>Transfer abroad by emigrants</i>	n.a.
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<i>Transfer into the country by immigrants</i>	n.r.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Lending is restricted to Eastern Caribbean dollars or U.S. dollars.
Purchase of locally issued securities denominated in foreign exchange	Purchases are restricted to securities denominated in Eastern Caribbean dollars or U.S. dollars.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	
<i>Credit controls</i>	n.a.
Investment regulations	n.a.
Open foreign exchange position limits	n.a.

Provisions specific to institutional investors

Insurance companies	Institutional investors may invest up to 10% of their statutory deposits in government securities of CARICOM.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	For every U.S. dollar liability, there must be an equivalent U.S. dollar asset.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	Funds raised from the issue of securities must be invested locally.

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<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the ECCU countries was reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

ST. VINCENT AND THE GRENADINES

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: August 24, 1981.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of St. Vincent and the Grenadines is the Eastern Caribbean dollar, issued by the ECCB.

Exchange rate structure Unitary.

Classification

Currency board arrangement St. Vincent and the Grenadines participates in a currency union with seven other members of the ECCU and has no separate legal tender. The Eastern Caribbean dollar is pegged to the U.S. dollar, under a currency board arrangement, at EC\$2.70 per US\$1. Effective January 1, 2007, the exchange arrangement of the ECCU countries has been reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax No.

Exchange subsidy n.a.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements with residents of member countries of CARICOM may be made in any currency. Settlements with residents of other countries may be made in any foreign currency or through an external account in Eastern Caribbean dollars.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents n.a.

Payments arrangements

Regional arrangements St. Vincent and the Grenadines is a member of CARICOM.

ST. VINCENT AND THE GRENADINES

Clearing agreements	Yes.
Administration of control	Exchange control is administered by the MOF and applies to all countries outside the ECCB area. The MOF delegates to ADs the authority to approve some import payments and certain other payments. Exchange controls are not applied to payments for authorized imports.
Payments arrears	
Official	A moratorium has been sought on some debt payments relating to shipyards, pending settlement of issues under dispute with creditors.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents are permitted to acquire and hold gold coins for numismatic purposes only.
On external trade	Imports of gold are permitted under license by the MOF for industrial purposes only.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports of domestic currency outside the ECCU are subject to limits prescribed by the ECCB.
<i>Foreign currency</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	n.a.
Held domestically	n.a.
<i>Approval required</i>	n.a.
Held abroad	n.a.
<i>Approval required</i>	n.a.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	n.a.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be opened by nonresidents with the authorization of the MOF and credited with funds only in the form of remittances from overseas. Prior permission of the MOF is required to credit these accounts with remittances in Eastern Caribbean dollars, foreign currency notes and coins, and payments by residents. These accounts may be debited for payments abroad without prior authorization from the MOF. The operating banks must submit quarterly statements of the accounts to the MOF.
Approval required	Yes.
Domestic currency accounts	External accounts may be opened for nonresidents with the authorization of the MOF. They are maintained in Eastern Caribbean dollars and may be credited with inward remittances

ST. VINCENT AND THE GRENADINES

	in foreign currency and with transfers from other external accounts. Credits and debits to these accounts are subject to the regulations governing foreign exchange accounts.
Convertible into foreign currency	n.a.
Approval required	Yes.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Minimum financing requirements	n.a.
Advance import deposits	n.a.
Documentation requirements for release of foreign exchange for imports	Payments for authorized imports are permitted on application and submission of documentary evidence and, where required, a license.
Domiciliation requirement	n.a.
Preshipment inspection	n.a.
Letters of credit	n.a.
Import licenses used as exchange licenses	n.a.
Other	Yes.
Import licenses and other nontariff measures	Most goods may be imported freely. Imports of some goods that compete with typical exports of other member countries of CARICOM and the OECS are subject to licensing.
Positive list	n.a.
Negative list	Imports of certain goods that compete with locally made products are prohibited.
Open general licenses	n.a.
Licenses with quotas	n.a.
Other nontariff measures	n.a.
Import taxes and/or tariffs	In accordance with the fourth phase of the CARICOM CET, import tariff rates range from zero to 20%. In addition, imports are subject to a consumption tax ranging from 5% to 50% and levied on the tariff-inclusive value of imports. Goods imported from CARICOM member countries are exempt from import tariffs and are subject only to the consumption tax. A customs service charge of 4% is imposed on the c.i.f. value of all imported goods, with certain exceptions.
Taxes collected through the exchange system	n.a.
State import monopoly	n.a.
References to legal instruments and hyperlinks	n.a.

ST. VINCENT AND THE GRENADINES

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	All export proceeds must be surrendered within six months of receipt.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Financing requirements	n.a.
Documentation requirements	n.a.
Export licenses	Specific licenses are required for the exportation to any destination of some agricultural goods included in the CARICOM marketing protocol and in the CARICOM Oils and Fats Agreement. The licenses are issued by the Ministry of Trade, which, in some cases, has delegated its authority to the St. Vincent Central Marketing Corporation. Exports of goats, sheep, and lobsters are subject to licensing to prevent depletion of stocks.
Without quotas	n.a.
With quotas	n.a.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

<i>Quantitative limits</i>	The limits are the equivalent of EC\$2,500 a year for travel outside the ECCB area, and EC\$6,000 a year for business travel.
<i>Indicative limits/bona fide test</i>	These allocations may be increased with the authorization of the MOF.
Personal payments	Information is not available on the transfer of funds for pensions, family maintenance, and alimony.
Foreign workers' wages	n.a.
Credit card use abroad	n.a.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	Yes.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	n.a.
References to legal instruments and hyperlinks	n.a.

ST. VINCENT AND THE GRENADINES

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Residents are normally not permitted to purchase foreign currency securities abroad for private purposes.
Sale or issue abroad by residents	n.a.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	MOF approval is required.
<i>To residents from nonresidents</i>	n.a.

ST. VINCENT AND THE GRENADINES

Financial credits

By residents to nonresidents MOF approval is required.

To residents from nonresidents n.a.

Guarantees, sureties, and financial backup facilities n.a.

Controls on direct investment

Outward direct investment Yes.

Controls on liquidation of direct investment The remittance of proceeds is permitted, subject to the discharge of liabilities related to the investment.

Controls on real estate transactions

Purchase abroad by residents Yes.

Purchase locally by nonresidents Yes.

Sale locally by nonresidents n.a.

Controls on personal capital transactions

Loans n.a.

Gifts, endowments, inheritances, and legacies n.a.

Settlements of debts abroad by immigrants n.a.

Transfer of assets n.a.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Any borrowing abroad by ADs to finance their domestic operations requires the approval of the MOF.

Maintenance of accounts abroad n.a.

Lending to nonresidents (financial or commercial credits) n.a.

Lending locally in foreign exchange n.a.

Purchase of locally issued securities denominated in foreign exchange n.a.

Differential treatment of deposit accounts in foreign exchange n.a.

Differential treatment of deposit accounts held by nonresidents n.a.

Investment regulations n.a.

Open foreign exchange position limits n.a.

Provisions specific to institutional investors n.a.

ST. VINCENT AND THE GRENADINES

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the ECCU countries was reclassified to the category currency board arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

SAMOA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: October 6, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Samoa is the Samoa tala.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The exchange rate is determined on the basis of a fixed relationship with a weighted basket of currencies of Samoa's main trading partners—the Australian dollar, euro, Fiji dollar, New Zealand dollar, and U.S. dollar. The weights are based on the distribution of trade, private remittances, and travel transactions of Samoa. The Central Bank of Samoa (CBS) has the authority to make discretionary exchange rate adjustments against the currency basket within a margin of up to $\pm 2\%$.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Commercial banks are permitted to make forward exchange contracts.

References to legal instruments and hyperlinks Central Bank of Samoa Act, 1984.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents The domestic use of foreign currencies is subject to CBS approval.

Payments arrangements

Regional arrangements Samoa participates in PACER and PICTA.

Administration of control

Overall responsibility for the administration of exchange control rests with the CBS, which delegates part of its powers to AD banks and selected foreign exchange dealers. In principle, all payments to nonresidents require CBS approval. However, only commercial banks are empowered to approve current payments without limits, provided there are documents to support these transactions. Money transfer companies, however, are allowed transactions up to SAT 100,000 for import payments only; every other transaction is also subject to limits. All capital payments require CBS approval. Money exchange, money transfer companies, and commercial banks are allowed to exchange cash to purchase or sell foreign exchange equivalent to SAT 20,000 an individual.

SAMOA

Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Residents are allowed to export SAT 2,000 as part of their travel allowance.
<i>Foreign currency</i>	Samoan residents are allowed to export the equivalent of SAT 20,000 in foreign currency. Nonresidents may export the amount of foreign currency they brought into the country. Commercial banks exporting excess foreign currency cash must also seek approval from the CBS.
On imports	
<i>Foreign currency</i>	Amounts in excess of the equivalent of SAT 10,000 must be declared at the port of entry.
References to legal instruments and hyperlinks	Central Bank of Samoa Act, 1984; Exchange Control Regulations, 1999; www.cbs.gov.ws .

Resident Accounts

Foreign exchange accounts permitted	Residents who earn foreign exchange in the normal course of their business may open, with the approval of the CBS, external or foreign currency deposit accounts with one of the four AD banks.
Held domestically	Yes.
<i>Approval required</i>	Yes.
Held abroad	The CBS does not permit residents to hold foreign exchange accounts abroad and will grant approval only for special cases in which a resident needs it for medical expenses or for education abroad.
<i>Approval required</i>	Applicants seeking approval must provide the necessary documents to support the application.
Accounts in domestic currency held abroad	No accounts in domestic currency can be held abroad.
Accounts in domestic currency convertible into foreign currency	CBS approval is required to convert these accounts.
References to legal instruments and hyperlinks	Central Bank of Samoa Act, 1984.

Nonresident Accounts

Foreign exchange accounts permitted	Subject to CBS approval, nonresidents who earn foreign exchange may open a foreign currency deposit account if there is a need to settle overseas commitments.
Approval required	Yes.
Domestic currency accounts	These accounts are permitted, but prior approval is required.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	Central Bank of Samoa Act, 1984.

SAMOA

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Letters of credit	Commercial banks may also accept an invoice from the importer instead of LCs.
Import licenses and other nontariff measures	
Positive list	Yes.
Negative list	The importation of a few products is prohibited for reasons of security or health.
Import taxes and/or tariffs	Import duties are levied on an ad valorem basis on c.i.f. values. There are four general rates of duty—zero, 5%, 8%, and 20%. Duties on machinery and agricultural imports are generally 8% or lower, whereas the duty on motor vehicles is 20%. In addition, an import excise tax is applied to imports of alcohol, soft drinks, tobacco, petroleum, and passenger cars. Enterprises producing for export may receive full or partial exemption from duties and excise taxes on inputs and capital equipment.
Taxes collected through the exchange system	There is a VAT on goods and services.
State import monopoly	No.
References to legal instruments and hyperlinks	Customs Act, 1977; Central Bank of Samoa Act, 1984.

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Export proceeds must be surrendered to the ADs no later than two months from the date of shipment to countries other than American Samoa; export proceeds from goods shipped to American Samoa must be surrendered to the ADs within four weeks of the date of shipment.
Financing requirements	No.
Documentation requirements	
Letters of credit	In addition to LCs, commercial invoices, certificates of value and origin, and bills of lading are now accepted by commercial banks for documentation requirements.
Preshipment inspection	The customs department carries out this inspection of export documents.
Export licenses	
Without quotas	All exports require export licenses issued by the customs department and export form “E” issued by the CBS for exchange control purposes. Exports may be prohibited by the director of agriculture on grounds of low quality, or by order of the head of state to alleviate domestic shortages.
Export taxes	No.
References to legal instruments and hyperlinks	Exchange Control Regulations, 1999; Customs Act, 1977.

SAMOA

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	ADs have the authority to approve any amount for all current payments, as long as the applicants provide documentary proof that capital transactions are not involved. The CBS's approval process governing the remittance of invisible payments involves only the determination of whether a transaction is bona fide.
Trade-related payments	ADs now have the responsibility of approving these payments, provided applicants submit documentary proof.
Investment-related payments	There are no limits on the amount remitted abroad; however, the resident individual or company remitting abroad these investment-related payments must seek CBS approval and provide documentary proof for the amounts of these payments.
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Residents and expatriates traveling overseas are entitled to purchase from commercial banks a foreign currency allowance equivalent to SAT 20,000 a person a trip; children under 15 years of age are entitled to 50% of the adult allowance. Larger amounts may be purchased with CBS approval.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Although no limit is set on remittances to cover expenses for medical treatment abroad, documentary evidence must be provided to support requests for such remittances. There is no specific limit on costs to study abroad, but the amount requested must be supported by documentary evidence confirming that the beneficiary is enrolled at an educational institution abroad and that costs are in line with the prevailing costs in the country of study.
Foreign workers' wages	
<i>Prior approval</i>	Expatriate workers with local contracts of one year and longer are considered residents and need CBS approval if they wish to repatriate their net earnings. Earnings not repatriated during the contract may be repatriated at the end of the contract.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	Controls apply to all these transfers.
Other payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	There are specific limits on subscriptions and membership fees, and amounts requested must be supported by documentary evidence.
References to legal instruments and hyperlinks	Central Bank of Samoa Act, 1984.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	All proceeds must be surrendered to the ADs. On their return, resident travelers must sell to banks all unused foreign exchange they bring in.

SAMOA

Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Central Bank of Samoa Act, 1984; Exchange Control Regulations, 1999.

Capital Transactions

Controls on capital transactions	Most capital transactions require approval by the CBS. All outward capital transfers by residents require the specific approval of the CBS. Local money markets have begun to develop, following the introduction of open market operations by the CBS. A capital market in foreign currencies has not yet been developed in Samoa.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Yes.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	Controls apply to all these transactions.
On money market instruments	
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
On collective investment securities	
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	No.
Controls on credit operations	The liberalization of the financial sector led to the elimination of all direct CBS controls on credit operations. Commercial banks now handle the responsibility of regulating and monitoring their own credit operations.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	The Ministry of Commerce, Industry and Labor has controls on inward foreign direct investment. It has responsibility for registering and monitoring these investments.
Controls on liquidation of direct investment	Yes.
Controls on real estate transactions	Controls apply to all these transactions.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.

SAMOA

Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Yes.
Transfer of gambling and prize earnings	Individuals must provide documentary proof of the source of funds and documentary proof of the destination of funds. For the remittance of these large sums, CBS approval is required.
References to legal instruments and hyperlinks	Central Bank of Samoa Act, 1984; Financial Institutions Act 1996; Money Laundering Prevention Act, 2007.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Yes.
<i>On nonresident assets and liabilities</i>	Yes.

Provisions specific to institutional investors

Insurance companies	A law was approved recently authorizing the Financial Institutions Department of the CBS to handle prudential supervision of insurance companies but it may not come into effect until mid-2007.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
Pension funds	
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
Investment firms and collective investment funds	n.a.

References to legal instruments and hyperlinks

Central Bank of Samoa Act, 1984; Financial Institutions Act, 1996; Money Laundering Prevention Act, 2007; Proceeds of Crime Act, 2007; Mutual Legal Assistance in Criminal Matters Act, 2007; Suppression and Prevention of Terrorism, 2002.

Changes during 2006

No significant changes occurred in the exchange and trade system.

SAN MARINO

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 23, 1992.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions

As a full member of the UN, San Marino implements the Security Council resolutions. San Marino also adopts the restrictions applied by the relevant EU regulations on terrorism.

References to legal instruments and hyperlinks

UN Security Council Resolution No. 1267 (1999) and the successor resolutions.

Exchange Arrangement

Currency The currency of San Marino is the euro.

Other legal tender

An agreement between San Marino and Italy (on behalf of the EU) that went into effect April 1, 2001 (1) establishes that euro coins and banknotes are legal tender in the Republic of San Marino; (2) gives San Marino the authority to issue an agreed amount of euro coins, which are legal tender in the euro area and are equivalent in form to euro area coinage; and (3) includes the possibility of San Marino issuing banknotes, provided an agreement is reached with the EU. Although the gold scudo is legal tender in the Republic of San Marino, it is generally not used in transactions because its numismatic value exceeds its defined legal value of €31.50 per 1 scudo.

Exchange rate structure

Unitary.

Classification

Exchange arrangement with no separate legal tender

Foreign exchange transactions are conducted through commercial banks without restriction at rates quoted in international markets.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward transactions may be conducted through commercial banks without restriction at rates quoted in international markets.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements with foreign countries on foreign accounts are made in convertible currencies or in euros.

Payments arrangements

No.

Administration of control

In accordance with the Finance and Exchange Agreement between San Marino and Italy, the Central Bank of San Marino (CBSM) may authorize Sammarinese banks to maintain nostro accounts with financial institutions abroad for cross-border transactions. Effective

SAN MARINO

January 1, 2007, a total of seven banks (previously, six) are authorized. Authorized banks are required to provide statistical information to the CBSM. Unauthorized banks may carry out cross-border transactions through an authorized Sammarinese bank or an Italian bank. Residents of San Marino are allowed to conduct cross-border transactions freely, with settlement effected through authorized Italian and Sammarinese intermediaries.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

Laws establish that the CBSM is the sole agency entitled to carry out transactions in gold. The CBSM may authorize other banks or domestic companies to buy gold for production purposes, after ensuring the necessary controls. Currently, there is no gold trade in San Marino.

On external trade

Yes.

Controls on exports and imports of banknotes

To combat money laundering, transactions in cash or bearer securities in excess of the equivalent of €15,500 must be made through financial institutions.

On exports

Yes.

On imports

Yes.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Residents are free to maintain any type of deposit account, with the exception of numbered accounts.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresidents are free to maintain any type of deposit account, with the exception of numbered accounts.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

SAN MARINO

Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	No license other than a general business license is required to engage in trade transactions. Imports from the EU are not subject to restrictions, whereas imports from third countries are subject to control under the relevant EU regulations.
Import taxes and/or tariffs	Customs duties on imports from outside the EU are collected by EU customs authorities on behalf of San Marino. A sales tax is levied by San Marino on all imports at the time of entry. The structure of this tax corresponds closely to the Italian VAT, but the average effective rate is about 3% lower. Sales taxes levied on imports are rebated when the goods are reexported.
State import monopoly	The importation of electricity, gas, and water is reserved for the public sector.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No license other than a general business license is required to engage in trade transactions. Exports to the EU are not subject to restrictions; however, exports to third countries are governed by relevant EU regulations.
Without quotas	Customs clearance formalities concerning the export of arms, works of art, and precursor and dual-use products must be carried out at the customs offices identified by the EU–San Marino Cooperation Committee.
Export taxes	
Other export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No controls are applied on transfers. However, payments exceeding the equivalent of €15,500 are to be reported to the CBSM for statistical purposes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No controls are applied; however, proceeds exceeding the equivalent of €15,500 are to be reported to the CBSM for statistical purposes.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Inward and outward capital transfers, with few exceptions, are not controlled.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	Sales are subject to authorization by the CBSM, except for shares listed on regulated stock exchanges.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Public offerings are subject to the authorization of the CBSM.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	These are subject to the authorization of the CBSM.
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	These are subject to the authorization of the CBSM.
Controls on derivatives and other instruments	
Sale or issue locally by nonresidents	These are subject to the authorization of the CBSM.
Controls on credit operations	The granting of a substantial amount of financial credit to a person or a company is subject to the banking law provisions as well as those of the CBSM. Under these provisions, banks and other credit institutions are required to periodically submit information on credit operations to the CBSM. This provision applies to all types of credit operations. In addition, the average interest rates applied by the financial system are monitored and their threshold rates are determined to prevent usury.
Commercial credits	
<i>By residents to nonresidents</i>	Yes.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
Controls on direct investment	
Inward direct investment	Nonresidents may not establish firms in “regulated sectors” without government approval.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	Purchases by domestic companies and nonresidents require approval from the Council of Twelve. Approval is granted on a case-by-case basis.
Purchase locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Except for occasional transactions, this activity is not allowed.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Nonresidents are not allowed to accept real estate by inheritance, endowment, or legacy without approval from the Council of Twelve. Approval is granted on a case-by-case basis.

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References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)

The granting of a substantial amount of financial credit, exceeding two-fifths of a credit institution's capital, to a person or a company is subject to banking law provisions as well as the rules of the CBSM. This provision applies to all types of credit operations.

Lending locally in foreign exchange

The granting of a substantial amount of financial credit to a person or a company is subject to banking law provisions as well as the rules of the CBSM.

Investment regulations

Participation in domestic or foreign financial or nonfinancial companies requires authorization by the CBSM.

Abroad by banks

Yes.

In banks by nonresidents

The purchase of securities of a participating nature exceeding 5% of a Sammarinese bank's capital must be declared to the CBSM.

Provisions specific to institutional investors

Insurance companies

Currency-matching regulations on assets/liabilities composition

Exchange risk exposure must be reported to the CBSM.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Arrangements for payments and receipts

January 1. An additional bank was authorized to maintain nostro accounts with financial institutions abroad for cross-border transactions, bringing the total number of authorized banks to seven.

SÃO TOMÉ AND PRÍNCIPE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the third review of the Three-Year Arrangement with São Tomé and Príncipe states that as of December 29, 2006, São Tomé and Príncipe maintained exchange restrictions and multiple currency practices subject to Fund approval under Article VIII. The authorities intend to remove the exchange restriction on transfers abroad of dividends with the new Investment Code. The remaining exchange restriction and multiple currency practice is related to the possibility of rationing at the auctions by the central bank, and of commercial bank rates deviating, temporarily, by more than 2 percent from the Banco Central de São Tomé and Príncipe (BCSTP) reference rate in between auctions. In 2006, the multiple currency practice related to the spread between the central bank buying and selling rate was eliminated and the spread was set at 2 percent. (Country Report No. 07/102)

International security restrictions

No.

References to legal instruments and hyperlinks

www.bcstp.st/Legislacoes.aspx.

Exchange Arrangement

Currency

The currency of São Tomé and Príncipe is the São Tomé and Príncipe dobra.

Exchange rate structure

Dual

Effective December 29, 2006, the exchange rate structure was reclassified to dual because exchange rates applied by the commercial banks may differ by more than 2% from the BCSTP reference rate between auctions.

Classification

Managed floating with no predetermined path for the exchange rate

The official exchange rate is determined on a daily basis as 40% of commercial banks' weighted average rate of the previous day and 60% of the central bank's rate on the previous day. The central bank rate is the outcome of foreign exchange auctions if a foreign exchange auction is held. The intervention currency is the dollar. Rates for certain other currencies are determined on the basis of cross-rates between the dollar and the currencies concerned. In August 2006, the central bank suspended its foreign exchange auctions and reverted to direct sales, but reinstalled the auction in December 2006.

Exchange tax

Tax rates vary according to the type of transaction involved. On import-related exchange transactions, when an LC is opened, a stamp duty of 0.25% of the import value and a postage levy of the equivalent of \$2 are payable. On foreign checks for collection, commercial banks charge a commission of \$2 a transaction. For the collection of export proceeds, a commission of 0.125% (a minimum of \$25 and a maximum of \$300) is charged when the LC is opened, and an additional fee of 0.125% is levied when the funds are received. A postage levy of Db 39,000 is also charged. Exchange of dobras for foreign currency is not subject to any tax.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

SÃO TOMÉ AND PRÍNCIPE

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	There is an operative payments agreement with Angola. Its resulting balance has been converted into Angolan debt with São Tomé and Príncipe, which remains outstanding.
<i>Inoperative</i>	There is an inoperative bilateral agreement with Angola. Its resulting debt has been converted into government debt with Angola, which remains outstanding.
Administration of control	Import and export licenses are granted freely by the Directorate of External Commerce for statistical purposes only. Importers and exporters are required to register with the Directorate of External Commerce.
Payments arrears	
Official	Yes.
Private	n.a.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be opened freely and credited or debited, including for transfers abroad, as long as they are demand deposit accounts.
Domestic currency accounts	Yes.
Convertible into foreign currency	These accounts may be converted and credited or debited, including for transfers abroad, as long as they are demand deposit accounts.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

SÃO TOMÉ AND PRÍNCIPE

Imports and Import Payments

Foreign exchange budget	The BCSTP determines its foreign exchange budget on the basis of information obtained in collaboration with the treasury and major economic agents.
Financing requirements for imports	
Advance import deposits	At the time an LC is opened, importers are required to lodge a deposit in domestic currency equivalent of up to 100% of the value of the LC (depending on the creditworthiness of the operator). The deposit is currently not remunerated.
Documentation requirements for release of foreign exchange for imports	
Preshipment inspection	Yes.
Import licenses and other nontariff measures	Import licenses are automatically granted by the Directorate of External Commerce. All individuals and economic entities are permitted to engage in import activities.
Import taxes and/or tariffs	The customs tariffs consist of three rates: 5%, 10%, and 20%, with no zero-rate band; specific consumer taxes are levied on refined petroleum products, motor vehicles, alcoholic beverages, beer, and tobacco. Imports of petroleum products, alcoholic beverages, beer, cigarettes, and automobiles are subject to surcharges.
State import monopoly	Effectively, all petroleum products imports are done through one quasi-state company.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	All export proceeds must be repatriated and collected through the commercial banks.
Financing requirements	No.
Documentation requirements	
Preshipment inspection	Yes.
Export licenses	For statistical purposes, all exports require the completion of a registration form specifying the quantity and c.i.f. or f.o.b. value of the export.
With quotas	n.a.
Export taxes	
Collected through the exchange system	Banks charge a commission of 0.125% on the collection of export proceeds—with a minimum equivalent to \$25 and a maximum of \$300—when the LC is opened, and an additional commission of 0.125% is collected when funds are received. Banks also charge a postage levy of Db 39,000.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Commercial banks charge a postage levy equivalent to \$2 for clients (\$4 for others) on all transactions.
References to legal instruments and hyperlinks	n.a.

SÃO TOMÉ AND PRÍNCIPE

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Even though the Foreign Exchange Law requires prior authorization by the BCSTP for transfers of capital transactions, in practice the system currently permits the free movement of capital, inasmuch as both residents and nonresidents may maintain bank accounts denominated in both domestic and foreign currencies in São Tomé and Príncipe and abroad, and can freely transfer amounts from their accounts abroad.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	n.a.
Sale or issue locally by nonresidents	n.a.
Controls on credit operations	n.a.
Controls on direct investment	
Outward direct investment	n.a.
Inward direct investment	Investments, excluding those related to the extraction of hydrocarbons and other mining industries, are permitted on the same basis as domestic investments.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	n.a.
Controls on personal capital transactions	n.a.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Purchase of locally issued securities denominated in foreign exchange	n.a.
Open foreign exchange position limits	Effective December 19, 2006, the BCSTP issued NAP No. 20/2006 regulating the open foreign position of commercial banks.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	NAP No. 20/2006.

SÃO TOMÉ AND PRÍNCIPE

Changes during 2006

Exchange arrangement

August 1. The central bank suspended its foreign exchange auctions and reverted to direct sales, but reinstalled the auction in December.

December 29. The exchange rate structure was reclassified to dual because exchange rates applied by the commercial banks may differ by more than 2% from the BCSTP reference rate between auction.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

December 19. The BCSTP issued NAP No. 20/2006 regulating the open foreign position of commercial banks.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 22, 1961.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions In accordance with UN Security Council Resolution No. 1373, assets suspected of being involved in financing terrorism could be frozen or seized.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of Saudi Arabia is the Saudi Arabian riyal.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The exchange rate of the riyal is pegged to the dollar at the official rate of SRIs 3.75 per \$1 with a midpoint of SRIs 3.745 per \$1. The riyal rate against the dollar is determined by the Saudi Arabian Monetary Agency (SAMA) and has been stable since June 1986. Banks are permitted to charge up to 0.125% above the official rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market The commercial banking sector has an active forward market to cover exchange risks for up to 12 months.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Transactions with, and use of the currency of, Israel are prohibited.

Payments arrangements

Regional arrangements Yes.

Administration of control Controls on payments and receipts, wherever applicable, are administered by the SAMA.

Payments arrears No.

Controls on trade in gold (coins and/or bullion)

On external trade The Precious Metals and Stones Law stipulates the following: (1) imported gold coins must be purchased from either the country of origin or an accredited bank; (2) copies of gold coins that have been withdrawn from circulation must be identical to the original issue coin in size, weight, design, appearance, and purity and must be stamped with the trademark of their

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manufacturer or importer (original issue gold coins are exempt from this requirement); (3) imported gold bullion must bear a stamp verifying its purity; and (4) imported gold bullion of less than 18 karats must be either reexported or melted down before being returned to the importing party.

Controls on exports and imports of banknotes No.

References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Approval required Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures

Negative list Limited import restrictions on a few commodities are maintained for religious, health, and security reasons.

Open general licenses Yes.

Other nontariff measures Trade with Israel is prohibited.

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Import taxes and/or tariffs	A maximum CET of 5% is applied on most dutiable goods. For a few goods, tariff rates of 12% and 20% apply. For tobacco products, the tariff is 100%. Imports from GCC members are exempt from duties.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	The reexport of certain imported items benefiting from government subsidies is prohibited.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Under the regulations for the licensing of both bank-affiliated and nonbank brokerage and investment companies (released by the Capital Market Authority), four categories of companies are allowed to engage in brokerage and investment fund management: (1) local bank subsidiaries, (2) Saudi Arabian joint-stock companies, (3) subsidiaries of Saudi Arabian joint-stock companies that are engaged in the financial services business, and (4) subsidiaries of foreign financial institutions that are licensed under the Banking Control Law issued by Royal Decree No. M/5 dated 22/2/1386H (corresponding to June 11, 1966). As of end-2006, licenses are granted to more than 40 Saudi Arabian and foreign firms engaged in equity-market related activities.

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On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents	Effective March 25, 2006, resident foreigners may invest in shares of listed Saudi Arabian joint-stock companies. Previously, portfolio investment in shares of listed Saudi Arabian joint-stock companies was limited to Saudi Arabian nationals, Saudi Arabian corporations and institutions, and citizens of the GCC member countries. Nonresident foreigners continue to be subject to the previously existing limitations to invest indirectly through authorized mutual funds.
Sale or issue locally by nonresidents	Nonresidents must seek permission of the minister of commerce and industry and Capital Market Authority to sell or issue securities within Saudi Arabia. There are no controls on the repatriation of proceeds from the sale of securities issued by nonresidents.
Purchase abroad by residents	Residents may purchase or sell nonresident securities via brokerage services offered by licensed brokerage firms.
Sale or issue abroad by residents	For shares of Saudi Arabian joint-stock companies, the rules on the purchase locally by nonresidents apply.

Bonds or other debt securities

Sale or issue locally by nonresidents	There are no controls on portfolio investment by foreigners in government securities. The regulations governing shares or other securities of a participating nature apply.
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On money market instruments

<i>Sale or issue locally by nonresidents</i>	The regulations governing shares or other securities of a participating nature apply.
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On collective investment securities

<i>Purchase locally by nonresidents</i>	For the sale of collective investment securities, where the underlying assets are shares of Saudi Arabian joint-stock companies, the regulations governing shares or other securities of a participating nature apply.
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<i>Sale or issue locally by nonresidents</i>	The regulations governing shares or other securities of a participating nature apply.
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<i>Sale or issue abroad by residents</i>	In the case of collective investment securities, where the underlying assets are shares of Saudi Arabian joint-stock companies, the regulations governing shares or other securities of a participating nature apply.
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Controls on derivatives and other instruments

Sale or issue locally by nonresidents	The regulations governing shares or other securities of a participating nature apply.
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Controls on credit operations

Commercial credits

<i>By residents to nonresidents</i>	Saudi Arabian banks must seek permission from the SAMA.
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<i>To residents from nonresidents</i>	The SAMA's permission is required for riyal-denominated loans made through Saudi Arabian banks.
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Financial credits

The SAMA's permission is required for all financial credit operations.

Guarantees, sureties, and financial backup facilities

<i>By residents to nonresidents</i>	The SAMA's permission is required.
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<i>To residents from nonresidents</i>	Financial institutions that give guarantees to government projects must appear on the SAMA-approved list.
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Controls on direct investment

Inward direct investment

Approved foreign investments in Saudi Arabia enjoy the same privileges as domestic capital. The foreign investment law allows foreign investors to make direct investments in most of the country's economic sectors—with or without local participation—and provides for a tax rate of 20% on most foreign company profits, with two exceptions: (1) an 85% tax rate is applied on profits of investments in the oil and hydrocarbons sector and (2) a basic tax rate

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of 30% is applied on profits of investments in the natural gas sector as long as the internal rate of return (IRR) of the project does not exceed 8%. For investments with an IRR exceeding 8%, a sliding scale of higher tax rates applies, with a maximum rate of 85% for an IRR exceeding 20%. The Supreme Economic Council has issued a list of economic sectors that remain off limits to foreign investors. The list is reviewed regularly and includes projects related to exploration, drilling, and production of oil; production of military equipment and uniforms; production of explosives for civil purposes; certain printing and publishing activities; certain telecommunications services; land and air transportation; real estate investments in Mecca and Medina; services involving fishing; distribution services including wholesale and retail trade and commercial agencies; and a few other sectors. In accordance with the Cooperative Insurance Companies Control Law, the SAMA accepts licensing applications from foreign insurance companies transacting insurance and reinsurance business in Saudi Arabia. Under the regulations, foreign insurance companies are allowed to own up to 49% of these local companies.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

In principle, the purchase of real estate is restricted to Saudi Arabian citizens, Saudi Arabian corporations, Saudi Arabian institutions, and citizens of the GCC. However, under the foreign investment law, foreign investors are allowed to own real estate as needed for their business, including housing for their staff. Nonresidents are allowed to purchase real estate for conducting real estate business in all cities, except for the holy cities of Mecca and Medina, provided the investment in the real estate business is not less than SRs 30 million.

Controls on personal capital transactions

Transfer of gambling and prize earnings

Prize earnings are transferable; gambling is prohibited.

References to legal instruments and hyperlinks

www.sagia.gov.sa.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)

Saudi Arabian banks require the SAMA's permission to lend to nonresidents, except for interbank transactions and commercial credits.

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

For interbank deposits originating from foreign banks, only domestic currency deposits are subject to the SAMA's reserve requirement.

Investment regulations

Abroad by banks

Prior SAMA approval is required for Saudi Arabian banks to acquire shares in foreign companies.

In banks by nonresidents

There is a limit of 40% of capital, and prior permission of the authorities is required.

Open foreign exchange position limits

Open positions are monitored by means of prudential reports.

Provisions specific to institutional investors

Foreign insurance companies may open branches in Saudi Arabia, subject to the Law on Supervision of Cooperative Insurance Companies and to the Insurance Implementing Regulations issued by the SAMA. These regulations impose certain restrictions on investments by insurance companies. However, the existing insurance companies have until March 2008 to bring their operations into conformity with these regulations. Effective February 25, 2006, the SAMA guidelines for Saudi Arabian branches of foreign insurance companies are in effect, requiring minimum levels of investment locally in riyals; maximum

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limits on investments in foreign equities and foreign bonds, both government and corporate; and adherence to Articles 59 and 61 of the Insurance Implementing Regulations.

Insurance companies

Limits (max.) on securities issued by nonresidents

The limit is 20% unless approved by the SAMA. In addition, a limit of 10% applies to foreign-currency-denominated investments and 5% to foreign government bonds and bonds issued by foreign companies.

Limits (max.) on investment portfolio held abroad

The regulations related to nonresidents apply.

Limits (min.) on investment portfolio held locally

Effective February 25, 2006, the limit is 50% of total invested assets in riyals. Moreover, unless otherwise approved by the SAMA, insurance companies and branches are required to keep 20% of their investments in authorized banks and 20% in Saudi Arabian government bonds. These limits are 10% in authorized banks and 10% in Saudi Arabian government bonds for companies and branches engaged in protection and life insurance.

References to legal instruments and hyperlinks

www.sama.gov.sa/en/insurance; www.cma.org.sa/cma_en/default.aspx.

Changes during 2006

Capital transactions

Controls on capital and money market instruments

March 25. Portfolio investment regulations for foreigners were modified to allow resident foreigners to invest in shares of listed Saudi Arabian joint-stock companies.

Provisions specific to the financial sector

Provisions specific to institutional investors

February 25. The SAMA guidelines for Saudi Arabian branches of foreign insurance companies went into effect, requiring a minimum 50% of investments to be held in riyals, and 20% in authorized banks and 20% in Saudi Arabian government bonds. These limits are 10% in authorized banks and 10% in Saudi Arabian government bonds for companies and branches engaged in protection and life insurance.

SENEGAL

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Yes.

Other security restrictions

A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. The framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks

Regulation 14/2002/CM/UEMOA by the WAEMU Council of Ministers of September 19, 2002, regarding the freezing of funds and other financial resources as part of the combating of terrorism financing in the WAEMU member countries; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency

The currency of Senegal is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Senegal participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rate for the currency concerned in the Paris exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy

No.

Forward exchange market

Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks

Treaty of November 14, 1973, establishing the West African Monetary Union (WAMU); Cooperation Agreement of December 4, 1973, between the French Republic and the Members of the West African Monetary Union and amendments thereto; Operations Account Agreement of December 4, 1973, and the amendment thereto; Regulation R09/98/

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CM/UEMOA and the BCEAO instructions issued in implementation of that regulation: General Schedule of Terms Applicable by Banks and Financial Institutions.

Arrangements for Payments and Receipts

Prescription of currency requirements

Senegal is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU and CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.

Controls on the use of domestic currency

For capital transactions

Transactions in derivatives and other instruments

Yes.

Use of foreign exchange among residents

The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are settled through a debit or credit to the Operations Account.

Clearing agreements

A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.

Administration of control

Exchange control is administered jointly by the Ministry of Economy and Finance (MEF) and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MEF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Senegal for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Senegal require prior authorization by the RCPSFM.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports and exports of gold require MEF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO, (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles), and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration.

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Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. CFA franc banknotes may be freely shipped by authorized intermediaries to their correspondents. However, the suspension of BCEAO repurchases of exported banknotes continues. In application of this measure, authorized intermediaries may not receive shipments of CFA franc banknotes from their correspondents outside the WAEMU area.

Foreign currency

The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks.

On imports

Foreign currency

Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Resident Accounts

Foreign exchange accounts permitted

The holding by residents of foreign currency accounts is subject to prior MEF authorization, after consent by the BCEAO.

Held domestically

Yes.

Approval required

Yes.

Held abroad

Yes.

Approval required

Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, prior authorization by the MEF, after BCEAO approval, is required to open an account abroad.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Approval required

The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.

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Domestic currency accounts	Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU area, nonresident accounts may not be credited with banknotes issued by the BCEAO or a bank of issue with an Operations Account with the French Treasury. These accounts may not be overdrawn without prior MEF authorization. Transfers of funds between nonresident accounts are not restricted.
Convertible into foreign currency	Convertible foreign currency accounts may be debited freely for the purchase by nonresidents of foreign currencies on the official exchange market.
Blocked accounts	No.
References to legal instruments and hyperlinks	Regulation R09/98/CM/UEMOA of December 20, 1998, and the BCEAO instructions issued in implementation of that regulation; www.bceao.int .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Documentation requirements for release of foreign exchange for imports	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirement	All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	An inspection is required for the quantity, quality, and price of merchandise imports exceeding CFAF 3 million f.o.b.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	
Negative list	Imports of narcotics and firearms are prohibited.
Other nontariff measures	Quantitative restrictions may be applied to products for public health and security reasons.
Import taxes and/or tariffs	The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1% and a community solidarity levy of 1% is levied on non-WAEMU imports. In addition, an anticyclical tax on imports (TCI) and a degressive protection tax (TDP) may be applied to some products for a fixed period of time. Imports from nonmembers of the Economic Community of West African States (ECOWAS) are subject to a community levy (PC/CEDEAO) of 0.5%.
State import monopoly	No.
References to legal instruments and hyperlinks	Regulation R09/98/CM/UEMOA of December 20, 1998; Regulation 02/97/CM/UEMOA of November 28, 1997, adopting the Common External Tariff of the WAEMU; Decision A/DEC.17/01/06 adopting the Common External Tariff of ECOWAS.

Exports and Export Proceeds

Repatriation requirements	Resident economic agents must collect and repatriate the full proceeds from the sale of goods abroad to the domiciling bank in the country of origin.
Surrender requirements	
<i>Surrender to the central bank</i>	Export proceeds must be surrendered to the BCEAO within 30 days of the payment due date, which must not, in principle, be more than 120 days after shipment of the goods.

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<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if authorized by the BCEAO.
Financing requirements	No.
Documentation requirements	
Domiciliation	All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.
Other	A customs declaration is required.
Export licenses	Gold exports require authorization.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Authorized banks may transfer profits and interest payments based on supporting documentation.
<i>Prior approval</i>	Payments for depreciation of direct investments require prior authorization from the MEF, because this type of depreciation is not specifically mentioned in the regulations.
<i>Indicative limits/bona fide test</i>	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	
<i>Quantitative limits</i>	Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.
<i>Indicative limits/bona fide test</i>	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary (bank or exchange bureau) before foreign exchange are issued.
Personal payments	
<i>Indicative limits/bona fide test</i>	All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	The use of credit cards is allowed only when issued by specialized institutions.
<i>Indicative limits/bona fide test</i>	Yes.

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Other payments

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements Proceeds from invisible transactions with non-WAEMU countries must be repatriated.

Surrender requirements

Surrender to the central bank Authorized intermediaries must surrender all proceeds in euros or other foreign currencies held in their institutions to the BCEAO in exchange for BCEAO-issue currency at its request.

Surrender to authorized dealers All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of the equivalent of CFAF 300,000 that they bring in and must surrender it to an authorized bank within eight days of their return.

Restrictions on use of funds No.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MEF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.

Repatriation requirements Yes.

Surrender requirements

Surrender to authorized dealers The proceeds from the sale or liquidation of investments in foreign assets by residents must be surrendered to authorized intermediary banks within one month. The surrender of the proceeds of capital by authorized intermediaries is not required by the regulations.

Controls on capital and money market instruments Prior authorization by the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities, canvassing, and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents These purchases are subject to declaration to the MEF for statistical purposes.

Sale or issue locally by nonresidents The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investments in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation.

Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MEF for approval, accompanied by supporting documentation.

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Purchase abroad by residents	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to prior authorization by the MEF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MEF. The sale of securities to liquidate an investment abroad is subject to declaration to the MEF for statistical purposes. Residents may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents must be made through an authorized bank.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing shares or other securities of a participating nature apply.
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Residents may sell money market instruments abroad. Sales liquidating an investment are subject to declaration to the MEF for statistical purposes.
On collective investment securities	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.
Controls on credit operations	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MEF.
Commercial credits	
<i>By residents to nonresidents</i>	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment. The transfer of funds abroad for this purpose is subject to prior MEF authorization.
<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval by the MEF. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the MEF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be reported for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.

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Guarantees, sureties, and financial backup facilities

By residents to nonresidents

The granting of guarantees and sureties is subject to prior approval by the MEF. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval by the MEF, and the submission of supporting documents.

To residents from nonresidents

These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require declaration to the MEF.

Controls on direct investment

Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 20% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents, including investments through foreign companies under the direct or indirect control of residents of Senegal and investments by foreign branches or subsidiaries of companies established in Senegal, require prior authorization by the MEF.

Outward direct investment

All investment abroad by residents is subject to prior MEF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.

Inward direct investment

Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MEF for statistical purposes.

Controls on liquidation of direct investment

The liquidation of investments abroad must be reported to the MEF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MEF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MEF for statistical purposes.

Controls on real estate transactions

Purchase abroad by residents

These purchases require prior authorization by the MEF.

Purchase locally by nonresidents

Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MEF for statistical purposes.

Sale locally by nonresidents

Sales by nonresidents to residents require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MEF.

Controls on personal capital transactions

Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal service, or an authorized intermediary bank, unless prior authorization is obtained from the MEF.

Loans

The regulations governing securities and investments apply.

By residents to nonresidents

These transactions require prior MEF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.

To residents from nonresidents

These transactions may be made freely, but are subject to declaration for statistical purposes to the MEF when granted and when repaid.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

Inheritances and dowries are generally authorized. Gifts and endowments, however, are subject to prior MEF authorization.

To residents from nonresidents

These transactions are subject to declaration.

Settlements of debts abroad by immigrants

Immigrants who have received resident status must obtain prior authorization by the MEF to settle debts contracted abroad while they were nonresidents.

Transfer of assets

Transfer abroad by emigrants

These transactions are subject to prior authorization by the MEF.

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Transfer into the country by immigrants

Foreign accounts (in foreign currencies or CFA francs) of nonresidents who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MEF approval.

Transfer of gambling and prize earnings

These transfers are subject to the relevant anti-money laundering provisions.

References to legal instruments and hyperlinks

Regulation R09/98/CM/UEMOA of December 20, 1998; Law 2004-94 of February 6, 2004, on money laundering.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

For statistical purposes, these transactions must be declared to the MEF when they are granted and when they are repaid.

Maintenance of accounts abroad

Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.

Lending to nonresidents (financial or commercial credits)

Commercial lending is allowed. Financial credits are subject to prior MEF authorization following BCEAO approval.

Lending locally in foreign exchange

No explicit regulations exist regarding these transactions, but prior authorization by the MEF is required with the approval of the BCEAO.

Purchase of locally issued securities denominated in foreign exchange

These purchases require prior RCPSFM authorization, after approval by the MEF.

Differential treatment of deposit accounts in foreign exchange

Credit controls

Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents are subject to prior MEF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.

Differential treatment of deposit accounts held by nonresidents

Monetary regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.

Credit controls

Any overdraft or advance granted to a nonresident requires prior authorization by the MEF with the approval of the BCEAO.

Investment regulations

The regulations governing direct investments apply.

Abroad by banks

Yes.

Open foreign exchange position limits

No prudential ratios apply. Open positions result from special dispensations.

Provisions specific to institutional investors

Insurance companies

Controls are imposed by the CIMA Code.

Limits (max.) on securities issued by nonresidents

n.a.

Limits (max.) on investment portfolio held abroad

The CIMA Code does not allow insurance companies to invest abroad.

Limits (min.) on investment portfolio held locally

The CIMA Code includes specific rules for the use of insurance companies' technical reserves.

Currency-matching regulations on assets/liabilities composition

The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.

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Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

REPUBLIC OF SERBIA

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 15, 2002. The Republic of Serbia joined the IMF as the Federal Republic of Yugoslavia on December 20, 2000. The State Union of Serbia and Montenegro ceased to exist following the Republic of Montenegro's declaration of independence on June 3, 2006. Effective July 12, 2006, the IMF determined that the Republic of Serbia continues the membership of the Union.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

As a member of the UN, Serbia observes and implements all mandatory measures of UN resolutions.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Serbia is the dinar.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

Effective August 30, 2006, the National Bank of Serbia (NBS) adopted a new monetary policy regime. The new framework, which uses the two-week repo rate as the main monetary policy instrument, is anchored by the announcement of core inflation objectives, anticipating eventual transition to full-fledged inflation targeting. The exchange rate regime aims at gradually converging toward free floating of the dinar, with eventual full-fledged inflation targeting.

The Monetary Policy Program for 2006 envisaged that the NBS would gradually start to withdraw from exchange transactions, which implies that the licensed exchange offices would be redirected to commercial banks. Hence, effective August 7, 2006, the NBS allows licensed exchange offices to conclude agreements with either a bank, the NBS, several banks, a bank and the NBS, or several banks and the NBS.

The NBS intervenes in the fixing sessions, with the goals of attaining moderate excessive daily exchange rate volatility and guiding exchange rate expectations. As of August 7, 2006, the time of the fixing session was changed from 11:30 a.m. to 2:30 p.m. to stimulate banks to effect most of their trade before the fixing session. The rate set at a fixing session applies to transactions conducted at the fixing session.

Effective August 8, 2006, the exchange rate of the dinar against the euro is determined at the start of each business day at the level that was set at the fixing sessions on the previous day. That exchange rate represents the official middle exchange of the dinar against the euro, and it applies on that business day. Exchange rate lists for the official middle exchange rate of the dinar for foreign exchange and foreign cash are applied from 8:00 a.m. on a given business day until the publication of subsequent exchange rate lists.

NBS purchases and sales of foreign exchange outside the fixing session take place within margins of $\pm 0.3\%$ for noncash transactions and $\pm 0.7\%$ for cash transactions.

Effective August 26, 2006, instead of charging a commission on NBS foreign exchange sales at the fixing session, the NBS introduced a commission for organizing the fixing session, which is 0.1% and is charged on each realized transaction.

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A commission of 0.15% applies on sales of convertible foreign currencies (banknotes), except for the dollar, for which the commission is 2%. Effective March 5, 2007, the NBS stopped conducting trade in foreign cash currencies other than the euro, dollar, and Swiss franc with banks and licensed exchange offices. Banks are free to fix their own buying and selling rates for foreign exchange on the basis of supply and demand, but must observe the cross rates prevailing in the international market. Banks may buy and sell foreign exchange on the interbank market outside the fixing session at mutually agreed upon rates, and they may set the commissions for these services freely.

Effective January 1, 2007, the NBS stopped foreign exchange operations with resident and nonresident natural persons at its foreign offices and at automated teller machines in order to decrease its foreign exchange cash operations.

Effective March 5, 2007, the exchange rate of the dinar against the euro is fixed at the start of each business day at the level of the weighted average exchange rate of the dinar against the euro, based on total interbank spot trade recorded on the previous business day, including trade in the fixing session. The exchange rate calculated in this way represents the official middle rate of the dinar against the euro and it applies on that business day.

According to the 2007 Policy Program of the NBS, the NBS may intervene in the foreign exchange market to (1) limit daily volatility, but not to resist cumulative pressure over a longer period; (2) contain potential threats to financial and price stability; and (3) safeguard an adequate level of international reserves.

Exchange tax

No.

Exchange subsidy

Export incentives were abolished, except incentives for agricultural and food products. Exchange subsidies are offered only for certain agriculture and food industry exports, at rates ranging from 5% to 20%.

Forward exchange market

Forward purchases and sales of foreign exchange are permitted, provided their terms of delivery are other than spot dates but not more than one year from the day of concluding the purchase/sale contract.

Official cover of forward operations

n.r.

References to legal instruments and hyperlinks

Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on the Conditions and Manner of Operation of the Foreign Exchange Market (RS Official Gazette Nos. 67/06, 71/06, 81/06, 116/06, and 24/07); Decision on Terms and Conditions for Performing Exchange Operations (RS Official Gazette Nos. 67/06, 116/06, and 24/07); Decision on Types of Foreign Exchange and Foreign Cash to Be Purchased and Sold in the Foreign Exchange Market (RS Official Gazette No. 24/07); Decision on the Purchase of Foreign Cash of EMU Countries (RS Official Gazette Nos. 81/06, 116/06, and 24/07); Decision on Uniform Fees Charged for Services Provided by the National Bank of Serbia (RS Official Gazette Nos. 91/03, 133/03, 58/04, 75/04, 99/04, 106/04, 136/04, 24/05, 51/05, 83/05, and 108/05); www.nbs.yu; Law on Foreign Trade Transactions (RS Official Gazette No. 101/05); www.mier.sr.gov.yu; Decree on the Use of Funds for Providing Subsidies to Producers of Agricultural and Food Products for the Period January–March 2007 (RS Official Gazette No. 6/07); www.minpolj.sr.gov.yu.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For current transactions and payments

Payments for current international transactions may be made and received in dinars under conditions prescribed by the decision of the NBS on the conditions and manner of conducting international payment transactions.

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<i>For capital transactions</i>	Payments may be made and received in dinars for all capital transactions allowed by the Foreign Exchange Law, under conditions prescribed by the decision of the NBS on the conditions and manner of conducting international payment transactions.
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Effective February 10, 2007, banks are allowed to extend credits in dinars to nonresidents under conditions prescribed by the NBS. Previously, loans in dinars between residents and nonresidents were not allowed.
Use of foreign exchange among residents	Payments among residents must be effected in dinars. In exceptional cases, payments may be effected in foreign exchange, according to the Foreign Exchange Law.
Payments arrangements	No.
Administration of control	Exchange control is carried out by the state authorities and the NBS. Natural persons, legal entities, entrepreneurs, agencies, and organizations are subject to these controls. The Foreign Exchange Inspectorate of Serbia exercises exchange control over the foreign trade operations of residents and nonresidents. Customs authorities control the export and import of foreign and local currencies, securities, and gold taken out or brought into Serbia or transmitted by mail or other means. They also control the export of foreign exchange by authorized banks. Exchange operations may be conducted by authorized commercial banks or ADs, provided they meet reporting requirements. Commercial banks are allowed to effect all domestic payments for services.
Payments arrears	
Official	An agreement has been reached with Paris Club creditors to reduce the debt to official bilateral creditors and with London Club creditors to reduce debt to commercial banks. Discussions are ongoing with other official bilateral creditors to obtain debt relief on terms similar to those granted by Paris Club creditors. Activities have been launched to regulate the remaining small part of debt to London Club creditors under terms similar to those granted by the London Club.
Private	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Only gold producers may engage in domestic trade in unrefined gold.
On external trade	Exports and imports of coins and bullion by the NBS and of gold by residents are subject to the regime for goods exports and imports.
Controls on exports and imports of banknotes	Exports and imports of dinars and foreign currency are allowed under the same conditions and procedures as those for personal and physical transfer of legal tender to and from abroad.
On exports	
<i>Domestic currency</i>	Effective August 5, 2006, residents and nonresidents may take out of Serbia banknotes in amounts up to the dinar equivalent of €5,000 a person (previously, 120,000 dinars). Resident natural persons or legal entities may take up to three sets of dinars out of Serbia for numismatic purposes with NBS approval. Residents may take dinars out of Serbia for the purpose of testing automatic teller machines, provided they guarantee that the banknotes will be returned when the testing is completed or, at the latest, within three months after the bills are received. To take out NBS-issued commemorative coins, residents must have written permission from the NBS, and foreign persons must complete a customs certificate and present an invoice from a licensed supplier. Other banks may take dinars out from Serbia freely for the purpose of sale to foreign banks on the condition that they submit to the customs authority two copies of the payment order, one of which is retained for supervision purposes.
<i>Foreign currency</i>	Effective August 5, 2006, resident natural persons may take abroad foreign currency and checks up to €5,000 (previously, €2,000). At the time of emigrating from Serbia, a resident natural person may take foreign cash in the amount of not more than €15,000 based on

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evidence of emigration. A nonresident natural person may take abroad foreign cash in the amount of up to €5,000. If a nonresident takes dinars and foreign cash abroad at the same time, the sum of these must not exceed €5,000. Nonresident natural persons may take abroad more than €5,000 foreign cash if the amount has been declared on entering Serbia. If the amount has been withdrawn from a foreign exchange account or foreign exchange passbook in a local bank, or if the amount has been acquired by selling dinars obtained through the use of a payment card in Serbia as evidenced by prescribed documents. Authorized banks are not required to obtain the approval of the NBS to export foreign currency for replenishing their accounts with foreign correspondent banks. However, the bank must submit to the customs authority two copies of the order for the transfer of foreign currency for certification and must store one certified copy of the order for control purposes.

On imports

Domestic currency

Effective August 5, 2006, residents and nonresidents may bring in dinars up to the dinar equivalent of €5,000 a person (previously, 120,000 dinars).

In exceptional cases, residents and nonresidents may import domestic banknotes exceeding this amount, provided the banknotes were purchased at a foreign bank and the purchase receipt is presented to the customs office for inspection upon entering the country.

The NBS may import domestic banknotes that were exported for the purpose of sale to foreign banks.

Banks may import dinars that have not been sold abroad; the customs authority restamps the originally stamped order on dinar export.

Foreign currency

Resident and nonresident natural persons may import foreign cash freely. However, nonresidents must report amounts exceeding €5,000 to the customs authorities, which issue the respective certificate. Banks may import foreign currency freely.

References to legal instruments and hyperlinks

Law on the National Bank of Serbia (RS Official Gazette Nos. 72/03 and 55/04); Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on the Requirements for Effecting Personal and Physical Transfers of Means of Payment to and from Abroad (RS Official Gazette No. 67/06); as of February 10, 2007, Decision on Terms and Procedures for Approving Bank Dinar-Denominated Credits to Nonresidents in the Republic of Serbia (RS Official Gazette No. 16/07); Decision on Conditions and Manner of Arranging Payments Made, Payments Received, and Transfers under Current and Capital Transactions in Foreign Currency and Dinars (Official Gazette of FRY No. 25/02); Guidelines for Implementation of Decisions on Conditions and Manner of Arranging Payments Made, Payments Received, and Transfers under Current and Capital Transactions in Foreign Currency and Dinars (RS Official Gazette No. 94/04); as of April 1, 2007, Decision on Terms and Manner of Performing International Payment Transactions (RS Official Gazette No. 24/07); Guidelines for Implementation of Decision on Terms and Manner of Performing International Payment Transactions (RS Official Gazette No. 24/07); www.nbs.yu; Decision on the Designation of Goods Whose Export, Import or Entry into Trade Are Regulated by Specially Prescribed Conditions (RS Official Gazette No. 114/05); www.mier.sr.gov.yu.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Resident natural persons, legal entities, entrepreneurs, and branches of foreign legal entities may hold foreign exchange accounts freely and perform all kinds of current and permitted capital transactions abroad.

Government agencies and organizations may hold foreign exchange accounts only with the NBS, unless otherwise stipulated by a special law or an international agreement or with approval of the minister of finance, for payments that cannot be effected through the NBS, provided this is required by the specific characteristics of the beneficiary's activities. Banks may hold foreign currency only with other authorized banks and the NBS.

Held abroad

Effective August 5, 2006, resident natural persons may hold foreign currency in accounts with foreign banks freely in cases prescribed by the NBS when (1) sent abroad for

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professional training and education, (2) appointed to work in a state mission abroad, or (3) emigrating from Serbia. Previously, only foreign citizens residing in Serbia for more than one year and diplomatic, consular, and other representative offices abroad, as well as their employees and their families, were allowed to keep foreign exchange on accounts abroad freely. Banks may hold foreign exchange accounts without approval of NBS.

Approval required

Effective February 10, 2007, subject to the approval of the NBS, residents may keep foreign exchange in accounts abroad for (1) performing construction work; (2) covering current costs of representative offices and branches of legal entities; (3) financing exploration works; (4) investing in insurance companies; (5) making guarantee deposits; (6) using foreign financial credits for payment of imports of goods and services, and for repayment of previously used foreign credits (refinancing), if the disbursement of such credits is conditional upon holding funds with a foreign bank; (7) purchasing securities; (8) collecting payments against court decisions; and (9) covering costs of residing abroad for medical treatment. Previously, the number of cases for residents' accounts abroad was lower.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on the Conditions of Opening and Manner of Maintaining Foreign Exchange Accounts of Residents (RS Official Gazette No. 67/06); Decision on the Terms of Permitting Residents to Hold Foreign Exchange in an Accounts Abroad (Official Gazette of FRY No. 25/2002); Decision Specifying the Terms and Manner in which Residents May Hold Foreign Exchange in Bank Account Abroad (RS Official Gazette No. 16/07, effective February 10, 2007); Decision of Payment, Collection of Payments, Paying in and Paying out in Foreign Cash (RS Official Gazette No. 9/07, effective January 16, 2007); www.nbs.yu.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresident natural persons and legal entities may hold foreign exchange accounts with authorized banks in the form of demand and time deposits. Deposits may be held in currencies traded on the domestic foreign exchange market. Deposits to foreign currency accounts may be made with transfers or, in certain cases, with cash.

Account holders may use the foreign exchange in their accounts to make dinar payments in Serbia, to transfer foreign exchange abroad, and to make foreign exchange payments abroad or domestically, in accordance with existing regulations.

Domestic payments, collections, and transfers in foreign currency involving these accounts are permitted only in cases specified in the Foreign Exchange Law.

A bank may not cancel or return to the foreign exchange account any dinar disbursements effected from foreign currency accounts of foreign persons. On the request of a nonresident, banks may return dinars from the nonresident's dinar account to a nonresident's foreign exchange account for transferring abroad.

Citizens of Serbia who have resided abroad for more than one year are considered nonresidents.

Domestic currency accounts

Nonresidents may hold domestic currency acquired through authorized transactions in current and deposit accounts with authorized banks.

Convertible into foreign currency

Nonresidents may freely convert dinars acquired in accordance with the Foreign Exchange Law into foreign currency.

Blocked accounts

No.

References to legal instruments and hyperlinks

Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on the Manner of Maintaining Foreign Exchange Passbooks and Foreign Exchange Accounts of Resident and Nonresident Natural Persons in Banks (RS Official Gazette No. 94/04); Decision on the Terms of Opening and Manner of Maintaining Nonresident Accounts (RS Official Gazette No. 16/07, effective February 10, 2007); Decision on the Foreign Currencies and Foreign

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Currency Effective Money Purchasable at the Foreign Exchange Market (RS Official Gazette No. 23/03); Decision on Types of Foreign Exchange and Foreign Cash to Be Purchased and Sold in the Foreign Exchange Market (RS Official Gazette No. 24/07, effective of March 5, 2007); www.nbs.yu.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Minimum financing requirements	Payments for imports of goods and services are free of restrictions, provided documentary proof is submitted.
Advance payment requirements	There are no restrictions on advance payments for imports of goods or services; however, effective July 27, 2006, residents are obliged to import goods or services within 180 days following the day of the advance payment. Otherwise, residents are obliged to repatriate the prepaid sum immediately, and not later than 5 days following the 180-day deadline. Imports of prepaid goods and services with a contracted period exceeding 180 days (previously, 90 days) from the date of advance payment are deemed to be credit transactions, which should be recorded with the NBS, and are subject to provisions on deadlines and the procedure, specified in a decision based on the Foreign Exchange Law. Residents may import books, magazines, newspapers, and other publications within 12 months from the date of advance payment without recording it as a foreign credit transaction with the NBS. Effective January 31, 2007, procedures for recording and reporting imports with a contracted deadline exceeding 180 days from the date of advance payment are simplified, and the documentary requirements are reduced.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	Payments for imports may be effected through authorized banks. Residents are allowed to make payments for imports with their own foreign exchange funds held with an authorized bank or by purchasing foreign exchange on the foreign exchange market without restriction through an authorized bank. Residents are obligated to provide the bank with the standard import documentation.
Preshipment inspection	Yes.
Import licenses and other nontariff measures	<p>The number of items subject to licensing is 273. Licenses are required for armaments (including firearms, sport and hunting arms, and ammunition), explosives and raw materials used in explosives, military equipment, certain precious metals, narcotic drugs, and goods that are subject to international agreements.</p> <p>Licenses for export, import, and transit of goods that are subject to international agreements are issued by the competent institutions, and the list of such goods includes narcotics; precursors; ozone-layer-damaging substances; dangerous waste; endangered plant and animal species; and protected rare, thinned, endemic, and endangered plant and animal species.</p>
Positive list	An estimated 97.34% of all tariff items may be imported freely. Goods not on the control list are free to be imported and exported.
Negative list	Imports of used vehicles that do not comply with standards of the EU and hazardous waste materials are prohibited. Used motor vehicles may be imported if they satisfy traffic security, human environment protection, and protection of human health. Imports of dangerous waste material and certain poisons are prohibited.
Licenses with quotas	The government does not issue specific licenses with value or volume quotas.
Other nontariff measures	Yes.
Import taxes and/or tariffs	The import tariff schedule has a maximum import duty of 30% and a simple average rate of under 10%.
State import monopoly	No.

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References to legal instruments and hyperlinks

Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on Conditions and Manner of Arranging Payments Made, Payments Received, and Transfers under Current and Capital Transactions in Foreign Currency and Dinars (Official Gazette of FRY No. 25/02); Guidelines for Implementation of Decisions on Conditions and Manner of Arranging Payments Made, Payments Received, and Transfers under Current and Capital Transactions in Foreign Currency and Dinars (RS Official Gazette No. 94/04); Decision on Terms and Manner of Performing International Payment Transactions (RS Official Gazette No. 24/07, effective April 1, 2007); Guidelines for Implementation of Decision on Terms and Manner of Performing International Payment Transactions (RS Official Gazette No. 24/07); Decision on the Registration Method, Time Limits, and Forms for Registration and Recording of the External Credit Operations in Article 9, Paragraph 3 and Article 10, Paragraph 3 of the Foreign Exchange Law (RS Official Gazette No. 132/2004); Decision on the Deadlines and Procedure of Recording Foreign Credit Transactions under Article 4, Paragraph 2 and Article 5, Paragraph 3 of the Law on Foreign Exchange Operations (RS Official Gazette No. 11/07, effective January 31, 2007); www.nbs.yu; Law on Foreign Trade Transactions (RS Official Gazette No. 101/2005); Decision on Determination of Goods for which Import, Export, and Release into Circulation Specific Conditions are prescribed (RS Official Gazette No. 114/2005); www.mier.sr.gov.yu.

Exports and Export Proceeds

Repatriation requirements

Effective July 27, 2006, residents must collect receipts from the exports of goods and services within 180 days (previously, 90 days) following the clearance of the exported goods or the day of rendering the services. Proceeds from the sale of goods located abroad must be repatriated within 180 days from the payment. The export of goods and services with a contracted period for collection of payment of more than 180 days (previously, 90 days) following customs clearance of goods and/or after the date when a service was rendered, as well as the export of goods or services of which the proceeds were not repatriated within 180 days, are deemed to be credit transactions, which must be recorded with the NBS, and are subject to provisions on deadlines and procedures of recording as specified in the relevant decisions. Effective January 31, 2007, transactions related to air, railway, highway, and sea and river transport services; postal and telecommunications services; cross-border electricity trade and distribution transactions; health care services for nonresidents, regulated by international agreements; as well as exports and imports of books, magazines, journals, and other publications (subscription) with a contracted term of collection up to one year, are not deemed transactions subject to recording with the NBS.

Financing requirements

No.

Documentation requirements

Domiciliation

Collection of funds from the exports of goods and services must be effected through authorized banks.

Preshipment inspection

Yes.

Export licenses

Out of the total 10,268 tariff items, the free export regime applies to 10,010 items (or 97.49%). After the adoption of the new Law on Customs Tariff, which includes 10,290 items, and according to the new control list, the license regime will consist of 84 items or 0.8% of the total number of customs tariff items (i.e., 99.2% of goods belong to the free export regime).

Without quotas

Export licenses under scheme D are required for 258 (or 2.51% of total) items, including 65 items formerly subject to tariffs. These are required for armaments (including firearms, sport and hunting arms, and ammunition), explosives and raw materials used in explosives, military equipment, cultural goods, narcotic drugs, certain precious metals, and goods that are subject to international agreements.

Export taxes

No.

References to legal instruments and hyperlinks

Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on the Registration Method, Time Limits, and Forms for Registration and Recording of the External Credit Operations in Article 9, Paragraph 3 and Article 10, Paragraph 3 of the Foreign Exchange Law (RS Official Gazette No. 132/2004); Decision on the Deadlines and Procedure of Recording Foreign Credit Transactions under Article 4, Paragraph 2 and Article 5, Paragraph

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3 of the Law on Foreign Exchange Operations (RS Official Gazette No. 11/07, effective January 31, 2007); Decision on Conditions and Manner of Arranging Payments Made, Payments Received, and Transfers under Current and Capital Transactions in Foreign Currency and Dinars (Official Gazette of FRY No. 25/02); Guidelines for Implementation of Decisions on Conditions and Manner of Arranging Payments Made, Payments Received, and Transfers under Current and Capital Transactions in Foreign Currency and Dinars (RS Official Gazette No. 94/04); Decision on Terms and Manner of Performing International Payment Transactions (RS Official Gazette No. 24/07, effective April 1, 2007); Guidelines for Implementation of Decision on Terms and Manner of Performing International Payment Transactions (RS Official Gazette No. 24/07) www.nbs.yu; Law on Foreign Trade Transactions (RS Official Gazette No. 101/2005); Decision on Determination of Goods for which Import, Export, and Release into Circulation Specific Conditions are Prescribed (RS Official Gazette No. 114/2005); www.mier.sr.gov.yu.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Documentary requirements must be satisfied. Natural persons are permitted to make payments for current transactions, including imports of goods and services that are permitted by law.
Payments for travel	Effective August 5, 2006, for the purpose of travel, a resident natural person may take foreign cash or traveler's checks abroad in the total amount of €5,000 (previously, €2,000), and payment cards in unlimited amounts.
<i>Quantitative limits</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Indicative limits/bona fide test</i>	Effective August 5, 2006, all transactions require documentary evidence, except for transfers of less than €8,000 (previously, €5,000) a month for family support. Transfers exceeding €8,000 may be effected on the basis of standard documentation, such as residence permit, work permit, student visa, etc., and evidence that the family member has a third degree of kinship (birth certificate, marriage certificate).
Foreign workers' wages	These transactions may be made freely after payment of the appropriate taxes.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	Effective August 5, 2006, the use of credit cards is free. Previously, it was restricted to current transactions.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on the Requirements for Effecting Personal and Physical Transfers of Means of Payment to and from Abroad (RS Official Gazette No. 67/06); www.nbs.yu .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Effective February 10, 2007, the requirement on the repatriation of profits by legal entities operating abroad was eliminated. The repatriation requirement applies to residents holding foreign exchange in accounts abroad on approval by the NBS. These persons must repatriate means of payment in 30 days following completion of the activity for which the NBS approval was issued. Previously, all proceeds were subject to repatriation requirement.
Restrictions on use of funds	No.

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References to legal instruments and hyperlinks

Foreign Exchange Law (RS Official Gazette No. 62/06); www.nbs.yu; Law on Foreign Trade Transactions (RS Official Gazette No. 101/05); www.mier.sr.gov.yu.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

Effective July 27, 2006, the repatriation requirement on the profits of direct investment abroad was eliminated. Previously, the repatriation requirement applied to all residents who earned foreign exchange abroad or transferred foreign exchange abroad but retained the unused balance. Residents must inform the Foreign Exchange Inspectorate about the profits earned abroad.

Controls on capital and money market instruments

The Securities Committee supervises the activities of security market participants at the national level.

On capital market securities

The Securities Committee regulates trading in shares and long-term securities.

Shares or other securities of a participating nature

The Securities Committee controls the issuing of and trading in shares or other securities of a participating nature.

Purchase locally by nonresidents

These transactions are permitted, except for shares of domestic companies involved in weapons production or trading activities, unless the majority of shares of a joint-venture company is owned by a resident investor.

Sale or issue locally by nonresidents

These transactions are implicitly permitted in accordance with the Law on Securities Market.

Purchase abroad by residents

Resident legal entities, entrepreneurs, and natural persons may effect payments for the purpose of buying equities abroad. Payments must be performed through the dealer's bank.

Sale or issue abroad by residents

These transactions are not controlled, but the procedures are regulated.

Bonds or other debt securities

The Securities Committee controls the issuing of and trading in long-term debt instruments.

Purchase locally by nonresidents

Effective July 27, 2006, nonresidents may effect payment for the purpose of purchasing long-term debt securities in line with the Law on Securities Market. Previously, payments on these transfers were controlled.

Sale or issue locally by nonresidents

These transactions are not explicitly controlled, but the related payments must be performed through the dealer's bank.

Purchase abroad by residents

Effective July 27, 2006, residents may effect payment for the purpose of purchasing long-term debt securities issued by OECD member countries and international financial organizations, and other long-term debt securities in accordance with the regulation of the NBS on the level of risk (rating) and issuer country. Residents may effect payment for the purpose of purchasing domestic securities denominated in foreign currency and issued abroad.

Sale or issue abroad by residents

These transactions are not controlled, but related payments are regulated.

On money market instruments

Purchase locally by nonresidents

These transactions are prohibited.

Sale or issue locally by nonresidents

These transactions are not explicitly controlled, but related payments are regulated.

Purchase abroad by residents

These transactions are not explicitly controlled, but related payments are not permitted unless the purchaser is the NBS or an authorized bank under conditions prescribed by the NBS.

Sale or issue abroad by residents

These transactions are prohibited.

On collective investment securities

Purchase locally by nonresidents

These transactions are permitted according to the Investment Fund Law and the Voluntary Pension Fund Law.

Sale or issue locally by nonresidents

Nonresidents must be registered according to the Investment Fund Law and the Voluntary Pension Fund Law.

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<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.r.
Controls on derivatives and other instruments	Effective July 27, 2006, payments for the purchase of financial derivatives are regulated by the Foreign Exchange Law. Previously, because the Foreign Exchange Law did not regulate payments in respect of financial derivatives, the provisions regulating payments with respect to short-term and long-term securities were applied. Effective July 27, 2006, banks and other residents may effect payments for the purpose of purchasing financial derivatives in Serbia under the conditions prescribed by the NBS.
Purchase locally by nonresidents	Effective July 27, 2006, nonresidents may effect payments for the purpose of purchasing financial derivatives under the conditions prescribed by the NBS. Previously, nonresidents were not allowed to purchase such instruments.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Payments for the purpose of purchasing financial derivatives in organized markets abroad may be effected by the NBS.
Sale or issue abroad by residents	Yes.
Controls on credit operations	Foreign credit transactions must be recorded with the NBS. Effective January 26, 2007, the procedure of recording foreign credit transactions was simplified and the related documentary requirement was reduced.
Commercial credits	
<i>By residents to nonresidents</i>	Resident legal entities and entrepreneurs may extend commercial credits to nonresidents without restrictions.
<i>To residents from nonresidents</i>	Resident legal entities and entrepreneurs may obtain commercial credits from nonresidents without restrictions.
Financial credits	
<i>By residents to nonresidents</i>	Resident legal entities other than authorized banks may extend financial loans to nonresidents only out of profits generated by the residents' businesses abroad, provided the nonresident debtor is a majority owner of the resident, and the resident legal entity contracts and acquires collateral instruments for the payment from the nonresident.
<i>To residents from nonresidents</i>	Residents may borrow funds from nonresidents without any restrictions if the proceeds of the credit are used for the payment of imports of goods and services; for financing construction work abroad, concluded by residents within the scope of their activity; and for the repayment of previously obtained external credits (refinancing). Residents may borrow funds from nonresidents for other purposes as well, in the manner and under the conditions determined by the NBS. Effective January 10, 2006, the ceiling (previously, €1.9 billion) for these credits has been abolished. The terms of such credits must not be shorter than 13 months (with an obligatory grace period of 6 months) from every disbursement, except for credits intended for agriculture. The terms of the credits intended for agriculture may be shorter than 13 months, and the obligatory grace period must be 3 months from every disbursement. Effective February 10, 2006, foreign borrowing by leasing companies is subject to a minimum reserve requirement of 10% of the reserve base.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Resident legal entities other than authorized banks may issue warranties and other means of collateral under credit operations between two nonresidents abroad only out of profits generated by the residents' businesses abroad, under the condition that the nonresident debtor is a majority owner of the resident, and provided the resident legal entity contracts and acquires from the nonresident collateral instruments.
<i>To residents from nonresidents</i>	Nonresidents may issue guarantees and sureties to residents under credits granted by residents to nonresidents.
Controls on direct investment	Investments may be in the form of (1) foreign exchange, (2) in kind, (3) intellectual property rights, or (4) securities and other property rights.

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Outward direct investment	Effective July 27, 2006, the repatriation requirement on profits generated abroad was eliminated. However, the Foreign Exchange Inspectorate must be informed about the profit.
Inward direct investment	A nonresident foreign investor may invest in assets in a domestic enterprise to acquire a share in the fixed capital of a domestic enterprise. A foreign investor may exchange established claims against a share of capital and/or stock of a debtor company.
Controls on liquidation of direct investment	Proceeds from liquidation of direct investment may be transferred abroad without control, provided all tax liabilities have been settled.
Controls on real estate transactions	
Purchase abroad by residents	Effective January 10, 2006, payments for the purpose of acquiring ownership of real estate by residents abroad may be made freely in line with the law on legal ownership relations.
Purchase locally by nonresidents	Effective January 10, 2006, payments for the purpose of acquiring ownership of real estate by nonresidents may be made freely in line with the law on legal ownership relations. The previous requirement that payments must be made in foreign currency was eliminated.
Sale locally by nonresidents	Proceeds from these transactions may be transferred abroad freely, provided tax liabilities have been settled.
Controls on personal capital transactions	
Loans	Resident natural persons are not allowed to lend to or borrow from nonresidents.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Residents may transfer currency gifts abroad up to the amount of €3,000.
<i>To residents from nonresidents</i>	These transactions are free but are subject to anti-money laundering regulations.
Settlements of debts abroad by immigrants	Immigrants who have resided in the country for up to one year may freely transfer payments abroad to settle debt in their home country, on acquisition of resident status, based on evidence of such debt and request for residence registration with the competent authority in Serbia.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Effective August 15, 2006, emigrants may take abroad foreign currency up to the equivalent of €15,000 (previously €2,000) based on evidence of emigration; any remaining funds must be transferred through the banking system.
<i>Transfer into the country by immigrants</i>	Immigrants may freely transfer assets into the country.
Transfer of gambling and prize earnings	Earnings from lotteries may be transferred abroad after payment of all tax obligations.
References to legal instruments and hyperlinks	Foreign Exchange Law (RS Official Gazette No. 62/06); Decision on the Requirements for Effecting Personal and Physical Transfers of Means of Payment to and from Abroad (RS Official Gazette No. 67/06); Decision on the Terms of Permitting Residents to Hold Foreign Exchange in an Account Abroad (Official Gazette of FRY No. 25/2002); Decision Specifying Terms and Manner in which Residents May Hold Foreign Exchange in Bank Account Abroad (RS Official Gazette No. 16/07, effective February 10, 2007); Decision on the Conditions of Purchasing Foreign Short-Term Securities (Official Gazette of FRY No. 25/02); Decision on Terms and Manner in which Banks May Buy Foreign Short-Term Securities in Foreign and Domestic Markets (RS Official Gazette No. 16/07, effective February 10, 2007); Decision on Reporting Requirements in International Operations (Official Gazette of FRY No. 25/02); Guidelines for the Implementation of the Decision on Reporting Requirements in International Operations (Official Gazette of FRY No. 55/02); Decision on Reporting Requirements in International Operations; Guidelines for the Implementation of the Decision on Reporting Requirements in International Operations (RS Official Gazette No. 24/07, effective March 3, 2007); Decision on the Procedure and Terms of Utilizing External Financial Loans for the Purposes Referred to in Article 21, Paragraph 2 of the Law on Foreign Exchange Operations (RS Official Gazette No. 81/06); Decision on the Manner, Deadlines, and Forms Used in Registering and Recording International Credit Transactions (Official Gazette of FRY No. 61/99); Decision on the Procedure,

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Deadlines, and Forms Used in Recording Foreign Credit Transactions (RS Official Gazette No. 9/07, effective January 26, 2007); www.nbs.yu; Law on Foreign Trade Transactions (RS Official Gazette No. 101/05); Law on Foreign Investments (Official Gazette of FRY Nos. 03/02 and 05/03); www.mier.sr.gov.yu; Law on the Market of Securities and Other Financial Instruments (Official Gazette of FRY No. 65/02, RS Official Gazette, Nos. 57/03 and 55/04); Law on Banks (RS Official Gazette No. 107/05); Investment Fund Law (RS Official Gazette No. 46/06); Voluntary Pension Fund Law (RS Official Gazette No. 85/05) www.mfin.sr.gov.yu.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

On October 1, 2006, the new regulatory framework for banks' operations was created based on the new Law on Banks, bylaws, and other regulations. The bylaws and other regulations include provisions on classification of on-balance-sheet assets and off-balance-sheet items, capital adequacy, risk management (including more detailed definition of bank compliance risk), granting preliminary approvals for bank founding and subsequent issuing of full operating licenses, approvals for acquiring bank shares, detailed conditions and manner of conducting bank supervision by the NBS, and regulations on external bank audit. Also, to eliminate the risk that may arise as a consequence of banks' noncompliance with the regulations preventing money laundering and financing of terrorism, banks are legally obliged to adopt the "know your customer" procedure.

Borrowing abroad

Only banks that have received NBS authorization to perform international operations may conclude credit agreements with nonresidents. These transactions must meet the requirements set by the regulations governing banking operations and foreign credit transactions. Effective May 10, 2006, the NBS raised the statutory reserve requirement on commercial banks' foreign borrowing with a maturity of up to two years to 60% from 40%. Effective January 10, 2007, the statutory reserve requirement was lowered to 45% from 60%, unifying the reserve requirements on all external debt, regardless of maturity. Effective February 10, 2006, foreign borrowing by leasing companies is subject to a minimum reserve requirement of 10% of the reserve base.

Maintenance of accounts abroad

Authorized banks may hold foreign currency abroad only in accounts with banks.

Lending to nonresidents (financial or commercial credits)

Banks may provide credits in dinars to nonresidents in the manner and under conditions prescribed by the NBS. Authorized banks may extend loans in foreign currency to nonresidents, provided that they contract and acquire from the nonresident payment collateral instruments. Such loans must be recorded with the NBS.

Lending locally in foreign exchange

Banks may extend to resident legal entities and entrepreneurs credits in foreign currency for the payment of import of goods and services from abroad, and to resident natural persons for the purchase of real estate in the country.

Purchase of locally issued securities denominated in foreign exchange

Purchases are regulated.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Foreign exchange savings deposits made by individuals are included in the required reserves base at a rate of 40%. The reserve base also includes foreign exchange loans at a rate of 45% (previously, 60%).

Liquid asset requirements

Effective January 10, 2007, the NBS applied a uniform reserve requirement ratio of 45% to all foreign currency deposits, regardless of maturity, as well as to foreign-currency-indexed dinar deposits. The only exception to this rule is the 40% reserve requirement maintained on obligations with respect to foreign currency savings deposits with domestic banks.

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

Effective June 10, 2006, the NBS raised the statutory reserve requirement for nonresident dinar deposits to 60% from 18%, unifying it with the rate for commercial banks' foreign borrowing with a maturity of up to two years. Effective January 10, 2007, the rate was lowered to 45%.

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Investment regulations

Abroad by banks

NBS approval is required and issued under the conditions set in the decision on the granting of approval for capital investment in a bank abroad.

In banks by nonresidents

NBS approval is required for the acquisition of 5% to 20%, 20% to 33%, 33% to 50%, and over 50% of voting rights.

Open foreign exchange position limits

A bank's open foreign exchange position is limited to 30% of its capital.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Insurance companies may not trade securities issued by nonresidents.

Limits (max.) on investment portfolio held abroad

Effective January 1, 2007, insurance companies may deposit and invest up to 20% of core capital abroad.

Limits (min.) on investment portfolio held locally

The technical reserves assets may be deposited and invested according to the following limits: (1) in bonds or other debt securities that are traded in the organized securities market (of the same issuer), life-35%, non-life-25%; (2) in shares that are traded in the organized securities market, life-25%, non-life-20%; (3) in bonds or other debt securities and shares that are not traded in the organized securities market (of the same issuer), life-5%, non-life-5%; (4) in bank deposits (with one bank), life-20%, non-life-25%; and (5) in real estate (in one piece of real estate), life-30%, non-life-10%.

Currency-matching regulations on assets/liabilities composition

The company is obliged to deposit and invest the assets of the technical reserve in a manner that ensures that in accordance with the type of insurance activities it performs, the maturity of deposited and invested assets correspond to the obligations of the company for which technical reserves are formed.

Pension funds

Limits (max.) on securities issued by nonresidents

Effective March 27, 2006, the assets of a pension fund may be invested up to 10% in securities issued by nonresidents. The maximum levels, conditions, and manner of investing voluntary pension fund assets were determined.

Limits (max.) on investment portfolio held abroad

n.r.

Limits (min.) on investment portfolio held locally

These investments are regulated by the Law on Voluntary Pension Funds.

Currency-matching regulations on assets/liabilities composition

n.r.

Investment firms and collective investment funds

Securities trading must take place on an organized exchange, with the exception of secondary trading in fixed-income securities.

Limits (max.) on securities issued by nonresidents

Effective December 11, 2006, 30% of the fund's assets may be invested abroad, according to the regulation of the Committee on Securities.

Limits (max.) on investment portfolio held abroad

Effective December 11, 2006, 30% of the fund's assets may be invested abroad, according to the regulation of the Committee on Securities.

Limits (min.) on investment portfolio held locally

These investments are regulated by the provisions of the Investment Fund Law.

References to legal instruments and hyperlinks

Foreign Exchange Law (RS Official Gazette No. 62/06); Law on the Settlement of the Public Debt of the FRY Arising from the Citizens' Foreign Exchange Savings (Official Gazette of FRY No. 36/02); Law on Banks (RS Official Gazette No 107/2005); Decision on the Cessation of Validity of the Decision on the Conditions and Manner of Securing the Liquidity of Payment of Natural Persons' Foreign Exchange Deposits with Banks (RS Official Gazette No. 109/05); Decision on Banks' Required Reserves Held with the NBS (RS Official Gazette Nos. 48/04, 86/04, 90/04, 136/04, 46/05, 69/05, 77/05, 80/05, 86/05, 91/05, 95/05, 102/05, and 109/05); Decision on the Procedure and Terms of Utilizing External Financial Loans for the Purposes Referred to in Article 21, Paragraph 2 of the Law on Foreign Exchange Operations (RS Official Gazette No. 81/06); Decision on the Manner,

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Deadlines, and Forms Used in Registering and Recording International Credit Transactions (Official Gazette of FRY No. 61/99); Decision on the Procedure, Deadlines and Forms Used in Recording Foreign Credit Transactions (Official Gazette No. 9/07, effective January 26, 2007); www.nbs.yu; Investment Fund Law (RS Official Gazette No. 46/06); Voluntary Pension Fund Law (RS Official Gazette No. 85/05); www.mfin.sr.gov.yu; Regulation on Investment Funds (RS Official Gazette No. 110/06); www.sec.sr.gov.yu.

Changes during 2006

Status under IMF articles of agreement

July 12. The Republic of Serbia continued the IMF membership of the Union.

Exchange arrangement

August 7. Under the Monetary Policy Program for 2006, the NBS allowed the licensed exchange offices to conclude agreements with either a bank, the NBS, several banks, a bank and the NBS, or several banks and the NBS.

August 7. The time of the fixing session was changed from 11:30 a.m. to 2:30 p.m. to stimulate banks to effect most of their trade before the fixing session. The rate set at a fixing session applied to transactions conducted at the fixing session. The NBS intervened in the fixing sessions, with the aims of moderating excessive daily exchange rate volatility and guiding exchange rate expectations.

August 8. The exchange rate of the dinar against the euro was fixed at the start of each business day at the level set at the fixing sessions on the previous day. That exchange rate represents the official middle exchange of the dinar against the euro, and it applies on that business day. Exchange rate lists for the official middle exchange rate of the dinar for foreign exchange and foreign cash are applied from 8:00 a.m. on a given business day until the publication of subsequent exchange rate lists.

August 26. The NBS introduced a 0.1% commission, charged on each realized transaction, for organizing the fixing session, instead of charging commission on the NBS foreign exchange sales at the fixing session.

August 30. The NBS adopted a new monetary policy regime for eventual transition to full-fledged inflation targeting.

Arrangements for payments and receipts

August 5. The limit on the import and export of dinars was increased to the dinar equivalent of €5,000 from 120,000 dinars. The limit on the export of foreign currency was increased to €5,000 from €2,000.

Resident accounts

August 5. Resident natural persons were allowed to hold foreign exchange accounts abroad freely when (1) sent abroad for professional training and education; (2) appointed to work in state missions abroad; or (3) emigrating from Serbia.

Imports and import payments

July 27. The deadline for import of goods and services paid in advance was prolonged to 180 days from 90 days. According to the new Foreign Exchange Law, the import of prepaid goods and services with a contracted period exceeding 180 days from the date of advance payment was deemed to be a credit transaction to be recorded with the NBS.

Exports and export proceeds

July 27. The deadline for repatriation of proceeds from exports was prolonged to 180 days from 90 days. According to the new Foreign Exchange Law, the export of goods and services with a contracted period of collection exceeding 180 days following customs clearance of goods and/or the date when a service was rendered, as well as the export of goods or services under which the collection has not been made within the mentioned deadline, were deemed to be credit transactions to be recorded with the NBS.

Payments for invisible transactions and current transfers

August 5. The use of credit cards abroad became free.

August 5. The amount residents were allowed to take abroad for travel purposes was increased to €5,000 from €2,000.

August 5. The amount of foreign exchange that residents can freely transfer abroad through banks based on family support was increased to €8,000 from €5,000.

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Capital transactions

July 27. The repatriation requirement on the profits of direct investment abroad was eliminated.

Controls on capital and money market instruments

July 27. The types of securities that residents may purchase abroad and nonresidents may purchase in Serbia on the capital market were specified. Nonresidents were allowed to purchase long-term debt securities in line with the Law on Securities Market. Residents were allowed to buy long-term debt securities issued by OECD member countries and international financial organizations, and other long-term debt securities in accordance with NBS regulations on risk (rating) and issuer country.

Controls on derivatives and other instruments

July 27. A legal basis on financial derivatives trade was provided. Nonresidents and residents were allowed to purchase instruments under the conditions prescribed by the NBS.

Controls on credit operations

January 10. The previous €1.9 billion ceiling on external loans for conversion into dinars was eliminated.

February 10. Foreign borrowing by leasing companies became subject to a 10% minimum reserve requirement.

Controls on direct investment

July 27. Residents were no longer required to repatriate profits from direct investment abroad; however, they must inform the Foreign Exchange Inspectorate about the profit.

Controls on real estate transactions

January 10. The requirement that the purchase of real estate is to be paid with foreign exchange funds was eliminated.

Controls on personal capital transactions

August 15. The amount of foreign currency that may be exported by an emigrant was raised to €15,000.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 10. The new Decision on the Procedure and Terms of Utilizing External Financial Loans for the Purposes Referred to in Article 21, Paragraph 2 of the Law on Foreign Exchange Operations eliminated the ceiling for utilizing external loans for conversion into dinars, and maintaining bank liquidity.

February 10. Foreign borrowing by leasing companies became subject to a 10% minimum reserve requirement.

May 10. The NBS raised the statutory reserve requirement on commercial banks' foreign borrowing with a maturity of up to two years to 60% from 40%.

June 10. The NBS raised the statutory reserve requirement for nonresident dinar deposits to 60% from 18%, unifying it with the rate for commercial banks' foreign borrowing with a maturity of up to two years.

October 1. The new regulatory framework for banks' operations was created based on the new Law on Banks, bylaws, and other regulations. The bylaws and other regulations included provisions on classification of on-balance-sheet assets and off-balance-sheet items, capital adequacy, risk management (including more detailed definition of bank compliance risk), granting preliminary approvals for bank founding and subsequent issuing of full operating licenses, approvals for acquiring bank shares, detailed conditions and manner of conducting bank supervision by the NBS, and regulations on external bank audit. Also, to eliminate the risk that may arise as a consequence of banks' noncompliance with the regulations preventing money laundering and financing of terrorism, banks were legally obliged to adopt the "know your customer" procedure.

Provisions specific to institutional investors

March 27. The maximum levels, conditions, and manner of investing voluntary pension fund assets were determined. Pension funds were allowed to invest in securities issued by nonresidents up to 10% of their assets.

December 11. Investment funds were allowed to invest 30% of the fund's assets abroad, according to the regulation of the Committee on Securities.

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Changes during 2007

Exchange arrangement

January 1. The NBS stopped foreign exchange operations with resident and nonresident natural persons at its foreign offices and automatic teller machines in order to decrease its foreign cash operations.

March 5. The exchange rate of the dinar against the euro was fixed at the start of each business day at the level of the weighted average exchange rate of the dinar against the euro based on total interbank spot trade, recorded on the previous business day, including trade in the fixing session. The exchange rate calculated in this way represents the official middle exchange of the dinar against the euro and it applies on that business day.

According to the 2007 Policy Program of the NBS, the NBS could intervene in the foreign exchange market aiming at limiting daily volatility, but not resisting cumulative pressure over a longer period; containing potential threats to financial and price stability; and safeguarding an adequate level of international reserves.

The NBS stopped conducting trade in foreign cash currencies other than euro, dollar, and franc with banks and licensed foreign offices.

Arrangements for payments and receipts

February 10. Banks were allowed to approve dinar credits to nonresidents in Serbia.

Resident accounts

February 10. The number of cases under which residents may hold foreign exchange in the account with banks abroad on approval issued by NBS was increased.

Imports and import payments

January 31. The procedures for recording and reporting imports with a deadline of more than 180 days were simplified and the documentary requirements were reduced.

Exports and export proceeds

January 31. Certain transactions under international agreements and related to publications with a contractual period of up to one year were not deemed to be transactions subject to recording with the NBS.

Proceeds from invisible transactions and current transfers

February 10. The repatriation requirement on profits by legal entities operating abroad was eliminated.

February 10. Residents holding foreign exchange in foreign bank accounts were required to repatriate the remaining funds following 30 days after completion of the activity for which the NBS approval was issued.

Capital transactions

Controls on credit operations

January 26. According to the new Decision on the Procedure, Deadlines, and Forms Used in Recording Foreign Credit Transactions, the procedure of recording foreign credit transactions was simplified and documentary requirements were reduced.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 10. The NBS applied a uniform reserve requirement ratio of 45% to all foreign currency deposits, regardless of maturity, as well as on foreign-currency-indexed dinar deposits except for foreign currency savings deposits of individuals, which are subject to a 40% reserve requirement.

January 10. The statutory reserve requirement for nonresident dinar deposits was lowered to 45% from 60%.

Provisions specific to institutional investors

January 1. Insurance companies were allowed to deposit and invest up to 20% of core capital abroad.

SEYCHELLES

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: January 3, 1978.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Seychelles is the Seychelles rupee.

Other legal tender Various commemorative gold coins issued on several occasions since 1976 are also legal tender.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The Seychelles rupee is pegged to a weighted basket of currencies of Seychelles's main trading and tourism partners. Effective October 10, 2006, the Central Bank of Seychelles (CBS) revised the reference basket for the Seychelles rupee to reflect the three main currencies, with their new respective weights as follows: euro (59.1%), pound sterling (30.2%) and U.S. dollar (10.7%). With the revision of the basket, the appreciation limit of SR 5.50 per US\$1 has been removed. Previously the basket of currencies was as follows: euro (37.7%), yen (2.7%), pound sterling (15.7%), Singapore dollar (7.7%), South African rand (10.5%), and U.S. dollar (25.7%). Effective October 9, 2006, the appreciation limit of SR5.50 per US\$1 has been removed. Consequently, the exchange rate arrangement has been reclassified to the category conventional pegged arrangement against a composite from the category conventional pegged arrangement against a single currency. Exchange rates for various currencies are quoted on the basis of their New York closing rates for the U.S. dollar on the previous day, using the dollar rate for the Seychelles rupee as derived from the fixed parity to the currency basket or the appreciation limit of the rupee. The CBS circulates these rates daily to commercial banks. The CBS charges a commission of 0.125% on purchases and 0.875% on sales of euros, pounds sterling, and U.S. dollars.

Commercial banks are authorized to deal in pounds sterling and other currencies at rates based on the exchange rates circulated daily by the CBS. Effective August 15, 2006, one exchange bureau is allowed to sell foreign currency to tourists under the same controls as commercial banks. Other ADs include casinos, guesthouses, hotels, restaurants, self-catering establishments, tour operators, travel agents, car rental services, boat charters, shipping agents, and ship chandlers. These dealers are restricted to buying only in the course of their licensed activity. They must sell a certain percentage of their foreign currency proceeds to commercial banks.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

SEYCHELLES

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency Nonresidents are required to pay for selected services in foreign currency.

For current transactions and payments Yes.

For capital transactions
Transactions in derivatives and other instruments n.a.

Use of foreign exchange among residents Yes.

Payments arrangements

Bilateral payments arrangements
Operative Yes.

Regional arrangements Seychelles is a participant in COMESA and the RIFF.

Administration of control The exchange control authority is the CBS.

Payments arrears

Official There are payments arrears on external debt liabilities to multilateral, bilateral, and some commercial creditors. Estimated stock of external payments arrears as of December 2006 is 15% of gross domestic product.

Private Effective October 16, 2006, the existing foreign exchange queue (pipeline) has been frozen. Under the new system, all foreign exchange requests for future imports have to be handled by the commercial banks, and all true commercial arrears will be settled by the CBS over the next six months at the prevailing spot exchange rate.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade Residents may purchase, hold, and sell gold freely in any form; however, dealings in gold bullion are restricted to ADs.

On external trade n.a.

Controls on exports and imports of banknotes

On exports
Domestic currency The maximum amount of domestic currency that travelers may take out of the country is SR 2,000.

On imports
Domestic currency The maximum amount of domestic currency that travelers may bring into the country is SR 2,000.

References to legal instruments and hyperlinks n.a.

SEYCHELLES

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	These accounts are permitted.
<i>Approval required</i>	Yes.
Held abroad	Foreign exchange earners are governed by the foreign exchange repatriation requirements.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	n.a.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance import deposits	Until October 15, 2006, all requests for foreign exchange, except for those from small businesses, had to be accompanied by a rupee deposit equivalent to the value of the items to be imported. As of October 16, 2006, requests for foreign exchange are handled by commercial banks through LCs.
Documentation requirements for release of foreign exchange for imports	An import permit is required for a few restricted goods (e.g., food items and chemicals).
Import licenses and other nontariff measures	Importers of restricted items must apply to the Import Control Division of the MOF for a permit. Permits are normally not granted for used vehicles.
Import taxes and/or tariffs	Imports are subject to taxes of up to 200%. Effective January 1, 2006, import duty rates on most imports have been reduced to a range of zero to 10% (previously, most goods were subject to rates ranging between zero and 25%).
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

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Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	All export proceeds must be received through domestic commercial banks, which are the only authorized sellers of foreign exchange (except for one exchange bureau). Effective October 16, 2006, banks are required to transfer 15% of their total gross foreign exchange inflows to the CBS. Retention by foreign exchange earners is calculated on the remaining 85% and the rest goes to commercial banks. Previously, banks had to transfer to the CBS 45% of their foreign exchange inflows after retention by foreign exchange earners. The remainder was used by commercial banks in accordance with the priority listing.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	
Payments for travel	
<i>Quantitative limits</i>	The limit is the equivalent of US\$400 a ticket a traveler. Payments exceeding this limit are made at the discretion of banks.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Residents must surrender the proceeds to a commercial bank within 90 days of the transaction or 21 days from the date of payment, whichever is earlier.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.

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Controls on credit operations	No.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Foreign investment is permitted freely, provided such investment does not involve ownership of land.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements n.a.

Liquid asset requirements The liquidity reserve ratio for commercial banks is 65% of their deposit liabilities (excluding foreign currency deposits). Effective October 1, 2006, the cash reserve ratio has been increased to 5% from 2.5%, including foreign currency and pipeline deposits, which were previously excluded.

Interest rate controls n.a.

Credit controls n.a.

Investment regulations

Abroad by banks Yes.

In banks by nonresidents Yes.

Open foreign exchange position limits n.a.

Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Exchange arrangement *August 15.* One exchange bureau was given permission to sell foreign currency to tourists under the same controls as commercial banks.

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	<p><i>October 9.</i> The reference basket of currencies for the rupee was revised to include only three main currencies with weights as follows: euro, 59.1% (previously, 37.7%); pound sterling, 30.2% (previously, 15.7%); and U.S. dollar, 10.7% (previously, 25.7%). The appreciation limit of SR 5.50 per US\$1 was eliminated.</p> <p><i>October 9.</i> The exchange rate arrangement was reclassified to the category conventional pegged arrangement against a composite from the category conventional pegged arrangement against a single currency.</p>
Arrangements for payments and receipts	<p><i>October 16.</i> The existing foreign exchange queue (pipeline) was frozen. Under the new system, all foreign exchange requests for future imports must be handled by the commercial banks, and all true commercial arrears must be settled by the CBS over the next six months at the prevailing spot exchange rate.</p>
Imports and import payments	<p><i>January 1.</i> Import duty rates on most goods were reduced to a range of zero to 10%, from zero to 25%.</p> <p><i>October 16.</i> Requests for foreign exchange are to be handled by commercial banks through LCs.</p>
Exports and export proceeds	<p><i>October 16.</i> The limit on the transfer of total foreign exchange inflows by banks to the CBS was reduced to 15% of gross foreign exchange inflows (before retention by foreign exchange earners) from 45% of net foreign exchange inflows.</p>
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<p><i>October 1.</i> The cash reserve ratio was increased to 5% from 2.5%, including foreign currency and pipeline deposits, which were previously excluded.</p>

SIERRA LEONE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 14, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Sierra Leone is the Sierra Leonean leone.

Exchange rate structure

Unitary.

Classification

Crawling peg

The authorities have adopted a policy of gradually adjusting the central exchange rate vis-à-vis the U.S. dollar. As a result, the exchange rate regime has been reclassified, effective January 1, 2006, to the category crawling peg from the category independently floating. Within these limits, the exchange rate of the leone is determined in the interbank market. Commercial banks and licensed foreign exchange bureaus may buy and sell foreign exchange with customers and trade freely among themselves or with the Bank of Sierra Leone (BSL). The BSL determines the exchange rate to be used in official transactions, including the rate for customs valuation purposes, which is based on the weighted average mid-rate of purchases and sales made by commercial banks and foreign exchange bureaus during the past five business days and at the weekly auction. The official buying and selling rates are set within $\pm 1\%$ of the official mid-rate. Foreign exchange bureaus are limited to spot transactions and are not allowed to sell traveler's checks. Sierra Leone participates in the W-ERM II of the WAMZ and maintains the spot exchange rate between the leone and the dollar within margins of $\pm 15\%$ around the central rate of Le 2,932.52 per \$1; however, the BSL has yet to implement these measures.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Payments for imports may be made in leones and credited to an external account in the currency of the exporting country, in pounds sterling or in dollars. Receipts from exports to countries other than China may be obtained in leones from an external account in the currency of the importing country or in any specified convertible currency.

Controls on the use of domestic currency

Commercial banks require prior approval of the BSL to extend commercial and financial credits to nonresident legal entities.

For capital transactions

Borrowing by nonresident legal entities in leones requires approval of the BSL.

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Transactions in capital and money market instruments	n.r.
Transactions in derivatives and other instruments	n.r.
Credit operations	Commercial banks require prior approval of the BSL to extend commercial and financial credits to nonresident legal entities.
Use of foreign exchange among residents	Yes.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	Bilateral payments arrangements exist with both Paris Club and non-Paris Club creditors.
Clearing agreements	The clearing arrangements within the WAMZ have been suspended and are now being reviewed.
Administration of control	The MOF formulates exchange control policy in consultation with the BSL, but the day-to-day administration of exchange control is implemented by the BSL with the assistance of the commercial banks.
Payments arrears	
Official	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents may freely purchase, hold, and sell gold coins in Sierra Leone for numismatic purposes. Also, residents and nonresidents may freely purchase, hold, or sell certain Sierra Leonean commemorative gold coins. Residents are not allowed to hold gold in the form of bars or dust without a valid miner's or dealer's license.
On external trade	Exports of gold require a license. Imports of gold in any form, other than jewelry constituting the personal effects of a traveler, require an individual import license.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	On leaving Sierra Leone, travelers may take out up to Le 50,000.
<i>Foreign currency</i>	Nonresident travelers may take out any amount of foreign currency notes they declared on arrival. Employees on official business may take out up to the amount of the per diem allowance provided for that purpose. Resident travelers may take out up to the equivalent of \$5,000 without restriction. Residents should declare on departure foreign exchange in excess of \$5,000 with supporting documents.
On imports	
<i>Domestic currency</i>	The importation of domestic banknotes is limited to Le 50,000 for each traveler.
<i>Foreign currency</i>	Commercial banks (ADs) are allowed to import foreign currency to meet their operational requirements.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted

Residents are permitted to maintain foreign currency accounts denominated in any convertible currency. These accounts, for which minimum balances vary from bank to bank, earn interest at a rate determined by the commercial banks. They may be credited with funds transferred from abroad, and balances on these accounts may be converted into leones to

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	meet the account holder's local expenditures. Transfers abroad of balances in foreign currency accounts are permitted for current international transactions without prior approval from the BSL, subject to fulfilling the regulations governing the transactions.
Held domestically	Yes.
Held abroad	No.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	The regulations governing resident accounts apply. All documented inward remittances may also be transferred abroad without reference to the BSL.
Domestic currency accounts	Accounts in leones held on behalf of diplomatic missions, UN agencies, and their accredited staff are designated as external accounts. Leone deposits into external accounts are vetted by the BSL, and credit balances on the accounts may be used for external payments without reference to the BSL.
Convertible into foreign currency	These accounts may be converted into foreign currency, but approval is required for capital transactions. All documented inward remittances, however, may be retransferred abroad.
Approval required	Yes.
Blocked accounts	Yes.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	All applications for purchases of foreign exchange to pay for imported goods must be submitted to a commercial bank in Sierra Leone and supported by the following documents: completed exchange control form, original pro forma invoice, final invoice, original bill of lading or airway bill, and preshipment inspection certificate.
Preshipment inspection	All goods exceeding the value of \$2,000 f.o.b. imported into Sierra Leone are subject to preshipment inspection and price verification by an international company appointed by the government.
Letters of credit	Payments for imports under LCs must be supported with the following documents: completed exchange control form A1 and original pro forma invoice.
Other	n.a.
Import licenses and other nontariff measures	
Negative list	All goods, except military goods, may be imported freely without a license.
Import taxes and/or tariffs	The customs tariff rates are 15% on rice and baby food, 20% on most food items, and 30% on other food items (e.g., soft drinks, beer, spirits, stout, and imported water); 5% on raw materials and petroleum products; and 20% on luxury consumer goods. Certain goods are subject to a sales tax of 15%.

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State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Exporters must repatriate export proceeds within 90 days of the date of export (approval of the BSL is required for an extension beyond 90 days). Proceeds from exports of diamonds that were prefinanced from external sources are not subject to the repatriation requirement.
Financing requirements	No.
Documentation requirements	
Guarantees	n.r.
Domiciliation	n.a.
Preshipment inspection	All exports, except those exempted by the MOF, are subject to preshipment inspection and price verification, which is undertaken by an inspection company appointed by the government. Exporters subject to inspection must pay an export inspection fee of 1% before clearing their goods through customs.
Other	All exporters of commercial goods are required to complete export forms, which must be endorsed by the exporter's commercial bank and supported by the following documents: original invoice and preshipment inspection certificate.
Export licenses	Licenses are required only for exports of gold and diamonds; these export licenses, valid for one year, are issued by the Department of Mines.
Without quotas	Yes.
Export taxes	Licensed exporters of diamonds are subject to an export tax of 3%, based on the value in dollars of the diamonds exported.
Other export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Authority to provide foreign exchange for legitimate expenses is delegated to commercial banks.
Payments for travel	
<i>Quantitative limits</i>	Residents and nonresidents may purchase from ADs cash, traveler's checks, and drafts up to \$5,000. Requests for purchases exceeding this limit must be supported by travel documents such as a ticket or passport.
Personal payments	
<i>Indicative limits/bona fide test</i>	Payment for medical treatment abroad must be remitted directly to the medical doctor or medical institution. Request for payment must be supported by a medical recommendation for treatment abroad and medical bill from the institution abroad. Payments are allowed for maintenance expenses to bona fide students and dependents up to \$10,000 (indicative limit). ADs are, however, allowed to remit payment for expenses to bona fide students and dependents above the indicative limit without restrictions. Payments for educational expenses must be remitted directly to the institutions and supported by the relevant documentation.
Foreign workers' wages	Commercial banks may make remittances in favor of nonresident employees of international institutions, agencies, or foreign nongovernmental organizations only up to the amount of

SIERRA LEONE

the remuneration package and in favor of other nonresidents when requests for such payments are supported by a valid work permit, a remuneration package agreement, and a tax clearance certificate.

<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	n.r.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	The BSL maintains controls on capital transactions. Capital inflows for investment, whether public or private, are allowed by nonresidents. The repatriation of such capital inflows for investment is also permitted through an AD. The approval of the BSL is required for outward capital investments.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Yes.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	BSL approval is required before a security registered in or outside Sierra Leone may be transferred to or purchased by a nonresident.
Sale or issue locally by nonresidents	These transactions are not permitted.
Purchase abroad by residents	Permission of the BSL is required both to purchase securities abroad and to transfer funds abroad to effect the purchase.
	All funds accruing on such investment, as well as the capital on termination of the investment, must be repatriated to Sierra Leone.
Sale or issue abroad by residents	BSL approval is required before a security registered in Sierra Leone may be transferred to or purchased by a nonresident.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	n.r.
Sale or issue locally by nonresidents	These transactions are not permitted.
Purchase abroad by residents	n.r.
Sale or issue abroad by residents	n.r.
On money market instruments	
<i>Sale or issue locally by nonresidents</i>	These transactions are not permitted.

SIERRA LEONE

<i>Purchase abroad by residents</i>	Purchases funded with domestic resources are not permitted.
<i>Sale or issue abroad by residents</i>	These transactions require BSL approval.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	n.r.
<i>Sale or issue locally by nonresidents</i>	n.r.
<i>Purchase abroad by residents</i>	Purchases with funds brought from abroad are allowed. BSL certification is required.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	These instruments are not yet available in Sierra Leone.
Controls on credit operations	
Financial credits	
<i>By residents to nonresidents</i>	Generally, BSL permission is required to grant a loan in Sierra Leone, whether by way of an advance or a bank overdraft, to nonresident entities. BSL permission is also required for nonresident entities to borrow outside Sierra Leone. In addition to the above documentation, the proposed arrangement for repayment should be provided.
<i>To residents from nonresidents</i>	BSL approval is required for the receipt of any external loan, by way of either an advance or a bank overdraft, from nonresident entities. Permission of the BSL is also required for nonresident entities to borrow outside Sierra Leone. In addition to the above, documentation for repayment should be provided.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Prior approval of the BSL should be obtained before giving or renewing any guarantee or similar undertaking, and the resident's exposure must be fully covered by the nonresident.
<i>To residents from nonresidents</i>	Prior approval of the BSL is required for these transactions and for the transfer of funds to service the facilities.
Controls on direct investment	
Outward direct investment	Investments abroad are not allowed.
Inward direct investment	All capital inflows for investment, whether public or private, are allowed by nonresidents. The repatriation of such capital inflows for investment is also permitted through an AD.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	These transactions are prohibited.
Purchase locally by nonresidents	Nonresidents may purchase real estate with funds transferred through ADs with proper documentation.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	n.r.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Commercial banks should not hold more than 25% of their deposit liabilities in foreign currency.
Borrowing abroad	These transactions are not permitted.

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Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Banks do not engage in foreign lending, and there are no regulations in this respect.
Lending locally in foreign exchange	Banks do not engage in this lending.
Purchase of locally issued securities denominated in foreign exchange	n.r.
Provisions specific to institutional investors	
Insurance companies	n.r.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement	<i>January 1.</i> The exchange rate regime was reclassified to the category crawling peg from the category independently floating.
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SINGAPORE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 9, 1968.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Measures have been taken, in accordance with the relevant UN Security Council resolutions, to freeze the accounts and assets of, and block transactions with, listed individuals and organizations associated with terrorism.

Other security restrictions

Singapore observes the import and export prohibitions covered by UN Security Council resolutions.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Singapore is the Singapore dollar.

Other legal tender

Singapore and Brunei currency notes and coins are freely interchangeable at par without charge in Singapore and Brunei Darussalam.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The authorities manage the exchange rate as an intermediate target, allowing the Singapore dollar to fluctuate within a targeted policy band. The exchange rate policy is announced every six months in the Monetary Policy Statement, typically in terms of changes to the slope of the policy band. The U.S. dollar is the intervention currency.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Banks may hedge their exchange risk through forward foreign exchange transactions.

Official cover of forward operations

n.a.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

Payments arrangements

Regional arrangements

Singapore is a member of ASEAN.

Barter agreements and open accounts

n.a.

Administration of control

Singapore has no exchange controls, although the Monetary Authority of Singapore (MAS) retains responsibility for exchange control matters.

SINGAPORE

Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	n.a.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Positive list	Yes.
Negative list	Singapore prohibits the import of some products, mainly for health, safety, and environmental reasons or under UN or other international agreements.
Open general licenses	n.a.
Licenses with quotas	n.a.

SINGAPORE

Other nontariff measures	Import restrictions and licensing are imposed to fulfill obligations under international agreements, and/or for health, safety, environmental, and national security reasons.
Import taxes and/or tariffs	Customs duties are levied on imports of beer, stout, samsoo, and medical samsoo.
State import monopoly	No.
References to legal instruments and hyperlinks	www.tradenet.gov.sg/trdnet/index.jsp?catName=7&artName=10&url=/html/31_List_of_Controlled_Goods_-_Imports.html .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Export licenses are required for certain items, such as substances that deplete the ozone layer and rubber.
Export taxes	
Other export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	Yes.

SINGAPORE

Bonds or other debt securities

Sale or issue locally by nonresidents There are no restrictions on sale and issue locally by nonresidents. However, nonresident financial entities must convert Singapore dollar proceeds obtained from Singapore dollar loans (exceeding S\$5 million), equity listings, or bond issuance into foreign currency before using them to finance activities outside Singapore.

Controls on derivatives and other instruments

No.

Controls on credit operations

Financial credits

By residents to nonresidents

Yes.

Controls on direct investment

No.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

Foreigners may freely purchase residential units in nonlanded, noncondominium developments that have fewer than six levels, excluding public housing.

Sale locally by nonresidents

n.a.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits)

Singapore dollar facilities include loans, contingent credit lines, and foreign exchange swaps involving a spot sale of Singapore dollars to a nonresident financial institution in a first leg.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Foreign currency deposits of ACU member banks accepted by domestic banks are not subject to reserve requirements.

Liquid asset requirements

Foreign currency deposits of ACU member banks accepted by domestic banks are not subject to liquid asset requirements.

Open foreign exchange position limits

No limits are set by the MAS, but it reviews the internal control systems of banks to ensure that adequate limits and controls are established for treasury activities.

Provisions specific to institutional investors

Insurance companies

Currency-matching regulations on assets/liabilities composition

Risk requirements apply. These requirements allow insurers to invest assets based on the currency of their liabilities by establishing the total risk requirement for each insurance fund and holding sufficient financial resources to maintain an adequate level of solvency. The total risk requirement includes a foreign currency mismatch risk requirement of 8% on the foreign currency risk exposure. The risk requirement applies only when foreign assets are at least 10% of the total value of insurance fund assets. Foreign currency assets that match foreign currency liabilities are excluded from the calculation of the foreign currency risk requirement. Insurers are also required to hold a concentration risk requirement if the foreign currency risk exposure exceeds 50% of total assets.

SINGAPORE

Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

SLOVAK REPUBLIC

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: October 1, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On January 27, 2006, the Slovak Republic notified the IMF that in accordance with EU regulations and relevant UN Security Council resolutions, certain restrictions are maintained on the making of payments and transfers for current international transactions with respect to the former Federal Republic of Yugoslavia (Bosnia and Herzegovina, Croatia, the former Republic of Serbia and Montenegro), the Democratic Republic of the Congo, Côte d'Ivoire, Iraq, Liberia, Myanmar, Sudan, and Zimbabwe. The restrictions also apply to transfers with respect to persons, groups, and entities associated with terrorist groups. On March 21, 2007, the Slovak Republic notified the IMF that restrictions related to freezing of funds and economic resources are also maintained with respect to certain person and entities in Belarus, Iraq, Lebanon, and the Syrian Arab Republic.

References to legal instruments and hyperlinks

Regulations of the European Council: Nos. 765/2006, 1763/2004, 1183/2005, 560/2005, 1763/2004, 1210/2003, 305/2006, 872/2004, 817/2006, 1184/2005, 305/2006, 881/2002, 2580/2001, 2488/2000, and 314/2004; Council Common Position 2006/380/CFSP of May 29, 2006, on the Application of Specific Measures to Combat Terrorism; Council Common Position 2007/140/CFSP of February 27, 2007, concerning restrictive measures against Iran; Ordinance of the Government of the Slovak Republic No. 397/2005, as amended by subsequent regulations; www.europa.eu.int/comm/external_relations/cfsp/sanctions/measures.htm; www.zbierka.sk.

Exchange Arrangement

Currency

The currency of the Slovak Republic is the Slovak koruna.

Exchange rate structure

Unitary.

Classification

Pegged exchange rate within horizontal bands

The Slovak Republic entered into the ERM II, pegging the koruna to the euro at the central rate of Sk 38.4550 per €1. Effective March 19, 2007, the ECB and the National Bank of Slovakia (NBS) established the new central rate of the Slovak koruna at Sk 35.4424 per €1. The standard fluctuation band of $\pm 15\%$ is observed around the central rate of the koruna.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

www.nbs.sk; www.eu.int.

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

SLOVAK REPUBLIC

Payments arrangements

Regional arrangements The Slovak Republic is a member of the EU.

Administration of control

The foreign exchange authorities are the MOF and the NBS. The MOF exercises jurisdiction in matters relating to other ministries and central bodies of the state administration, budgetary and subsidized state organizations, special-purpose state funds, juridical persons established by separate law who have financial ties to the state budget, and local communities and their budgetary and subsidized organizations. The MOF maintains foreign exchange records and documents pertaining to interstate negotiations on property claims and implements the results of these negotiations within the country. The NBS exercises jurisdiction over residents other than those specified above, and over nonresidents.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

No.

Controls on exports and imports of banknotes

No.

References to legal instruments and hyperlinks

Foreign Exchange Act No. 202/1995 Coll.; www.nbs.sk.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Foreign Exchange Act No. 202/1995 Coll.; www.nbs.sk.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

Foreign Exchange Act No. 202/1995 Coll.; www.nbs.sk.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

SLOVAK REPUBLIC

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

Licenses with quotas

The EU's common licensing system applies to imports of textiles originating from five countries; and steel originating from Kazakhstan, the Russian Federation, and Ukraine. The system is reapplied for textiles originating from China and suspended for those originating from the Republic of Serbia.

Other nontariff measures

The EU's common system of monitoring imports (the system of double-checking surveillance and the system of single surveillance) applies to (1) textiles originating from two countries and (2) steel originating from third countries. The application of the system is suspended for imports of textiles from Vietnam. Effective January 1, 2007, due to the enlargement of the EU, the applicable textile and steel quantitative limits were amended by Council Regulations Nos. 54/2007, 1870/2006, 1871/2006, and 1872/2006.

Import taxes and/or tariffs

Effective January 1, 2006, the EU Common Customs Tariff system, including preferential tariffs, applies. The EU's GSP applies to imports from developing countries. The availability of tariff preferences as well as their scope depend on the arrangement enjoyed by the beneficiary country. The following arrangements are available for beneficiary countries under the GSP: (1) general arrangements and special arrangements for the least developed countries and (2) special incentive arrangements for sustainable development and good governance. Imported goods are subject to a VAT, and there are excise duties on mineral oils, beer, spirits, wine, and tobacco.

State import monopoly

No.

References to legal instruments and hyperlinks

Commission Regulations Nos. 931/2005 and 1786/2006; Commission Regulations Nos. 35/2006, 1203/2006, and 1204/2006; Council Regulations Nos. 980/2005 and 1933/2006; Commission Decision 2005/924/EC; Foreign Exchange Act; www.europa.eu.int/eur-lex/JOIndex.do?ihmlang=en; www.nbs.sk.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Without quotas

Export licenses are required for (1) dangerous chemicals, narcotics, poisons, and psychotropic substances and their precursors; (2) firearms and ammunition; (3) all dual-use goods and technologies; (4) military material; and (5) chemical warfare agents.

Export taxes

No.

References to legal instruments and hyperlinks

Legal Act No. 163/2001 Coll.; Regulation (EC) No. 304/2003 of the European Parliament and of the Council concerning the export and import of dangerous chemicals; Legal Act No. 331/2005 Coll.; Order No. 380/2005 Coll.; Regulation (EC) No. 273/2004 of the European Parliament and Council on drug precursors; Council Regulation (EC) No. 111/2005 setting rules for the monitoring of trade between the Community and third countries in drug precursors; Commission Regulation (EC) No. 1277/2005 implementing rules for Regulation (EC) No. 273/2004 and for Council Regulation (EC) No. 111/2005; Legal Act No. 179/1998 Coll. on trading in military material and Amendment No. 455/1991 Coll. on small business (Trade License Law), as amended; Legal Act No. 21/2007 Coll.; Council Regulation (EC) No. 1334/2000; Legal Act No. 129/1998 Coll.; Foreign Exchange Act No. 202/1995 Coll.; www.economy.gov.sk; www.health.gov.sk; www.europa.eu.int/eur-lex/; www.nbs.sk.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Payments for travel

Quantitative limits

Official travel by employees of budgetary and subsidized organizations is subject to allowances, depending on the country of destination. The MOF of the Slovak Republic is responsible for determining the rate of allowance in foreign exchange. The rate of allowance changes annually.

References to legal instruments and hyperlinks

Decree No. 712 of the Ministry of Finance of the Slovak Republic; www.finance.gov.sk; Order of the Ministry of Finance according to paragraph 13 of Act No. 283/2002 Coll. on travel compensation and on Amendment and Supplement to Some Acts.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

Foreign Exchange Act No. 202/1995 Coll.; www.nbs.sk.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

No.

Controls on capital and money market instruments

Effective January 1, 2006, the Financial Market Authority merged with the NBS.

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Controls apply to the purchase of shares or other securities of a participating nature that may be affected by regulations on inward direct investment in air transport and gambling. A license for the operation of a gambling establishment by legal persons with foreign participation may be granted or issued only to legal persons with a registered office or permanent residence in a member state of the EU or a member state of the OECD.

Bonds or other debt securities

Sale or issue abroad by residents

n.r.

On collective investment securities

Sale or issue locally by nonresidents

Effective January 1, 2006, nonresidents from EEA member countries selling UCITS-compliant products may perform this activity after notifying the NBS. Nonresidents from non-EEA countries, and nonresidents from EEA countries selling non-UCITS products, may perform this activity through establishment of a branch in the Slovak Republic or on an agreement basis without establishing a branch, provided they receive authorization from the NBS.

Controls on derivatives and other instruments

No.

Controls on credit operations

No.

Controls on direct investment

Inward direct investment

Controls apply to (1) the establishment of branches by nonresidents in the energy sector. Business in the energy sector may be conducted only on the basis of a license issued by the

SLOVAK REPUBLIC

Regulatory Office for Network Industries. The regulation does not differentiate between residents and nonresidents. A legal person to whom a license is granted must, among other obligations defined in the regulation, designate a competent representative who is a natural person responsible for the professional conduct of an activity licensed under this regulation; (2) the operation of a gambling establishment, for which an authorization may be granted to legal persons with a registered office or permanent residence in an EU or OECD member state; and (3) the purchase of more than 50% of the equity capital in air transportation companies by nonresidents from non-EU countries.

Controls on liquidation of direct investment

n.r.

Controls on real estate transactions

Purchase locally by nonresidents

Controls apply to foreign ownership of rights to land forming part of an agricultural land fund and real estate subject to separate regulations. Nonresidents may not acquire ownership rights to land that forms part of (1) the agricultural land fund located outside the border of the built-up area of a municipality or (2) the forest land fund located outside the border of a built-up area of a municipality. These limitations do not apply to nonresidents who inherit the property or to nonresidents who are citizens of the Slovak Republic and citizens of a member state of the EU and have the right to temporary residence on the basis of registration, in the case of the acquisition of ownership rights to land that forms part of the agricultural land fund and that has been managed by the person for at least three years following the accession of the Slovak Republic to the EU.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

Act No. 171/2005 Coll. on Gambling Games and Supplement to Some Acts; Act No. 594/2003 Coll. on Collective Investment; Act No. 656 in the Collection of Laws of October 26, 2004, on Energy and consequential amendments; Foreign Exchange Act No. 202/1995 Coll.; www.nbs.sk; www.finance.gov.sk; www.economy.gov.sk.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Banks must conduct their activities in accordance with their banking license.

Borrowing abroad

Borrowing is allowed in accordance with a banking license.

Maintenance of accounts abroad

Maintenance of accounts abroad is allowed in accordance with a banking or foreign exchange license.

Lending to nonresidents (financial or commercial credits)

Lending is allowed with a banking license.

Lending locally in foreign exchange

Lending is allowed in accordance with a banking license.

Purchase of locally issued securities denominated in foreign exchange

n.r.

Investment regulations

Abroad by banks

A foreign exchange permit from the NBS is required when a banking license does not include acquisition of real estate abroad or dealing in foreign securities, except for foreign direct investment in an OECD or EEA member country. Banks may not invest more than 15% of their cash reserves in a foreign company abroad, nor may the total of all investments in foreign companies abroad exceed 60% of a bank's own funds.

In banks by nonresidents

The same regulations apply to both residents and nonresidents. Six categories—5%, 10%, 20%, 33%, 50%, and 66%—for investment are defined, for which investors are required to obtain NBS approval.

Open foreign exchange position limits

Effective March 30, 2007, the open foreign exchange positions are regulated in accordance with the Act on Banks and Decree No. 4/2007 issued by the NBS.

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Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Currency-matching regulations on assets/liabilities composition

Insurance companies must conduct their activities in accordance with their insurance license.

There are some specific limits for certain assets, including securities issued either by residents or nonresidents covering technical provisions, except unit-linked provisions.

Currency-matching rules apply only for assets covering technical provisions, except unit-linked provisions. Insurance companies are not required to cover their technical provisions, including mathematical provisions, if compliance with the currency rules would result in holding assets in a currency not exceeding 7% of the assets in other currencies, or where commitments are payable in a currency other than the currency of one of the EU member states, if (1) investments in that currency are regulated; (2) the currency is subject to transfer restrictions; or (3) for similar reasons, it is not suitable for covering technical provisions. Insurance companies are authorized not to hold matching assets to cover an amount not exceeding 20% of their commitments in a particular currency. However, total assets in all currencies combined must be at least equal to total commitments in all currencies combined.

Pension funds

Limits (max.) on securities issued by nonresidents

Limits (max.) on investment portfolio held abroad

The value of securities or money market instruments issued by nonresidents and of deposits in banks or foreign banks established abroad may not exceed 70% of the value of assets of the pension fund in a pension asset management company.

The value of securities or money market instruments issued by nonresidents and of deposits in banks or foreign banks established abroad may not exceed 70% of the value of assets of the pension fund in a pension asset management company.

References to legal instruments and hyperlinks

Act on Banks No. 483/2001; Act No. 95/2002 Coll. on Insurance and on Amending, as amended; Act No. 381/2001 Coll. on Compulsory Contractual Insurance against Civil Liability with Respect to the Use of Motor Vehicles, as amended; Decree No. 39/2005 Coll. on Setting the Limits for Assets Covering Technical Provisions in Insurance; Act No. 43/2004 Coll. on Old-Age Pension Savings and on Amendment of Certain Laws, as amended by later regulations; Act No. 650/2004 Coll. on Complementary Pension Savings and on Amendment of Certain Laws, as amended by later regulations; Act No. 594/2003 Coll. on Collective Investment and on Amendment of Certain Laws, as amended; Foreign Exchange Act No. 202/1995 Coll.; www.nbs.sk.

Changes during 2006

Exchange measures

January 27. The authorities notified the IMF that certain restrictions were imposed for national and international security and to protect against financing terrorism.

Imports and import payments

January 1. The EU Common Customs Tariff system, including preferential tariffs, went into effect. The new GSP of the EU applies to imports from developing countries. The availability of tariff preferences as well as their scope depend on the arrangement enjoyed by the beneficiary country.

Capital transactions

Controls on capital and money market instruments

January 1. Nonresidents from EEA member countries selling UCITS-compliant products may perform this activity after notifying the NBS. Nonresidents from non-EEA countries, and nonresidents from EEA countries selling non-UCITS products, may perform this activity through establishment of a branch in the Slovak Republic or on an agreement basis without establishing a branch, provided they receive authorization from the NBS.

January 1. The FMA merged with the NBS.

Changes during 2007

Exchange measures

March 21. The authorities notified the IMF that certain restrictions related to the freezing of funds and economic resources were imposed against Belarus, Iraq, Lebanon, and the Syrian Arab Republic.

SLOVAK REPUBLIC

Exchange arrangement

March 19. The ECB and the NBS established the new central rate of the Slovak koruna at Sk 35.4424 per €1.

Imports and import payments

January 1. Due to the enlargement of the EU, the applicable textile and steel quantitative limits were amended by Council Regulations Nos. 54/2007, 1870/2006, 1871/2006, and 1872/2006.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

March 30. The open foreign exchange positions are regulated in accordance with the Act on Banks and Decree No. 4/2007 issued by the NBS.

SLOVENIA

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: September 1, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Exchange restrictions have been imposed in accordance with EU regulations and UN Security Council resolutions.

Other security restrictions

In accordance with relevant UN Security Council resolutions and/or EU legal acts, Slovenia maintains certain restrictions on and/or has frozen the funds and other economic resources of Al-Qaida members, the Taliban, certain persons associated with the former government of Iraq, as well as certain persons from Belarus (effective May 20, 2006), Bosnia and Herzegovina, Côte d'Ivoire, Croatia, the Democratic Republic of the Congo, Lebanon (effective February 22, 2006), Liberia, Myanmar, the former Republic of Serbia and Montenegro, Sudan, the Syrian Arab Republic (effective February 22, 2006), and Zimbabwe.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

Effective January 1, 2007, the currency of Slovenia is the euro (previously, the Slovenian tolar).

Exchange rate structure

Unitary.

Classification

Independently floating

Effective July 10, 2006, the EU approved the rate of SIT 239.640 per €1 as the tolar-euro exchange rate applicable for Slovenia's joining the euro zone. Effective January 1, 2007, Slovenia participates in a currency union (EMU) with 12 other members of the EU and has no separate legal tender. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category of independently floating from the category of exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

References to legal instruments and hyperlinks

n.a.

SLOVENIA

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents

The use of foreign currencies to settle transactions among residents is not permitted, except (1) the Bank of Slovenia (BOS) may buy and sell foreign exchange in transactions with the government and commercial banks, (2) natural persons may conduct foreign exchange transactions with banks or foreign exchange offices at freely negotiated rates, (3) licensed banks may conduct foreign exchange transactions among themselves, and (4) juridical persons may conduct foreign exchange transactions with banks.

Payments arrangements

Bilateral payments arrangements

Inoperative

Slovenia maintains a payments agreement with the former Yugoslav Republic of Macedonia. A cross-border trade agreement with Italy is inoperative.

Regional arrangements

Slovenia is a member of the EU.

Administration of control

Exchange control is exercised by (1) the BOS on the foreign exchange operations of banks and foreign exchange offices; (2) the Foreign Exchange Inspectorate within the MOF on foreign exchange and foreign trade operations of natural and juridical persons other than banks; and (3) the customs authorities, who verify that the necessary conditions are met for cross-border transfers of goods, banknotes, securities, and gold.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

n.r.

Controls on exports and imports of banknotes

Effective January 1, 2007, in accordance with the Law on the Prevention of Money Laundering, imports and exports of banknotes and securities exceeding the equivalent of €12,519 (previously, the equivalent of SIT 3 million) must be reported to the customs authorities.

References to legal instruments and hyperlinks

www.gov.si/mf/angl/zakon/azakon.htm.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

All residents may open and operate foreign exchange accounts without restriction on proof of identity.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

www.gov.si/mf/angl/zakon/azakon.htm.

Nonresident Accounts

Foreign exchange accounts permitted

All nonresidents may open and operate accounts without restriction on proof of identity.

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Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	In accordance with UN Security Council resolutions and relevant EU legal acts, Slovenia maintains certain restrictions on and/or has frozen the funds and other economic resources of Al-Qaida members, the Taliban, certain persons associated with the former government of Iraq, as well as certain persons from Belarus (effective May 20, 2006), Bosnia and Herzegovina, Côte d'Ivoire, Croatia, the Democratic Republic of the Congo, Lebanon (effective February 22, 2006), Liberia, Myanmar, the former Republic of Serbia and Montenegro, Sudan, the Syrian Arab Republic (effective February 22, 2006), and Zimbabwe.
References to legal instruments and hyperlinks	Council Regulation (EC) No. 1763/2004 (OJ L 315, 14.10.2004, p. 14); http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_315/l_31520041014en00140023.pdf ; Council Regulation (EC) No. 1183/2005 (OJ L 193, 23.7.2005, p. 1); http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_193/l_19320050723en00010008.pdf ; Council Regulation (EC) No. 560/2005 (OJ L 95, 14.4.2005, p. 1); http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_095/l_09520050414en00010008.pdf ; Council Regulation (EC) No. 1210/2003 (OJ L 169, 8.7.2003, p. 6); http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_169/l_16920030708en00060023.pdf ; Council Regulation (EC) No. 872/2004 (OJ L 162, 30.4.2004, p. 32); http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_162/l_16220040430en00320037.pdf ; Council Regulation (EC) No 817/2006 (OJ L 148, 2.6.2006, p. 1); http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:148:0001:0029:EN:PDF ; Council Regulation (EC) No. 1184/2005 (OJ L 193, 23.7.2005, p. 9); http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_193/l_19320050723en00090016.pdf ; Council Regulation (EC) No. 881/2002 (OJ L 139, 29.5.2002, p. 9); http://europa.eu.int/eur-lex/pri/en/oj/dat/2002/l_139/l_13920020529en00090022.pdf ; Council Regulation (EC) No. 2580/2001 (OJ L 344, 28.12.2001, p. 70); http://europa.eu.int/eur-lex/pri/en/oj/dat/2001/l_344/l_34420011228en00700075.pdf ; Council Regulation (EC) No. 314/2004 (OJ L 55, 24.2.2004, p. 1); http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_055/l_05520040224en00010013.pdf ; The Foreign Exchange Act; www.gov.si/mf/slov/di/zakonodaja.htm ; Council Regulation (EC) No. 765/2006 (OJ L 134, 20.5.2006, p. 1); http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:134:0001:0011:EN:PDF ; Act Relating to Restrictive Measures Introduced or Implemented in Compliance with Legal Instruments and Decisions Adopted within International Organizations; http://www.uradni-list.si/_pdf/2006/Ur/u2006127.pdf ; Payment Transactions Act; www.gov.si/mf/slov/fin_sist/predpisi.htm#placilni_promet .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Licensing requirements in the form of permits, for the purpose of controlling items that affect security and public health, have been retained for specific groups of goods (seeds and planting materials of agricultural and forest plants, materials for breeding animals, pharmaceutical products, military equipment, waste, toxic and explosive substances, and precious metals), as well as original sculptures, statues, and antiques, in accordance with international conventions and codes.
Licenses with quotas	Slovenia, as a member of the EU, maintains a system of import quotas applicable to certain steel products from Kazakhstan, the Russian Federation, and Ukraine. Quotas on textile and clothing products have been lifted on imports of textiles and clothing products from WTO countries, except for China. On the basis of a memorandum of understanding between the EU and China, quotas are in force for 10 categories of textiles and clothing originating from China until the end of 2007. Textile and clothing quotas are also in force for imports of different categories from non-WTO member countries: currently, Belarus, the Democratic

SLOVENIA

Import taxes and/or tariffs	People's Republic of Korea, Kosovo, and the Republic of Montenegro. Import authorizations are issued by the Customs Office on the approval of the European Commission that the quotas are still available.
State import monopoly	No.
References to legal instruments and hyperlinks	The relevant EU regulations apply.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Exports are not restricted, except for certain items that are subject to licensing for security or health reasons in accordance with international conventions and codes.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	The relevant EU regulations apply.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On collective investment securities	
<i>Sale or issue locally by nonresidents</i>	The following may sell investment coupons: (1) Slovene mutual funds; (2) a mutual fund from an EU member state, if the company that manages the mutual fund in that member

SLOVENIA

	<p>state is authorized to sell units of the mutual fund in the Republic of Slovenia; and (3) a foreign mutual fund, if the foreign management company that manages the mutual fund has acquired the authorization of the Securities Market Agency (SMA) to establish a subsidiary and is, pursuant to the Investment Funds and Management Companies Act, authorized to sell units of this mutual fund in the Republic of Slovenia.</p>
<i>Sale or issue abroad by residents</i>	<p>No restrictions apply on sales of investment coupons in the EU. Domestic management companies may provide services for the management of investment funds (including marketing of investment funds and selling of investment coupons and/or investment fund shares) through either their branches or a person who has been authorized by the management company to manage investment funds. SMA permission is required for the establishment of a branch abroad.</p>
Controls on derivatives and other instruments	<p>No.</p>
Controls on credit operations	<p>No.</p>
Controls on direct investment	
Inward direct investment	<p>Direct investments by nonresidents in entities engaged in production or trade of military equipment require a government license (Foreign Exchange Act, Article 22).</p>
Controls on liquidation of direct investment	<p>The transfer of proceeds is free of controls after all tax obligations in Slovenia have been met.</p>
Controls on real estate transactions	
Purchase locally by nonresidents	<p>Foreigners may acquire the right to own real estate pursuant to the provisions of a law or an international agreement that has been ratified by the national assembly. No restrictions apply to EU residents. Foreign states may also acquire the right to own real estate used for diplomatic and consular purposes under the condition of reciprocity.</p>
Controls on personal capital transactions	<p>No.</p>
References to legal instruments and hyperlinks	<p>The Constitution of the Republic of Slovenia: www.us-rs.si/en/index.php?sv_path=6,17; The Securities Market Act: www.gov.si/mf/slov/fin_sist/predpisi.htm#fin_instrumenti; Payment Transactions Act: www.gov.si/mf/slov/fin_sist/predpisi.htm#placilni_promet; The Law on Banking: www.gov.si/mf/slov/fin_sist/predpisi.htm#Banka; The Foreign Exchange Act: www.gov.si/mf/slov/di/zakonodaja.htm.</p>

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

The required reserve ratios for deposits in foreign currency and in euros (effective January 1, 2007, previously tolar) are unified at 2% for deposits with a maturity up to two years, and zero for longer maturities.

Investment regulations

Abroad by banks

Prior to acquiring a qualifying holding in another bank or another financial organization with a head office outside Slovenia and outside EU member states, a bank must notify the BOS in writing of the intent to acquire (at least three months before acquisition) (Article 196 of the Banking Act).

In banks by nonresidents

BOS approval is required for the acquisition of a qualified holding (Article 45 of the Banking Act).

SLOVENIA

Provisions specific to institutional investors

Insurance companies

Limits (max.) on investment portfolio held abroad

Insurance undertakings may invest cover assets in the whole territory of signatory states of the EEA Agreement. Insurance undertakings may, in connection with insurance to cover risks in the territory of a state that is not a signatory of the EEA Agreement, invest cover assets in the territory of such state. With the approval of the Insurance Supervisory Agency, investments in other countries are also allowed (Article 121 of the Insurance Act).

Currency-matching regulations on assets/liabilities composition

An 80% currency matching requirement applies for insurance companies.

References to legal instruments and hyperlinks

The Banking Act: www.gov.si/mf/slov/fin_sist/predpisi.htm#Banka; Bank of Slovenia Act: www.gov.si/mf/slov/fin_sist/predpisi.htm#Banka; Insurance Act: www.gov.si/mf/slov/fin_sist/predpisi.htm#Zavarovalnistvo.

Changes during 2006

Exchange measures

February 22. Freezing of funds and economic resources was introduced by relevant EU regulations in accordance with UN Security Council resolutions for certain persons from Lebanon and the Syrian Arab Republic.

May 20. Freezing of funds and economic resources was introduced by relevant EU regulations for certain persons from Belarus.

Exchange arrangement

July 10. The EU approved the rate of SIT 239.640 per €1 as the tolar-euro exchange rate applicable for Slovenia's joining the euro area.

Nonresident accounts

February 22. Freezing of funds and economic resources was introduced by relevant EU regulations in accordance with UN Security Council resolutions for certain persons from Lebanon and the Syrian Arab Republic.

May 20. Freezing of funds and economic resources was introduced by relevant EU regulations for certain persons from Belarus.

Changes during 2007

Exchange arrangement

January 1. Slovenia participates in a currency union (EMU) with 12 other members of the EU: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain.

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

January 1. Slovenia adopted the euro as its official currency.

Arrangements for payments and receipts

January 1. In accordance with the Law on the Prevention of Money Laundering, imports and exports of banknotes and securities exceeding the equivalent of €12,519 (previously, the equivalent of SIT 3 million) must be reported to the customs authorities.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 1. The required reserve ratios for deposits in foreign currency and in euros (previously, tolar) were unified at 2% for deposits with a maturity up to two years, and zero for longer maturities.

SOLOMON ISLANDS

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 24, 1979.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of the Solomon Islands is the Solomon Islands dollar.
Exchange rate structure	Unitary.
Classification	
Conventional pegged arrangement	The Solomon Islands dollar has been broadly stable vis-à-vis the U.S. dollar. The Central Bank of the Solomon Islands (CBSI) determines the exchange rate of the Solomon Islands dollar on the basis of the value of a basket of foreign currencies, and provides the commercial banks with daily limits on the buying and selling rates for the U.S. dollar in transactions with the CBSI and the public. Commercial banks in the Solomon Islands are free to determine their exchange rates for all other foreign currencies, except for the Australian dollar and the U.S. dollar for which the CBSI sets limits.
Exchange tax	A tax of SIs3 is levied on sales of foreign exchange exceeding SIs3,000.
Exchange subsidy	No.
Forward exchange market	Commercial banks may enter into forward contracts with residents of the Solomon Islands in any currency.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	Contractual commitments in a foreign currency to nonresidents may be met by payments only in the currency specified in the contract. Export proceeds may be received in any foreign currency or in Solomon Islands dollars from an account of an overseas bank with a branch in the Solomon Islands.
Controls on the use of domestic currency	
<i>For current transactions and payments</i>	Yes.
<i>For capital transactions</i>	n.a.
Use of foreign exchange among residents	n.a.

SOLOMON ISLANDS

Payments arrangements

Regional arrangements The Solomon Islands participates in the Melanesian Spearhead Group Trade Agreement, PACER, and PICTA.

Administration of control

Exchange control is administered by the CBSI through the Foreign Exchange Control Regulations. The CBSI delegates extensive powers to commercial banks, which have been appointed ADs in foreign exchange and may approve certain transactions. Effective May 23, 2006, commercial banks may approve applications for payments of up to SI\$50,000 or the equivalent (previously, SI\$25,000) for all trade-related payments and up to SI\$30,000 (previously, SI\$25,000) for all services and personal remittances. All other bona fide requests for foreign exchange require CBSI approval.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Only nationals of the Solomon Islands may be granted a license to pan for alluvial gold. The CBSI is authorized to buy, sell, and hold gold but has not yet undertaken any such transactions. Commercial mining companies require a license from the Ministry of Natural Resources (MONR) to mine gold.

On external trade

Commercial banks and all other residents are required to obtain a permit issued by the MONR to mine, buy, or export gold.

Controls on exports and imports of banknotes

On exports

Domestic currency

Travelers may not take out amounts in excess of SI\$250 without the approval of the CBSI, which is not normally given.

On imports

Foreign currency

Nonresidents visiting the Solomon Islands may bring in any amount of currency for travel costs.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Resident companies may obtain CBSI approval to hold these accounts when there is a genuine need. Exporters are allowed to hold 20% of their export proceeds in foreign currency accounts. Accounts may be opened only in one currency, which is chosen by the exporter.

Held domestically

These accounts are permitted, but approval is required.

Approval required

Yes.

Held abroad

These accounts are permitted, but approval is required.

Approval required

Yes.

Accounts in domestic currency held abroad

These accounts are permitted, but approval is required.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

SOLOMON ISLANDS

Nonresident Accounts

Foreign exchange accounts permitted	Foreign exchange accounts may be held, but proof of bona fide need is required.
Approval required	Yes.
Domestic currency accounts	These accounts may be held only at authorized foreign exchange dealers.
Convertible into foreign currency	Balances may be transferred abroad with the approval of the CBSI or an AD.
Approval required	CBSI approval is required for these accounts to be credited from Solomon Islands sources.
Blocked accounts	No mechanism exists for these accounts.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Letters of credit	Yes.
Import licenses used as exchange licenses	n.a.
Other	Yes.
Import licenses and other nontariff measures	No.
Import taxes and/or tariffs	The maximum import duty is 20%. There is no duty on imports from Melanesian countries.
Taxes collected through the exchange system	A tax of S\$3 is levied on sales of foreign exchange exceeding S\$3,000.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds must be received within three months of the date of export.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Export proceeds must be sold promptly to an AD; exporters are allowed to retain 20% of their export earnings.
Financing requirements	No.
Documentation requirements	
Letters of credit	Yes.
Preshipment inspection	Goods for export are inspected by customs officers.
Export licenses	Residents may export goods, except for round logs, without exchange control formalities, but they must comply with the terms of a general authorization facilitated and issued by the Customs Division (CD), effective July 18, 2006 (previously, by the CBSI). Exports of round

SOLOMON ISLANDS

	logs require specific authorization from the CBSI and a market price certificate issued by the Ministry of Forestry, Conservation, and Environment.
Without quotas	If exporters cannot meet the conditions of a general authorization (repatriation, surrender, or market-level price requirements), they must apply to the CBSI for specific authorization. Authorization is not needed for goods valued under SI\$250 in any one consignment or for certain exempt categories of goods, including most personal effects of individual travelers.
Export taxes	Exports of logs are subject to an export duty of 25%. If the value is greater than SI\$550 a cubic meter, the marginal tax rates range from 40% to 60%.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Investment-related payments

<i>Prior approval</i>	Approval is readily granted for the repayment of loans contracted overseas and for payments of services and remittances of dividends, profits, and other earnings accruing to nonresidents from companies in the Solomon Islands on submission of proof of the transaction.
<i>Quantitative limits</i>	Limits on the amortization of loans or depreciation of direct investments are based on the previously approved repayment schedule.
<i>Indicative limits/bona fide test</i>	Yes.

Payments for travel

<i>Prior approval</i>	Approval is normally granted for the purchase of foreign currency for travel. Applications for travel funds must be submitted to an AD, and passports and airline tickets must be presented.
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Personal payments

<i>Prior approval</i>	Approval is readily granted. For medical expenses, the application must be supported by an invoice or certification from the provider of the medical services; for studies abroad, from an educational institution.
<i>Indicative limits/bona fide test</i>	Yes.

Foreign workers' wages

<i>Prior approval</i>	Approval is readily granted for the remittance of funds of temporary residents.
<i>Indicative limits/bona fide test</i>	Yes.

Credit card use abroad

<i>Prior approval</i>	Yes.
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Other payments

<i>Prior approval</i>	Approval is required, but it is readily granted on submission of supporting documents.
<i>Indicative limits/bona fide test</i>	Yes.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
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SOLOMON ISLANDS

Surrender requirements	
<i>Surrender to authorized dealers</i>	Approval is required for the disposal of proceeds, other than through sale to an AD.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	CBSI approval is required for all capital and money market transactions.
Controls on derivatives and other instruments	There are controls on all transactions in derivatives and other instruments.
Controls on credit operations	Only the acceptance of guarantees, securities, and financial backup facilities from nonresidents is free of controls.
Commercial credits	Controls apply to all these transactions.
Financial credits	Controls apply to all these transactions.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Yes.
Controls on direct investment	
Outward direct investment	Investment by resident individuals or by companies and other organizations operating in the Solomon Islands is subject to certain conditions, including the likelihood of benefit to the Solomon Islands.
Inward direct investment	Approval by the Investment Division of the Department of Commerce and Industry is required for initial or increased foreign investment.
Controls on liquidation of direct investment	Approval is readily granted for the transfer of proceeds. Sales of investments by nonresidents to either residents or nonresidents require FIB approval.
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Controls on personal capital transactions	Controls apply to all personal and capital transactions except for the transfer of assets into the country by immigrants.
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Yes.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

SOLOMON ISLANDS

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Yes.

Lending to nonresidents (financial or commercial credits) Yes.

Lending locally in foreign exchange Yes.

Purchase of locally issued securities denominated in foreign exchange Yes.

Differential treatment of deposit accounts in foreign exchange

Liquid asset requirements The liquid asset requirement is 7.5%.

Differential treatment of deposit accounts held by nonresidents

Reserve requirements Yes.

Liquid asset requirements Yes.

Investment regulations

Abroad by banks Yes.

Open foreign exchange position limits Effective July 18, 2006, the limit on overnight positions of each commercial bank is SI\$5 million (previously, SI\$3 million).

Provisions specific to institutional investors

Insurance companies must obtain permission from the commissioner of insurance to remit reinsurance premiums abroad.

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Arrangements for payments and receipts

May 23. The limit on the amount of payments that commercial banks may approve was increased to SI\$50,000 from SI\$25,000 for all trade-related payments and to SI\$30,000 from SI\$25,000 for all services and personal remittances.

Exports and export proceeds

July 18. All general authorization for exports is to be facilitated and issued by the CD and no longer requires CBSI approval.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions *July 18.* The limit on overnight foreign exchange positions of each commercial bank was increased to SI\$5 million from SI\$3 million.

SOMALIA

(Position as of December 31, 1989)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices n.a.

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Somalia is the Somali shilling.

Exchange rate structure

Dual There are two exchange markets: (1) The official market comprises the Central Bank of Somalia (CBS) and two commercial banks operating as ADs. The rate in this market applies to imports of goods and services and debt-service payments of the government. (2) There is also a free market, in which the exchange rate is negotiated freely between resident holders of foreign exchange accounts, i.e., export/import accounts and external accounts.

Classification

Independently floating The exchange rate of the shilling is determined by supply and demand in the foreign exchange market.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements with other countries must be made in shillings or in specified currencies (Djibouti francs, euros, Kuwaiti dinars, Saudi Arabian riyals, Swiss francs, U.A.E. dirhams, pounds sterling, and dollars). Residents are not permitted to make settlements with Israel.

Controls on the use of domestic currency n.a.

Use of foreign exchange among residents n.a.

Payments arrangements n.a.

Administration of control Exchange licensing is the responsibility of the CBS.

Payments arrears n.a.

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Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Residents may hold and acquire, for numismatic purposes only, gold coins that are not legal tender in any country. With this exception, residents other than the monetary authorities and authorized industrial users are not allowed to hold or acquire gold in any form other than jewelry.

On external trade

Imports and exports of gold in any form other than jewelry require the permission of the CBS; permission is not normally granted except for imports and exports by, or on behalf of, the monetary authorities and industrial users. Gold imported by jewelers must be melted down within one month to a fineness of not more than 22 karats. Imports of gold that originate in member countries of the EU are exempt from customs duty; imports from elsewhere are subject to a 10% duty.

Controls on exports and imports of banknotes

On exports

Domestic currency

n.a.

On imports

Domestic currency

Nonresidents may bring in with them up to So. Sh. 1,000. Nonresident Somalis and foreign national travelers without diplomatic status are required, on their arrival in Somalia, to convert at least \$100 or its equivalent to shillings at the airport branch of the Commercial and Savings Bank, which acts on behalf of the CBS.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

These accounts may be credited with foreign exchange transferred from abroad and may be debited for any external payment. Residents may transfer funds to other external accounts. Funds in these accounts may be used for invisible payments as well as for merchandise import payments. All transactions between residents and nonresidents taking place through external accounts are effected at the official exchange rate.

Exporters of goods and services may deposit 40% of their foreign exchange proceeds from exports into export/import accounts. Funds in these accounts may be sold to importers holding export/import accounts and may be used only for payments for merchandise imports.

Held domestically

Yes.

Held abroad

No.

Approval required

n.a.

Accounts in domestic currency held abroad

n.a.

Accounts in domestic currency convertible into foreign currency

n.a.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresident accounts in foreign currency and external accounts in dollars may be opened with the CBS by foreign embassies, international institutions, and nonresidents.

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Domestic currency accounts	n.a.
Convertible into foreign currency	n.a.
Approval required	n.a.
Blocked accounts	n.a.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	All payments for private imports must be effected through LCs. Private importers may establish LCs for imports at a commercial bank on the basis of foreign exchange made available for that purpose through a foreign currency account with the commercial bank; in these cases, the foreign exchange involved is kept in a suspense account until the time of settlement of the LCs.
Advance payment requirements	Yes.
Advance import deposits	A non-interest-bearing cash advance deposit of 100% is required to open LCs for private sector imports; the deposit is retained until the LCs are settled.
Documentation requirements for release of foreign exchange for imports	
Letters of credit	Yes.
Import licenses used as exchange licenses	n.a.
Other	n.a.
Import licenses and other nontariff measures	Imports of alcohol, tobacco and tobacco products, crude oil and petroleum products, medical and pharmaceutical products, explosives, precious metals, jewelry, and minerals are subject to prior approval. All other items, except those prohibited for reasons of public safety and social policy, may be imported freely.
Negative list	Yes.
Open general licenses	n.a.
Licenses with quotas	n.a.
Other nontariff measures	Imports of goods originating in, or shipped from, Israel and South Africa are prohibited.
Import taxes and/or tariffs	
Taxes collected through the exchange system	n.a.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

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Exports and Export Proceeds

Repatriation requirements	All proceeds must be repatriated.
Surrender requirements	Exporters of bananas and livestock may retain 40% of their foreign exchange receipts in export/import accounts and must surrender the remainder to the CBS or to ADs. Exporters of nontraditional goods may retain 70% of their export earnings.
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Yes.
Financing requirements	n.a.
Documentation requirements	
Letters of credit	n.a.
Guarantees	n.a.
Domiciliation	n.a.
Preshipment inspection	n.a.
Other	An advance payment deposit of 100% of the value of exports is required for exports other than those made under LC arrangements.
Export licenses	Exports and reexports to Israel are prohibited. Bananas are exported only by SOMALFRUIT. Exports of various types of ivory, hides and skins, and minerals are subject to prior approval.
Without quotas	Yes.
With quotas	n.a.
Export taxes	A tax of 25% is levied on exports of livestock on the basis of minimum export prices used for purposes of duty collection.
Collected through the exchange system	n.a.
Other export taxes	n.a.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments to Israel are prohibited. To prevent unauthorized capital transfers, payments for current invisibles through external accounts, as well as through the sale of foreign exchange by commercial banks for their own account, are subject to licensing.
Trade-related payments	
<i>Prior approval</i>	Yes.
Investment-related payments	Information is not available on the payment of amortization of loans and depreciation of direct investments.
<i>Prior approval</i>	Yes.
Payments for travel	The CBS provides foreign exchange only for official travel expenses. Foreign exchange for private travel expenses may be purchased only from holders of external accounts, with the approval of the CBS.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	There is a limit of the equivalent of \$200 a person a trip for business and tourist travel.
<i>Indicative limits/bona fide test</i>	The CBS may approve applications for larger amounts in exceptional cases.

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Personal payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	The limit is the equivalent of \$3,000 a year for medical expenses. The limit is \$1,000 a year for studies abroad.
<i>Indicative limits/bona fide test</i>	The CBS may approve applications for larger amounts in exceptional cases for medical expenses and study abroad.
Foreign workers' wages	Up to 50% of salaries, wages, gratuities, and allowances paid in Somalia to foreign personnel by enterprises registered under the Foreign Investment Law may be transferred.
<i>Quantitative limits</i>	Yes.
Credit card use abroad	n.a.
Other payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Information is not available on the payment of subscriptions and membership fees.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisibles must be repatriated and declared.
Surrender requirements	Exporters of services may retain up to 40% of their foreign exchange receipts in external accounts; they must surrender the remainder to the CBS or to ADs within five business days of receipt.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	n.a.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Capital transactions are subject to licensing unless they are authorized by the Foreign Investment Law.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	n.a.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	n.a.

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On money market instruments

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

On collective investment securities

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Controls on derivatives and other instruments

n.a.

Controls on credit operations

There are controls on all credit operations.

Controls on direct investment

Outward direct investment

Yes.

Inward direct investment

Investments must be approved by the Foreign Investment Board (FIB), which reviews within a 60-day period proposals on a case-by-case basis.

Controls on liquidation of direct investment

Foreign investment (original investment plus any profit reinvested) may be repatriated five years from the date of the registration of the original investment. Repatriation may be effected in convertible currency or, at the investor's option, in the form of physical assets. The FIB may reduce the above-mentioned five-year period. Capital gains resulting from the sale of shares or liquidation of assets may be transferred after taxes are paid.

Controls on real estate transactions

Purchase abroad by residents

Yes.

Controls on personal capital transactions

n.a.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

n.a.

Provisions specific to institutional investors

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 1990–2006

The information provided on the exchange and trade system of Somalia is tentative, as the IMF has not had any official contact with the authorities since March 1990.

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(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 15, 1973.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions South Africa maintains restrictions on current payments and transfers to the Democratic Republic of the Congo, Côte d'Ivoire, Iraq, Liberia, and Sudan, as well as on the transfer of funds to the Taliban, in accordance with UN Security Council resolutions.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of South Africa is the South African rand.

Other legal tender Certain gold coins, including the Krugerrand, are legal tender.

Exchange rate structure Unitary.

Classification

Independently floating The exchange rate of the rand is determined by demand and supply in the foreign exchange market.

Exchange tax No.

Exchange subsidy No.

Forward exchange market ADs are permitted to conduct forward exchange operations, including cover for transactions by nonresidents (although this is subject to certain limitations). They are also permitted to provide forward exchange cover in any foreign currency to residents for any firm and ascertained foreign exchange commitments, and accruals due to or from nonresidents arising from authorized trade and nontrade transactions. Forward exchange contracts may cover the entire period of the outstanding commitments or accruals.

Official cover of forward operations The South African Reserve Bank (SARB) does not participate in the provision of forward cover. For the purpose of managing domestic money market liquidity, it may conduct short-term foreign exchange swaps with ADs.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements All countries outside the CMA constitute the nonresident area. The rand is legal tender in Lesotho, Namibia, and Swaziland. Settlements by or to residents of the CMA with the nonresident area may be made in rand to and from a nonresident account and in any foreign currency (except the currencies of Lesotho, Namibia, and Swaziland). Lilangeni banknotes issued by Swaziland, loti banknotes issued by Lesotho, and Namibia dollar banknotes issued

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	by Namibia are freely convertible into rand at par, but they are not legal tender in South Africa.
Controls on the use of domestic currency	The rand may not be used in any foreign exchange transaction, except as described above.
<i>For current transactions and payments</i>	Yes.
<i>For capital transactions</i>	
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Payments arrangements	
Regional arrangements	South Africa is a member of the CMA. Payments within the CMA are unrestricted.
Administration of control	Exchange licensing is the responsibility of the treasury, which has delegated the administration of control to the SARB; in turn, the SARB has permitted ADs in foreign exchange to deal with most transactions without prior reference to the SARB.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents of South Africa may purchase, hold, and sell gold coins in South Africa for numismatic purposes and investment, but only monetary authorities, ADs, registered gold producers, and authorized industrial and professional users are allowed to purchase, hold, or sell gold in any form other than jewelry. Gold producers may elect to sell their total output to approved counterparties, provided the SARB has given the necessary exemption from the relevant exchange control regulations. This includes sales to foreign counterparties. The current exchange control regulations pertaining to the repatriation of export proceeds remain applicable to gold exports. The mint strikes gold coins and Krugerrand, which are legal tender, without a face value, and these are made available in limited numbers to the local market.
On external trade	All exports of gold must be approved in advance by the SARB. ADs are permitted by the SARB to approve exports of jewelry constituting the personal effects of a traveler (subject to a written declaration that the jewelry will be brought back to South Africa on the traveler's return). Exports of gold jewelry by manufacturing jewelers are subject to a written declaration that the articles are in fully manufactured form and that the gold content of each does not exceed 85% of the selling price to the ultimate consignee. Furthermore, after approval by the SARB, residents are allowed to export currency coins, including certain gold coins, for sale to numismatists.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Banknotes up to R 5,000 may be exported, but this amount is not regarded as part of the basic travel allowance. The limitation does not apply to migrant workers returning to neighboring countries, who are permitted to take with them reasonable amounts in banknotes. There are no limitations on the exportation of domestic currency to Lesotho, Namibia, and Swaziland. Foreign visitors leaving South Africa may take with them up to R 5,000 in SARB banknotes. South African banknotes repatriated from Angola, Botswana, the Democratic Republic of the Congo, Madagascar, Malawi, Mauritius, Mozambique, Tanzania, Zambia, and Zimbabwe may be remitted on submission of documentary evidence that they were not exported from South Africa in contravention of the exchange control regulations. The consignment of banknotes must be accompanied by confirmation by the repatriating bank

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	that the banknotes were acquired from bona fide travelers from South Africa in amounts not exceeding R 5,000 a traveler.
<i>Foreign currency</i>	Residents and contract workers leaving South Africa for destinations outside the CMA may take out their allowance in foreign banknotes. Foreign visitors leaving South Africa may take with them any amount of foreign banknotes brought into the country or obtained through the disposal of instruments of exchange brought into and converted in South Africa.
On imports	
<i>Domestic currency</i>	The limit on banknotes that may be imported from countries outside the CMA is the equivalent of R 5,000. There are no limitations on the importation of domestic currency from Lesotho, Namibia, and Swaziland.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Natural persons may hold up to the equivalent of R 2 million in foreign currency deposits with ADs. The proceeds of any other approved foreign assets may also be held in such accounts. Effective February 21, 2007, legal persons who are involved in international trade are allowed to operate a single account for trade- and services-related payments, as well as for a wider variety of permissible transactions.
Held abroad	Yes.
<i>Approval required</i>	Approval is granted based on the merit of the application, and in most circumstances only if it can be demonstrated that the management of trade receipts and payments can be facilitated. South African natural persons may invest abroad up to R 2 million and may retain abroad foreign-earned income as well as any other approved foreign assets. No prior approval is required to open foreign bank accounts for these purposes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	ADs are required to open separate accounts on behalf of nonresident clients in order to distinguish between normal clearing accounts and foreign exchange trading accounts. This requirement does not affect the transferability of funds.
Approval required	Foreign currency accounts may be opened for nonresidents, and funds in these accounts may be transferred abroad without restriction.
Domestic currency accounts	These accounts may be credited with all authorized payments by residents, with the proceeds of sales of foreign currency to ADs, and with payments from other nonresident accounts. They may be debited for payments to CMA residents for any purpose (other than loans), for payments to nonresidents for any purpose, for transfer to a local nonresident account or for remittance to any country outside the CMA, for payments of the cost of purchases of any foreign currency, and for payments to account holders residing in South Africa for short periods.
Convertible into foreign currency	Yes.

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Blocked accounts These accounts are opened for emigrants from the CMA and are subject to exchange control restrictions. Cash or proceeds from any other South African asset held at the time of departure and subsequently sold must be credited to this type of account. These funds may not be transferred abroad except with approval and subject to a 10% exit levy or transferred to another emigrant-blocked account in South Africa, but must be retained on deposit with an AD and used within certain limits for the holder's living expenses while visiting South Africa, for other specified payments to residents, or for investment in any locally quoted securities (such securities may not, however, be exported and sold abroad).

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports

Advance payment requirements Payments may not be made before the date of shipment or dispatch without prior SARB approval, except for advance payments and/or cash-with-order requests, which may be made within a limit of R 250,000. ADs may permit, without the SARB's approval, advance payment of up to 33.3% of the ex-factory cost of capital goods if suppliers require it or if it is normal in the trade concerned.

Documentation requirements for release of foreign exchange for imports Importers are automatically granted foreign exchange to pay for current imports on presenting to their bank the necessary transport and consignment documents (proof of importation) and an import permit when required.

Import licenses and other nontariff measures

Positive list Imports that do not require a permit include all goods from Botswana, Lesotho, Malawi, Namibia, Swaziland, and Zimbabwe that are grown, produced, or manufactured in these countries.

Negative list The negative list includes most used goods, including waste and scrap; fish, crustaceans, and mollusks; mineral fuels; radioactive chemicals; new pneumatic tires; gold; certain minerals; firearms; gambling machines; and ozone-depleting substances. All importers requiring import permits for trade or manufacturing purposes must be registered with the Directorate of Import and Export Control of the International Trade and Administration Commission of South Africa. The permits are valid for imports from any country.

Licenses with quotas Import quotas apply to certain agricultural and a number of manufactured products, including clothing and textiles imported from Zimbabwe supported with a Quota and Origin Certificate issued by the Ministry of Industry and Commerce of Zimbabwe.

Import taxes and/or tariffs Tariff rates range up to 69%. A 14% VAT is levied on imports from Botswana, Lesotho, Namibia, and Swaziland.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements Unless otherwise permitted, all export proceeds must be remitted to South Africa within 30 days of accrual. Exporters may retain export proceeds for 180 days after accrual in customer foreign currency accounts with ADs.

Surrender requirements Unless otherwise permitted, all export proceeds must be received within six months of the date of shipment and offered for sale within 30 days of the date of accrual, or according to rules applicable to customer foreign currency accounts. Except for exports made on a cash-

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	on-delivery basis or those for which the full proceeds are received in advance, exporters are permitted to provide forward cover for their export proceeds.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Financing requirements	ADs may permit exporters to grant credit for up to 12 months, provided the credit is necessary in that particular trade or needed to protect an existing export market or capture a new one.
Documentation requirements	All exports exceeding R 50,000 or its equivalent must be supported by a declaration, irrespective of their country of destination.
Export licenses	
Without quotas	Certain agricultural and manufactured goods exported outside the SACU require export permits. In addition to an export permit, military equipment, firearms, and ammunition require an export license issued by the Department of Defense.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Most limits have been removed. Documentary evidence must be produced at the time of applying for foreign currency.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	ADs may permit the transfer of commissions with documentary evidence confirming the amount involved, provided the commission rate is normal in the particular trade.
Investment-related payments	
<i>Prior approval</i>	Prior approval is required for the payment of amortization of loans or depreciation of direct investments.
Payments for travel	
<i>Quantitative limits</i>	South African residents traveling abroad for business or holiday are allowed the equivalent of R 160,000 a calendar year for each person 12 years or older, and R 50,000 for each child under 12 years, without any daily limit, irrespective of the country of destination. Corporations qualify for a global travel allowance of R 2 million a calendar year.
<i>Indicative limits/bona fide test</i>	Exchange allowances in excess of the above limits may be provided with the approval of the SARB.
Personal payments	
<i>Quantitative limits</i>	The limit on living expenses for a student is the equivalent of R 160,000 a year and R 320,000 if accompanied by a spouse; the student holiday allowance is up to R 50,000 and R 100,000 if accompanied by a spouse. The limit on alimony payment with a court order is R 9,000 a month; ADs may effect transfers for family maintenance purposes at a rate not exceeding R 9,000 a month a receiving family, provided the proposed beneficiaries are either the father, mother, brother, or sister of the applicant and can prove need by documentary evidence signed by a magistrate or civil official. Prior SARB approval is required for amounts exceeding these limits.
Credit card use abroad	
<i>Prior approval</i>	Approval is not required with respect to travel expenditures.
<i>Quantitative limits</i>	Expenditure may not exceed 100% of the corresponding allowance.

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Other payments

Prior approval

ADs may permit remittances of technical service fees, legal fees, and court costs incurred outside the CMA with documentary evidence confirming the amount involved. ADs may grant approval for royalty payments, provided the Department of Trade and Industry has approved the relevant royalty agreement. ADs may also permit the remittance of profits and dividends, provided it does not involve excessive use of local credit facilities. Income earned from securities held by nonresidents is freely transferable to their country of residence.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

South African residents (private individuals) earning income abroad from any source other than merchandise exports may retain these funds abroad. Corporate entities are required to remit earnings to South Africa within 30 days of accrual. Entities may retain the proceeds of services rendered for 180 days after accrual in the customer's foreign currency accounts with ADs.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

n.a.

Surrender requirements

n.a.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Sale or issue locally by nonresidents

Securities issued by foreign companies, governments, and institutions may be listed on the Bond Exchange of South Africa and JSE Ltd.

Purchase abroad by residents

Purchases by resident individuals are allowed within the R 2 million foreign capital allowance limit or from the proceeds of any other authorized foreign asset.

Sale or issue abroad by residents

Approval is required. Servicing should be undertaken from foreign sources if the funds are employed abroad, or from domestic sources if the funds are transferred to South Africa.

Bonds or other debt securities

The regulations governing shares or other securities of a participating nature apply.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Residents may invest in foreign instruments listed on South African exchanges.

Sale or issue abroad by residents

Yes.

On money market instruments

The regulations governing shares or other securities of a participating nature apply.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Yes.

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On collective investment securities

Purchase abroad by residents

Purchases by resident individuals are allowed within the R 2 million foreign capital allowance limit or from the proceeds of any other authorized foreign asset.

Sale or issue abroad by residents

Yes.

Controls on derivatives and other instruments

Effective February 21, 2007, currency derivatives are included in the list of instruments that may be listed on the JSE Ltd.

Purchase locally by nonresidents

Nonresidents may freely purchase derivative instruments, options, and futures on the local formal market, but over-the-counter transactions require prior approval.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Yes.

Controls on credit operations

Commercial credits

By residents to nonresidents

Export credits may be granted for up to six months. Banks may in certain circumstances allow a further extension of six months. Longer-term credit requires exchange control approval. With respect to services, payment has to be received under the terms of the contract between the parties within a reasonable period after the service is rendered.

Financial credits

By residents to nonresidents

Financial credits, such as loans, may not be extended without prior approval, except within an annual limit of R 30,000 an applicant. However, nonresident wholly owned subsidiaries may borrow locally up to 300% of the total shareholders' investment (i.e., the paid-up equity capital; preference shares; undistributed profits; shareholders' loans from abroad; and, in certain instances, the hard core of shareholders' trade credit). To finance a foreign direct investment into South Africa, nonresidents are allowed to borrow up to 300% of the rand value of the funds originating from abroad and invested locally. This does not apply to emigrants or to the acquisition of residential properties by nonresidents or affected persons, or any other financial transactions, such as portfolio investments by nonresidents, securities lending, hedging, or repurchase agreements. The ability to borrow locally, which is generally granted, increases with the size of local participation by a set formula.

To residents from nonresidents

Prior approval is required. Approval is generally granted, provided repayment and servicing of loans do not disrupt the balance of payments and the level of interest rates paid is reasonable in terms of prevailing international rates. Firms may borrow abroad to finance approved offshore investments using their South African balance sheets as collateral.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

Guarantees or sureties for financial loans require approval but not those for trade transactions. Performance bonds may be issued.

Controls on direct investment

Effective February 21, 2007, South African companies must obtain a significant share, at least 25% (previously, 50% plus one share), of interest in investments outside Africa.

Outward direct investment

Exchange control approval is required. Requests by corporations are considered in light of national interest, such as the benefit to South Africa's international reserves by, for example, generating exports of goods and services.

The SARB reserves the right to intervene in capital outflows for very large foreign investments in order to manage any potential impact on the foreign exchange market.

Effective February 15, 2006, individuals over 18 years of age may invest up to the equivalent of R 2 million (previously, R 750,000) overseas or in a foreign currency account in South Africa, provided they obtain a tax clearance certificate from the South African Revenue Service. There are no restrictions on the type of investment or how the funds are used. Income earned abroad and own foreign capital introduced into South Africa on or after July 1, 1997, by private individual residents in South Africa may be retransferred abroad, provided the AD concerned is satisfied, by viewing documentary evidence confirming the amounts involved, that the income and/or capital had previously been converted to rand.

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Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	Such purchases by resident individuals are allowed within the R 2 million foreign capital allowance limit or from the proceeds of any other authorized foreign assets. Other purchases require prior exchange control approval.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Residents may lend to nonresidents through ADs up to R 30,000 a year. Larger loans by residents to nonresidents are generally not permitted.
<i>To residents from nonresidents</i>	Prior approval, which is generally granted, is required to ensure that the repayment and servicing of the loan do not disrupt the balance of payments and that the level of interest paid is reasonable in terms of prevailing international rates.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	ADs may allow the transfer of monetary gifts, including loans referred to above, within a limit of R 30,000 an applicant during a calendar year. Cash bequests and the cash proceeds of legacies and distributions from estates may be remitted abroad.
Settlements of debts abroad by immigrants	ADs may provide immigrants with foreign exchange to repay loans received in their previous country of domicile for the specific purpose of financing their relocation to South Africa, provided documentary evidence of the debt is available and the immigrant is not in possession of foreign currency to repay the debt.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Emigrants may transfer up to the equivalent of R 4 million a family or R 2 million an individual, inclusive of any assets previously transferred abroad. Emigrants are also allowed to transfer abroad funds in excess of the aforementioned limits, subject to an exit levy of 10% of the amount in excess of the limit. All other assets remain blocked in South Africa. The emigrant may subsequently repatriate the annual income from those blocked assets, but is prohibited from disposing of the assets, either by sale to South African residents or by asset swaps with either a foreign or a South African counterpart. ADs may also authorize the export of household and personal effects, motor vehicles, motor homes, trailers, motorcycles, stamps, and coins (excluding coins that are legal tender in South Africa) for a family unit or single person emigrating, within the overall insured value of R 1 million or its equivalent.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	All borrowing abroad by residents requires exchange control approval. Banks may contract short-term working capital loans and short-term trade finance, but all medium-term and long-term commitments require exchange control approval.
Maintenance of accounts abroad	Banks may open nostro accounts at their discretion.
Lending to nonresidents (financial or commercial credits)	Banks may lend up to the equivalent of R 20,000, provided the total credit made available to an individual from any source does not exceed this amount. Exchange control approval is required for facilities exceeding this amount. Foreign investors are allowed to borrow domestically up to 100% or 300% of rand equivalent to the value of the foreign exchange they brought into South Africa, depending on the type of investment.

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Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	There are no securities denominated in foreign exchange in South Africa. Nonresidents may, however, apply to issue debt instruments on the Bond Exchange of South Africa in foreign currency.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Reserve requirements on all deposit accounts held by residents or nonresidents and denominated in either rand or foreign exchange are 2.5% of total deposit liabilities, adjusted with specific provisions.
<i>Liquid asset requirements</i>	The requirement is 5% of total liabilities, adjusted with specific provisions.
Investment regulations	Investments in immovable property and shares and loans or advances to certain subsidiaries of the bank are limited to 100% of capital plus reserves.
<i>Abroad by banks</i>	Prior approval of the Registrar of Banks with specific provisions and exchange control is required.
<i>In banks by nonresidents</i>	No approval is required if the shares are less than 15% of the bank's issued capital.
Open foreign exchange position limits	The limit is 10% of net qualifying capital plus reserves, for both resident and nonresident assets and liabilities.
Provisions specific to institutional investors	
Insurance companies	Institutional investors may invest an additional 5% of their total retail assets in Africa directly by acquiring foreign-currency-denominated portfolio assets in Africa through foreign currency transfers from South Africa or indirectly by acquiring rand-denominated foreign exposures via an inward-listed African security. Long-term insurers may transfer up to 15% of their total retail assets to acquire foreign portfolio investments.
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
Pension funds	Retirement funds may transfer up to 15% of their total retail assets to acquire foreign portfolio investments.
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	Investment managers registered as institutional investors for exchange control purposes may transfer up to 25% of their total retail assets and, in the case of collective investment management companies, up to 25% of their total retail assets under management, to acquire foreign portfolio investments.
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.

SOUTH AFRICA

References to legal instruments and hyperlinks n.a.

Changes during 2006

Capital transactions

Controls on direct investment

February 15. Individuals over 18 years of age were allowed to invest up to the equivalent of R 2 million (previously, R 750,000) overseas or in a foreign currency account in South Africa, provided they obtain a tax clearance certificate from the South African Revenue Service.

Changes during 2007

Resident accounts

February 21. Legal persons who are involved in international trade were allowed to operate a single account for trade- and services-related payments, as well as for a wider variety of permissible transactions.

Capital transactions

Controls on derivatives and other instruments

February 21. Currency derivatives were included in the list of instruments that may be listed on the JSE Ltd.

Controls on direct investment

February 21. South African companies were required to obtain a significant share, at least 25% (previously, 50% plus one share), of interest in investments outside Africa.

SPAIN

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 15, 1986.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Exchange restrictions have been imposed in accordance with EU regulations and UN Security Council resolutions.

Other security restrictions

In accordance with the relevant UN Security Council resolutions, certain restrictions are maintained with respect to the Democratic Republic of the Congo, the former government of Iraq, Myanmar, certain individuals associated with the previous government of the former Federal Republic of Yugoslavia, and Zimbabwe. Financing of and financial assistance related to military activities in Somalia are prohibited. Restrictions also apply on transfers with respect to Al-Qaida, the Taliban, and individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of Spain is the euro.

Exchange rate structure Unitary.

Classification

Independently floating

Spain participates in a currency union (EMU) with 12 other members of the EU. Effective January 1, 2007, the exchange arrangement of the EMU countries has been reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Options and futures in euros are traded in major financial markets.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements No.

Payments arrangements No.

SPAIN

Administration of control	Payments and receipts between residents and nonresidents may be made freely. For statistical and administrative purposes, all payments, receipts, and transfers between residents and nonresidents exceeding €12,500 and made through credit institutions must be declared to the Ministry of Economy (MOE) and the Bank of Spain (BOS). In the case of cash payments and receipts, the threshold, for money laundering control purposes, is set at €10,000, effective February 13, 2007 (previously, €6,010). However, under special circumstances, the MOE may impose restrictions to protect the national interest or to comply with the rules of international organizations.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	Effective February 13, 2007, imports and exports of banknotes in excess of the equivalent of €10,000 (previously, €6,010) must be declared for anti-money laundering purposes. Imports and exports of banknotes by banks and other authorized financial institutions require prior notification to the BOS.
References to legal instruments and hyperlinks	Royal Decree 1816/1991, www.boe.es/g/es/bases_datos/doc.php?coleccion=iberlex&id=1991/30763 ; Order 27 December 1991, www.boe.es/g/es/bases_datos/doc.php?coleccion=iberlex&id=1991/30911&codmap= ; Order EHA 1439/2006, www.boe.es/boe/dias/2006/05/13/pdfs/A18498-18505.pdf .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Collections and payments between residents and nonresidents through credits or debits to these accounts may be made freely. However, for statistical and administrative purposes, account holders are required to report the opening and closing of such accounts and to provide information pertaining to credit and debit activities in the accounts above certain amounts. Controls apply to deposits of funds with credit entities established outside the EU, if the assets in question are to form part of the cover of the technical reserves of an insurance company.
Accounts in domestic currency held abroad	The requirements on foreign exchange accounts held abroad also apply to euro accounts abroad. Controls apply to deposits of funds with credit entities established outside the EU, if the assets in question are to form part of the cover of the technical reserves of an insurance company.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	Circular 3/2006, www.bde.es/normativa/circu/CEC200603.pdf .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	Circular 1/1994, www.bde.es/normativa/circu/c199401.pdf .

SPAIN

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Spain applies the EU common import regime. In addition, imports of certain defense materials require prior authorization from the General Secretary of Foreign Trade.
Open general licenses	Yes.
Licenses with quotas	In accordance with EU regulations, Spain requires licenses with quotas for certain imports, such as steel and textile products, depending on the country of origin.
Import taxes and/or tariffs	Spain applies the EU Common Customs Tariff.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Exports of certain defense materials require prior authorization from the general secretary of foreign trade.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

SPAIN

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Controls apply to the purchase of shares and other securities of a participating nature, which may be affected by laws on inward direct investment and establishment.
Purchase abroad by residents	Controls apply to the purchase of securities that are not admitted for trading on a regulated market if the assets in question are to form part of the cover of the technical reserves of an insurance company, except for (1) securities issued or guaranteed by international organizations to which an EU member state belongs; and (2) fixed income securities, provided that a real guarantee or unconditional and several surety has been given on these securities by a credit entity or an insurance entity, which is authorized to operate through an establishment in an EU member state, or when the shares of the issuing company are traded on a regulated market.
<i>Bonds or other debt securities</i>	
Purchase abroad by residents	The regulations governing shares or other securities of a participating nature apply.
On money market instruments	
<i>Purchase abroad by residents</i>	The regulations governing shares or other securities of a participating nature apply.
On collective investment securities	
<i>Purchase abroad by residents</i>	Controls apply to the holdings of collective investment bodies established outside the country if the assets in question are to form part of the cover of the technical reserves of an insurance company.
Controls on derivatives and other instruments	
Purchase abroad by residents	Controls apply to operations in instruments and claims on a foreign market if the assets in question are to form part of the cover of the technical reserves of an insurance company, except for (1) mortgage market assets and securities issued by companies established in the EU and traded on a regulated OECD market; (2) bills of exchange and notes, when issued, accepted, endorsed without a nonresponsibility clause, or secured by credit entities authorized to operate through an establishment in the EU. These assets may also be secured by insurance provided by insurance entities authorized to operate through an establishment in the EU; (3) shares of credit entities, brokerage companies and agencies, and insurance and reinsurance entities to the extent that they are subject to authorization and supervision by an EU member state control authority; and (4) derivative instruments, such as options, futures, and swaps, in connection with assets representing the technical provisions, to the extent that they help to reduce the investment risk or permit effective management of the portfolio, if (a) the instruments are traded on a regulated derivatives market, or (b) the counterparts are financial establishments controlled by the EU authorities or subject to the prudential control of supranational bodies to which Spain belongs and they deal habitually and professionally with such transactions and are sufficiently solvent.
Controls on credit operations	
Commercial credits	For statistical and administrative purposes, residents other than banks are required to report to the BOS commercial credits to or from nonresidents exceeding €600,000 and with a maturity of more than one year.
Financial credits	For statistical and administrative purposes, residents other than banks are required to report to the BOS financial credits to and from nonresidents exceeding €3 million.

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By residents to nonresidents

Controls apply to credits and loans granted by residents to nonresidents if the assets in question are to form part of the cover of the technical reserves of an insurance company, except for (1) credits or quotas or parts thereof granted to companies domiciled in the EU whose shares are admitted for trading on a regulated OECD market; (2) credits secured by a credit entity or insurer authorized to operate through an establishment in an EU member state; (3) financing granted to public corporations of the EU, provided they offer sufficient guarantee in terms of security, in the quality either of the borrower or of the guarantees provided; (4) mortgage credits, provided these are first mortgages, taken on real estate located in the EU; (5) pledge credits, provided the object of the guarantee is in turn suitable for cover of technical provisions; (6) credits with reinsurers for their participation in the claims provision, to the extent that deposits were not received because of them; and (7) credits for interest income and dividends accrued and not matured, and those that have matured and are pending collection but are not likely to be collected, provided in all cases that they originate in suitable assets.

Controls on direct investment

Inward direct investment

Controls apply on investments originating in non-EU member countries by governments, official institutions, and public enterprises and on investments in air transport, broadcasting (including television), telecommunication services other than telephone services, strategic minerals, gaming, lotteries, lotto and casinos, and legal services.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate outside the EU if the assets in question are to form part of the cover of the technical reserves of an insurance company.

Purchase locally by nonresidents

Yes.

Controls on personal capital transactions

Loans

For statistical and administrative purposes, residents other than banks are required to report to the BOS loans to and from nonresidents exceeding €3 million.

References to legal instruments and hyperlinks

Circular 6/2000, www.bde.es/normativa/circu/c200006.pdf.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Financial credits obtained must be reported to the BOS.

Lending to nonresidents (financial or commercial credits)

Residents must report to the BOS loans granted to nonresidents.

Lending locally in foreign exchange

This type of operation is subject to the rules and regulations governing interest rates and commissions, rules of procedure, customer information, and publications applicable to credit institutions.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Yes.

Investment regulations

In banks by nonresidents

EU investors, even though they may be authorized credit institutions in other EU countries, must give prior administrative notice. Non-EU institutions may be denied authorization if corporate credit institutions do not enjoy reciprocity in the country of origin of the investor.

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Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to (1) the purchase of securities that are not admitted for trading on a regulated market if the assets in question are to form part of the cover of the technical reserves of an insurance company, except for (a) securities issued or guaranteed by international organizations to which an EU member state belongs; and (b) fixed-income securities, provided a real guarantee or unconditional and several surety has been given on these securities by a credit entity or an insurance entity, which is authorized to operate through an establishment in an EU member state, or when the shares of the issuing company are traded on a regulated market; and (2) holdings of collective investment bodies established outside the EU, if the assets in question are to form part of the cover of the technical reserves of an insurance company.

Limits (max.) on investment portfolio held abroad

Controls apply to (1) deposits of funds with credit entities established outside the EU, if the assets in question are to form part of the cover of the technical reserves of an insurance company; (2) operations in instruments and claims on a foreign market, if the assets in question are to form part of the cover of the technical reserves of an insurance company, except for (a) mortgage market assets and securities issued by companies established in the EU and traded on a regulated OECD market; (b) bills of exchange and notes when issued, accepted, endorsed without a nonresponsibility clause, or secured by credit entities authorized to operate through an establishment in the EU. These assets may also be secured by insurance provided by insurance entities authorized to operate through an establishment in the EU; (c) shares of credit entities, brokerage companies and agencies, and insurance and reinsurance entities, to the extent that they are subject to authorization and supervision by an EU member state control authority; and (d) derivative instruments, such as options, futures, and swaps, in connection with assets representing the technical provisions, to the extent that they help to reduce the investment risk or permit effective management of the portfolio, if (i) the instruments are traded on a regulated derivatives market, or (ii) the counterparts are financial establishments controlled by the EU authorities or subject to the prudential control of supranational bodies to which Spain belongs, and they deal habitually and professionally with such transactions and are sufficiently solvent; and (3) credits and loans granted by residents to nonresidents if the assets in question are to form part of the cover of the technical reserves of an insurance company, except for (a) credits or quotas or parts thereof granted to companies domiciled in the EU whose shares are admitted for trading on a regulated OECD market; (b) credits secured by a credit entity or insurer authorized to operate through an establishment in an EU member state; (c) financing granted to public corporations of the EU, provided they offer sufficient guarantee in terms of security, in the quality either of the borrower or of the guarantees provided; (d) mortgage credits, provided these are first mortgages, taken on real estate located in the EU; (e) pledge credits, provided the object of the guarantee is in turn suitable for cover of technical provisions; (f) credits with reinsurers for their participation in the claims provision, to the extent that deposits were not received because of them; and (g) credits for interest income and dividends accrued and not matured, and those that have matured and are pending collection but are not likely to be collected, provided in all cases that they originate in suitable assets.

Currency-matching regulations on assets/liabilities composition

Regulations differ according to the type of institutional investor.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

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Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the EMU countries was reclassified to the category independently floating from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

Arrangements for payments and receipts

February 13. Imports and exports of banknotes in excess of the equivalent of €10,000 (previously, €6,010) must be declared for anti-money laundering purposes.

February 13. For cash payments and receipts, the threshold for money laundering control purposes was set at €10,000 (previously, €6,010).

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: March 15, 1994.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV Consultation with Sri Lanka states that as of November 2, 2006, Sri Lanka maintained an exchange restriction inconsistent with Article VIII, Section 2(a) of the Fund's Articles by requiring importers to deposit with commercial banks margins of 50% of the total invoice value with respect to the import of certain goods (and 100% with respect to certain vehicles). In particular, these measures restrict current payments due in connection with letters of credit (which are "normal short-term banking and credit facilities" under Article XXX(d)). (Country Report No. 06/466)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Yes.

Other security restrictions

Pursuant to the relevant UN Security Council resolutions, banks and other financial institutions have been instructed to freeze all capital and assets of individuals, entities, and organizations associated with terrorism, and prior approval is required to maintain corresponding accounts with banks and other financial institutions that do not have a physical presence in any country, also referred to as "shell banks."

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Sri Lanka is the Sri Lanka rupee.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The Central Bank of Sri Lanka (CBSL) computes the weighted average interbank rate on a daily basis and intervenes in the foreign exchange market to reduce exchange rate volatility.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Forward sales and purchases of foreign exchange by ADs are permitted up to a period of 720 days for repayments of foreign loans and 360 days in payments and receipts in foreign exchange for trade in goods and services. ADs provide a forward exchange market in which rates for current transactions are determined freely.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Payments to and receipts from member countries of the ACU with respect to current transactions and settlements are effected in dollars. For settlements with all other countries, payments for imports may be made in any foreign currency or in rupees, provided the supplier maintains a nonresident rupee account in Sri Lanka. Other payments may be made

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	either in the currency of the country to which the payment is due or by crediting rupees to a nonresident rupee account with the prior approval of the CBSL.
Controls on the use of domestic currency	
<i>For current transactions and payments</i>	Rupees may be converted into any currency for making payments and transfers for current international transactions.
<i>For capital transactions</i>	
Transactions in capital and money market instruments	Income and sales proceeds from permitted investments may be converted to any convertible currency.
Transactions in derivatives and other instruments	Effective December 1, 2006, these transactions are permitted in domestic currency.
Credit operations	Rupee conversion is permitted for foreign credit facilities extended to the government and to the private sector, with CBSL approval.
Use of foreign exchange among residents	Transactions among residents must be conducted in rupees.
Payments arrangements	
Regional arrangements	Sri Lanka is a member of the ACU.
Clearing agreements	Yes.
Administration of control	Exchange control is administered by the CBSL's Department of Exchange Control. All remittances of foreign exchange in Sri Lanka must be made through authorized commercial banks in accordance with procedures prescribed by the Controller of Exchange (COE). Remittances may also be made through post offices under permits issued by the COE. The Board of Investment (BOI) handles applications relating to foreign investments in Sri Lanka when special concessions are sought.
	General permission has been granted for investment by nonresidents in companies whose equity capital is in rupees, subject to certain exclusions and limitations, provided such investments are made through Share Investment External Rupee Accounts (SIERAs).
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Commercial banks and limited liability companies approved by the COE may import gold on a consignment account basis, subject to terms and conditions imposed by the COE. However, there are no restrictions for trading gold on Documents against Payment (DP) and Documents against Acceptance (DA) terms.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Sri Lankan nationals may take out of Sri Lanka up to SL Rs 5,000.
<i>Foreign currency</i>	Individuals may take out foreign currency for travel purposes but are required to declare it to customs if the amount exceeds \$10,000 or its equivalent. Unspent rupee balances from foreign exchange sold by foreign passport holders may be reconverted into foreign currency notes only at commercial banks, against original encashment documents issued by ADs or money changers, and may be taken out.
On imports	
<i>Domestic currency</i>	Sri Lankan nationals may bring into Sri Lanka up to SL Rs 5,000.
<i>Foreign currency</i>	Travelers must declare at entry foreign exchange holdings exceeding \$10,000 or its equivalent.
References to legal instruments and hyperlinks	n.a.

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Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Residents may open and operate resident foreign currency accounts with a minimum balance equivalent to \$500 in designated currencies, provided the funds do not relate to any transactions. These accounts may be maintained even if the balance falls below \$500 or its equivalent. Resident foreigners may maintain foreign currency accounts with domestic commercial banks in any of 13 designated currencies without prior exchange control approval. These accounts must be operated by the domestic unit of the bank and not by its offshore unit. The accounts may be current, savings, or fixed deposit accounts, but withdrawal of funds by check is not permitted. Credits to these accounts are limited to inward remittances and to amounts in rupees authorized by the COE for remittance abroad. Debits to these accounts are limited to outward remittances and to payments after converting to rupees. In addition, merchandise exporters are permitted to open foreign currency accounts utilizing their export proceeds. Shipping and airline agents may maintain foreign currency accounts in domestic branches of foreign banks on behalf of their foreign principals only for the purpose of collecting freight paid in foreign currency by exporters.

Indirect exporters are permitted to open and maintain indirect exporters foreign currency accounts. Effective November 16, 2006, professional services providers may open and maintain foreign currency accounts titled Foreign Currency Account for Professional Services Providers (FCAPS) with any ADs. Credits to these accounts should be confined to inward remittance received in convertible foreign currency through an AD on account of providing services to residents outside Sri Lanka and payment received in foreign exchange by bank draft or bank transfer as payments for professional services rendered to firms or companies that earn foreign exchange. Debits in foreign exchange to these accounts are permitted for current international transactions and payments to another FCAPS on account of professional services provided.

Effective December 5, 2006, suppliers of material inputs to companies that earn foreign exchange, including BOI companies, are permitted to open and maintain foreign currency accounts titled Foreign Currency Account for Suppliers of Material Inputs (FCASI). Credits to FCASIs must be confined to payment received in foreign exchange by way of bank draft or bank transfer for material inputs supplied to any company. Debits in foreign exchange are permitted for current international transactions that meet the cost of material inputs purchased from companies.

Held abroad

Except in the case of exporters, prior approval is required to open these accounts.

Approval required

Yes.

Accounts in domestic currency held abroad

Approval is required.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Sri Lankans employed abroad and nonnationals originally from Sri Lanka who are employed and reside abroad may maintain nonresident foreign currency (NRFC) accounts in designated foreign currencies. Credits to these accounts are limited to remittances from employment earnings abroad, foreign exchange earnings received in foreign currency and brought into the country by the above-mentioned individuals, approved investment income, and interest payments on the accounts. Balances on NRFC accounts may be invested in enterprises approved by the BOI, with full exemption from exchange control. Dividends and profits earned and sale proceeds from such investments received in foreign currency may be credited to NRFC accounts without prior approval of the COE.

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Domestic currency accounts	These accounts may be held by (1) nonnationals residing outside Sri Lanka, (2) firms and companies registered outside Sri Lanka, (3) Sri Lankan nationals residing outside Sri Lanka, (4) emigrants, and (5) foreign banks. For categories (1), (2), and (3), credits from inward remittances and debits for local disbursements or outward remittances for current transactions may be effected freely through these accounts; however, local credits to these accounts require prior approval. Interest may be paid on these domestic currency accounts. Accounts held by emigrants (category 4) are designated as nonresident blocked accounts only when instructions to that effect are received from the COE. Debits to such accounts for local disbursements may be freely effected without prior approval. Interest on blocked funds is permitted for outward remittances net of taxes. However, local credits to these accounts and debits for outward remittances involving capital funds above a ceiling of SL Rs 1 million a family (SL Rs 750,000 a person) require prior approval. Foreign banks (category 5) may open and operate nonresident accounts with local commercial banks without prior approval of the COE. Nonresidents, including diplomatic missions, and resident foreign passport holders may maintain rupee accounts on an interest-bearing basis.
Convertible into foreign currency	These accounts are convertible, but prior approval is required.
Approval required	Yes.
Blocked accounts	These accounts are used to hold funds, usually those of nonresidents and emigrants who have not been accepted for transfer abroad. ADs may debit these accounts for local disbursements and credit them with pensions and income tax refunds.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Minimum financing requirements	ADs may remit foreign exchange abroad or credit nonresident accounts against applications for the opening of an LC, DP terms, or DA terms on submission of proof of a valid import license, where applicable. These requirements do not apply if the value of a consignment does not exceed the equivalent of \$3,000 (c.i.f.) with respect to raw materials and spare parts for the use of a particular industry or for personal use.
Advance payment requirements	Advance payments for imports are limited to \$10,000 a consignment. ADs are permitted to sell foreign currency in advance up to \$15,000 to registered gem dealers to carry with them when traveling to Madagascar and Myanmar for the purpose of purchasing rough gemstones.
Advance import deposits	A 100% cash margin applies to LCs opened for imports of certain classes of motor vehicles. Effective October 18, 2006, a 50% margin deposit requirement is imposed by the CBSL against the LCs used for the importation of selected non-essential consumer goods.
Documentation requirements for release of foreign exchange for imports	Imports may be effected against DP and DA terms and LCs.
Preshipment inspection	Inspection is required for certain consumer goods.
Letters of credit	Yes.
Import licenses and other nontariff measures	About 425 items at the six-digit level of the harmonized system code are subject to import controls, most for reasons of public health, public morals, environmental protection, preservation of antiques, or national security. Paddy is subject to licensing to protect domestic producers against low prices. Some categories of used motor vehicle bodies and parts, cigarette paper, and cashew nuts in shells are subject to licensing requirements. A total of 22 items are exempted from import duties, subject to the approval of the secretary of the treasury.
Import taxes and/or tariffs	The tariff structure consists of the following rates: zero, 2.5%, 6%, 15%, and 28%. The customs duty on the importation of selected heavy-duty vehicles is 6%. Effective January 31, 2006, the customs duty on importation of wheat flour was increased to 15% from 2.5%

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or SL Rs 12.50 a kilogram (whichever is higher), and the customs duty on importation of rice was increased to SL Rs 20 a kilogram from SL Rs 9 a kilogram. Effective February 28, 2006, the customs duty for importation of wheat grain was increased to 6% from 2.5%, and construction machinery became exempt from customs duty. Certain items such as palm oil, electrical fans, and electrical parts were placed at a higher tariff to protect domestic producers. Effective April 1, 2006, a duty waiver up to 25% of levies is granted on the importation of motor cars of less than 1,500 cc for compliant taxpayers. The period specified for the issue of refunds to exporters is 15 days. Effective August 4, 2006, the customs duty on importation of big onions was increased to SL Rs 20 from SL Rs 10 a kilogram. Effective September 16, 2006, a cess of SL Rs 10 a kilogram is imposed on the importation of big onions. A cess is imposed on selected imported items including motor vehicles and lubricant oil. The tea export cess was increased to SL Rs 4 from SL Rs 2.50 a kilogram, effective April 18, 2006. All categories of imported paper are in the zero tariff band to reduce the cost of printing. Duty concessions are granted for the importation of new machinery for advanced technology applications. Import duty on tires used for three-wheeled vehicles is 15%. The import duty on musical instruments is 15%.

Effective November 17, 2006, as a revenue measure, the Port and Aviation Levy (PAL) was increased to 3% from 2.5%. The PAL applicable to exports is 0.25%, providing an incentive for exporters. The excise tax, which had been confined to cigarettes, petroleum products, aerated water, and motor vehicles, covers some consumer durables such as air conditioners, refrigerators, washing machines, televisions, TV antennas, and electrical items. A withholding tax of SL Rs 5,000 applies on each motor vehicle, imported or newly registered, other than three-wheelers, trucks, and public transport buses.

To discourage substandard vehicles from being imported to Sri Lanka, an import inspection certification system is in place.

A few items are subjected to a tax with the objective of generating funds for research and development of the respective industries and ensuring sufficient availability of raw materials for local industries. There are taxes on tea, coconut, rubber, and cinnamon exports.

A VAT of 20% applies on selected luxury items. Imports of computers and computer accessories and rice milling machinery are exempt from VAT. Effective January 1, 2006, the importation of milk processing machinery; construction machinery and equipment, including crushing machinery; unprocessed timber logs; and high-technology machinery for the handloom industry are exempt from VAT. Also effective that date, the markup on the c.i.f. value for charging VAT at customs points was increased to 7% from 5%. It was further increased to 10% effective November 17, 2006.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

Exporters are free either to repatriate export proceeds and have such proceeds credited to any rupee account or to an exporters' foreign currency account with the domestic banking unit of a bank in Sri Lanka or to retain export proceeds abroad in any commercial bank, provided monies in such accounts are not used for acquisition of property or other capital assets outside Sri Lanka. Special arrangements apply to exports carried out under trade and payments agreements and to exports to a member country of the ACU.

Financing requirements

No.

Documentation requirements

A scheme called Quality Assurance of Exports for Minor Crops is operated on a compulsory basis for cashew kernels and on a voluntary basis for other minor export crops (e.g., pepper, cinnamon, cardamom, nutmeg, and cloves).

Export licenses

Without quotas

Licenses are required for exports of ivory and ivory products, handicraft items of ebony, timber (logs or in plank form), vintage motor vehicles, and metal waste and scrap metals (e.g., copper, nickel, aluminum, lead, tin, and zinc).

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Export taxes

Other export taxes Export taxes are levied on exports of cinnamon, coconut, rubber, and tea.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Indicative limits and bona fide tests are applied to all these transactions.

Trade-related payments

Remittances of premiums for general insurance are permitted, subject to the country's insurance regulations. Remittances of premiums for reinsurance may be effected through ADs without prior approval, subject to documentary requirements.

Indicative limits/bona fide test

Reasonable amounts of commissions are allowed for export orders secured through agents abroad, provided export proceeds have been repatriated to Sri Lanka.

Investment-related payments

Profit remittances of nonresident partners and remittances of dividends to nonresident shareholders of companies whose financial assets are in rupees may be effected through commercial banks without prior approval. However, relevant documentation is required to remit interim profits or dividends, or final profits or dividends.

Indicative limits/bona fide test

Yes.

Payments for travel

Indicative limits/bona fide test

Yes.

Personal payments

Indicative limits/bona fide test

Yes.

Foreign workers' wages

Expatriate employees of approved enterprises may remit their entire savings after meeting expenses and paying taxes and levies.

Indicative limits/bona fide test

Yes.

Credit card use abroad

Credit card holders are permitted to make payments abroad for services of a personal nature, including travel, accommodation, medical, living, and educational expenses, and payment for purchase of goods abroad for personal use, subject to a limit of \$3,000 or its equivalent a case.

Indicative limits/bona fide test

Yes.

Other payments

Indicative limits/bona fide test

Yes.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

Funds retained abroad with COE permission and export proceeds permitted to be retained abroad may not be used for acquiring property or other capital assets outside Sri Lanka.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

Yes.

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Repatriation requirements	No.
Controls on capital and money market instruments	Except for the local purchase by nonresidents of shares or other securities of a participating nature, all capital market securities and money market instruments are controlled.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Nonresidents may invest in shares of up to 100% of the equity capital of existing listed and unlisted public companies without prior approval, subject to certain exclusions and limitations, in terms of the general permission granted. Funds must be channeled through a SIERA.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Investments under an employee share option plan are permitted, subject to approval from the MOF.
Sale or issue abroad by residents	Prior approval is required.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	Nonresidents may invest in Sri Lanka development bonds. Nonresident Sri Lankans may invest in any real or financial asset through special accounts (rupee accounts for nonresident Sri Lankan investment). Effective November 1, 2006, the rupee-denominated Government Treasury Bond Market (GTBM) was opened to foreign investors. Foreign country funds, regional funds, or mutual funds approved by the Securities and Exchange Commission of Sri Lanka, corporate bodies incorporated outside Sri Lanka, and citizens of foreign states are permitted to purchase and hold rupee-denominated treasury bonds (T bonds) with a minimum maturity of two years not exceeding 5% of the total value of T bonds outstanding at any given point of time. ADs are permitted to open and operate a special rupee account titled Treasury Bond Investment External Rupee Account for this purpose in the names of the above categories of foreign investors. The following categories of persons are permitted to invest in the Sri Lanka Nation Building Bonds denominated in dollars, pounds sterling, and euros with a tenure of five years: (1) Sri Lankan nonresidents, (2) Sri Lankans who have taken up overseas employment or set up business abroad, (3) citizens of Sri Lanka with dual citizenship, (4) Sri Lankan professionals living in Sri Lanka or abroad who earn foreign exchange, and (5) a bank acting in a fiduciary capacity on behalf of an investor.
Sale or issue locally by nonresidents	These transactions are not permitted.
Purchase abroad by residents	These transactions are not permitted.
Sale or issue abroad by residents	Prior approval is required.
On money market instruments	These transactions are not permitted.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	These transactions are permitted only in the case of unit trusts, in which not more than 20% of the depository property may be invested in government securities.
<i>Sale or issue locally by nonresidents</i>	These transactions are not permitted.
<i>Purchase abroad by residents</i>	These transactions are not permitted.
<i>Sale or issue abroad by residents</i>	These transactions are not permitted.
Controls on derivatives and other instruments	Effective January 1, 2006, ADs are permitted to contract basic financial derivative products: interest rate swaps, interest rate options, forward rate agreements, non-rupee options, cross-currency swaps not involving rupees, and commodity-linked derivatives that include industrial products and precious metals. Effective December 1, 2006, ADs are permitted to contract options and cross-currency swaps also in domestic currency. Controls apply on all other derivative transactions.

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Controls on credit operations	Borrowers are required to settle credit granted to finance export orders within a period of 90 or 120 days from the date of shipment. The 120-day limit is usually granted, but the decision to extend the limit is left to commercial banks.
Commercial credits	
<i>By residents to nonresidents</i>	Export credits are permitted, provided they are effected through a licensed bank.
<i>To residents from nonresidents</i>	Overseas suppliers may extend credit to importers only if the interest rate is reasonable.
Financial credits	
<i>By residents to nonresidents</i>	All licensed banks may extend rupee credit facilities to nonresident-controlled companies incorporated in Sri Lanka.
<i>To residents from nonresidents</i>	All financial credits require prior approval, based on a review of the terms and conditions. Approval is normally granted only for long-term loans with favorable interest rates, and preference is given to loans that will be repaid in foreign exchange.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	Banks may issue performance bonds and bid bonds without limit on behalf of nonresident persons for exports and other service contracts, subject to the conditions stipulated in the tender, quotation, or contract and, in the latter case, proof of the award of contract. Letters of guarantee valued up to the equivalent of \$500,000 are permitted; those exceeding this limit require prior CBSL approval.
<i>To residents from nonresidents</i>	Yes.
Controls on direct investment	
Outward direct investment	Investments abroad by residents are permitted only with the permission of the MOF, depending on the payback period and other criteria. Priority is given to investments that promote domestic exports.
Inward direct investment	Foreign investment is permitted on the basis of the type of business. Excluded areas of investment for nonresidents include money lending, pawnbroking, retail trading with capital of less than \$1 million or its equivalent, and coastal fishing. The restricted sectors, in which foreign investment is restricted to 40%, include production of goods for export under international quota restrictions; growing and primary processing of cocoa, coconuts, rice, rubber, spices, sugar, and tea; mining and primary processing of nonrenewable natural resources; timber processing industries using local timber; deep-sea fishing; mass communications; freight; travel; shipping agencies; and education. Investment is permitted only up to the limit approved by the government or the relevant authorities in air transportation; coastal shipping; manufacture of arms, ammunition, explosives, military vehicles and equipment, aircraft, and other military hardware; manufacture of poisons, narcotics, alcoholic beverages, dangerous drugs, and toxic, hazardous, or carcinogenic materials; large-scale mining of gems; and lotteries.
Controls on liquidation of direct investment	Proceeds from the sale or liquidation of approved investments, along with any associated capital appreciation, may be remitted in full. Expatriates leaving Sri Lanka to take up residence in the country of their permanent domicile are permitted to transfer all assets representing their retirement funds and savings. Foreign nationals who have operated small businesses in Sri Lanka are allowed to transfer the capital they originally brought into the country plus a reasonable amount of savings, subject to certain limits. ADs may grant foreign exchange allocations to emigrants on presentation of appropriate documentation.
Controls on real estate transactions	Real estate transactions are subject to exchange control restrictions.
Purchase abroad by residents	These transactions require prior approval.
Purchase locally by nonresidents	Purchases for residential purposes are allowed only if funded by inward remittances.
Sale locally by nonresidents	These transactions are permitted, but the repatriation of sale proceeds is allowed only up to the amount of inward remittances of foreign currency.

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Controls on personal capital transactions

Loans	These transactions are not permitted.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Gifts by residents to nonresidents are not permitted. Transfers of assets through inheritances are subject to a limit of SL Rs 350,000 or its equivalent.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	Remittances of foreign currency for life insurance premiums are not permitted.
<i>Transfer abroad by emigrants</i>	At the time of departure, emigrants may be granted foreign exchange to pay for the cost of transportation to the country of migration via the usual, direct route. Foreign exchange equivalent of up to \$2,000 a person may also be purchased at the time of departure. Personal effects of reasonable amounts, plus jewelry valued at up to SL Rs 150,000 for each married woman, SL Rs 60,000 an unmarried woman, SL Rs 30,000 each female emigrant less than 12 years of age, and SL Rs 37,500 each man may be exported. Emigrants are also permitted to effect capital transfers of up to SL Rs 750,000 a person, and up to a maximum limit of SL Rs 1 million a family unit.
<i>Transfer into the country by immigrants</i>	Yes.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Banks are required to report their daily foreign exchange position. Reporting requirements with respect to fund transfers through electronic fund transfer cards are in effect.
Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Offshore bank branches may extend foreign currency loans to nonresident individuals and resident companies approved by the BOI. Domestic bank branches may extend loans in foreign currency to Sri Lankan expatriate workers who are employed abroad to be used for any domestic purpose against repayment in foreign currency from an NRFC account.
Lending locally in foreign exchange	Commercial banks may grant foreign currency loans from their domestic currency banking units to exporters who are in a position to pay their loans in foreign exchange earnings. Development banks are also permitted to extend foreign currency loans to exporters based on their foreign credit lines.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
<i>Interest rate controls</i>	Yes.
<i>Credit controls</i>	Yes.

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Differential treatment of deposit accounts held by nonresidents

<i>Reserve requirements</i>	The statutory reserve requirement ratio on rupee deposits is 10%, and the ratio on foreign currency deposits is zero.
<i>Liquid asset requirements</i>	Yes.
<i>Interest rate controls</i>	Yes.
<i>Credit controls</i>	Yes.

Investment regulations

<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	There is no limit on foreign ownership of domestically incorporated commercial banks.

Open foreign exchange position limits

The maximum positive daily net open foreign exchange position of commercial banks is 15% of a bank's own capital funds and reserves.

Provisions specific to institutional investors

Insurance companies

<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	Yes.

Pension funds

n.a.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Exchange measures

October 18. Sri Lanka imposed deposit requirements, giving rise to an exchange restriction.

Arrangements for payments and receipts

December 1. Transactions in derivatives and other instruments were permitted in domestic currency.

Resident accounts

November 16. ADs were permitted to open and maintain FCAPSs in the domestic banks for resident professional services providers to receive payments in foreign currency on account of services rendered to nonresident and/or local firms or companies that earn foreign exchange.

December 5. ADs were permitted to open and maintain FCASIs in the domestic banks for companies engaged in supplying material inputs to companies that are earning foreign exchange in order to receive payments in foreign currency.

Imports and import payments

January 1. The importation of milk processing machinery; construction machinery and equipment, including crushing machinery; unprocessed timber logs; and high-technology machinery for the handloom industry were exempted from VAT.

January 1. The markup on the c.i.f. value for charging VAT at customs points was increased to 7% from 5%.

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January 31. The customs duty on importation of wheat flour was increased to 15% from 2.5% or SL Rs 12.50 a kilogram (whichever is higher). The customs duty on importation of rice was increased to SL Rs 20 a kilogram from SL Rs 9 a kilogram.

February 28. Construction machinery became exempt from customs duty.

February 28. The customs duty for importation of wheat grain was increased to 6% from 2.5%.

April 1. A duty waiver up to 25% of levies was granted on importation of motor cars of less than 1,500 cc for compliant taxpayers.

April 18. The tea export cess was increased to SL Rs 4 from SL Rs 2.50 a kilogram.

August 4. The customs duty on importation of big onions was increased to SL Rs 20 from SL Rs 10 a kilogram.

September 16. A cess of SL RS 10 a kilogram was imposed on the importation of big onions.

October 18. A 50% margin deposit requirement was imposed by the CBSL against the LCs used for the importation of selected nonessential consumer goods.

November 17. The markup on the c.i.f. value for charging VAT at customs points was increased to 10% from 7%.

November 17. As a revenue measure, the PAL was increased to 3.0% from 2.5%.

Capital transactions

Controls on capital and money market instruments

November 1. The rupee-denominated GTBM was opened to foreign investors. Foreign investors were permitted to purchase treasury bonds with minimum maturity of two years and total investment limited to 5% of the value of treasury bonds outstanding at any given point in time.

Controls on derivatives and other instruments

January 1. ADs were permitted to contract basic financial derivative products; interest rate swaps, interest rate options, forward rate agreements, non-rupee options, cross-currency swaps not involving rupees, and commodity-linked derivatives limited to selected industrial products and precious metals.

December 1. Permission to ADs to contract options and cross-currency swaps was extended to include domestic currency.

SUDAN

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: October 29, 2003.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Sudan is the Sudanese dinar, which after July 2007 will be replaced by the Sudanese pound.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The exchange rate is determined in the interbank market, in which participants deal directly with each other. The Bank of Sudan (BOS) participates in the market through swaps under a rules-based mechanism that triggers intervention when the exchange rate exceeds a band of $\pm 3\%$ around the previous day's closing rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Forward exchange contracts are prohibited.

Official cover of forward operations n.r.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Payments to all countries and all monetary areas (the "convertible area") may be made in foreign currency from any free currency account or special foreign currency account, and receipts from the convertible area may be accepted in any convertible currency. Banks are required to open accounts in euros and Saudi Arabian riyals with the BOS to facilitate clearance of import payments and export invoices.

Use of foreign exchange among residents Use of foreign exchange among residents is generally not permitted, with a few exceptions.

Payments arrangements

Bilateral payments arrangements

Inoperative There is an agreement with Egypt that has been suspended since 1992.

Regional arrangements Sudan is a member of COMESA.

Clearing agreements Yes.

Administration of control No.

SUDAN

Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Yes.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	The maximum amount allowed to be exported is \$10,000.
On imports	
<i>Domestic currency</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	All residents, except the government, public institutions, and public sector enterprises, are allowed to keep foreign exchange in free accounts. These accounts may be credited with any means of payment without restrictions. Funds from these accounts may be used to make payments and transfers abroad or for any other purpose.
Held abroad	Only banks may keep these accounts.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Diplomatic, foreign, international, and regional missions and organizations; foreign charities and aid organizations; foreign companies and foreign contractors; and the foreign personnel of these organizations are allowed to open special foreign accounts with authorized banks. These accounts may be credited with transfers from abroad. Special foreign currency accounts may be debited for transfers abroad to finance foreign travel, to purchase local currency to finance local payments, to make foreign currency payments to local institutions authorized to sell goods and services for foreign currency, and to finance imports. Withdrawals may be made for purposes of travel by account holders or their families and for local payments in Sudanese dinars.
Domestic currency accounts	These accounts may be opened by the same individuals and organizations who are allowed to open foreign exchange accounts. Balances may be converted, subject to approval on the basis of documentary evidence.
Convertible into foreign currency	Yes.
Approval required	Yes.
Blocked accounts	No.

SUDAN

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports

Advance import deposits Yes.

Documentation requirements for release of foreign exchange for imports Imports must be accompanied by an invoice, a valid commercial registration certificate, a valid tax clearance certificate, and the written consent of the authorized bodies for certain categories of imports.

Domiciliation requirement Yes.

Other Yes.

Import licenses and other nontariff measures Licenses are required only for imports under border trade and preferential trade arrangements.

Negative list Imports of some goods, such as wine, drugs, gambling instruments, and weapons, are prohibited for reasons of religion, health, and national security.

Other nontariff measures Imports from Israel are prohibited.

Import taxes and/or tariffs The import duty rates range from 3% to 40% and there are four tariff bands.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements All export proceeds must be repatriated within six months of the date of the bill of lading, depending on the types of settlements.

Financing requirements n.r.

Documentation requirements

Letters of credit Yes.

Export licenses Licenses are required for exports under border trade.

Without quotas Yes.

Export taxes No.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments Insurance for imports must normally be taken out with local companies.

Investment-related payments Amortization payments on loans to nonresidents are subject to BOS certification regarding the original amount of the foreign loans.

Credit card use abroad n.a.

SUDAN

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements Yes.

Restrictions on use of funds Yes.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Yes.

Repatriation requirements Yes.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents Yes.

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Controls apply only on purchases abroad by ADs.

Bonds or other debt securities

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Controls apply only on purchases abroad by ADs.

Sale or issue abroad by residents Yes.

On money market instruments Controls apply to all these transactions.

On collective investment securities n.a.

Controls on derivatives and other instruments n.a.

Controls on credit operations Controls apply to all these transactions.

Controls on direct investment

Outward direct investment Yes.

Controls on liquidation of direct investment No.

Controls on real estate transactions Controls apply to all these transactions.

Controls on personal capital transactions

Loans

By residents to nonresidents Yes.

Transfer of assets

Transfer abroad by emigrants Yes.

SUDAN

Transfer of gambling and prize earnings Yes.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Lending to nonresidents (financial or commercial credits) Yes.

Purchase of locally issued securities denominated in foreign exchange Yes.

Differential treatment of deposit accounts in foreign exchange

Reserve requirements The reserve requirement on foreign and domestic currency deposits is 13%.

Interest rate controls n.a.

Credit controls Yes.

Differential treatment of deposit accounts held by nonresidents

Interest rate controls n.a.

Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

SURINAME

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 29, 1978.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with Suriname states that as of February 8, 2006, Suriname maintained multiple currency practices subject to Fund approval arising from (i) the absence of a mechanism to prevent a possible deviation of more than 2 percent between the official exchange rate used for government transactions and the market-determined bank/cambios rate and (ii) the preferential exchange rate for infant formula imports. (Country Report No. 06/135)

International security restrictions

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency

The currency of Suriname is the Surinamese dollar.

Other legal tender

Sixteen commemorative gold coins are legal tender.

Exchange rate structure

Multiple

An official exchange rate is used for about 20% of all foreign exchange transactions, and a commercial exchange rate, which is more flexible, is used by commercial banks and exchange bureaus to handle all other foreign exchange transactions. The government of Suriname provides a subsidy to imports of infant formula according to a mechanism whereby 50% of the counter value is paid by the MOF (50% of the exchange rate multiplied by the foreign exchange amount).

Classification

Conventional pegged arrangement

The official exchange rate is pegged at SRD 2.75 per U.S. dollar. The exchange rate of the Surinamese dollar vis-à-vis the U.S. dollar in the official and parallel markets remained stable.

Exchange tax

No.

Exchange subsidy

n.a.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Settlements in Surinamese dollars between Suriname and foreign countries are not permitted; in general, they must be made in specified convertible currencies (Australian dollars, Barbados dollars, Canadian dollars, Eastern Caribbean dollars, euros, Guyana dollars, yen, Norwegian kroner, Swedish kronor, Swiss francs, Trinidad and Tobago dollars, pounds sterling, and U.S. dollars).

SURINAME

Controls on the use of domestic currency Controls apply to the use of domestic currency for current and capital transactions and payments.

Use of foreign exchange among residents The use of foreign exchange among residents is permitted. However, given that only the Surinamese dollar is legal tender, settlement of payments with foreign currency can occur only with the consent of the parties involved. Settlements in foreign currency are against the prevailing regulations.

Payments arrangements

Bilateral payments arrangements n.a.

Regional arrangements Suriname is a member of CARICOM. The CARICOM Single Market and Economy (CSME) was established January 1, 2006.

Administration of control

The Ministry of Trade and Industry (MTI) grants export and import licenses. The Foreign Exchange Commission (FEC) grants licenses for most external payments other than imports of goods and services, approves foreign loans, and authorizes banks to deal in foreign exchange.

Payments arrears

Official Payments arrears are owed to Brazil and the United States, with Brazil accounting for 56% of the arrears. The original debts were contracted in the 1980s and 1990s on commercial terms from Brazil and on concessional terms from the United States.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade Producers of gold may sell only to authorized gold buyers. Authorized gold buyers are permitted to sell nuggets at freely negotiated prices for industrial and artistic purposes. Dealings between residents in gold bars and other forms of unworked gold, with the exception of nuggets, are prohibited. If local production does not meet industrial demand, the Central Bank of Suriname (CBS) may import some gold. Residents may hold and acquire gold coins in Suriname for numismatic and investment purposes; authorized banks may freely negotiate the sale of gold coins among themselves and with other residents. Residents other than the monetary authorities, producers of gold, and authorized industrial and dental users are not allowed to hold or acquire gold in any form other than nuggets, jewelry, or coins, at home or abroad, without special permission.

On external trade Imports and exports of gold require exchange licenses issued by the FEC. Licenses are not normally granted, except for imports and exports of coins by authorized banks and imports and exports by or on behalf of the monetary authorities, producers of gold, and industrial users. Residents arriving from abroad, however, may bring in gold freely, subject to declaration and provided they surrender it to the CBS within 20 days. Nonresident travelers may also bring in gold freely, subject to declaration; they may reexport the declared amount freely. Imports of gold are subject to a duty of 5%. Imports and exports of all forms of gold are subject to a statistical fee of 0.5%; in addition, imports are subject to a licensing fee of 1.5%.

Controls on exports and imports of banknotes

On exports

Domestic currency

Exports exceeding SRD 150 are not allowed without the permission of the FEC.

Foreign currency

Persons exporting more than the equivalent of US\$10,000 must submit a written declaration. Nonresidents may take out of the country up to the amount they brought in and declared on entry.

On imports

Domestic currency

Yes.

Foreign currency

Travelers may bring in up to the equivalent of US\$10,000. Larger amounts must be declared.

References to legal instruments and hyperlinks

n.a.

SURINAME

Resident Accounts

Foreign exchange accounts permitted	Residents are allowed to open foreign currency accounts with domestic and foreign banks and to hold foreign securities, provided the funds were not acquired from sales of real estate in Suriname. Balances in these accounts and holdings of foreign assets may be used freely for transactions other than capital transactions. All transfers between residents and nonresidents must be reported to the CBS for statistical purposes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Nonresidents, whether banks or nonbanks, may open accounts in U.S. dollars with domestic banks with the prior permission of the FEC; no overdrafts are permitted. These accounts may not be credited with Surinamese dollars. All current transfers between residents and nonresidents must be reported to the CBS for statistical purposes.
Approval required	Yes.
Domestic currency accounts	Nonresidents other than banks may open accounts in Surinamese dollars freely with domestic banks. Certain debit and credit accounts are covered by a general license, and all others are subject to a specific license. These accounts must not be overdrawn. Authorized banks may open nonresident accounts in Surinamese dollars in the name of nonresident banks; these accounts also must not be overdrawn. Authorized banks may open nonresident accounts on behalf of nonresidents drawing pensions from the government or under company-sponsored plans. A special permit is required to transfer pensions abroad. Nonresident accounts in Surinamese dollars may not be credited with Surinamese banknotes mailed from abroad.
Convertible into foreign currency	No.
Approval required	Yes.
Blocked accounts	Yes.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	Purchases of foreign exchange to settle import payments must be supported by invoices.
Import licenses and other nontariff measures	Import licenses are required only for those goods that are listed on the negative list. Importers must be registered with the national chamber of commerce.
Negative list	Imports of the following are prohibited unless a license has been obtained from the MTI: wild animals and plants that are not indigenous to Suriname; pesticides (based on the Fund for Special Operations List of the IDB); used cars and motorcycles more than 8 years old

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and buses more than 15 years old; collector's items more than 20 years old; all chemical and radioactive waste materials; and chemical, biological, and nuclear weapons. Imports of some other items, such as explosives and narcotics, are prohibited for reasons of public policy or health.

Open general licenses

Yes.

Other nontariff measures

Imports of certain types of goods require permission from ministries operating under specific acts of parliament; i.e., the Ministries of Industry and Trade, Agriculture, and Forestry and Natural Resources. Importers must obtain certificates of importation issued by the relevant ministry for imports of animals and birds or their eggs; brood eggs; animal parts and products; psychotropic products for human medicinal purposes; medicines for humans and animals; microorganisms for research; waste products; and refrigerators, air conditioners, and equipment containing chlorofluorocarbons.

Import taxes and/or tariffs

In addition to customs duties, a "consent duty" of 1.5% is levied on the c.i.f. value of all imports. A statistical fee of 2% is levied on the c.i.f. value of imports of bauxite companies, and of 0.5% is levied on the c.i.f. value of other imports. Suriname applies the fourth phase of the CARICOM CET; as a result, the maximum external tariff rate is 20%.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

Exporters are not required to surrender their export proceeds but must transfer those receipts to their own accounts with local commercial banks.

Financing requirements

No.

Documentation requirements

Domiciliation

n.a.

Preshipment inspection

This is conducted by the Customs Office.

Export licenses

Export licenses are required only for those goods that are listed on the negative list. Licenses are issued by the MTI in cooperation with the Ministries of Justice, Health, and Agriculture. Licenses are issued by these offices for exports of the following: round timber logs, peeled wood, letterwood, explosives, narcotics, medicinal plants and herbs, wild animals and plants, and products made from gold or other precious metals not defined under the Foreign Currency Law of 1947. The export of bamboo is prohibited.

Without quotas

Yes.

Export taxes

Exports of processed and semiprocessed wood are subject to a tax of 10% of the f.o.b. value, except for exports to CARICOM member countries. Exports of bauxite are subject to a statistical fee of 2% of their f.o.b. value, and other exports are subject to a statistical fee of 0.5% of their f.o.b. value.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Indicative limits/bona fide test

Yes.

Investment-related payments

Transfers of profits from investments are permitted, subject to registration with InvestSur (an institute for the promotion of investments in Suriname).

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<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	Information is not available for payments related to medical costs, studies abroad, and family maintenance.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Quantitative limits</i>	The amount that a repatriating family may take out is determined on a case-by-case basis.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	Transactions involving outward remittances of foreign exchange for capital account transactions are subject to FEC approval.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Transactions involving outward remittances of foreign exchange for capital account transactions are subject to FEC approval. Application for a license must be submitted to the FEC at least one month before the intended date for effecting such a transaction.
Repatriation requirements	Yes.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	Subject to certain requirements, residents may purchase or sell in specified countries Surinamese corporate shares that have been designated as negotiable by the FEC. Controls apply to all other transactions in shares or other securities of a participating nature.
<i>Bonds or other debt securities</i>	Controls apply to all these transactions.
On money market instruments	Controls apply to all these transactions.
On collective investment securities	Controls apply to all these transactions.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	Controls apply to all these transactions.
Controls on direct investment	Controls apply to all these transactions.

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Controls on liquidation of direct investment	Transfers of foreign exchange (including loans) imported by a nonresident entrepreneur for the company's use are permitted at any time. Also permitted are transfers of capital proceeds from the sale to residents or the liquidation of fully or partly foreign-owned companies or other types of enterprises established by nonresidents with foreign capital after July 31, 1953.
Controls on real estate transactions	
Purchase abroad by residents	Residents may not purchase real estate abroad without FEC permission.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	The FEC may allow emigrants (heads of families) to transfer foreign exchange in a lump sum or in regular annual remittances representing the proceeds from the sale of assets held in Suriname. The amounts of these transfers are determined on a case-by-case basis.
<i>Transfer into the country by immigrants</i>	Yes.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Foreign transactions of authorized banks are restricted, in principle, to those undertaken for the accounts of their customers.
Borrowing abroad	External borrowing is not allowed without permission of the FEC.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Authorized banks may place abroad in short-term U.S. dollar assets the amounts corresponding to balances in their nonresident U.S. dollar accounts.
Lending locally in foreign exchange	Banks may extend foreign exchange loans to residents, subject to specific qualification requirements.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Yes.

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Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Yes.
<i>On nonresident assets and liabilities</i>	Yes.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.r.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Arrangements for payments and receipts

January 1. The CSME was established.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 11, 1989.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Swaziland is the Swaziland lilangeni.

Other legal tender The South African rand is also official legal tender.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The lilangeni is pegged to the South African rand at E 1 per R 1. Exchange rates for the U.S. dollar quoted by the Central Bank of Swaziland (CBS) are based on the exchange rate of the South African rand against the U.S. dollar. Rates are also quoted for the Canadian dollar, euro, yen, pound sterling, and Swiss franc, based on the London and New York market quotations for these currencies against the U.S. dollar.

Exchange tax No.

Exchange subsidy No.

Forward exchange market The CBS permits ADs to engage in forward exchange operations. The forward exchange rates are market-determined.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency These transactions may be effected through nonresident accounts only, and international transfers to accounts in countries outside the CMA are subject to a limit of E 5,000 a transaction.

For current transactions and payments Yes.

For capital transactions

Transactions in capital and money market instruments Yes.

Transactions in derivatives and other instruments Yes.

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Credit operations	CBS approval is required.
Use of foreign exchange among residents	These transactions must be effected through foreign currency accounts.
Payments arrangements	
Regional arrangements	Swaziland is part of the CMA; no restrictions are applied to payments within the CMA, and, in principle, payments are not controlled. Residents of Swaziland have access to the Johannesburg market, in accordance with the terms and conditions applied in that market.
Clearing agreements	Yes.
Barter agreements and open accounts	Barter agreements require CBS approval.
Administration of control	The CBS, on behalf of the MOF, controls all external currency transactions. In relations with countries outside the CMA, Swaziland applies exchange controls that are generally similar to those of South Africa.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Yes.
On external trade	Yes.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Exports of up to E 5,000 are allowed.
<i>Foreign currency</i>	Exports of the applicable travel entitlement are allowed.
On imports	
<i>Domestic currency</i>	Imports of up to E 5,000 are allowed.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Authority to open foreign currency accounts is delegated to ADs.
Held domestically	Individuals may hold foreign currency deposits of up to the equivalent of E 1.5 million with domestic ADs. These accounts may also be opened to deposit foreign exchange proceeds for a period not exceeding 90 days.
Held abroad	Individuals may hold foreign currency deposits abroad up to the equivalent of E 1.5 million. Companies must obtain approval and may hold only the needed working balances.
<i>Approval required</i>	The authority to approve foreign investments by individuals is delegated to ADs.
Accounts in domestic currency held abroad	Prior CBS approval is required to open these accounts.
Accounts in domestic currency convertible into foreign currency	Conversion from these accounts is subject to exchange control approval.
References to legal instruments and hyperlinks	n.a.

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Nonresident Accounts

Foreign exchange accounts permitted	These accounts are permitted and authority to open them is delegated to ADs.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Balances in these accounts may be invested in quoted equity securities in Swaziland and in other investments, subject to CBS approval.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Minimum financing requirements	Yes.
Advance payment requirements	Advance payments are limited to 33.33% of the ex-factory cost of the goods.
Advance import deposits	Prior CBS approval is required.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	Yes.
Preshipment inspection	Inspection is carried out by the Department of Customs and Excise.
Import licenses used as exchange licenses	Permits are required to import goods on the negative list, and these permits entitle the holders to purchase foreign exchange required to make import payments.
Import licenses and other nontariff measures	
Negative list	Import permits are required for goods on the negative list.
Open general licenses	Swaziland is a member of the SACU, and no import restrictions are imposed on goods originating in any country of the customs union. Imports from South Africa do not require licenses. Imports from countries outside the SACU require licenses. Ports of entry outside Swaziland may be used, but the Swazi authorities are responsible for controlling import licenses and payments procedures.
Import taxes and/or tariffs	Swaziland applies the customs tariff system of the SACU on imports from outside the customs union.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	For goods shipped to countries outside the SACU, licensing is administered to ensure that export proceeds are repatriated in the prescribed manner and within the stipulated period.
Surrender requirements	Export proceeds must be surrendered within 90 days from the date of receipt.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.

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Financing requirements	No.
Documentation requirements	
Domiciliation	Yes.
Preshipment inspection	Yes.
Other	Contract statements are required.
Export licenses	
Without quotas	All exports are subject to licensing. For goods shipped to SACU member countries, licenses are used mainly for tax purposes.
With quotas	Quotas apply to exports of beef and sugar.
Export taxes	A sugar export levy applies to export proceeds from the EU.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments to nonresidents for current transactions, while subject to control, are not normally restricted. Authority to approve some types of current payments up to established limits is delegated to ADs.
Trade-related payments	Documentary evidence confirming the amount due must be provided.
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Authority to transfer dividends, profits, and other income is delegated to ADs.
<i>Indicative limits/bona fide test</i>	Documentary evidence confirming the amount due must be provided.
Payments for travel	
<i>Quantitative limits</i>	The annual limits on foreign exchange purchases by permanent residents for business and holiday travel are the equivalent of E 160,000 an adult and E 50,000 a child under 12 years of age.
<i>Indicative limits/bona fide test</i>	Larger amounts are granted on application supported by proof of need.
Personal payments	
<i>Prior approval</i>	Clearance from the CBS is required for any agreements or amendments with respect to technical consulting, management, professional, and royalty fees.
<i>Quantitative limits</i>	The maximum annual study allowances for students in non-CMA countries are the equivalent of E 160,000 a single student and E 320,000 a married student accompanied by a spouse. The maximum annual travel allowances for students studying in non-CMA countries during vacation periods are E 50,000 a single student and E 100,000 a married student accompanied by a spouse. Family maintenance transfers are limited to the equivalent of E 9,000 a month.
<i>Indicative limits/bona fide test</i>	Documentary evidence must be provided.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Documentary evidence substantiating the income earned must be produced.
Credit card use abroad	
<i>Prior approval</i>	To use credit cards outside the CMA, a resident cardholder must complete a letter of intent before departure.
<i>Quantitative limits</i>	Residents may use up to 100% of the approved travel facility.

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<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	Yes.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	Yes.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	All inward capital transfers, except for equity investments by nonresidents, require the prior approval of the CBS and must be properly documented to facilitate the subsequent repatriation of interest, dividends, profits, and other income. Inward payments toward a loan and investments in unquoted companies may be made freely, but CBS approval is required for registration of equity status prior to investment.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Purchases may be processed through normal banking channels directly in foreign currency or through local currency nonresident accounts held in a CMA member country.
Sale or issue locally by nonresidents	Balances in blocked accounts for emigrants may be invested in quoted securities and other such investments as may be approved by the CBS. Other nonresidents may effect these transactions freely as well.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	There are no specific controls; however, the underlying documentation must specify that a nonresident is effecting the transaction in order to distinguish nonresidents' certificates from those of residents.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	These transactions are restricted to private persons' investment entitlements. Purchases by a resident noncorporate individual are limited to the equivalent of E 1.5 million.
Sale or issue abroad by residents	The regulations governing purchases abroad by residents apply.

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On money market instruments	
<i>Purchase abroad by residents</i>	The regulations governing bonds or other debt securities apply.
<i>Sale or issue abroad by residents</i>	The regulations governing bonds or other debt securities apply.
On collective investment securities	
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	All transactions in derivatives and other instruments are controlled.
Controls on credit operations	All credit operations are controlled.
Commercial credits	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	Borrowing in foreign currency is subject to CBS approval.
Financial credits	Controls apply to all these transactions.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	These transactions are allowed, provided they relate to successful tenders for the supply of goods and technical services.
<i>To residents from nonresidents</i>	These transactions are allowed, provided the bank is satisfied that payment from a foreign guarantor will be received in accordance with the exchange control rulings, should it be required to effect a payment under the guarantee.
Controls on direct investment	
Outward direct investment	Private individuals are allowed to invest abroad up to the equivalent of E 1.5 million. Applications by corporate entities abroad require approval, which is granted on merit.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase abroad by residents	These transactions are subject to the prior approval of the CBS. Private individuals may invest in real estate within the SADC region with prior CBS approval.
Purchase locally by nonresidents	Purchases by nonresidents are subject to approval. Applicants must go through the Land Speculation Board to determine if there is effective local demand.
Sale locally by nonresidents	These transactions require prior CBS approval.
Controls on personal capital transactions	All personal capital transfers are controlled. Private individuals are allowed to invest abroad up to the equivalent of E 1.5 million.
Loans	These transactions require prior CBS approval. The annual limit on loans is E 30,000 a person.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	The annual limit of gift transfers is E 30,000 a person. Documentary proof is required for legacies and distributions of estates.
<i>To residents from nonresidents</i>	Documentary evidence for these transactions must be provided.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	Controls apply to funds drawn from blocked accounts.
<i>Transfer abroad by emigrants</i>	The settling-in allowance for emigrants is the equivalent of E 1.5 million a single person or E 4 million a family.

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<i>Transfer into the country by immigrants</i>	Yes.
Transfer of gambling and prize earnings	Transfers of casino, gambling, and lottery winnings by nonresidents may be effected through ADs on presentation of documentary evidence. Residents are not allowed to participate in lotteries organized abroad.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Residents are not permitted to borrow funds from abroad without prior approval.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	The ratio is 3% of a bank's total domestic public liabilities, excluding any balances for which the bank is liable to any financial institution; 100% of vault cash is eligible to satisfy the reserve requirement.
<i>Liquid asset requirements</i>	The ratio is 10% of total public liabilities for the Swaziland Development and Savings Bank and 13% for commercial banks.
Investment regulations	
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Yes.
<i>On nonresident assets and liabilities</i>	Yes.
Provisions specific to institutional investors	Institutional investors are allowed to invest abroad 35% of their assets in Swaziland by way of asset swaps after obtaining CBS approval.
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

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Changes during 2006

No significant changes occurred in the exchange and trade system.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

In accordance with EU regulations and the relevant UN Security Council resolutions, certain restrictions are maintained on transactions with respect to natural and legal persons, public bodies, and entities related to the previous government of Iraq; Myanmar; certain individuals associated with the previous government of the former Federal Republic of Yugoslavia and individuals indicted by the International Criminal Tribunal for the Former Yugoslavia; the individual members of the government of Zimbabwe; the former president of Liberia; certain persons in the Democratic Republic of the Congo, Côte d'Ivoire, and Sudan who are designated by the UN Sanctions Committee; certain persons suspected of involvement in the assassination of the former Lebanese Prime Minister Rafik Hariri; and any natural and legal persons associated with them. Financing of and financial assistance related to military activities in Somalia and Uzbekistan are prohibited. Restrictions also apply on transfers with respect to the Taliban and individuals and organizations associated with terrorism.

References to legal instruments and hyperlinks

http://ec.europa.eu/comm/external_relations/cfsp/sanctions/measures.htm.

Exchange Arrangement

Currency

The currency of Sweden is the Swedish krona.

Exchange rate structure

Unitary.

Classification

Independently floating

The exchange rate of the krona is determined on the basis of supply and demand in the foreign exchange market.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Yes.

Official cover of forward operations

Sveriges Riksbank—the central bank—and certain government agencies participate in the forward exchange rate market.

References to legal instruments and hyperlinks

Sveriges Riksbank Act (1988:1385); Currency Rate Policy Act (1998:1404).

Arrangements for Payments and Receipts

Prescription of currency requirements

No.

Payments arrangements

Regional arrangements

Sweden is a member of the EU.

Administration of control

No.

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Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Controls apply to deposits of funds with nonresident financial institutions if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.
Accounts in domestic currency held abroad	Controls apply to deposits of funds with nonresident financial institutions if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	External krona accounts may be held by nonresidents domiciled abroad, including persons who have become nonresidents after emigrating. These accounts may be used for payments and transfers, and may be converted into any foreign currency.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Imports of most iron and steel products from countries outside the EU are subject to licensing for surveillance purposes. Some imports of textiles and clothing from Uzbekistan are subject to licensing for surveillance purposes. Effective January 1, 2006, licensing for surveillance

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	purposes of imports of textiles and clothing (other than those under quota) from China has been abolished. Effective February 1, 2006, licensing for surveillance purposes of imports of shoes from China has been abolished.
Licenses with quotas	Agricultural and fishery products are subject to import licensing. Some iron and steel products from Kazakhstan, the Russian Federation, and Ukraine are subject to quotas. Some imports of textiles and clothing from Belarus, China, the People's Democratic Republic of Korea, Kosovo, and Montenegro are subject to quotas.
Other nontariff measures	Import restrictions apply to certain categories of food, as well as to narcotic drugs, weapons, live animals, radioactive materials, and other items.
Import taxes and/or tariffs	Alcohol, tobacco, and mineral oils are subject to import taxes and customs duties.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Controls apply only on the purchase locally by nonresidents of shares or other securities of a participating nature and of money market instruments.

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On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Controls apply to shares or other securities of a participating nature that may be affected by laws on inward direct investment in fishing and civil aviation.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.

Bonds or other debt securities

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.

On money market instruments

Purchase locally by nonresidents

Yes.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.

On collective investment securities

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.

Controls on derivatives and other instruments

Purchase abroad by residents

Controls apply to the purchase of or swap operations in instruments and claims issued by or contracted with nonresidents if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.

Controls on credit operations

Financial credits

By residents to nonresidents

Controls apply to credits and loans granted to nonresidents if these assets are to form more than 20% of the cover of the technical reserves of an insurance company or are to form part of the assets representative of the technical reserves of a private pension fund.

Controls on direct investment

Inward direct investment

Controls apply to (1) investment to carry out air cabotage and international air transport, and acquisition of aircraft registered in an EEA member country, except through an enterprise incorporated in Sweden; (2) acquisition of 50% or more of Swedish flag vessels, except through an enterprise incorporated in Sweden. A ship may fly the flag of Sweden even if the holder is not a Swedish national or legal person. The preconditions for this are as follows: (a) the ship is entered with the Swedish Register of Ships, (b) the ship forms a part of an economic activity set up in Sweden, and (c) the operation of the ship is supervised and managed from Sweden and the ship is more than 50% owned by a national of a country within the EEA or by a legal person established in accordance with the legislation of that country and has its registered office, headquarters, or principal place of business within that area; (3) investment, whether directly or indirectly through residents, in the fields of transport and communications, unless a license, concession, or similar authorization is granted; (4) investment in the accounting sector by non-EEA or Swiss residents exceeding 25%; (5) investment in a corporation or partnership carrying out the activities of an advokat by non-EEA or Swiss residents, unless the Swedish Bar Association grants a waiver. The limitation applies to ownership of law firms carrying out business under the title of advokat; (6) owners of publishing or printing companies who are citizens of a country outside the EEA. The legal owner must be established according to the legislation in a country in the EEA and should reside in that area. There is also a residency requirement for the responsible editor; (7) rail transport services (passenger transportation). Only international groups

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involved in railway undertakings established in an EEA member country have operating rights between the countries where the undertakings are established. If one of the undertakings is established in Sweden, the group has operating rights between Sweden and the EEA country where the other undertaking of the group is established; (8) the establishment of a limited liability company (joint-stock company) with one or more founders. A founding party must either reside in the EEA or be an EEA legal entity. A partnership may be a founding party if each party resides in the EEA. Exceptions to these requirements may be granted if it can be proven that residency is not necessary. Similar conditions prevail for the establishment of all types of legal entities; and (9) depositories of the assets of investment funds. Only firms with a registered office in the community may act as depositories of the assets of investment funds.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate located outside Sweden if the asset in question is to form more than 20% of the cover of the technical reserves of an insurance company or is to form part of the assets representative of the technical reserves of a private pension fund.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Investment regulations

Abroad by banks

Yes.

Open foreign exchange position limits

For prudential reasons, general guidelines exist for credit institutions' and securities firms' net positions in foreign currencies. These guidelines stipulate limits both on positions in a single currency—15% of the capital base—and on the total net position of all currencies—30% of the capital base.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of capital, money market, and collective investment securities issued by nonresidents if these assets are to form part of the cover of the technical reserves of an insurance company.

Limits (max.) on investment portfolio held abroad

Controls apply to assets covering technical provisions of an insurance company, including (1) deposits of funds with nonresident financial institutions; (2) purchase of or swap operations in instruments and claims issued by or contracted with nonresidents; (3) credits and loans granted to nonresidents; and (4) acquisition of real estate located outside Sweden if these assets are to form more than 20% of the cover of the technical reserves of an insurance company.

Currency-matching regulations on assets/liabilities composition

Controls apply to the purchase of capital, money market, and collective investment securities issued by nonresidents if these assets are to form more than 20% of the cover of the technical reserves of an insurance company; i.e., a maximum of 20% of assets may be denominated in currencies other than the currency in which the liabilities are denominated.

Pension funds

Limits (max.) on investment portfolio held abroad

Controls apply to assets that form part of the assets representative of the technical reserves of a private pension fund located outside Sweden.

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Currency-matching regulations on assets/liabilities composition

Controls apply if assets are to form part of the assets representative of the technical reserves of a private pension fund. Risks related to currency matching must be limited.

Investment firms and collective investment funds

n.a.

References to legal instruments and hyperlinks

n.a.

Changes during 2006

Imports and import payments

January 1. Licensing for surveillance purposes of imports of textiles and clothing (other than those under quota) from China was abolished.

February 1. Licensing for surveillance purposes of imports of shoes from China was abolished.

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(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 29, 1992.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On February 24, 2006, Switzerland notified the IMF of financial sanctions that have been imposed against certain countries, individuals, and entities, in accordance with relevant UN Security Council resolutions and EU regulations. In addition, on March 13, 2007, the authorities notified the IMF of additional financial sanctions that have been imposed against certain countries, individuals, and entities, in accordance with relevant UN Security Council resolutions and EU regulations.

In accordance with UN Security Council resolutions, restrictions have been imposed with respect to (1) specific individuals and entities that constitute a threat to international peace and security in the Democratic Republic of the Congo; (2) specific individuals posing a threat to international peace and security in Côte d'Ivoire; (3) specific individuals and entities involved in the nuclear and/or ballistic missile programs of the Islamic Republic of Iran; (4) specific individuals and entities associated with the former government of Iraq; (5) specific individuals and entities engaged in the Democratic People's Republic of Korea's weapons of mass destruction (WMD)-related programs (effective October 25, 2006); (6) specific individuals and entities suspected of involvement in the bombing that killed former Lebanese Prime Minister Rafik Hariri; (7) financing of and financial services related to the provision of arms and related materiel to Lebanon (effective November 1, 2006); (8) specific individuals and entities associated with the former governments of Liberia; (9) specific individuals who impede the peace process in Sudan; and (10) specific individuals and entities associated with Osama bin Laden, Al-Qaida, and the Taliban.

In accordance with EU regulations, restrictions have been imposed with respect to (1) specific individuals and entities associated with the governments of Belarus and Myanmar (effective June 28, 2006); (2) financing of and financial services related to military activities in Uzbekistan (effective January 18, 2006); (3) the previous government of the former Federal Republic of Yugoslavia; and (4) specific individuals associated with the government of Zimbabwe. Effective February 14, 2007, restrictions were imposed against the Islamic Republic of Iran.

References to legal instruments and hyperlinks

Federal Act on the Implementation of International Sanctions 946.231; Ordinance on Economic Measures against Iraq 946.206; Ordinance on the Confiscation of Frozen Assets in Iraq and Transfer to the Development Fund for Iraq 946.206.1; Ordinance on Measures against Individuals and Entities Related to Osama bin Laden, Al-Qaida, and the Taliban 946.203; Ordinance on Measures against Liberia 946.231.16; Ordinance on Measures against Sudan 946.231.18; Ordinance on Measures against the Democratic Republic of the Congo 946.231.12; Ordinance on Measures against Côte d'Ivoire 946.231.13; Ordinance on Measures against Specific Individuals Related to the Attack on Rafik Hariri 946.231.10; Ordinance on Measures against the Democratic People's Republic of Korea 946.231.127.6; Ordinance on Measures against Lebanon 946.231.148.9; Ordinance on Measures against the Islamic Republic of Iran 946.231.143.6; Ordinance on Measures against Individuals Related to the Former Government of Yugoslavia 946.207; Ordinance on Measures against Myanmar 946.231.157.5; Ordinance on Measures against Zimbabwe 946.209.2; Ordinance on Measures against Uzbekistan 946.231.17; Ordinance on Measures against Belarus 946.231.116.9.

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Exchange Arrangement

Currency	The currency of Switzerland is the Swiss franc.
Exchange rate structure	Unitary.
Classification	
Independently floating	The exchange rate of the Swiss franc is determined by supply and demand in the foreign exchange market. However, the Swiss National Bank reserves the right to intervene in the foreign exchange market. All settlements are made at free market rates.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	No officially fixed premiums and discount rates apply to forward exchange contracts, all of which are negotiated at free market rates.
References to legal instruments and hyperlinks	National Bank Act 951.11.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	No.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On external trade	Import and export licenses, which are issued freely, are required for commercial imports and exports of certain articles containing gold. Licenses are not required for imports or exports of gold coins or bullion.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	Federal Law on Precious Metals Control 941.31; Precious Metals Control Ordinance 941.311.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Effective September 1, 2006, deposit accounts held abroad are not accepted to cover the technical reserves of an insurance company, unless the deposit account is held in Luxembourg, Belgium, or Liechtenstein. Previously, controls applied to deposits in accounts held abroad if these assets formed more than 30% of the cover of the technical reserves of an insurance company. Controls apply to deposits of funds with nonresident financial institutions if these assets are to form more than 30% of the assets representative of the liabilities of a private pension fund.
Accounts in domestic currency held abroad	Controls apply to deposits of funds with nonresident financial institutions if these assets are to form more than 30% of the assets representative of the liabilities of a private pension

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fund. Effective September 1, 2006, the previous 30% limit on deposits abroad by insurance companies was eliminated.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Ordinance on Occupational Benefit Plans Concerning Old Age, Survivors, and Disability 831.441.1; Investment Directives of the Federal Office of Private Insurance on the Tied Assets of Private Insurance Companies of June 12, 2006.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

No.

Import licenses and other nontariff measures

Open general licenses

Licenses are required mostly for agricultural products.

Licenses with quotas

Licenses with quotas are required for specific agricultural products.

Other nontariff measures

Import controls apply for weapons and war material, and for sanitary or phytosanitary reasons. Imports of rough diamonds are permitted only under the Kimberley Process Certification Scheme.

Import taxes and/or tariffs

In general, customs duties are levied based on the weight of goods instead of their value. On industrial goods, import tariffs are generally very low (average 0.25% ad valorem). On agricultural goods, they average about 7.7% ad valorem. The tariff rates on agricultural goods that are imported above quota may range up to several hundred percent (in ad valorem terms). In the framework of the General Agreement on Tariffs and Trade—Uruguay Round, all quantitative restrictions and measures having equivalent effects concerning agricultural products have been transformed into tariffs. To maintain market access opportunities prevailing in 1986–88, 28 tariff rate quotas were created for specific agricultural and livestock goods (fruits, vegetables, meats, wines, etc.).

State import monopoly

State monopolies apply to imports of alcohol of 80 proof and above and of salt, although private sector imports may be effected with prior authorization. Some cantons have a monopoly on imports of salt.

References to legal instruments and hyperlinks

Weapons Act 514.54; Federal Law on War Material 514.51; Federal Act on the National Economic Supply 531; Customs Tariff Act 632.10; Federal Law on Alcohol 680; Federal Law on Agriculture 910.1; Ordinance on the Import of Agricultural Products 916.01; Ordinance on Plant Protection 916.20; Ordinance on the Production and Marketing of Feed 916.307; Law on Epizootics 916.401; Ordinance on the Import, Transit, and Export of Animals and Animal Products 916.443.11; Ordinance on the Labeling of Agricultural

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Products 916.51; Federal Law on Food and Objects of Daily Use 817.0; Ordinance on Food 817.02 and related Ordinance 817.41; Law on the Protection of Animals 455; Ordinance on the Conservation of Species 232.161; Ordinance of the Federal Veterinary Office Establishing Temporary Border Measures to Combat Avian Influenza 916.443.40; Ordinance on the International Trade in Diamonds 946.231.11; Constitutions of the Cantons 131.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	A system of general and individual licenses applies to controlled exports.
Without quotas	Exports of weapons, war material, and dual-use goods that may be used for the production of conventional weapons and WMD are controlled and require a license. Exports of rough diamonds are permitted only under the Kimberley Process Certification Scheme.
Export taxes	No.
References to legal instruments and hyperlinks	Weapons Act 514.54; Federal Law on War Material 514.51; Goods Control Act 946.202; Ordinance on the International Trade in Diamonds 946.231.11.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase abroad by residents	Controls apply to the purchase of shares or other securities of a participating nature issued by nonresidents if these assets are to form more than 25% of the assets representative of the liabilities of a private pension fund. Effective September 1, 2006, if an insurance company covers its technical reserves with shares (issued by either residents or nonresidents), there

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is a limit of 30% (previously, 25%) and the shares must be listed on a stock exchange within a liquid market.

Bonds or other debt securities

Purchase abroad by residents

Controls apply to the purchase of debt instruments issued by nonresidents if these assets are to form more than 30% of the assets representative of the liabilities of a private pension fund. Effective September 1, 2006, the previous 30% limit on insurance companies' investments in debt instruments issued by nonresidents was eliminated.

On money market instruments

Purchase abroad by residents

Controls apply to the purchase of debt instruments issued by nonresidents if these assets are to form more than 30% of the assets representative of the liabilities of a private pension fund. Effective September 1, 2006, money market instruments held abroad are accepted only to cover the technical reserves of an insurance company if they are vested in securities. Previously, debt instruments were not allowed to exceed 30% of the cover of the technical reserves of an insurance company.

On collective investment securities

Sale or issue locally by nonresidents

Controls apply to the issue of foreign collective investment securities that are subject to a stamp duty. Representatives or distributors of foreign investment funds need a license from the Swiss Federal Banking Commission.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form more than 30% of the assets representative of the liabilities of a private pension fund. Effective September 1, 2006, if an insurance company covers its technical reserves with collective investment securities, the securities must be traded in a liquid market and be supervised under a qualified regulatory regime. Previously, a 30% limit applied to the purchase of collective investment securities by insurance companies.

Controls on derivatives and other instruments

Purchase abroad by residents

Controls apply to the purchase of or swap operations in instruments and claims issued by or contracted with nonresidents if these assets are to form more than 20% of the assets representative of the liabilities of a private pension fund. Effective September 1, 2006, the use of derivatives for hedging the tied assets or the technical provisions of an insurance company is permitted. There are several restrictions on the use of derivatives for other purposes for insurance companies. Previously, a 20% limit applied to the purchase of or swap operation in instruments issued by or contracted with nonresidents by insurance companies.

Controls on credit operations

Financial credits

By residents to nonresidents

Controls apply to credits and loans granted to nonresidents if these assets are to form more than 20% of the assets representative of the liabilities of a private pension fund. Effective September 1, 2006, credits and loans granted to nonresidents are accepted to cover the technical reserves of an insurance company only if they are vested in securities. Previously, a 20% limit applied to credits and loans granted to nonresidents by insurance companies.

Controls on direct investment

Inward direct investment

Controls apply to the (1) acquisition of real estate, which is subject to authorization by the relevant cantonal authority when the acquirer does not use the property to operate a permanent establishment; (2) establishment of enterprises for the distribution and exhibition of films; (3) registration of a ship in Switzerland serving two points on the Rhine and of a vessel intended to offer commercial maritime transport services; (4) registration of an aircraft in Switzerland and investment in an airline under Swiss control, unless other provisions of international agreements to which Switzerland is a party apply; (5) investment in the sectors of hydroelectricity, oil and gas pipelines, and nuclear energy; and (6) investment in a broadcasting company, subject to reciprocity.

Controls on liquidation of direct investment

No.

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Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate located outside Switzerland if these assets are to form more than 5% of the assets representative of the liabilities of a private pension fund. Effective September 1, 2006, real estate located outside Switzerland is not permitted to cover the technical reserves of an insurance company. Previously, a 5% limit applied to the acquisition of real estate outside Switzerland by an insurance company.

Purchase locally by nonresidents

Purchases by foreigners who are not permanent residents in Switzerland and by enterprises with headquarters abroad or under foreign control are subject to authorization. However, no authorization is required for the acquisition of premises for professional use and business activities and of principal residences for the purpose of personal housing needs by foreigners who are domiciled in Switzerland. For the acquisition of holiday residences and secondary residences for the purpose of personal housing needs, authorization is granted on verification of the purpose. Purely financial investments and trade in apartments are prohibited (with some exceptions).

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

Ordinance on Occupational Benefit Plans Concerning Old Age, Survivors, and Disability 831.441.1; Insurance Supervision Law 961.01; Supervision Ordinance 961.011; Investment Directives of the Federal Office of Private Insurance on the Tied Assets of Private Insurance Companies of June 12, 2006; Federal Act on Collective Investment Schemes 951.31; Ordinance of the Federal Council on Collective Investment Schemes 951.311; Ordinance of the Swiss Federal Banking Commission on Collective Investment Schemes 951.312; Federal Act on Radio and Television Broadcasting 784.40; Federal Act on the Film Industry 443.1; Federal Act on the Acquisition of Immovable Property by Persons Abroad 211.412.41; Federal Act on Swiss-Flag Maritime Transport 747.30; Federal Act on the Shipping Register 747.11; Revised Convention on Navigation of the Rhine (Mannheim Act) 0.747.224.101; Federal Aviation Act 748.0; Aviation Ordinance 748.01 and Chicago Convention 0.748.0; Concordat on Oil Prospecting and Exploitation 931.1; Federal Act on the Uses of Hydroelectric Power 721.80; Federal Act on Pipelines for Liquid or Gaseous Fuels 746.1; Federal Act on Nuclear Energy 732.1; Ordinance of the Federal Council on Nuclear Energy 732.11.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

No.

Provisions specific to institutional investors

Insurance companies

Effective January 1, 2006, the new Insurance Supervision Law and the new Supervision Ordinance went into effect. Effective September 1, 2006, the overall limit on investments to cover the technical reserves of an insurance company is 20% for foreign currencies. This limit takes into consideration the effects of hedging. Previously, the limit was 30%. Effective September 1, 2006, the new Investment Directives of the Federal Office of Private Insurance on the Tied Assets of Private Insurance Companies of June 12, 2006, went into effect.

Limits (max.) on securities issued by nonresidents

Effective September 1, 2006, if an insurance company covers its technical reserves with shares (issued by either residents or nonresidents), there is a limit of 30% and the shares must be listed on a stock exchange within a liquid market. If an insurance company covers its technical reserves with collective investment securities, the securities must be traded in a liquid market and be supervised under a qualified regulatory regime. Previously, the limits were 25% and 30% respectively.

Limits (max.) on investment portfolio held abroad

Effective September 1, 2006, the technical reserves of an insurance company may not be covered by (1) deposit accounts held abroad, unless the deposit account is held in Luxembourg, Belgium, or Liechtenstein; (2) real estate located outside Switzerland; (3) money market instruments held abroad, unless they are invested in securities; or (4) credits and loans granted to nonresidents, unless they are invested in securities. The use of derivatives for hedging the tied assets or the technical provisions of an insurance company is permitted. There are several restrictions on the use of derivatives for other purposes for

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insurance companies. Previously, deposit accounts held abroad and money market instruments issued by nonresidents were accepted to cover 30% of the technical reserves of an insurance company. Credits and loans to nonresidents and the purchase of or swap operation in instruments and claims issued by or contracted with nonresidents were allowed up to 20% of the technical reserves. The acquisition of real estate located abroad was allowed up to 5% of the technical reserves.

Pension funds

Limits (max.) on securities issued by nonresidents

The overall limit on investments in foreign currencies by pension funds is 30%, with limits for foreign equities, bonds, and real estate of 25%, 20%, and 5%, respectively, of the total portfolio. These provisions are not binding with respect to pension funds that have prudential portfolio management practices.

Limits (max.) on investment portfolio held abroad

Controls apply to (1) the deposit of funds with nonresident financial institutions if these assets are to form more than 30% of the assets representative of the liabilities of a private pension fund; (2) credits and loans granted to nonresidents if these assets are to form more than 20% of the assets representative of the liabilities of a private pension fund; (3) the purchase of or swap operations in instruments and claims issued by or contracted with nonresidents if these assets are to form more than 20% of the assets representative of the liabilities of a private pension fund; and (4) the acquisition of real estate located outside Switzerland if these assets are to form more than 5% of the assets representative of the liabilities of a private pension fund.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

References to legal instruments and hyperlinks

Ordinance on Occupational Benefit Plans Concerning Old Age, Survivors, and Disability 831.441.1; Insurance Supervision Law 961.01; Supervision Ordinance 961.011; Investment Directives of the Federal Office of Private Insurance on the Tied Assets of Private Insurance Companies of June 12, 2006.

In the references above, the collection code indicated after a piece of legislation refers to the official collection of Swiss federal legislation. The text of Swiss federal laws and ordinances is available in German, French, and Italian in the official collection of legislation available at www.admin.ch/ch/d/sr/sr.html (German); www.admin.ch/ch/f/rs/rs.html (French); and www.admin.ch/ch/i/rs/rs.html (Italian). Entering the collection code will direct you to the web page containing the specific legislation.

Changes during 2006

Exchange measures

January 18. Exchange measures were introduced with respect to Uzbekistan.

February 24. Switzerland informed the IMF of financial sanctions imposed against certain countries, individuals, and entities, in accordance with relevant UN Security Council resolutions and EU regulations.

June 28. Exchange measures were introduced with respect to Belarus and Myanmar.

October 25. Exchange measures were introduced with respect to the Democratic People's Republic of Korea.

November 1. Exchange measures were introduced with respect to Lebanon.

Resident accounts

September 1. Deposit accounts held abroad are not accepted as cover for technical reserves of insurance companies unless held in Luxembourg, Belgium, or Liechtenstein.

September 1. The previous 30% limit on deposits abroad by insurance companies was eliminated.

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Capital transactions

Controls on capital and money market instruments

September 1. The previous 30% limit on insurance companies' investment in debt securities or collective investment securities issued by nonresidents was eliminated and the shares were required to be listed on a stock exchange within a liquid market.

September 1. Collective investment securities covering the technical reserves of an insurance company must be traded in a liquid market and be supervised by a qualified regulatory regime.

September 1. Shares are not allowed to cover more than 30% of the technical reserves of an insurance company. Money market instruments are accepted to cover the technical reserves of an insurance company only if they are invested in securities.

Controls on derivatives and other instruments

September 1. Derivatives are allowed to be used by insurance companies for hedging tied assets or technical reserves. For other purposes, several restrictions apply.

Controls on credit operations

September 1. Credits and loans to nonresidents are accepted to cover the technical reserves of an insurance company, only if they are vested in securities.

Controls on real estate transactions

September 1. Real estate located outside Switzerland is not accepted to cover the technical reserves of an insurance company.

Provisions specific to the financial sector

Provisions specific to institutional investors

January 1. The new Insurance Supervision Law went into effect.

January 1. The new Supervision Ordinance went into effect.

September 1. The new Investment Directives of the Federal Office of Private Insurance on the Tied Assets of Private Insurance Companies of June 12, 2006, went into effect.

September 1. The technical reserves of an insurance company are allowed to be covered by shares up to 30% of the reserves, if the shares are listed on a stock exchange with a liquid market, and by collective investment securities if the securities are traded in a liquid market and are supervised under a qualified regulatory regime.

September 1. The technical reserves of an insurance company may not be covered by (1) deposit accounts held abroad, unless the deposit account is held in Luxembourg, Belgium, or Liechtenstein; (2) real estate located outside Switzerland; (3) money market instruments held abroad, unless they are invested in securities; or (4) credits and loans granted to nonresidents, unless they are secured by securities. The use of derivatives for hedging the tied assets or the technical provisions of an insurance company is permitted. There are several restrictions on the use of derivatives for other purposes for insurance companies.

Changes during 2007

Exchange measures

February 14. Exchange measures were introduced with respect to the Islamic Republic of Iran.

March 13. The authorities informed the IMF of financial sanctions imposed against certain countries, individuals, and entities, in accordance with relevant UN Security Council resolutions and EU regulations.

SYRIAN ARAB REPUBLIC

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with the Syrian Arab Republic states that as of July 14, 2006, Syria maintained under Article XIV restrictions on payments and transfers for current international transactions, including administrative allocation of foreign exchange. Syria also maintains exchange measures that are subject to Fund approval under Article VIII: (i) a prohibition against purchases by private parties of foreign exchange from the banking system for some current international transactions; (ii) a multiple currency practice resulting from divergences of more than 2% between the official exchange rate and officially recognized exchange rates; (iii) a non-interest-bearing advance import deposit requirement of 75% to 100% for public sector imports as well as private sector imports which are not financed from abroad; and (iv) an exchange restriction arising from the net debt under inoperative bilateral payments arrangements with the Islamic Republic of Iran and Sri Lanka. (Country Report No. 06/294)

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) n.a.

Other security restrictions n.a.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Syrian Arab Republic is the Syrian pound.

Exchange rate structure

Dual Effective January 1, 2007, the exchange rate system consists of two rates: first, the legally designated official rate of LS 11.20/11.25 per \$1, which applies to the repayment of loans and interest arising from bilateral payments agreements, pending agreements on their rescheduling; and second, the exchange rate for all other transactions, which unified the other exchange rates. As a result, the exchange rate structure has been reclassified to the category dual from the category multiple. Previously, the state and public sector "budget rate" of LS 50 per \$1 constituted the second rate. This rate applied to (1) payments for public sector exports, including the export of crude oil and petroleum; (2) all public sector imports; (3) repayment of loans not related to bilateral payments agreements; (4) public sector remittances from abroad; and (5) all other public sector enterprise foreign exchange transactions. Third, the free market foreign exchange rate was set to reflect developments in the free market exchange rates offshore in Beirut and Amman and applied to foreign exchange sales by authorized banks for (1) private sector purchases of foreign exchange for noncommercial transactions, including medical, study, religious, and travel expenses; (2) the extension of credit to importers of raw material needed for exports; (3) private sector exports; and (4) private sector remittances and receipts from the export of services. Fourth, the unofficial rate was the free market rate, which was the rate in certain cities in the region (mainly Amman and Beirut) and in Syria that applied to (1) private sector import payments not financed by banks, (2) private sector remittances and services receipts and payments, and (3) private capital flows. The free market rate was determined by private supply and demand, with market participants matching their needs through brokers or dealers in the offshore market.

SYRIAN ARAB REPUBLIC

Classification

Conventional pegged arrangement	The official rate is pegged to the dollar.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	No.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

The Exchange Office (EO) prescribes exports to all countries in any convertible currency. Prescription of currency requirements is not applied to outgoing payments. All payments to and receipts from Israel are prohibited. With a few exceptions, non-Syrians visiting the Syrian Arab Republic are required to settle their first- and second-class international hotel bills in foreign exchange.

Controls on the use of domestic currency

For current transactions and payments

Nonresidents are generally required to settle their airfares in convertible currency.

Use of foreign exchange among residents

This is permitted through authorized banks.

Payments arrangements

Bilateral payments arrangements

Inoperative

There are agreements with the Islamic Republic of Iran.

Administration of control

The Ministry of Economy and Trade (MOET) determines policy with regard to imports and exports and issues import licenses. The EO issues exchange licenses for invisibles and capital transactions.

Payments arrears

Official

Yes.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

Controls apply on gold coin and bullion transactions.

On external trade

Imports of gold are subject to import licensing.

Controls on exports and imports of banknotes

On exports

Domestic currency

Residents traveling abroad may take with them up to LS 2,000 a trip unless they are traveling to Jordan or Lebanon. Travelers to Jordan and Lebanon who are not eligible for a foreign exchange allowance may take with them up to LS 7,500 a trip. Nonresidents leaving the Syrian Arab Republic are allowed to reconvert Syrian currency up to the equivalent of LS 25,000 into foreign exchange, provided the banknotes are less than the amounts initially exchanged through the authorized banks during a period not exceeding two months before the date of departure.

Foreign currency

Residents traveling abroad may purchase from banks and take with them foreign exchange up to the equivalent of \$3,000 a trip to all countries except Jordan and Lebanon, where the maximum amount is \$1,000, to be sold to travelers by banks at the borders. Nonresidents may take abroad any amount of foreign exchange if they declared it when they entered the country; if they do not have a declaration, they are allowed to take \$5,000.

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References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Residents may open foreign exchange accounts in authorized banks with funds originating from abroad. Deposits may be transferred to other resident accounts or for deposit abroad without limitation. Deposits in the form of banknotes may be withdrawn only in that form, unless transferred abroad for medical treatment, education, newspaper subscriptions, other similar noncommercial purposes, or imports. Deposits with a term of 15 days or more accrue a competitive rate of interest. Residents are allowed to buy foreign exchange up to the equivalent of \$5,000 and deposit it at authorized domestic banks for at least six months.

Held domestically Yes.

Held abroad Yes.

Approval required Approval is granted if the resident is engaged in economic activities abroad.

Accounts in domestic currency held abroad No.

Accounts in domestic currency convertible into foreign currency No.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Nonresidents may open accounts in convertible foreign currencies in authorized banks for the deposit of funds from abroad. Balances in such accounts may be sold to local banks, transferred abroad without restriction, or used to pay for authorized imports. Temporary nonresident accounts may be opened in the name of nonresidents temporarily residing in the Syrian Arab Republic.

Domestic currency accounts These accounts may be credited with the proceeds of foreign currencies sold to authorized banks and with other receipts in foreign currencies or in Syrian pounds; they may be debited to pay for expenses in the Syrian Arab Republic. Neither the account balances nor the interest accrued on these accounts is transferable.

Convertible into foreign currency No.

Blocked accounts Proceeds from the sale of real estate in the Syrian Arab Republic by nonresidents must be deposited in blocked domestic currency accounts. LS 180,000 or its equivalent may be transferred abroad from such accounts. The account may be debited for expenses in the Syrian Arab Republic.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget The foreign exchange requirements of the state trading agencies are met from the annual foreign exchange budget; these agencies automatically receive import licenses on submission of documentation of their import requirements.

Financing requirements for imports Effective November 15, 2006, banks are allowed to finance all types of imports, except those on the negative list. Previously, foreign exchange was available for a portion (about 60%) of the private sector imports. All other private imports had to be financed with the importers' own resources through external credit arrangements, foreign currency deposits maintained in the Syrian Arab Republic by residents, or foreign exchange purchased from

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	other private or mixed enterprises through the intermediation of authorized banks at the free market rate.
Advance import deposits	A non-interest-bearing advance deposit is required for public sector imports in an amount equal to 100% of the value of the imports. Private sector imports are not subject to this requirement if they are financed from abroad. If authorized banks require an LC, an import deposit is required by banks, based on the solvency of the client (the importer).
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	n.a.
Letters of credit	Private importers may choose to import products specified on the permitted list by opening LCs at authorized banks.
Import licenses used as exchange licenses	Yes.
Other	n.a.
Import licenses and other nontariff measures	
Positive list	Imports are regulated through three lists: (1) the "restricted list," for products whose imports are a monopoly of the public sector; (2) the "negative list," of imports that are prohibited for security, health, or religious reasons or prohibited for the protection of domestic industries; and (3) the "permitted list," with goods whose import by the private sector is permitted, subject to the restrictions on their financing. Imports must come directly from the country of origin, but the MOET has the authority to permit certain goods to be imported from countries other than the country of origin.
Negative list	There is a general list of goods that may not be imported.
Other nontariff measures	Imports from the Syrian free zones are allowed for certain industrial goods and for goods imported directly from the country of origin. Imports of commodities originating in Israel are prohibited.
Import taxes and/or tariffs	
	An import surcharge of 2% is applied to all imports; government imports and imports of certain essential items are exempt. Imports for customs duty purposes are valued at the quarterly exchange rate published by the Central Bank of Syria and calculated based on the average exchange rate between the Syrian pound and the dollar of the previous month. Import tariffs range up to 135%. All previous special levies on imports have been replaced by a unified import surcharge scheme with rates ranging from 6% to 35%.
Taxes collected through the exchange system	n.a.
State import monopoly	Many basic commodities (e.g., paper, salt, tobacco, wheat, and certain agricultural machinery) are imported only by state trading agencies or, for their own account, by certain private sector importers.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Effective February 28, 2006, exporters are required to repatriate the value of exports in acceptable foreign currencies within seven months (previously, one year) from the shipping date. Residents who are not solvent are required to deposit 10% of the value of exports as a guarantee for the repatriation of the proceeds.
Surrender requirements	Export earnings must be sold to authorized commercial banks unless they are (1) kept in a foreign exchange account for financing imports of the exporter or (2) sold to importers.
<i>Surrender to authorized dealers</i>	Yes.

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Financing requirements	Authorized banks may accept prepayments for exports of Syrian products.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Domiciliation	Yes.
Preshipment inspection	Yes.
Export licenses	
	Exports of wheat, barley, cotton, cotton yarn, and their derivatives are made by the government organizations dealing in cereals and cotton. Petroleum product exports are handled by the state Petroleum Marketing Office. Exports of certain other commodities are also reserved for government agencies, state trading agencies, and specified companies.
	Exports of a few goods to all countries, and all exports to Israel, are prohibited.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	All payments for public sector invisibles are effected at the official foreign exchange rate, and most payments for private sector invisibles are effected at the free foreign exchange rate.
Trade-related payments	
<i>Prior approval</i>	Yes.
Investment-related payments	
	Profits and dividends from projects approved by the Higher Committee for Investment under the investment law may not be transferred until five years from the date of investment unless financed from export proceeds and with the authorization of the EO on proof of payment of income tax. Effective January 27, 2007, the new Law No. 8 allows the free transfer of all profits and dividends.
<i>Prior approval</i>	Yes.
Payments for travel	
	Residents traveling abroad may buy \$3,000 each time they travel abroad on presentation of their passport, visa, and airline ticket. The foreign currency amount is registered in the passport to avoid circumvention. Travelers to Lebanon and Jordan may buy \$1,000 at the border each time they cross the border. On departure, residents of Syrian nationality must pay an exit tax of LS 800 a person if traveling to Arab countries and LS 1,500 a person for other destinations. An airport stamp tax of LS 200 is added to this tax.
<i>Quantitative limits</i>	Yes.
Personal payments	
<i>Prior approval</i>	A maximum of the equivalent of \$30,000, at the free market foreign exchange rate, may be transferred abroad for medical treatment, with authorization from the Ministry of Health. For studies abroad, the amount of foreign exchange that may be purchased is set by and is subject to the authorization of the Ministry of Higher Education.
<i>Quantitative limits</i>	Yes.
Foreign workers' wages	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Up to 60% of salaries received by foreign technicians and experts employed in the Syrian Arab Republic and diplomatic missions in the Syrian Arab Republic may be transferred. Foreign staff connected with foreign direct investment are allowed to transfer 100% of

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severance pay. Pension income may be transferred to Syrians living abroad, in foreign currency converted at the official foreign exchange rate.

<i>Indicative limits/bona fide test</i>	n.a.
Other payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	n.a.
<i>Indicative limits/bona fide test</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	Yes.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Exports of capital require the approval of the EO.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Sale or issue locally by nonresidents	Proceeds from the sale of domestic shares may be transferred only with the permission of the EO.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	n.a.
<i>Bonds or other debt securities</i>	No treasury bonds or bills are issued in the Syrian Arab Republic.
On money market instruments	There are two instruments available in the Syrian Arab Republic. The first is an investment certificate issued by the Popular Credit Bank as an agent of the government. The certificates, which carry an interest rate of 7.5% a year, have a 10-year maturity, but have a short-term effective holding period. The second are certificates of deposit (CDs) issued by authorized banks. CDs have many maturity dates (one, two, and three years) and carry many interest rates, according to their maturity (9%, 9.5%, and 10%, respectively).
<i>Purchase locally by nonresidents</i>	n.a.
<i>Sale or issue locally by nonresidents</i>	n.a.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	n.a.
On collective investment securities	n.r.

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Controls on derivatives and other instruments

Purchase locally by nonresidents These transactions are not allowed.

Sale or issue locally by nonresidents n.a.

Purchase abroad by residents n.a.

Sale or issue abroad by residents n.a.

Controls on credit operations

Commercial credits

By residents to nonresidents Residents are required to repatriate their export earnings within seven months from the date of delivery.

To residents from nonresidents Yes.

Financial credits

By residents to nonresidents Residents may lend to nonresidents only with the permission of the EO.

To residents from nonresidents Residents may borrow from nonresidents only with the permission of the EO.

Guarantees, sureties, and financial backup facilities

Controls apply to all these transactions.

Controls on direct investment

Outward direct investment Residents may invest abroad only with the permission of the EO.

Inward direct investment Inward direct investment is subject to licensing according to the Law on Investments. Investors are permitted to hold foreign currency accounts to finance convertible currency requirements. These accounts comprise all capital and loans secured in foreign currency and 100% of proceeds from exports. All profits may be transferred freely. The Syrian Arab Republic has investment guarantee agreements with France, Germany, Switzerland, and the United States. Companies licensed under the investment law are allowed to exchange into local currency at the official foreign exchange rate a part of their assets, duly deposited at Syrian banks, to cover basic needs and local liabilities.

Controls on liquidation of direct investment

Effective January 27, 2007, the new Law No. 8 allows an investor to transfer foreign exchange capital after payment of taxes without time limitations (previously, five years had to elapse).

Controls on real estate transactions

Purchase abroad by residents Yes.

Purchase locally by nonresidents Nonresidents and foreign nationals may acquire real estate only after presenting evidence that they have converted into Syrian pounds the foreign exchange equivalent of the price of the property at an authorized local bank.

Sale locally by nonresidents Proceeds are required to be held in a blocked account and repatriated gradually.

Controls on personal capital transactions n.a.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad Banks may borrow abroad with the permission of the EO.

Maintenance of accounts abroad Banks may have correspondent accounts abroad.

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Lending to nonresidents (financial or commercial credits)	Lending to nonresidents is generally subject to licensing by the EO.
Lending locally in foreign exchange	Banks are allowed to finance private sector imports in the form of (1) six months' deferred payment for any licensed imports or (2) a one-year foreign currency loan for imports used for export production or reexport.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Foreign currency deposits are subject to reserve requirements.
<i>Liquid asset requirements</i>	Yes.
Investment regulations	Foreign banks are allowed to operate in free economic zones. Branches of foreign banks in free zones must have a minimum capitalization of the equivalent of \$10 million in foreign exchange, and their services are available only to companies set up in the free zones. Banks operating outside the free economic zones must have 51% ownership by local investors and be capitalized at a minimum amount of LS 1.5 billion.
<i>Abroad by banks</i>	The general rules for investments abroad apply.
<i>In banks by nonresidents</i>	Yes.
Open foreign exchange position limits	
<i>On resident assets and liabilities</i>	Yes.
<i>On nonresident assets and liabilities</i>	Yes.
Provisions specific to institutional investors	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Imports and import payments	<i>November 15.</i> Banks were allowed to finance all types of imports, except those on the negative list.
Exports and export proceeds	<i>February 28.</i> Exporters were required to repatriate the value of exports in acceptable foreign currencies within seven months (previously, one year) from the shipping date.

Changes during 2007

Exchange arrangement	<i>January 1.</i> The public sector and the free market rates were unified, and thus the exchange rate structure was reclassified to the category dual from the category multiple.
Payments for invisible transactions and current transfers	<i>January 27.</i> The new Law No. 8 allows the free transfer of all profits and dividends.
Capital transactions	
Controls on liquidation of direct investment	<i>January 27.</i> The new Law No. 8 allows an investor to transfer foreign exchange capital after payment of taxes without time limitations (previously, five years had to elapse).

TAJIKISTAN

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 9, 2004.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Exchange restrictions have been imposed in accordance with UN resolutions.

Other security restrictions

Certain measures have been taken to restrict financial operations and to freeze the accounts belonging to certain persons or organizations associated with terrorism, in accordance with (1) relevant UN Security Council resolutions and (2) the list of current terrorist organizations compiled by the U.S. Secretary of State.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Tajikistan is the Tajik somoni.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the somoni is determined by supply and demand in the foreign exchange market, in which the National Bank of Tajikistan (NBT) may intervene only in the case of excessive fluctuations. The official exchange rate of the somoni against the dollar is determined and set daily by the NBT on the basis of the weighted average exchange rates of dollar transactions in the interbank and intrabank foreign exchange markets as of 3:00 p.m. on the current day. Exchange rates for other currencies are determined indirectly through cross-exchange rates of the dollar against these currencies. The foreign exchange market consists of the over-the-counter interbank market, the market for intrabank client transactions, and a network of foreign exchange bureaus belonging to authorized banks and private persons that conduct exchange transactions with cash foreign currency.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

No.

References to legal instruments and hyperlinks

Instruction on the Procedure for Setting the Official Exchange Rate of the Somoni against Foreign Currencies (Resolution of the NBT Board No. 159 of June 29, 2005).

Arrangements for Payments and Receipts

Prescription of currency requirements

Residents and nonresidents may use somoni for the settlement of all transactions without any exception. Settlements between residents and nonresidents in international payments may be made in any foreign currency, except settlements for exports of cotton products and aluminum, which are conducted solely in dollars or other freely convertible currencies.

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Controls on the use of domestic currency

For current transactions and payments

Yes.

Use of foreign exchange among residents

The use of foreign exchange for transactions and as a means of payment in Tajikistan is prohibited except in cases authorized by the NBT.

Payments arrangements

Barter agreements and open accounts

Barter trade is allowed only for aluminum and electricity.

Administration of control

The NBT establishes the procedures for foreign exchange transactions and monitors their observance, issues licenses to banks for banking operations in foreign exchange, conducts exclusive supervision of their activity, sets open foreign exchange position limits for banks, and monitors the transactions of authorized banks. The MOF monitors the status of government and guaranteed debt and registers inward direct investments. The Ministry of State Revenue and Duties supervises the collection of taxes and customs duties in international trade.

Payments arrears

Official

Yes.

Controls on trade in gold (coins and/or bullion)

Gold-extracting joint ventures are subject to controls.

On external trade

The export of gold and other precious metals is controlled by the government.

Controls on exports and imports of banknotes

On exports

Domestic currency

Domestic currency may be exported freely and is not subject to customs regulation.

Foreign currency

Foreign currencies up to \$3,000 may be exported freely by individuals without declaration in written form and without presentation of permits justifying the exportation of cash foreign currency; amounts between \$3,000 and \$10,000 may be exported with mandatory written declaration, without presentation of permits.

On imports

Foreign currency

Imports by individuals are permitted without restrictions, but customs rules have to be observed. Legal entities may import only through authorized banks and authorized credit institutions. A customs fee of 0.15% is levied on imports of cash by authorized banks.

References to legal instruments and hyperlinks

Instruction No. 142 on the Procedure for the Import and Export of Foreign Exchange Cash and Securities Denominated in Foreign Currency into and from the Republic of Tajikistan (adopted by Resolution of NBT the Board No. 269 and of the Republic of Tajikistan Ministry of State Revenue and Duties, Order No. 323, September 29, 2005).

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Effective February 10, 2006, there are no restrictions on depositing cash in these accounts.

Held abroad

NBT approval is required, except when accounts are opened by resident individuals staying abroad temporarily (e.g., in connection with work, study, medical treatment, or for humanitarian purposes). Accounts may be opened at any bank.

Approval required

Yes.

Accounts in domestic currency held abroad

n.r.

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Accounts in domestic currency convertible into foreign currency

All accounts in domestic currency are convertible.

References to legal instruments and hyperlinks

Instruction No. 146 on the Procedure to Be Followed by Banks in the Opening and Maintenance of Foreign Exchange Accounts of Legal Entities and Individuals (NBT Resolution No. 46, February 10, 2006).

Nonresident Accounts

Foreign exchange accounts permitted

Accounts may be opened at any bank.

Domestic currency accounts

Yes.

Convertible into foreign currency

Nonresident legal entities may acquire foreign exchange in Tajikistan's foreign exchange market with somoni earnings from current and capital account transactions.

Blocked accounts

No.

References to legal instruments and hyperlinks

Instruction No. 146 on the Procedure to Be Followed by Banks in the Opening and Maintenance of Foreign Exchange Accounts of Legal Entities and Individuals (NBT Resolution No. 46, February 10, 2006); Instruction on the Procedure to Be Followed by Authorized Banks in the Opening and Maintenance of Nonresident Accounts in the Currency of the Republic of Tajikistan (approved by Protocol of the NBT Board No. 51, September 16, 1997, as amended by NBT Board Protocol No. 32, December 7, 1998).

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

The value of all imported goods must be equal to the amount paid for them. If goods are not delivered, the importer must return the funds transferred earlier within the time period stipulated in the contract.

Import licenses and other nontariff measures

Imports of tobacco and tobacco products require licenses.

Negative list

The importation of firearms, narcotics, poisons, chemical weapons, and nuclear materials is prohibited.

Licenses with quotas

Licenses with quotas apply to imports of ethyl alcohol and alcoholic beverages.

Import taxes and/or tariffs

Imports are subject to duties.

State import monopoly

No.

References to legal instruments and hyperlinks

Law of the Republic of Tajikistan on Foreign Exchange Regulation and Foreign Exchange Control.

Exports and Export Proceeds

Repatriation requirements

Foreign exchange proceeds from exports must be credited to the accounts of residents maintained with authorized banks, or to their accounts abroad with NBT approval. Export proceeds must be received in full and on a timely basis.

Financing requirements

No.

Documentation requirements

For exports of cotton, aluminum, and tobacco, a 100% advance payment is required. For all other goods, foreign exchange proceeds must be received within 120 days of the export date. NBT authorization is required for deferment of export payments by more than 120 days. Effective January 26, 2007, ADs are not required to process export transaction reports.

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	Previously, a transaction report was required for each export transaction, with the exception of transactions that were 100% prepaid. All transactions are subject to monitoring by customs authorities and authorized banks until their full completion.
Export licenses	Licenses are required for the production, processing, and export of tobacco and tobacco products.
With quotas	Licenses with quotas apply to exports and wholesale purchases of ethyl alcohol and alcoholic beverages.
Export taxes	
Other export taxes	A sales tax of 10% and 1% applies on exports of cotton fiber and aluminum, respectively.
References to legal instruments and hyperlinks	Law of the Republic of Tajikistan on Foreign Exchange Regulation and Foreign Exchange Control; Decree No. 424 of the President of the Republic of Tajikistan, February 24, 2006, on Liberalization of Foreign Exchange and Export Operations and Measures to Ensure Full Repatriation of Foreign Exchange Proceeds; Regulation on the Procedure for Foreign Exchange Monitoring of the Transfer of Foreign Exchange Export Proceeds into the Republic of Tajikistan (approved by Decision of the NBT Board No. 38 and Decision No. 132 of August 14, 1996, of the Customs Committee under the Republic of Tajikistan).

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Effective February 10, 2006, payments to nonresidents by residents require presentation of documents proving the validity of payments. Resident individuals may transfer foreign exchange without opening accounts within the limits of the amounts supported by documents. In addition, they may effect one transfer a business day for a moderate amount of payment for current consumption.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Supporting documents for the payment must be presented.
Investment-related payments	Transfers of interest, dividends, other investment income; repayment of loans; and the amortization of direct investment do not require permits.
<i>Prior approval</i>	NBT approval is required.
<i>Indicative limits/bona fide test</i>	Supporting documents for the payment must be presented.
Payments for travel	
<i>Indicative limits/bona fide test</i>	Supporting documents for the payment must be presented.
Personal payments	
<i>Indicative limits/bona fide test</i>	Supporting documents for the payment must be presented.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Supporting documents for the payment must be presented.
Other payments	
<i>Indicative limits/bona fide test</i>	Supporting documents for the payment must be presented.
References to legal instruments and hyperlinks	Law of the Republic of Tajikistan on Foreign Exchange Regulation and Foreign Exchange Control; Instruction No. 147 on the Procedure for Transactions Involving the Transfer of Foreign Exchange from the Republic of Tajikistan and the Receipt of Foreign Exchange Transferred into the Republic of Tajikistan by Individuals without Opening Foreign Exchange Accounts at Banks (approved by Decision No. 47 of the NBT Board, February 10, 2006); Regulation on the Procedure for Foreign Exchange Transactions Involving Capital Movements.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Law of the Republic of Tajikistan on Foreign Exchange Regulation and Foreign Exchange Control.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	NBT notification is required for the purchase of more than 5% of shares of banks; NBT approval is required for the purchase of more than 20%.
Sale or issue locally by nonresidents	MOF approval and NBT clearance are required.
Purchase abroad by residents	NBT approval is required.
Sale or issue abroad by residents	Registration with the MOF and approval of the NBT are required.
<i>Bonds or other debt securities</i>	Registration with the MOF is required.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	NBT approval is required.
Sale or issue abroad by residents	NBT approval is required.
On money market instruments	NBT approval is required only when these instruments are treated as securities and when payment on a bill of exchange is deferred by more than 180 days.
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Residents may purchase instruments from nonresidents only with NBT approval.
<i>Purchase abroad by residents</i>	NBT approval is required.
<i>Sale or issue abroad by residents</i>	NBT approval is required.
On collective investment securities	The regulations governing money market instruments apply.
Controls on derivatives and other instruments	
Purchase abroad by residents	NBT approval is required.
Sale or issue abroad by residents	NBT approval is required.
Controls on credit operations	
Commercial credits	Credits with maturities exceeding one year require NBT approval.
Financial credits	No controls apply on short-term loans. NBT approval is required for long-term loans.
Guarantees, sureties, and financial backup facilities	Controls apply to all these transactions.

TAJIKISTAN

Controls on direct investment

Outward direct investment NBT approval is required.

Inward direct investment NBT approval is required.

Controls on liquidation of direct investment Yes.

Controls on real estate transactions

Purchase abroad by residents NBT approval is required.

Purchase locally by nonresidents Yes.

Sale locally by nonresidents Yes.

Controls on personal capital transactions

Transfer of gambling and prize earnings Supporting documents must be presented to the bank effecting the transfer.

References to legal instruments and hyperlinks

Law of the Republic of Tajikistan on Foreign Exchange Regulation and Foreign Exchange Control; Regulation on the Procedure for Foreign Exchange Transactions Involving Capital Movements.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Banks are permitted to hold 50% of their capital in foreign exchange.

Borrowing abroad Only banks licensed by the NBT to conduct operations in foreign exchange may borrow from abroad.

Maintenance of accounts abroad An NBT license is required to open a correspondent account.

Purchase of locally issued securities denominated in foreign exchange n.r.

Differential treatment of deposit accounts held by nonresidents

Liquid asset requirements The limit is 30% up to 30 days.

Investment regulations

Abroad by banks The limit is 20% of capital.

In banks by nonresidents The 35% quota that applied for participation of foreign capital in the overall capital of the banking sector has been abolished.

Open foreign exchange position limits Effective January 1, 2006, the aggregate open long and short positions are limited to 20% and 10% of a bank's capital, respectively. The limits on individual long and short positions in separate currencies are 16% and 8% of regulatory capital, respectively.

Provisions specific to institutional investors No.

References to legal instruments and hyperlinks

Law No. 133 of the Republic of Tajikistan on Banks and Banking, December 28, 2005.

Changes during 2006

Resident accounts

February 10. The restriction on depositing cash in resident foreign currency accounts was abolished.

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Payments for invisible transactions and current transfers

February 10. Payments to nonresidents by residents required presentation of supporting documents. Resident individuals were permitted to transfer foreign exchange without opening accounts within the limits of the amounts supported by documents and to effect one transfer a business day for a moderate amount of payment for current consumption.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 1. The aggregate open long and short positions were limited to 20% and 10% of a bank's total capital, respectively. The limits on individual open long and short positions in separate currencies were 16% and 8% of regulatory capital, respectively.

Changes during 2007

Exports and export proceeds

January 26. The requirement that ADs process transaction reports on exports was abolished.

TANZANIA

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 15, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Tanzania is the Tanzania shilling.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The Bank of Tanzania (BOT) has to deal with substantial official inflows in a shallow foreign exchange market, frequently making the BOT a very large intervener. Given that interventions under an independent float are limited to avoid disruptive exchange rate fluctuations, the exchange rate arrangement has been reclassified, effective April 30, 2007, to managed floating with no predetermined path for the exchange rate from independently floating.

Exchange tax No.

Exchange subsidy No.

Forward exchange market ADs may enter into forward contracts for purchases and sales of foreign currencies with their customers in export and import transactions.

Official cover of forward operations The BOT does not offer forward cover against exchange rate risk arising from forward operations.

References to legal instruments and hyperlinks Foreign Exchange Regulations, 1998; directives issued by the BOT.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency Payment in domestic currency to a nonresident requires BOT approval.

For current transactions and payments General permission is granted only with respect to trade transactions with neighboring countries.

For capital transactions General permission does not apply for capital transactions.

Transactions in capital and money market instruments Yes.

Transactions in derivatives and other instruments Yes.

TANZANIA

Credit operations	Yes.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	There is an agreement with Mozambique.
Regional arrangements	Tanzania participates in the SADC and the EAC.
Clearing agreements	There are agreements with Kenya and Uganda.
Administration of control	
The Foreign Exchange Act of 1992 vests power in the BOT to administer and manage exchange transactions both on the mainland and in Zanzibar. The BOT delegates authority to all licensed banks to make payments abroad.	
Payments arrears	
Official	Yes.
Private	n.r.
Controls on trade in gold (coins and/or bullion)	
Only authorized persons may buy, borrow, sell, lend, hold, or otherwise deal in gold coins and gold bullion.	
On external trade	Yes.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Nonresidents are allowed to export domestic currency for numismatic purposes only. Following a currency convertibility agreement reached with Uganda and Kenya, residents may carry any amount of currency across borders to settle cross-border transactions with these countries.
<i>Foreign currency</i>	Foreign currency exports are allowed only for bona fide purposes.
On imports	
<i>Domestic currency</i>	Permission from the BOT is required.
<i>Foreign currency</i>	Imports of foreign currency by banks require authorization from the BOT.
References to legal instruments and hyperlinks	
Foreign Exchange Act, 1992; Foreign Exchange Regulations, 1998; directives issued by the BOT.	

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	
Residents may open and maintain a foreign currency account with an AD.	
Held abroad	
The holding of foreign currency accounts is allowed for funds acquired outside Tanzania; otherwise, the opening and maintaining of offshore foreign currency accounts by residents are subject to restrictions. However, banks and financial institutions registered in Tanzania are permitted to operate foreign currency accounts with foreign correspondent banks. In addition, any AD bank may operate foreign currency accounts abroad on behalf of its customers. These accounts must be reported regularly to the BOT.	
Accounts in domestic currency held abroad	
n.a.	
Accounts in domestic currency convertible into foreign currency	
The UN and related organizations and foreign investors intending to acquire securities listed on the Dar es Salaam Stock Exchange are permitted to open these accounts.	
References to legal instruments and hyperlinks	
Foreign Exchange Act, 1992; Foreign Exchange Regulations, 1998; directives issued by the BOT.	

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Nonresident Accounts

Foreign exchange accounts permitted	Nonresidents may open and maintain a foreign currency account with an AD.
Domestic currency accounts	Nonresident accounts are maintained by foreign nationals temporarily residing in Tanzania; such accounts are to be closed on leaving the country.
Convertible into foreign currency	Foreign investors may use balances in these accounts to acquire securities listed on the Dar es Salaam Stock Exchange.
Blocked accounts	Authorized banks may credit funds to or debit funds from blocked (non-interest-bearing) accounts of nonresidents with the approval of the BOT.
References to legal instruments and hyperlinks	Foreign Exchange Act, 1992; Foreign Exchange Regulations, 1998; Foreign Exchange (Listed Securities) Regulations, 2003.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Only ADs may make advance payments.
Documentation requirements for release of foreign exchange for imports	The release of foreign exchange in excess of the equivalent of \$5,000 requires invoices, shipping documents, a single bill of entry form, and a clean report of findings.
Domiciliation requirement	Yes.
Preshipment inspection	Preshipment inspection is not required. Instead, imports of goods valued at more than the equivalent of \$5,000 require a provisional classification valuation report.
Letters of credit	Yes.
Import licenses used as exchange licenses	Import licenses apply for the negative list only.
Other	n.r.
Import licenses and other nontariff measures	
Negative list	Certain imports to the mainland from any source may be prohibited for health or security reasons. Only import items on the negative list require licenses.
Open general licenses	Yes.
Licenses with quotas	Yes.
Other nontariff measures	To protect certain industries from unfair competition, permits and licenses are required to import tires and sugar.
Import taxes and/or tariffs	A three-band East African Customs Union CET structure of zero, 10%, and 25% applies to goods imported to East Africa. A selected list of sensitive items is subject to rates above 25% as an additional protection measure for similar locally produced products. A rate of zero applies to most of the goods originating and traded within East Africa. A reduction to zero duty rates by 2010 is planned on remaining goods originating from Kenya and imported to Tanzania and Uganda. Statutory exemptions are granted to the diplomatic corps as well as to religious, education, and welfare institutions.
State import monopoly	No.
References to legal instruments and hyperlinks	Foreign Exchange Regulations, 1998; Import Licensing Ordinance; directives issued by the Tanzania Revenue Authority.

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Exports and Export Proceeds

Repatriation requirements	Exporters are required to repatriate their export proceeds in foreign currency to banking institutions; banks are required to report regularly to the BOT exporters failing to meet this requirement.
Financing requirements	n.r.
Documentation requirements	Documents are required monthly for tax purposes.
Letters of credit	Yes.
Guarantees	n.r.
Domiciliation	Yes.
Preshipment inspection	n.r.
Export licenses	Licenses from the respective ministries are required for the exportation from the mainland of a few items for health, sanitary, or national heritage reasons.
Without quotas	Yes.
Export taxes	
Other export taxes	n.r.
References to legal instruments and hyperlinks	Foreign Exchange Regulations, 1998; directives issued by the BOT.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Relevant documentary evidence of the need for foreign exchange must be presented when purchasing foreign exchange from an AD. These documents are examined by the BOT.
Trade-related payments	The release of foreign exchange for import payments requires invoices, shipping documents, a clean report of findings from an authorized inspection firm, and a single bill of entry form.
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	The transfer of income from investments by nonresidents is not restricted, provided all tax obligations have been met. Remittances of dividends and income from portfolio investments require audited reports and authenticated documents confirming payment of all taxes.
<i>Indicative limits/bona fide test</i>	Documents are required with respect to payments related to dividends and income from portfolio investments.
Payments for travel	
<i>Indicative limits/bona fide test</i>	Travel allowances exceeding the equivalent of \$10,000 require the presentation, under current regulations, of valid travel documents certifying that the length of the trip is more than 40 days.
Personal payments	Proper documentation from the relevant educational or medical institution is required.
<i>Indicative limits/bona fide test</i>	Bona fide tests apply to payment of medical costs.
Foreign workers' wages	Foreign workers must present work permits to receive foreign exchange.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	Applicants for payment of fees related to consultancy, management, and royalty agreements need to furnish contractual documents duly executed by parties thereto, relevant invoice or fee notes, and tax clearances from the Tanzania Revenue Authority certifying that tax obligations have been settled.
<i>Indicative limits/bona fide test</i>	Bona fide tests apply to certain other payments.
References to legal instruments and hyperlinks	Foreign Exchange Regulations, 1998; directives issued by the BOT.

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Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	Foreign Exchange Regulations, 1998; directives issued by the BOT.

Capital Transactions

Controls on capital transactions	All transfers of foreign exchange by residents with respect to portfolio investments, loans to nonresidents, acquisition of real property abroad, outward direct investments, and operation of offshore foreign currency accounts abroad require specific approval from the BOT.
Repatriation requirements	No.
Controls on capital and money market instruments	Residents may acquire from abroad and sell or transfer abroad any security or coupon on which capital, dividends, or interest is payable in foreign currency, provided the security has been funded exclusively by externally acquired funds. The acquisition must be reported to the BOT for statistical purposes.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	Foreign investors may purchase, sell, or transfer equities listed on the Dar es Salaam Stock Exchange, subject to limits and conditions.
Purchase locally by nonresidents	Purchase of securities by a foreign investor is subject to a limit of 60% of total securities issued by an issuer.
Sale or issue locally by nonresidents	Foreign companies from prescribed territories (i.e., Kenya and Uganda) may issue securities to the public and be cross-listed at an approved stock exchange in Tanzania, subject to approval by the Capital Markets and Securities Authority.
Purchase abroad by residents	Shares issued abroad may be freely held and transferred by residents, provided such securities were acquired with externally generated funds. These purchases must be reported to the BOT.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Purchase locally by nonresidents	The purchase and redemption must be done in local currency.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	These purchases are allowed only if funded fully by external sources and must be reported to the BOT for statistical purposes.
Sale or issue abroad by residents	Yes.
On money market instruments	The participation of nonresidents in the domestic money market is restricted.
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	The regulations governing bonds or other debt securities apply.
<i>Sale or issue abroad by residents</i>	Yes.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	Yes.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	The regulations governing bonds or other debt securities apply.

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<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	The regulations governing bonds or other debt securities apply.
Sale or issue abroad by residents	Yes.
Controls on credit operations	
BOT approval is not required with respect to applications for foreign loans, overdrafts, structured external financing facilities, and deferred payment arrangements exceeding 365 days.	
Commercial credits	
<i>By residents to nonresidents</i>	Realization of export proceeds beyond 180 days requires approval by a commercial bank.
<i>To residents from nonresidents</i>	ADs may approve these credits, but must report them to the BOT.
Financial credits	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	ADs may approve these credits, but must report them to the BOT.
Guarantees, sureties, and financial backup facilities	There are no controls on these instruments if outside Tanzania, but they must be obtained through ADs and must be reported to the BOT.
<i>By residents to nonresidents</i>	Controls are in effect for the provision of sureties, guarantees, or financial backup facilities to nonresident entities or for transfer of funds to service these facilities.
Controls on direct investment	
Outward direct investment	These investments require BOT approval.
Inward direct investment	Foreign direct investments exceeding \$300,000 or its equivalent that are registered with the Tanzania Investment Center are eligible for incentives. Commercial banks are permitted to authorize access to foreign currency facilities for repatriation of capital and transfer of income to foreign shareholders.
Controls on liquidation of direct investment	
Repatriation of capital and associated income is done through commercial banks on presentation of audited accounts indicating declared dividends, profits, or capital to be repatriated, plus authenticated documents from the Tanzania Revenue Authority confirming payment of relevant taxes on the transactions.	
Controls on real estate transactions	
Any person who owns immovable property in Tanzania may assign or transfer such property to beneficiaries abroad, provided the property was acquired through external resources, subject to any laws in force in Tanzania.	
Purchase abroad by residents	Purchases require BOT approval.
Purchase locally by nonresidents	These transactions are subject to the consent of the Commissioner for Lands.
Sale locally by nonresidents	These transactions are subject to the consent of the Commissioner for Lands.
Controls on personal capital transactions	
Loans	
<i>By residents to nonresidents</i>	Debt-service remittances by residents require the submission of the relevant contract as approved by a commercial bank together with creditors' demand notes to that effect. Commercial banks have to furnish the BOT with monthly reports on loans serviced.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Documentary requirements must be met.

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Settlements of debts abroad by immigrants	Yes.
Transfer of assets	Controls apply to all these transactions.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	Foreign Exchange Act, 1992; Foreign Exchange Regulations, 1998; Foreign Exchange (Listed Securities) Regulations, 2003; directives issued by the BOT.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowing is subject to external debt management regulations. Otherwise, banks and financial institutions are allowed to operate credit lines with correspondents.
Lending to nonresidents (financial or commercial credits)	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	The BOT requires that all statutory reserves be held in local currency and allows banks to average their daily positions and count half their vault cash toward meeting the requirement.
Differential treatment of deposit accounts held by nonresidents	n.r.
Open foreign exchange position limits	The limit is 20% of core capital.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	The regulations governing the purchase abroad by residents of shares or other securities of a participating nature apply.
Pension funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	n.a.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.

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References to legal instruments and hyperlinks

Foreign Exchange Regulations, 1998; directives issued by the BOT.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

April 30. The exchange rate arrangement was reclassified to the category managed floating with no predetermined path for the exchange rate from the category independently floating.

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(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: May 4, 1990.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Banks and other financial institutions in Thailand have been instructed to freeze any movement of capital and assets of certain individuals, terrorists, and terrorist organizations, pursuant to UN Security Council resolutions.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Thailand is the Thai baht.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the baht is determined in the foreign exchange market. The baht-dollar reference exchange rate is announced daily, based on the average exchange rate of the previous day. The authorities intervene in the foreign exchange market as conditions require.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Financial institutions may engage in spot foreign exchange market transactions with nonresidents in local currency. Approval is required for nonresidents to sell foreign currencies for baht for same-day delivery (value same day) and for next-day delivery (value tomorrow). Forward transactions must be related to the underlying trade and financial transactions.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

Baht credit facilities provided by domestic financial institutions to nonresidents by any means must be used for domestic trade or investment activities. However, financial institutions may provide credit facilities for other purposes, up to a limit of B 50 million an entity.

For current transactions and payments

n.a.

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For capital transactions

Transactions in capital and money market instruments	n.a.
Transactions in derivatives and other instruments	n.a.
Credit operations	Yes.
Use of foreign exchange among residents	Residents are not allowed to use foreign exchange for domestic payments.

Payments arrangements

Regional arrangements	Thailand is a member of ASEAN.
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Administration of control

The Bank of Thailand (BOT) administers exchange controls on behalf of the MOF, but it delegates responsibility to authorized banks for approving most transactions. Import and export licenses are issued by the Ministry of Commerce (MOC).

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade	Residents may hold and domestically trade gold jewelry, gold coins, and unworked gold. Purchases or sales of gold on futures exchanges are prohibited.
On external trade	Exporters and importers of gold ornaments with a value of \$20,000 or more must complete a form at customs when importing or exporting.

Controls on exports and imports of banknotes

On exports

Domestic currency

Travelers may take out domestic currency up to B 50,000; those traveling to Vietnam and the countries bordering Thailand are allowed to take out a maximum of B 500,000.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

There are two types of foreign currency accounts (FCD) held domestically by residents provided funds originate from abroad: (1) FCD with future obligations: depositors must submit documents showing their obligations to pay in foreign currency to persons residing abroad or to authorized financial institutions within six months of the date of deposit. Effective May 10, 2006, the outstanding balance of such accounts may not exceed \$50 million (previously, \$10 million) for a juridical person and \$500,000 for a natural person; (2) FCD with no future obligations: effective January 15, 2007, foreign currencies are allowed to be deposited in this type of FCD with the outstanding balance not exceeding the equivalent of \$2 million for a juridical person or \$50,000 for a natural person.

Effective May 10, 2006, residents may deposit \$10,000 (previously, \$5,000) a person a day in cash on FCDs.

Held abroad

Yes.

Approval required

Approval is required if deposits are made with funds of domestic origin.

Accounts in domestic currency held abroad

n.a.

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Accounts in domestic currency convertible into foreign currency No.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Nonresidents may maintain foreign currency accounts without limitations. The accounts must be credited with funds from abroad, and balances may be freely withdrawn and transferred abroad.

Domestic currency accounts Nonresidents must maintain baht accounts for settlement purposes only; deposits held for other purposes must have a maturity of at least six months. The total daily outstanding amount for all such accounts may not exceed the equivalent of B 300 million a person.

Convertible into foreign currency Yes.

Approval required Approval is not required if funds originate from abroad or are withdrawn from foreign currency accounts, if they are transferred from other nonresidents' baht accounts.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports No.

Import licenses and other nontariff measures Most goods may be freely imported, but import licenses are required for certain goods.

Negative list Imports of some goods are prohibited for security or social reasons.

Other nontariff measures Milk product producers are required to purchase locally produced milk in some quantity when they import skim milk into Thailand.

Import taxes and/or tariffs Ad valorem and/or specific duties are imposed on imports. In addition, special duties are levied on certain products. Tariff rates between zero and 5% apply to two-thirds of the tariff lines for goods imported from AFTA countries.

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements Export proceeds equivalent to \$20,000 or more must be repatriated immediately after payment is received and within 120 days from the date of export.

Surrender requirements

Surrender to authorized dealers Foreign exchange proceeds must be surrendered to authorized financial institutions within seven days of receipt. Effective January 15, 2007, foreign exchange earners are allowed to deposit foreign exchange proceeds in their foreign currency accounts up to \$50,000 for a

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	natural person and \$2 million for a juridical person even if no future obligation on foreign exchange can be documented.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Exports of rice, canned tuna, sugar, certain types of coal and charcoal, and textile products are subject to licensing and quantitative restrictions and, in a few cases, to prior approval, irrespective of destination. All other products may be exported freely.
Without quotas	Yes.
With quotas	Yes.
Export taxes	Exports of wood, wood articles, and hides are subject to ad valorem or specific duties.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Foreign exchange transaction forms must be completed for transactions valued at the equivalent of \$20,000 or more.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized financial institutions or retained in foreign currency accounts with authorized financial institutions in Thailand within seven days of receipt. Travelers passing through Thailand, foreign embassies, and international organizations are exempt from this requirement.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Effective December 4, 2006, financial institutions may not sell or buy any types of debt securities to or from nonresidents through sell-and-buy-back transactions of any maturity. Effective December 19, 2006, for capital inflows, foreign currencies sold or exchanged against the baht with authorized financial institutions are subject to an unremunerated reserve requirement (URR) of 30%, except for foreign direct investment (FDI) and amounts not exceeding \$20,000. A full refund of the principal may be obtained if the funds remain in Thailand for at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR. Effective December 22, 2006, equity investments in companies listed on the stock exchange are exempt from the URR. Effective January 15, 2007, Thai juridical persons are allowed to invest in or lend to their parent companies a maximum of \$20 million a person a year. Thai natural persons or juridical persons are allowed to invest in or lend to their affiliated companies a maximum of \$50 million a person a year. Effective January 29, 2007, the following transactions are exempt from the URR: (1) direct investment, government loans, and investments in immovable assets; (2) foreign loans signed prior to December 19, 2006; (3) sales of foreign exchange agreed to before December 19, 2006; (4) interbank transactions on their own account; (5) foreign currencies sold or
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exchanged by embassies and international organizations; (6) rollover of hedging swap transactions; (7) foreign currency loans or foreign currencies from the issuance of debt instruments; (8) foreign currencies for the purchase of nonperforming loans or for payments of guarantee obligations under court order; and (9) traveler's checks and foreign banknotes. Effective February 1, 2007, the BOT has provided options for foreign currency borrowings to either withhold for URR or fully hedge against foreign exchange risk. Effective March 15, 2007, the BOT has provided options for debt securities and unit trusts to either withhold the URR or fully hedge against foreign exchange risk. The maturity of the hedging must be equal to the intended investment period, but not less than three months.

Repatriation requirements

n.a.

Surrender requirements

n.a.

Controls on capital and money market instruments

The sale or issue of securities is under the jurisdiction of the Securities Exchange Commission (SEC). Under the securities law, rules and regulations differ according to types of securities and their maturity. Companies wishing to issue securities to the public need approval from the BOT and the SEC. Trading of securities in secondary markets requires registration with the Stock Exchange of Thailand. Effective December 4, 2006, financial institutions may not sell and buy foreign currencies to and from nonresidents or credit or debit their baht account resulting from investments in government or BOT debt securities if the duration of such investments is equal to or less than three months. Effective December 4, 2006, the limit of B 50 million applies to debt securities with maturities not exceeding six months (previously, three months) issued by domestic financial institutions and sold to nonresidents without an underlying transaction. Effective January 15, 2007, Thai residents are allowed to invest in or lend to their parent companies a maximum of \$20 million. The maximum amount of Thai direct investment or lending to a business abroad (on the condition that the natural person or the individual person in Thailand holds shares or has an ownership not less than 10%) is increased from not exceeding \$10 million a person a year to not exceeding \$50 million a person a year.

On capital market securities

Under the Securities Act, nonresidents may invest in Thai security companies subject to the limitation that foreign investors may not exceed 50% of nonvoting depository receipts. Foreign security companies are permitted access to the Thai securities market in the form of representative offices whose role is limited to providing research material for their parent companies. In addition, they are allowed to enter into joint partnership with Thai security companies and to provide professional consultancy services.

Shares or other securities of a participating nature

Purchase locally by nonresidents

Foreign equity participation is limited to 25% of the total amount of shares sold in locally incorporated banks, finance companies, credit finance companies, and asset management companies. The combined shareholdings of an individual and related family members may not exceed 5% of a bank's total amount of shares sold and 10% of that of finance companies and credit foncier companies. Foreign investors are allowed to hold more than 49% of the total shares sold in local financial institutions for up to 10 years, after which the amount of shares will be grandfathered, and the nonresidents will not be allowed to purchase new shares until the percentage of shares held by them is brought down to 49%. Foreign equity participation is limited to 49% for other Thai corporations. Holdings exceeding this limit are subject to the approval of the BOT.

Sale or issue locally by nonresidents

These transactions require the approval of the MOF, BOT, and SEC.

Purchase abroad by residents

Purchases of shares under employee stock option plans not exceeding the equivalent of \$100,000 a year are allowed without BOT approval.

Sale or issue abroad by residents

Approval is required under the regulations governing domestic issuance.

Bonds or other debt securities

Effective December 19, 2006, a URR of 30% was put in place for certain types of capital inflows, except for FDI. A full refund of the principal may be obtained if the funds remain in Thailand at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR. Effective March 15, 2007, the BOT has provided options for investment in debt securities and unit trusts to either withhold the URR or fully hedge against foreign exchange risk through a swap with a maturity of at least three months.

Purchase locally by nonresidents

Effective December 4, 2006, investments of more than B 50 million a consolidated entity in short-term debt and related products (not exceeding six months) issued by local financial

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	<p>institutions in the primary market without underlying transactions are not allowed. Effective November 15, 2006, local financial institutions may not issue or sell bills of exchange in baht for any maturity to nonresidents.</p>
<i>Sale or issue locally by nonresidents</i>	<p>These transactions require the approval of the MOF, BOT, and SEC. Effective May 3, 2006, the MOF allows foreign companies to issue baht-denominated bonds domestically with a minimum maturity of three years.</p>
<i>Purchase abroad by residents</i>	<p>Purchases require the approval of the BOT. Effective January 15, 2007, seven types of institutional investors—the Government Pension Fund, Social Security Fund, provident funds, mutual funds (excluding private funds), securities companies, insurance companies, and specialized financial institutions—were allowed to invest in securities issued abroad by Thai juridical persons without limit. For investment in foreign securities issued by nonresidents, such investors are allowed to invest up to the outstanding balances of \$50 million, but the investment must not exceed the limit set by their regulators, board of directors, or management of each institutional investor. Investment exceeding such limits requires prior approval from the BOT.</p>
<i>Sale or issue abroad by residents</i>	<p>The potential issuer must submit an application for approval to the SEC, and permission will be granted if the issuer can prove that the security will be traded exclusively on primary or secondary markets abroad.</p>
<i>On money market instruments</i>	<p>Effective December 19, 2006, a URR of 30% was put in place for certain types of capital inflows, except for FDI. A full refund of the principal may be obtained if the funds remain in Thailand at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR. Effective March 15, 2007, the BOT has provided options for investment in debt securities and unit trusts to either withhold the URR or fully hedge against foreign exchange risk through a swap with a maturity of at least three months.</p>
<i>Purchase locally by nonresidents</i>	<p>Effective December 4, 2006, investments of more than B 50 million a consolidated entity in money market instruments, not exceeding six months (previously, three months) issued by local financial institutions in the primary market without underlying transactions are not allowed.</p>
<i>Sale or issue locally by nonresidents</i>	<p>These transactions require the approval of the MOF, BOT, and SEC.</p>
<i>Purchase abroad by residents</i>	<p>These transactions require the approval of the BOT. Effective January 15, 2007, seven types of institutional investors are allowed to invest in securities issued abroad by Thai juridical persons without limit, and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by their regulators without BOT approval.</p>
<i>Sale or issue abroad by residents</i>	<p>These transactions are not allowed. However, finance companies are allowed to issue negotiable certificates of deposit and bills of exchange in foreign currency with more than a one-year maturity for sale to the public abroad or for sale to institutions that are authorized to deal in foreign exchange.</p>
<i>On collective investment securities</i>	<p>Effective December 19, 2006, a URR of 30% was put in place for certain types of capital inflows, except for FDI. A full refund of the principal may be obtained if the funds remain in Thailand at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR. Effective March 15, 2007, the BOT has provided options for investment in debt securities and unit trusts to either withhold the URR or fully hedge against foreign exchange risk through a swap with a maturity of at least three months.</p>
<i>Sale or issue locally by nonresidents</i>	<p>Yes.</p>
<i>Purchase abroad by residents</i>	<p>These transactions require the approval of the BOT. Effective January 15, 2007, seven types of institutional investors are allowed to invest in securities issued abroad by Thai juridical persons without limit, and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by their regulators, without BOT approval.</p>
<i>Sale or issue abroad by residents</i>	<p>The offering of funds, both locally and abroad, requires approval from the SEC, and only local fund management companies are granted permission. In addition, funds managed by local firms will be deemed to have Thai nationality regardless of the nationality of the majority of the unit holders.</p>

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Controls on derivatives and other instruments

Purchase locally by nonresidents	Effective December 4, 2006, in cases where there are no underlying trade and investment activities in Thailand, baht credit facilities, including swap and forward exchange contracts obtained by a nonresident from all domestic financial institutions combined with maturities not exceeding six months, are subject to a maximum outstanding limit of B 50 million. The nonresident's head office, branches, representative offices, and affiliated companies are counted as one entity.
Sale or issue locally by nonresidents	The issuance of warrants or equity-related instruments and bonds by nonresidents in the local market is subject to approval by the SEC. The approval criteria are based on the soundness of the underlying stock. There is no penalty for nonresidents for participating in the financial market.
Purchase abroad by residents	The purchase of derivative instruments by residents and the transfer of funds require BOT approval.
Sale or issue abroad by residents	The sale of derivative instruments by residents and the transfer of funds require BOT approval.

Controls on credit operations

	Effective December 19, 2006, a URR of 30% was put in place for certain types of capital inflows, except for FDI. A full refund of the principal may be obtained if the funds remain in Thailand at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR. Effective February 1, 2007, the BOT has provided options for foreign currency borrowings to either withhold the URR or fully hedge against foreign exchange risk.
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Financial credits

By residents to nonresidents

Authorized banks are allowed to grant financial credits, subject to their net open foreign exchange position limits. Effective January 15, 2007, residents may grant loans up to \$20 million a person a year to their parent companies abroad (owning at least 10% of the resident companies) and up to \$50 million a person a year to their affiliated companies abroad (owned at least 10% by the resident company) without approval from the BOT. Direct loans in baht provided by financial institutions may be made to entities in neighboring countries (i.e., Cambodia, southern parts of China, the Lao People's Democratic Republic, Myanmar, and Vietnam) under specified conditions and with prior BOT approval. Financial institutions are allowed to extend direct loans in baht with collateral to nonresident natural persons permitted to work in Thailand for not less than one year.

To residents from nonresidents

A limit of B 50 million applies on the amount that nonresidents may lend to domestic financial institutions. This limit applies to loans granted by nonresidents without underlying transactions, with maturities not exceeding—effective December 4, 2006—six months (previously, three months). The nonresident's head office, branches, representative offices, and affiliated companies are counted as one entity.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

Resident banks are allowed to guarantee transactions by nonresidents when undertaking bids or performance bonds to government agencies, state enterprises, or other legal persons in Thailand. However, resident banks must be provided with standby LCs from financial institutions abroad as collateral of nonresidents (back-to-back guarantee).

Controls on direct investment

Outward direct investment	Investments exceeding \$10 million (or the equivalent) a year require BOT approval. Effective January 15, 2007, residents may invest up to \$20 million a person a year in their parent companies abroad (owning at least 10% of the resident companies) and \$50 million a person a year in their affiliated companies abroad (owned at least 10% by the resident) without approval from the BOT.
Inward direct investment	Foreign capital may be brought into the country without restriction, but proceeds must be surrendered to authorized financial institutions or deposited in foreign currency accounts with authorized financial institutions in Thailand within seven days of receipt.

Controls on liquidation of direct investment

All proceeds may be repatriated without restriction on submission of supporting evidence.

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Controls on real estate transactions

Purchase abroad by residents	Thai residents may purchase immovable assets for residential purposes up to \$500,000 a person without approval of the BOT.
Purchase locally by nonresidents	The purchase of property with funds that originate from abroad is allowed. Ownership of property by foreign entities with majority shares in Thai financial institutions is, at present, governed by the Commercial Banking Act and the Act on the Undertaking of Finance Business, Securities Business, and Credit Foncier Business. Regulations on foreign ownership for condominiums or properties are administered by the Land Department of the Ministry of Interior.
Sale locally by nonresidents	Yes.

Controls on personal capital transactions

Loans

By residents to nonresidents Yes.

Gifts, endowments, inheritances, and legacies

By residents to nonresidents Thai residents are allowed, without approval from the BOT, to send up to \$100,000 a year to relatives abroad who hold permanent resident permits.

Transfer of assets

Transfer abroad by emigrants Thai emigrants are allowed to transfer abroad up \$1 million a year without BOT approval.

Transfer of gambling and prize earnings

Gambling is illegal in Thailand.

References to legal instruments and hyperlinks

n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	The limit that nonresidents may lend to domestic financial institutions is B 50 million or its equivalent. Effective December 4, 2006, this limit applies to loans granted by nonresidents without underlying transactions with maturities of less than or equal to six months (previously, three months).
Lending to nonresidents (financial or commercial credits)	In cases in which there are no underlying trade and investment activities in Thailand, baht credit instruments in any form obtained by a nonresident from all domestic financial institutions combined are subject to a maximum outstanding limit of B 50 million or its equivalent. The nonresident's head office, branches, representative offices, and affiliated companies are counted as one entity. Direct loans in baht provided by financial institutions may be made to entities in neighboring countries (i.e., Cambodia, southern parts of China, the Lao People's Democratic Republic, Myanmar, and Vietnam) under specified conditions and with prior BOT approval. Financial institutions are allowed to extend direct loans in baht with collateral to nonresident natural persons permitted to work in Thailand for not less than one year.
Lending locally in foreign exchange	Commercial lending denominated in foreign currencies to particular industries may be partially (50%) included as foreign assets in order to recognize the potential risk that banks may not be fully repaid as exchange rate risk increases.
Purchase of locally issued securities denominated in foreign exchange	Commercial banks may purchase locally issued securities denominated in foreign exchange. Finance companies without foreign exchange licenses are required to obtain BOT permission for purchases of locally issued securities in foreign exchange.

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Differential treatment of deposit accounts held by nonresidents

Interest rate controls

Interest may not be paid on nonresident accounts, except for fixed accounts with maturities of at least six months.

Investment regulations

Abroad by banks

Commercial banks are allowed to buy or hold shares in a limited liability company (including public companies) in an amount not exceeding 10% of the total shares sold and 20% of their capital fund. Banks may seek approval to hold shares above the 10% limit in the following cases: (1) companies set up for supporting functions; (2) companies that operate as financial arms, such as leasing companies and factoring companies; (3) companies set up to manage foreclosed properties; and (4) companies set up to manage projects that are beneficial to the economy, especially infrastructure projects. Permission is generally granted to commercial banks to buy or hold shares exceeding the above investment limits only if the excess portion is acquired through debt restructuring according to BOT guidelines.

In banks by nonresidents

Foreign investors may invest in Thai commercial banks up to 25% of the total amount of shares sold. Foreign investors may be allowed, on a case-by-case basis, to hold up to 100% of shares sold in commercial banks, finance companies, and credit foncier companies for a period of 10 years, which will be grandfathered. However, after the 10-year period, they will not be allowed to purchase additional shares unless their holding is less than 49% of the total amount of shares sold. The combined shareholdings of an individual and related family members may not exceed 5% of a bank's total amount of shares sold and 10% of that of finance companies and credit foncier companies.

Open foreign exchange position limits

The regulation on net foreign exchange exposure limits allows commercial banks to maintain a position for each currency relative to its capital fund not exceeding 15% or \$5 million, whichever is greater, and to maintain an aggregate position relative to its capital fund not exceeding 20% or \$10 million, whichever is greater.

Provisions specific to institutional investors

Effective January 15, 2007, seven types of institutional investors—the Government Pension Fund, Social Security Fund, provident funds, mutual funds (excluding private funds), securities companies, insurance companies, and specialized financial institutions—are allowed to invest in securities issued abroad by Thai juridical persons without limit. Investment in foreign securities issued by nonresidents is allowed up to the outstanding balance of \$50 million, but the investment must not exceed the limit set by their regulators, board of directors, or management of each institutional investor. Investment exceeding such limits requires prior approval from the BOT.

Insurance companies

Limits (max.) on securities issued by nonresidents

Effective January 15, 2007, insurance companies are allowed to invest in securities issued abroad by Thai juridical persons without limit and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by their regulator, without BOT approval.

Limits (max.) on investment portfolio held abroad

Effective January 15, 2007, insurance companies are allowed to invest in securities issued abroad by Thai juridical persons without limit and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by their regulator, without BOT approval.

Limits (min.) on investment portfolio held locally

Portfolio investment of life and non-life insurance companies is governed by the acts and notifications of the MOC. The criteria are (1) total investment in equity and securities or debt instruments, stock of other life and non-life insurance companies, and unit trusts should not exceed 40% of total assets; and (2) rediscount of state enterprise bonds guaranteed by the MOF is unlimited.

Pension funds

Limits (max.) on securities issued by nonresidents

Effective January 15, 2007, the government pension fund is allowed to invest in securities issued abroad by Thai juridical persons without limit and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by its regulator, without BOT approval. The ceiling on investment in stocks is 25% of the portfolio, and that on any single stock is 5% of the portfolio.

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<i>Limits (max.) on investment portfolio held abroad</i>	Effective January 15, 2007, the government pension fund is allowed to invest in securities issued abroad by Thai juridical persons without limit and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by its regulator, without BOT approval.
<i>Limits (min.) on investment portfolio held locally</i>	The criteria for investment of pension funds are (1) investment of at least 60% in government bonds, state enterprise bonds, deposits at commercial banks, and debt instruments issued by commercial banks; and (2) investment of not more than 40% in promissory notes of finance companies, stocks, and other debt instruments.
<i>Currency-matching regulations on assets/liabilities composition</i>	Yes.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	Effective January 15, 2007, mutual funds and provident funds are allowed to invest in securities issued abroad by Thai juridical persons without limit and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by their regulator, without BOT approval.
<i>Limits (max.) on investment portfolio held abroad</i>	Effective January 15, 2007, mutual funds and provident funds are allowed to invest in securities issued abroad by Thai juridical persons without limit and in foreign securities issued by nonresidents up to \$50 million but not exceeding the limit set by their regulator, without BOT approval.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Resident accounts	<i>May 10.</i> The maximum outstanding balance of all foreign currency accounts with future obligations was increased to \$50 million (previously, \$10 million) for a juridical person and \$500,000 for a natural person. The maximum amount of cash deposits allowed was increased to \$10,000 a resident a day from \$5,000.
Capital transactions	<i>December 4.</i> Financial institutions were not allowed to sell or buy any types of debt securities to and from nonresidents through sell-and-buy-back transactions for any maturity. <i>December 19.</i> A URR of 30% was put in place for certain types of capital inflows, except for FDI and amounts not exceeding \$20,000. A full refund of the principal may be obtained if the funds remain in Thailand at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR. <i>December 22.</i> Equity investments in companies listed on the stock exchange were exempted from the URR.
Controls on capital and money market instruments	<i>May 3.</i> The MOF allowed foreign companies to issue baht-denominated bonds domestically with a minimum maturity of three years. <i>November 15.</i> Thai financial institutions were not allowed to issue or sell bills of exchange in baht of any maturity to nonresidents. <i>December 4.</i> Financial institutions were not allowed to sell and buy foreign currencies to and from nonresidents or credit or debit their baht account resulting from investments in government or BOT debt securities if the duration of such investments was less than or equal to three months. <i>December 4.</i> The limit of B 50 million was applied to derivatives transactions resulting in the borrowing of baht from nonresidents by domestic financial institutions without underlying transaction with maturities not exceeding six months (previously, three months).

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	<p><i>December 4.</i> The limit of B 50 million was applied to debt securities with maturities not exceeding six months (previously, three months) issued by domestic financial institutions and sold to nonresidents without underlying transaction.</p> <p><i>December 4.</i> Investments of more than B 50 million a consolidated entity in short-term debt and related products (not exceeding six months) issued by local financial institutions in the primary market without underlying transactions are not allowed.</p> <p><i>December 19.</i> A URR of 30% was put in place for certain types of capital inflows, except for FDI. A full refund of the principal may be obtained if the funds remain in Thailand at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR.</p>
Controls on derivatives and other instruments	<p><i>December 4.</i> The limit of B 50 million was applied to derivatives transactions resulting in the borrowing of baht from nonresidents by domestic financial institutions without underlying transaction with maturities not exceeding six months (previously, three months).</p>
Controls on credit operations	<p><i>December 4.</i> The limit of B 50 million was applied to loans granted by nonresidents to domestic financial institutions without underlying transactions with maturities not exceeding six months (previously three months).</p> <p><i>December 19.</i> A URR of 30% was put in place for certain types of capital inflows, except for FDI. A full refund of the principal may be obtained if the funds remain in Thailand at least one year. For shorter periods, BOT approval is required to refund two-thirds of the URR.</p>
Provisions specific to the financial sector	
Provisions specific to commercial banks and other credit institutions	<p><i>December 4.</i> The limit of B 50 million was applied to loans granted by nonresidents to domestic financial institutions without underlying transactions with maturities not exceeding six months (previously, three months).</p>

Changes during 2007

Resident accounts	<p><i>January 15.</i> Foreign currencies received from abroad without future foreign exchange obligations were allowed to be deposited in the foreign currency accounts with an outstanding balance of all accounts not exceeding \$50,000 for a natural person or \$2 million for a juridical person.</p>
Exports and export proceeds	<p><i>January 15.</i> Foreign exchange earners were allowed to deposit foreign exchange in their foreign currency accounts without future foreign exchange obligations up to \$50,000 for a natural person or \$2 million for a juridical person.</p>
Capital transactions	<p><i>January 15.</i> Thai juridical persons were allowed to invest in or lend to their parent companies a maximum of \$20 million. The maximum amount of Thai direct investment or lending to a business abroad (on condition that the natural person or the individual person in Thailand holds shares or has an ownership not less than 10%) was increased from not exceeding \$10 million a person a year to not exceeding \$50 million a person a year.</p> <p><i>January 29.</i> The following transactions were exempted from the URR: (1) direct investment, government loans, and investments in immovable assets; (2) foreign loans signed prior to December 19, 2006; (3) sales of foreign exchange agreed to before December 19, 2006; (4) interbank transactions on their own account; (5) foreign currencies sold or exchanged by embassies and international organizations; (6) rollover of hedging swap transactions; (7) foreign currency loans or foreign currencies from the issuance of debt instruments; (8) foreign currencies for the purchase of nonperforming loans or for payments of guarantee obligations under court order; and (9) traveler's checks and foreign banknotes.</p> <p><i>February 1.</i> The BOT has provided options for foreign currency borrowings to either withhold the URR or fully hedge against foreign exchange risk.</p> <p><i>March 15.</i> The BOT has provided options for investment in debt securities and unit trusts to either withhold the URR or fully hedge against foreign exchange risk through a swap with a maturity of at least three months.</p>

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Controls on capital and money market instruments

January 15. Thai juridical persons were allowed to invest in or lend to their parent companies a maximum of \$20 million. The maximum amount of Thai direct investment or lending to a business abroad (on condition that the natural person or the individual person in Thailand holds shares or has an ownership not less than 10%) was increased from not exceeding \$10 million a person a year to not exceeding \$50 million a person a year.

January 15. Seven types of institutional investors—the Government Pension Fund, Social Security Fund, provident funds, mutual funds (excluding private funds), securities companies, insurance companies, and specialized financial institutions—were allowed to invest in securities issued abroad by Thai juridical persons without limit. For investment in foreign securities issued by nonresidents, such investors are allowed to invest up to the outstanding balances of \$50 million, but the investment must not exceed the limit set by their regulators, board of directors, or management of each institutional investor. Investment exceeding such limits requires prior approval from the BOT.

March 15. The BOT has provided options for investment in debt securities and unit trusts to either withhold the URR or fully hedge against foreign exchange risk through a swap with a maturity of at least three months.

Controls on credit operations

January 15. Residents were allowed to grant loans up to \$20 million a person a year to their parent companies abroad (owning at least 10% of the resident companies) without approval from the BOT.

January 15. Residents were allowed to grant loans up to \$50 million a person a year to their affiliated companies abroad (owned at least 10% by the resident company) without approval from the BOT.

February 1. The BOT has provided options for foreign currency borrowings to either withhold the URR or fully hedge against foreign exchange risk.

Controls on direct investment

January 15. Thai residents were allowed to invest up to \$20 million a person a year in their parent companies abroad (owning at least 10% of the resident companies) and \$50 million a person a year in their affiliated companies abroad (owned at least 10% by the resident) without approval from the BOT.

Provisions specific to the financial sector

Provisions specific to institutional investors

January 15. Seven types of institutional investors—the Government Pension Fund, Social Security Fund, provident funds, mutual funds (excluding private funds), securities companies, insurance companies, and specialized financial institutions—were allowed to invest in securities issued abroad by Thai juridical persons without limit. For investment in foreign securities not issued by Thai juridical persons, such investors are allowed to invest up to the outstanding balances of \$50 million, but the investment must not exceed the limit set by their regulators, board of directors, or management of each institutional investor. Investment exceeding such limits requires prior approval from the BOT.

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 23, 2002.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Timor-Leste is the U.S. dollar.
Other legal tender	Timorese coins also circulate; these are legally convertible to dollars at par.
Exchange rate structure	Unitary.
Classification	
Exchange arrangement with no separate legal tender	The dollar is legal tender and circulates freely. Foreign exchange transactions are effected through three foreign-owned commercial banks and one licensed currency exchange bureau.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	No.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	All domestic transactions and settlements must be conducted in domestic currency.
Use of foreign exchange among residents	Yes.
Payments arrangements	No.
Administration of control	Overall responsibility for the administration of exchange controls rests with the Banking and Payments Authority, which has the power to regulate the payment and settlement system for domestic and foreign currency.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	No.
Import taxes and/or tariffs	With the exception of selected items (e.g., cigarettes and alcohol—with certain limits—and the household effects of returning former residents), a uniform ad valorem tariff of 6% is levied on all imports, and excise taxes are levied on imports of selected goods at specific or ad valorem rates of 12% to 120%, depending on the types of goods. A sales tax of 6% is levied on the combined value of customs assessment, import duty, and excise tax.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Domestic capital and money markets have not yet been developed.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	Ownership of land by foreigners is prohibited.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Lending locally in foreign exchange	All domestic transactions must be conducted in dollars.

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

Purchase of locally issued securities
denominated in foreign exchange All domestic transactions must be conducted in dollars.

Provisions specific to institutional investors

Pension funds n.a.

Investment firms and collective
investment funds n.a.

**References to legal instruments and
hyperlinks** n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: June 1, 1996.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

A framework has been established at the WAEMU regional level to combat the financing of terrorism in the member states of the union. The framework facilitates the enforcement of the decisions on the freezing of funds made by the Sanctions Committee of the UN Security Council, based on the list of persons and entities established by that committee.

References to legal instruments and hyperlinks

Regulation 14/2002/CM/UEMOA by the WAEMU Council of Ministers of September 19, 2002; www.uemoa.int/actes/Default.htm; www.bceao.int.

Exchange Arrangement

Currency

The currency of Togo is the CFA franc.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Togo participates in a currency union with seven other members of the WAEMU and has no separate legal tender. The CFA franc is pegged to the euro, the intervention currency, at the rate of CFAF 655.957 per €1. Exchange rates for other currencies are derived from the rate for the currency concerned in the Paris foreign exchange market vis-à-vis the euro. Effective January 1, 2007, the exchange arrangement of the WAEMU countries has been reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The new classification thus reflects only a definitional change, and is not based on a judgment that there has been a substantive change in the exchange regime or other policies of the currency union or its members.

Exchange tax

A symmetrical bank commission of 0.3% applies to transfers to all countries outside the WAEMU. The proceeds of this commission must be surrendered in their entirety to the treasury. In addition, banks are allowed to charge an exchange commission of up to 2% on over-the-counter exchange for euros.

Exchange subsidy

No.

Forward exchange market

Residents are authorized to contract forward exchange cover for payments related to imports and exports of goods and services. Forward cover may be contracted only in the currency of settlement stipulated in the commercial contract. Maturities must correspond to the due date of the import or export payment stipulated in the commercial contract.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Togo is linked to the French Treasury through an Operations Account, through which settlements with France, Monaco, and other Operations Account countries (WAEMU and

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CAEMC member countries and the Comoros) are made in euros or in the currency of any other Operations Account country. Settlements outside the Operations Account may be conducted freely in CFA francs.

Controls on the use of domestic currency

For capital transactions

Transactions in derivatives and other instruments

Yes.

Use of foreign exchange among residents

The CFA franc is the only legal tender, and residents are not permitted to use foreign exchange for domestic transactions.

Payments arrangements

Regional arrangements

An Operations Account is maintained with the French Treasury that links Operations Account countries. All purchases or sales of foreign currencies or euros against CFA francs are ultimately settled through a debit or credit to the Operations Account.

Clearing agreements

A multilateral clearing agreement exists in the context of the WAMA among the countries of the WAEMU, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Mauritania, Nigeria, and Sierra Leone. All payments related to current transactions between the member bank countries may be effected under the clearing arrangements. However, this excludes transactions specified by the committee of governors of the CBs of ECOWAS member countries and payments related to the exportation from the country of a member bank to the country of another member bank of finished products originating in countries whose CB or monetary authority is not a member of the WAMA.

Administration of control

Exchange control is administered jointly by the MOF and the BCEAO. Most of the authority to supervise foreign exchange transactions is delegated to authorized banks, which are required to report these operations to the MOF. The BCEAO is also authorized to collect—either directly or through banks, financial institutions, the postal administration, or judicial agents—any information necessary to compile balance of payments statistics. Customs officers monitor outflows of foreign exchange and confirm import and export of goods. All residents of WAEMU countries are treated as residents of Togo for the purposes of financial transactions. All foreign exchange operations with foreign countries must be effected through authorized intermediary banks, the postal administration, or the BCEAO. No supporting documents are required for transfers of up to the equivalent of CFAF 300,000. Within the framework of the regional financial market, the placement and soliciting of foreign and domestic securities in Togo require prior authorization by the RCPSFM.

Payments arrears

Official

Yes.

Controls on trade in gold (coins and/or bullion)

On external trade

Imports of gold require prior MOF authorization. Exempt from this requirement are (1) imports by or on behalf of the treasury or the BCEAO, (2) imports of manufactured articles containing minor quantities of gold (such as gold-filled or gold-plated articles), and (3) imports by travelers of gold objects up to a combined weight of 500 grams. Both licensed and exempt imports of gold are subject to customs declaration. Exports of gold have been liberalized.

Controls on exports and imports of banknotes

On exports

Domestic currency

CFA franc banknotes may be exported freely by travelers. However, the suspension of BCEAO repurchases of exported banknotes continues. In addition, the exchange of BCEAO banknotes between authorized intermediaries and their correspondents outside the WAEMU is prohibited.

Foreign currency

The reexportation of foreign banknotes by nonresident travelers is allowed up to the equivalent of CFAF 500,000; the reexportation of foreign banknotes above this ceiling

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requires documentation demonstrating either the importation of the foreign banknotes or their purchase against other means of payment registered in the name of the traveler or through the use of nonresident deposit accounts in local banks.

On imports

Foreign currency

Residents and nonresidents may bring in any amount of foreign banknotes and coins (except gold coins) of countries outside the Operations Account area. Residents bringing in foreign banknotes and foreign currency traveler's checks exceeding the equivalent of CFAF 300,000 must declare them to customs on entry and sell them to an authorized intermediary bank within eight days. Nonresident travelers must declare to customs foreign currency exceeding the equivalent of CFAF 1 million on entry and exit.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Resident Accounts

Foreign exchange accounts permitted

The holding by residents of foreign currency accounts is subject to prior MOF authorization, after consent by the BCEAO.

Held domestically

Yes.

Approval required

Yes.

Held abroad

Yes.

Approval required

Individuals traveling abroad may open bank accounts to receive foreign currency legitimately exported during their travel or earned during their stay abroad. However, residents are required to repatriate assets held in these accounts within 30 days of their return. In all other cases, prior authorization by the MOF, after BCEAO approval, is required to open an account abroad.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

No.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Approval required

The holding by nonresidents of accounts denominated in foreign currency other than the euro is subject to prior authorization by the BCEAO. The opening of the account is subject to presentation of documents by nonresidents proving their status and actual residence.

Domestic currency accounts

Because the BCEAO has suspended the repurchase of banknotes circulating outside the WAEMU area, nonresident accounts may not be credited or debited with BCEAO banknotes. These accounts may not be overdrawn without prior MOF authorization. Transfers of funds between nonresident accounts are not restricted.

Convertible into foreign currency

Convertible foreign currency accounts may be debited freely for the purchase by nonresidents of foreign currencies on the official exchange market.

Blocked accounts

No.

References to legal instruments and hyperlinks

Regulation 09/98/CM/UEMOA of December 20, 1998; www.bceao.int.

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports require authorization, and importers may not acquire foreign exchange until the date of the payment specified in the contract.
Documentation requirements for release of foreign exchange for imports	Importers may purchase foreign exchange for import payments after establishing bank payment order accounts and submitting supporting documents, but not earlier than eight days before shipment if a documentary credit is opened, or on the due date of payment if the products have already been imported.
Domiciliation requirement	All import transactions from outside the CFA franc zone exceeding CFAF 5 million must be effected through an authorized bank.
Preshipment inspection	All imports arriving by sea and exceeding the equivalent of CFAF 3 million, and overland imports exceeding CFAF 1.5 million, are subject to prior inspection.
Letters of credit	LCs may be opened for all import operations, regardless of origin.
Other	Exchange authorization, invoices, and export-import cards are required.
Import licenses and other nontariff measures	Certain imports, such as narcotics, are prohibited from any source.
Positive list	Yes.
Negative list	Yes.
Open general licenses	Licenses are issued for imports of pharmaceuticals, explosives, and firearms. Imports of potatoes may be prohibited during the period when local production is adequate to meet local demand (between August and February).
Other nontariff measures	Yes.
Import taxes and/or tariffs	The CET of the WAEMU consists of four rates (zero, 5%, 10%, and 20%). Imports are also subject to a statistical fee of 1% and a community solidarity levy of 1%.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Proceeds from exports, excluding those from WAEMU countries, must normally be collected within 120 days of shipment and repatriated through the BCEAO not later than one month after the due date of the payment.
Surrender requirements	
<i>Surrender to the central bank</i>	Yes.
<i>Surrender to authorized dealers</i>	Proceeds must be surrendered to authorized banks within 30 days of the payment due date. Authorized intermediaries must then surrender the foreign exchange to the BCEAO by transfer through the bank of issue. Proceeds may be surrendered to authorized intermediaries other than the issuing banks if authorized by the BCEAO.
Financing requirements	No.
Documentation requirements	All export transactions are subject to a customs declaration.
Letters of credit	Yes.
Guarantees	n.a.
Domiciliation	All export transactions of more than CFAF 5 million, except those between WAEMU countries, must be domiciled with an authorized intermediary bank.

TOGO

Preshipment inspection	Yes.
Export licenses	Diamonds, gold, and all other precious metals are subject to MOF authorization. Exports to all countries require licenses in certain cases.
Without quotas	Yes.
Export taxes	
Other export taxes	Phosphate rock is subject to a specific export tax.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Transfers for invisible transactions to France, Monaco, and Operations Account countries may be made freely. Payments and receipts by foreign ships on stopovers in WAEMU countries or by WAEMU ships abroad are considered current transactions. Payments and transfers for current transactions may be made freely through authorized intermediaries. Transfers exceeding CFAF 300,000 are subject to documentary requirements.
Trade-related payments	
<i>Indicative limits/bona fide test</i>	Yes.
Investment-related payments	Authorized banks may transfer profits and interest payments based on supporting documentation.
<i>Prior approval</i>	Payments for depreciation of direct investments require prior authorization from the MOF, because this type of depreciation is not specifically mentioned in the regulations.
<i>Indicative limits/bona fide test</i>	Outward transfers of proceeds from the liquidation of investments may be made by authorized banks, subject to presentation of supporting documents.
Payments for travel	
<i>Quantitative limits</i>	Residents traveling for tourism or business purposes to non-WAEMU countries are allowed to take out banknotes other than CFA franc notes up to the equivalent of CFAF 2 million a person; amounts in excess of this limit may be taken out in the form of traveler's checks, certified checks, or other means of payment.
<i>Indicative limits/bona fide test</i>	Resident travelers must present a travel document and a valid passport or a national identity card to an authorized intermediary bank or exchange bureau before foreign exchange will be issued.
Personal payments	Payments abroad relating to pensions and benefits resulting from a contract of employment, educational costs, family maintenance, or alimony may be executed freely on presentation of appropriate documentation.
<i>Indicative limits/bona fide test</i>	All personal payments may be conducted through an authorized bank, subject to presentation of supporting documents.
Foreign workers' wages	
<i>Indicative limits/bona fide test</i>	Payments abroad related to wages, salaries, and honoraria; contributions and benefits; pensions and work-related activities; and service contracts are generally authorized on presentation of the appropriate documentation.
Credit card use abroad	The use of credit cards is allowed only when issued by specialized institutions.
Other payments	
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

TOGO

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds from invisible transactions with non-WAEMU countries must be repatriated.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	All proceeds from invisible transactions with non-WAEMU countries must be surrendered to an AD within one month of the due date. Resident travelers must declare to customs any foreign means of payment in excess of the equivalent of CFAF 300,000 that they bring in and must surrender it to an authorized bank within eight days of their return.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Capital transactions between WAEMU countries are unrestricted. Outward capital transfers require MOF authorization, except in the case of (1) amortization of debts and repayment of short-term loans granted to finance industrial and commercial operations, and (2) payments for the purchase of options. Capital receipts from non-WAEMU countries, however, are generally permitted.
Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	The proceeds from the sale or liquidation of investments in foreign assets by residents must be surrendered to authorized intermediary banks within one month.
Controls on capital and money market instruments	Prior authorization by the RCPSFM is required for the following operations: issuing or marketing of securities and real assets of foreign entities, canvassing, and publicity or advertising for investment abroad. Securities and mutual funds issued outside the WAEMU by a private or public entity that is not a resident of a member country may not be listed on a regional securities exchange.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	These purchases are subject to prior declaration to the MOF for statistical purposes.
Sale or issue locally by nonresidents	The issue of securities and the sale of corporate or foreign securities by nonresidents are subject to prior RCPSFM authorization. There are no controls on the sale of securities resulting from the divestiture of investment in the form of a transfer between a nonresident and a resident, but such sales are subject to the regulations governing the financial settlement of the operation. Settlement of securities transactions by transfer abroad or by credit to a nonresident account requires an exchange authorization to be submitted to the MOF for approval, accompanied by supporting documentation.
Purchase abroad by residents	The purchase of foreign securities by residents and the transfer abroad of funds for this purpose are subject to prior authorization by the MOF. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Sale or issue abroad by residents	Residents may sell local corporate securities abroad. If these operations result in foreign control of domestic establishments, foreign investors are required to make a prior declaration to the MOF. The sale of securities to liquidate an investment abroad is subject to declaration to the MOF for statistical purposes.

TOGO

	Residents may also issue securities abroad, except for those constituting a loan. Issuance of the latter to nonresidents must be made through an authorized bank and must be reported to the MOF for statistical purposes.
<i>Bonds or other debt securities</i>	The regulations governing shares or other securities of a participating nature apply.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
On money market instruments	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Residents may sell money market instruments abroad. Sales liquidating an investment are subject to prior declaration.
On collective investment securities	The regulations governing shares or other securities of a participating nature apply.
<i>Sale or issue locally by nonresidents</i>	Yes.
<i>Purchase abroad by residents</i>	Yes.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	These instruments are subject to general regulations that apply to securities and investments. Residents may freely purchase abroad or from nonresidents call or put options for primary commodities or securities transactions. Residents may not purchase commodities or securities on foreign markets for delivery in a put option contract. Put options must be on assets that can be acquired locally by the resident seller for delivery abroad in execution of the contract.
Controls on credit operations	Borrowing by residents from nonresidents must be conducted through authorized intermediaries (whenever borrowed funds are made available for use in the country), unless otherwise indicated by the MOF.
Commercial credits	
<i>By residents to nonresidents</i>	There are no controls on credits related to exports of goods, provided the date on which payment falls due is not more than 120 days after the date of shipment. The transfer of funds abroad for this purpose is subject to prior MOF authorization.
<i>To residents from nonresidents</i>	There are no controls, and repayments of commercial credits are generally approved, subject to the presentation of documents attesting to the validity of the commercial operation or of the services rendered, as well as the payment due date.
Financial credits	
<i>By residents to nonresidents</i>	These credits require prior approval by the MOF. Outward transfers necessary to service such facilities require an exchange authorization, subject to the approval of the BCEAO acting on behalf of the MOF and substantiated by documentation.
<i>To residents from nonresidents</i>	There are no controls on these credits, but they must be reported for statistical purposes. The necessary funds must be transferred from abroad through an authorized agent. There are no controls on repayments of loans, provided the authorized agent handling the settlement is furnished with documentation attesting to the validity of the transaction.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	The granting of guarantees and sureties is subject to prior approval by the MOF. Transfers abroad of funds to service these facilities require the issuance of an exchange authorization, subject to approval by the MOF, and the submission of supporting documents.
<i>To residents from nonresidents</i>	These facilities may be granted freely, although the funds required for servicing them must be transferred abroad by an authorized bank. If, however, these transactions take place between a resident direct investment company and its parent company located abroad, they are considered to be direct investments and therefore require prior declaration to the MOF.

TOGO

Controls on direct investment	Direct investments constitute investments implying control of a company or enterprise. Mere participation is not considered direct investment unless it exceeds 20% of the capital of a company whose shares are quoted on a stock exchange. All investments abroad by residents, including investments through foreign companies under the direct or indirect control of residents of Togo and investments by foreign branches or subsidiaries of companies established in Togo, require prior authorization by the MOF.
Outward direct investment	All investment abroad by residents is subject to prior MOF authorization. At least 75% of such investment must be financed by foreign loans. Authorization is not required for purchases of foreign securities whose issuance or offering for sale in WAEMU countries has been authorized by the RCPSFM.
Inward direct investment	Foreign direct investments, including those made by resident companies that are directly or indirectly under foreign control and those made by branches or subsidiaries of foreign companies, must be reported to the MOF for statistical purposes.
Controls on liquidation of direct investment	The liquidation of investments abroad must be reported to the MOF for statistical purposes. Reinvestment of the proceeds from the liquidation is subject to prior MOF authorization. If reinvestment is not authorized, the proceeds from the liquidation must be repatriated within one month through an authorized intermediary. The sale of foreign investments by nonresidents is unrestricted but must be reported to the MOF for statistical purposes.
Controls on real estate transactions	
Purchase abroad by residents	These purchases require prior authorization by the MOF.
Purchase locally by nonresidents	Purchases for purposes other than direct investment in a business, branch, or company are allowed. They require a declaration to the MOF for statistical purposes.
Sale locally by nonresidents	Sales by nonresidents to residents require the submission of supporting documentation to the authorized intermediary that handles the settlement and must be declared to the MOF.
Controls on personal capital transactions	Personal capital transactions between residents and nonresidents must be made through the BCEAO, the postal administration, or an authorized intermediary bank, unless prior authorization is obtained from the MOF.
Loans	The regulations governing securities and investments apply.
<i>By residents to nonresidents</i>	These transactions require prior MOF authorization. The individuals concerned may not engage in such operations as a professional occupation without first being licensed and included on the list of financial institutions.
<i>To residents from nonresidents</i>	These transactions may be made freely, but are subject to declaration for statistical purposes to the MOF when granted and when repaid.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Inheritances and dowries are generally authorized. Gifts and endowments, however, are subject to prior MOF authorization.
<i>To residents from nonresidents</i>	These transactions are subject to declaration.
Settlements of debts abroad by immigrants	Immigrants who have received resident status must obtain prior authorization by the MOF to settle debts contracted abroad while they were nonresidents.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	These transactions are subject to prior authorization by the MOF.
<i>Transfer into the country by immigrants</i>	Foreign accounts (in foreign currencies or CFA francs) of nonresidents who become residents must be closed. However, they may maintain abroad bank accounts opened and financial assets acquired while they were nonresidents. New transfers to these accounts require MOF approval.
Transfer of gambling and prize earnings	Yes.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	For statistical purposes, these transactions must be declared to the MOF when they are granted and when they are repaid.
Maintenance of accounts abroad	Banks and financial institutions are authorized to open accounts with their correspondent banks for settling transactions for their own account or the accounts of their customers. However, banks are not authorized to hold in these accounts amounts that exceed their current requirements.
Lending to nonresidents (financial or commercial credits)	Commercial lending is allowed. Financial credits are subject to prior MOF authorization following BCEAO approval.
Lending locally in foreign exchange	No explicit regulations exist regarding these transactions, but prior authorization by the MOF is required with the approval of the BCEAO.
Purchase of locally issued securities denominated in foreign exchange	These purchases require prior RCPSFM authorization, after approval by the MOF.
Differential treatment of deposit accounts in foreign exchange	
<i>Credit controls</i>	Loans of any kind, CFA franc overdrafts, and, in general, any advances granted to nonresidents are subject to prior MOF authorization, after BCEAO approval. These claims are included in the external position of banks and financial institutions, which is subject to special monitoring.
Differential treatment of deposit accounts held by nonresidents	Monetary regulations make no distinction among resident deposit accounts, nonresident deposit accounts, and foreign deposit accounts.
<i>Credit controls</i>	Any overdraft or advance granted to a nonresident requires prior authorization by the MOF with the approval of the BCEAO.
Investment regulations	The regulations governing direct investments apply.
<i>Abroad by banks</i>	Yes.
Open foreign exchange position limits	No prudential ratios apply. Open positions result from special dispensations.

Provisions specific to institutional investors

Insurance companies	Controls are imposed by the CIMA Code.
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	The CIMA Code does not allow insurance companies to invest abroad.
<i>Limits (min.) on investment portfolio held locally</i>	The CIMA Code includes specific rules for the use of insurance companies' technical reserves.
<i>Currency-matching regulations on assets/liabilities composition</i>	The CIMA Code specifies that liabilities in a given currency must be covered by assets denominated in the same currency.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

TOGO

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

January 1. The exchange arrangement of the WAEMU countries was reclassified to the category conventional pegged arrangement from the category exchange arrangement with no separate legal tender. The new classification reflects only a definitional change.

TONGA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 22, 1991.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Tonga is the Tongan pa'anga.

Exchange rate structure Unitary.

Classification

Pegged exchange rate within horizontal bands The external value of the pa'anga is determined on the basis of a weighted basket of currencies comprising the Australian dollar (19%), yen (6%), New Zealand dollar (23%), and U.S. dollar (52%). The exchange rate of the pa'anga in terms of the U.S. dollar, the intervention currency, is fixed monthly by the National Reserve Bank of Tonga (NRBT) within a band of $\pm 5\%$.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Commercial banks may provide forward exchange cover for exporters and importers up to the equivalent of US\$2 million a bank in gross value.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements There are no particular requirements, but settlements are normally made in convertible currencies acceptable to both parties.

Use of foreign exchange among residents n.r.

Payments arrangements

Regional arrangements Tonga participates in PACER and PICTA.

Administration of control The NRBT administers foreign exchange control regulations.

The NRBT delegates to ADs approval authority for current payments and transfers not exceeding the equivalent of T\$50,000 with supporting documents. All payments exceeding T\$50,000 require the prior approval of the NRBT. All capital transfers require the prior approval of the NRBT.

Payments arrears No.

TONGA

Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Under the emergency powers, effective November 1, 2006, the export of cash exceeding the equivalent of US\$10,000, whether in local or foreign currency, is prohibited, except with the written permission of the governor of the NRBT. Work is in progress to amend the legislation to make the cash border controls permanent.
<i>Foreign currency</i>	Under the emergency powers, effective November 1, 2006, the export of cash exceeding the equivalent of US\$10,000, whether in local or foreign currency, is prohibited, except with the written permission of the governor of the NRBT. Work is in progress to amend the legislation to make the cash border controls permanent.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Resident individuals are allowed to open foreign exchange accounts. The NRBT delegates to ADs approval authority to open these accounts using funds from abroad. To open these accounts using local funds, approval from the NRBT is required.
Held domestically	Yes.
<i>Approval required</i>	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	The NRBT delegates to ADs approval authority to open these accounts using funds from abroad. To open these accounts using local funds, approval from the NRBT is required.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.

TONGA

Documentation requirements for release of foreign exchange for imports	ADs may, without reference to the NRBT, approve applications for import transactions for amounts not exceeding T\$50,000 or its equivalent. The prior approval of the NRBT is required for transactions in excess of T\$50,000.
Import licenses and other nontariff measures	Licenses are required for selected imports, such as motor vehicles, firearms, and explosives.
Negative list	Imports of noxious gases and fireworks are prohibited.
Licenses with quotas	Import quotas apply only to fresh eggs and are intended to protect domestic producers, but these restrictions are currently not enforced. Imports of certain items are restricted for cultural, environmental, health, or security reasons.
Import taxes and/or tariffs	Ad valorem import tariffs on most goods range up to 35%. Imports of a few items (petroleum, tobacco, and alcoholic beverages) are subject to either specific or ad valorem rates of up to 525%. The tariff rate on motor vehicles is 45%. Imports by the government, the public sector, and diplomatic missions of certain goods under technical assistance agreements, and of personal effects, are exempt from tariffs. Imports are also subject to a 20% port and services tax, except for items covered under the Industrial Development Incentives Act, which qualify for concessional rates, and for imports by governmental and quasi-governmental organizations, which are exempt.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	Yes.
Surrender requirements	All export proceeds must be repatriated within 12 months, but this regulation is currently not enforced.
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Licenses are required for all exports weighing more than 10 kilograms. Licenses are granted liberally, except for exports of squash.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	ADs may, without reference to the NRBT, provide foreign exchange for invisible payments, except for travel payments, effective December 1, 2006, up to the equivalent of T\$50,000 with submission of supporting documents. The prior approval of the NRBT, with submission of supporting documentation, is required for payments in excess of T\$50,000.
Trade-related payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.

TONGA

Investment-related payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Prior approval</i>	Effective December 1, 2006, the prior approval of the NRBT is required for amounts exceeding T\$20,000 an application.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Foreign workers' wages	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Prior approval</i>	Yes.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Surrender requirements	
<i>Surrender to the central bank</i>	n.a.
<i>Surrender to authorized dealers</i>	n.a.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Prior approval of the NRBT is required for all capital transactions.
Repatriation requirements	n.a.
Surrender requirements	n.a.
Controls on capital and money market instruments	Controls apply to all these transactions.
Controls on derivatives and other instruments	Controls apply to all these transactions.
Controls on credit operations	Controls apply to all these transactions.

TONGA

Controls on direct investment

Outward direct investment	Yes.
Inward direct investment	Controls on foreign direct investment (FDI) are provided in the Foreign Investment Act of 2002. Licenses are required for FDI. High-technology projects are readily approved. Intermediate projects are approved if there is a local partner. Investment is allowed in certain sectors, including wholesale and retail, transportation, some tourism-related activities, and all resource-based activities (such as fishing). Business activities included in the reserved list are reserved for Tongans. Business activities included in the restricted list are open to foreigners under certain conditions. Joint ventures may be allowed if the project is deemed beneficial to the country. The time period for the approval process is normally about one week. Once licensed, foreign projects in manufacturing and tourism are eligible for all incentives.

Controls on liquidation of direct investment

Yes.

Controls on real estate transactions

Controls apply to all these transactions.

Controls on personal capital transactions

Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	ADs are allowed to transfer abroad up to the equivalent of T\$10,000 a year. Outward transfers exceeding this limit require NRBT approval.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Yes.
<i>Transfer into the country by immigrants</i>	n.r.
Transfer of gambling and prize earnings	Yes.

References to legal instruments and hyperlinks

Foreign Investment Act, 2002.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Yes.
Maintenance of accounts abroad	A limit of T\$1 million applies on commercial banks' total net nostro account balances.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	All foreign currency loans are financed from head offices or from customer foreign exchange receipts. Banks are not allowed to buy from the NRBT to finance foreign currency loans. Local borrowing by customers to fund profit remittances is prohibited.
Purchase of locally issued securities denominated in foreign exchange	Yes.

Provisions specific to institutional investors

Pension funds	n.a.
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TONGA

Investment firms and collective investment funds n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

Arrangements for payments and receipts

November 1. Under the emergency powers, written permission of the NRBT was required to export cash exceeding the equivalent of US\$10,000.

Payments for invisible transactions and current transfers

December 1. ADs were allowed, without reference to the NRBT, to provide foreign exchange for invisible payments, except for travel payments, up to the equivalent of T\$50,000 with submission of supporting documents.

December 1. The prior approval of the NRBT was required for payments for travel exceeding the equivalent of T\$20,000 an application.

TRINIDAD AND TOBAGO

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 13, 1993.

Exchange Measures

Restrictions and/or multiple currency practices	No restrictions as reported in the latest staff report as of December 31, 2006.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency	The currency of Trinidad and Tobago is the Trinidad and Tobago dollar.
Exchange rate structure	Unitary.
Classification	
Conventional pegged arrangement	The Central Bank of Trinidad and Tobago (CBTT) allows the exchange rate to move within a very narrow range around TT\$6.30 per US\$1.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Banks are allowed to conduct foreign exchange transactions, both spot and forward, with the public without limitation.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	Settlements may be made in Canadian dollars, euros, yen, Myanmar kyats, Norwegian kroner, Swedish kronor, Swiss francs, pounds sterling, and U.S. dollars.
Controls on the use of domestic currency	n.r.
Use of foreign exchange among residents	Only ADs are allowed to buy, sell, borrow, or lend foreign currency to any person other than another AD without the permission of the CBTT.
Payments arrangements	
Regional arrangements	Trinidad and Tobago is a member of CARICOM.
Clearing agreements	Trinidad and Tobago is the agent for the inoperative Caribbean Multilateral Clearing Facility.
Administration of control	Authority to administer exchange control is vested in the CBTT acting under the authority of the MOF.
Payments arrears	No.

TRINIDAD AND TOBAGO

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade	Residents are permitted to purchase, hold, or sell gold coins for numismatic purposes. Unless specifically permitted by the MOF, one party to transactions in gold between residents must be an authorized bank.
On external trade	Exports of gold are controlled by the Ministry of Trade and Industry (MTI) and are subject to specific export licenses, which are normally issued only to monetary authorities.

Controls on exports and imports of banknotes

On exports

Domestic currency

For amounts exceeding TT\$20,000, a customs declaration is required.

Foreign currency

For amounts exceeding the equivalent of US\$5,000, a customs declaration is required.

On imports

Domestic currency

For amounts exceeding TT\$20,000, a customs declaration is required.

Foreign currency

For amounts exceeding the equivalent of US\$5,000, a customs declaration is required.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

n.r.

Accounts in domestic currency convertible into foreign currency

n.r.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

n.a.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

TRINIDAD AND TOBAGO

Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Duty-free licenses are granted to local concessionary manufacturers for imports of certain inputs for manufacturing.
Negative list	Imports of firearms, ammunition, and narcotics are tightly controlled.
Open general licenses	All goods, unless exempted for reasons of health or security, may be imported under OGL arrangements.
Other nontariff measures	All imports of food and drugs must satisfy prescribed standards. Imports of meat, live animals, plants, and mining materials are subject to specific regulations.
Import taxes and/or tariffs	In accordance with the fourth phase of the CARICOM CET, the customs duty rates on most goods range from 5% to 20%. The rate on agricultural produce is 40%. The duty rates on new motor vehicles range from 25% to 45%. All goods originating from CARICOM countries are exempt from duties, as are imports of some foodstuffs, fertilizers, and raw materials. Local enterprises producing import substitutes or export goods may be granted exemptions from customs duties by the MTI and the Tourism Development Company, Ltd.
State import monopoly	Imports of animal feed, flour, rice, petroleum, and edible oils are traded principally by state companies.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	In practice, the foreign-owned petroleum company operating in Trinidad and Tobago repatriates all foreign exchange after providing for the equivalent of its local currency needs.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Individual licenses are required for some foodstuffs, firearms and explosives, animals, gold, petroleum and petroleum products, and certain products not produced locally. Export licenses for all other commodities are granted under OGLs. General licenses may also be issued at the discretion of the MTI.
Without quotas	Most export licenses are granted without quotas.
With quotas	Quotas are sometimes established for the export of some products, such as fish, on the basis of local supply.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
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TRINIDAD AND TOBAGO

Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	Cross-border trading of shares of companies listed on the respective stock exchanges is permitted among the residents of Barbados, Jamaica, and Trinidad and Tobago; residents and companies of the first two countries are designated as residents of Trinidad and Tobago for exchange control purposes in cross-border trading.
On capital market securities	
<i>Shares or other securities of a participating nature</i>	Holding shares in local companies is subject to compliance with the provisions of the Financial Institutions Act.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	Holding shares in local companies is subject to compliance with the provisions of the Foreign Investment Act.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Holding interest in real estate is subject to compliance with the provisions of the Foreign Investment Act.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	The reserve requirement applicable to domestic currency deposits in banks is 11%. A reserve requirement of 9% applies to nonbank institutions.
<i>Liquid asset requirements</i>	A liquid asset ratio of 20% on foreign currency deposits is required.
Open foreign exchange position limits	Licensed institutions are required to maintain a minimum capital position equal to 10% of their net currency exposure.

Provisions specific to institutional investors

Insurance companies	The Insurance Act imposes other controls.
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TRINIDAD AND TOBAGO

<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Insurance companies are required to hold at least 80% of their investment assets locally.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

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(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: January 6, 1993.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2006 Article IV consultation with Tunisia states that as of May 10, 2006, Tunisia maintained a multiple currency practice resulting from honoring exchange rate guarantees extended prior to August 1988 to development banks, which will automatically expire after the existing commitments have matured. (Country Report No. 06/207)

International security restrictions

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Tunisia is the Tunisian dinar.

Exchange rate structure

Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The exchange rate of the dinar is determined in the interbank market in which commercial banks, including offshore banks acting on behalf of their resident customers, conduct transactions at freely negotiated rates. There is no limit on the spread between the buying and selling rates. The Central Bank of Tunisia (CBT) intervenes in the market and publishes an indicative interbank exchange rate for foreign currencies and banknotes by the following day. The CBT pursues a real effective exchange rate rule. Resident banks trade freely in foreign currencies in the spot market among themselves, with their foreign correspondents, and with nonresident banks in Tunisia.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

Importers and exporters are authorized to obtain forward exchange cover on the interbank market as of the date the contract is signed or the date on which the foreign commercial paper is domiciled, depending on the arrangements for the product concerned. Forward rates are freely negotiated by the authorized counterpart bank. Forward cover may be established for up to 12 months for imports and up to 9 months for exports. Persons who provide services are eligible for exchange cover for up to 12 months, to be provided within 30 days of the date on which the claim originated. Resident enterprises may purchase, in the forward market, futures maturing in up to 12 months to hedge against exchange risks related to the repayment of their foreign currency loans. They may also sell, for terms of up to 12 months, the foreign currency from drawings on external loans or from foreign currency investments.

Nonresidents may enter into contracts with resident authorized intermediaries for forward purchases of convertible dinars, maturing in up to 12 months. Resident authorized intermediaries may engage in, among themselves or with resident enterprises, foreign currency/convertible dinar swaps, maturing in up to 12 months. They may also engage in foreign currency/convertible dinar swaps with nonresident banks operating in Tunisia, their foreign correspondent banks, and nonresident enterprises operating in Tunisia, to make spot purchases and forward sales of convertible dinars. For the purposes of hedging against foreign currency interest rate risks, forward rate agreements may be signed for terms of 12 months by resident banks with foreign correspondent banks and by resident enterprises with

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	resident banks and nonresident banks operating in Tunisia. Residents contracting such foreign currency loans may also purchase 3-, 6-, and 12-month foreign currency options in dollars or euros. Call options in other currencies may be listed on request. Authorized intermediaries may set the forward exchange rates for foreign currencies against dinars applied to customers' forward transactions in accordance with the procedures followed in international markets.
Official cover of forward operations	The national reinsurance company manages this exchange cover mechanism for banks and financial institutions with respect to their borrowing abroad.
References to legal instruments and hyperlinks	Law 58-109 of October 18, 1958, Effecting Monetary Reform; Circular 2001-11 of May 4, 2001, on the Foreign Exchange Market and Instruments to Hedge against Exchange and Interest Rate Risk; Minister of Finance Avis de Change of February 3, 1989, on Call Options in Foreign Exchange; Circular 89-08 of March 6, 1989, on Hedging against Exchange Risk: Currency Options, Article 18 of Law 98-111 of December 28, 1998, Setting Forth the Budget Law for 1999.

Arrangements for Payments and Receipts

Prescription of currency requirements	Settlements between Tunisia and other countries may be made in any convertible currency (traded in the interbank market) or in convertible dinars through foreign accounts. Payments to Israel are prohibited. Settlements between Tunisia and Algeria, Libya, Mauritania, and Morocco may be effected through convertible accounts in the national currencies concerned at the respective CBs. Effective September 13, 2006, these settlements may also be effected in foreign currencies accepted by the respective CBs.
Controls on the use of domestic currency	Payments in dinars may be made abroad or from abroad through convertible dinar foreign accounts maintained domestically in the name of the foreign creditors or debtors or of their banks, respectively.
<i>For current transactions and payments</i>	Yes.
<i>For capital transactions</i>	
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Use of foreign exchange among residents	The dinar is the currency of account and the currency of payment in transactions among residents, unless otherwise authorized by the CBT, subsequent to approval from the MOF.
Payments arrangements	
Regional arrangements	Settlements with Algeria, Libya, Mauritania, and Morocco may be effected through convertible national currency accounts at the respective CBs.
Administration of control	Exchange control is administered by the CBT. The CBT delegates authority over payments for imports and most invisibles to the authorized banks, whereas the Ministry of Trade (MOT) administers foreign trade control, which entails issuing import and export authorization for the remaining products not covered by the liberalization of foreign trade.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Only jewelry craftspeople, legal entities established by jewelry craftspeople to supply gold to their members, agencies legally authorized to process gold for use as a manufacturing input, and individuals requiring gold for scientific, training, or occasional uses may acquire gold from authorized importers.

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On external trade	Monetary gold may be imported by the CBT as well as by one or more other agencies so authorized by decree. Imports and exports of other forms of gold are subject to prior authorization from the CBT and the Ministry of Trade.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Effective February 26, 2007, the prohibition on exports of dinar banknotes and coins has been eased in cases where the CBT has signed agreements to that effect with its counterparts or any other specialized authority abroad.
<i>Foreign currency</i>	Effective February 3, 2006, nonresident travelers wishing to reexport the foreign exchange equivalent of amounts equal to or exceeding TD 3,000 (previously, TD 1,000) must declare to customs the foreign currencies they are importing on their entry into Tunisia. The amount subject to declaration was further increased to TD 5,000, effective March 2, 2007. There is no ceiling on the reconversion of Tunisian banknotes by nonresident travelers. Foreign exchange from dinar reconversion may be reexported on presentation of a foreign exchange voucher or receipt if the amount to be reexported is less than TD 5,000 or if the foreign exchange used in the purchase of the dinars was received abroad in the form of a check, draft, money order, or any other evidence of a claim, or by debiting a foreign account in foreign currency or convertible dinars. The foreign exchange import declaration approved by customs is also required if the amount of foreign exchange from dinar reconversion equals or exceeds the equivalent of TD 5,000 and if the dinars derived from the surrender of foreign currencies physically imported from abroad.
On imports	
<i>Domestic currency</i>	Effective February 26, 2007, the prohibition on the imports of dinar banknotes and coins has been eased in cases where the CBT has signed agreements to that effect with its counterparts or any other specialized authority abroad.
<i>Foreign currency</i>	Travelers may freely import foreign banknotes. However, a customs declaration must be submitted for imported banknotes, regardless of amount, if the banknotes are to be deposited in a foreign currency or convertible dinar account or to pay for imports of goods and services into Tunisia.
References to legal instruments and hyperlinks	Law 76-18 of January 21, 1978, [sic] Amending and Codifying the Foreign Exchange and External Trade Legislation Governing Relations between Tunisia and Other Countries; Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Minister of Planning and Finance Avis de Change No. 4, on the Execution of Payments between Tunisia and Other Countries; Circular 92-06 of March 25, 1992, on the Unified Procedure for Bilateral Settlements among the States of the Arab Maghreb Union; Law 2005-17 of March 1, 2005, on Precious Metals; Minister of Finance Avis de Change of February 3, 2006, Establishing Conditions for Reexports of Imported Foreign Banknotes by Nonresident Travelers; Minister of Finance Avis de Change No. 94-01, Establishing Conditions for Reexports of Imported Foreign Banknotes by Nonresident Travelers; Circular 94-13 of September 7, 1994, on the Importing, Surrender, Reconversion, and Reexporting of Foreign Exchange by Travelers; Law 94-41 of March 7, 1994, on External Trade; Decree 94-1743 of August 29, 1994, Establishing Procedures for External Trade Operations.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	(1) Professional accounts in foreign currency may be opened by (a) any resident individual, (b) any Tunisian legal entity, and (c) any foreign legal entity in Tunisia with foreign currency assets in connection with its activities. These accounts may be credited with (a) a maximum of 100% of foreign exchange proceeds from the account holder's exports and foreign currency loans contracted in conformity with the regulations in force; (b) interest accrued on the balances of these accounts; and (c) transfers from the account holder's other professional accounts in the same foreign currency or any other foreign currency. The

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accounts may be debited for (a) payment of any current operation pertaining to the activity for which they were opened and (b) any other transaction with general or specific authorization. Balances may be offered for sale on the foreign exchange money market.

(2) Special accounts in foreign currency may be opened by (a) individuals of Tunisian nationality changing their normal residence to Tunisia from abroad; (b) resident individuals of Tunisian nationality or Tunisian legal entities for their nontransferable assets legitimately acquired abroad; (c) individuals of foreign nationality residing in Tunisia; (d) foreign legal entities with branches in Tunisia; and (e) Tunisian diplomats and civil servants stationed abroad. Funds legitimately acquired abroad, not from the exportation of goods or services from Tunisia, may be credited to these special accounts. They may be debited for (a) foreign exchange sold on the interbank market; (b) foreign exchange remitted to the account holder, his or her spouse, parents, and offspring to undertake foreign travel; (c) amounts credited to another special account in foreign currency or convertible dinars; and (d) any payments abroad, including those for the acquisition of movable property or real estate located abroad or ownership rights abroad, for foreign claims, and for payments for imports subject to applicable foreign trade formalities.

(3) Residents are free to open foreign currency international trading accounts to make payments related to their international trade and brokerage operations and associated expenses. These accounts may be credited with (a) the proceeds from exports of goods for which advance payment has been received; (b) profits and/or commissions from international trade and brokerage operations; (c) foreign currency loans contracted to finance trade operations; (d) foreign currency from trade operations repurchased on the exchange market after it has been sold on the market; and (e) interest generated by deposits on the account. They may be debited for (a) payments for purchases made within the framework of international trade operations and associated expenses; (b) settlement of expenses related to international brokerage operations; (c) repayment of foreign currency loans; (d) settlement of current operations carried out in conformity with exchange and foreign trade regulations and any operation carried out with general or special authorization; and (e) sales of foreign currencies in the exchange market.

(4) Effective November 9, 2006, service providers' accounts in foreign exchange or in convertible dinar may be opened by any resident individual holding foreign exchange received in payment of services provided to nonresidents established abroad. These accounts may be freely credited with (a) proceeds from payment in foreign currency for services provided; (b) income or proceeds in foreign currency from holdings acquired abroad by debiting said accounts; and (c) interest generated by deposits on the account calculated in accordance with the terms and conditions for special accounts in convertible foreign currency.

The accounts may be freely debited for (a) sales of foreign currencies in the exchange market; (b) foreign exchange remitted to the account holder, his or her spouse, parents, and offspring to undertake foreign travel; (c) foreign exchange remitted to a resident with the status of salaried employee of the account holder to travel abroad on business; (d) payments of any kind, carried out in conformity with exchange and foreign trade regulations in force, in connection with current operations; and (e) any payments abroad for (i) the acquisition of movable property or real estate located abroad or ownership rights abroad or foreign claims or claims in foreign currency, whether or not represented by securities; and (ii) the management of assets legitimately constituted abroad.

Approval required

To open special accounts, Tunisians must submit a declaration of foreign holdings to the CBT.

Held abroad

CBT authorization is required for residents to open accounts abroad. Resident banks may freely open correspondent current accounts abroad.

Approval required

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

(1) Professional accounts in convertible dinars may be opened by resident individuals or legal entities with resources in foreign exchange, subject to CBT authorization. These accounts may be credited and debited in accordance with the terms specified by the CBT in the authorization to open such accounts.

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(2) Special accounts in convertible dinars may be opened by the same individuals and legal entities that may open special foreign exchange accounts. These special accounts may be credited with the dinar proceeds from sales on the interbank market of funds legitimately acquired abroad, but not from the exportation of goods or services from Tunisia. They may be debited for (a) payments of any kind in Tunisia; (b) the acquisition of foreign currencies either for remittance to the account holder, or his or her spouse, parents, and offspring, or for making payments abroad, particularly for the acquisition of movable property or real estate located abroad, ownership rights abroad, or foreign claims, and for payments for imports subject to applicable foreign trade formalities; and (c) amounts credited to another special account in foreign currency or convertible dinars. To open special accounts, Tunisians must submit a declaration of foreign holdings to the CBT.

(3) With CBT authorization, special export earnings accounts in convertible dinars may be opened by Tunisian or foreign individuals residing in Tunisia who earn profits from the exportation of goods or services and/or who are shareholders or partners in a resident company earning profits from the exportation of goods or services. These accounts may be freely credited with (a) 15%, effective January 1, 2007 (previously, 10%), of the export earnings realized by the account holder and/or received from companies in which he or she is a shareholder, (b) proceeds from sales on the interbank market of foreign exchange representing income or revenue from assets acquired abroad by debiting the account, and (c) interest on balances in the account.

They may be freely debited for (a) payments of any kind in Tunisia; (b) purchases on the interbank market of foreign exchange to be used for foreign travel by the account holder, his or her spouse, parents, or offspring; and (c) payments in connection with a current operation or acquisition of rights and interests abroad, regardless of whether these are represented by securities, including their related management fees.

(4) Subject to CBT authorization, exchange subagency accounts in convertible dinars may be opened by a resident individual acting on behalf of an authorized intermediary or a resident individual with equity holdings in a resident legal entity acting on behalf of an authorized intermediary. These accounts may be credited freely with (a) 5%, effective January 1, 2007 (previously, 2%), of the dinar equivalent of foreign exchange sold to an authorized intermediary by a person acting as a subagency; (b) 5%, effective January 1, 2007 (previously, 2%), of the dinar equivalent of foreign exchange sold by a legal entity acting as a subagency, prorated in accordance with the equity of the account holder in such legal entity; (c) the dinar proceeds from the sales of foreign exchange on the exchange market, revenue, or assets acquired abroad by debiting this account; and (d) interest earned on the accounts. These accounts may be freely debited for (a) payments of any kind in Tunisia; and (b) purchases of foreign exchange on the exchange market for (i) travel abroad by the account holder, his or her spouse, parents, or offspring; (ii) payments for current transactions, subject to exchange and foreign trade regulations; (iii) payments for the purchase of movable or real property abroad, ownership rights abroad, and foreign claims—whether or not represented by securities; and (iv) payments for fees for the management of assets legitimately acquired abroad.

(5) Service providers' accounts in convertible dinars may be opened by any resident individual holding foreign exchange received in payment of services provided to nonresidents established abroad. Effective November 9, 2006, these accounts may be freely credited with (a) the equivalent in dinars from the sale in the exchange market of foreign currencies from the proceeds of payment for services provided; (b) the proceeds in dinars from the sale in the exchange market of foreign currencies from the income or proceeds of holdings acquired abroad through debiting said accounts; and (c) interest generated by deposits on the account. Said interest is calculated in accordance with the terms and conditions for special accounts in convertible dinars.

These accounts may be freely debited for (A) payments of any kind in Tunisia; (B) the purchase of foreign currencies in the exchange market for (a) remittance to the account holder, his or her spouse, parents, or offspring to undertake foreign travel; (b) remittance to a resident with the status of salaried employee of the account holder to travel abroad on business; (c) payments of any kind, carried out in conformity with exchange and foreign trade regulations in force, in connection with current operations; (d) any payments abroad for (i) the acquisition of movable property or real estate located abroad or ownership rights abroad or foreign claims or claims in foreign currency, whether or not represented by securities; and (ii) the management of assets legitimately constituted abroad.

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(6) Effective January 1, 2007, residents may open travel allowance accounts in convertible dinar to hold foreign exchange issued for travel purposes and not used abroad. Effective February 26, 2007, the conditions for opening and operating travel allowances accounts were established.

References to legal instruments and hyperlinks

Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Circular 93-14 of September 15, 1993, Establishing Conditions for the Opening and Operation of Professional Accounts in Foreign Exchange or Convertible Dinars; Avis de Change of April 21, 1987, Establishing Conditions for the Opening and Operation of Residents' Accounts in Foreign Exchange and in Convertible Dinars; Circular 87-37 of September 24, 1987, on Special Accounts in Foreign Exchange and in Convertible Dinars; Circular 2001-01 of January 1, 2001, on International Trading and Brokerage; Circular 2003-05 of March 27, 2003, on Exchange Subagency Accounts in Convertible Dinars; Circular 2001-09 of March 2, 2001 on Special Export Earnings Accounts in Convertible Dinars; Circular 2006-14 of November 9, 2006 on Service Providers' Accounts in Foreign Currency or Convertible Dinars.

Nonresident Accounts

Foreign exchange accounts permitted

Foreign accounts in convertible currencies may be opened freely by all nonresidents regardless of nationality. These accounts may be credited with (1) receipts in convertible foreign currencies (banknotes must be declared at customs); (2) foreign exchange remitted to the account holder by a nonresident; (3) authorized payments by residents in favor of the account holder; (4) interest payable by the authorized intermediaries on foreign exchange deposits in these accounts, whenever they can use the funds deposited at remunerative rates; (5) transfers from other foreign accounts; and (6) the proceeds of cashed checks, traveler's checks, or drafts denominated in convertible currencies and made out by a nonresident to the order of the account holder. All other credits require prior authorization from the CBT, either directly or by delegation. These accounts may be debited freely for (1) payments of any kind in Tunisia; (2) transfers abroad or delivery of foreign currency to the account holder, to any other nonresident beneficiary, or to residents with the status of permanent representatives or salaried employees of the account holder; and (3) transfers to other foreign accounts.

Domestic currency accounts

(1) Domestic nonresident accounts may be opened by authorized intermediaries in the name of nonresident individuals of foreign nationality residing temporarily in Tunisia. These accounts may be credited without prior authorization from the CBT with the following: (a) transfers of funds from abroad in convertible currencies; (b) revenue of any kind accruing in Tunisia to the holder of the account (in particular the nontransferable part of remuneration for services rendered in Tunisia by the account holder); (c) liquid assets from estates settled in Tunisia; (d) proceeds from the repayment of loans in dinars by debiting the account; and (e) transfers from another domestic nonresident account opened in the name of the account holder. These accounts may be debited for (a) support of the account holder and his or her family in Tunisia, (b) payment of costs of managing property in Tunisia, (c) lending to residents, and (d) transfers to another domestic nonresident account opened in the name of the account holder.

(2) Special dinar accounts may be opened freely by foreign enterprises with contracts in Tunisia. These enterprises are authorized to open for each contract a single special account in dinars, in which they may deposit the portion of the contract price payable in dinars to cover their local expenses. These accounts may also be credited with funds from a foreign account in foreign exchange, or in convertible dinars, the dinar equivalent of any transfer in convertible foreign currency from abroad, and interest accruing on funds deposited in the account. The accounts may be freely debited for enterprises' contract-related expenses in Tunisia. These enterprises are free to retransfer dinar equivalents credited to their foreign currency accounts, provided the funds available in the account are sufficient to cover the transfer. Any transfer operations from such accounts must be authorized by the CBT. Interest is paid at the same rates as those applied to resident demand accounts in dinars.

(3) Capital accounts may be opened freely in the name of a nonresident individual of foreign nationality or by a nonresident legal entity. Subject to certain conditions, capital accounts may be credited, without the prior approval of the CBT, with the proceeds of sales on the stock exchange, or the contractual or advance redemption of transferable Tunisian securities;

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with the sales proceeds of real estate through an attorney at the Supreme Court, or of rights to real estate situated in Tunisia; and with funds from another capital account. Irrespective of the account holder's country of residence, capital accounts may be freely debited for the living expenses in Tunisia of the account holder and his or her family up to TD 100 a person a week, provided total withdrawals from one or more capital accounts in a calendar year do not exceed TD 2,000. In addition, a capital account holder traveling in Tunisia between November 1 and March 31 may withdraw from the account an amount equal to the foreign exchange imported for the trip and surrendered to the CBT, an authorized intermediary, or a subagency, provided total withdrawals for the living expenses of the account holder and his or her family do not exceed TD 2,000 a year. Such accounts may also be debited, subject to certain conditions, for expenses connected with the management of Tunisian securities; for the maintenance, repair, and insurance of real estate and all taxes; and for transfer to the credit of another capital account. Balances on capital accounts are freely transferable between nonresidents of foreign nationality, with the exception of legal entities governed by public law. Subject to certain conditions, they may also be debited to assist the account holder's parents and offspring residing in Tunisia, at a maximum rate of TD 50 a person a month. These accounts do not pay interest and may not be overdrawn. Individuals or legal entities of French or Italian nationality holding capital accounts may, with CBT authorization, transfer all funds in their accounts regardless of the date of deposit but subject to the condition, in the case of Italian account holders, that the said funds derived from the sale of real property; no restriction with respect to the origin of funds applies to French account holders.

(4) Suspense accounts may be opened by all nonresidents regardless of nationality and may be used for crediting all proceeds accruing to nonresidents and awaiting utilization. These proceeds may, on general or specific approval, be used in Tunisia for specific purposes, transferred abroad, or transferred to other nonresident accounts. Suspense accounts may be debited, without the prior authorization of the CBT, for payments to the Tunisian government or public institutions, or payment of the expenses of managing securities deposited in a suspense file opened in the name of the account holder. They may also be debited for settlement of living expenses incurred in Tunisia by the account holder and his or her family up to TD 100 a person a week, provided the total withdrawals in any calendar year from one or more accounts do not exceed TD 2,000 a family. In addition, a suspense account holder traveling in Tunisia between November 1 and March 31 of the following year may withdraw from the account an amount equal to the foreign exchange imported for the trip and surrendered to the CBT, an authorized intermediary, or a subagency, provided total withdrawals for the living expenses of the account holder and his or her family do not exceed TD 2,000 a year. Up to TD 50 a person a month may be debited to assist the offspring or parents of the account holder. Individuals or legal entities of French or Italian nationality holding suspense accounts may, with CBT authorization, transfer all funds in their accounts regardless of the date of deposit but subject to the condition, in the case of Italian account holders, that the said funds derived from the sale of real property; no restriction with respect to the origin of funds applies to French account holders. These accounts do not pay interest and may not be overdrawn.

Convertible into foreign currency

Foreign accounts in convertible dinars may be opened by all nonresidents regardless of nationality. These accounts may be credited freely with (1) the dinar proceeds from sales of foreign currency on the interbank market (banknotes must be declared at customs); (2) proceeds from authorized payments by residents in favor of the account holder; (3) proceeds from the conversion of cashed checks, traveler's checks, or drafts expressed in foreign currency and made out by a nonresident to the order of the account holder; (4) transfers from other foreign accounts; and (5) interest on balances in these accounts. No other amount may be credited to these accounts without authorization from the CBT, granted either directly or by delegation.

These accounts may be debited freely for (1) payments of any kind in Tunisia, and (2) purchases on the interbank market of foreign currency either for transfers abroad or for delivery to the account holder, to any other nonresident beneficiary, or to residents with the status of representatives or salaried employees of the account holder.

Blocked accounts

No.

References to legal instruments and hyperlinks

Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Minister of Planning and Finance Avis de Change No. 5, on Nonresidents' Accounts, Foreign Accounts in Dinars, and Foreign Accounts in Convertible Currencies.

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Effective January 1, 2007, residents may make advance payments for imports of goods necessary for productive activities without the presentation of a bank guarantee.
Documentation requirements for release of foreign exchange for imports	
Domiciliation requirement	Financial settlement of imports may be effected through the authorized intermediary with which the import authorization is domiciled for products not liberalized, the commercial invoice for products in which trade has been liberalized, and the commercial contract for the import of empty packaging for reexport filled as well as merchandise imported into Tunisia for reexport after inward processing.
Other	Importers must receive a customs code.
Import licenses and other nontariff measures	Imports are free from licensing requirements, except those that have an impact on security, law and order, hygiene, health, morals, protection of fauna and flora, and cultural heritage, and are effected, effective October 2, 2006, by a commercial invoice (previously, an import certificate) domiciled with an authorized intermediary. Goods not liberalized need an import authorization granted through the MOT. Imports of raw materials, semifinished products, spare parts, and equipment that are paid for by sources outside Tunisia and do not involve the payment or delivery of foreign currency may be effected by enterprises for their own use without foreign trade formalities up to a value of TD 100,000 or its equivalent a year. Furthermore, companies exclusively engaged in exporting goods or services; companies established in an industrial park; and holders of permits for exploration, research, the operation of concessions in the hydrocarbons sector, or contractors or subcontractors employed by such companies, may import freely, without foreign trade formalities, any goods required for their production process, subject only to customs declaration.
Negative list	Goods not covered by the liberalization of foreign trade and those that have an impact on security, law and order, hygiene, health, morals, protection of flora and fauna, and cultural heritage are included in a list issued by decree.
Other nontariff measures	All imports from Israel are prohibited. Some items, a list of which is drawn up by the MOT, are subject to technical import controls.
Import taxes and/or tariffs	In addition to customs duties, imports are subject to the VAT and, in some cases, to the consumption tax. Certain imports destined for domestic investment projects are eligible for full or partial exemption from import duties.
State import monopoly	No.
References to legal instruments and hyperlinks	Circular 94-14 of September 14, 1994, on the Financial Settlement of Merchandise Imports and Exports; Law 94-41 of March 7, 1994, on External Trade; Decree 94-1742 of August 29, 1994, Listing Products Not Covered by the Liberalization of Foreign Trade; Decree 94-1743 of August 29, 1994, Establishing Procedures for External Trade Operations; Decree of the Minister of National Economy of August 30, 1994, Listing Products Subject to Technical Import and Export Controls.

Exports and Export Proceeds

Repatriation requirements	Export proceeds must be repatriated within 10 days of the payment due date. If no credit is extended, payment is due within 30 days of the date of shipment. Nonresident companies exclusively engaged in exporting goods or services and covered by the Investment Incentives Code, as well as nonresident international trading companies and nonresident
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	enterprises established in an economic business park, are not required to repatriate or surrender their export proceeds.
Surrender requirements	Resident exporters may retain in their professional accounts up to 100% of their foreign exchange export proceeds and their foreign currency loans contracted in accordance with existing exchange regulations.
Financing requirements	Effective January 1, 2007, the deadline for export payments effected in conformity with the regulation in force was extended to 360 days from 180 days.
Documentation requirements	
Domiciliation	Exports of goods covered by the liberalization of foreign trade must be domiciled within eight days of the date of shipment.
Preshipment inspection	Some products listed by the MOT are subject to export controls.
Export licenses	Most exports are free from a licensing requirement, and certain goods may be exported with an authorization issued by the MOT. Tunisia has signed free trade agreements with Egypt, Iraq, Jordan, Libya, Morocco, and the Syrian Arab Republic and the Mediterranean Arab states, providing for the reduction of tariff barriers.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	Decree 94-1743 of August 29, 1994, Establishing Procedures for External Trade Operations; Circular 94-14 of September 14, 1994, on the Financial Settlement of Merchandise Imports and Exports; Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Circular 93-14 of September 15, 1993, Establishing Conditions for the Opening and Operation of Professional Accounts in Foreign Exchange or Convertible Dinars; Decree 94-1744 of August 29, 1994, on the Procedures for Technical Import and Export Controls and the Agencies Authorized to Perform Them; Decree of the Minister of National Economy of August 30, 1994, Listing Products Subject to Technical Import and Export Controls.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments	Transfers may be freely effected for payment of freight, storage, and warehousing services; transit and administrative fees; customs duties; commissions; and fees for analyses and controls of materials and products.
Investment-related payments	Income from foreign capital invested in accordance with the laws and regulations in force and interest on foreign currency loans contracted by residents in accordance with the regulations in force may be transferred freely. Rent from real estate owned by nonresidents may be transferred freely.

Payments for travel

Quantitative limits

Effective January 1, 2007, the annual allowance for tourist travel has been raised to TD 4,000 from TD 2,000 an adult and to TD 2,000 from TD 1,000 a child under 10 years of age. Unused amounts may not be carried forward to subsequent years. The business travel allowance (AVA) for exporters is 25% of export proceeds for the current year, with an annual limit of the equivalent of TD 180,000. Any unused portion of this allowance may be carried forward to subsequent years, provided the cumulative amount does not exceed the annual limit of TD 250,000, effective February 5, 2007 (previously, TD 180,000). Resident individuals or legal entities that have signed service or work contracts with nonresidents that can be fully or partially implemented abroad may receive a business travel allowance—for contracts that may be executed abroad—set at 15% of the contracts. Exporters may combine the AVA for contracts executable abroad with the Exporter-AVA. Effective February 5, 2007, the annual limit for business travel by importers was raised to 10% from 6% of turnover with an annual limit of TD 15,000 (previously, TD 5,000 to TD 30,000). The annual limit for business travel by other professions has been raised, effective February 5, 2007, to 8% (previously, 4%) of the income declared to the tax authorities with an overall

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	limit of TD 30,000 (previously, TD 2,000 to TD 20,000). Effective February 5, 2007, the travel allowance for promoters of new projects is TD 15,000 (previously, 10,000), and is granted only once for the duration of the project.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	There are no restrictions on the transfer of pensions.
<i>Prior approval</i>	Alimony payments to an ex-spouse and child support under a final judgment are freely transferable.
<i>Quantitative limits</i>	Effective January 1, 2007, the annual allowance for expenses related to stays abroad for reasons of health has been raised from TD 1,000 to TD 1,500. Persons accompanying patients may transfer up to TD 250 a trip in the case of medical or paramedical staff and TD 1,000 (previously, TD 750) in all other cases, effective January 1, 2007. The annual settlement allowance for students studying abroad is TD 2,000. Effective January 1, 2007, the monthly living expense allowance for such students is TD 1,500 (previously, TD 1,000). Registration fees and education allowances are freely transferable up to the amount due to a foreign educational institution. Effective April 12, 2007, the amounts that may be transferred abroad for professional training are TD 2,000 for each training cycle as settlement allowance, and TD 15,000 a month for living expenses, registration fees, and training fees.
<i>Indicative limits/bona fide test</i>	The limit of TD 500 for expenses related to stays abroad for reasons of health may be exceeded if the patient's condition requires several trips abroad during the same year.
Foreign workers' wages	
<i>Quantitative limits</i>	Contractually employed foreign nationals may transfer up to 50% of their earnings. For foreign experts employed by the public sector, limits on transfers are specified in their contracts; otherwise, the restrictions for contractually employed foreign nationals apply.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	Effective February 9, 2007, the tourist travel allowance may be transferred using international payment cards. Previously, only operators eligible for business travel allowances were authorized to use credit cards abroad.
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Those eligible for business travel allowances may use their credit cards abroad only to the extent of their transfer entitlements for these allowances.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	Subscription fees for journals and periodicals, membership fees, dues for foreign associations and organizations, and payments for literary and artistic rights, legal proceedings, arbitration, and attorney fees are freely transferable.
References to legal instruments and hyperlinks	Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Circular 94-07 of May 31, 1994, on Current Transfers Related to International Transport; Circular 93-21 of December 10, 1993, on Current Transfers; Circular 93-17 of October 13, 1993, on the Distribution and Transfer of Profits, Dividends, Percentages of Profits, Remuneration of Founders' Shares, and Directors' Fees Owed to Nonresidents; Circular 93-10 of September 3, 1993, on Transfers to Pay Tuition Fees for Students Abroad; Circular 2004-05 of November 1, 2004, on the Travel Allowance; Circular 2001-08 of March 2, 2001, on Business Travel Allowances; Circular 93-18 of October 18, 1993, on Transfers for Residents Receiving Medical Treatment Abroad and Related Travel Expenses; Circular 93-12 of September 8, 1993, on Transfers of Wage Savings.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Residents are required to repatriate all remuneration for services rendered to nonresidents and all proceeds from invisible transactions received from abroad.
Surrender requirements	Resident exporters may retain in their professional foreign currency accounts 100% of their foreign currency from export earnings as well from their foreign exchange borrowing

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contracted in accordance with the exchange regulations in force. Residents providing services abroad are exempt from surrendering foreign currency proceeds, which are earmarked for deposit in an account called “service providers’ account.”

Restrictions on use of funds

Foreign exchange deposited in professional accounts must be used in accordance with the rules governing the operation of accounts of this type.

References to legal instruments and hyperlinks

Law 76-18 of January 21, 1978, [sic] Amending and Codifying the Foreign Exchange and External Trade Legislation Governing Relations between Tunisia and Other Countries; Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Circular 93-14 of September 15, 1993, Establishing Conditions for the Opening and Operation of Professional Accounts in Foreign Exchange or Convertible Dinars; Circular 94-14 of September 14, 1994, on the Financial Settlement of Merchandise Imports and Exports; Circular 2006-14 of November 9, 2006 on Service Providers’ Accounts in Foreign Currency or Convertible Dinars.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

Residents are required to repatriate all income from investment abroad as well as all proceeds from the divestiture or liquidation of such investments.

Surrender requirements

Surrender to the central bank

Yes.

Surrender to authorized dealers

The foreign currency repatriated must be sold in the foreign exchange market.

Controls on capital and money market instruments

There are controls on all transactions in capital and money market instruments.

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Stocks in existing companies in Tunisia may be acquired freely with foreign exchange transferred from abroad by foreign nonresidents. However, the acquisition by foreigners of shares with voting rights is subject to the approval of the HIC if the foreign ownership in the capital of the companies is equal to or more than 50%, except in the case of acquisition among foreigners or acquisition of stock in small or medium-sized enterprises engaged in a sector that is open to foreign investment. The approval of the HIC is not required if the acquisition of shares with voting rights in existing companies in Tunisia is (1) effected among foreign shareholders of the same company; (2) effected by a foreign individual or legal entity, resident or nonresident, or a nonresident legal entity established in Tunisia for shares already acquired up to or more than 50%; and (3) provided as a guarantee for management activities of foreign directors in these companies.

Sale or issue locally by nonresidents

Nonresidents may sell freely shares of companies established in Tunisia. They may also transfer freely net real proceeds from the sale of shares that were purchased with foreign exchange transferred from abroad for an investment made in accordance with the legislation in force.

Purchase abroad by residents

The accumulation of assets abroad by residents is subject to authorization. However, resident exporters may transfer freely the equivalent of TD 60,000 to TD 300,000 a year to finance equity participation in companies located abroad; nonexporting companies are permitted to transfer funds abroad for equity participation up to TD 20,000 to TD 100,000. The holders of special accounts in foreign currency or convertible dinars, special export earnings accounts, or exchange subagency accounts may purchase securities abroad by debiting these accounts.

Sale or issue abroad by residents

Yes.

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Bonds or other debt securities

Purchase locally by nonresidents The purchase or subscription by nonresident foreign nationals of debt securities issued by the state or resident companies is subject to approval, except for (1) effective April 17, 2007, 20% of the estimated semiannual amount of treasury bond issues (previously, 10%); and (2) effective August 1, 2006, 20% (previously, 10%) of bonds issued by resident to companies listed on the stock exchange or having a rating from a rating agency.

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

On money market instruments Controls apply to all these transactions.

On collective investment securities

Purchase locally by nonresidents Nonresidents may acquire freely shares of Tunisian mutual funds with foreign exchange transferred from abroad. However, the approval of the HIC is required if the acquisition raises the foreign ownership to more than 50% of the mutual fund's capital.

Sale or issue locally by nonresidents Nonresidents may transfer freely net real proceeds from sales of Tunisian mutual fund shares acquired with foreign exchange transferred from abroad.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Controls on derivatives and other instruments

Controls apply to all transactions in derivatives and other instruments. Resident banks may engage in (1) foreign currency swaps maturing in up to 12 months with nonresident banks operating in Tunisia, and with foreign correspondent banks; (2) foreign currency/dinar swaps maturing in up to 12 months among themselves and with resident enterprises, provided the transactions in question back actual commercial or financial transactions; and (3) foreign currency/convertible dinar swaps, by making spot purchases and forward sales of convertible dinars to nonresident banks operating in Tunisia, foreign correspondent banks, and nonresident enterprises operating in Tunisia. For the purposes of hedging against foreign exchange rate risks, resident and nonresident authorized intermediaries may conclude future rate agreements for terms of up to 12 months with resident enterprises, or with their foreign correspondent banks.

Controls on credit operations

Commercial credits

By residents to nonresidents

These credits require approval from the CBT, except for credits in foreign currency granted on the money market to refinance import or export operations of nonresident industrial enterprises established in Tunisia and short-term credits in dinars to finance the local operating expenses of nonresident enterprises established in Tunisia. Effective March 2, 2007, the imports and exports of nonresident service companies established in Tunisia and engaged exclusively in exporting, as well as the export of products of local origin by nonresident international trading companies established in Tunisia may be financed on the foreign currency money market.

To residents from nonresidents

Resident credit institutions and other resident enterprises may freely contract foreign currency commercial loans from nonresidents up to the limit of TD 10 million and TD 3 million, respectively.

Effective January 9, 2007, credit institutions and other enterprises listed on the stock exchange or having a rating from a credit rating agency may freely contract foreign currency commercial loans from nonresidents in maturities of over 12 months without limit for the former and up to the limit of TD 10 million for the latter. Previously, this facility was applicable only to credit institutions and other enterprises that had a rating from a credit rating agency.

Financial credits

By residents to nonresidents

Yes.

To residents from nonresidents

Resident credit institutions and other resident enterprises may freely contract foreign currency financial loans from nonresidents up to an annual limit of the equivalent of

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TD 10 million and TD 3 million, respectively. Effective January 9, 2007, resident credit institutions and other resident enterprises that have a rating from a credit rating agency or are listed on the stock exchange may freely contract foreign currency financial loans from nonresidents in maturities of over 12 months without limits for the former and up to the limit of TD 10 million for the latter. Previously, this facility was available only to rated credit institutions and enterprises.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

Resident banks may freely grant bid bonds, performance bonds, advance payment bonds, contract holdback bonds, or any other bonds to resident exporters of goods or services to guarantee their obligations to nonresidents. They may also freely grant guarantees for the payment by resident importers of their purchases from nonresident suppliers. The issue and establishment of repayment guarantees for foreign currency loans freely contracted by residents are not subject to approval.

To residents from nonresidents

At the request and with the counterguarantee of a nonresident bank, resident banks may freely grant the usual bank guarantees required of nonresident service providers by resident transactors in connection with business contracts, work contracts, service contracts, etc.

Controls on direct investment

Outward direct investment

Any direct investment by residents abroad is subject to CBT approval. Effective March 2, 2007, the annual limit on resident exporting companies' annual transfers to finance branches, subsidiaries, and equity participation in companies abroad is TD 1 million (previously, in the range of TD 60,000 to TD 300,000) and the annual limit for transfer to finance representation or liaison offices is TD 500,000 (previously, in the range of TD 30,000 to TD 150,000). For nonexporting companies, the limit on transfers abroad for the same types of investment is TD 150,000 (previously, in the range of TD 10,000 to TD 50,000) for representation or liaison offices and TD 300,000 (previously, in the range of TD 20,000 to TD 100,000) for branches, subsidiaries, and equity participation abroad. The limit is TD 3 million for companies financing investments abroad out of their foreign exchange export proceeds held in professional accounts. Effective March 2, 2007, residents may freely purchase equity in nonresident companies established in Tunisia.

Inward direct investment

Foreigners may invest freely in most economic sectors. However, the participation of foreign nationals in certain service activities not wholly exported remains subject to HIC approval if such participation exceeds 50% of the enterprise's capital. Effective February 26, 2007, foreign nonresidents may purchase shares or equity in companies established in Tunisia under the code of investment at the time of a capital increase beyond their preferential subscription rights without exchange authorization. Effective February 26, 2007, the purchase of land and buildings in industrial zones and land in tourist areas for economic development projects by foreign nonresidents with foreign exchange transferred from abroad was liberalized.

Controls on liquidation of direct investment

All foreign direct investment carried out legitimately in Tunisia with foreign exchange transferred from abroad is guaranteed the right to repatriate the net proceeds from the sale or liquidation of the invested capital, even if the net proceeds exceed the initial value of the foreign exchange invested.

Controls on real estate transactions

Purchase abroad by residents

Purchases require prior approval from the CBT, except for transactions debited to special accounts in foreign currencies or convertible dinars or through special export earnings accounts in convertible dinars or exchange subagency accounts in convertible dinars, and effective November 9, 2006, service providers' accounts in foreign currency or convertible dinars.

Purchase locally by nonresidents

Purchases by nonresident foreign nationals require prior approval from the CBT.

Sale locally by nonresidents

Authorization is required for sales other than those made to a resident and involving real estate that is the subject of a land title. These sales are recorded in the Land Registry solely upon presentation of documentation showing that the price was deposited by the buyer in a suspense or capital account maintained in the name of the seller on the books of an authorized intermediary.

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Controls on personal capital transactions

Loans	Controls apply to all these transactions.
Gifts, endowments, inheritances, and legacies	
<i>By residents to nonresidents</i>	Authorization is not required to take possession of an inheritance established in Tunisia for the benefit of a nonresident. The transfer of proceeds from gifts, endowments, and inheritances not previously guaranteed is subject to approval.
<i>To residents from nonresidents</i>	Authorization is not required for gifts from nonresidents to residents, and for taking possession of an inheritance established abroad for a resident. Proceeds from gifts and inheritances must be declared and repatriated.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Yes.
<i>Transfer into the country by immigrants</i>	Nonresident Tunisian nationals returning permanently to the country must declare and repatriate their assets or proceeds and revenue from their holdings abroad.
Transfer of gambling and prize earnings	Yes.

References to legal instruments and hyperlinks

Law 76-18 of January 21, 1978, [sic] Amending and Codifying the Foreign Exchange and External Trade Legislation Governing Relations between Tunisia and Other Countries; Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Law 93-120 of December 27, 1993, Promulgating the Code of Investment Promotion; Decree 94-492 of February 28, 1994, Listing the Activities for Which the Sectors Referred to in Articles 1, 2, 3, and 27 of the Code of Investment Promotion Are Responsible; Circular 2004-03 of July 19, 2004, on the Setting of Limits on the Rate of Subscription and Acquisition of Treasury Bonds (bons du trésor assimilables) by Nonresident Foreign Nationals; Circular 2005-05 of February 16, 2005, on Investments Abroad; Circular 2001-11 of May 4, 2001, on the Foreign Exchange Market and Instruments to Hedge against Exchange and Interest Rate Risk; Minister of Finance Avis de Change No. 17, Regulating Investments and the Uses of Foreign Exchange Not Subject to Surrender Requirements; Circular 92-13 of June 10, 1992, on the Foreign Exchange Money Market, Investment and Use of Foreign Exchange not Subject to Surrender Requirements, and Refinancing in Foreign Exchange Obtained from the BCT; Minister of Finance Avis de Change No. 12 of March 4, 1988, on the Granting of Guarantees by Authorized Intermediaries in Connection with External Trade and the Provision of Services to Nonresidents; Circular 93-21 of December 10, 1993, on Current Transfers; Circular 93-16 of October 7, 1993, on External Loans; Circular 64-39 of June 10, 1964 (Real Estate Transactions); Circular 2005-05 of February 16, 2005, on Investments Abroad; Circular 87-37 of September 24, 1987, on Special Accounts in Foreign Exchange and in Convertible Dinars; Circular 99-09 of May 24, 1999, on the Granting by Authorized Intermediary Banks of Short-Term Loans in Dinars to Nonresident Enterprises Established in Tunisia; Circular 2003-05 of March 27, 2003, on Exchange Subagency Accounts in Convertible Dinars; Circular 2001-09 of March 2, 2001, on Special Export Earnings Accounts in Convertible Dinars; Circular 2006-14 of November 9, 2006 on Service Providers' Accounts in Foreign Currency or Convertible Dinars.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Resident credit institutions, if rated by a rating agency, may freely contract all foreign currency loans (e.g., buyer's credits, supplier's credits, financial loans, financial leases) for their business needs from nonresidents up to a limit of the equivalent of TD 10 million a year. There is no limit on such loans if their maturity is longer than 12 months, and they are
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	contracted by credit institutions rated by a rating agency and, effective January 9, 2007, by credit institutions listed on the stock exchange.
Maintenance of accounts abroad	Resident banks may freely open correspondent accounts with foreign banks of their choice.
Lending to nonresidents (financial or commercial credits)	The approval of the CBT is required for loans granted by resident banks to nonresidents. However, resident banks may freely extend loans on the foreign exchange money market to nonresident industrial enterprises established in Tunisia for operating expenses and to finance their imports and exports. In addition, resident banks may extend dinar loans to offshore companies to finance local (dinar-denominated) operating expenses. Such loans cannot be used to purchase foreign exchange and must be placed in special accounts.
Lending locally in foreign exchange	Resident banks may freely finance on the foreign exchange money market the import and export operations of resident entities. They may also lend their foreign currency surpluses to other resident banks and to their correspondent banks in exchange for loans with the same maturity in another currency.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	There is no reserve requirement on foreign currency deposit accounts.
<i>Liquid asset requirements</i>	A liquidity ratio requirement takes foreign currency deposits into account.
<i>Interest rate controls</i>	Interest rates on dinar and convertible dinar deposits of nonresidents other than individuals of Tunisian nationality are freely negotiated, except for demand accounts, on which there is a cap of 2%. The remuneration on foreign currency accounts is freely negotiated with banks. Dinar balances in suspense accounts and capital accounts do not earn interest. The annual interest rate applicable to foreign currency accounts in convertible dinars held by Tunisian residents abroad and special accounts in convertible dinars must be at least equal to the average overnight money market rate minus two percentage points.
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	The dinar deposits of nonresidents are included in the calculation of the reserve requirement ratios.
<i>Liquid asset requirements</i>	The liquidity ratio requirement takes nonresidents' deposits into account.
<i>Interest rate controls</i>	Interest rates on dinar and convertible dinar deposits of nonresidents are freely negotiated, except for demand accounts, on which there is a cap of 2%. The remuneration on foreign currency accounts is freely negotiated with banks. Dinar balances in suspense accounts and capital accounts do not earn interest.
<i>Credit controls</i>	n.a.
Investment regulations	
<i>Abroad by banks</i>	Approval of the MOF and the CBT is required to open an office or branch by a credit institution.
<i>In banks by nonresidents</i>	Approval is required for any acquisition of capital in a bank or other financial institution and, in all cases, for the acquisition of a proportion of the voting rights equal to or exceeding one-tenth, one-fifth, one-third, one-half, or two-thirds of the voting rights, as well as of any instrument that may result in the transfer of a significant proportion of the assets, potentially changing its financial structure or the focus of its activities.
Open foreign exchange position limits	Net open positions of banks operating in the foreign exchange market resulting from both spot and forward transactions are limited to 10% of banks' net own funds in each currency, with a global limit of 20% for positions in all currencies.

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Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents Yes.

Limits (max.) on investment portfolio held abroad Yes.

Pension funds n.a.

Investment firms and collective investment funds

Any acquisition on the stock exchange of a twentieth, tenth, fifth, third, half, or two-thirds of the capital of a company that is involved in public deposit taking must be declared to that company, to the Financial Board, and to the Securities Exchange. Nonresidents may acquire freely shares of Tunisian mutual funds with foreign exchange transferred from abroad. However, the approval of the HIC is required if the acquisition raises the foreign ownership to more than 50% of the mutual fund's capital.

Limits (max.) on securities issued by nonresidents n.a.

Limits (max.) on investment portfolio held abroad n.a.

Limits (min.) on investment portfolio held locally n.a.

Currency-matching regulations on assets/liabilities composition n.a.

References to legal instruments and hyperlinks

Law 2001-65 of July 10, 2001, on Credit Institutions; Decree 77-608 of July 27, 1977, Establishing Conditions for the Implementation of Law 76-18 of January 21, 1976; Minister of Planning and Finance Avis de Change No. 5 on Nonresidents' Accounts, Foreign Accounts in Dinars, and Foreign Accounts in Convertible Currencies; Circular 93-16 of October 7, 1993, on External Loans; Circular 94-03 of February 1, 1994, on the Methods of Execution of Payments to and from Abroad; Circular 92-13 of June 10, 1992, on the Foreign Exchange Money Market, Investment and Use of Foreign Exchange Not Subject to Surrender Requirements, and Refinancing in Foreign Exchange Granted by the BCT; Circular 99-09 of May 24, 1999, on the Granting by Resident Banks of Short-Term Loans in Dinars to Nonresident Enterprises Established in Tunisia; Circular 2002-05 of May 6, 2002, on Required Reserves; Circular 86-42 of December 1, 1986, on the Regulation of Bank Terms and Conditions; Circular 91-22 of December 17, 1991, Regulating Bank Terms and Conditions; Circular 97-08 of May 9, 1997, Establishing Rules for the Monitoring of Exchange Positions.

Changes during 2006

Arrangements for payments and receipts

February 3. Nonresident travelers wishing to reexport the foreign exchange equivalent of amounts equal to or exceeding TD 3,000 (previously, TD 1,000) must declare to customs the foreign currencies they are importing on their entry into Tunisia.

February 3. The minimum amount of foreign currency banknotes that nonresident travelers must declare to customs was raised to TD 3,000 from TD 1,000.

September 13. Settlements with the countries of the Arab Maghreb Union were allowed to be settled either in foreign currencies accepted by the respective CBs or through convertible accounts in the national currencies concerned at the respective CBs.

Resident accounts

November 9. Resident individuals holding foreign exchange received in payment of services to nonresidents established abroad were allowed to open service providers' accounts in foreign currency or in convertible dinars.

Imports and import payments

October 2. Imports that are free from licensing requirements were allowed to be effected using a commercial invoice instead of an import certificate.

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Payments for invisible transactions and current transfers

November 13. The annual allowance for tourist travel was raised to TD 4,000 from TD 2,000 an adult and to TD 2,000 from TD 1,000 a child under 10 years of age.

November 20. The annual allowance related to stay abroad for health reasons was raised to TD 1,500 from TD 1,000 and to TD 1,000 for the person accompanying the patient.

November 27. The monthly student allowance was raised to TD 1,500 from TD 1,000.

Capital transactions

Controls on capital and money market instruments

August 1. Nonresident foreign nationals were allowed to subscribe or purchase with foreign exchange transferred from abroad 20% of each type of bonds issued by resident companies listed on the stock exchange or having obtained a rating from a rating agency.

Controls on real estate transactions

November 9. Purchase of real estate abroad by residents was allowed without prior approval from the CBT provided these transactions are debited to the service provider's accounts in foreign currency or convertible dinars.

Changes during 2007

Arrangements for payments and receipts

February 26. The ban on the import and export of Tunisian dinars was eased in cases where the CBT has signed agreements to that effect with its counterparts or any other specialized authority abroad.

March 2. The minimum amount of foreign currency banknotes that nonresident travelers must declare to customs was raised to TD 5,000 from TD 3,000.

Resident accounts

January 1. The amount of export earnings that could be credited to special export earnings accounts was raised to 15% from 10%.

January 1. Residents were allowed to open travel allowance accounts in convertible dinars to hold foreign exchange issued for travel purposes and not used abroad.

January 1. The amount of the dinar equivalent of foreign exchange sold that may be credited to an exchange subagency account was raised to 5% from 2%.

February 26. The conditions for opening and operating travel allowance accounts were established.

Imports and import payments

January 1. Advance payments were allowed for the import of goods necessary for productive activities without presentation of a bank guarantee.

Exports and export proceeds

January 1. The deadline for payment of exports effected in conformity with the regulations in force was extended to 360 days from 180 days.

Payments for invisible transactions and current transfers

January 1. The annual allowance for tourist travel was raised to TD 4,000 from TD 2,000 an adult and to TD 2,000 from TD 1,000 a child under 10 years of age. The annual allowance for expenses related to stays abroad for reasons of health was raised to TD 1,500 from TD 1,000 for patients and for persons accompanying patients may transfer up to TD 250 a trip in the case of medical or paramedical staff and TD 1,000 (previously, TD 750) in all other cases. The monthly living expense allowance for students studying abroad was raised to TD 1,500 from TD 1,000.

February 5. The annual limit for Exporter-AVA was raised to TD 250,000 from TD 180,000. The Importer-AVA was raised to 10% from 6% of turnover with an annual limit of TD 15,000. The granting of AVA for other professions has been liberalized and the amount raised to 8% from 4% of income declared to the tax authorities with an annual limit of TD 30,000. The Promoter-AVA was raised to TD 15,000 from TD 10,000 without restriction.

February 9. The tourist travel allowance could be transferred using international payment cards.

April 12. The amounts freely transferable abroad for professional training were set at TD 2,000 for each training cycle for the settlement allowance and TD 1,500 a month for living expenses, and registration fees and training fees.

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Capital transactions

Controls on capital and money market instruments

April 17. Nonresident foreign nationals were allowed to subscribe and purchase with foreign exchange transferred from abroad 20% of treasury bonds (bons du trésor assimilables) or bonds issued by resident companies listed on the stock exchange or rated by a rating agency.

Controls on credit operations

January 9. Resident companies listed on the stock exchange were allowed to contract foreign currency loans in maturities of over 12 months without limit for credit institutions and up to the limit of TD 10 million for other enterprises.

March 2. The imports and exports of nonresident service companies established in Tunisia and exclusively engaged in exporting, as well as the exports of products of local origin by nonresident international trading companies established in Tunisia were allowed to be financed on the foreign currency money market.

Controls on direct investment

February 26. The acquisition by foreign nonresidents of land and buildings in industrial zones and land in tourist areas for economic development projects with foreign exchange transferred from abroad was liberalized.

February 26. The exchange authorization requirements for the acquisition by foreign nonresidents of shares or equity with foreign exchange abroad in companies established in Tunisia under the code of investment at the time of a capital increase beyond their preferential subscription rights was abolished.

March 2. The annual limit to finance investments abroad by nonexporting companies was raised to TD 150,000 for representation or liaison offices, and TD 300,000 for branches, subsidiaries, and equity participation in companies abroad.

March 2. The annual limit to finance investments abroad by exporting companies was raised to TD 500,000 for representation or liaison offices, TD 1 million for branches, subsidiaries, and equity participation in companies abroad, and TD 3 million for companies that finance such investments out of their foreign exchange export proceeds held in professional accounts.

March 2. Residents were allowed to purchase equity in nonresident companies established in Tunisia.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 9. Resident credit institutions listed on the stock exchange were allowed to contract credits with nonresidents without limitation.

TURKEY

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: March 22, 1990.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) Yes.

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Turkey is the new Turkish lira, which replaced the Turkish lira at the rate of YTL 1 per TL 1 million. Effective January 1, 2006, the new Turkish lira became the sole legal tender.

Exchange rate structure Unitary.

Classification

Independently floating The exchange rate of the lira is determined on the basis of supply and demand in the foreign exchange market. The Central Bank of the Republic of Turkey (CBRT) conducts daily auctions to build up reserves whereby it buys a fixed amount of dollars and provides the successful bidders with the option to purchase up to 200% of their successful bid amount at the average auction price. The daily fixed purchase amount was raised to \$20 million in 2006. The daily foreign exchange purchase auctions were suspended on May 16, 2006, in response to financial market volatility. On June 26 and June 27, 2006, the CBRT held foreign exchange auctions under which it sold \$500 million on each day through multiple price auctions. On November 10, 2006, the CRBT resumed its daily foreign exchange auction program, with a daily fixed purchase amount of \$15 million.

The CBRT reserves the right to intervene in the foreign exchange market in case of excessive volatility in the foreign exchange rates.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Banks may carry out forward transactions according to Article 4/i of the Banking Law. Precious metal brokerage institutions may engage in forward transactions without authorization, except for those conducted under the rules established by the Capital Market Board.

Official cover of forward operations The CBRT may carry out swap, forward, and derivative transactions with respect to its reserve position in light of the exchange rate policy.

References to legal instruments and hyperlinks www.tcmb.gov.tr/yeni/duyuru/2005/DUY2005-59.pdf (for currency reform in Turkish); www.tcmb.gov.tr/yeni/announce/2006/2007MonPol.pdf (for exchange rate policy); www.tcmb.gov.tr/yeni/announce/2005/ANO2005-46.htm (for 2006 foreign exchange purchase auctions); www.tcmb.gov.tr/yeni/announce/2006/ANO2006-49.htm (for 2007 foreign exchange auctions); Banking Law: www.tbb.org.tr/english/5411.doc; Decree No.

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32 on the Protection of the Value of Turkish currency; www.hazine.gov.tr/english/bak/exlegislation/decreedoc.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents Yes.

Payments arrangements

Bilateral payments arrangements

Operative Yes.

Clearing agreements Certain commercial transactions with Poland are made through special accounts denominated in dollars.

Barter agreements and open accounts Yes.

Administration of control

The Undersecretariat of the Treasury and the CBRT administer exchange controls.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

In accordance with the Foreign Trade Regime, exports and imports of precious metals and stones or articles containing them may be conducted freely. Only the CBRT and intermediary institutions dealing in precious metals that are members of the Istanbul Gold Exchange (IGE) may import unprocessed precious metals (gold, silver, platinum) without being subject to the provisions of the Foreign Trade Regime, but the latter must surrender the gold to the IGE within three days. Selling operations of imported gold should initially take place in the IGE.

Banks may open gold deposit accounts for natural and juridical entities residing in Turkey and abroad. The account holders should surrender processed gold to banks in order to open gold deposit accounts. Banks may trade in precious metals according to Article 4/h of the Banking Law.

Within the framework of the banking regulations, banks may extend gold credits to customers. The buying and selling prices of gold are freely determined by banks. Intermediary institutions dealing in precious metals may obtain gold credits from abroad for their own account and/or for the accounts of their customers. However, gold obtained as a credit should be transferred to the IGE within three days.

Travelers may bring into and take out of the country ornamental articles made from precious metals and stones with a value not exceeding the equivalent of \$15,000. The export of ornamental articles exceeding this value is dependent on their declaration on arrival or proof that they have been purchased in Turkey.

Controls on exports and imports of banknotes

On exports

Domestic currency

Travelers may freely take abroad up to the equivalent of \$5,000.

Foreign currency

Travelers may freely take out of the country up to the equivalent of \$5,000. To take out more than this amount, nonresidents must declare banknotes on arrival, and residents must present a document confirming that the foreign banknotes were purchased from banks (including participation banks) for invisible transactions.

References to legal instruments and hyperlinks

Decree No. 32 on the Protection of the Value of Turkish Currency; www.hazine.gov.tr/english/bak/exlegislation/decreedoc; Banking Law; www.tbb.org.tr/english/5411.doc.

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Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Controls apply to deposits of funds with nonresident financial institutions if these assets are to form part of the cover of the technical reserves of an insurance company.
Accounts in domestic currency held abroad	Controls apply to deposits of funds with nonresident financial institutions if these assets are to form part of the cover of the technical reserves of an insurance company.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	Decree No. 32 on the Protection of the Value of Turkish Currency; www.hazine.gov.tr/english/bak/exlegislation/decreedoc.doc .

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	No.
Blocked accounts	No.
References to legal instruments and hyperlinks	Decree No. 32 on the Protection of the Value of Turkish Currency; www.hazine.gov.tr/english/bak/exlegislation/decreedoc.doc .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Imports of certain items are restricted or prohibited for environmental, security, health, or public morality reasons, or in accordance with international obligations. These items include certain carcinogenic coloring substances, chemicals used in the production of chemical weapons or other arms and ammunition, counterfeit labels, gambling instruments, narcotics, and ozone-depleting substances. Import licenses, which are issued by the relevant authorities, are required for a limited group of items, including some machinery, some motor vehicles, some chemicals, and a number of items related to civil aircraft. Imports of old, used, renovated, faulty, or obsolete goods are subject to permission from the Undersecretariat of Foreign Trade, but certain goods that are not more than 10 years old may be imported freely. Effective January 1, 2007, for agricultural products, Turkey issued import licenses for the allocation of tariff quotas stemming from preferential trade agreements and autonomous tariff quotas.
Licenses with quotas	With the expiration of the WTO ATC, quotas on textiles and clothing under that agreement, and those implemented to harmonize Turkey's import policy with that of the EU, were abolished. Quotas remain in place for four non-WTO members. Effective January 1, 2007, quotas are imposed on imports of certain textiles and clothing under 44 categories from

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China in accordance with Paragraph 242 of the Report of the Working Party on the accession of China to the WTO.

Import taxes and/or tariffs

Turkey applies the EU's GSP and the GSP rates that are indicated in List II of the Import Regime. In this context, preferences are granted for all industrial products and certain agricultural products covered by the EU's GSP scheme. Least developed countries have duty- and quota-free access to the Turkish market for all industrial products falling under chapters 25–97 (except chapter 93) and for some agricultural products covered by the customs union between Turkey and the EU. Whereas all duties on products covered by the Turkish GSP scheme have been suspended for the countries benefiting from the special incentive arrangements, in line with the EU's GSP scheme, for developing countries the duties have been suspended or reduced in accordance with the sensitivity of the products covered. Beneficiary countries are announced annually in annexes of the import regime decree.

Effective January 1, 2007, the following simple average tariff rates apply to imports: (1) industrial products, 4.2% and zero for imports from other countries, and from the EU and EFTA, respectively; and (2) agricultural products, 59.3% and 58.2% for imports from other countries, and from the EU and EFTA, respectively.

State import monopoly

No.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

Yes.

Surrender requirements

Surrender to authorized dealers

Foreign exchange receipts must be surrendered to banks (including participation banks) within 180 days following the date of shipment. Exporters may unconditionally retain foreign exchange receipts abroad up to the equivalent of \$100,000. If at least 70% of the foreign exchange receipts are surrendered within 90 days following the date of shipment, exporters are entitled to retain the remaining 30%, which they may deposit in foreign exchange accounts with commercial banks, keep abroad, or dispose of freely.

Financing requirements

No.

Documentation requirements

Preshipment inspection

Preshipment inspections are carried out only if requested by the importing country.

Export licenses

Without quotas

All goods, other than those whose exportation is prohibited by law, decrees, or international agreements, may be exported freely within the framework of the Export Regime Decree. However, within the framework of WTO rules, restrictions and prohibitions on exports may be imposed in case of market turmoil; scarcity of the goods to be exported; public safety, morals, or health; or environmental concerns (this also applies to several varieties of flora and fauna). Restrictions and prohibitions also apply to exports of articles bearing artistic, historical, or archaeological value.

Export taxes

Other export taxes

Hazelnuts and unprocessed leather are subject to export taxes. The taxes are levied in the form of deductions payable to the Support and Price Stabilization Fund, at the rate of the equivalents of \$0.08 and \$0.04, and \$0.50 a kilogram for shelled and in-shell hazelnuts, and unprocessed leather, respectively.

References to legal instruments and hyperlinks

n.a.

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Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Credit card use abroad

Quantitative limits

Effective February 9, 2007, credit cards may be used on a revolving basis up to the equivalent of \$50,000 (previously, \$10,000). Balances exceeding this limit must be settled within 30 days.

Indicative limits/bona fide test

Yes.

References to legal instruments and hyperlinks

Article 19, subparagraph (10), of Communiqué No. 2007/32-33 published in the Official Gazette dated February 9, 2007, numbered 26429.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

No.

Controls on capital and money market instruments

Purchases and sales of domestic securities and other instruments by nonresidents and of foreign securities by residents may be effected freely. However, all transactions in securities must be carried out through banks and intermediary institutions authorized according to capital market legislation, and all related transfers must be performed through banks (including participation banks). Capital market instruments to be issued or offered to the public by resident legal persons other than public institutions may be freely sold abroad, subject to the condition that they be registered with the Capital Markets Board (CMB). The sale and issue of foreign securities and other instruments by nonresidents must be registered with the CMB.

On capital market securities

Shares or other securities of a participating nature

Sale or issue locally by nonresidents

Controls apply to the (1) initial public offering and private placement of foreign capital market instruments, (2) public offering of foreign capital market instruments by their holders, and (3) public offering and private placement of depository receipts.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form part of the cover of the technical reserves of an insurance company.

Sale or issue abroad by residents

The sale or issue of these instruments is subject to CMB registration.

Bonds or other debt securities

Rules governing shares or other securities of a participating nature apply.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Yes.

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On money market instruments

Sale or issue locally by nonresidents

Controls apply to the issue and public sale of money market securities, except for securities that are not regulated under the current legislation on capital markets, such as certificates of deposit and bankers' acceptances.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form part of the cover of the technical reserves of an insurance company.

On collective investment securities

Sale or issue locally by nonresidents

The sale or issue of these instruments is subject to CMB registration.

Purchase abroad by residents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form part of the cover of the technical reserves of an insurance company.

Sale or issue abroad by residents

The sale or issue of these instruments is subject to CMB registration.

Controls on derivatives and other instruments

Purchase abroad by residents

Controls apply to the purchase of or swap operations in instruments and claims issued by or contracted with nonresidents if these assets are to form part of the cover of the technical reserves of an insurance company. In addition, controls apply to derivatives traded abroad if their underlying instruments are the same as those traded in local derivatives exchanges.

Controls on credit operations

Credits extended by nonresidents with a maturity of more than one year that are obtained by the public sector or guaranteed by the treasury must be registered in the External Financing Information System maintained by the Undersecretariat of the Treasury. All other credits are monitored by the CBRT for statistical purposes.

Commercial credits

By residents to nonresidents

The maturity of commodity credits may not exceed two years for nondurable goods and five years for other goods.

To residents from nonresidents

Residents may obtain freely credits from abroad, provided they use such credits through banks (including participating banks). The maximum maturity of prefinancing credits is 18 months, except in the case of shipbuilding, for which it is 24 months.

Financial credits

By residents to nonresidents

Controls apply to credits and loans granted to nonresidents if these assets are to form part of the cover of the technical reserves of an insurance company.

Controls on direct investment

Outward direct investment

Effective December 30, 2006, residents may export cash capital through banks, and in-kind capital within the framework of the provisions of customs legislation, for the purpose of establishing companies, participating in partnerships, and opening branches abroad in order to make investments or to conduct commercial activities. The former authorization requirement for outward direct investment, which limited the transfer of capital in kind or in cash to the equivalent of \$5 million, was abolished.

Inward direct investment

Controls apply to investment in (1) the mining sector, except through a company to be established in Turkey; (2) exploration and exploitation of petroleum by enterprises controlled or owned by foreign states, unless an authorization is granted; (3) refining, transportation through pipelines, and storage of petroleum, unless an authorization is granted; (4) maritime transport, air transport and ground handling services, radio and television broadcasting, and marina operations, where foreign ownership is limited; (5) education, because foreigners are not allowed to set up schools unless all students are foreigners; (6) banks and other financial institutions where authorization is required; and (7) the accounting sector, where involvement of foreigners is specifically regulated.

Controls on liquidation of direct investment

Proceeds may be transferred abroad freely but must be reported to the CBRT.

Controls on real estate transactions

Purchase abroad by residents

Controls apply to the acquisition of real estate outside Turkey if these assets are to form part of the cover of the technical reserves of an insurance company.

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Purchase locally by nonresidents	Foreign individuals may acquire real estate in Turkey based on reciprocity and compliance with legal requirements. Real estate inherited by citizens of a country that does not have a reciprocity agreement with Turkey or real estate located in restricted areas must be liquidated after the transfer by inheritance. Nonresidents may not acquire more than 2.5 hectares, but the Council of Ministers may decide to allow acquisition up to 30 hectares. Foreign juridical persons established in Turkey may acquire real estate to conduct their business and economic activities. Foreign legal persons not residing in Turkey, on the other hand, may acquire property only within the provisions of the Industrial Zones Law, Petroleum Law, or Law on Encouragement of Tourism.
Controls on personal capital transactions	Personal capital in the form of cash may be freely transferred into and out of the country, in accordance with exchange legislation. Inward and outward personal capital transfers in kind may be effected in accordance with customs and exchange legislation.
References to legal instruments and hyperlinks	Decree No. 32 on the Protection of the Value of Turkish Currency; www.hazine.gov.tr/english/bak/exlegislation/decreedoc ; Communiqué Serial III, No. 20, on Principles Regarding Registration with the CMB and Sale of Foreign Capital Market Instruments; www.cmb.gov.tr ; Article 5 of Decree No. 2006/11472 amending Article 13 of Decree No. 32, published in the Official Gazette dated December 30, 2006, and numbered 26392; Foreign Direct Investment Law No. 4875, dated June 17, 2003.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Effective November 1, 2006, regulations on banking operations are subject to permission and indirect ownership of shares in banks.
Borrowing abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Resident banks may extend credit in foreign exchange to nonresidents up to the total amount of foreign exchange credit they have obtained and the balances in their foreign exchange deposit accounts. Such credit may also be extended in new Turkish liras.
Lending locally in foreign exchange	Resident banks may not extend credit in foreign exchange to residents, except to those who are exporters, investors, Turkish entrepreneurs working abroad, residents who are conducting business related to international tenders held in Turkey, and residents who are conducting business related to defense industry projects that have been approved by the Undersecretariat of the Defense Industry.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Banks (including participation banks) must maintain required reserves at the CBRT for deposits and other liabilities. The required reserve ratio for liabilities in domestic currency is 6%; in foreign currencies, 11%. Required reserves for domestic currency are maintained on a two-week-average basis, whereas required reserves for foreign currency must be held in special accounts with the CBRT, but 3 percentage points of the foreign reserve requirement rate may be maintained on a two-week-average basis. The required reserves maintained in domestic currency and foreign exchange are remunerated at interest rates below market rates. In case of noncompliance with the reserve requirement obligations, as a sanction, banks are required to hold non-interest-bearing deposits with the CBRT. The deposits must be twice the deficient amount of the domestic currency required reserves in terms of new Turkish liras, and three times the deficient amount of the foreign exchange required reserves in terms of U.S. dollars.
Investment regulations	
<i>Abroad by banks</i>	The opening of branches or representative offices or setting up of undertakings or participating in existing undertakings abroad by banks founded in Turkey is subject to the permission of the Banking Regulation and Supervision Agency (BRSA), on the condition of compliance with the corporate governance and protective provisions set forth in the Banking Law and the principles established by the BRSA in its regulation issued November 1, 2006.
<i>In banks by nonresidents</i>	Any acquisition of shares that results in the acquisition by one person directly or indirectly of shares representing 10% or more of the capital of a bank or any acquisition of shares

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whereby the capital shares held by one person exceed 10%, 20%, 33%, or 50% of the capital of the bank, and any transfer of shares whereby the capital shares held by one person fall below these limits is subject to prior permission of the BRSA. Transactions that result in reducing the number of shareholders to fewer than five, or in shares being assigned without permission, may not be registered. These rules are valid for the acquisition of voting rights and establishment of usufructuary rights on shares. The assignment and transfer of preferential shares with the right of promoting a member to the board of directors or audit committee or issue of new shares with privilege requires BRSA approval, irrespective of the above limits. In the application of these regulations, no distinction is drawn between residents and nonresidents.

Open foreign exchange position limits

The BRSA regulates, supervises, and monitors banks' open foreign exchange positions. All foreign-exchange-indexed assets and liabilities have to be taken into account fully as foreign assets and foreign liabilities. Banks are required to maintain a balance in their foreign exchange assets and liabilities and maintain foreign exchange positions that are in line with their own funds. The absolute value of the weekly arithmetic mean of daily ratios between the net foreign exchange positions and own funds must be a maximum of 20%. If the maximum limit of the ratio is exceeded, banks have to inform the BRSA. The amount of excess in weekly ratios must be eliminated within two weeks. The weekly limit may not be exceeded more than six times a calendar year, even if it is eliminated. The provisions of these regulations are also applied to participation banks.

Provisions specific to institutional investors

Insurance companies

For insurance companies, limitations on investment instruments apply to residents and nonresidents without discrimination.

Limits (max.) on securities issued by nonresidents

Controls apply to the purchase of securities issued by nonresidents if these assets are to form part of the cover of the technical reserves of an insurance company.

Limits (max.) on investment portfolio held abroad

Controls apply to (1) purchase of or swap operations in instruments and claims issued by or contracted with nonresidents, (2) credits and loans granted to nonresidents, (3) deposits of funds with nonresident financial institutions, and (4) acquisition of real estate localized outside Turkey, if these assets are to form part of the cover of the technical reserves of an insurance company.

Limits (min.) on investment portfolio held locally

The amount of securities of one company held by insurance companies may not exceed 10% of their own equities, and the amount of securities of one capital group may not exceed 20% of their own equities. Insurance companies have to invest their mathematical reserves in the following assets: Turkish currency, foreign currencies traded by the CBRT, demand and time deposits in Turkish currency, deposit accounts in foreign currency, loan facilities on investment fund participation certificates, profit/loss sharing certificates, treasury bonds, state bonds, foreign-currency-indexed bonds, profit-sharing certificates, private sector bonds, bank and financing bonds, asset-based securities, stocks, real estate and certificates of real estate repurchase, long-term loan facilities made available to natural persons and secured by mortgages, and other money and capital market instruments determined by the Undersecretariat of Treasury.

Insurance companies must invest their deposits in the following assets:

(1) Turkish liras or foreign exchange that is traded by the CBRT, or deposits opened in such currencies; (2) government bonds, treasury bills, and other securities issued by the state, or temporary receipts drawn up by the CBRT for such assets, provided they are drawn up in the name of the insurance company concerned; (3) share certificates of companies, at least 51% of capital owned by state economic establishments or public economic institutions; (4) share certificates and debentures traded on the stock exchange, provided they do not exceed in general 30% of the securities or that the share of those belonging to one company does not exceed 10% of the total securities or that the share of those belonging to one capital group does not exceed 20% of the total securities; (5) participation certificates in investment funds, provided those belonging to one founder do not exceed 10% of the total securities; and (6) immovable properties in Turkey, provided their share in the security does not exceed 50%.

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Pension funds	For pension companies, limitations on investment instruments apply to residents and nonresidents without discrimination.
<i>Limits (max.) on securities issued by nonresidents</i>	For pension companies, a maximum of 15% of investable pension contributions may be held in funds that invest at least 80% of their portfolios in foreign money market and foreign capital market instruments.
<i>Limits (max.) on investment portfolio held abroad</i>	For pension companies, a maximum of 15% of investable pension contributions may be held in funds that invest at least 80% of their portfolios in foreign money market and foreign capital market instruments.
<i>Limits (min.) on investment portfolio held locally</i>	For pension companies, a minimum of 30% of pension contributions must be held in funds that invest at least 80% of their portfolios in government bonds.
References to legal instruments and hyperlinks	<p>Main Laws: Turkish Commercial Law, Law No. 6762; Insurance Supervision Law, Law No. 7397; Private Pension Law, Law No. 4632; Agricultural Insurance Law, Law No. 5363; Decree-Law on Compulsory Earthquake Insurance; Decree-Law No. 587.</p> <p>Main Regulations: Regulation on the Establishment of Insurance and Reinsurance Companies in Turkey and Their Principles of Operation; Regulation on the Foundation and Operation Principles of Private Pension Companies; Regulation on Life Insurance; Regulation on Independent Auditing Principles of Insurance; Regulation on Capital Adequacy of Insurance, Reinsurance, and Private Pension Companies; Regulation on the Insurance Accounting System; Regulation on External Auditing of Insurance Companies; Regulation on Actuarial Activities; Regulation on Private Pension Intermediaries; Regulation on the Private Pension System; Regulation on Bases Concerning Establishment and Activities of Pensions; Regulation on Operations of Banks Subject to Permission and Indirect Ownership of Shares in Banks.</p> <p>Mutual Funds: Regulation on Road Transportation; Regulation on Third Party Motor Liability Guarantee Fund; Regulation on Insurance Agents; Regulation on Insurance Experts; Regulation on Insurance and Reinsurance Brokers; Regulation on Third Party Motor Liability Insurance Information Center; Regulation on the Operation Principles of the Turkish Motor Vehicle Bureau; Regulation on the Insurance Supervisory Board; Regulation on the Methods and Principles Governing the Activities of the Turkish Insurance and Reinsurance Companies' Association.</p> <p>Key Circulars (Communiqués): Communiqué Concerning Uniform Accountancy and Explanation; Communiqué Concerning Private Pension Intermediaries; www.sigortacilik.gov.tr and www.bireyselemeklilik.gov.tr; websites contain all the above-listed and other related laws, regulations, and communiqués in Turkish; www.cmb.gov.tr; Decree No. 32 on the Protection of the Value of Turkish Currency; www.hazine.gov.tr/english/bak/exlegislation/decree.doc; Banking Law; www.tbb.org.tr/english/5411.doc.</p>

Changes during 2006

Exchange arrangement	<p><i>January 1.</i> The new Turkish lira became the sole legal tender.</p> <p><i>May 16.</i> The daily foreign exchange purchase auctions were suspended.</p> <p><i>November 10.</i> The CBRT resumed its daily foreign exchange auction program, with a daily fixed purchase amount of \$15 million.</p>
Capital transactions	
Controls on direct investment	<p><i>December 30.</i> Residents were allowed to export cash capital through banks, and in-kind capital within the framework of the provisions of customs legislation, for the purpose of establishing companies, participating in partnerships, and opening branches abroad in order to make investments or to conduct commercial activities. The former authorization requirement for outward direct investment, which limited the transfer of capital in kind or in cash to the equivalent of \$5 million was abolished.</p>

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Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

November 1. The Regulations on Operations of Banks were made subject to Permission and Indirect Ownership of Shares in Banks was issued by the BRSA establishing the principles of opening branches or representative offices and setting up undertakings or participating in existing undertakings abroad by banks. The provisions introduced by the regulation do not differ from those applied previously.

Changes during 2007

Imports and import payments

January 1. Turkey issued import licenses for the allocation of tariff quotas stemming from preferential trade agreements and autonomous tariff quotas for agricultural products.

January 1. Turkey implemented quotas for certain Chinese-origin textiles and apparel products (44 categories in total) in accordance with Paragraph 242 of the Report of the Working Party on the accession of China to the WTO.

January 1. The following simple average tariff rates for imports were established: (1) industrial products, 4.2% and zero for imports from other countries, and from the EU and EFTA, respectively; and (2) agricultural products, 59.3% and 58.2% for imports from other countries, and from the EU and EFTA, respectively.

Payments for invisible transactions and current transfers

February 9. Credit cards were allowed to be used on a revolving basis up to the equivalent of \$50,000.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article XIV Yes.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions

Other security restrictions Yes.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Turkmenistan is the Turkmen manat.

Exchange rate structure

Unitary Effective January 1, 2006, the exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.

Classification

Conventional pegged arrangement The exchange rate (cash and noncash) is determined through weekly foreign currency auctions held by the Central Bank of Turkmenistan (CBT), in which authorized commercial banks participate. The exchange rate is manat 5,200 per \$1. Access to foreign exchange auctions is granted to authorized banks, whose applications are verified by the CBT. Banks participate in auctions for conversion operations on behalf of clients, and for transactions approved by the CBT. Applications are submitted at the exchange rate set at the previous auction. If the demand exceeds the volume of foreign exchange offered by the CBT, the excess demand is transferred to the subsequent trading sessions. A parallel foreign exchange market, which is not recognized by the CBT, is in operation with a rate of about manat 24,000 per \$1 since January 2006.

Exchange tax Exchange taxes of 50% and 30% are levied on monetary receipts from exports of natural gas and oil and petroleum products, respectively, and allocated to the foreign exchange reserve.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Settlements with other countries are made through a system of correspondent accounts. Settlements with countries with which Turkmenistan has bilateral payments arrangements are effected in accordance with the procedures set forth in these agreements. Barter

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	transactions, other than natural gas exports, must take place through the State Commodity Exchange (COMEX). All other transactions are performed in convertible currencies.
Controls on the use of domestic currency	Controls apply in accordance with the CBT instructions on provision of loans, bank accounts, noncash settlements, and cash operations of banks in Turkmenistan.
<i>For current transactions and payments</i>	Yes.
<i>For capital transactions</i>	
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	Yes.
Credit operations	Yes.
Use of foreign exchange among residents	According to the Law of the Monetary Unit, the manat is the sole legal tender in Turkmenistan.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	Yes.
Administration of control	The CBT is authorized to issue exchange control regulations, depending on the type of operation involved. The use of foreign exchange reserves is controlled by the government of Turkmenistan.
Payments arrears	
Official	Yes.
Private	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Yes.
On external trade	A license is required to engage in international trade in gold.
Controls on exports and imports of banknotes	Foreign banknotes and manat may be imported or exported freely, provided funds are declared on arrival or departure.
References to legal instruments and hyperlinks	Law of the Monetary Unit; CBT Instruction on Issuance and Cash Operations of Turkmen Banks.

Resident Accounts

Foreign exchange accounts permitted	Legal entities and individuals may hold foreign exchange accounts with local commercial banks.
Held domestically	These accounts may be opened for legal entities with a certificate of registration issued by the Foreign Investments Registration Department of the Ministry of Economy and Finance (MEF). All external payments from these accounts must be made in accordance with CBT procedures; cash withdrawals in foreign currency by individuals may be made without CBT approval.
Held abroad	Yes.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	No.

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Accounts in domestic currency convertible into foreign currency CBT approval is required for the conversion.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Legal entities and individuals may open such accounts in accordance with CBT procedures.

Domestic currency accounts Yes.

Convertible into foreign currency No.

Blocked accounts n.a.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports

Minimum financing requirements n.a.

Advance import deposits Yes.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirement Yes.

Preshipment inspection Yes.

Letters of credit Yes.

Other n.a.

Import licenses and other nontariff measures

Negative list Imports of a small number of goods on a negative list (e.g., arms, narcotics) are prohibited.

Import taxes and/or tariffs Excise taxes are levied on a specific list of goods (alcoholic beverages, cigarettes, jewelry, and cars).

State import monopoly No.

References to legal instruments and hyperlinks n.a.

Exports and Export Proceeds

Repatriation requirements Under the Currency Regulations Law, foreign exchange proceeds from current and capital transactions with nonresidents must be repatriated (transferred or imported) to Turkmenistan.

Surrender requirements The private sector and public enterprises in the cotton sector are exempt from surrender requirements.

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<i>Surrender to authorized dealers</i>	State-owned enterprises must sell a portion of their foreign exchange proceeds on the Interbank Currency Exchange.
Financing requirements	n.a.
Documentation requirements	
Letters of credit	Yes.
Guarantees	Yes.
Preshipment inspection	Yes.
Other	n.a.
Export licenses	All exports are required to be registered with the COMEX.
With quotas	Quantitative and price restrictions are imposed on exports of cotton and other raw materials to protect domestic supplies of goods.
Export taxes	
Collected through the exchange system	Part of the foreign exchange proceeds from exports of natural gas and oil are allocated to the foreign exchange reserve.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Purchase of foreign exchange for these payments requires prior approval of the exchange control authorities. Foreign exchange for a few nontrade transactions—medical treatment abroad, financial support for students studying abroad, official travel by public officers, and travel abroad in connection with the death of an immediate relative—is available at the commercial banks' cash foreign exchange window.
Trade-related payments	
<i>Prior approval</i>	Yes.
Investment-related payments	In accordance with the law on foreign investments in Turkmenistan, after payment of taxes, profits may be reinvested in Turkmenistan, held in bank accounts in domestic or other currencies, or transferred abroad.
<i>Prior approval</i>	Yes.
Payments for travel	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

TURKMENISTAN

Capital Transactions

Controls on capital transactions	These transactions are subject to the regulations of the CBT and the MEF.
Repatriation requirements	No.
Controls on capital and money market instruments	Both inward and outward capital transfers are subject to CBT and MEF approval.
On capital market securities	Securities may be issued and circulated in Turkmenistan after registration with the MEF.
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	These transactions are subject to quotas by the Cabinet of Ministers (CM).
Purchase abroad by residents	Yes.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	n.a.
On money market instruments	These transactions are subject to quotas by the CM.
On collective investment securities	Controls apply to all these transactions.
Controls on derivatives and other instruments	A market for transactions in derivatives does not exist.
Controls on credit operations	Credit institutions operate under licenses issued by the CBT. Controls apply to all credit and guarantee operations.
Controls on direct investment	
Outward direct investment	Yes.
Inward direct investment	Investments by legal entities are not restricted. Investors are required to register with the Foreign Investment Registration Department of the MEF. If the amount exceeds \$500,000, approval of the CM is required.
Controls on liquidation of direct investment	Foreign investors have the right to recover investments within six months of liquidation.
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	n.a.
Controls on personal capital transactions	
Settlements of debts abroad by immigrants	n.a.
Transfer of assets	n.a.
Transfer of gambling and prize earnings	n.a.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	A CBT license and CM authorization are required. Provided a license is granted, no controls apply to individual transactions.
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TURKMENISTAN

Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
<i>Credit controls</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
<i>Interest rate controls</i>	Yes.
<i>Credit controls</i>	Yes.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.
Provisions specific to institutional investors	A CBT and/or an MEF license is required for investments, depending on the type of institutional investor.
Insurance companies	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement	<i>January 1.</i> The exchange rate structure was reclassified to unitary from dual due to technical correction in the classification.
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UGANDA

(Position as of April 30, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: April 5, 1994.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Transactions are not allowed with countries subject to UN sanctions.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Uganda is the Uganda shilling.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate To deal with official inflows and for monetary policy purposes, the Bank of Uganda extended its intervention policy beyond avoiding market-disruptive exchange rate fluctuations. As a result, the exchange rate arrangement has been reclassified, effective April 30, 2007, to managed floating with no predetermined path for the exchange rate from independently floating.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Authorized banks may deal with customers in the forward exchange market.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements Authorized payments, including import payments to nonresidents, may be made in Uganda shillings to the credit of a nonresident account in Uganda or in any other currency that is appropriate to the country of residence of the payee.

Payments arrangements

Bilateral payments arrangements

Inoperative

Trade and payments agreements exist with Algeria, Cuba, Egypt, the Democratic People's Republic of Korea, and Libya.

Regional arrangements

Under the terms of the East African Cooperation Agreement, Uganda, Kenya, and Tanzania shillings are now freely convertible in the three countries. Excess holdings of Kenya and/or Tanzania shillings are repatriated to the respective CBs for immediate credit in dollars.

Clearing agreements

Uganda maintains clearing arrangements with Burundi, the Democratic Republic of the Congo, and Rwanda.

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The Bank of Uganda (BOU) settles accounts in dollars with COMESA member countries through the COMESA clearinghouse. Residents of member countries may use national currencies in day-to-day payments during a transaction period of two calendar months; the monetary authorities settle net balances at the end of this period in convertible currencies.

Administration of control	No.
Payments arrears	Arrears are normally paid in the currency in which the loan was denominated, although the government may negotiate a new payment arrangement with the creditor.
Official	Yes.
Private	Yes.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents may hold and acquire gold coins for numismatic purposes. Only monetary authorities and licensed dealers are allowed to hold or acquire gold in any form other than jewelry.
On external trade	Dealing in gold in any form other than jewelry constituting the personal effects of a traveler requires licenses issued by the Ministry of Energy and Mineral Development. On the basis of these licenses, the Ministry of Tourism, Trade, and Industry issues export and import permits.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Residents are free to open accounts in domestic or foreign currency locally or abroad.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Nonresidents are free to open and maintain domestic or foreign currency accounts.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

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Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Imports of firearms, pornographic materials, tires, and goods banned under international agreements to which Uganda is a signatory are prohibited.
Import taxes and/or tariffs	Customs duties on goods imported from countries outside the EAC are zero for essential goods, raw materials, and capital goods; 10% for intermediate goods; and 25% for finished goods. There is also an environmental levy of 10% on motor vehicles, excluding commercial vehicles eight years old and older.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	
Other export taxes	There is an export levy on unprocessed hides and skins.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

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Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	Leases on land granted to non-Ugandan persons, irrespective of their residency status, may not exceed 99 years.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowing abroad by commercial banks is subject to reserve requirements.
Maintenance of accounts abroad	Account balances may not exceed 25% of total capital, and the financial institution should have a good credit rating.
Lending to nonresidents (financial or commercial credits)	BOU approval is required for any lending (to residents or nonresidents) exceeding 25% of core capital.
Lending locally in foreign exchange	Only short-term lending is permitted, and it may not exceed in aggregate 80% of a bank's total foreign currency deposits.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Banks must maintain with the BOU unremunerated cash reserves of 10% and 9% against demand and time deposits, respectively.
<i>Liquid asset requirements</i>	There is a requirement of 20% against deposit liabilities. These apply to both domestic and foreign currency accounts.
Open foreign exchange position limits	Commercial banks are allowed to maintain an open position equivalent to 25% of core capital.

Provisions specific to institutional investors

Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	Insurance companies are not allowed to have investments abroad.

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Pension funds

Limits (max.) on securities issued by nonresidents n.a.

Limits (max.) on investment portfolio held abroad n.a.

Limits (min.) on investment portfolio held locally n.a.

References to legal instruments and hyperlinks n.a.

Changes during 2006

No significant changes occurred in the exchange and trade system.

Changes during 2007

Exchange arrangement

April 30. The exchange rate arrangement was reclassified to the category managed floating with no predetermined path for the exchange rate from the category independently floating.

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(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: September 24, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions Restrictions are maintained on payments and on the provision of financial services to the Democratic Republic of the Congo, Côte d'Ivoire, Sudan, the Taliban, and Al-Qaida.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency The currency of Ukraine is the Ukrainian hryvnia.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement

The National Bank of Ukraine (NBU) sets the official exchange rate of the hryvnia against the dollar on the basis of rate quotations and other indicators on Ukraine's interbank foreign exchange market. The NBU intervenes with a view to curbing significant fluctuations in the exchange rate. The hryvnia, although appreciating by 7% since the end of 2000, has remained within a very narrow band vis-à-vis the dollar since end-2001, except for a step appreciation of 5% in April 2005. The official exchange rate is used by residents and nonresidents to account for foreign exchange transactions. Banks are allowed to purchase and sell foreign exchange on the same day.

Banks that have the right to open correspondent accounts at foreign banks must purchase foreign currency in the interbank market directly and not through other Ukrainian banks. In particular, banks are permitted to buy or sell foreign exchange cash at a contractual exchange rate.

Exchange tax On January 1, 2007, the fee on purchases of noncash foreign exchange used for government pension insurance was reduced to 1%, after it had been lowered on January 1, 2006, to 1.3% from 1.5%.

Exchange subsidy No.

Forward exchange market

Banks may conduct forward foreign exchange operations with a maturity of up to one year on their own behalf and on behalf of their clients. Banks may transact purchases of foreign currency in Group 1 of the NBU's Classification of Foreign Currencies and Bank Metals, provided the long (short) open foreign exchange position of the bank for such transactions is not more than 10% (of regulated capital). Transactions with other foreign currency derivatives (such as futures and options) for which the underlying asset is a foreign currency or cross rate of a foreign currency are permitted in the interbank market; settlements on these contracts are in hryvnias.

References to legal instruments and hyperlinks

Laws on the 2006 State Budget of Ukraine and on the 2007 State Budget of Ukraine; Statute on Procedures and Conditions for Trading Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 281 of August 10, 2005.

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Arrangements for Payments and Receipts

Prescription of currency requirements	Payments to and receipts from all countries are settled in foreign currencies, except that settlements for trade with CIS and Baltic countries may also be made in domestic currencies.
Controls on the use of domestic currency	
<i>For current transactions and payments</i>	Residents may conduct settlements with nonresidents in hryvnias through hryvnia correspondent accounts opened with authorized Ukrainian banks by nonresident banks, but they must provide the servicing bank with a certificate from the State Tax Administration (STA) showing that no tax liabilities are outstanding on the date of the transaction. An NBU license is required if the due date for the delivery of imported goods and services, or of proceeds from exports, exceeds 90 days.
<i>For capital transactions</i>	
Transactions in capital and money market instruments	Yes.
Transactions in derivatives and other instruments	In certain instances, authorization is required from the State Securities and Stock Market Commission.
Credit operations	Commercial credits in hryvnias are extended to economic agents of CIS and Baltic countries only. An NBU license is required if the due date for the delivery of goods and services exceeds 90 days.
Use of foreign exchange among residents	An NBU license is required.
Payments arrangements	
Bilateral payments arrangements	
<i>Inoperative</i>	There are arrangements with the Baltic countries, the Russian Federation, and the other FSU countries.
Regional arrangements	Yes.
Barter agreements and open accounts	Barter is one of the forms of trade for Ukrainian companies in their transactions, used largely with the Baltic countries, the Russian Federation, and other countries of the FSU. The use of barter in foreign trade transactions is prohibited for a group of goods determined by the Ukrainian Cabinet of Ministers.
Administration of control	The NBU, authorized banks, financial institutions, the STA, the State Customs Committee, the Ukrainian Ministry of Communications, the Ukrpochta National Postal Communications Operator, and the Ministry of Economy administer exchange controls.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents are required to obtain a license from the MOF to deal in precious stones and metals, except for bank metals. The NBU licenses commercial bank transactions in bank metals.
On external trade	Permission for residents to export precious metals and precious stones is granted by the Ministry of Economy and European Integration in consultation with the MOF. Bank metals are imported only by authorized banks and do not require NBU permits. Resident legal entities are allowed to import bank metals refined from customer-supplied raw materials outside Ukraine using a special permit from the NBU if there is an agreement with the NBU to sell such metals. Only nonresident legal entities are permitted to export bank metals in the form of Ukrainian coins using a license issued by the NBU.

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Controls on exports and imports of banknotes

On exports

Domestic currency

Resident and nonresident individuals may export up to Hrv 50,000, including jubilee and commemorative coins made from precious and nonprecious metals in the amount of Hrv 3,000. Resident and nonresident individuals may make an oral declaration for exports of amounts up to Hrv 15,000 (except coins made from precious metals, which are subject to declaration regardless of amount). A written declaration is required for the entire export if the amount exceeds this level. An individual NBU license is required for exports exceeding Hrv 50,000. Resident legal entities that own, lease, or charter means of transportation may export up to Hrv 15,000 through authorized persons aboard the means of transport, subject to mandatory written customs declaration. They may also export proceeds received, if accompanied by supporting cashier documents. Nonresident legal entities must obtain an individual NBU license.

Foreign currency

Resident and nonresident natural persons departing from Ukraine for tourism or personal business are permitted to export monetary funds (foreign currency or checks in foreign currency) up to the equivalent of \$10,000. Based on an oral declaration, residents and nonresidents may export up to the equivalent of \$3,000. Exports in excess of these limits require written declarations of the entire amounts of exports. Nonresidents must present bank statements indicating the debiting of an account.

A written declaration is also required for exports by residents or nonresidents of 200 grams of bank metals in ingots, and for the export by nonresident individuals of checks issued by foreign banks or nonbank institutions. In addition, individuals may export funds, checks, and bank metals that were previously imported and declared to customs. Individuals in transit are allowed to export monetary funds up to \$30,000 or its equivalent, bank metals up to 1,000 grams, and checks up to \$30,000, provided they had previously imported the monetary funds and submit documentary evidence of the transit nature of the travel. Resident and nonresident individuals departing on official business may export up to the equivalent of \$13,000.

Resident legal entities that own means of transport may export the following, provided they present a certificate from an authorized Ukrainian bank showing debits from an account and a written customs declaration: (1) funds up to the equivalent of \$3,000 to cover settlements for goods and services, (2) funds up to the equivalent of \$3,000 to cover operating expenses for motor vehicles abroad, and (3) funds up to the equivalent of \$10,000 to cover operating expenses for air and water transportation. An individual NBU license is required for amounts exceeding these limits. The captain of a vessel belonging to or chartered by a nonresident is allowed to export foreign currency (cash or traveler's checks) to pay for operating expenses and crew services, as specified by the vessel owner, based on a certificate from a bank showing the debiting of funds from an account of a resident marine agent and a written customs declaration. Nonresident legal entities are permitted to export foreign currency legally imported at an earlier date and received for goods sold and services provided on means of transport owned (chartered, leased) by them and making passenger trips in the territory of Ukraine, in an amount supported by documents, provided a written declaration is made to customs authorities by an authorized person. In other cases, the export of foreign currency by nonresident legal entities requires an NBU license.

On imports

Domestic currency

Resident and nonresident individuals may import up to Hrv 50,000 in domestic currency, of which up to Hrv 15,000 may be on the basis of an oral declaration. Import of domestic currency exceeding Hrv 15,000 requires written declaration of the entire amount and presentation of a customs declaration confirming the export of the domestic currency out of Ukraine. Resident legal entities may import domestic currency up to the amount previously exported with a customs declaration, as well as proceeds received abroad from transportation services. Nonresident legal entities require an individual NBU license.

Foreign currency

Resident and nonresident individuals are allowed to import up to the equivalent of \$15,000 in cash and checks, and with an oral declaration up to the equivalent of \$3,000. Written declaration of the entire amount is required for import of funds of an amount exceeding the equivalent of \$3,000. Written declaration is also required for the import of 500 grams of bank metals in the form of ingots or coins by residents or nonresidents. Resident

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individuals may also import foreign currency in the amount declared to customs on exit from Ukraine. NBU authorization is required for amounts above these limits.

Individuals in transit may import funds up to the equivalent of \$30,000 in cash, up to \$30,000 in checks, and up to 1,000 grams of bank metals, subject to documentary evidence of the transit nature of the travel and a customs declaration. Nonresident legal entities owning, leasing, or chartering means of transportation are allowed to import foreign currencies up to the equivalent of \$50,000 on written declaration.

References to legal instruments and hyperlinks

Decree of the Cabinet of Ministers of Ukraine on the System of Foreign Exchange Regulation and Foreign Exchange Control; Law on Procedures for the Performance of Settlements in Foreign Currency; Law on Foreign Economic Activity; Law on Banks and Banking Activity; Law on Government Regulation of the Extraction, Production, and Use of Precious Metals and Precious Stones and Controls on Operations with Them No. 637 of November 18, 1997; Statute on the Opening and Operation of Correspondent Accounts of Resident and Nonresident Banks in Foreign Currency and of Correspondent Accounts of Nonresident Banks in Hryvnias, as approved by Resolution of the Board of the National Bank of Ukraine No. 118 of March 26, 1998; Statute on the Execution by Authorized Banks of Operations with Bank Metals, as approved by Resolution of the Board of the National Bank of Ukraine No. 325 of August 6, 2003; Instruction on Procedures for Controls and Licenses for Export, Import, and Leasing Operations, as approved by Resolution of the Board of the National Bank of Ukraine No. 136 of March 24, 1999; Statute on Procedures for the Issuance to Banks of Banking Licenses, Written Permissions, and Licenses to Perform Certain Operations, as approved by Resolution of the Board of the National Bank of Ukraine No. 275 of July 17, 2001; Statute on Procedures for the Issuance by the National Bank of Ukraine of Individual Licenses for Settlements between Residents and Nonresidents within the Limits of Trade Turnover of Ukraine in the Currency of Ukraine, as approved by Resolution of the Board of the National Bank of Ukraine No. 484 of October 14, 2004; Statute on Procedures for the Issuance by the National Bank of Ukraine of Individual Licenses for the Use of Foreign Currency on the Territory of Ukraine as a Means of Payment, as approved by Resolution of the Board of the National Bank of Ukraine No. 483 of October 14, 2004; Statute on Procedures for the Movement of Currency of Ukraine, Foreign Currency, Bank Metals, Payment Documents, Other Banking Documents, and Payment Cards across the Customs Border of Ukraine, as approved by Resolution of the National Bank of Ukraine No. 283 of July 12, 2000; Rules on the Use of Cash Foreign Currency on the Territory of Ukraine, as approved by Resolution of the National Bank of Ukraine No. 119 of March 26, 1998.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Certain conditions apply to these accounts.

Held abroad

Yes.

Approval required

A license from the NBU is required to place foreign exchange assets in accounts opened abroad, except when the account is opened during a temporary stay abroad.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

Account balances may be used to purchase foreign currency in cases in which there exists a legal obligation in that currency.

References to legal instruments and hyperlinks

Civil Code of Ukraine; Decree of the Cabinet of Ministers of Ukraine on the System of Foreign Exchange Regulation and Foreign Exchange Control; Law on the National Bank of Ukraine on Banks and Banking Activity; Law on Payment Systems and Transferring Money in Ukraine; Instruction on Procedures for Opening, Using, and Closing Accounts in Domestic and Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 492 of November 12, 2003; Statute on Procedures for the Issuance by the National Bank of Ukraine of Individual Licenses for the Placement by Residents (Legal Entities and Individuals) of Foreign Exchange Assets in Accounts Outside Ukraine, as

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approved by Resolution of the Board of the National Bank of Ukraine No. 485 of October 14, 2004.

Nonresident Accounts

Foreign exchange accounts permitted

Resident legal entities of Armenia, Azerbaijan, Belarus, Kazakhstan, Moldova, the Russian Federation, and Uzbekistan must have approval from their respective CBs to open accounts in Ukraine. To open accounts with authorized banks of Ukraine (1) resident legal entities of the Russian Federation require permission from the Central Bank of the Russian Federation if Russian Federation legislation stipulates that such permission must be obtained and (2) resident legal entities of the Kyrgyz Republic must register with the National Bank of the Kyrgyz Republic.

A nonresident investor may credit a foreign currency investment account with the following: (1) funds transferred from abroad for investment in Ukraine in accordance with NBU regulations on foreign investment in Ukraine; (2) funds transferred from another current (including investment) account of the investor opened with an authorized bank in Ukraine; (3) interest accrued on the balance of funds in an investment account belonging to the investor; (4) income, profit, and other funds received by the nonresident investor from investments in Ukraine, including from unincorporated joint ventures; (5) funds returned from a deposit account opened for the investor with an authorized bank in Ukraine; (6) funds transferred in error by the investor from this account on an earlier date (these funds are credited to the investor's account in an amount not exceeding the amount transferred earlier); (7) funds returned owing to partial or full cessation of investment in Ukraine by the nonresident; and (8) foreign exchange purchased by an authorized bank of Ukraine on the Ukrainian interbank currency market in cases specified by foreign currency trading regulations. Funds transferred from the current account of a nonresident individual opened with an authorized bank in Ukraine may be credited to the foreign currency investment account of a foreign legal entity if the foreign investment is made in cash.

Funds transferred by a foreign investor to deposit accounts from foreign currency investment accounts (as investment contributions) may not be withdrawn until a year after their placement. This restriction does not apply to funds transferred to deposit accounts by nonresident individuals and by representatives of nonresident legal entities in Ukraine from their current accounts opened with an authorized bank in Ukraine.

The following operations may be conducted from a foreign currency investment account by order of the account holder: (1) investment activities in Ukraine (including reinvestments) in accordance with NBU regulations on foreign investment in Ukraine; (2) settlements with customs authorities in cases provided for by Ukrainian law; (3) transfer abroad of income, profit, and other funds received from investments in Ukraine, and of the investment amounts in the event of an investment's termination, and funds returned from deposit accounts opened with authorized banks in Ukraine by established procedure; (4) payments for services of an authorized bank servicing an account (by procedure specified by Ukrainian law); (5) transfer of funds to one's own investment account with an authorized bank in Ukraine; (6) transfer of funds to one's own deposit account opened with an authorized bank in Ukraine; (7) transfers of income, profit, and other funds obtained by an individual investor from investment in Ukraine to the current account of a nonresident individual opened with an authorized bank in Ukraine; (8) sale on the Ukrainian interbank currency market with the purpose of subsequently crediting the foreign currency investment account of a nonresident investor from which the nonresident investor makes investments in Ukraine; and (9) refund of funds received in error. These funds are transferred from this account in an amount not exceeding that received earlier. A foreign investing legal entity may transfer funds from this account to the current account of a nonresident individual opened with an authorized bank in Ukraine if the foreign investment was made in cash.

Funds may be credited to and debited from accounts opened to support activities, such as cooperative production and other joint activities with the participation of unincorporated nonresident investors, exclusively for purposes prescribed by agreements (contracts) on joint investment activity, including distribution of income between parties to an agreement (contract) in accordance with Ukrainian law.

Approval required

Yes.

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Domestic currency accounts

Nonresident investors may credit domestic currency accounts at authorized banks with the following: (1) funds obtained from sales of foreign currency on the Ukrainian interbank foreign currency market in connection with a foreign investment made in accordance with NBU regulations on foreign investment in Ukraine; (2) income, profit, and other funds received by a nonresident investor from investment in Ukraine, including from unincorporated joint activity; (3) funds returned as a result of partial or full cessation of investment in Ukraine by the nonresident in accordance with NBU regulations on foreign investment in Ukraine; (4) funds transferred from one's own current (including investment) account opened with an authorized bank in Ukraine; (5) funds transferred from one's own deposit account opened with an authorized bank in Ukraine; (6) interest accrued on the balance of funds in one's own investment account; and (7) funds transferred in error by an investor from this account on an earlier date. These funds are credited to the investor's account in an amount not exceeding that transferred earlier. Money may not be transferred from domestic currency investment accounts to the deposit accounts of foreign investors to form the investment contributions of foreign investors. This restriction does not apply to funds transferred to deposit accounts by nonresident individuals and by representatives of nonresident legal entities in Ukraine from their current accounts opened with an authorized bank in Ukraine.

The following operations may be conducted from a domestic currency investment account by order of the account holder: (1) investment activities in Ukraine (including reinvestments) in accordance with NBU regulations on foreign investment in Ukraine; (2) settlements in purchases of foreign currency on the Ukrainian interbank currency market in cases specified by foreign exchange trading regulations; (3) settlements with customs, tax, and other authorities in cases provided for by Ukrainian law; (4) settlements with residents with respect to joint investment activities; (5) payments for services of an authorized bank servicing an account (by procedure specified by Ukrainian law); (6) transfer of income, profit, and other funds received by an individual investor from investment activities in Ukraine to the current account of a nonresident individual opened with an authorized bank in Ukraine; (7) transfers of funds to one's own investment account with an authorized bank in Ukraine; and (8) refund of funds received in error. These funds are transferred from this account in an amount not exceeding that received earlier. A foreign investing legal entity may transfer funds from this account to the current account of a nonresident individual opened with an authorized bank in Ukraine if the foreign investment is made in cash.

P accounts may be opened for the permanent representative offices of foreign companies, or international organizations established without the status of a legal entity, through which these nonresidents conduct all or part of their business activities in Ukraine. P accounts may be credited with the proceeds from current transactions from any economic activity in Ukraine.

N accounts may be opened for (1) official representative offices and representative offices of nonresident legal entities that represent their interests but do not engage in business activities in Ukraine, (2) representative offices of foreign banks, and (3) organizations or institutions (program or project management groups) that implement international or technical assistance programs and projects. N accounts may be credited (1) with proceeds from the sale of foreign exchange to the servicing bank in order to effect settlements associated with the maintenance of a representative office, including embassies and consulates; (2) for purposes stipulated by the charter of an international organization; or (3) for an organization or institution (program or project management group) to introduce or implement assistance programs and projects or international assistance. All N account holders may purchase foreign exchange on the interbank currency market for the transfer of funds abroad to the account of the relevant entity whose interests they represent, including interest accrued on balances in these accounts.

Convertible into foreign currency

P account holders may (1) convert and transfer to a nonresident entity that they represent proceeds from the sale of goods or services in Ukraine, interest accrued on deposit accounts and balances in these type P accounts, and balances in accounts when ceasing activities in Ukraine; and (2) credit to their own account in foreign currency funds intended for labor compensation of nonresident employees and to provide payments for business trips abroad. Holders of type N accounts may use funds from these accounts to purchase foreign currency in the interbank currency market for the purpose of transferring them to (1) the account of the appropriate authority of a foreign state or the account of the nonresident legal entity whose interests are represented in Ukraine by the mission (transfers may also be made in the event of termination of the mission's activities, as confirmed by the appropriate

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documents); or (2) their own foreign currency accounts with authorized banks for compensation of work performed by nonresident employees, for business travel, and for entertainment expenses abroad.

Nonresident individuals may convert and transfer abroad funds from hryvnia-denominated accounts.

Approval required

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

Civil Code of Ukraine; Decree of the Cabinet of Ministers of Ukraine on the System of Foreign Exchange Regulation and Foreign Exchange Control; Law on the National Bank of Ukraine on Banks and Banking Activity; Law on Payment Systems and Transferring Money in Ukraine; Instruction on Procedures for Opening, Using, and Closing Accounts in Domestic and Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 492 of November 12, 2003; Statute on Procedures and Conditions for Trading Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 281 of August 10, 2005.

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

Advance payment requirements

Importers must receive goods or services no later than 90 days from the date the advance payment is made or a draft is provided. An NBU license is required if payment takes place more than 90 days in advance.

Documentation requirements for release of foreign exchange for imports

To purchase foreign currency in the Ukrainian foreign currency market for import payments, residents must provide the transacting bank with the import contracts involved. When transferring and/or purchasing foreign currency under reinsurance agreements with nonresident reinsurers, resident insurers and resident insurance (reinsurance) brokers must provide an authorized bank with notarized copies of these agreements that have been approved by the body responsible for supervision of the insurance activities.

Domiciliation requirement

Yes.

Preshipment inspection

Inspection is not mandatory but may be undertaken by the Ukrainian Chamber of Commerce and Industry at the request of nonresidents.

Letters of credit

Yes.

Other

n.a.

Import licenses and other nontariff measures

Negative list

Yes.

Other nontariff measures

Nontariff measures are limited to those carried out for national security or environmental protection reasons.

Import taxes and/or tariffs

There are three customs duty categories with a trade-weighted average rate of about 5% (including energy imports). The first category (preferred duty rate) applies to goods from countries with which Ukraine has free trade agreements, imports from developing countries, and imports from countries that have a preferential agreement with Ukraine. The second category (concessional duty rate) applies to imports from countries that have entered into MFN agreements with Ukraine. The third category applies to imports from other countries.

A VAT of 20% is levied on most imports, and some imports are subject to excise taxes.

State import monopoly

No.

References to legal instruments and hyperlinks

Law on Procedures for the Performance of Settlements in Foreign Currency; Statute on Procedures and Conditions for Trading Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 281 of August 10, 2005; Instruction on

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Procedures for Controls and Licenses for Export, Import, and Leasing Operations, as approved by Resolution of the Board of the National Bank of Ukraine No. 136 of March 24, 1999; Statute on the Use of Foreign Currency in Insurance Activities, as approved by Resolution of the Board of the National Bank of Ukraine No. 135 of April 27, 2000.

Exports and Export Proceeds

Repatriation requirements	Exporters must repatriate all proceeds in foreign currency or in hryvnias through domestic commercial banks within 90 days of the shipment of goods or rendering of services. An NBU license is required to extend the repatriation period for export proceeds beyond 90 days.
Surrender requirements	The NBU board has the authority to introduce a 100% surrender requirement, if necessary, to reduce pressure on the exchange rate.
Financing requirements	n.a.
Documentation requirements	
Domiciliation	n.a.
Preshipment inspection	Inspection is not mandatory but may be undertaken by the Ukrainian Chamber of Commerce and Industry at the request of residents.
Other	n.a.
Export licenses	
Without quotas	n.a.
With quotas	Goods subject to voluntary export restraints or other international agreements and those falling under the “special export regime”—coal, precious metal scrap, and alcoholic beverages—are also subject to export quotas and licenses. The licenses required for these goods are, however, freely provided to exporters, except in the case of export licenses for precious metal scrap. For grain exports, sales must take place through the agricultural commodity exchange. Export contract preregistration is limited to goods subject to voluntary export restraints or antidumping actions. Registration of exports is automatic and for statistical purposes only.
Export taxes	Taxes are applied to exports of sunflower seeds, livestock, skins, and hides.
References to legal instruments and hyperlinks	Law on Procedures for the Performance of Settlements in Foreign Currency; Statute on Procedures and Conditions for Trading Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 281 of August 10, 2005; Instruction on Procedures for Controls and Licenses for Export, Import, and Leasing Operations, as approved by Resolution of the Board of the National Bank of Ukraine No. 136 of March 24, 1999; Statute on the Use of Foreign Currency in Insurance Activities, as approved by Resolution of the Board of the National Bank of Ukraine No. 135 of April 27, 2000.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	In accordance with regulatory provisions related to anti–money laundering measures, when customers effect cash transactions involving Hrv 50,000 or its equivalent and noncash transactions involving Hrv 80,000 or more that have one or more of the features of transactions subject to financial monitoring, a bank sends a notice regarding the transaction to the state financial monitoring body.
Investment-related payments	
<i>Prior approval</i>	Income from domestic investments in Ukraine may be transferred abroad without restriction on confirmation and payment of taxes due.

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Payments for travel	
<i>Quantitative limits</i>	Limits apply on the movement of domestic and foreign currency across the border of Ukraine.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	Resident individuals may freely transfer foreign currency abroad for current noncommercial transactions as defined by norms set forth in current legislation. In particular, resident individuals may transfer without opening an account with an authorized bank (1) the equivalent of \$600 in favor of persons permanently or temporarily abroad, (2) \$600 for the purchases of foreign publications, and (3) \$200 for other services provided by nonresidents.
<i>Quantitative limits</i>	Depending on the purpose of the transfer, transfers in excess of established norms require an NBU license.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	Residents may use abroad credit cards that are issued by Ukrainian banks. Resident legal entities of Ukraine are prohibited from using payment cards in settlements with nonresidents for foreign economic agreements.
Other payments	An NBU license is required for transfers abroad for membership dues. Legal entities may subscribe to periodicals and literature on the basis of an agreement, and individuals may subscribe within the limits of the established norm, \$600 a month.
References to legal instruments and hyperlinks	Law on Payment Systems and Transferring Money in Ukraine; Statute on Procedures for the Issuance of Payment Cards and the Performance of Operations Using Them, as approved by Resolution of the Board of the National Bank of Ukraine No. 137 of April 19, 2005; Statute on Procedures for the Movement of Currency of Ukraine, Foreign Currency, Bank Metals, Payment Documents, Other Banking Documents, and Payment Cards across the Customs Border of Ukraine, as approved by Resolution of the National Bank of Ukraine No. 283 of July 12, 2000; Rules on the Performance of Transfers of Foreign Currency at the Instruction and for the Benefit of Individuals, as approved by Resolution of the National Bank of Ukraine No. 486 of October 14, 2004; Rules on the Use of Cash Foreign Currency on the Territory of Ukraine, as approved by Resolution of the National Bank of Ukraine No. 119 of March 26, 1998; Statute on Procedures and Conditions for Trading Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 281 of August 10, 2005; Statute on Procedures for the Issuance of Individual Licenses for the Transfer of Foreign Currency outside Ukraine for Payment for Bank Metals and the Performance of Certain Foreign Exchange Operations, as approved by Resolution of the National Bank of Ukraine No. 266 of June 17, 2004.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Proceeds, except those of a few organizations with international operations (i.e., those enterprises licensed by the NBU to place and use some funds from an account abroad for their maintenance, such as the national airlines), are subject to repatriation requirements.
Restrictions on use of funds	Yes.
References to legal instruments and hyperlinks	Resolution of the Cabinet of Ministers of Ukraine and the National Bank of Ukraine No. 215 of March 30, 2005, on Amendments to Anti-Crisis Measures for Financial Stabilization; Resolution of the National Bank of Ukraine No. 95 of March 30, 2005, on Amendments to Anti-Crisis Measures for Financial Stabilization.

Capital Transactions

Controls on capital transactions	An NBU license is required for transfer of foreign currency by resident securities traders to the account of a nonresident foreign investor abroad for the purpose of paying for securities issued in Ukraine, provided these securities were not acquired on the Ukrainian stock market and/or from the commercial information system.
Repatriation requirements	No.

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Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

These transactions must be registered.

Sale or issue locally by nonresidents

Foreign securities may be traded in Ukraine once they have been registered with the State Securities and Stock Market Commission (SSSMC). They must be placed with a depository in the country of their origin and either listed on the stock exchange or cleared for trading in the trading information system in the country of their origin and listed with one of the following stock exchanges: American Stock Exchange, Frankfurt Stock Exchange, New York Stock Exchange, Tokyo Stock Exchange, Toronto Stock Exchange, Stock Exchange of Hong Kong, or London Stock Exchange. Persons offering foreign securities for sale in Ukraine must provide Ukrainian investors with the opportunity to inspect the issue prospectus and the issuer's report for the most recent fiscal year. An NBU license is required for the acquisition by residents of foreign securities in Ukraine.

Purchase abroad by residents

An NBU license is required.

Sale or issue abroad by residents

A resident issuer may place securities outside Ukraine with permission of the SSSMC.

Bonds or other debt securities

Purchase locally by nonresidents

Nonresidents are not required in primary auctions to predeposit in hryvnias the bidding amounts for government securities. Purchases of government securities must be registered with the NBU depository. Authorized banks acquire bonds on instructions of nonresidents at auctions conducted by the NBU. Purchases of other debt securities must be registered.

Sale or issue locally by nonresidents

The regulations governing shares or other securities of a participating nature apply.

Purchase abroad by residents

An NBU license is required.

Sale or issue abroad by residents

A resident issuer may place securities outside Ukraine on the basis of a permit from the SSSMC.

On money market instruments

Purchase locally by nonresidents

Nonresidents are prohibited from purchasing government securities with a maturity of less than 12 months.

Sale or issue locally by nonresidents

Yes.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Yes.

On collective investment securities

Purchase locally by nonresidents

The regulations governing shares or other securities of a participating nature apply.

Sale or issue locally by nonresidents

These operations must be registered.

Purchase abroad by residents

The regulations governing shares or other securities of a participating nature apply.

Sale or issue abroad by residents

An NBU license is required.

A resident issuer may place securities outside Ukraine with permission of the SSSMC.

Controls on derivatives and other instruments

Hedging is permitted against exchange rate risk arising from contracts between residents and foreign economic agents, provided the hedging is conducted by the execution of a forward agreement maturing in up to one year through banking institutions, and the foreign currency involved is included in Group 1 of the NBU's Classification of Foreign Currencies and Bank Metals. Banks are also permitted to conduct forward foreign exchange operations with a maturity of up to one year on their own behalf and on behalf of their clients. Banks may transact purchases of foreign currency in Group 1 of the classification, provided the long (short) open foreign exchange position of the bank for such transactions is not more than 10% (of regulated capital). Transactions with other foreign currency derivatives (such as futures and options) for which the underlying asset is a foreign currency or cross rate of a foreign currency are permitted in the interbank market; settlements on these contracts are in hryvnias. Authorized banks may conduct forward transactions in the purchase or sale of

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	bank metals for foreign currency in Group 1 of the classification within 50% of the limits of a bank's long (short) open foreign exchange position. Banks may transact futures contracts on changes in the exchange rate of bank metals maturing in not more than six months. Transactions with other foreign exchange derivative instruments (derivatives) are prohibited.
Purchase locally by nonresidents	Yes.
Sale or issue locally by nonresidents	Yes.
Purchase abroad by residents	An NBU license is required.
Sale or issue abroad by residents	A resident issuer may place securities outside Ukraine with permission of the SSSMC.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	An NBU license is required if the repayment deadline exceeds 90 days.
Financial credits	
<i>By residents to nonresidents</i>	These transactions require a license and written permission from the NBU.
<i>To residents from nonresidents</i>	Registration with the NBU is required for credits (loans) in foreign currency. The registration requirement does not apply to commercial credits and credits solicited under government guarantees. The NBU establishes ceilings on interest rates for borrowing of resources abroad. Effective March 11, 2006, banks are no longer required to hold with the NBU 20% of foreign currency credits from nonresidents with a maturity of up to 180 days as unremunerated required reserves.
Guarantees, sureties, and financial backup facilities	
<i>By residents to nonresidents</i>	An NBU license and a written permit are required for banks and financial institutions.
Controls on direct investment	
Outward direct investment	Direct investments by residents abroad (including resident acquisitions of foreign securities in Ukraine and abroad) are subject to NBU licenses. The acquisition of foreign securities by a resident is considered a portfolio investment and also requires an NBU license.
Inward direct investment	Acquisitions of interest in a Ukrainian enterprise (including through the acquisition of securities) by a nonresident investor must be registered within three days after the investment is undertaken. Registration of foreign investments is administered by the Council of Ministers of the Autonomous Republic of Crimea and by the authorities of the oblasts and of the cities of Kiev and Sevastopol. Foreign investment in Ukraine may be undertaken in any currency listed in Group 1 of the NBU's Classification of Foreign Currencies and Bank Metals. Foreign investment in most types of businesses is permitted, although licenses are required in some cases. Investment in insurance and businesses engaged in intermediation activities requires a license from the MOF, and investment in the banking sector requires a license from the NBU.
Controls on liquidation of direct investment	The transfer of proceeds, after payment of taxes due, is not restricted.
Controls on real estate transactions	
Purchase abroad by residents	These transactions are considered foreign investments abroad and are subject to an NBU license. The acquisition and termination of property rights are determined by the country in which the property is located.
Purchase locally by nonresidents	These transactions are considered domestic capital investments by nonresidents and must be registered as direct investments.
Sale locally by nonresidents	The transfer of proceeds, after payment of taxes due, is not restricted.

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Controls on personal capital transactions

Loans

By residents to nonresidents

An NBU license is required.

To residents from nonresidents

These loan agreements must be registered with the NBU.

Gifts, endowments, inheritances, and legacies

A license is required for transfers of resources by residents to nonresidents. Inherited resources are transferred by nonresidents without restriction on condition of confirmation of the inheritance.

By residents to nonresidents

Yes.

Settlements of debts abroad by immigrants

n.a.

Transfer of assets

Transfer abroad by emigrants

Transfers by nonresident individuals are not restricted after settlement of tax liabilities.

Transfer into the country by immigrants

Transfers by nonresident individuals are unrestricted.

Transfer of gambling and prize earnings

n.a.

References to legal instruments and hyperlinks

Decree of the Cabinet of Ministers of Ukraine on the System of Foreign Exchange Regulation and Foreign Exchange Control, Law on Procedures for the Performance of Settlements in Foreign Currency; Law on Foreign Economic Activity; Law on the Foreign Investment Regime; Law on Securities and the Stock Market; Law on Investment Activity; Statute on Procedures for the Receipt by Residents of Credits and Loans in Foreign Currency from Nonresidents and the Provision by Residents of Loans in Foreign Currency to Nonresidents, as approved by Resolution of the Board of the National Bank of Ukraine No. 270 of June 17, 2004; Instruction on Procedures for the Issuance of Individual Licenses for Investments Abroad, as approved by Resolution of the Board of the National Bank of Ukraine No. 122 of March 16, 1999; Resolution of the Board of the National Bank of Ukraine No. 280 of August 10, 2005, on Regulation of Questions of Foreign Investment in Ukraine; Instruction on Procedures for Controls and Licenses for Export, Import, and Leasing Operations, as approved by Resolution of the Board of the National Bank of Ukraine No. 136 of March 24, 1999; Statute on Procedures and Conditions for Trading Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 281 of August 10, 2005; Statute on the Execution by Authorized Banks of Operations with Bank Metals, as approved by Resolution of the National Bank of Ukraine No. 325 of August 6, 2003; Instruction on Procedures for Opening, Using, and Closing Accounts in Domestic and Foreign Currency, as approved by Resolution of the Board of the National Bank of Ukraine No. 492 of November 12, 2003; Rules on the Performance of Transfers of Foreign Currency at the Instruction and for the Benefit of Individuals, as approved by Resolution of the National Bank of Ukraine No. 486 of October 14, 2004.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Loan agreements exceeding one year require registration with the NBU. The NBU sets ceilings on interest rates for borrowing from abroad.

Maintenance of accounts abroad

A banking license and written permission from the NBU are required.

Lending to nonresidents (financial or commercial credits)

A banking license and written permission from the NBU are required.

Lending locally in foreign exchange

A banking license and written permission from the NBU are required.

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Purchase of locally issued securities denominated in foreign exchange	A license is required from the SSSMC.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Different reserve requirements apply to deposits, depending on the currency and the type of funds. Effective March 11, 2006, banks are no longer required to hold with the NBU 20% of foreign currency credits from nonresidents with a maturity of up to 180 days as unremunerated required reserves.
Investment regulations	
<i>Abroad by banks</i>	An NBU license is required.
<i>In banks by nonresidents</i>	Registration and prior consent from the NBU are required.
Open foreign exchange position limits	Open foreign exchange position limits are set by the NBU. Authorized banks may transact their own operations for the purchase and sale of foreign currency for hryvnias within the framework of the established open foreign exchange position limits. Open foreign exchange position limits are established as a percentage of the regulated capital: (1) the total open foreign exchange position limit for foreign currencies and bank metals is not more than 30%; (2) the total short open foreign exchange position limit for foreign currencies and bank metals is not more than 10%; and (3) the long (short) open foreign exchange position limit for forward transactions is not more than 10%.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	An NBU license is required for transferring own funds to nonresident accounts opened with foreign banks for the purpose of purchasing securities from the latter.
Pension funds	n.a.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	n.a.
<i>Limits (max.) on investment portfolio held abroad</i>	Diversified mutual funds are prohibited from (1) acquiring or investing in shares and bonds of foreign issuers cleared for trading on organized stock exchanges of foreign countries in amounts exceeding 20% of the mutual fund's total value; (2) acquiring or investing in other assets, as allowed by legislation, in amounts exceeding 5% of the mutual fund's assets; (3) acquiring or exchanging securities issued by persons, asset management companies, or depositories that are affiliated with the mutual fund; and (4) acquiring or investing in securities with income guaranteed by foreign governments in amounts exceeding 20% of the total value of the mutual fund's assets. If a closed, undiversified mutual fund makes an exclusively private placement of its own securities, and more than 50% of its assets consist of corporate rights and securities not cleared for trading on the stock exchange or for the trading information system, it is treated as a venture fund. Only legal entities may be participants in a venture fund.
<i>Limits (min.) on investment portfolio held locally</i>	Diversified mutual funds are prohibited from (1) holding more than 30% of the total value of the mutual fund's assets in monetary resources, bank accounts, savings certificates, and/or bonds issued by commercial banks; (2) acquiring or investing in securities of one issuer in amounts exceeding 5% of the total value of the mutual fund's assets; (3) acquiring or investing in government securities with income guaranteed by the Cabinet of Ministers in amounts exceeding 25% of the total value of the mutual fund's assets (investment of a mutual fund's resources in fewer than three types of government securities is prohibited); (4) acquiring or investing in securities of local governments in amounts exceeding 10% of the

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total value of assets; (5) acquiring or investing in bonds of enterprises issued by residents (except commercial banks) in amounts exceeding 20% of the total value of the mutual fund's assets; and (6) acquiring or investing more than 40% of the total value of the mutual fund in shares of Ukrainian issuers.

Assets of a mutual fund are managed by an asset management company (any legal entities created pursuant to Ukrainian legislation may be an asset management company). The total value of the assets of a mutual fund that are managed by a single asset management company may not exceed an amount set by the commission's statutes and regulations.

Currency-matching regulations on assets/liabilities composition

n.a.

References to legal instruments and hyperlinks

Decree of the Cabinet of Ministers of Ukraine on the System of Foreign Exchange Regulation and Foreign Exchange Control, Law on the Foreign Investment Regime; Law on Securities and the Stock Market; Law on Investment Activity; Law on Community Investment Vehicles (Mutual and Corporate Investment Funds); Resolution of the Board of the National Bank of Ukraine No. 280 of August 10, 2005, on Regulation of Questions of Foreign Investment in Ukraine; Statute on Procedures for the Receipt by Residents of Credits and Loans in Foreign Currency from Nonresidents and the Provision by Residents of Loans in Foreign Currency to Nonresidents, as approved by Resolution of the Board of the National Bank of Ukraine No. 270 of June 17, 2004; Resolution of the Board of the National Bank of Ukraine No. 122 of March 16, 1999, on Approval of the Instruction on Procedures for the Issuance of Individual Licenses for Investments Abroad; Resolution of the Board of the National Bank of Ukraine No. 290 of August 12, 2005, on Amendments to Several Regulatory Acts of the National Bank of Ukraine and Establishment of Open Foreign Exchange Position Limits for Banks; Statute on Procedures for the Issuance by the National Bank of Ukraine of Individual Licenses for the Placement by Residents (Legal Entities and Individuals) of Foreign Exchange Assets in Accounts outside Ukraine, as approved by Resolution of the Board of the National Bank of Ukraine No. 485 of October 14, 2004; Statute on the Opening and Operation of Correspondent Accounts of Resident and Nonresident Banks in Foreign Currency and of Correspondent Accounts of Nonresident Banks in Hryvnias, as approved by Resolution of the Board of the National Bank of Ukraine No. 118 of March 26, 1998.

Changes during 2006

Exchange arrangement

January 1. The fee on purchases of noncash foreign exchange used for government pension insurance was reduced to 1.3% from 1.5%.

Capital transactions

Controls on credit operations

March 11. Banks were no longer required to hold with the NBU 20% of foreign currency credits from nonresidents with a maturity of up to 180 days as unremunerated required reserves.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

March 11. Banks were no longer required to hold with the NBU 20% of foreign currency credits from nonresidents with a maturity of up to 180 days as unremunerated required reserves.

Changes during 2007

Exchange arrangement

January 1. The fee on purchases of noncash foreign exchange used for government pension insurance was lowered to 1% from 1.3%.

UNITED ARAB EMIRATES

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 13, 1974.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions

In accordance with UN Security Council Resolution No. 1373 (2001), accounts belonging to individuals and/or organizations associated with terrorism are frozen. Banks are required to verify identification for transfers exceeding AED 40,000. Money changers are required to do the same for transfers exceeding AED 2,000. Free zones in the United Arab Emirates are required to verify the identification of persons wishing to establish businesses.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of the United Arab Emirates is the U.A.E. dirham.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

The dirham is pegged to the dollar, the intervention currency, at AED 3.6725 per \$1.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

The United Arab Emirates Central Bank (UAECB) maintains a swap facility, which commercial banks may use to purchase dirhams spot and to sell dirhams forward for periods of one week, one month, and three months. For each bank, maximum limits of \$20 million outstanding for one-month and three-month swaps and \$10 million outstanding for one-week swaps are in effect. There is also a daily limit of \$3 million on purchases by each bank for one-month and three-month swaps. This facility is designed to provide temporary dirham liquidity to commercial banks. Swap facilities are not available to banks having a short position in dirhams, except for covering forward transactions for commercial purposes.

Official cover of forward operations

Yes.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

There are no prescription requirements, but settlements with Israel are prohibited.

Payments arrangements

Regional arrangements

The United Arab Emirates is a member of the GCC Customs Union.

Administration of control

Yes.

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Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	No.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	These accounts may be maintained in offshore affiliates of domestic banks.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be opened by banks and trade, financial, and industrial companies incorporated outside the United Arab Emirates that have no local branches; by branches of local institutions in foreign countries; and by embassies and diplomatic agencies. These accounts may also be opened by U.A.E. citizens working abroad and by nonresident foreigners working in the United Arab Emirates.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	Only licensed parties may engage in import trade. Importers may import only the goods specified in their licenses.
Negative list	Imports of a few products are prohibited for health, security, or moral reasons.
Other nontariff measures	Imports from Israel are prohibited, as are imports of products manufactured by foreign companies blacklisted by the Arab League.

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Import taxes and/or tariffs	In accordance with the GCC Customs Union, a unified tariff of 5% applies on most dutiable goods.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	No.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	
On capital market securities	
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	At least 51% of the shares of U.A.E. corporations must be held by U.A.E. nationals or organizations. Companies domiciled in free zones are exempt from this requirement and may be up to 100% foreign-owned.
Sale or issue locally by nonresidents	Yes.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	Yes.

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On collective investment securities	
<i>Purchase locally by nonresidents</i>	Purchases by GCC residents are exempt from controls.
<i>Sale or issue locally by nonresidents</i>	The issuance of some mutual funds is permitted.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	At least 51% of the equity of companies, other than branches of foreign companies, must be held by nationals of the United Arab Emirates. GCC nationals are permitted to hold (1) up to 75% of the equity of companies in the industrial, agricultural, fisheries, and construction sectors; and (2) up to 100% of the equity of companies in the hotel industry. GCC nationals are also permitted to engage in wholesale and retail trade activities, except in the form of companies, in which case they are subject to the company law. In free zones, foreign ownership is permitted up to 100%.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	
Purchase locally by nonresidents	A new system of freehold properties allows nonresidents, subject to each Emirate's specific conditions, to own real estate. The new system was first introduced in Dubai and is now generalized to the other main Emirates, particularly Abu Dhabi, Sharjah, Ajman, and Ras Al-Khaimah.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Commercial banks operating in the United Arab Emirates are prohibited from engaging in nonbanking operations.
Lending to nonresidents (financial or commercial credits)	Banks operating in the United Arab Emirates are required to maintain special deposits with the UAECB equal to 30% of their dirham placements with, or loans to, nonresident banks when these transactions have a remaining maturity of one year or less. The profits of foreign banks are subject to a profit tax levied by local authorities at an annual rate of 20%.
Investment regulations	
<i>Abroad by banks</i>	Banks are not allowed to lend more than 7% of their capital base to one foreign institution. Also, they are not allowed to invest more than 25% of their own funds in shares or bonds issued by commercial companies. Loans to foreign governments with a first-class credit rating and placement in such countries' financial institutions are exempt from such limits.
<i>In banks by nonresidents</i>	Nonresidents may not acquire more than 20% of the share capital of any national bank. For the acquisition by nonresidents of shares of national banks, the U.A.E. company law applies, i.e., nonresidents are allowed to acquire up to 49% of the total shares.
Provisions specific to institutional investors	
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

UNITED ARAB EMIRATES

Changes during 2006

No significant changes occurred in the exchange and trade system.

UNITED KINGDOM

(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 15, 1961.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

On February 27, 2007, the authorities notified the IMF that pursuant to mandatory UN Security Council regulations and relevant EU regulations, financial sanctions are in place against Al-Qaida, the Taliban, and individuals, groups, and organizations associated with terrorism; individuals and entities associated with, engaged in, or providing support for the Democratic People's Republic of Korea's nuclear-related, other weapons of mass destruction-related, and ballistic missile-related programs, or the Islamic Republic of Iran's proliferation-sensitive nuclear activities or development of nuclear weapon delivery systems; individuals and state-owned entities of the former government of Iraq; certain persons associated with the former government of Liberia; persons considered to be a threat to peace and reconciliation in the Democratic Republic of the Congo, Côte d'Ivoire, and Sudan; and persons considered by the UN to have been involved in the assassination of former Lebanese Prime Minister Rafik Hariri. In accordance with the sanctions, it is an offense to make funds or economic resources available to or for the benefit of the designated targets of these sanctioned regimes and anyone acting for or on behalf of those targets. Funds and other financial assets and economic resources of the designated targets are frozen. The targets are designated by the relevant UN Sanctions Committee, except in the case of terrorism, where EU or domestic designation is required. In addition to UN sanctions, there are also a number of EU-based financial sanctions of regimes pertaining to Myanmar, the former government of the Federal Republic of Yugoslavia, the International Criminal Tribunal for the Former Yugoslavia, President Lukashenko and certain other officials of Belarus who are responsible for violations of international electoral standards in the presidential elections in Belarus on March 19, 2006 and the crackdown on civil society and democratic opposition. (effective May 20, 2006, with the publication of Council Regulation (EC) No 765/2006,), and Zimbabwe. The restrictions on making funds or economic resources available and the requirement to freeze funds are the same as for the UN-based sanctions.

In addition to these financial sanctions, the financing of and financial assistance related to military activities in the Democratic Republic of the Congo, Côte d'Ivoire, the Islamic Republic of Iran, the Democratic People's Republic of Korea, Liberia, Myanmar, Somalia, Sudan, Uzbekistan, and Zimbabwe are prohibited.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

www.bankofengland.co.uk/publications/financialsanctions/index.htm.

Exchange Arrangement

Currency

The currency of the United Kingdom is the pound sterling.

Other legal tender

Gold sovereigns and britannias are legal tender, but do not circulate.

Exchange rate structure

Unitary.

UNITED KINGDOM

Classification

Independently floating	The exchange rate of the pound sterling is determined on the basis of supply and demand in the foreign exchange market. However, the authorities may intervene at their discretion to moderate undue fluctuations in the exchange rate.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Banks are allowed to engage in forward exchange transactions in any currency, and they may deal among themselves and with residents and nonresidents in foreign notes and coins at free market exchange rates.
References to legal instruments and hyperlinks	Further information is available by contacting HM Treasury at +44 (0)20 7270 4558 or public.enquiries@hm-treasury.gov.uk .

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Regional arrangements	The United Kingdom is a member of the EU.
Administration of control	No.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Gold bullion and gold coins are not subject to controls. Gold coins have also been issued in Jersey and the Isle of Man and are legal tender there. Except under the authority of a license granted by the treasury, it is not permitted to melt down or break up any metal coin that is for the time being current in the United Kingdom or that, having been current there, has at any time after May 16, 1969, ceased to be so. There is a gold market in London in which gold bars are traded freely.
On external trade	The exportation of gold in manufactured form more than 50 years old and valued at £8,000 or more for each item, or matching set of items, also requires a license from the Department of Culture, Media, and Sport.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

UNITED KINGDOM

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	Import restrictions are in effect for public safety reasons and to satisfy international obligations.
Open general licenses	Most imports are admitted to the United Kingdom under an OGL.
Licenses with quotas	Textile and clothing imports from the People's Democratic Republic of Korea, Serbia, Montenegro, and Kosovo are restricted under the terms of autonomous arrangements; and textiles imports from China and Belarus, as well as imports of certain steel products from the Russian Federation, Ukraine, and Kazakhstan, are subject to EU bilateral agreements. There are EU prior surveillance licensing arrangements for imports of certain steel products from all sources except the EU. There is double control surveillance of imports of certain steel products from Romania, Moldova, and the former Yugoslav Republic of Macedonia and textiles from Uzbekistan. Imports of cars from Japan are also subject to quotas under a separate agreement (The Elements of Consensus) between the EU and the Japanese government. A few articles may be imported under OGLs (i.e., without limit as to quantity or value). EU controls apply on imports of certain textiles and clothing products from China.
Other nontariff measures	Imports of cereals and cereal products, beef and veal, mutton and lamb, poultry meat, and dairy products other than butter and cheese are subject to minimum import prices enforced through autonomously imposed variable import levies. Imports of many other agricultural, horticultural, and livestock products are subject to EU regulations. Imports of rough diamonds are permitted only if accompanied by a Kimberley Process certificate that has been validated by the exporting government, and if secured within a tamper-resistant container with the original seals intact. The importation of antipersonnel mines is subject to a ban. Licensing requirements apply on the import of firearms and ammunition and nuclear materials.
Import taxes and/or tariffs	Yes.
State import monopoly	No.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

Exports and Export Proceeds

Repatriation requirements	No.
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UNITED KINGDOM

Financing requirements	No.
Documentation requirements	No.
Export licenses	Exports of certain products are controlled for reasons of national security, animal welfare, and national heritage, and in accordance with international agreements.
Without quotas	Exports of rough diamonds are permitted only if accompanied by a validated Kimberley Process certificate, and if secured within a tamper-resistant container with the original seals intact (EC Directive No. 2368/2002).
Export taxes	No.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	No.
Controls on direct investment	
Inward direct investment	<p>Under the Enterprise Act of 2002, ministers have certain powers to intervene in mergers that raise specified “public interest considerations.” To date, two public interest considerations have been specified: national security and plurality of the media. Under Section 58 of the Enterprise Act of 2002, ministers may add further public interest considerations subject to parliamentary approval. Use of the intervention powers means the competition authorities must consider the public interest issue identified by the minister in addition to the competition issues raised by the merger. Ministers are bound by the findings of the competition authorities on the competition issues raised by the case, but make decisions on whether the merger should be cleared, cleared subject to conditions, or blocked on the grounds of the specified public interest consideration. There are statutory timetables for considering the case and reaching decisions. These powers have not been used to date. In addition, controls apply to (1) investment in air transportation; (2) certain broadcasting licenses (including, in particular, commercial television, teletext, and radio licenses) other than by nationals of, or enterprises originating in, EU member countries; and (3) acquisition of U.K. flag vessels, except through an enterprise incorporated in the United Kingdom.</p>

UNITED KINGDOM

Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Open foreign exchange position limits	Net spot liabilities in foreign currencies (i.e., the net amount of foreign currency resources funding sterling assets) form part of a bank's eligible liabilities that are subject to a 0.15% non-interest-bearing deposit requirement with the Bank of England. The level of the required deposit is based on the average of reported eligible liabilities over a six-month period in excess of the equivalent of £500 million. This rule applies to building societies as well as to banks.
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Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.

References to legal instruments and hyperlinks	HM Treasury at public.enquiries@hm-treasury.gov.uk .
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Changes during 2006

Exchange measures	<i>May 20.</i> With the publication of Council Regulation (EC) No 765/2006, financial sanctions went into effect against President Lukashenko and certain other officials of Belarus who are responsible for violations of international electoral standards in the presidential elections in Belarus on March 19, 2006, and the crackdown on civil society and democratic opposition.
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Changes during 2007

Exchange measures	<i>February 27.</i> The authorities informed the IMF of certain financial sanctions imposed against certain countries, individuals, and entities, in accordance with relevant UN Security Council resolutions and EU regulations.
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UNITED STATES

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: December 10, 1946.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

The Department of the Treasury (Treasury) administers economic sanctions programs involving certain direct or indirect commercial transactions with Cuba, the Islamic Republic of Iran, the Democratic People's Republic of Korea, Liberia, Myanmar, Sudan, the Syrian Arab Republic, Zimbabwe, certain persons undermining democratic processes or institutions in Belarus (effective June 19, 2006), certain persons contributing to the conflict in the Democratic Republic of the Congo (effective October 30, 2006), certain persons contributing to the conflict in Côte d'Ivoire (effective February 8, 2006), certain persons contributing to the conflict in Darfur (effective April 27, 2006), certain persons associated with the former Iraqi regime, indictees designated by the International Criminal Tribunal for the Former Yugoslavia and certain persons associated with the government of the former Federal Republic of Yugoslavia, persons who threaten international stabilization efforts in the Western Balkans, foreign terrorists who threaten to disrupt the Middle East peace process, governments supporting terrorism, foreign terrorist organizations, designated global terrorists, designated weapons of mass destruction proliferators and their supporters, and designated narcotics traffickers and kingpins, as specified under the following: (1) the Cuban Assets Control Regulations; (2) the Iranian Assets Control Regulations and the Iranian Transactions Regulations; (3) the Iraqi Sanctions Regulations; (4) the Foreign Assets Control Regulations; (5) the Former Liberian Regime of Charles Taylor Sanctions Regulations; (6) the Burmese Sanctions Regulations; (7) the Sudanese Sanctions Regulations; (8) the Syrian Sanctions Regulations; (9) the Zimbabwe Sanctions Regulations; (10) effective February 8, 2006, Executive Order 13396 (Blocking Property of Certain Persons Contributing to the Conflict in Côte d'Ivoire); (11) effective April 27, 2006, Executive Order 13400 (Blocking Property of Certain Persons in Connection with the Conflict in Sudan's Darfur Region); (12) effective June 19, 2006, Executive Order 13405 (Blocking Property of Certain Persons Undermining Democratic Processes or Institutions in Belarus); (13) effective October 30, 2006, Executive Order 13413 (Blocking Property of Certain Persons Contributing to the Conflict in the Democratic Republic of the Congo); (14) the Federal Republic of Yugoslavia (the former Republic of Serbia and Montenegro) Milosevic Sanctions Regulations and residual provisions of the Federal Republic of Yugoslavia (the former Republic of Serbia and Montenegro) Kosovo Sanctions Regulations; (15) Executive Order 13304 (Termination of the Emergencies with respect to Yugoslavia and Modification of Executive Order 13219) and the Western Balkans Stabilization Regulations; (16) the Terrorism Sanctions Regulations; (17) the Terrorism List Government Sanctions Regulations; (18) the Foreign Terrorist Organizations Sanctions Regulations; (19) the Global Terrorism Sanctions Regulations; (20) the Narcotics Trafficking Sanctions Regulations; and (21) the Foreign Narcotics Kingpin Sanctions Regulations; and (22) Executive Order 13382 (Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters).

The Treasury has administrative responsibility for blocked accounts of most sanctions targets. The comprehensive sanctions with respect to the former Federal Republic of Yugoslavia have been lifted with respect to present transactions with persons other than specific members of the government, their associates, and individual war criminals. However, certain funds and other properties blocked under these sanctions programs remain blocked until provision is made to address claims or encumbrances with respect to such funds and property, including the claims of the successor states of the former Federal Republic of Yugoslavia. (Most of these assets have been unblocked.) The Treasury also prohibits trade in rough diamonds with countries that do not participate in the Kimberley Process Certification Scheme (under the Rough Diamonds Control Regulations); restricts certain offshore transactions involving strategic merchandise to certain countries, under the

UNITED STATES

In accordance with IMF Executive Board Decision No. 144-(52/51)	Transaction Control Regulations; prohibits imports into the United States from certain entities that proliferate nuclear, biological, or chemical weapons, under the Weapons of Mass Destruction Trade Control Regulations; and asserts protective jurisdiction over property and property interests of the government of the Russian Federation that are in the United States and directly related to the implementation of the Highly Enriched Uranium Agreements under the Highly Enriched Uranium Assets Control Regulations.
Other security restrictions	Certain restrictions are imposed on the making of payments and transfers for current international transactions. The Foreign Assets Control Regulations permit most transactions with the Democratic People's Republic of Korea and its nationals, and a review procedure for the importation of goods therefrom has been established. The assets of the following are blocked, and certain transactions with them are prohibited: specified foreign persons and foreign persons later determined to have committed or to pose a significant risk of committing acts of terrorism that threaten national security, foreign policy, the U.S. economy, or the security of U.S. nationals; persons owned or controlled by, or acting for or on behalf of, terrorists or their supporters; persons providing assistance or financial, material, or technological support for, or financial or other services to, or in support of, terrorists or acts of terrorism; and persons otherwise associated with any of the foregoing persons.
References to legal instruments and hyperlinks	The Treasury administers economic sanctions programs on the basis of UN Security Council Resolutions Nos. 1267, 1363, 1373, and 1390 involving certain direct or indirect financial or commercial transactions with Iraq, the former Republic of Serbia and Montenegro, and persons associated with terrorism. http://treas.gov/offices/enforcement/ofac ; http://treas.gov/offices/enforcement/ofac/programs ; http://treas.gov/offices/enforcement/lists .

Exchange Arrangement

Currency	The currency of the United States is the U.S. dollar.
Exchange rate structure	Unitary.
Classification	
Independently floating	The exchange rate of the dollar is determined freely in the foreign exchange market.
Exchange tax	No.
Exchange subsidy	No.
Forward exchange market	Yes.
References to legal instruments and hyperlinks	n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements	No.
Payments arrangements	
Bilateral payments arrangements	
<i>Operative</i>	Yes.
Regional arrangements	The United States is a member of NAFTA and the NAFA.
Administration of control	No.
Payments arrears	No.

UNITED STATES

Controls on trade in gold (coins and/or bullion)

On external trade No controls are imposed, except on the countries, groups of persons, and individuals to which international security restrictions apply.

Controls on exports and imports of banknotes

Individuals leaving or entering the United States with more than the equivalent of \$10,000 in domestic or foreign currency, traveler's checks, money orders, or negotiable bearer securities must declare these to customs at the point of exit or entry.

References to legal instruments and hyperlinks

n.a.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Yes.

Held abroad

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Yes.

Domestic currency accounts

Yes.

Convertible into foreign currency

Yes.

Blocked accounts

Cuban nationals, Sudan, certain individuals and entities from Belarus (effective June 19, 2006), certain individuals and entities from the Democratic Republic of the Congo (effective October 30, 2006), certain individuals and entities from Côte d'Ivoire (effective February 8, 2006), certain persons contributing to the conflict in Darfur (effective April 27, 2006), Liberia, Myanmar, Zimbabwe, proliferators of weapons of mass destruction and their supporters, specially designated global terrorists, foreign terrorists who threaten to disrupt the Middle East peace process, foreign terrorist organizations, persons indicted by the International Criminal Tribunal for the Former Yugoslavia and specific persons associated with the government of the former Federal Republic of Yugoslavia, specially designated narcotics traffickers and kingpins, and foreign persons who threaten international stabilization efforts in the Western Balkans. Certain accounts blocked pursuant to economic sanctions against the Islamic Republic of Iran, the Democratic People's Republic of Korea, and the former Federal Republic of Yugoslavia remain blocked, notwithstanding an end to most blocking sanctions related to those nations.

References to legal instruments and hyperlinks

<http://treas.gov/offices/enforcement/ofac>; <http://treas.gov/offices/enforcement/ofac/programs>; <http://treas.gov/offices/enforcement/lists>.

Imports and Import Payments

Foreign exchange budget

No.

UNITED STATES

Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.
Import licenses and other nontariff measures	
Negative list	The importation of most goods and services originating in Cuba, the Islamic Republic of Iran, or Sudan; goods of Myanmar origin; and some goods that were produced or provided by certain entities that proliferate nuclear, biological, or chemical weapons is prohibited unless specifically authorized by the Treasury. Imports from the Democratic People's Republic of Korea require prior notification to and approval from the Office of Foreign Assets Control. The importation of rough diamonds from any country is prohibited unless they are controlled through the Kimberley Process Certification Scheme.
Open general licenses	Controls apply to the importation of certain foodstuffs and carpets from the Islamic Republic of Iran.
Licenses with quotas	Quotas apply to textile and apparel imports through bilateral agreements with several non-WTO members: Belarus, the Russian Federation, Ukraine, and Vietnam. These agreements remain in effect until terminated by mutual consent, expiration, or WTO accession of the other party. In accordance with the special textile safeguard paragraph in China's WTO Accession Agreement, the United States imposed import controls on several categories of textile and apparel imports from China. Under the same provision, effective January 1, 2006, the United States and China negotiated a bilateral agreement to limit imports of textiles and apparel from China during 2006–08. That provision in the Accession Agreement expires at end-2008.
Import taxes and/or tariffs	Import tariffs are generally low, with higher-than-average rates for imports of beverages and tobacco, textiles and clothing, and leather and footwear. As a result of the Uruguay Round, all tariff lines are bound.
State import monopoly	No.
References to legal instruments and hyperlinks	Information on the volume level of the quotas and the quota fill rates is available at www.cbp.gov/xp/cgov/import/textiles_and_quotas/textile_status_report/archived/2006_year_rpt .

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	The Department of Commerce (DOC) controls the export and reexport of dual-use products, technology, and software for reasons of national security, foreign policy, nonproliferation, and short supply. Except for shipment to U.S. territories and possessions, which are treated as part of the United States, most exports outside the United States are subject to the Export Administration Regulations. Several agencies of the U.S. government maintain export controls on products other than dual-use articles and services. For example, the Treasury prohibits exports of certain types of goods, services, and technology to specifically sanctioned countries and recipients, and certain exports to sanctioned countries are subject to licenses that are issued on a case-by-case basis, pursuant to established policies and procedures. Likewise, the Department of Agriculture controls the export of livestock, dairy, and poultry items.
Without quotas	Ammunition for military use may be exported only under a license issued by the Office of Defense Trade Controls in the Department of State. The DOC administers controls on exports of crime-control items, detection equipment, and related technologies to most countries that depend on these commodities.
Export taxes	No.

UNITED STATES

References to legal instruments and hyperlinks

www.bis.doc.gov/ComplianceAndEnforcement/index.htm; www.ustreas.gov/offices/enforcement/ofac/programs/index.shtml.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Laws on inward direct investment apply to purchases in the United States by nonresidents. The control applies only to purchases by nonresidents of securities that may be restricted by laws on inward direct investment and on establishment in the nuclear energy, maritime, communications, air and land transport, and shipping industries. There are some restrictions specific to state legislative jurisdiction in the banking, securities, and insurance sectors.

Sale or issue locally by nonresidents

Public offers and sales of securities in the United States or to U.S. residents by foreign private issuers are generally prohibited by the Securities Act of 1933 and the Securities Exchange Act of 1934 unless registered. The use of small business registration forms and a small issues exemption from registration by nonresident issuers is also restricted.

Bonds or other debt securities

Sale or issue locally by nonresidents

The regulations governing shares or other securities of a participating nature apply.

On money market instruments

Sale or issue locally by nonresidents

The regulations governing shares or other securities of a participating nature may apply.

On collective investment securities

Sale or issue locally by nonresidents

Public offers made in the United States or to U.S. residents by foreign investment companies are prohibited under the Investment Company Act, unless an order from the Securities and Exchange Commission (SEC) authorizing such offers is first obtained and the offer is then registered with the SEC.

Controls on derivatives and other instruments

No.

UNITED STATES

Controls on credit operations

Financial credits

By residents to nonresidents

The Johnson Act prohibits, with certain exceptions, persons within the United States from dealing in financial obligations or extending loans to foreign governments that have defaulted on payments of their obligations to the U.S. government. The act does not apply to those foreign governments that are members of both the IMF and the World Bank.

Controls on direct investment

Outward direct investment

There are controls on investment transactions with or involving Cuba and Cuban nationals; the Islamic Republic of Iran; Myanmar; Sudan; persons who commit, threaten to commit, or support terrorism; foreign terrorists who disrupt the Middle East peace process; persons indicted by the International Criminal Tribunal for the Former Yugoslavia and persons associated with the government of the former Federal Republic of Yugoslavia; certain persons undermining democratic processes or institutions in Belarus (effective June 19, 2006); certain persons contributing to the conflict in the Democratic Republic of the Congo (effective October 30, 2006); certain persons contributing to the conflict in Côte d'Ivoire (effective February 8, 2006); certain persons contributing to the conflict in Darfur (effective April 27, 2006); proliferators of weapons of mass destruction and their supporters; specially designated narcotics traffickers; and foreign persons who threaten international stabilization efforts in the Western Balkans.

Inward direct investment

Laws on inward direct investment apply to purchases in the United States by nonresidents. This control applies only to investments that may be restricted by laws on inward direct investment and establishment in the nuclear energy, maritime, communications, air and land transport, and shipping industries. Foreign acquisitions of control that threaten to impair national security may be suspended or prohibited. Investments involving ownership interest in banks are subject to federal and state banking laws and regulations. However, there are controls on investment transactions with Cuba and Cuban nationals; the Islamic Republic of Iran; Myanmar; Sudan; persons who commit, threaten to commit, or support terrorism; foreign terrorists who disrupt the Middle East peace process; persons indicted by the International Criminal Tribunal for the Former Yugoslavia and persons associated with the government of the former Federal Republic of Yugoslavia; certain persons undermining democratic processes or institutions in Belarus (effective June 19, 2006); certain persons contributing to the conflict in the Democratic Republic of the Congo (effective October 30, 2006); certain persons contributing to the conflict in Côte d'Ivoire (effective February 8, 2006); certain persons contributing to the conflict in Darfur (effective April 27, 2006); proliferators of weapons of mass destruction and their supporters; specially designated narcotics traffickers; and foreign persons who threaten international stabilization efforts in the Western Balkans. The Omnibus Trade Act contains a provision, the Exon-Florio Amendment, authorizing the president to suspend or prohibit foreign acquisitions, mergers, and takeovers in the United States if the president determines that the foreign investor might take action that would threaten to impair national security and if existing laws, other than the International Emergency Economic Powers Act and the Exon-Florio Amendment itself, are not, in the president's judgment, adequate or appropriate to protect national security.

Controls on liquidation of direct investment

No.

Controls on real estate transactions

Purchase locally by nonresidents

Ownership of agricultural land by foreign nationals or by corporations in which foreign owners have an interest of at least 10% or substantial control must be reported to the Department of Agriculture. Certain states in the United States impose various controls on foreign nationals' purchases of land within their borders.

Controls on personal capital transactions

No.

References to legal instruments and hyperlinks

A.2.a.1.b: Securities Act, 15 U.S.C. § 77a et seq.; 15 U.S.C. § 78a et seq; A.2.c.2: Investment Company Act, 15 U.S.C. § 80a-1 et seq.

UNITED STATES

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Investment regulations

Banks are subject to prudential oversight in these areas.

Open foreign exchange position limits

The foreign currency positions of banks, whether overall or with respect to individual currencies, are not subject to quantitative limitations, but banks are subject to prudential oversight. In addition, large foreign exchange market participants are required to report their holdings of five major foreign currencies and dollars weekly, monthly, or quarterly.

Provisions specific to institutional investors

Pension funds

Most private sector U.S.-based pension plans are subject to the Employee Retirement Income Security Act of 1974 (ERISA). Except with respect to securities issued by a plan's sponsor (or an affiliate), and real estate leased to a sponsor (or an affiliate), ERISA does not impose specific quantitative limits on the percentage of plan assets that may be invested in particular types of assets. Instead, ERISA establishes a set of general principles (e.g., prudence and diversification) that plan fiduciaries must observe in making and holding plan investments. ERISA also provides that no fiduciary may maintain the indicia of ownership of any assets of a plan outside the jurisdiction of the courts of the United States, except as authorized by the secretary of labor by regulations.

Limits (max.) on investment portfolio held abroad

Yes.

References to legal instruments and hyperlinks

Employee Retirement Income Security Act of 1974 (ERISA, 29 U.S.C. 1001 et seq.); other related regulations are found at 29 C.F.R. 2550.404b-1.

Changes during 2006

Exchange measures

February 8. The president issued Executive Order 13396 blocking property of certain persons contributing to the conflict in Côte d'Ivoire.

April 27. The president issued Executive Order 13400 blocking property of certain persons contributing to the conflict in Darfur.

June 19. The president issued Executive Order 13405 blocking property of certain persons undermining democratic processes or institutions in Belarus.

October 30. The president issued Executive Order 13413 blocking property of certain persons contributing to the conflict in the Democratic Republic of the Congo.

Nonresident accounts

February 8. The president issued Executive Order 13396 blocking property of certain persons contributing to the conflict in Côte d'Ivoire.

April 27. The president issued Executive Order 13400 blocking property of certain persons contributing to the conflict in Darfur.

June 19. The president issued Executive Order 13405 blocking property of certain persons undermining the democratic processes or institutions in Belarus.

October 30. The president issued Executive Order 13413 blocking property of certain persons contributing to the conflict in the Democratic Republic of the Congo.

Imports and import payments

January 1. In accordance with China's WTO Accession Agreement, the United States and China negotiated a bilateral agreement to limit imports of textiles and apparel from China during 2006–08, which will expire at end-2008.

Capital transactions

Controls on direct investment

February 8. The president issued Executive Order 13396 blocking property of certain persons contributing to the conflict in Côte d'Ivoire.

UNITED STATES

April 27. The president issued Executive Order 13400 blocking property of certain persons contributing to the conflict in Darfur.

June 19. The president issued Executive Order 13405 blocking property of certain persons undermining democratic processes or institutions in Belarus.

October 30. The president issued Executive Order 13413 blocking property of certain persons contributing to the conflict in the Democratic Republic of the Congo.

URUGUAY

(Position as of May 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: May 2, 1980.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Uruguay is the Uruguayan peso.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate The exchange rate of the Uruguayan peso is determined on the basis of supply and demand, although the Central Bank of Uruguay (BCU) reserves the right to intervene to avert abrupt changes in a concentrated market with few transactors. The dollar is the intervention currency.

Exchange tax Purchases of foreign exchange by public sector institutions are subject to a tax of 2%, with the exception of those by the CBU and official banks, which are exempt from the tax.

Exchange subsidy No.

Forward exchange market The CBU has established a market for forward purchases and sales of dollars; however, it has not actively participated in this market since March 2006. The CBU continues to offer forward contracts to provide a price guide for the private sector, but has not been receiving any significant bids.

Official cover of forward operations All open positions are covered through immediate offsetting transactions in the spot market.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements All settlements of balances under the multilateral clearing system are made in dollars.

Use of foreign exchange among residents Yes.

Payments arrangements

Bilateral payments arrangements

Inoperative A bilateral payments arrangement with Cuba is inoperative.

Regional arrangements Payments between Uruguay and the other LAIA countries may be made through accounts maintained with each other by the CBs within the framework of the multilateral clearing system of the LAIA.

URUGUAY

Clearing agreements	Yes.
Administration of control	Operations are carried out through banks and finance houses that have been authorized by the CBU.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Residents and nonresidents may freely purchase, hold, and sell gold with a fineness of not less than 0.9.
On external trade	Residents may freely import and export gold with a fineness of not less than 0.9. Gold for industrial purposes is subject to the general policy that governs the exportation, importation, and trading of goods.
Controls on exports and imports of banknotes	No.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	No.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	No.

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Import licenses and other nontariff measures

Negative list	The National Customs Office maintains a negative list.
Open general licenses	All imports are subject to registration, which is generally valid for 180 days; goods must be cleared through customs during that period.

Import taxes and/or tariffs

Under MERCOSUR, a CET exists among Argentina, Brazil, Paraguay, and Uruguay. There are 11 tariffs. The maximum rate is 15%. Uruguay imposes a 2% tariff on capital goods and computer and telecommunications equipment. On November 27, 2006, Uruguay introduced tariffs of up to 18% on certain imports from Argentina.

State import monopoly

Imports of oil and oil by-products are subject to a state monopoly.

References to legal instruments and hyperlinks

n.a.

Exports and Export Proceeds

Repatriation requirements

No.

Financing requirements

No.

Documentation requirements

No.

Export licenses

Without quotas

Occasionally, and for special reasons (e.g., stock position, protection, or sanitary considerations), certain exports are prohibited or are subject to special requirements.

Export taxes

Exports of cured, pickled, and wet blue hides are subject to a 5% tax.

Other export taxes

n.a.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

No.

References to legal instruments and hyperlinks

n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

No.

Restrictions on use of funds

No.

References to legal instruments and hyperlinks

n.a.

Capital Transactions

Controls on capital transactions

No.

Repatriation requirements

No.

Controls on capital and money market instruments

The Capital Market Securities and Negotiable Obligations Law provides a framework in which financial markets are largely self-regulating but supervised by the CBU. In the public

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	sector, the type of transaction authorized depends on the type of institution. Public institutions are bound by their own regulations, and the central and subdepartmental governments use their own more restrictive procedures.
On collective investment securities	The Investment Funds Law governs the tendering of local and foreign investment funds, and has provisions on investment policy, as well as a number of requirements regarding conflict of interest and custody of securities.
Controls on derivatives and other instruments	n.r.
Controls on credit operations	No.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

The mandatory minimum reserve requirements for deposits in local currency are 17%, 9%, 6%, and 4% for maturities of less than 30 days, 30 to 90 days, 91 to 180 days, and 181 to 367 days, respectively.

The mandatory reserve requirements on foreign currency interest-bearing deposits are 25% for maturities of less than 180 days and 19% for longer maturities. Certain banks have special instructions requiring higher reserve requirements. The reserve requirement position is calculated on the basis of daily deposits, including weekends, and must be held in deposits with the CBU or in notes and coins. For foreign currency deposits, at least 90% of the required reserves need to be complied with on a daily basis. For peso deposits, reserve balances are allowed to be less than the required level for up to four days a month without incurring a fine.

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

Foreign currency deposits of nonresidents are exempt from the foreign currency reserve requirement.

Liquid asset requirements

At least 30% of the foreign currency deposits of nonresidents are required to be held in a high-quality asset portfolio with a minimum of 15% in liquid assets. Effective May 1, 2007, liquidity requirements apply to domestic currency and foreign currency deposits of residents at the same rates as reserve ratios, although additional placements in foreign banks for less than 30 days and foreign government securities with an “investment grade” rating (BBB+ and higher) are eligible for inclusion in the composition of required liquidity. The new instruments may not be used to meet liquidity requirements until the instruments that may make up required reserves are changed.

In addition, the 30% liquidity requirement for nonresident deposits applies only to deposits maturing in or over a year.

Open foreign exchange position limits

A ceiling is placed on foreign or local currency asset positions of 150% of the book value equity less administrative fixed assets (i.e., nonperforming loans that are two years or more

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overdue, fixed assets, investments, and deferred charges). The ceiling on the long or short asset-liability positions in foreign-currency-denominated “operations to be settled” (i.e., future contracts and sales of securities subject to repurchase agreements) is 150% of the book value equity less administrative fixed assets. In addition, there is a ceiling on the foreign currency position (after deduction of the operations-to-be-settled position) of 170% of the book value equity less administrative fixed assets.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

The share of foreign securities may not exceed 30% of the technical provisions to cover nonpension obligations and required capital.

Limits (max.) on investment portfolio held abroad

The share of foreign securities may not exceed 30% of the technical provisions to cover nonpension obligations and required capital.

Limits (min.) on investment portfolio held locally

At least 70% of obligations and required capital must be covered by domestic instruments.

Currency-matching regulations on assets/liabilities composition

Insurance companies must match assets with liabilities in each currency.

Pension funds

For foreign currency, the same-day buy and sell ceiling for pension funds is 0.4% of assets or the equivalent of \$2 million. However, if 0.4% of assets is less than \$1 million, pension funds may trade up to that absolute amount daily. Further, there is a limit on trading the same instrument on the same day of up to 1.5% of the pension fund assets for the previous day.

Limits (max.) on investment portfolio held abroad

Private pension funds are prohibited from investing in securities held abroad.

Limits (min.) on investment portfolio held locally

Private pension funds must hold a minimum of 30% and a maximum of 60% of total assets in government securities. In the public sector, the type of operation permitted depends on the type of institution. Public institutions are bound by their own by-laws, and the central government and subgovernments use their own procedures, which are more restrictive. Pension funds are authorized to hold up to 60% of their assets in foreign-currency-denominated instruments. With respect to this limit, private issue securities and personal loans to affiliates and social security beneficiaries that are not denominated in foreign currencies are calculated at 1.8% of their value.

Currency-matching regulations on assets/liabilities composition

n.a.

Investment firms and collective investment funds

Requirements and limits apply on the investment of pension funds in instruments that make up financial trusts.

Limits (max.) on securities issued by nonresidents

The following may not exceed 20% of an investment fund’s assets: (1) deposits or securities issued or guaranteed by a single entity or economic group, (2) securities for which the management agent is a member of the economic group to which the administration company belongs, and (3) deposits and securities issued by entities represented in the country by a member of the economic group to which the administration company belongs (securities issued or guaranteed by the government of Uruguay and securities issued and guaranteed by foreign governments that are rated investor grade are the exception). Securities representing the debt of an investment fund may not exceed 50% of the corresponding amount in circulation. Investment funds may not invest more than 30% of their portfolio in shares issued by a business corporation.

Limits (max.) on investment portfolio held abroad

n.a.

Limits (min.) on investment portfolio held locally

n.a.

Currency-matching regulations on assets/liabilities composition

n.a.

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References to legal instruments and hyperlinks

Article 28 of the Consolidated Regulations for Insurance and Reinsurance; www.bcu.gob.uy/autoriza/sssrer/recssyr/recl1p5.htm#TituloVCapitulo111.

Changes during 2006

Imports and import payments

November 27. Uruguay introduced tariffs of up to 18% on certain imports from Argentina.

Changes during 2007

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

May 1. Liquid asset requirements became applicable to domestic currency and foreign currency deposits of residents at the same rates as reserve ratios, although additional placements in foreign banks for less than 30 days and foreign government securities with an “investment grade” rating (BBB+ and higher) became eligible for inclusion in the composition of required liquidity. The new instruments may not be used to meet liquidity requirements until the instruments that may make up required reserves are changed.

In addition, the 30% liquidity requirement for nonresident deposits became applicable only to deposits maturing in or over a year.

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(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: October 15, 2003.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions No.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Uzbekistan is the Uzbek sum.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Since mid-2006, the sum has been very stable vis-à-vis the dollar within a 2% band while the Central Bank of Uzbekistan's (CBU) one-sided interventions resulted in steady reserve accumulation. As a result, the exchange rate regime has been reclassified, effective May 31, 2006, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate. The CBU fixes the official rate on a weekly basis. Exchange rates are fixed relative to the dollar. Exchange rates for other currencies are determined from their cross rates vis-à-vis the dollar in the international market.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks Law of the Republic of Uzbekistan on the Central Bank of the Republic of Uzbekistan; Law of the Republic of Uzbekistan on Foreign Exchange Regulation (new version); www.cbu.uz.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For capital transactions

Transactions in capital and money market instruments Yes.

Transactions in derivatives and other instruments Yes.

Credit operations Yes.

Use of foreign exchange among residents

The use of foreign exchange for settlements and payments within Uzbekistan is prohibited, except for operations set forth in the Law on Foreign Exchange Regulation.

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Payments arrangements	No.
Administration of control	The foreign exchange control authorities are the CBU, the MOF, the State Tax Committee, and the State Customs Committee.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	
On domestic ownership and/or trade	Yes.
On external trade	Gold is imported and exported on the basis of licenses issued by the Ministry for Foreign Economic Relations, Investments, and Trade (MFERIT).
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	Resident and nonresident individuals are permitted to export cash domestic currency in an amount not exceeding 50 times the minimum wage; larger amounts require CBU permission. Resident and nonresident legal entities are not permitted to export cash domestic currency, with the exception of the CBU and authorized banks that have CBU permission.
<i>Foreign currency</i>	Resident individuals may export cash foreign currency up to \$2,000 without restriction, amounts in excess of \$2,000 up to \$5,000 with permission from the CBU or an authorized bank, and amounts in excess of \$5,000 with CBU permission. Nonresident individuals may export cash foreign currency up to the amount imported and declared to customs; exports of cash foreign currency in excess of this amount require permission from the CBU or an authorized bank. Resident and nonresident legal entities are not permitted to export cash foreign currency, with the exception of the CBU and authorized banks that have CBU permission.
On imports	
<i>Domestic currency</i>	Resident and nonresident individuals are permitted to import cash domestic currency in an amount not exceeding 50 times the minimum wage. Resident and nonresident legal entities are not permitted to import cash domestic currency, with the exception of the CBU and authorized banks that have CBU permission.
References to legal instruments and hyperlinks	Law of the Republic of Uzbekistan on Foreign Exchange Regulation, as amended; Decree of the President of the Republic of Uzbekistan No. UP-1871, dated October 10, 1997; Decree of the President of the Republic of Uzbekistan No. UP-1979, dated March 20, 1998; Resolution of the President of the Republic of Uzbekistan No. PP-136, dated July 26, 2005; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 86, dated February 25, 2004; Instruction on the Procedure for the Importation into the Republic of Uzbekistan and Exportation from the Republic of Uzbekistan of Foreign Banknotes by Individuals (registered with the Ministry of Justice under No. 716, dated May 7, 1999).

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	All enterprises, regardless of the form of ownership, as well as individuals, are allowed to open accounts in domestic and foreign currencies at domestic banks. Resident individuals may transfer abroad from these accounts without limitation foreign currency on the basis of invoices, bills, and other documentary evidence. Transfers of foreign currency from accounts of resident individuals to accounts of individuals abroad may be effected up to \$5,000 in a single transaction.
Held abroad	The opening and use of foreign currency accounts abroad must comply with CBU procedures. Resident individuals, diplomatic and other representative offices of the Republic

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of Uzbekistan, and representative offices of Uzbek organizations abroad not engaging in business or other commercial activity may maintain such accounts only for the period of stay or activity abroad, after which the accounts must be closed and the balances repatriated.

Approval required

Yes.

Accounts in domestic currency held abroad

Yes.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

Law of the Republic of Uzbekistan on Foreign Exchange Regulation (new version); Procedure for the Maintenance by Authorized Banks of Accounts in Foreign Currency (registered with the Ministry of Justice under No. 511, dated October 22, 1998); Procedure for the Issuance of Permissions to Open Accounts Abroad (registered with the Ministry of Justice under No. 610, dated January 22, 1999).

Nonresident Accounts

Foreign exchange accounts permitted

These accounts may be opened by nonresident individuals temporarily in Uzbekistan, by diplomatic and other official representatives of foreign states, international organizations, and representative offices of foreign organizations that do not engage in economic or commercial activities. Foreign correspondent banks of authorized banks are entitled to open correspondent and other accounts in domestic currency and foreign currency with authorized banks.

Domestic currency accounts

The regulations governing foreign exchange accounts apply.

Convertible into foreign currency

Yes.

Blocked accounts

No.

References to legal instruments and hyperlinks

Law of the Republic of Uzbekistan on Foreign Exchange Regulation; Procedure for the Maintenance by Authorized Banks of Accounts of Nonresidents in the Domestic Currency of the Republic of Uzbekistan (registered with the Ministry of Justice under No. 510, dated October 22, 1998); Procedure for the Maintenance by Authorized Banks of Accounts in Foreign Currency (registered with the Ministry of Justice under No. 511, dated October 22, 1998).

Imports and Import Payments

Foreign exchange budget

No.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

Prior to the conversion of funds, the MFERIT evaluates import contracts that are (1) financed by the budget, (2) financed by credits or loans mobilized by or guaranteed by the government, or (3) entered into by entities that are more than 50% state owned and are not secured by their own foreign exchange resources. All contracts must be registered with the relevant foreign exchange control division in the territorial offices of the State Customs Committee within seven days after application is made to an authorized bank.

In order to purchase foreign currency, enterprises and organizations that are clients of an authorized bank must present to the bank a conversion application and a contract (agreement, accord) with a foreign partner. Balances in domestic currency accounts of importers may be reserved (with their consent) by banks on submission of applications for conversion into foreign exchange.

Preshipment inspection

Importers are entitled at their discretion to engage consulting firms for evaluation of contracts and execution of preshipment inspections or to apply to the MFERIT for evaluation of contracts based on the established procedure without a preshipment inspection. Preshipment inspection is mandatory under contracts exceeding \$10,000 in total value for imports of meat and edible meat by-products; dairy products; oils, seeds, and fruits; alcoholic

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	and nonalcoholic beverages; tobacco products; equipment, mechanical devices, and electrical machinery; and equipment imported for the implementation of projects of the Republic of Uzbekistan Investment Program.
Letters of credit	Documentary LCs are used in import settlements.
Other	Certain consumer goods require health and quality certification by the state agency, Uzstandart.
Import licenses and other nontariff measures	<p>Imports of narcotics, psychotropics, and their precursors require import licenses from the Ministry of Health. Imports of weapons, precious metals and stones, uranium, and other radioactive substances require import licenses from the MFERIT. Imports of foreign movies, videos, and audio recordings require import licenses from the Ministry of Cultural Affairs and Sports. Imports of ozone-depleting substances require a permit from the State Environmental Protection Committee. Individuals importing goods for commercial purposes must be registered as individual entrepreneurs without establishment of legal entity and be authorized to engage in export-import operations and retail trade.</p> <p>Foreign citizens may engage in any work, except that reserved for the citizens of Uzbekistan (the practice of law).</p>
Negative list	Imports of the following are prohibited: printed matter, manuscripts, plates, drawings, photographs, photographic film, negatives, movies, video or audio products, phonograph records, and audio materials aimed at undermining state and social order; violating the country's territorial integrity, political independence, or state sovereignty; or promoting war, terrorism, violence, national exclusivity, religious hatred, or racism and various forms thereof; and materials with pornographic content.
Other nontariff measures	Maximum limits for duty-free imports by resident and nonresident individuals apply to the following: (1) consumer goods for personal use from the territory of contiguous states; and (2) goods for proprietary needs from the territory of noncontiguous states.
Import taxes and/or tariffs	<p>The simple average customs tariff rate is 14.84% and the weighted average tariff rate is about 16.6%, based on total import volume, or 1.85%, based on total import volume, excluding duty-free items. Ad valorem customs duty rates are applied at four levels: zero, 5%, 10%, and 30% of the customs value. Of 10,612 subheadings of the Harmonized Code (at the nine-digit level), the zero rate applies to 903 subheadings, the 5% rate to 2,784, the 10% rate to 3,098, and the 30% rate to 3,167. Combined duty rates apply to 443 commodity headings. In addition, an excise tax of between 5% and 200% is levied on 2,500 product groups. A VAT of 20% is levied on all imported goods, excluding the following: (1) goods designated for official use by foreign diplomatic and equivalent representative offices; (2) goods designated for personal use, including goods of initial acquisition, of diplomatic personnel of diplomatic and equivalent representative offices, as well as members of their families residing with them and if they are not citizens of Uzbekistan; (3) goods of initial acquisition imported by administrative and technical personnel of foreign diplomatic and equivalent representative offices, including members of their families residing with them if they are not citizens of Uzbekistan or do not reside in Uzbekistan on a permanent basis; (4) goods imported by individuals within limits for duty-free imports as approved by customs legislation; (5) goods imported into Uzbekistan to provide assistance in the case of natural disasters, armed conflicts, accidents, or mishaps; to provide humanitarian aid and free technical assistance; and for charitable purposes under the auspices of states, governments, and international institutions; (6) technical equipment imported into the customs territory of Uzbekistan for priority projects included in the 1998 investment program (in accordance with Attachment No. 1 to the Resolution registered with the Ministry of Justice of the Republic of Uzbekistan under No. 1124-3, dated March 12, 2004): (a) for investment projects financed with foreign credits guaranteed by the government; (b) for newly constructed and renovated enterprises specializing in the production of consumer goods; (c) by foreign investors as their contribution to the authorized capital of foreign investment enterprises; (d) for various types of pipes for facilities of the Republic's oil and gas sector listed in Attachment No. 2 to the resolution registered with the Ministry of Justice under No. 1124-3, dated March 12, 2004; (e) for approved projects for the establishment of new production lines and modernization or retooling of existing production lines, subject to verification by an authorized bank; (f) for leasing, with appropriate verification of an authorized bank; and (g) for enterprises being privatized and counting toward the investment obligations of a foreign investor; (7) equipment (instruments, materials, systems and software for data, and organizational equipment) supplied as part of (a) the implementation</p>

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of scientific, technical, and innovative programs and projects to be carried out in Uzbekistan from grants of international and foreign institutions and funds; and (b) international agreements for scientific and technical cooperation on the basis of findings of an authorized authority on the compliance of the aforementioned equipment with the goals and objectives of allocated grants (resources). When transferring the equipment (instruments, materials, systems and software for data, and organizational equipment) acquired or received from abroad, all payments and taxes must be paid in accordance with established procedures; (8) equipment and materials imported by legal entities, including nonresidents, with loans and grants from international and foreign governmental financial and economic organizations under treaties or agreements entered into by Uzbekistan; (9) raw materials, materials, and procurements for use in proprietary production and imported by foreign investment enterprises specializing in production of children's shoes; and (10) pharmaceuticals (veterinary drugs), medical (veterinary) products, and raw materials imported for manufacturing pharmaceuticals and medical (veterinary) products.

These preferences do not apply to consumer goods imported by legal entities, except goods listed in sub-items (1), (2), (3), (5), (6), (8), (9), and (10). Products are deemed consumer goods in accordance with legislation.

A levy amounting to 0.2% of customs value is collected for customs clearance of imported goods.

A special procedure applies for the collection of customs charges from individuals. For all types of products imported by individuals for commercial activity, regardless of their code under the Harmonized Code and country of origin, a standardized customs tariff must be paid with the following rates: (1) 40% for foods; (2) 70% for nonfood items; (3) 26% for flour (code 1101 00–1103, except 1103 13, 1103 19 500, 1103 19 900, and 1103 20) under the Harmonized Code); and (4) zero for wood and timber.

In addition, combined rates of the standardized customs payment apply to several types of products in accordance with the attachment to the resolution registered with the Ministry of Justice under No. 1148-2, dated July 19, 2006.

A customs fee of 20% is collected on imports of nonfood consumer goods produced in third countries and reexported for commercial activities by individuals and legal entities from countries bordering Uzbekistan.

State import monopoly

Until February 23, 2006, when it was liquidated, imports of essential food products aimed at meeting public and state needs were effected by the Uzbeksavdo joint-stock company.

References to legal instruments and hyperlinks

Law of the Republic of Uzbekistan on the Customs Tariff No. 470-I, dated August 29, 1997; Law of the Republic of Uzbekistan on Guarantees for Legal Activities and Social Protections for Lawyers No. 721-I, dated December 25, 1998; Decree of the President of the Republic of Uzbekistan No. UP-1871, dated October 10, 1997; Decree of the President of the Republic of Uzbekistan No. UP-3321, dated September 26, 2003; Decree of the President of the Republic of Uzbekistan No. UP-3722, dated February 23, 2006; Resolution of the President of the Republic of Uzbekistan No. PP-183, dated September 19, 2005; Resolution of the President of the Republic of Uzbekistan No. PP-244, dated December 27, 2005; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 534, dated December 3, 1997; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 137, dated March 31, 1998; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 204, dated April 30, 1999; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 293, dated July 31, 2000; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 66, dated February 2, 2001; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 154, dated May 6, 2002; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 335, dated September 27, 2002; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 425, dated December 4, 2002; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 318, dated July 6, 2004; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 387, dated August 12, 2004; Resolution of the Ministry of Finance and State Customs Committee on Approval of the Instruction on Procedures for Calculating and Paying Value Added Tax for Goods Imported into the Republic of Uzbekistan (registered by the Ministry of Justice under No. 1124, dated April 15, 2002 (No. 1124-1 dated July 30, 2002, No. 1124-2 dated March 22, 2003, No. 1124-3 dated March 12, 2004, No. 1124-4 dated February 8, 2005, and No. 1124-5 dated February 5, 2007)); Resolution of the Ministry of Finance, State Customs Committee, and MFERIT on Approval of the Statute on Procedures for Collecting the Unified Customs

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Payment and Crediting It to the State Budget (registered by the Ministry of Justice under No. 1148, dated June 10, 2002 (No. 1148-1 dated August 2, 2002, and No. 1148-2 dated July 19, 2002)); Resolution of the Ministry of Finance, MFERIT, and State Customs Committee on Approval of Norms for the Duty-Free Importation of Consumer Goods into the Territory of the Republic of Uzbekistan by Individuals for Personal Use From the Territory of Contiguous States (registered by the Ministry of Justice under No. 1196, dated December 28, 2002); Resolution of the Ministry of Finance, MFERIT, and State Customs Committee on Approval of the Statute on Procedures for Collecting a Charge for Imports of Nonfood Consumer Goods Manufactured in Third Countries and Reexported for Commercial Activities by Legal Entities and Individuals from the Territory of Contiguous States (registered by the Ministry of Justice under No. 1210, dated January 27, December 2003 [sic]); Limits on Duty-Free Importation of Goods by Individuals into the Territory of the Republic of Uzbekistan (registered by the Ministry of Justice under No. 279, dated September 10, 1996).

Exports and Export Proceeds

Repatriation requirements

Yes.

Surrender requirements

Foreign investment enterprises specializing in the production of consumer goods where the share of foreign capital exceeds 50% of the authorized capital are exempt from mandatory surrender of foreign exchange proceeds for a period of five years from the time of registration, as are foreign exchange proceeds from exports by microfirms and small enterprises of goods (work, services) of proprietary production.

Surrender to the central bank

Proceeds in foreign exchange from centralized exports of cotton fiber must be surrendered in full to the CBU.

Surrender to authorized dealers

Fifty percent of proceeds in foreign currencies from decentralized exports of goods and services must be surrendered to authorized banks.

Financing requirements

Small enterprises may export their products and services of proprietary production for cash foreign currency through cash offices of banks, with the proceeds credited to their accounts in accordance with the established procedure. Economic entities may export goods (work, services) for convertible currencies without advance payment or the opening of an LC, provided there is a guarantee from the buyer's bank or an insurance policy protecting export contracts against political and commercial risk. Goods on consignment terms without a bank guarantee or an insurance policy protecting export contracts against political and commercial risk may be delivered by the exporter to enterprises abroad on condition of the exportation of goods of proprietary production by an exporter that is a member of the Chamber of Trade and Industry to trading and investment houses of the Chamber of Trade and Industry; of goods of proprietary production by exporters to enterprises abroad where the exporter's share in the authorized capital is at least 51%; by enterprises that are part of ministries, departments, associations, and companies to an appropriate enterprise abroad where the share of the ministry, department, association, or company and also their specialized foreign trade firms and companies in the authorized capital is at least 51%; or by the Uzmarkazimpeks GAVK, Uzprommashimpeks GAVK, Markazsanoateksport GAVK, Uzinterimpeks GAVK, Uzvneshtrans GAK, or Urta Osie Trans GAK MAP to enterprises abroad where the company's share in the authorized capital is at least 51%.

Documentation requirements

Letters of credit

Yes.

Guarantees

Yes.

Export licenses

Exports of goods are not subject to licensing, with the following exceptions: (1) exports of weapons, precious metals, uranium, and other radioactive materials require licenses from the MFERIT; (2) exports of animals and plants included in the relevant list require permission of the State Environmental Protection Committee; (3) professional activities abroad by Uzbek citizens require a permit from the Ministry of Labor and Social Protection of the Population; (4) exports of works of art require licenses from the Ministry of Cultural Affairs and Sports; and (5) exports of antiques (representing significant artistic, historical, scientific, or other cultural value), grain, bread and flour products, flour and hulled and rolled products, livestock and poultry, meat and edible meat by-products, sugar, vegetable oil, raw

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	hides, scrap and waste of nonferrous metal, silkworm cocoons, raw silk, and silk waste are prohibited.
Without quotas	Yes.
Export taxes	No.
References to legal instruments and hyperlinks	Resolution of the Supreme Soviet of the Republic of Uzbekistan No. 937-XII, dated September 3, 1993; Decree of the President of the Republic of Uzbekistan No. UP-1871, dated October 10, 1997; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 137, dated March 31, 1998; Resolution of the Cabinet of Ministers No. 245, dated June 29, 2000; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 263, dated June 22, 2001; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 189, dated August 9, 2005.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Trade-related payments

Indicative limits/bona fide test Yes.

Investment-related payments

Indicative limits/bona fide test Yes.

Payments for travel

Per diem and living expense norms apply to business travel allowances.

Quantitative limits Yes.

Indicative limits/bona fide test Yes.

Personal payments

Indicative limits/bona fide test Yes.

Foreign workers' wages

Nonresident individuals may convert wages received in domestic currency. Wages paid in foreign exchange may be remitted to accounts held abroad.

Credit card use abroad

Indicative limits/bona fide test Yes.

Other payments

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks

Decree of the President of the Republic of Uzbekistan No. UP-1601, dated October 24, 1996; Procedure for the Issuance of Resources for Business Trip Expenses in the Event of Business Trips by Staff of Ministries, Departments, Enterprises, and Organizations Outside the Republic of Uzbekistan (registered with the Ministry of Justice under No. 932, dated June 5, 2000).

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Yes.

Surrender requirements

Proceeds from exports of services are subject to the same surrender requirements as those applying to proceeds from exports of goods.

Surrender to the central bank Yes.

Surrender to authorized dealers Yes.

Restrictions on use of funds

No.

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References to legal instruments and hyperlinks

Decree of the President of the Republic of Uzbekistan No. UP-1871, dated October 10, 1997; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 245, dated June 29, 2000; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 263, dated June 22, 2001.

Capital Transactions

Controls on capital transactions

Yes.

Repatriation requirements

Yes.

Controls on capital and money market instruments

On capital market securities

In accordance with parts 5 and 6 of Article 8 of the Law of the Republic of Uzbekistan on Foreign Exchange Regulation (new version), procedures for the circulation in the territory of Uzbekistan of securities in foreign currency, the acquisition by residents of securities in foreign currency, and the acquisition by nonresidents of securities issued by residents are established by the authorized state authority for the regulation and coordination of the securities market together with the CBU.

Foreign exchange transactions associated with the movement of capital not stipulated by parts 2–5 of that article are carried out by residents according to procedures established by the CBU.

Shares or other securities of a participating nature

Purchase locally by nonresidents

Yes.

Sale or issue locally by nonresidents

The placement of securities of foreign issuers in Uzbekistan is based on annual quotas assigned by the Cabinet of Ministers, in accordance with the Law on Securities and the Stock Market.

Purchase abroad by residents

Yes.

Sale or issue abroad by residents

Yes.

Bonds or other debt securities

Controls apply to all these transactions.

On money market instruments

n.r.

On collective investment securities

Controls apply to all these transactions.

Controls on derivatives and other instruments

n.r.

Controls on credit operations

Agreements and guarantees pertaining to state external borrowings must be registered with the MOF, and agreements on external borrowings not guaranteed by the Republic of Uzbekistan must be registered with the CBU. Controls apply to all credit operations and transactions in guarantees, sureties, and financial backup facilities.

Controls on direct investment

Outward direct investment

Investors may establish enterprises abroad on decision of the legal entity's top management body. The MFERIT must be notified of the registration of an enterprise abroad.

Inward direct investment

Investors may establish foreign investment enterprises (FIEs), which are a form of direct investment, after their registration with the Ministry of Justice and its regional offices. Enterprises may acquire FIE status subject to the following conditions: (1) the authorized capital of the enterprise must be at least \$150,000; (2) one of the participants in the enterprise must be a foreign legal entity; and (3) the share of foreign investment must be at least 30% of the enterprise's authorized capital. Enterprises with foreign capital participation that do not meet these criteria may be established via registration with the khokimiyats (governor's offices).

Controls on liquidation of direct investment

The Ministry of Justice and its regional offices monitor the FIEs' compliance with their statutory obligations and the procedures for their registration and liquidation.

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Controls on real estate transactions	The procedures for nonresidents' acquisition and sale of real estate are established by the Cabinet of Ministers.
Purchase abroad by residents	Foreign exchange transactions for the purchase by resident individuals and legal entities of buildings, structures, and other real estate abroad are registered with the CBU.
Purchase locally by nonresidents	Yes.
Sale locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	n.r.
Gifts, endowments, inheritances, and legacies	n.r.
Settlements of debts abroad by immigrants	n.r.
Transfer of assets	Controls apply to all these transactions.
Transfer of gambling and prize earnings	n.r.
References to legal instruments and hyperlinks	Law of the Republic of Uzbekistan on Securities and the Stock Market; Law of the Republic of Uzbekistan on External Borrowings; Law of the Republic of Uzbekistan on Foreign Exchange Regulation (new version); Decree of the President of the Republic of Uzbekistan No. UP-1652, dated November 30, 1996; Statute on the Procedure for Notification of the Establishment by Legal Entities of the Republic of Uzbekistan of Enterprises Abroad or on Shared Participation in their Authorized Capital (Equity Capital) (registered with the Ministry of Justice under No. 1012, dated February 27, 2001); Statute on the Procedure for the Performance of Certain Foreign Exchange Transactions Associated with the Movement of Capital (registered with the Ministry of Justice under No. 1457, dated March 18, 2005).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	
Borrowing abroad	Yes.
Maintenance of accounts abroad	Yes.
Lending to nonresidents (financial or commercial credits)	Yes.
Lending locally in foreign exchange	These transactions are subject to the limit on the open foreign exchange position.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	Reserve requirements apply to deposits of legal entities in domestic or foreign currency.
<i>Liquid asset requirements</i>	Yes.
Differential treatment of deposit accounts held by nonresidents	n.r.
Investment regulations	
<i>Abroad by banks</i>	Yes.
<i>In banks by nonresidents</i>	Yes.

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Open foreign exchange position limits

On resident assets and liabilities Yes.

On nonresident assets and liabilities Yes.

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents n.r.

Pension funds n.a.

Investment firms and collective investment funds

In accordance with Law of the Republic of Uzbekistan on the Mechanism for the Functioning of the Securities Market, an investment fund is a legal entity engaging in the acquisition and issuance of stocks for the purpose of mobilizing monetary resources of investors and investing them in the fund's name in securities, bank accounts, and deposits. All legal entities engaging in investment activity involving the attraction of resources of outside legal entities and individuals may acquire the status of an investment fund after bringing their charter documents into accordance with the statute and state registration according to established procedures. Banks and insurance companies whose activities are regulated by legislation of the Republic of Uzbekistan on banks and insurance companies may not be investment funds.

Investment fund risks associated with such investments and the income and losses from changes in the market value of such investments are borne in full by the owners (stockholders) of the fund and are realized by the latter via changes in the current prices of the fund's stocks.

According to the Statute on Investment Funds, approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 410, dated September 25, 1998, investment funds may be established only in the form of open joint-stock companies.

Limits (max.) on securities issued by nonresidents

In accordance with the Statute on Investment Funds, approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 410, dated September 25, 1998, an investment fund does not have the right "to invest in the securities of enterprises that have not undergone state registration according to established procedures or whose main activities are performed outside the Republic of Uzbekistan." In addition, in accordance with item 8 of the Statute on Privatization of Investment Funds, approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 410, dated September 25, 1998, the aforementioned restriction also applies to privatized investment funds.

Limits (max.) on investment portfolio held abroad

Yes.

Limits (min.) on investment portfolio held locally

In accordance with the Statute on Investment Funds, approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 410, dated September 25, 1998, an investment fund does not have the right (1) to acquire common stock of any joint-stock company in the event that after their acquisition more than 10% of the stocks of that company will belong to entities affiliated with the investment fund; (2) to invest more than 10% of its net assets in the securities of a single issuer or in the stakes (participation shares) of a limited liability company established on the basis of a privatized enterprise, with the exception of government securities; and (3) to exchange stocks issued by the fund for stocks of joint-stock companies established in the process of denationalization, of which the State Property Committee of the Republic of Uzbekistan is a holder in an amount exceeding 5% of the net assets of the investment fund. The proportion of stocks of the investment fund of which the State Property Committee of the Republic of Uzbekistan acts as a holder may not exceed 5% of the net assets of the investment fund.

Currency-matching regulations on assets/liabilities composition

Yes.

References to legal instruments and hyperlinks

Law of the Republic of Uzbekistan on the Mechanism for Functioning of the Securities Market; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 410, dated September 25, 1998; Statute on the Procedure by Which Commercial Banks Deposit Required Reserves with the Central Bank (new version) (registered with the Ministry of Justice under No. 1444, dated January 18, 2005); Rules for Maintaining an Open Foreign

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Exchange Position (new version) (registered with the Ministry of Justice under No. 1497, dated July 15, 2005).

Changes during 2006

Exchange arrangement

May 31. The exchange rate regime was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.

Imports and import payments

February 23. The state import monopoly for the import of essential food products by the Uzbeksavdo joint-stock company was discontinued after its liquidation.

VANUATU

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 11, 1982.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51) n.r.

Other security restrictions n.r.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of Vanuatu is the Vanuatu vatu.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement The external value of the vatu is determined on the basis of an undisclosed transactions-weighted (trade and tourism receipts) basket of currencies of Vanuatu's major trading partners. The Reserve Bank of Vanuatu (RBV) buys from and sells to commercial banks U.S. dollars only; however, it also deals in Australian dollars, euros, yen, New Zealand dollars, and pounds sterling with other customers. The RBV quotes rates daily for the vatu against the above currencies. Buying and selling rates of the vatu against the currencies in the basket are quoted once a day within margins ranging between 0.25% and 0.30% around the middle rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Only commercial banks provide forward exchange rate cover facilities.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements n.r.

Payments arrangements

Bilateral payments arrangements n.r.

Regional arrangements Vanuatu participates in the Melanesian Spearhead Group Trade Agreement and PICTA.

Clearing agreements n.r.

Barter agreements and open accounts n.r.

Administration of control n.r.

VANUATU

Payments arrears	n.r.
Controls on trade in gold (coins and/or bullion)	n.r.
Controls on exports and imports of banknotes	n.r.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.a.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	n.r.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	n.r.
Financing requirements for imports	n.r.
Documentation requirements for release of foreign exchange for imports	For verification purposes, all appropriate documentation must accompany requests for foreign settlement by commercial banks.
Domiciliation requirement	n.r.
Preshipment inspection	n.r.
Letters of credit	n.r.
Import licenses used as exchange licenses	n.r.
Other	n.r.

VANUATU

Import licenses and other nontariff measures	The importation of frozen chicken pieces, T-shirts bearing a Vanuatu motif, firearms and ammunition, animals and plants, and transistor and telephone equipment is restricted through import-licensing arrangements. A similar restriction is applied to the importation of rice, sugar, flour, canned fish, and tobacco products.
Positive list	Yes.
Negative list	Bans are in effect for health reasons on imports of animals and animal products from Europe and the United Kingdom, as well as on chicken and poultry products from Victoria and New South Wales, Australia.
Open general licenses	n.r.
Licenses with quotas	n.r.
Other nontariff measures	The RBV has the authority to restrict imports to the equivalent of US\$100,000 an individual.
Import taxes and/or tariffs	<p>The import duty structure consists of eight rates, ranging from zero to 30%, and the 30% rate applies to most goods. Most basic items that were previously duty-free are subject to a 5% duty. Approved goods imported under the Melanesian Spearhead Group Trade Agreement and the PICTA and PACER trade agreements are duty-free. These goods require certificates of origin issued to exporters and importers by the member countries. Effective January 2, 2007, the import duty rates of tariff items have been revised, leading to an increase in all tariffs. Also effective that date, customs duties on goods imported or delivered from bonded houses are exempted, and some amendments have been made for goods imported under an approved development project agreement.</p> <p>A 35% duty applies to certain imported products in the protected goods category, except for six items covered under the Melanesian Spearhead Group Trade Agreement, to which a 40% duty applies. In addition, a 40% duty, which decreases by 5% a year, is applied to ice cream, fruit juice, meat, and soap, and duties of VT 350 and VT 315 a liter are applied to fuel and paint, respectively. Effective January 1, 2006, the customs department began to use the harmonized system of tariffs (2002 version).</p>
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	n.r.
Surrender requirements	n.r.
Financing requirements	n.r.
Documentation requirements	n.r.
Export licenses	The exportation of logs and flitches is banned for environmental reasons. Under special circumstances, small parcels of logs may be exported if they cannot be processed by any company in Vanuatu. Any proposal to export logs requires approval of the Council of Ministers. Export permits—the issue of which is coordinated by the Environmental Unit and the Forestry Department—are required for rare or endangered species. The export of sandalwood logs is banned, and sandalwood must be processed locally prior to exportation.
Without quotas	For conservation purposes, exports of certain products, such as trochus, green snails, bêche-de-mer, mother-of-pearl, aquarium fish, crustaceans, and coconut crabs, are subject to authorization. The annual quota of bêche-de-mer that can be exported from Vanuatu in a year is 26 tons and they must be of the required size. Exports of copra and cocoa are channeled through the Vanuatu Commodities Marketing Board. Exports of kava, declared a prescribed commodity under the Vanuatu Commodity Marketing Boards, are subject to authorization from the Quarantine Office. Exports of artifacts having a special value, either as a result of ceremonial use or because they are more than 10 years old, are subject to authorization from the Cultural Center.

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Export taxes There are taxes on exports of logs; unworked shells; and wood in the rough, whether stripped of bark and sapwood or roughly squared.

References to legal instruments and hyperlinks n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers n.r.

References to legal instruments and hyperlinks n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements n.r.

Surrender requirements n.r.

Restrictions on use of funds n.r.

References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions n.r.

Repatriation requirements No.

Controls on capital and money market instruments n.r.

Controls on derivatives and other instruments n.r.

Controls on credit operations n.r.

Controls on direct investment

Outward direct investment n.r.

Inward direct investment The Vanuatu Investment Promotion Authority had recommended a few amendments for the control of investment in Vanuatu; however, these have not yet been implemented.

Controls on liquidation of direct investment n.r.

Controls on real estate transactions Following the last Land Summit, reports have been submitted to facilitate controls on real estate transactions. However, no action has been taken yet.

Controls on personal capital transactions In accordance with the Vanuatu Financial Transactions Reporting Act for the Anti-Money Laundering Exercise, all inflow and outflow transactions exceeding VT 1 million or the equivalent of US\$12,000 must be reported to the Financial Intelligence Unit. Amendments are currently in progress to review the amount.

References to legal instruments and hyperlinks n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	n.r.
Provisions specific to institutional investors	n.r.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Imports and import payments	<i>January 1.</i> The customs department started to use the harmonized system of tariffs (2002 version).
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Changes during 2007

Imports and import payments	<i>January 2.</i> Tariff rates on a list of imported goods were revised. Customs duties on goods imported from bonded houses were exempted, and amendments were made for goods imported under an approved development project agreement.
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REPÚBLICA BOLIVARIANA DE VENEZUELA

(Position as of March 31, 2007)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: July 1, 1976.

Exchange Measures

Restrictions and/or multiple currency practices Information is not publicly available.

International security restrictions No.

References to legal instruments and hyperlinks www.bcv.org.ve; www.cadivi.gob.ve.

Exchange Arrangement

Currency The currency of República Bolivariana de Venezuela is the Venezuelan bolívar.

Other legal tender Venezuelan gold coins are legal tender, but do not circulate.

Exchange rate structure

Dual Some of the foreign exchange transactions take place in the parallel market at exchange rates that may differ from the official exchange rate. Effective January 1, 2006, the exchange rate structure was reclassified to dual due to technical corrections in the classification.

Classification

Conventional pegged arrangement The exchange rate of the bolívar is pegged to the dollar. The Central Bank of Venezuela (CBV), by joint agreement with the National Executive Power, may adjust the exchange rate at any time. On March 3, 2005, the bolívar was devalued by 11.98% to Bs 2,144.60 (buying) and Bs 2,150.00 (selling) per \$1 and has been maintained since then at this level.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks www.bcv.org.ve.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents The use of foreign exchange among residents is not allowed.

Payments arrangements

Bilateral payments arrangements

Inoperative

There is an arrangement with Malaysia.

Regional arrangements

Payments between República Bolivariana de Venezuela and the other LAIA countries may be settled through the accounts jointly maintained with each other by the CBV and other CBs.

Clearing agreements

Yes.

REPÚBLICA BOLIVARIANA DE VENEZUELA

Administration of control	The CADIVI is responsible for the coordination, administration, control, and establishment of rules, procedures, and restrictions applicable under the current exchange regime. The main administrative procedures for the foreign exchange control system are (1) obligatory surrender requirements to the CBV and (2) a foreign exchange allocation approved by the CBV and prior authorization by the CADIVI for the purchase of foreign exchange at the official exchange rate. The National Executive Power established several lists for imports of goods and services and requires importers to submit documentation stating that they do not have any pending fiscal obligations. Effective March 22, 2007, Petróleos de Venezuela, S.A. (PDVSA), may purchase foreign exchange directly from the CVB for certain purposes. The treatment applicable to the PDVSA is extended to Petroquímica de Venezuela, S.A., except for certain payments the PDVSA is required to make to a fund the National Executive created for financing investment projects in the real economy, education, and health; for improving the public debt profile and balance; and for dealing with special and strategic situations, in accordance with the provisions of the Law to Promote the Development of Petrochemical, Carbochemical, and Similar Business.
Payments arrears	No.
Controls on trade in gold (coins and/or bullion)	The CBV participates in, regulates, and executes operations in the gold market.
On external trade	The export of nonmonetary gold and its alloys in any form (other than jewelry for personal use) requires prior authorization from the CBV. The CBV may authorize the export of gold bars up to 85% of national production; the remainder must be offered to the domestic market.
Controls on exports and imports of banknotes	
On exports	
<i>Domestic currency</i>	n.r.
<i>Foreign currency</i>	Exports of foreign currency (coins and banknotes) and bank checks denominated in foreign currency of more than \$10,000 are subject to declaration. Failure to declare is subject to a fine twice the amount not declared. Exports of foreign banknotes of legal tender by universal and commercial banks, credit and saving entities, and exchange houses are subject to prior authorization by the CBV.
On imports	
<i>Domestic currency</i>	Yes.
<i>Foreign currency</i>	Imports of foreign currency (coins and banknotes) and bank checks denominated in foreign currency of more than \$10,000 are subject to declaration. Failure to declare is subject to a fine twice the amount not declared.
References to legal instruments and hyperlinks	www.bcv.org.ve .

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	No.
Held abroad	Yes.
Accounts in domestic currency held abroad	n.r.
Accounts in domestic currency convertible into foreign currency	No.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	No.
Domestic currency accounts	No.
Blocked accounts	These mechanisms apply only in cases of inheritance, preventive judicial measures, and narcotics trafficking activities.
References to legal instruments and hyperlinks	www.sudeban.gob.ve .

Imports and Import Payments

Foreign exchange budget	The CBV sells foreign exchange to finance imports in the amount authorized by the CADIVI.
Financing requirements for imports	Authorization by the CADIVI is required.
Minimum financing requirements	n.r.
Advance payment requirements	n.r.
Advance import deposits	n.r.
Documentation requirements for release of foreign exchange for imports	Prior authorization by the CADIVI is required for the purchase of foreign exchange. Authorization is subject to compliance with CADIVI requirements.
Domiciliation requirement	Yes.
Letters of credit	Other payment instruments are also admissible.
Import licenses used as exchange licenses	Some products may be subject to restrictive licensing.
Other	n.r.
Import licenses and other nontariff measures	Some imports are subject to licensing for environmental, health, or security reasons. Other imports paid for with foreign exchange granted by the CADIVI are subject to certification that the goods are not produced locally or are produced locally in insufficient quantities.
Positive list	There is a list of items for which the provision of foreign exchange is authorized. Imports of military armaments must be authorized by the Ministry of the Popular Power of Defense. Imports of nonmilitary weapons must be authorized by the Ministry of the Popular Power of Domestic Affairs and Justice.
Negative list	The importation of used motor vehicles is prohibited, except for hearses, prison vans, and ambulances.
Licenses with quotas	A number of agricultural products (142 tariff lines, or 2.12% of total lines) are subject to tariff quotas.
Other nontariff measures	There are minimum prices for certain imports.
Import taxes and/or tariffs	There are four basic ad valorem tariff rates on manufactured goods (5%, 10%, 15%, and 20%), except for motor vehicles, which are subject to a special regime under the Andean Community. The tariffs on imported components for vehicles are 35% for passenger cars; 15% for cargo and commercial vehicles, except for vehicles weighing less than 4,500 kilograms, such as pickup trucks, for which the rate is 35%; and 3% for vehicle components. The industrial free zone of Paraguana and the free port of Margarita Island enjoy a special customs regime that includes exemptions from customs tariffs. There are multiple trade agreements, ranging from agreements with partial coverage to free trade agreements and integration agreements on free trade. There is a customs handling fee of 1%.
State import monopoly	No.

REPÚBLICA BOLIVARIANA DE VENEZUELA

References to legal instruments and hyperlinks

www.cadivi.gob.ve

Exports and Export Proceeds

Repatriation requirements

Yes.

Surrender requirements

Surrender to the central bank

All foreign exchange obtained from hydrocarbons exports, including gaseous hydrocarbons and others, must be surrendered to the CBV, except in the case of the PDVSA, which sells to the CBV in the amounts needed for its operating expenses domestically, which are treated as fiscal contributions established by the budget law. In addition, the companies created by affiliation agreements signed by the PDVSA and the mixed companies governed by the Hydrocarbons Law or the Gaseous Hydrocarbons Law are authorized to keep foreign exchange accounts in foreign banks, to cover expenses outside the República Bolivariana de Venezuela; the remaining foreign exchange must be sold to the CBV. Other exporters must sell to the CBV, through authorized foreign exchange dealers, the foreign exchange obtained from their exports, but may retain a maximum of 10% of their export proceeds for export-related expenses.

Surrender to authorized dealers

Yes.

Financing requirements

No.

Documentation requirements

Related authorization requires submission of tax compliance documentation, social security payments vouchers, ex ante and ex post notification of the exports, and other documents related to the commercial transaction.

Guarantees

Yes.

Domiciliation

Domiciliation is required for exports meeting certain financing criteria.

Preshipment inspection

Yes.

Other

An Intention of Exportation is required before exportation and a Declaration of Exportation later. Without these, exports may not be carried out. The exports of goods and services exceeding \$10,000 must be declared and the foreign exchange surrendered to the CBV within 15 days of the date of declaration to the customs authority. Omission of the declaration is subject to a fine twice the amount of the foreign exchange operation.

Export licenses

No.

Export taxes

No.

References to legal instruments and hyperlinks

Official Gazette 38.156; Decree No. 70, dated March 31, 2005; Decree No. 71, dated March 31, 2005; www.cadivi.gob.ve.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Effective November 23, 2006, the amount of electronic money transfer allowed to and from República Bolivariana de Venezuela was reduced to \$2,000 a person a month from \$2,000 a person a day.

Trade-related payments

Prior approval

Yes.

Indicative limits/bona fide test

Yes.

Investment-related payments

Payments of principal and interest on external private debt with foreign creditors are permitted through banks and other authorized foreign exchange dealers.

Prior approval

Yes.

Indicative limits/bona fide test

Yes.

REPÚBLICA BOLIVARIANA DE VENEZUELA

Payments for travel

Quantitative limits Effective February 12, 2007, there is a maximum of \$600 or €500 in cash a person a year, for traveling abroad to countries listed officially at the CADIVI web page. Previously, the limit was \$400.

Personal payments

Prior approval Yes.

Quantitative limits Yes.

Indicative limits/bona fide test Indicative limits exist for the authorization of acquisition of currencies related to academic and medical expenses and the mailing of remittances to pensioners and relatives abroad.

Foreign workers' wages

n.a.

Credit card use abroad

Prior approval Use of credit cards abroad requires prior approval.

Quantitative limits Effective February 12, 2007, the limit on use of credit cards abroad is \$5,000 (previously, \$4,000) a person a year and the limit on payments for credit card charges for electronic purchases is \$3,000 (previously, \$2,500) a person a year. Venezuelans may withdraw up to \$500 (previously, \$400) a month in cash at automated teller machines abroad. These withdrawals are counted against the \$5,000 limit on use of credit cards abroad.

Indicative limits/bona fide test Yes.

Other payments

Prior approval Yes.

Quantitative limits n.r.

Indicative limits/bona fide test Yes.

References to legal instruments and hyperlinks

www.cadivi.gob.ve.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements Yes.

Surrender requirements

Surrender to the central bank All foreign exchange proceeds must be surrendered to the central bank through an AD.

Restrictions on use of funds No.

References to legal instruments and hyperlinks

www.bcv.org.ve.

Capital Transactions

Controls on capital transactions Access to foreign exchange for capital transactions is subject to authorization by the CADIVI.

Repatriation requirements Yes.

Surrender requirements

Surrender to the central bank All foreign exchange proceeds must be sold to the CBV through ADs.

REPÚBLICA BOLIVARIANA DE VENEZUELA

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Foreign investors are allowed to purchase corporate stocks on the Caracas Stock Exchange but must declare acquisitions to the Superintendency of Foreign Investment (SIEEX) of such purchases at the end of each calendar year.

Sale or issue locally by nonresidents

Authorization from the National Stock Commission (CNV) is required.

Sale or issue abroad by residents

Authorization from the CNV is required.

Bonds or other debt securities

Transactions involving government bonds denominated in foreign currency in the secondary domestic market have been suspended, except those related to the national public debt issued in accordance with decrees No. 4.947 and 5.187, effective November 9, 2006 (trading of securities used under the 697th Issuance of National Public Debt Bonds was authorized by the CBV on the secondary market in domestic currency) and February 23, 2007 (trading of securities issued under the 698th Issuance of National Public Debt Bonds was authorized by the CBV on the secondary market in domestic currency, to finance public internal and external debt services), respectively.

Sale or issue locally by nonresidents

Authorization from the CNV is required.

Sale or issue abroad by residents

Authorization from the CNV is required.

On collective investment securities

Sale or issue locally by nonresidents

Authorization from the CNV is required.

Controls on derivatives and other instruments

Sale or issue locally by nonresidents

Authorization from the CNV is required.

Controls on credit operations

Guarantees, sureties, and financial backup facilities

Payments of guarantees and other collateral in foreign exchange on external private debt with foreign creditors are authorized through banks and other foreign exchange dealers.

Controls on direct investment

Inward direct investment

Mass media, communications, newspapers in Spanish, and professional services are reserved for national ownership. New investments do not require prior authorization from the SIEEX, but must be registered with the SIEEX, and approval is automatically granted if the new investment is consistent with national legislation. Foreign enterprises may establish subsidiaries in the República Bolivariana de Venezuela without prior authorization as long as they are consistent with the commercial code. The SIEEX must, however, be notified within 60 working days about newly established subsidiaries. Investment in the petroleum and iron sectors is subject to specific regulations.

Controls on liquidation of direct investment

Owners of direct investments have the right to reexport the proceeds of liquidation with prior authorization of the CADIVI; however, the SIEEX checks the performance of the commitments of foreign investors in accordance with national legislation. Under the debt-equity program, the registration of proceeds is allowed up to five years after the date of the last debt conversion.

Controls on real estate transactions

No.

Controls on personal capital transactions

Banks must report to the Superintendency of Banks on a monthly basis any transfer of more than \$10,000 or its equivalent, to or from another country.

Loans

To residents from nonresidents

These transactions are controlled when denominated in foreign currency.

REPÚBLICA BOLIVARIANA DE VENEZUELA

Gifts, endowments, inheritances, and legacies	
<i>To residents from nonresidents</i>	These transactions are controlled when denominated in foreign currency.
Transfer of assets	These transactions are controlled when denominated in foreign currency.
Transfer of gambling and prize earnings	These operations are controlled when they are carried out to or from the national territory in foreign currency.
References to legal instruments and hyperlinks	www.sieux.gov.ve ; www.cnv.gov.ve ; www.bolsadecaracas.com ; www.avaf.org .

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	In accordance with Exchange Agreement No. 10, universal and commercial banks, saving and credit entities authorized by the Superintendency of Banks and Other Financial Institutions may acquire on a one-time basis currency directly from the CBV to carry out transactions allowed by the exchange arrangement in foreign currency established by the CBV. However, ADs must respect their open position limits.
Lending locally in foreign exchange	Yes.
Purchase of locally issued securities denominated in foreign exchange	Transactions involving government bonds denominated in foreign currency in the secondary domestic market have been suspended, except those contained in CBV Resolutions Nos. 06-11-01 and 07-02-02, related to the national public debt issued in accordance with Decrees No. 4.947 and 5.187, respectively.
Differential treatment of deposit accounts in foreign exchange	Deposit accounts in foreign exchange are not subject to the deposit insurance policy.
<i>Reserve requirements</i>	A reserve requirement of 15% applies in accordance with the terms established in CBV Resolution No. 07-03-02.
Open foreign exchange position limits	Effective January 6, 2006, the maximum open foreign exchange position for banks is 30% (previously, 15%) of their capital. For mortgage banks, financial leasing companies, and investment banks, the limits are 5%, 5%, and 15%, respectively, of their capital. For money market funds, the limit is 5% of the yielded investments.
Provisions specific to institutional investors	
Pension funds	n.a.
Investment firms and collective investment funds	
<i>Limits (max.) on securities issued by nonresidents</i>	The purchase of financial instruments, other than those issued by República Bolivariana de Venezuela or in accordance with the General Law of Banks and Other Financial Institutions, is subject to authorization by the Superintendency of Banks. The maximum share of foreign financial instruments held by money market funds is set by the CBV.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	The maximum open foreign exchange position for investment banks is 15% of their capital and for money market funds 5% of the yield on investments.
References to legal instruments and hyperlinks	www.bcv.org.ve ; www.sudeban.gob.ve .

REPÚBLICA BOLIVARIANA DE VENEZUELA

Changes during 2006

Exchange arrangement

January 1. The exchange rate structure was reclassified to dual due to technical corrections in the classification.

Payments for invisible transactions and current transfers

November 23. The amount of electronic money transfer allowed to and from República Bolivariana de Venezuela was reduced to \$2,000 a person a month from \$2,000 a person a day.

Capital transactions

Controls on capital and money market instruments

November 9. Trading of securities used under the 697th Issuance of National Public Debt Bonds was authorized by the CBV on the secondary market in domestic currency.

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

January 6. The maximum open foreign exchange position for banks was increased to 30% of their capital from 15%. For mortgage banks, financial leasing companies, and investment banks, the limits are 5%, 5%, and 15% respectively, of their capital. For money market funds, the limit is 5% of the yielded investments.

Changes during 2007

Arrangements for payments and receipts

March 22. The PDVSA was allowed to purchase foreign exchange directly from the CBV for certain payments. The treatment applicable to the PDVSA was extended to Petroquímica de Venezuela, S.A., except for foreign currency transfers the PDVSA is required to make to a fund the National Executive created for financing investment projects in the real economy, education, and health; for improving the public debt profile and balance; and for dealing with special and strategic situations, in accordance with the provisions of the Law to Promote the Development of Petrochemical, Carbochemical, and Similar Business.

Payments for invisible transactions and current transfers

February 12. The amount of foreign exchange residents were allowed to purchase for traveling abroad to countries listed officially at the CADIVI web page was increased to \$600 or €500.

February 12. The limit on credit card use abroad was increased to \$5,000 a person a year and the limit on electronic purchases to \$3,000. The monthly limit for cash withdrawals was increased to \$500.

Capital transactions

Controls on capital and money market instruments

February 23. Trading of securities issued under the 698th Issuance of National Public Debt Bonds was authorized by the CBV on the secondary market in domestic currency, to finance public internal and external debt services.

VIETNAM

(Position as of January 31, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: November 8, 2005.

Exchange Measures

Restrictions and/or multiple currency practices

No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

In accordance with IMF Executive Board Decision No. 144-(52/51)

Restrictions are imposed on financial transactions and to freeze accounts belonging to individuals and entities associated with terrorism in accordance with (1) UN Security Council resolutions and (2) the list of current terrorist organizations maintained by the U.S. Secretary of State.

Other security restrictions

Yes.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Vietnam is the Vietnamese dong.

Exchange rate structure

Unitary.

Classification

Conventional pegged arrangement

Effective December 31, 2006, the State Bank of Vietnam (SBV) quotes the daily average exchange rate against the dollar in the interbank market during the previous business day as the current interbank market rate. Effective January 1, 2007, the SBV widened the dollar-dong trading band, allowing banks to quote rates that vary up to $\pm 0.5\%$ (previously, $\pm 0.25\%$) from the rate quoted by the SBV. With respect to other currencies, banks and financial institutions may set their exchange rates at their discretion. The exchange rate has remained very stable with respect to the dollar since August 2004 when the SBV announced that the annual depreciation rate for dong would be limited to 1%. During 2006, the dong depreciated 1.4%.

The SBV has continued implementing an exchange rate flexibility road map, including (1) allowing banks to set the dong-dollar forward rate on the basis of the difference between the dong basic interest rate announced by the SBV and the U.S. target interest rate announced by the U.S. Federal Reserve; (2) liberalizing foreign exchange conversion; (3) piloting dong option transactions with negotiated fees (liberalized the indirect exchange rate to be decided by market forces); and (4) piloting foreign exchange trading in cash with negotiated prices.

Exchange tax

No.

Exchange subsidy

No.

Forward exchange market

The SBV permits authorized credit institutions to enter into forward and swap transactions between the dong and foreign currency with maturities of 3 to 365 days. The maturities of forward, swap, and options transactions of foreign currencies are negotiated between authorized credit institutions and customers. The dong-dollar forward rate is set on the basis of (1) the spot rate of the day of signing the forward and swap contract, (2) the difference between the dong base interest rate (a year) announced by the SBV and the U.S. target interest rate (announced by the Federal Reserve), and (3) the maturity of the contract. Authorized credit institutions are not permitted to conduct option transactions with economic entities and other organizations and individuals; however, recently, options transactions with negotiated fees were introduced as a pilot.

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References to legal instruments and hyperlinks

Decision No. 2554/QĐ-NHNN of 31/12/2006.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For capital transactions

Transactions in capital and money market instruments Yes.

Transactions in derivatives and other instruments Yes.

Credit operations Yes.

Use of foreign exchange among residents

Residents may make payments in foreign currency for certain transactions only.

Payments arrangements

Bilateral payments arrangements

Operative

Vietnam maintains bilateral payments arrangements with Belarus, Cambodia, China, the Lao People's Democratic Republic, and the Russian Federation.

Barter agreements and open accounts

Yes.

Administration of control

Exchange control is administered by the SBV.

Payments arrears

No.

Controls on trade in gold (coins and/or bullion)

On external trade

The SBV issues licenses for (1) the import and export of gold in the form of bars and pieces and (2) gold trading through overseas accounts of gold trading companies and authorized credit institutions.

Controls on exports and imports of banknotes

On exports

Domestic currency

Individuals are required to declare amounts in excess of D 15 million of the amount brought into Vietnam.

Foreign currency

Exports of foreign currency exceeding \$7,000 or its equivalent must be declared to customs or accompanied by the necessary documents, as stipulated by the SBV.

On imports

Domestic currency

For individuals, amounts in excess of D 15 million must be declared on entering Vietnam.

Foreign currency

For individuals, amounts in excess of \$7,000 or its equivalent must be declared to customs. For financial institutions, SBV permission is required.

References to legal instruments and hyperlinks

n.a.

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Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Resident organizations are entitled to open and maintain foreign currency accounts at authorized banks for (1) receiving foreign currency transfers from abroad; (2) receiving foreign currency from other domestic legal sources of foreign currency; (3) receiving foreign currency in cash from abroad in accordance with SBV rules; and (4) making payments for (a) sale of foreign currency to authorized credit institutions; (b) remittances; (c) transfers in foreign currency or account transfers for salaries and bonuses of nonresidents and foreign residents; (d) transfers for making payments for current and capital transactions; and (e) domestic transactions allowed in foreign currency as specified by the SBV.

Resident individuals may open and maintain foreign currency accounts at licensed banks. These accounts may be used for (1) receiving foreign currency transfers from abroad; (2) receiving foreign currency from other domestic legal sources of foreign currencies; (3) receiving foreign currency in cash from abroad in accordance with SBV rules; and (4) making payments for (a) sale of foreign currency to authorized credit institutions; (b) remittances; (c) payments for effecting transfers in foreign currency or account transfers for donations, inheritances, and allowances in accordance with the law; (d) withdrawn foreign currency in cash or transfer to foreign currency saving accounts opened at licensed credit institutions; (e) transfers for making payments for current and capital transactions; and (f) domestic transactions allowed in foreign currency as specified by the SBV.

Resident individuals having foreign currency in cash may open a savings account at licensed credit institutions and are entitled to earn interest in foreign currencies and to withdraw principal and interest in foreign currencies.

Resident enterprises with foreign owned capital must open a direct investment foreign currency account at an AD to receive foreign currency contributions to their capital, medium- and long-term loans, and transfers from foreign currency savings accounts of the enterprise. Remittances of capital, profit interest, and fees and other disbursements related to direct investment may be effected through these accounts.

Held abroad

Resident organizations operating in specified sectors may open and use foreign currency accounts overseas; for example, (1) licensed credit institutions for operations in foreign exchange abroad; (2) economic organizations having branches and representative offices abroad or needing to have an account to receive foreign borrowing or fulfill commitments and contracts with a foreign partner; and (3) diplomats, armed forces, and political and social charitable organizations working abroad.

Resident individuals living abroad may open and use accounts abroad following the rules of the host country.

Approval required

Yes.

Accounts in domestic currency held abroad

No.

Accounts in domestic currency convertible into foreign currency

Yes.

References to legal instruments and hyperlinks

n.a.

Nonresident Accounts

Foreign exchange accounts permitted

Nonresident organizations may open and maintain foreign currency accounts at authorized banks for (1) receiving foreign currency transfers from abroad; (2) receiving foreign currency from other domestic legal sources; (3) receiving foreign currency in cash from abroad in accordance with SBV rules; and (4) making payments for (a) sale of foreign currency to authorized credit institutions; (b) remittances; (c) transfers in foreign currency or account transfers for salaries and bonuses for nonresidents and foreign residents; (d) transfer abroad or account transfer to other nonresident organizations or making payments

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for exports of goods and services to residents; and (e) transfers for making payments for current and capital transactions and domestic transactions allowed in foreign currency as specified by the SBV.

Nonresident private individuals are entitled to open and maintain foreign currency accounts at licensed banks. These accounts may be used for (1) receiving foreign currency transfers from abroad; (2) receiving foreign currency from other domestic legal sources; (3) receiving foreign currency in cash from abroad in accordance with SBV rules; and (4) making payments for (a) sale of foreign currency to authorized credit institutions; (b) remittances; (c) transfers in foreign currency or account transfers for donations, inheritances, and allowances in accordance with the law; (d) withdrawal of foreign currency in cash; (e) transfers for making payments for current and capital transactions and domestic transactions allowed in foreign currency; and (f) transfers abroad or to foreign currency accounts of other nonresident individuals.

Domestic currency accounts

Nonresident organizations and individuals may open and use dong accounts at licensed credit institutions for (1) receiving proceeds from selling foreign currency to licensed credit institutions; (2) receiving income from other legal sources in Vietnam; and (3) making payments for (a) expenditures in Vietnam in cash or via accounts; (b) current and capital account transactions; and (c) donations and inheritances in compliance with the relevant laws, buying foreign currency from licensed credit institutions for remittance abroad, and for other purposes allowed by law. Nonresident investors must open an indirect investment dong account with an AD to carry out indirect investments in Vietnam.

Convertible into foreign currency

Yes.

Blocked accounts

Accounts may be blocked only under the order of authorized Vietnamese agencies.

References to legal instruments and hyperlinks

Effective December 28, 2006, Decree 160/2006 ND-CP.

Imports and Import Payments

Foreign exchange budget

The budget is indicative only and not binding.

Financing requirements for imports

No.

Documentation requirements for release of foreign exchange for imports

Importers are required to submit to commercial banks relevant documents (such as contracts and licenses) for import payments.

Import licenses and other nontariff measures

Domestic firms are allowed to import any goods that are permissible under commercial law. Trading by foreign-owned firms may be carried out only in accordance with the registered business activity of the enterprise. Imports of certain products are controlled by other ministries for health, safety, and moral purposes.

Negative list

Prohibited imports are weapons, ammunition, explosives, and other military equipment; nonmedical drugs and toxic chemicals; reactionary and/or pornographic materials; fireworks and children's toys that detrimentally influence personality, education, social order, or safety; cigarettes (excluding limited quantities imported during personal travel); most used consumer goods; most used vehicles, including bicycles and motorcycles, and used vehicle parts; and some types of passenger vehicles.

Licenses with quotas

The Ministry of Planning and Investment (MPI), in coordination with the Ministry of Trade (MOT), may impose ad hoc temporary quantity controls. In addition, imports of motorcycles with a capacity of 175 cubic centimeters require an import license from the MOT and imports of sport guns and bullets require an import license from the Sport Ministry.

Other nontariff measures

Some additional nontariff measures exists.

Import taxes and/or tariffs

There are 20 tariff rates, ranging up to 150%. Most imports of machinery, equipment, and medicine are exempt from tariffs. Certain imports of foreign enterprises that are incorporated under the Law on Foreign Investment are also exempt from tariffs. A rate of 150% is applied to imports of some types of used cars and motorbikes.

Tariffs are imposed on the imports of sugar, eggs, salt, and tobacco.

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State import monopoly	No.
References to legal instruments and hyperlinks	Decree 12/2006 ND-CP.

Exports and Export Proceeds

Repatriation requirements	All receipts originating from current transactions by resident entities must be repatriated immediately.
Financing requirements	No.
Documentation requirements	No.
Export licenses	The following exports are prohibited: weapons, ammunition, explosives, and other military equipment; antiques; nonmedical drugs and toxic chemicals; timber and timber products from natural forests; wild and/or rare native animals; rare aquatic breeds; certain plants; and cipher machinery and cipher software.
Without quotas	Yes.
Export taxes	
Other export taxes	Yes.
References to legal instruments and hyperlinks	Effective December 23, 2006, Decree 12/2006 ND-CP came into effect.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	Payments for invisibles related to authorized imports are not restricted. Foreign enterprises are allowed to buy foreign currency from commercial banks to pay for their current and other permitted transactions.
Investment-related payments	
<i>Indicative limits/bona fide test</i>	Information is not available on indicative limits for interest payments.
Credit card use abroad	n.r.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	All proceeds originating from current transactions by resident entities must be repatriated immediately.
Restrictions on use of funds	Restrictions are the same as those applied to other foreign exchange holdings.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	n.a.

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Controls on capital and money market instruments	Controls apply on all transactions in capital and money market instruments and in collective investment securities. All sale or issue abroad by residents of securities must be approved by the SBV and carried out through an account with an AD.
On capital market securities	To sell or purchase listed securities on the stock exchange, foreign organizations and individuals are required to open a securities trading account denominated in dong. All payments for and receipts from securities transactions must be effected through these accounts.
<i>Shares or other securities of a participating nature</i>	
Purchase locally by nonresidents	Foreign individuals and organizations are allowed to hold, in aggregate, up to 49% of an issuer's listed current shares with some exceptions in the banking sector, which has a maximum of 30%.
Sale or issue locally by nonresidents	Shares denominated in dong may be issued only in Vietnam.
Purchase abroad by residents	These transactions are not allowed.
Sale or issue abroad by residents	Yes.
<i>Bonds or other debt securities</i>	
Sale or issue locally by nonresidents	These transactions are not allowed.
Purchase abroad by residents	These transactions are not allowed.
Sale or issue abroad by residents	Yes.
On money market instruments	Controls apply to all these transactions.
On collective investment securities	
<i>Purchase locally by nonresidents</i>	Foreign individuals and organizations are allowed to hold, in aggregate, up to 49% of an issuer's listed current shares with some exceptions in the banking sector, which has a maximum of 30%.
<i>Sale or issue locally by nonresidents</i>	These transactions are subject to approval by the SBV and/or relevant agencies.
<i>Purchase abroad by residents</i>	These transactions are subject to approval by the SBV and/or relevant agencies.
<i>Sale or issue abroad by residents</i>	Yes.
Controls on derivatives and other instruments	
Sale or issue locally by nonresidents	SBV approval is required.
Purchase abroad by residents	SBV approval is required.
Sale or issue abroad by residents	n.a.
Controls on credit operations	Enterprises are subject to annual overall external borrowing ceilings and the fulfillment of certain other conditions. Resident individuals may borrow from abroad after being approved by the SBV.
Commercial credits	
<i>By residents to nonresidents</i>	Resident credit institutions may extend commercial credits in accordance with SBV regulations. Lending by residents is subject to the permission of the prime minister. Once allowed to lend in foreign exchange, enterprises must open a foreign currency account for loan disbursement and collection at an AD. All transactions of capital disbursement, interest payment, as well as related fees must be conducted through this account.
<i>To residents from nonresidents</i>	For short-term credit, borrowing enterprises must observe the required conditions of the SBV. For medium- and long-term loans, enterprises, including state-owned enterprises (SOEs), must register the borrowing and repayment schedules with the SBV before disbursement, within 30 days of signing the loan contract. Borrowing contracts of SOEs must be approved by the SBV and SOEs must report the borrowing and repayment schedules to the SBV. SOEs may borrow from abroad without prior SBV approval.

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Financial credits

By residents to nonresidents

Financial loans to nonresidents are subject to approval by the SBV or other relevant agencies. Approval from the prime minister must be obtained prior to signing the contract. The loan agreement must conform to SBV regulations.

To residents from nonresidents

The regulations governing commercial credits apply.

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

n.a.

To residents from nonresidents

The MOF provides government guarantees for borrowing abroad by enterprises and by credit institutions.

Controls on direct investment

Outward direct investment

Outward direct investment requires an MPI permit. Enterprises engaged in these investments must open an account with a bank with foreign exchange authorization and must register such accounts with the SBV. All related transactions must go through these accounts.

Inward direct investment

The authority to grant foreign investment licenses in Vietnam depends on the scope and areas of investment (as stipulated in Decree No. 108/2006, September 22, 2006, guiding the implementation of Foreign Investment Law). Foreign investment projects must be approved by the government, the MPI, or the Provincial People's Committee. The forms of foreign investment are regulated by the investment law. Foreign enterprises and foreign partners are required to open specific foreign currency accounts at authorized banks for all capital transactions.

Controls on liquidation of direct investment

n.a.

Controls on real estate transactions

Purchase abroad by residents

n.a.

Purchase locally by nonresidents

Foreign investors may not own land and must lease it from the state.

Sale locally by nonresidents

n.a.

Controls on personal capital transactions

Loans

By residents to nonresidents

These transactions are not allowed.

To residents from nonresidents

SBV approval is required prior to signing the loan contract.

References to legal instruments and hyperlinks

Decree 134/2005/ND-CP; Decree 108/2006; Decree 160/2006 ND-CP of December 28, 2006.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Registration with the SBV is required for medium- and long-term borrowing.

Maintenance of accounts abroad

SBV approval is required.

Lending to nonresidents (financial or commercial credits)

Registration with the SBV is required.

Lending locally in foreign exchange

Authorized credit organizations may extend loans to residents for the following purposes only: (1) borrowing to pay for imports of goods and services, (2) investment projects approved by the prime minister, (3) export projects involving manufacturing or trade, (4) borrowing under the terms of export documents, (5) borrowing to repay in advance external loans that have been guaranteed by domestic credit institutions and that meet certain criteria,

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	(6) borrowing by temporary guest workers from foreign countries as regulated by the SBV, and (7) short-term borrowing for manufacturing or other businesses that do not earn foreign exchange proceeds.
Purchase of locally issued securities denominated in foreign exchange	n.a.
Differential treatment of deposit accounts in foreign exchange	
<i>Reserve requirements</i>	For most banks, reserve requirements of 8% and 5% apply to deposits in foreign and domestic currency, respectively, with maturity of less than 12 months. For deposits with maturity of 12 to 24 months, the reserve requirements for deposits in foreign and domestic currency are unified at 2%.
<i>Liquid asset requirements</i>	n.a.
<i>Interest rate controls</i>	Credit institutions' lending rates to customers are not directly controlled by the SBV. Credit institutions and their customers are free to negotiate their lending interest rates. Periodically, the SBV announces the base rate as reference for the credit institutions.
<i>Credit controls</i>	n.a.
Differential treatment of deposit accounts held by nonresidents	n.a.
Investment regulations	n.a.
Open foreign exchange position limits	The aggregate open position limit is 30%, but the SBV may exempt banks from this limit in special circumstances. Forward and spot positions are included in the calculation of open position limits. These regulations apply to all authorized banks.
Provisions specific to institutional investors	
Insurance companies	
<i>Limits (max.) on securities issued by nonresidents</i>	Institutional investors are not allowed to purchase or hold these instruments.
<i>Limits (max.) on investment portfolio held abroad</i>	These transactions are not allowed.
<i>Limits (min.) on investment portfolio held locally</i>	n.a.
<i>Currency-matching regulations on assets/liabilities composition</i>	n.a.
Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Nonresident accounts	<i>December 28.</i> Decree 160/2006 ND-CP was introduced.
Exports and export proceeds	<i>January 23.</i> Decree 12/2006 ND-CP was introduced.
Capital transactions	
Controls on direct investment	<i>September 22.</i> Decree 108/2006 ND-CP was introduced.

VIETNAM

Changes during 2007

Exchange arrangement

January 1. The SBV widened the dollar-dong trading band, allowing banks to quote rates that vary up to $\pm 0.5\%$ from the rate quoted by the SBV.

REPUBLIC OF YEMEN

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: December 10, 1996.

Exchange Measures

Restrictions and/or multiple currency practices No restrictions as reported in the latest staff report as of December 31, 2006.

International security restrictions

Other security restrictions The funds of listed individuals and organizations associated with terrorism have been frozen.

References to legal instruments and hyperlinks n.a.

Exchange Arrangement

Currency The currency of the Republic of Yemen is the Yemeni rial.

Exchange rate structure Unitary.

Classification

Conventional pegged arrangement Although the de jure regime is an independent float, the Yemeni rial was remarkably stable against the dollar, remaining within a 2% band. As a result, the exchange rate regime has been reclassified, effective February 1, 2006, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.

Exchange tax No.

Exchange subsidy No.

Forward exchange market No.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Use of foreign exchange among residents Yes.

Payments arrangements No.

Administration of control Exchange control authority is vested with the Central Bank of Yemen (CBY).

Payments arrears

Official Yes.

Private Yes.

Controls on trade in gold (coins and/or bullions) No.

REPUBLIC OF YEMEN

Controls on exports and imports of banknotes	Exports and imports of rial banknotes are prohibited.
On exports	
<i>Domestic currency</i>	Yes.
On imports	
<i>Domestic currency</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Resident Accounts

Foreign exchange accounts permitted	Yes.
Held domestically	Yes.
Held abroad	Yes.
Accounts in domestic currency held abroad	Yes.
Accounts in domestic currency convertible into foreign currency	Yes.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Yes.
Blocked accounts	Yes.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	No.
Documentation requirements for release of foreign exchange for imports	
Letters of credit	Yes.
Import licenses and other nontariff measures	
Negative list	Tariff rates range from 5% to 25%. Some imports are banned for security, health, or religious reasons. Imports of coffee and used machinery are prohibited, and imports of certain fruits and vegetables are subject to seasonal tariff rates. All imports from Israel are prohibited.

REPUBLIC OF YEMEN

Import taxes and/or tariffs	There are three tariff rates: 5%, 10%, and 25%. The 5% rate applies to most imports.
State import monopoly	Imports of petroleum products are reserved for the Yemen Petroleum Company.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	No.
Export licenses	Exports are registered for statistical purposes. Exports to Israel are prohibited.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	No.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	Yes.
Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	n.a.
<i>To residents from nonresidents</i>	n.a.
Financial credits	
<i>To residents from nonresidents</i>	Short-term foreign loans by the public sector are prohibited. Approval by the Council of Ministers is required for contracting medium- and long-term foreign loans by the public sector.

REPUBLIC OF YEMEN

Controls on direct investment	No.
Controls on liquidation of direct investment	Liquidation of direct investments is free for approved and registered projects.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Differential treatment of deposit accounts in foreign exchange	Foreign exchange deposits held at the CBY are not remunerated.
<i>Reserve requirements</i>	Effective February 28, 2006, the reserve requirement on foreign currency deposits was lowered to 20% (previously, 30%). It is 10% on domestic currency deposits.
Open foreign exchange position limits	Commercial and specialized banks are required to observe prudential regulations regarding currency exposure and to report their positions.

Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement	<i>February 1.</i> The exchange rate arrangement was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.
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Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions	<i>February 28.</i> The reserve requirement on foreign currency deposits was lowered to 20% from 30%.
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ZAMBIA

(Position as of December 31, 2006)

Status under IMF Articles of Agreement

Article VIII Date of acceptance: April 19, 2002.

Exchange Measures

Restrictions and/or multiple currency practices	Information is not publicly available.
International security restrictions	No.
References to legal instruments and hyperlinks	n.a.

Exchange Arrangement

Currency The currency of Zambia is the Zambian kwacha.

Exchange rate structure Unitary.

Classification

Managed floating with no predetermined path for the exchange rate

The official foreign exchange rate is determined in the interbank market. The market relies on primary dealers as market makers to provide two-way bid/offer prices during business hours, with the spread based on market fundamentals. Effective August 11, 2006, trades are quoted in lots of \$500,000 (previously, \$50,000). All foreign currency trades are required to pass through the interbank market. The Bank of Zambia (BOZ) intervenes in the market primarily through transactions with the primary dealers but may also transact with market makers (i.e., other banks). The interbank rates provide the basis for determining the BOZ exchange rates: the BOZ's buying rate is the simple average of the primary dealers' low-bid rates, and the BOZ's selling rate is the simple average of the primary dealers' high-offer rates.

Exchange tax No.

Exchange subsidy No.

Forward exchange market Yes.

Official cover of forward operations Yes.

References to legal instruments and hyperlinks n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency n.a.

Payments arrangements

Regional arrangements Zambia is a member of COMESA, the COMESA Free Trade Area, the RIFF, and the SADC.

Administration of control No.

ZAMBIA

Payments arrears

Official Yes.

Private Yes.

Controls on trade in gold (coins and/or bullion)

On external trade Imports and exports of gold in any form other than jewelry require approval from the Ministry of Mines.

Controls on exports and imports of banknotes Amounts exceeding the equivalent of \$5,000 must be declared for statistical purposes.

References to legal instruments and hyperlinks n.a.

Resident Accounts

Foreign exchange accounts permitted Yes.

Held domestically Yes.

Held abroad Yes.

Accounts in domestic currency held abroad n.a.

Accounts in domestic currency convertible into foreign currency Yes.

References to legal instruments and hyperlinks n.a.

Nonresident Accounts

Foreign exchange accounts permitted Yes.

Domestic currency accounts Yes.

Convertible into foreign currency Yes.

Blocked accounts No.

References to legal instruments and hyperlinks n.a.

Imports and Import Payments

Foreign exchange budget No.

Financing requirements for imports No.

Documentation requirements for release of foreign exchange for imports

Letters of credit Yes.

Import licenses and other nontariff measures Trade in petroleum products requires a license. The license is granted by the Energy Regulation Board to all oil-marketing companies that meet set criteria pertaining to fuel extraction and import, pricing, and storage. Other imports, excluding those on the negative

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	list, do not require licenses. The Ministry of Commerce, Trade, and Industry is responsible for trade arrangements.
Negative list	Restrictions apply on imports of firearms, ammunition, and ivory.
Import taxes and/or tariffs	MFN tariff rates range from zero to 25%. In addition, there is a 5% import declaration fee. A number of products are subject to specific rates. Imports from COMESA countries are subject to a tariff equivalent to 60% of the MFN tariff. Some imports are exempt under the Investment Act. Imports from signatories of the COMESA Free Trade Agreement are tax exempt.
State import monopoly	No.
References to legal instruments and hyperlinks	n.a.

Exports and Export Proceeds

Repatriation requirements	No.
Financing requirements	No.
Documentation requirements	For statistical purposes, all exports must be declared on the prescribed export declaration form.
Other	Yes.
Export licenses	
Without quotas	Export declarations are required for most goods (mainly for statistical purposes), and they are administered routinely by commercial banks under authority delegated by the Ministry of Commerce, Trade, and Industry. Restrictions apply on exports of firearms, ammunition, and ivory.
With quotas	White maize and fertilizers may be subject to a quota if the domestic supply is short.
Export taxes	No.
References to legal instruments and hyperlinks	n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers	All payments for invisibles, except official external-debt-service payments, may be effected through banks.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	No.
Restrictions on use of funds	No.
References to legal instruments and hyperlinks	n.a.

Capital Transactions

Controls on capital transactions	No.
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Repatriation requirements	No.
Controls on capital and money market instruments	No.
Controls on derivatives and other instruments	No.
Controls on credit operations	
Commercial credits	All borrowing must be registered with the BOZ for statistical purposes.
Controls on direct investment	No.
Controls on liquidation of direct investment	No.
Controls on real estate transactions	No.
Controls on personal capital transactions	No.
References to legal instruments and hyperlinks	n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Information on borrowing abroad must be submitted to the BOZ for statistical purposes.
Open foreign exchange position limits	The overnight overall foreign exchange and the single currency exposure limits are 15% and 10% of regulatory capital, respectively. The intraday overall foreign exchange and the single currency exposure limits may be maintained within prudential limits as established in a written policy statement by a bank's or financial institution's board of directors. However, these exposure limits may not exceed 30% and 20%, respectively, of regulatory capital.

Provisions specific to institutional investors

Pension funds	n.a.
Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement	<i>August 11.</i> The size of foreign exchange trading lots was increased to \$500,000 from \$50,000.
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(Position as of February 28, 2007)

Status under IMF Articles of Agreement

Article VIII

Date of acceptance: February 5, 1995.

Exchange Measures

Restrictions and/or multiple currency practices

The staff report for the 2005 Article IV consultation with Zimbabwe states that as of August 1, 2005, Zimbabwe maintained restrictions on the making of transfers and payments for current international transactions, and multiple currency practices, inconsistent, respectively, with Article VIII Sections 2(a) and 3 of the Fund's Articles of Agreement. Zimbabwe maintains multiple currency practices (MCP) arising from the lack of a mechanism to prevent a divergence of more than 2 percent between (i) the exchange rates in the official and parallel markets, (ii) the exchange rates applicable for private sector imports and government imports, (iii) the exchange rates paid by successful bidders in the same tender, (iv) the exchange rate used for surrender of export receipts, including from international gold sales (weighted average rate from each auction) and the other rates in the exchange market, and (v) the exchange rate applicable to inward remittances of foreign exchange. Zimbabwe also maintains exchange restrictions arising from (i) limitations on the availability of foreign exchange, in the form of priority lists that limit the provision of foreign exchange for certain specified transactions which are subject to the approval of the Reserve Bank of Zimbabwe (RBZ), and (ii) the existence of private sector external payment arrears inconsistent with Article VIII Section 2(a). (Country Report No. 05/360)

International security restrictions

No.

References to legal instruments and hyperlinks

n.a.

Exchange Arrangement

Currency

The currency of Zimbabwe is the Zimbabwe dollar. Effective August 1, 2006, the Zimbabwe dollar was redenominated using a rate of 1:1,000.

Exchange rate structure

Multiple.

Classification

Conventional pegged arrangement

Effective January 24, 2006, the Reserve Bank of Zimbabwe (RBZ) introduced the Tradable Foreign Currency Balance System (TFCBS), under which the interbank exchange rate is allowed to depreciate by a daily maximum of (1) 1% if the volume transacted in the market reaches US\$5–US\$10 million a day; (2) 1.5% if daily transaction volume reaches US\$10–US\$15 million a day; and (3) 2% if it exceeds US\$15 million a day. Under this system, volume is known only to the RBZ, and the RBZ effectively fixes the exchange rate. Because the exchange rate has remained effectively constant since the system was introduced, the exchange rate regime was reclassified effective January 25, 2006, to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate. Also effective that date, all foreign exchange transactions by the government were effected at the rate of Z\$30,000 per US\$1. Previously, foreign exchange transactions of the government and public enterprises were effected at the rate of Z\$26,000 per US\$1. All other transactions and inward remittances were subject to the interbank exchange rate. Transactions under these two rates were effected through a carrot-and-stick retention-based export incentive scheme operated by the RBZ. On August 1, 2006, the RBZ redenominated the Zimbabwe dollar at a rate of 1:1,000 and devalued it by 60% vis-à-vis the U.S. dollar. Previous banknotes and bearer checks were allowed to be used for three weeks after the redenomination.

Effective April 27, 2006, the guaranteed floor exchange rate for inward remittances was changed to the interbank rate. Previously, a floor exchange rate of Z\$17,500 per US\$1 applied for inward remittances. On August 1, 2006, the RBZ introduced the Exchange Rate

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Impact Assessment Board (ERIAB) to monitor and inform the market of the sustainable bands of exchange rate adjustments under a “new flexible exchange rate regime.” However, the board is not operational yet.

The interbank rate has remained fixed so far at Z\$250 per US\$1 (the new currency).

Exchange tax

No.

Exchange subsidy

An official rate for government imports and debt service with Afreximbank applies at Z\$30 per US\$1 (after redenomination). Effective April 27, 2006, public enterprises receive foreign exchange from the RBZ at the prevailing interbank rate. For the 2007 selling season, the new producer price of cotton is Z\$500 a kilogram. For the 2006 season, the producer prices of wheat and maize were Z\$49,000 a ton and Z\$2,000 a ton, respectively.

Forward exchange market

No.

References to legal instruments and hyperlinks

n.a.

Arrangements for Payments and Receipts

Prescription of currency requirements

All payments by nonresidents to residents must be effected in any of the 17 currencies freely convertible through ADs, with the exception of payments otherwise specified or effected through nonresident accounts. Recipients of money transfers from the Diaspora have an option to receive payment in foreign currency. There is a maximum threshold of Z\$500,000 for cash payments in local currency, above which payments must be effected through bank transfers.

Controls on the use of domestic currency

For current transactions and payments

Residents may convert domestic currency only to meet approved current account payments.

For capital transactions

Transactions in capital and money market instruments

RBZ approval is required for residents to convert domestic currency in order to make capital payments.

Transactions in derivatives and other instruments

Yes.

Credit operations

Yes.

Use of foreign exchange among residents

Residents are not allowed to transact in foreign exchange.

Payments arrangements

Bilateral payments arrangements

Operative

There are arrangements with Botswana, Libya, Malawi, Malaysia, Namibia, and South Africa.

Regional arrangements

Zimbabwe is a member of the RIFF.

Clearing agreements

Zimbabwe is a member of the COMESA clearinghouse.

Administration of control

Exchange control is administered by the RBZ under powers delegated to it by the MOF through the Exchange Control Act, Exchange Control Statutory Instruments, and Exchange Control Directives.

Payments arrears

Official

Yes.

Private

Yes.

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Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

No person, either as principal or agent, may deal in or possess gold unless that person is (1) the holder of a license or permit, (2) the holder or distributor of a registered mining location from which gold is being produced, or (3) the employee or agent of any of the persons mentioned in (1) and (2) above and authorized by an employer or principal to deal in or possess gold that is already in the lawful possession of the employer or principal. A mining commissioner may issue to any person a permit authorizing the acquisition, possession, or disposal of any gold, provided the quantity does not exceed one troy ounce. In all other cases, permission may be issued by the Secretary for Mines only.

Under the terms of the Gold Trade Act, three types of licenses may be issued: a gold dealing license, a gold recovery works license, and a gold assaying license. All gold obtained from a registered mining location must be lodged with the holder of its gold dealing license no later than the tenth day of every month unless specific permission has been granted by the mining commissioner or the appropriate minister. Any person intending to smelt gold or any article containing gold must first obtain a license issued by a district commissioner under the terms of the Secondhand Goods Act, which authorizes the possession of smelting equipment. Small-scale gold producers receive a support price of Z\$16,000 a gram. The gold support price for large-scale producers was abandoned but they can access the support price for small-scale producers if they choose to be paid in Zimbabwe dollars.

On external trade

The exportation of gold in unmanufactured form is controlled and licensed by the Ministry of Mines; these controls do not apply to the RBZ. No export licenses for gold are issued.

The importation of gold is controlled by the Gold Trade Act, which requires those intending to import gold into Zimbabwe to meet certain requirements.

Controls on exports and imports of banknotes

On exports

Domestic currency

Effective February 1, 2007, the limit for the export of local currency in person or baggage by resident travelers is set at Z\$100,000 (new currency). Previously, resident travelers could take out up to Z\$5,000.

Foreign currency

Residents may take out up to the equivalent of US\$1,000 a day without Exchange Control approval and may take out up to the equivalent of US\$500 a day for business travel and up to US\$2,500 a year for holiday travel. Nonresident travelers may take out the traveler's checks they brought in, less the amount they sold to ADs. On departure, nonresident travelers may reconvert unspent Zimbabwean currency into foreign currencies on presentation of exchange certificates.

On imports

Domestic currency

Yes.

Foreign currency

Foreign currency and traveler's checks may be imported without restriction but may be sold or exchanged through ADs only. A declaration of the source is required for amounts exceeding US\$2,000.

References to legal instruments and hyperlinks

Exchange Control Act and the Exchange Control Statutory Instruments.

Resident Accounts

Foreign exchange accounts permitted

Yes.

Held domestically

Resident individuals may open foreign currency accounts (FCAs) in one of the denominated currencies in local branches of ADs. They may also open rand and pula accounts over and above the denominated currencies. Funds withdrawn from FCAs and converted into local currency may not be redeposited in the account, except for the amount of the initial investment and income or capital gains from investments in listed companies on the stock

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exchange or money market accounts. Effective October 1, 2006, 10% of export earnings are directed toward the Fuel and Electricity Stabilization Fund (FESF), effectively increasing the surrender requirement to 32.5%. Previously, exporters were allowed to retain 75% in FCAs for an indefinite time and 25% was sold to the RBZ at the interbank rate. Tobacco prices are quoted in U.S. dollars at auctions, but producers can retain 15% of the sales in FCAs and receive the rest in the local currency equivalent at the interbank rate. In addition, producers received a 65% top-up bonus for sales until August 31, 2006, on the Tobacco Performance Research and Development Facility (TPRDF). This bonus came on top of the 35% early delivery bonus introduced on April 27, 2006, which was based on the actual value of the tobacco sold on the auction floors. Gold producers are allowed to deposit the same percentage of gold proceeds in FCAs as exporters of other goods and they receive the international price at the interbank rate for the remainder.

Held abroad	Yes.
<i>Approval required</i>	Yes.
Accounts in domestic currency held abroad	No.
Accounts in domestic currency convertible into foreign currency	A resident may convert funds in a domestic account into foreign currency only when effecting approved foreign currency transactions.
References to legal instruments and hyperlinks	n.a.

Nonresident Accounts

Foreign exchange accounts permitted	These accounts may be credited with foreign currencies, with payments from other nonresident accounts, or with payments by residents that would be eligible for transfer outside Zimbabwe. Nonresident accounts may be debited for payments to residents, for payments to other nonresident accounts, or for payments abroad. Nonresident individuals may open FCAs in one of the denominated currencies in local branches of ADs. Funds in these accounts are traded at market-determined exchange rates. Funds withdrawn from these accounts and converted into local currency, however, may not be redeposited in the account, except in the case of the initial investment, and income or capital gains from investments in the stock exchange. The liquidation of FCAs takes place at the interbank exchange rate.
Approval required	Yes.
Domestic currency accounts	Yes.
Convertible into foreign currency	Nonresidents may convert domestic currency accounts into foreign currency only when emigrating and taking out their surplus earnings.
Approval required	Yes.
Blocked accounts	Former residents residing outside Zimbabwe may maintain emigrants' accounts in Zimbabwe. Cash assets held in Zimbabwe in the names of emigrants must be blocked in these accounts, and all payments to and from these accounts are subject to various exchange restrictions.
References to legal instruments and hyperlinks	n.a.

Imports and Import Payments

Foreign exchange budget	No.
Financing requirements for imports	
Advance payment requirements	Advance payments for imports of up to US\$100,000 are allowed. Payments exceeding this limit require prior approval from Exchange Control.

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Documentation requirements for release of foreign exchange for imports

ADs may approve applications for payment for authorized imports, provided the necessary documentation is submitted to and approved by the RBZ. The documentation required includes pro forma invoices detailing the name of the importer, the type of goods being imported, the respective items, the value of goods, and period of delivery. Payments for imports may not be made in domestic currency through a local nonresident account.

Domiciliation requirement

Yes.

Letters of credit

Yes.

Other

Imports of finished goods and raw materials for processing must be effected within 14 and 30 days after payment, respectively. Approval is required for longer periods.

Import licenses and other nontariff measures

Positive list

There is a priority list for foreign currency payments for which foreign exchange may be provided in the interbank market.

Negative list

The negative list for imports includes, in addition to items restricted for health or security reasons, weaponry, nonmonetary gold, pearls, precious and semiprecious stones, and some jewelry items.

Open general licenses

Yes.

Licenses with quotas

No quotas are in effect, but seasonal restrictions are applied to certain agricultural products.

Other nontariff measures

Imports of certain goods (mostly agricultural and processed food products) require a special permit issued by the Ministry of Lands and Agriculture.

Import taxes and/or tariffs

The customs duty regime consists mainly of ad valorem duties, which range up to a maximum of 70% for luxuries, with a surtax of 10% on finished goods and specific duties on a number of products. Generally, imports are subject to an additional tax (between 12.5% and 20%) equivalent to the VAT imposed on goods sold domestically. Government imports and capital goods for statutory bodies are exempt from customs duties. Effective April 27, 2006, government imports are subject to the interbank rate. Previously, effective January 25, 2006, government imports were subject to an official rate of Z\$30 per US\$1. The maximum tariff rate is 100% and applies to 18 tariff items. Customs duty valuation is based on the interbank exchange rate.

State import monopoly

Maize may be imported only by the Grain Marketing Board or by others with the permission of the board. Petroleum is imported by the National Oil Company, as well as by private companies under a license issued by the Ministry of Energy.

References to legal instruments and hyperlinks

Exchange Control Act.

Exports and Export Proceeds

Repatriation requirements

Yes.

Surrender requirements

Surrender to the central bank

Effective August 1, 2006, (1) exporters and gold producers are allowed to retain 75% in FCAs for an indefinite time and the remainder is sold to the RBZ at the interbank rate, effective October 11, 2006, if the surrender takes place within 90 days (previously, 30 days); and (2) tobacco farmers are given 15% FCA retention facility with no liquidation or expiration limits. Effective August 1, 2006, an additional 65% bonus scheme was introduced for tobacco exports for sales on the TPRDF. Previously, before January 25, 2006, exporters were allowed to retain proceeds in FCAs for 30 days, which was raised May 1, 2006, to 70 days; foreign exchange not used after this period must be sold at the interbank exchange rate (previously, at Z\$17,500 per US\$1). Effective April 27, 2006, beyond 90 days, without specific Exchange Control approval, exporters forfeit the right of retention, and all export proceeds are liquidated at the interbank rate. Effective August 1, 2006, corporate FCA holders (nonresident controlled companies, and EPZ companies that are wholly financed from abroad) may use retained foreign exchange earnings for an indefinite period (previously, effective January 25, 2006, for 30 days) for purposes specified on a

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priority list and other business related expenses. Effective October 1, 2006, an additional 10% of the receipts is directed toward the FESF, to which the RBZ also contributes 10% from its 25% compulsory surrender. This effectively increases the surrender requirement to 32.5%. A retention rate of 80% for incremental export proceeds applies from August 2005 to December 2006, to be reduced to 60% for 2007.

Surrender to authorized dealers

Effective October 1, 2006, 10% of export earnings are directed toward the FESF, effectively increasing the surrender requirement to 32.5%.

Financing requirements

Payments for exports must be received in foreign currency transferred into Zimbabwe through the banking system, except when there are special arrangements. Goods may not be exported without permission, unless the customs authorities are satisfied that payment has been received in an approved manner or will be received within three months of the date of shipment (or a longer period if permitted by the RBZ).

Documentation requirements

Letters of credit

Yes.

Domiciliation

Yes.

Export licenses

Without quotas

Export licenses are required for the following: (1) any ore, concentrate, or other manufactured product of chrome, copper, lithium, nickel, tin, or tungsten; (2) petroleum products; (3) jute and hessian bags; (4) road or rail tankers for carrying liquids or semiliquids; (5) bitumen, asphalt, and tar; (6) wild animals and wild animal products; (7) certain wood products; (8) ammonium nitrate; and (9) armaments. Export-licensing requirements are imposed for reasons of health and social welfare, as well as to ensure an adequate domestic supply of essential products. Export permits are required from the Ministry of Lands and Agriculture for some basic agricultural commodities, including maize, oil seeds, cheese, milk, seeds, potatoes, citrus fruits, apples, bananas, and tomatoes.

Export taxes

No.

References to legal instruments and hyperlinks

n.a.

Payments for Invisible Transactions and Current Transfers

Controls on these transfers

Foreign exchange to pay for invisibles related to imports and, within certain limits, for other purposes is provided by commercial banks under delegated authority; prior approval of the RBZ is required. Applications for foreign exchange exceeding the limits established for commercial banks are approved by the RBZ, which deals with each case on its merits.

Trade-related payments

Prior approval

Required for payment of commissions.

Quantitative limits

The limits for freight and insurance are 30% of the f.o.b. value of goods transported, but for goods that are of exceptional volume in relation to value, up to 80% of the f.o.b. value may be approved. For commissions, the following limits apply: (1) confirming commission—up to 2.5% of c.i.f. value; (2) buying commission—up to 5% of f.o.b. value; (3) foreign travel agents—up to 10% of sales; and (4) selling commission—up to 7.5% of f.o.b. value.

Indicative limits/bona fide test

Yes.

Investment-related payments

Prior approval

All investment-related transfers are subject to prior RBZ approval. Certain applications are submitted to ADs for approval without reference to the RBZ.

Quantitative limits

A corporation may be authorized to remit by way of dividends to foreign shareholders, including dividends due to former residents of Zimbabwe, up to 100% of the corporation's net after-tax profits, provided an application for the remittance of a dividend is submitted to an AD within 12 months from the end of the financial year in which the dividend is payable.

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<i>Indicative limits/bona fide test</i>	Yes.
Payments for travel	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	The basic foreign exchange allowance for nonbusiness travel is US\$2,500 a person a year regardless of age, and that for business travel is US\$500 a day. In practice, owing to the foreign exchange shortage, foreign exchange is not readily made available for nonbusiness travel.
<i>Indicative limits/bona fide test</i>	Yes.
Personal payments	Remittance of pensions of former residents is guaranteed under the constitution.
<i>Prior approval</i>	With RBZ approval, foreign exchange is provided for education abroad beyond the secondary school level for certain diploma and degree courses.
<i>Quantitative limits</i>	For medical treatment, the limit is US\$20,000 a trip for the patient and one companion. A travel allowance up to US\$250 a person a day may be allowed. For studies abroad, the limit is US\$50,000 a year, and the annual limit is the US\$2,000 for alimony and child support payments.
<i>Indicative limits/bona fide test</i>	Applications for additional amounts must be submitted to the RBZ for approval.
Foreign workers' wages	
<i>Prior approval</i>	Expatriate workers may remit their monthly salaries, subject to RBZ approval.
<i>Quantitative limits</i>	Amounts of up to one-third of gross salary may be remitted.
<i>Indicative limits/bona fide test</i>	Yes.
Credit card use abroad	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	Credit cards may be used abroad for holiday travel by FCA holders, up to US\$2,500, and for business travel, up to the limits set for those transactions.
<i>Indicative limits/bona fide test</i>	Yes.
Other payments	
<i>Prior approval</i>	Yes.
<i>Quantitative limits</i>	The annual limit for subscriptions for a company is the equivalent of US\$20,000.
<i>Indicative limits/bona fide test</i>	Yes.
References to legal instruments and hyperlinks	n.a.

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements	Yes.
Surrender requirements	
<i>Surrender to the central bank</i>	Receipts from invisibles must be repatriated through the banking system, and the surrender requirement governing export proceeds also applies to all invisible transactions. Foreign exchange receipts from tourists and by international organizations, embassies, and individuals are purchased by the RBZ at Z\$250 per US\$1. Effective August 1, 2006, exporters are allowed to retain 75% (previously, 70%) in FCAs for an indefinite time, and the remainder is sold to the RBZ at the interbank rate. Effective October 1, 2006, an additional 10% of the receipts must be paid to the FESF.
<i>Surrender to authorized dealers</i>	Effective October 1, 2006, 10% of export earnings are directed toward the FESF, effectively increasing the surrender requirement to 32.5%.
Restrictions on use of funds	The use of these funds is limited to a specified priority list.

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References to legal instruments and hyperlinks n.a.

Capital Transactions

Controls on capital transactions Inward transfers of capital through normal banking channels are not restricted. Outward transfers of capital are controlled.

Repatriation requirements Yes.

Surrender requirements

Surrender to the central bank Effective May 1, 2006, foreign exchange from trade finance facilities and other capital inflows are required to be surrendered to the RBZ at the interbank rate.

Surrender to authorized dealers Yes.

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents Foreign investors are permitted to participate in the Zimbabwe Stock Exchange (ZSE) using currency received in Zimbabwe through normal banking channels. The initial investment plus any capital gains and dividend income may be remitted without restriction. Foreign investors may also subscribe for up to 35% of primary issues of bonds and stocks. Nonresidents are not permitted to purchase bonds and stocks on the secondary market.

Sale or issue locally by nonresidents Nonresident investors are allowed to sell their bonds and stocks on the secondary market.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

Bonds or other debt securities

Purchase locally by nonresidents Foreign investors may also subscribe for up to 35% of primary issues of bonds and stocks. Nonresidents are not permitted to purchase bonds and stocks on the secondary market. Former residents holding blocked assets and new emigrants are allowed to invest their funds in government external bonds with a maturity of 12 years and an annual interest rate of 4%.

For investments prior to May 1993, under current legislation, disinvestment proceeds on the original amount of the investment may be remitted, but any capital appreciation that arises from revaluation of the investment goes to "blocked funds," which are then converted into six-year bonds at a 4% interest rate, and a variable ratio of remittances is allowed, depending on the discount offered. However, if the amount of capital appreciation is small, it may usually be repatriated without restriction.

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

On money market instruments

Purchase locally by nonresidents All unremitted pension funds and any future pension remittances may be credited to an interest-earning block account. These funds may be invested in money market instruments and remitted freely. For investments made after May 1, 1993, proceeds from any disinvestment may be remitted without restriction.

Sale or issue locally by nonresidents Yes.

Purchase abroad by residents Yes.

Sale or issue abroad by residents Yes.

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On collective investment securities	Controls apply to all these transactions.
Controls on derivatives and other instruments	No derivative transactions with foreign currency implications are permitted.
Controls on credit operations	
Commercial credits	
<i>By residents to nonresidents</i>	Yes.
<i>To residents from nonresidents</i>	All foreign borrowing requires RBZ approval and prior approval of the External Loans Coordination Committee. Gold producers undertaking new expansion projects are permitted access to offshore financing in the form of gold loans.
Financial credits	
<i>By residents to nonresidents</i>	Residents are not permitted to provide credit to nonresidents without RBZ approval.
<i>To residents from nonresidents</i>	Yes.
Guarantees, sureties, and financial backup facilities	Controls apply to all these transactions.
Controls on direct investment	
Outward direct investment	These investments require RBZ and MOF approval on a case-by-case basis.
Inward direct investment	Direct foreign investment in various sectors is subject to the prior approval of the Zimbabwe Investment Authority, normally with the following conditions: (1) up to 100% foreign ownership is allowed in the following priority sectors: manufacturing, mining, quarry and mineral exploration, and development of hotels for tourism; (2) up to 70% foreign shareholding is permitted in specialized services such as management consultancy and construction; and (3) a maximum of 35% foreign ownership (reserved sector list) is allowed in selected sectors, where foreign investors wishing to participate may do so only in joint-venture partnership with Zimbabwean firms or individuals. The reserved sector list is as follows: primary production of food and cash crops; primary horticulture; game, wildlife ranching, and livestock; forestry; fishing and fish farming; poultry farming; employment agencies; estate agencies; valet services; armaments manufacture, marketing, and distribution; public water provision for domestic and industrial purposes; rail operations; grain mill products; bakery products; sugar products; tobacco packaging and grading; and tobacco products.
Controls on liquidation of direct investment	All foreign investments, irrespective of their source, that have been undertaken through normal banking channels since May 1, 1993, may be repatriated. In all cases, specific applications must be submitted to the RBZ with respect to repatriation of capital. Repatriation at accelerated rates that depend on discounted sale prices of net equity is allowed for investments effected before 1979.
Controls on real estate transactions	
Purchase abroad by residents	Yes.
Purchase locally by nonresidents	Yes.
Controls on personal capital transactions	
Loans	RBZ approval is required for all loans to or from nonresidents.
Gifts, endowments, inheritances, and legacies	Controls apply to all these transactions.
Settlements of debts abroad by immigrants	Yes.
Transfer of assets	
<i>Transfer abroad by emigrants</i>	Applications for emigrant status must be submitted to the RBZ; the settling-in allowance emigrants may remit abroad is limited to the equivalent of US\$1,000 a person or US\$2,000 a family. In exceptional cases, the exchange control authorities will consider applications exceeding this maximum. All those applying for emigrant status are required

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Transfer of gambling and prize earnings	to liquidate their assets within six months after emigrating and invest the total proceeds, less any settling-in allowance granted, in 4%, 12-year Zimbabwe government external bonds.
References to legal instruments and hyperlinks	Lottery prizes due to nonresidents may be transferred, provided the funds that were used in betting were originally transferred into Zimbabwe in foreign currency. The winning prize may not be remitted. n.a.

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad	Borrowing abroad is subject to exchange control rules and regulations and the approval of the External Loans Coordination Committee.
Maintenance of accounts abroad	The maintenance of accounts abroad is subject to exchange control rules and regulations.
Lending to nonresidents (financial or commercial credits)	Lending to nonresidents is subject to exchange control rules and regulations, and is usually not permitted.
Lending locally in foreign exchange	These transactions are subject to exchange control rules and regulations.
Purchase of locally issued securities denominated in foreign exchange	Yes.
Differential treatment of deposit accounts in foreign exchange	There are rules that allow for differential treatment of local exporters and companies operating in the EPZ.
<i>Reserve requirements</i>	Yes.
<i>Liquid asset requirements</i>	Yes.
<i>Interest rate controls</i>	Yes.
<i>Credit controls</i>	Controls apply to mortgage rates of building societies.
Investment regulations	
<i>Abroad by banks</i>	Investment abroad by local banks in offshore entities is subject to exchange control approval.
<i>In banks by nonresidents</i>	Acquisition of equity by nonresidents in local banks listed on the ZSE is subject to the ZSE's rules and regulations. Banks not listed on the ZSE are subject to exchange control approval.
Open foreign exchange position limits	ADs are subject to overnight net foreign currency exposure limits. The net open position limit of foreign exchange dealers is the equivalent of US\$2 million or 10% of their capital base, and their capital requirements are 5% (core/Tier 1) and 10% (total capital).

Provisions specific to institutional investors

Insurance companies	Local institutional investors are not permitted to invest in securities registered offshore. Purchase of shares by foreign investors is limited to 40% of the total equity of the company, with a limit of 10% for one investor. These limits are in addition to any existing foreign shareholdings in companies that existed prior to May 1, 1993.
<i>Limits (max.) on securities issued by nonresidents</i>	Yes.
<i>Limits (max.) on investment portfolio held abroad</i>	Yes.
<i>Limits (min.) on investment portfolio held locally</i>	Yes.
<i>Currency-matching regulations on assets/liabilities composition</i>	Yes.
Pension funds	n.a.

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Investment firms and collective investment funds	n.a.
References to legal instruments and hyperlinks	n.a.

Changes during 2006

Exchange arrangement

January 25. The exchange rate regime of Zimbabwe was reclassified to the category conventional pegged arrangement from the category managed floating with no predetermined path for the exchange rate.

January 25. All foreign exchange transactions by the government are effected at the rate of Z\$30,000 per US\$1 (previously, Z\$26,000 per US\$1).

January 25. The RBZ introduced the TFCBS, by which the interbank exchange rate was allowed to depreciate by a daily maximum of (1) 1% if the volume transacted in the market reached US\$5–US\$10 million a day; (2) 1.5% if daily transaction volume reached US\$10–US\$15 million; and (3) 2% if it exceeded US\$15 million a day. Under this system, market volume is known only to the RBZ, and the RBZ effectively fixes the exchange rate.

April 27. The guaranteed floor exchange rate for inward remittances was changed to the interbank rate.

April 27. Public enterprises receive foreign exchange from the RBZ at the interbank market rate.

August 1. The RBZ redenominated the Zimbabwe dollar at a rate of 1:1,000 and devalued it by 60% vis-à-vis the U.S. dollar.

August 1. The ERIAB was introduced to monitor and inform the market of the sustainable bands of exchange rate adjustments under a new flexible exchange rate regime. However, this board is not operational yet and the rate remains fixed.

Resident accounts

April 27. Tobacco growers were awarded an early delivery bonus of 35% based on the actual value of the tobacco sold on the auction floors.

August 1. Tobacco growers received a 65% top-up bonus for sales on the TPRDF.

October 1. Ten percent of export earnings were directed toward the FESF, effectively increasing the surrender requirement to 32.5%.

Imports and import payments

January 25. Government imports became subject to an official rate of Z\$30 per US\$1 (previously, Z\$25 per US\$1).

April 27. Government imports became subject to the interbank rate.

Exports and export proceeds

January 25. Corporate FCA holders (nonresident controlled companies, and EPZ companies that were wholly financed from abroad) were permitted to use retained foreign exchange earnings for up to 30 days (previously, 21 days) for purposes specified on a priority list; foreign exchange not used after this period must be sold at the interbank exchange rate (previously, at Z\$17,500 per US\$1).

April 27. For export proceeds received after 90 days without specific Exchange Control approval, exporters forfeit the right of retention and all export proceeds are liquidated at the interbank rate.

May 1. Exporters were permitted to retain 70% of the export proceeds in FCAs, which should be utilized within 90 days. The remaining 30% was required to be sold at the interbank rate.

August 1. Exporters and gold producers were allowed to retain 75% of foreign exchange proceeds in FCAs for an indefinite time and use it for purposes specified on a priority list and other business related expenses; the remainder must be sold to the RBZ at the interbank rate.

August 1. An additional 65% bonus scheme was introduced for tobacco exports for sales on the TPRDF.

ZIMBABWE

August 1. Tobacco farmers were given 15% FCA retention facility with no liquidation or expiration limits.

October 1. Ten percent of export earnings were directed toward the FESF, effectively increasing the surrender requirement to 32.5%.

October 1. The time limit for surrendering 25% of foreign exchange proceeds of exporters and gold producers while retaining 75% of the proceeds in FCAs was increased to 90 days from 30 days.

Proceeds from invisible transactions and current transfers

August 1. Exporters were allowed to retain 75% in FCAs for an indefinite time; the remainder must be sold to the RBZ at the interbank rate.

October 1. Ten percent of export earnings were directed toward the FESF, effectively increasing the surrender requirement to 32.5%.

Capital transactions

May 1. Foreign exchange from trade finance facilities and other capital inflows are required to be surrendered to the RBZ at the interbank rate.

Changes during 2007

Arrangements for payments and receipts

February 1. The limit for the export of local currency by resident travelers was increased to Z\$100,000.

APPENDIX: COUNTRY TABLE MATRIX

Status under IMF Articles of Agreement

Article VIII

Article XIV

Exchange Measures

**Restrictions and/or multiple
currency practices**

International security restrictions

In accordance with IMF Executive
Board Decision No. 144-(52/51)

Other security restrictions

Exchange Arrangement

Currency

Other legal tender

Exchange rate structure

Unitary

Dual

Multiple

Classification

Exchange arrangement with no
separate legal tender

Currency board arrangement

Conventional pegged arrangement

Pegged exchange rate within horizontal
bands

Crawling peg

Crawling band

Managed floating with no
predetermined path for the exchange
rate

Independently floating

Exchange tax

Exchange subsidy

Forward exchange market

Official cover of forward operations

**References to legal instruments and
hyperlinks**

Arrangements for Payments and Receipts

Prescription of currency requirements

Controls on the use of domestic currency

For current transactions and payments

For capital transactions

Transactions in capital and money market instruments

Transactions in derivatives and other instruments

Credit operations

Use of foreign exchange among residents

Payments arrangements

Bilateral payments arrangements

Operative

Inoperative

Regional arrangements

Clearing agreements

Barter agreements and open accounts

Administration of control

Payments arrears

Official

Private

Controls on trade in gold (coins and/or bullion)

On domestic ownership and/or trade

On external trade

Controls on exports and imports of banknotes

On exports

Domestic currency

Foreign currency

On imports

Domestic currency

Foreign currency

References to legal instruments and hyperlinks

Resident Accounts

Foreign exchange accounts permitted

Held domestically

Approval required

Held abroad

Approval required

Accounts in domestic currency held abroad

Accounts in domestic currency convertible into foreign currency

References to legal instruments and hyperlinks

Nonresident Accounts

Foreign exchange accounts permitted

Approval required

Domestic currency accounts

Convertible into foreign currency

Approval required

Blocked accounts

References to legal instruments and hyperlinks

Imports and Import Payments

Foreign exchange budget

Financing requirements for imports

Minimum financing requirements

Advance payment requirements

Advance import deposits

Documentation requirements for release of foreign exchange for imports

Domiciliation requirements

Preshipment inspection

Letters of credit

Import licenses used as exchange licenses

Other

Import licenses and other nontariff measures

Positive list

Negative list

Open general licenses

Licenses with quotas

Other nontariff measures

Import taxes and/or tariffs

Taxes collected through the exchange system

State import monopoly**References to legal instruments and hyperlinks****Exports and Export Proceeds****Repatriation requirements**

Surrender requirements

Surrender to the central bank

Surrender to authorized dealer

Financing requirements**Documentation requirements**

Letters of credit

Guarantees

Domiciliation

Preshipment inspection

Other

Export licenses

Without quotas

With quotas

Export taxes

Collected through the exchange system

Other export taxes

References to legal instruments and hyperlinks**Payments for Invisible Transactions and Current Transfers****Controls on these transfers**

Trade-related payments

Prior approval

Quantitative limits

Indicative limits/bona fide test

Investment-related payments

Prior approval

Quantitative limits

Indicative limits/bona fide test

Payments for travel

Prior approval

Quantitative limits

Indicative limits/bona fide test

Personal payments

Prior approval

Quantitative limits

Indicative limits/bona fide test

Foreign workers' wages

Prior approval

Quantitative limits

Indicative limits/bona fide test

Credit card use abroad

Prior approval

Quantitative limits

Indicative limits/bona fide test

Other payments

Prior approval

Quantitative limits

Indicative limits/bona fide test

**References to legal instruments and
hyperlinks**

Proceeds from Invisible Transactions and Current Transfers

Repatriation requirements

Surrender requirements

Surrender to the central bank

Surrender to authorized dealer

Restrictions on use of funds

**References to legal instruments and
hyperlinks**

Capital Transactions

Controls on capital transactions

Repatriation requirements

Surrender requirements

Surrender to the central bank

Surrender to authorized dealer

Controls on capital and money market instruments

On capital market securities

Shares or other securities of a participating nature

Purchase locally by nonresidents

Sale or issue locally by nonresidents

Purchase abroad by residents

Sale or issue abroad by residents

Bonds or other debt securities

Purchase locally by nonresidents

Sale or issue locally by nonresidents

Purchase abroad by residents

Sale or issue abroad by residents

On money market instruments

Purchase locally by nonresidents

Sale or issue locally by nonresidents

Purchase abroad by residents

Sale or issue abroad by residents

On collective investment securities

Purchase locally by nonresidents

Sale or issue locally by nonresidents

Purchase abroad by residents

Sale or issue abroad by residents

Controls on derivatives and other instruments

Purchase locally by nonresidents

Sale or issue locally by nonresidents

Purchase abroad by residents

Sale or issue abroad by residents

Controls on credit operations

Commercial credits

By residents to nonresidents

To residents from nonresidents

Financial credits

By residents to nonresidents

To residents from nonresidents

Guarantees, sureties, and financial backup facilities

By residents to nonresidents

To residents from nonresidents

Controls on direct investment

Outward direct investment

Inward direct investment

Controls on liquidation of direct investment

Controls on real estate transactions

Purchase abroad by residents

Purchase locally by nonresidents

Sale locally by nonresidents

Controls on personal capital transactions

Loans

By residents to nonresidents

To residents from nonresidents

Gifts, endowments, inheritances, and legacies

By residents to nonresidents

To residents from nonresidents

Settlement of debts abroad by immigrants

Transfer of assets

Transfer abroad by emigrants

Transfer into the country by immigrants

Transfer of gambling and prize earnings

References to legal instruments and hyperlinks

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions

Borrowing abroad

Maintenance of accounts abroad

Lending to nonresidents (financial or commercial credits)

Lending locally in foreign exchange

Purchase of locally issued securities denominated in foreign exchange

Differential treatment of deposit accounts in foreign exchange

Reserve requirements

Liquid asset requirements

Interest rate controls

Credit controls

Differential treatment of deposit accounts held by nonresidents

Reserve requirements

Liquid asset requirements

Interest rate controls

Credit controls

Investment regulations

Abroad by banks

In banks by nonresidents

Open foreign exchange position limits

On resident assets and liabilities

On nonresident assets and liabilities

Provisions specific to institutional investors

Insurance companies

Limits (max.) on securities issued by nonresidents

Limits (max.) on investment portfolio held abroad

Limits (min.) on investment portfolio held locally

Currency-matching regulations on assets/liabilities composition

Pension funds

Limits (max.) on securities issued by nonresidents

Limits (max.) on investment portfolio held abroad

Limits (min.) on investment portfolio held locally

Currency-matching regulations on assets/liabilities composition

Investment firms and collective investment funds

Limits (max.) on securities issued by nonresidents

Limits (max.) on investment portfolio held abroad

Limits (min.) on investment portfolio held locally

Currency-matching regulations on assets/liabilities composition

References to legal instruments and hyperlinks

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Nonresident accounts

Imports and import payments

Exports and export proceeds

Payments for invisible transactions and current transfers

Proceeds from invisible transactions and current transfers

Capital transactions

Controls on capital and money market instruments

Controls on derivatives and other instruments

Controls on credit operations

Controls on direct investment

Controls on liquidation of direct investment

Controls on real estate transactions

Controls on personal capital transactions

Provisions specific to the financial sector

Provisions specific to commercial banks and other credit institutions

Provisions specific to institutional investors

Changes during 2007

Status under IMF Articles of Agreement

Exchange measures

Exchange arrangement

Arrangements for payments and receipts

Resident accounts

Nonresident accounts

Imports and import payments

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Provisions specific to commercial banks and other credit institutions

Provisions specific to institutional investors