CAPITAL MARKET INTEGRATION: EXCHANGE CONTROLS AND EXCHANGE RATE STABILITY

by

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Capital Market Integration: Exchange Controls and Exchange Rate Stability

Abstract

The recently signed Protocol II of the Caricom Treaty provides for the removal of capital controls between member countries in due course; however, it is not clear what this implies in a situation where some countries have no controls whatever on foreign exchange transactions and are therefore at risk of contagion, speculation and currency instability. The paper asks whether removal of capital controls makes a significant advance in integrating Caricom capital markets and say why it is unlikely to do so. It distinguishes between effective exchange controls that discourage harmful speculation and exchange control failures which attempted to ration foreign exchange. We discuss how capital controls may contribute to currency stability and improve macro-economic management and we warn of the danger of eliminating between countries with fixed and fluctuating exchange rates.

Capital Market Integration: Exchange Controls and Exchange Rate Stability

1: Introduction

This paper explores whether there is a role for capital controls in the integration of capital markets in the Caricom region. The recently signed Protocol II of the Caricom Treaty envisages the removal of capital controls within the region at an undefined future time. Is the removal of these controls likely to accelerate capital market integration? What are the implications of the fact that Guyana and Jamaica are among the few countries worldwide which have no capital controls of any kind? In view of growing apprehension about the risk of exchange rate contagion and currency instability is it envisaged that an integrated Caricom capital market would eventually be completely without capital controls on the Guyana/Jamaica model? Would that be beneficial to Caricom as a whole?

The next section of this paper examines the extent of capital market integration within Caricom and between Caricom and the rest of the world. To what extent are capital markets integrated and how serious a barrier does exchange control constitute? The third section distinguishes between exchange controls that are effective and those which were overly ambitious and ineffectual. The fourth section addresses the problems of speculation, short-term capital movements and contagion: can capital controls help? Section 5 discusses the risks associated with capital market integration between countries with fixed and flexible exchange rates.

2: Capital Market Integration and Exchange Controls

Except for Guyana, Jamaica and Trinidad and Tobago during the period from 1970 to about the mid-1980s Caricom has enjoyed relatively high capital market integration, both internationally and regionally. Before the 1970s these countries were all members of the Sterling Area and capital flows were freely permitted with all other Sterling Area members. Caricom countries were also successful in attracting large-scale external borrowing and foreign investment both in the private and in the government sector. Private foreign investment was the main source of finance for leading export industries including mining, manufacturing, tourism and agriculture. The past four decades have seen the regionalization of major corporate entities especially in the Eastern Caribbean - a reflection of the facility with which capital moves within the region for quite large investments.

The remaining barriers to greater capital market integration in Caricom are non-uniformity of tax rates and tax administration; poor information on investment opportunities; limited investment opportunities in traditional activities; and high risks or large capital requirements in non-traditional activities.

There is a lack of uniformity of effective tax rates even within countries (Worrell, 1989). As between countries this creates opportunities for tax arbitrage - an incentive for regional capital flows - but it increases tremendously the difficulty of administering investments across national borders.

There is little information open to the public on investment opportunities. Most investment is not via stock exchange floatations. Little information is available about investment in private companies

and projects which are contemplated. Opportunities for unsolicited investment are seldom offered publicly. Most investment is financed from loans and retained earnings with no opportunity for participation by surplus institutions other than the primary investor.

There are limited opportunities for profitable investment in traditional activities such as agriculture, food processing, clothing and insurance. Domestic markets in these activities are already saturated and the competitive position of export activities is threatened. Many firms have demonstrated that it is still possible to invest profitably in these industries but it takes a high degree of specific expertise and intimate knowledge of the market.

Non-traditional activities carry high risk or have very large capital requirements. New resource based activities such as methanol in Trinidad and Tobago and tourism in the rest of the Caribbean require very large capital outlays, of an order of magnitude that only a few large firms can afford. Information technology is a less capital intensive activity but it is highly competitive and the rapid pace and uncertain direction of technological change make it a high risk investment.

The exchange controls which remain in the Caribbean do not appear to have a serious effect on capital flows either internationally or regionally. Tourism is the Caribbean's largest industry. The countries with exchange controls (The Bahamas, Belize, Barbados and the OECS) attract the largest percentage of regional and international tourism investment. Regional and international companies in banking, insurance, food processing, construction and public utilities are equally represented in countries with and without exchange controls. In summary, exchange controls would seem to be

somewhat of a nuisance but they constitute no serious drag on investment, whether domestic regional or international.

2.1. An Exchange Control Typology

Exchange controls have proved a serious inhibitor to investment in Guyana, Jamaica and Trinidad and Tobago; why have they not had similar effects in smaller countries? The answer lies in the fact that exchange control strategy in the Bahamas, Barbados, Belize and the OECS, which we define as Type A strategies in Exhibit 1, differed fundamentally from exchange controls as exercised in Guyana, Jamaica and Trinidad and Tobago, defined as Type B. In general small open economies have found Type A controls helpful. Type B controls have been ineffective and often harmful. The failures of Type B have been well chronicled by myself, among others (Worrell, 1993).

In contrast, experiences with Type A controls have been universally favourable. Most successful small open economies still have exchange controls. All except Hong Kong had them during their initial high growth periods. The IMF reports each year on exchange controls. Exhibit II shows the extent of controls reported by them for December 1995. The Table illustrates the rich variety of exchange controls available. All Caribbean high performers except the Caymans have exchange controls including Aruba, Bahamas, Barbados, Belize, the OECS and the Netherlands Antilles. The controls in these countries are all of Type A.

Type A controls are easy to police. Only a few individuals and institutions are large enough to have an impact on foreign exchange reserves and these are the only ones one need concern oneself with.

Small transactions may be ignored. Type A controls do not inhibit foreign investment. Reputation is more important to investors than promises. The countries with Type A controls have a solid reputation for full payment of investment income and for the repatriation of investment and capital gains. The removal of exchange controls is no more than a promise not to institute restrictions in the future, for countries which do not have a solid reputation for welcoming investment.

Type A controls inhibit exchange rate speculation. Since residents require permission to invest abroad it is impractical to make quick currency switches to gamble on prospective interest or interest rate movements. Speculators need to be able to make instant decisions on the placement of funds. The kind of investment which increases productive capacity and generates growth requires thoughtful preparation and documentation. Exchange controls have a positive externality if they force financiers to do their homework well. Type A controls are a source of information to policy-makers. In the Caribbean exchange controls are the only source of up-to-date information on the non-trade current account and capital account transactions. Abolishing exchange controls has meant a considerable loss of valuable information for policy making and for public information in those countries which have done away with their exchange control departments. The information gleaned may be made available to the market via a periodic balance of payments report. Unfortunately, this information is passed on only to a limited extent. For example, in Barbados some information is published quarterly in the Central Bank's Economic Review but balance of payments details are published only once per year.

Type A controls avoid a moral hazzard. Large companies lack a motive for exchange rate speculation because they know that their local competitors are not able to speculate. If there were no restrictions the suspicion that competitors might speculate would be a sufficient motive for pre-emptive action. Thus, with no change in economic fundamentals there might well be a significant reduction in net capital inflow as each large financial institution or private company takes a larger position in foreign exchange to hedge against pre-emptive switches to foreign currency by its rivals.

2.2. Benefits from Exchange Controls on Capital Account

Capital controls may be helpful in averting the exchange rate crises to which small open economies are prone. Crises have resulted from insufficient concensus in favour of appropriate macro-economic policy: inadequate information, and/or conflicting interpretations of the economic situation leading to poor economic policy: external shocks; natural disasters; social and political upheavals; and contagion. The effects of the Mexican crisis on Argentina and other Latin American countries provide an example of contagion close at hand. The current situation in the Far East reinforces the point, with relatively healthy economies like Malaysia forced to adjust away from sound fundamentals, especially with respect to price and exchange rate stability.

Capital controls may help by discouraging speculative activity which hastens the onset of the crisis and causes over-reaction. Speculators can obtain financing for foreign currency transactions only by convincing the monetary authority that the funds are being used for capacity-creating investment. Financial institutions will not risk their reputation - especially in view of heightened concerns over

regulatory standards - by conniving with firms to supply foreign currency illegally. Thanks to sound fundamentals there is now no parallel foreign currency market left anywhere in Caricom.

The authorities may use capital controls to buy time needed to introduce decisive fiscal and monetary measures. In Barbados for about six months in the second half of 1992 an informal system of foreign currency rationing was managed by the banks themselves, allowing time for fiscal adjustment to take effect. A similar opportunity may have been lost in Jamaica in 1993 when government failed to buttress Mr. Butch Stewart's initiative with decisive fiscal adjustment.

Capital controls may reduce or eliminate contagion. A country with Type A capital controls discourages volatile portfolio investment which is the main vehicle for spill-overs. Capital controls do not deter all portfolio investment, only the spur of the moment type which responds to short-term opportunities for arbitrage and capital gain. The loss of this type of capital inflow is now acknowledged to be an advantage and is seen as a justification for capital controls. Not only do they reduce the risk of contagion, they avoid pressure of excess money supply which is often the result of such inflow.

Capital controls provide information which may make social sanctions more effective. Major speculators are wary of being identified and vilified by the public. In Caricom economies, speculation which is large enough to matter, cannot escape attention if there are exchange controls in place. In fact, even without capital controls speculation may be fingered if the currency has enjoyed a period of prolonged stability. We have examples from Jamaica and Guyana. The

existence of exchange controls makes detection virtually certain - a risk that fund managers are reluctant to take in view of the attendant social and political sanction.

The information which capital controls make available may be used to strengthen the constituency for appropriate macro adjustment. Macro policy is constrained by public perceptions of economic circumstances and the appropriate responses to them. Policies which are disjoint with those perceptions will be nullified by public reaction in one way or another (Worrell, 1997). Improving the flow of economic information to the public is a powerful tool for conditioning public perceptions - though it does not of course guarantee correct perception or sensible policy - and exchange controls provide a vital source of information that may be deployed for public education.

I suggest that Type A exchange controls may be used to complete the foreign exchange market in circumstances where information is costly and incomplete, where market agents suffer from moral hazzard and where relatively few large institutions constitute what is in effect a cartel. The controls reduce incentives to speculate and opportunities for speculation: they discourage the use of financial instruments that speculators prefer; and they improve information flows to policy-makers and potentially to the public. There is a small but growing literature offering theoretical support for exchange controls, using similar lines of argument (See Helleiner (1996), Caskey (1993) and Montgomery (1996)).

2.3. Exchange Controls and Capital Market Integration between Countries with Fixed and Floating Exchange Rates

Will the removal of exhange controls between fixed and floating currencies in Caricom result in greater integration of capital markets? The evidence from the OECS suggests not. Integration among the capital markets of the OECS is no greater than between OECS and other Caricom countries. The evidence of capital market integration is of two kinds: jointly held companies/subsidiaries and ownership of assets in a sister country or countries; and harmonization of interest rates, share values and other asset prices. If one compares the incidence of jointly held companies and subsidiaries among OECS members with the incidence of such countries between OECS countries and the non-OECS members, especially Barbados and Trinidad and Tobago, one finds no greater incidence within the OECS, even though they no longer have exchange controls between each other. Moreover, prime lending rates and spreads vary across the OECS despite their common currency.

The existing exchange controls do not prohibit or ration cross-border investment within Caricom. Such investment does require approval of the authorities but they all have the reputation of not denying fixed capital investment across the region, notwithstanding the often obtrusive red tape. Portfolio shifts and the acquisition of assets are more problematic - unless they are conducted via the region's stock exchanges - but discouraging portfolio shifts is probably a good thing, as explained earlier. Furthermore, recall that the major barriers to Caricom capital market integration do not include exchange controls. Therefore, it is highly improbable that the removal of exchange controls among Caricom will have noticeable effects on the financing of fixed capital formation.

Removal of exchange controls between fixed and floating currencies may create uncertainty about the stability of the fixed exchange rates. In the first place there is the risk of contagion. Large liquid institutions which were involved in speculative attack on floating rate currencies would be able to extend that attack to fixed rate currencies. They could, for example, use Barbados dollar balances to buy Jamaican dollars with which to augment their Jamaica dollar funds being used to buy US dollars on the Jamaica foreign exchange market.

The limited foreign exchange reserve cushion offered by excess domestic liquidity would be lost. If a Barbados bank had excess liquidity it could immediately acquire better yielding assets elsewhere in Caricom, reducing Barbados' foreign exchange reserves. Excess funds would gravitate to countries with no exchange controls at all because those countries never have excess cash holdings. Anything they do not employ domestically is invested outside the region.

The change in regime might be perceived as heightening the risk of devaluation because the removal of intra-Caribbean exchange controls effectively removes exchange controls against the rest of the world, at one remove. Firms and institutions may take defensive measures involving the export of capital and loss of foreign exchange reserves.

The removal of exchange controls may cause new threats to the stability of the financial system in countries that have been relatively free of problems. Financial institutions would be free to acquire assets and liabilities (actual and contingent) elsewhere in Caricom, involving exchange rate risks. For example, risk loving fund managers in Barbados might place funds in Jamaica to take advantage

of what are extraordinarily handsome real rates of return, based on Barbadian inflation rates. If these placements are not adequately hedged or if the investor fails to exit ahead of a devaluation of the Jamaica dollar considerable losses could be made, infecting Barbadian non-bank financial institutions in ways similar to the recent difficulties of Jamaican financial institutions. If the regional currency positions are hedged the risk to the financial system may not be much diminished given that the markets for regional currencies are very thin.

5. Conclusions

Currrency stability is a vital hard-won asset of those countries which have achieved it, ensuring low inflation, reduced uncertainty and a buoyant investment climate. That exchange rate stability is buttressed by capital controls of Type A.

If currency stability is not to be sacrificed capital market integration must await the achievement of exchange rate stability in countries where it is not yet assured. Type A capital controls would then be advised for the region as a whole.

In the meanwhile, Caricom is reasonably well-integrated internally among members and with the rest of the world. There is no serious brake on the flow of funds for investment. Capital controls discourage speculation and the export of funds from the region. The priorities for capital market

integration - the measures that might have significant effects - include increased information flows, harmonization of corporate taxation and greater transparency in corporate tax administration.

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Exhibit 1

1. CAPITAL MARKET INTEGRATION AND EXCHANGE CONTROLS

2. AN EXCHANGE CONTROL TYPOLOGY

3. CAPITAL CONTROLS MAY BE HELPFUL IN AVERTING EXCHANGE RATE CRISES

4. CAPITAL CONTROLS MAY BE USED TO COMPLETE THE FOREIGN EXCHANGE MARKET

5. EXCHANGE CONTROLS AND CAPITAL MARKET INTEGRATION BETWEEN COUNTRIES WITH FIXED AND FLOATING EXCHANGE RATES

6. CONCLUSIONS

CAPITAL MARKET INTEGRATION AND EXCHANGE CONTROLS

Except for Guyana, Jamaica and Trinidad and Tobago from 1970 to the mid-1980's the Caribbean has enjoyed relatively high capital market integration, internationally and regionally

(A) As members of the Sterling area

(B) Successful large scale external borrowing and foreign investment in the private sector (principally mining, manufacturing and tourism) government and government guaranteed

(C) The regionalisation of major corporate entities especially in the Eastern part of the Caribbean.

The remaining barriers to greater capital market integration are:

(A) Non-uniformity of tax rates and tax administration.

(B) Poor information on investment opportunities:

most investment is not via Stock Exchange floatations;

private companies, loans and projects about which little information is available in advance;

opportunities for unsolicited investment seldom offered.

(C) Limited investment opportunities in traditional activities such as agriculture, food processing, clothing and insurance.

(D) High risk or large capital requirements in non-traditional activities such as methanol, information technology and banking.

The exchange controls which remain in the Caribbean do not appear to have a serious effect on capital flows either international or regional.

(A) Countries with exchange controls (The Bahamas, Barbados, Belize and the OECS) attract the largest percentage of tourism investment.

(B) Regional and international companies (banks, insurance companies, food processors, construction companies, public utility companies) are equally represented in countries with and without exchange controls.

In summary, exchange controls are something of a nuisance but they constitute no serious drag on investment - domestic, regional or international.

AN EXCHANGE CONTROL TYPOLOGY

Exchange controls proved a serious inhibitor to investment in Guyana, Jamaica and Trinidad and Tobago. Why have they had no similar effects in the smaller countries?

Exchange control strategy in The Bahamas, Barbados, Belize and the OECS (type A) differed fundamentally from exchange controls in Guyana, Jamaica and Trinidad and Tobago (type B). See Exhibit 1. In general, small open economies have found type A controls helpful. Type B controls have been ineffective and often harmful. The failures of type B have been well chronicled.

In contrast, experiences with type A have been universally favourable.

(A) Most successful small open economies still have exchange controls. All except Hong Kong had them during their initial high-growth periods.

(B) All Caribbean high-performers except The Cayman have exchange controls (Aruba, Bahamas, Barbados, Belize, OECS, the Netherland Antilles).

(C) Type A controls are easy to police. Only a few individuals and institutions are large enough to have an impact on foreign exchange reserves. Small transactions may be ignored.

(D) They do not inhibit foreign investment. These countries have a solid reputation for allowing full payment of investment income and the repatriation of investment and capital gains.

(E) They inhibit exchange rate speculation. Residents require permission to invest abroad. It is impractical to make quick currency switches to gamble on prospective interest and exchange rate movements.

(F) They are a source of information to policy makers. This information may be made available to the market through periodic balance of payments reports

(G) They avoid a moral hazard. Large companies lack a motive for exchange rate speculation because they know that their local competitors are not able to speculate. If there were no restriction the suspicion that competitors might speculate would be sufficient motive for preemptive action.

CAPITAL CONTROLS MAY BE HELPFUL IN AVERTING EXCHANGE RATE CRISES TO WHICH SMALL OPEN ECONOMIES ARE PRONE

Crises have resulted from

(A) Insufficient consensus in favour of appropriate macro economic policy.

(B) Inadequate information and/or conflicting interpretations leading to poor policy

(C) External shocks

(D) Natural disasters, social and political upheaval; and

(E) Contagion - e.g. in Malaysia or Argentina.

HOW MAY CAPITAL CONTROLS HELP TO AVERT EXCHANGE RATE CRISES

(A) By discouraging speculative activity which hastens the onset of the crisis and causes over reaction.

(B) Authorities may buy time needed to introduce decisive fiscal and monetary measures (e.g. in Barbados 1991-92)

(C) By reducing or eliminating contagion: a country with type A exchange controls discourages volatile portfolio investment which is the main vehicle for spillovers

(D) By providing information which may make social sanctions more effective: major speculators are wary of being identified and vilified by the public.

(E) The information which capital controls makes available may be used to strengthen the constituency for appropriate macro adjustment.

Hypothesis: Type A exchange controls may be used to complete the foreign exchange market in circumstances where information is costly and incomplete, where market agents suffer from moral hazard and where relatively few large institutions constitute what is in effect a cartel.

Type A controls

(A) Reduce incentives to speculate and opportunities for speculation.

(B) Discourage the use of financial instruments that speculators prefer.

(C) Improve information flows to policy-makers and potentially to the public.

There is a small literature offering theoretical support for exchange controls in some form. See Helleiner (1996)......, Caskey (1993), Montgomery (1996)

EXCHANGE CONTROLS AND CAPITAL MARKET INTEGRATION BETWEEN COUNTRIES WITH FIXED AND FLOATING EXCHANGE RATES

Will the removal of exchange controls between fixed and floating currencies in Caricom result in greater integration of capital markets?

(A) The evidence from the OECS suggests not. Integration between capital markets of OECS countries is no greater than between the OECS and other Caricom countries such as for example St. Lucia and Barbados.

i. jointly held companies, subsidiaries, ownership of assets in the sister country

ii. harmonisation of interest rates, share values and other asset prices.

(B) Existing exchange controls do not prohibit or ration cross-border investment within Caricom.

(C) Recall the major barriers to Caricom capital market integration (see earlier).

Conclusion: It is highly improbable that the removal of exchange controls among Caricom will have a noticeable effect on capital movements.

EXCHANGE CONTROLS AND CAPITAL MARKET INTEGRATION BETWEEN COUNTRIES WITH FIXED AND FLOATING EXCHANGE RATES

The removal of exchange controls between fixed and floating currencies creates uncertainty about the stability of the fixed exchange rate.

(A) The risk of contagion: large liquid institutions which were involved in speculative activity on floating rate currencies would be able to extend that attack to fixed rate currencies.

(B) The limited foreign exchange reserve cushion offered by excess domestic liquidity would be lost. If a Barbados bank had excess liquidity it could immediately acquire better yielding assets elsewhere in Caricom, reducing Barbados' foreign exchange reserves. Excess funds would gravitate to countries with no exchange controls at all because they never have excess liquidity. Anything they do not employ domestically is invested outside the region.

(C) The change in regime might be perceived as heightening the risk of devaluation because the removal of intra-Caricom exchange controls effectively removes exchange controls against the rest of the world at one remove. Firms and institutions may take defensive measures involving the export of capital and the loss of foreign exchange reserves.

(D) They may cause new threats to stability of the financial system in countries that have been relatively free of problems. Financial institutions are free to acquire contingent liabilities elsewhere in Caricom involving exchange rate risk.

CONCLUSIONS

(A) Currency stability is a vital, hard-won asset of those countries which have achieved it, ensuring low inflation, reduced uncertainty and a buoyant investment climate. That exchange rate stability is buttressed by type A controls.

(B) If currency stability is not to be sacrificed capital market integration must await the achievement of exchange rate stability in countries where it has not yet been assured. Type A capital controls would then be advised for the region as a whole.

(C) In the meanwhile, Caricom is reasonably well integrated internally among members and with the rest of the world. There is no serious brake on the flow of funds for investment. Capital controls discourage speculation and the export of funds from the region.

(D) The priorities for Caricom capital market integration and the measures that might have significant effects include: increased information flows, harmonization of corporate taxation and greater transparency in corporate tax administration.

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EXHIBIT 1

AN EXCHANGE CONTROL TYPOLOGY

	Type A	Type B
1.	No rationing of curr. a/c	Rationing: FX budget
2.	Transparency (circulars, guidelines)	Arbitrary
3.	Small transactions exempt	All transactions controlled
4.	All transactions at market ER	Transactions at stipulated ER(s)
5.	No parallel Market ER	Sig. % of trans at parallel market ER
6.	Timely decision making	Long delays

MONETARY INTEGRATION IN CARICOM

1. **Monetary integration is mainly about credibility**

    - those who have it, to lock in

    - those who do not, to borrow

2. **The source of Caribbean credibility in the US; the only good long run choices are:**

    - adopt a common currency and join the US currency area

    - discard local monies and use US dollars

3. **The supposed benefits of flexible ERs are illusory:**

    - there is no relationship between nominal and real exchange rate changes in practice

    - exchange rate flexibility increases uncertainty, reduces investment and reduces potential growth

4. **The key to monetary integration is stability of the TT$; the core group for monetary union: TT, OECS, B'dos**

Exhibit 2

Summary Features of Exchange and Trade Systems in Member Countries

(Excerpt from International Monetary Fund
Exchange Arrangements and Exchange Restrictions,
Annual Report, 1996)

	Albania	Algeria	Angola	Antigua and Barbuda	Argentina	Armenia	Aruba	Australia	Austria	Azerbaijan	Bahamas, The	Bahrain	Bangladesh	Barbados	Belarus	Belgium and Luxembourg	Belize	Benin	Bhutan	Bolivia	Bosnia Herzegovina	Botswana	Brazil	Brunei Darussalam	Bulgaria
A. Acceptance of Article Status																									
1. Article VIII status	—	—	—	●	●	—	●	●	●	—	●	●	●	●	—	●	●	●	—	●	—	●	—	●	—
2. Article XIV status	●	●	●	—	—	●	—	—	—	●	—	—	—	—	●	—	—	—	●	—	●	—	●	—	●
B. Exchange Arrangement[3]																									
1. Exchange rate determined on the basis of:																									
(a) A peg to:																									
(i) the U.S. dollar	—	—	—	●	●	—	●	—	—	—	●	—	—	●	—	—	●	—	—	—	—	—	—	—	—
(ii) the French franc	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—
(iii) other currencies[4]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	●	—	—	●	—
(iv) a composite of currencies	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	●	—	—	—
(b) Limited flexibility with respect to:																									
(i) single currency	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) cooperative arrangement	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—
(c) More flexible arrangements:																									
(i) adjusted according to a set of indicators	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) other managed floating	—	●	●	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	●	—	—
(iii) independently floating	●	—	—	—	—	●	—	●	—	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	●
2. Separate exchange rate(s) for some or all capital transactions and/or some or all invisibles	—	—	●	—	—	●	—	—	—	●	●	—	—	—	●	—	—	—	—	●	—	—	●	—	—
3. More than one rate for imports	—	—	●	—	—	●	—	—	—	●	—	—	—	—	●	—	—	—	—	●	—	—	—	—	—
4. More than one rate for exports	—	—	●	—	—	●	—	—	—	●	—	—	—	—	●	—	—	—	—	●	—	—	—	—	—
5. Import rate(s) different from export rate(s)	—	—	●	—	—	●	—	—	—	●	—	—	—	—	●	—	—	—	—	●	—	—	—	—	—
C. Payments Arrears	●	—	●	●	—	—	—	—	—	●	—	—	—	—	●	—	—	●	—	—	—	—	—	—	—
D. Bilateral Payments Arrangements																									
1. With members	●	●	—	—	—	●	—	—	—	●	—	—	●	—	●	—	—	●	—	—	—	—	●	—	●
2. With nonmembers	●	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—
E. Payments Restrictions																									
1. Restrictions on payments for current transactions[5]	—	●	●	—	—	●	—	—	—	●	—	—	—	—	●	—	—	—	●	—	●	—	●	—	●
2. Restrictions on payments for capital transactions[5, 6]	●	●	●	—	—	●	●	—	—	●	●	—	●	●	●	—	●	●	●	—	●	●	●	—	●
F. Cost-Related Import Restrictions																									
1. Import surcharges	—	—	—	—	●	—	—	—	—	—	—	—	—	●	—	—	●	—	—	—	—	—	—	—	—
2. Advance import deposits	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—
G. Export Proceeds																									
1. Repatriation requirement	●	●	●	—	—	●	●	—	—	●	●	—	●	●	●	—	●	●	●	●	●	●	●	—	●
2. Surrender requirement	—	●	●	—	—	—	●	—	—	●	●	—	●	●	—	—	●	●	●	●	●	●	●	—	—

For key and footnotes, see page 552.

Trade Systems in Member Countries[1] country page)[2]

Burkina Faso	Burundi	Cambodia	Cameroon	Canada	Cape Verde	Central African Republic	Chad	Chile	China	Colombia	Comoros	Congo	Costa Rica	Côte d'Ivoire	Croatia	Cyprus	Czech Republic	Denmark	Djibouti	Dominica	Dominican Republic	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	Hong Kong	Hungary	Iceland	India	Indonesia	Iran, Islamic Rep. of	Ireland	Israel	Italy	Jamaica	Japan	Jordan	Kazakstan	Kenya	Kiribati	Korea
A. Acceptance of Article Status																									
1. Article VIII status	•	•	•	•	•	—	•	•	•	•	•	•	•	•	—	•	•	•	•	•	•	•	•	•	•
2. Article XIV status	—	—	—	—	—	•	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—	—
B. Exchange Arrangement[3]																									
1. Exchange rate determined on the basis of:																									
(a) A peg to:																									
(i) the U.S. dollar	—	—	•	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) the French franc	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iii) other currencies[4]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—
(iv) a composite of currencies	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	•	—	—	—	—
(b) Limited flexibility with respect to:																									
(i) single currency	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) cooperative arrangement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—
(c) More flexible arrangements:																									
(i) adjusted according to a set of indicators	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) other managed floating	—	•	—	—	—	•	—	—	•	•	•	—	—	•	•	—	•	—	—	—	—	—	—	—	•
(iii) independently floating	•	—	—	•	•	—	•	•	—	—	—	—	•	—	—	—	—	•	•	•	—	•	•	—	—
2. Separate exchange rate(s) for some or all capital transactions and/or some or all invisibles	—	—	—	—	—	•	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	•	•	—	—
3. More than one rate for imports	—	—	—	—	—	•	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	•	•	—	—
4. More than one rate for exports	—	—	—	—	—	•	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	•	•	—	—
5. Import rate(s) different from export rate(s)	—	—	—	—	—	•	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	•	•	—	—
C. Payments Arrears	—	—	—	•	•	•	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—	•	—	—
D. Bilateral Payments Arrangements																									
1. With members	•	—	—	—	•	—	—	—	—	—	•	—	•	—	•	—	—	•	—	—	•	•	—	—	—
2. With nonmembers	•	—	—	—	•	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	•	—	—	—
E. Payments Restrictions																									
1. Restrictions on payments for current transactions[5]	—	—	—	—	•	•	—	—	—	—	•	—	•	—	•	—	—	—	•	—	•	•	•	—	—
2. Restrictions on payments for capital transactions[5, 6]	•	•	•	—	•	•	•	•	—	—	•	•	•	—	•	—	•	—	•	•	•	•	•	—	•
F. Cost-Related Import Restrictions																									
1. Import surcharges	—	•	•	—	•	—	—	—	—	—	•	—	•	•	•	—	—	—	•	—	•	—	—	—	—
2. Advance import deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—	—
G. Export Proceeds																									
1. Repatriation requirement	•	•	•	•	•	•	•	•	•	—	•	—	•	—	•	—	•	—	—	—	—	•	•	—	•
2. Surrender requirement	•	•	—	•	•	•	•	—	•	—	•	—	•	—	•	—	•	—	—	—	—	•	•	—	—

For key and footnotes, see page 552.

Trade Systems in Member Countries[1] (continued
country page)[2]

	Kuwait	Kyrgyz Republic	Lao People's Dem. Rep.	Latvia	Lebanon	Lesotho	Liberia	Libyan Arab Jamahiriya	Lithuania	Macedonia, former Yugoslav Republic of	Madagascar	Malawi	Malaysia	Maldives	Mali	Malta	Marshall Islands	Mauritania	Mauritius	Mexico	Micronesia, Fed. States of	Moldova	Mongolia	Morocco	Mozambique	Myanmar	Namibia	Nepal	Netherlands	Netherlands Antilles	New Zealand	Nicaragua	Niger	Nigeria
	●	●	—	●	●	—	—	—	●	—	—	●	●	—	●	●	●	—	●	●	●	●	●	●	—	—	—	●	●	●	●	●	●	—
	—	—	●	—	—	●	●	●	—	●	●	—	—	●	—	—	—	●	—	—	—	—	—	—	●	●	●	—	—	—	—	—	—	●
	—	—	—	—	—	—	●	—	●	—	—	—	—	—	—	—	●	—	—	—	●	—	—	—	—	—	—	—	—	●	—	—	—	●
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—
	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—
	●	—	—	—	—	—	—	●	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	●	—	●	—	●	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—
	—	●	—	●	—	—	—	—	—	●	—	—	●	●	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	●	—	●	—	—	—	—	—	●	●	—	—	—	—	—	●	—	●	—	●	●	—	●	—	—	—	—	—	●	—	—	—
	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	●	—	—	—	—	—	—	—	●	—	—	●	—	—	—	—	—	—	—	●	—	—	—	—	—	●	●	—
	—	●	●	●	—	—	—	●	●	—	●	—	●	—	—	●	—	—	●	—	—	—	●	—	●	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—
	—	—	●	—	—	—	—	●	—	●	●	—	—	—	—	—	—	●	—	—	—	●	●	—	●	●	●	—	—	—	—	—	—	●
	—	●	●	—	—	●	●	●	—	●	●	●	—	—	●	●	—	●	●	●	—	●	●	●	●	●	●	●	—	●	—	●	—	●
	—	—	—	—	—	—	●	●	—	●	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	—	●	—	—
	—	—	—	—	●	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	●	—	—	●	●	●	—	●	●	●	●	●	●	●	—	●	●	—	—	●	●	●	●	●	●	●	—	●	—	●	●	●
	—	—	—	—	—	●	●	●	—	●	●	●	●	●	●	●	—	●	●	—	—	—	—	●	●	●	●	—	—	—	—	—	—	●

	Norway	Oman	Pakistan	Panama	Papua New Guinea	Paraguay	Peru	Philippines	Poland	Portugal	Qatar	Romania	Russian Federation	Rwanda	St. Kitts and Nevis	St. Lucia	St. Vincent and Grenadines	San Marino	São Tomé and Príncipe	Saudi Arabia	Senegal	Seychelles	Sierra Leone	Singapore	Slovak Republic
A. Acceptance of Article Status																									
1. Article VIII status	•	•	•	•	•	•	•	•	•	•	•	—	•	—	•	•	•	•	—	•	•	•	•	•	•
2. Article XIV status	—	—	—	—	—	—	—	—	—	—	—	•	—	•	—	—	—	—	•	—	—	—	—	—	—
B. *Exchange Arrangement*[3]																									
1. Exchange rate determined on the basis of:																									
(a) A peg to:																									
(i) the U.S. dollar	—	•	—	•	—	—	—	—	—	—	—	—	—	—	•	•	•	—	—	—	—	—	—	—	—
(ii) the French franc	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—
(iii) other currencies[4]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—
(iv) a composite of currencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—	—	•
(b) Limited flexibility with respect to:																									
(i) single currency	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	•	—	—	—	—	—
(ii) cooperative arrangement	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(c) More flexible arrangements:																									
(i) adjusted according to a set of indicators	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) other managed floating	•	—	•	—	—	—	—	—	•	—	—	—	•	—	—	—	—	—	—	—	—	—	—	•	—
(iii) independently floating	—	—	—	—	•	•	•	•	—	—	—	•	—	•	—	—	—	—	•	—	—	—	•	—	—
2. Separate exchange rate(s) for some or all capital transactions and/or some or all invisibles	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—	—	—	—	—
3. More than one rate for imports	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—	—	—	—	—
4. More than one rate for exports	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Import rate(s) different from export rate(s)	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—	—	—	—	—	—	—	—
C. Payments Arrears	—	—	—	•	—	•	•	—	—	—	—	—	•	•	—	—	—	—	•	—	•	•	•	—	—
D. Bilateral Payments Arrangements																									
1. With members	—	—	—	•	—	—	—	—	—	—	—	•	•	•	—	—	—	—	•	—	—	—	—	—	•
2. With nonmembers	—	—	—	—	—	—	—	—	—	—	—	•	•	—	—	—	—	—	—	—	—	—	—	—	•
E. Payments Restrictions																									
1. Restrictions on payments for current transactions[5]	—	—	•	—	—	—	—	—	—	—	—	•	•	—	—	—	—	—	•	—	—	—	—	—	•
2. Restrictions on payments for capital transactions[3, 6]	—	—	•	—	•	•	—	•	•	—	—	•	•	•	•	•	•	—	•	—	•	—	•	—	•
F. Cost-Related Import Restrictions																									
1. Import surcharges	—	—	•	•	—	—	•	—	•	—	—	•	—	—	—	—	•	—	—	—	—	—	—	—	—
2. Advance import deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	•	—	—	—	—	—	—
G. Export Proceeds																									
1. Repatriation requirement	—	—	•	—	•	•	—	—	•	—	—	•	•	•	•	•	•	—	•	—	•	•	•	—	•
2. Surrender requirement	—	—	•	—	—	—	—	—	•	—	—	—	•	•	—	•	•	—	•	—	•	•	—	—	•

For key and footnotes, see page 552.

Trade Systems in Member Countries[1] *(concluded)*

country page)[2]

Slovenia	●	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	●	—	●	●	—	—	●	●
Solomon Islands	●	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	●
South Africa	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	●	—	—	●	●
Spain	●	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sri Lanka	●	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—
Sudan	—	●	—	—	—	—	—	—	—	—	●	●	●	●	●	●	●	—	●	●	—	●	●	●
Suriname	●	—	—	—	—	—	—	—	—	●	—	—	—	—	—	●	—	—	●	●	●	—	●	●
Swaziland	●	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	●
Sweden	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—
Switzerland	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—
Syrian Arab Republic	—	●	●	—	—	—	—	—	—	—	—	●	●	●	●	●	●	—	●	●	●	—	●	●
Tajikistan	—	●	—	—	—	—	—	—	—	—	●	●	—	—	—	●	●	—	●	●	—	—	●	—
Tanzania	—	●	—	—	—	—	—	—	—	—	●	●	●	●	●	●	—	—	●	●	—	—	—	—
Thailand	●	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	●
Togo	●	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	●	—	—	●	●
Tonga	●	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	●
Trinidad and Tobago	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—
Tunisia	●	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	●	—	—	●	●
Turkey	●	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	●	—	—	●	—	●	●	●
Turkmenistan	—	●	—	—	—	—	—	—	—	—	●	●	●	●	●	●	●	—	●	●	—	●	●	●
Uganda	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	●	●	—	●	—	—	●	—
Ukraine	—	●	—	—	—	—	—	—	—	●	—	●	●	●	●	●	●	—	●	●	—	—	●	●
United Arab Emirates	●	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
United Kingdom	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—
United States	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—
Uruguay	●	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	●	—	●	—	—	●	—
Uzbekistan	—	●	—	—	—	—	—	—	—	●	—	—	—	—	—	—	●	—	●	●	—	—	●	●
Vanuatu	●	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	—
Venezuela	●	—	●	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	●	●	—	●	●
Vietnam	—	●	—	—	—	—	—	—	—	●	—	—	—	—	—	●	●	●	●	●	—	—	●	●
Western Samoa	●	—	—	—	—	●	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	●
Yemen, Republic of	—	●	●	—	—	—	—	—	—	—	—	●	●	●	●	—	—	—	●	●	●	●	—	—
Zaïre	—	●	—	—	—	—	—	—	—	—	●	—	—	—	—	●	●	—	●	●	—	—	●	●
Zambia	—	●	—	—	—	—	—	—	—	—	●	●	●	●	●	●	—	—	●	●	—	—	●	●
Zimbabwe	●	—	—	—	—	—	—	—	—	—	●	—	—	—	—	—	—	—	●	●	●	—	●	—

Summary Features of Exchange and Trade Systems in Member Countries

Key and Footnotes

• indicates that the specified practice is a feature of the exchange and trade system.
– indicates that the specified practice is not a feature of the system.
▫ indicates that the composite is the SDR.
[1] The listing includes the nonmetropolitan territory of Hong Kong, for which the United Kingdom has accepted the Fund's Articles of Agreement, and Aruba and the Netherlands Antilles, for which the Kingdom of the Netherlands has accepted the Fund's Articles of Agreement. Exchange practices indicated in individual countries do not necessarily apply to all external transactions.
[2] Usually December 31, 1995.
[3] It should be noted that existence of a separate rate does not necessarily imply a multiple currency practice under Fund jurisdiction. Exchange arrangements involving transactions at a unitary rate with one group of countries and at another unitary rate with a second group of countries are considered, from the viewpoint of the overall economy, to involve two separate rates for similar transactions.
[4] Australian dollar, deutsche mark, Indian rupee, Italian lira, Singapore dollar, or South African rand.
[5] Restrictions (i.e., official actions directly affecting the availability or cost of exchange, or involving undue delay) on payments to member countries, other than restrictions evidenced by external payments arrears and restrictions imposed for security reasons under Executive Board Decision No. 144-(52/51) adopted August 14, 1952.
[6] Resident-owned funds.