



IMF POLICY PAPER

REVIEW OF THE FUND'S POLICY ON MULTIPLE CURRENCY PRACTICES—EXTENSION OF THE EFFECTIVE DATE

March 2023

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- The **Staff Report**, prepared by IMF staff and completed on March 13 for the Executive Board's consideration.

[The documents listed below have been or will be separately released.]

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International Monetary Fund
Washington, D.C.



March 10, 2023

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EXECUTIVE SUMMARY

This paper proposes to delay the effective date of the revised Fund's policy on Multiple Currency Practices (MCPs) approved by the Executive Board on July 1, 2022, from April 1 to November 1, 2023. The extension of the transitional period and the delayed implementation of the revised policy will provide more time to finalize the guidance note and conduct outreach with stakeholders.

- 1. The Board concluded the review of the Fund's policy on multiple currency practices (MCPs) on July 1, 2022.** The review focused on updating the MCP policy to take into account recent developments on foreign exchange markets, tackle emerging operational issues, and better align the MCP policy with other relevant Fund's policies. The Executive Board endorsed staff's proposals, including for the transitional period before the new policy would become effective on April 1, 2023.
- 2. The importance and complexity of the MCP policy warrants an extensive outreach with a wide group of stakeholders to ensure smooth policy implementation.** At the time of the approval of the revised MCP policy, it was envisaged that during the transitional period staff will prepare a guidance note and conduct outreach to authorities and country teams to ensure smooth implementation of the new policy. The application of transitional arrangements has so far been smooth. However, in light of competing priorities and work pressures on staff, additional time is necessary to finalize the guidance note and conduct outreach. It has become also apparent that country authorities will need more time to make the necessary changes to adjust to the new policy, especially given the challenging external environment. Staff therefore propose to extend the transitional period and to make the new MCP policy effective as of November 1, 2023.
- 3. The proposed decision on a new effective date for the revised MCP policy is set forth below.** Those elements of the revised MCP policy that became effective immediately on July 1, 2022 will continue to apply as envisaged during the transitional period.

Proposed Decision

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

1. Notwithstanding paragraph 10 of Decision No. 17292-(22/63) ("the MCP Decision"), the MCP Decision shall enter into effect on November 1, 2023 save for those elements of the MCP Decision which became effective immediately.