EXCHANGE CONTROLS AND TRADE RESTRICTIONS IN DEVALUATION EPISODES*

by

Sebastian Edwards

University of California at Los Angeles

and

National Bureau of Economic Research

UCLA Working Paper Number 513
September 1988

---

*This is an Appendix to Chapter 6 of S. Edwards's Real Exchange Rates, Devaluation and Adjustment, (forthcoming, The MIT Press 1989).

ABSTRACT

This paper corresponds to the Appendix to Chapter 6 of the forthcoming book Real Exchange Rates, Devaluation and Adjustment: Exchange Rate Policy in Developing Countries. This work investigates several aspects related to exchange rates in developing nations. Theoretical models of equilibrium and disequilibrium exchange rates are developed; the behavior of real exchange rates is investigated for a large cross section of countries; and the effectiveness of devaluation is assessed for a group of 39 developing nations.

APPENDIX 6.C

Exchange Controls and Trade Restrictions in Devaluation Episodes

This Appendix contains information on the evolution of exchange controls and trade restrictions before and after each of the 39 devaluation episodes analyzed in this study. The information reported here has been obtained from various issues of the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions, and Pick's Currency Yearbook.

Broadly following the IMF's methodology, this Appendix considers three types of exchange controls and trade impediments: a) payments restrictions on current transactions; b) tariffs, duties and cost-related measures; and c) restrictions on capital transactions. The first type of impediments comprise: i) all the measures related with the availability of foreign exchange for import payments, such as licenses, prior approvals, priority lists, multiple exchange rates and prohibitions; ii) all quotas and quantitative restrictions placed on payments for invisibles not related with capital movements, such as tourism allowances and ceilings on private transfers; and iii) the existing regulations concerning the handling of export proceeds.

All the measures that, directly or indirectly, after the effective cost of foreign goods for domestic importers are included in the second category of impediments. Thus, this category comprises all the available information regarding changes in the tariff structure, the imposition of import surcharges and of taxes on current transactions on foreign exchange, and the evolution of advance deposit requirements. Finally, the third category describes the special arrangements or limitations attached to international capital movements and domestic capital transactions in foreign exchange. Regulations on foreign investment and on profits and dividends remittances, special procedures for the acquisition and service of foreign debt, and restrictions on the holding of foreign currency by domestic residents and institutions are included under this type of impediments.

As said before, the information reported in these tables is of a qualitative nature. Thus, special attention should be paid to the institutional arrangements pre-existing in each country before extracting any conclusion regarding the relative restrictiveness of the exchange controls and impediments in the period surrounding each devaluation episode.

The exact dates of the 39 devaluation episodes are the following:

Episode	Year	Date
	Stepwise Devaluations	
Argentina	1970	June 18, 1970
Bolivia	1972	October 27, 1972
Bolivia	1979	November 30, 1979
Colombia	1962	November 20, 1962
Colombia	1965	September 2, 1965
Costa Rica	1974	April 25, 1974
Cyprus	1967	November 20, 1967
Ecuador	1961	July 14, 1961
Ecuador	1970	August 17, 1970
Egypt	1962	May 7, 1962
Egypt	1979	January 1, 1979
Guyana	1967	November 20, 1967
India	1966	June 6, 1966
Indonesia	1978	November 16, 1978
Israel	1962	February 9, 1962
Israel	1967	November 19, 1967
Israel	1971	August 21, 1971
Jamaica	1967	November 21, 1967
Jamaica	1978	May 9, 1978
Malta	1967	November 20, 1967
Nicaragua	1979	April 6, 1979
Pakistan	1972	May 11, 1972
Peru	1967	October 9, 1967
Philippines	1962	January 22, 1962
Philippines	1970	May 1, 1970
Sri Lanka	1967	November 22, 1967
Trinidad-Tobago	1967	November 23, 1967
Venezuela	1964	January 18, 1964
Yugoslavia	1965	July 26, 1965

<u>Devaluation Followed by Crawling Peg</u>

Bolivia	1982	February 5, 1982
Chile	1982	June 15, 1982
Colombia	1967	March 22, 1967
Ecuador	1982	March 3, 1982
Kenya	1981	September 21, 1981
Korea	1980	January 12, 1980
Mexico	1976	September 1, 1976
Mexico	1982	August 5, 1982
Pakistan	1982	January 8, 1982
Peru	1975	September 26, 1975

I. Evolution of Payments Restrictions on Current Transactions

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
1. ARGENTINA (1970)			
- Prohibition on Imports of some Vehicles, tractors and engines. - Some capital goods over $10,000 must be paid in a period from 2-5 years. + Only traditional exports must be surrendered to the Central Bank. - No restrictions on invisible payments. - Imports free of any kind of licensing.	1/21 The value beyond which imports of capital goods were subject to special financement was raised to $20,000. 3/13 An institution to monitor all import applications of the public sector was created.	5/23 Imports of synthetic fertilizers were prohibited. 6/9 All exchange transactions were suspended (until the dev. 6/18). 10/15 The exchange market was closed again. From 10/19 to 12/12 6 telephone communications allowed 3 successively increasing resumption of exchange transactions.	1/25 Exchange agencies resumed their operations. 3/23 Exchange market was closed except for trade transactions. 3/29 Exchange sales for travel abroad were permitted. Allowances: $200-$1000. 4/16 Exchange sales 5/10 were resumed for additional purposes (family transfers, health). 5/27 The exchange market was reopened 5/29. 6/30 Imports of many "non essential" commodities were prohibited for 1 year. 7/30 Travel allocations were reduced to $150-$500. Family remittances restricted to $100/mo. 9/19 Almost all imports were prohibited until 10/31.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		1. ARGENTINA (1970) (Cont'd)	
			9/20 Dual exchange market was reintroduced. **1/11** All imports of the public sector were prohibited. Restrictions on "non essential" goods were maintained.
		2. BOLIVIA (1972)	
- Public sector imports of goods available in Bolivia are prohibited. - Private imports of cigarettes, cement, and other locally produced goods are prohibited. - Private imports of live cattle, cotton, foodstuff and petroleum subject to quotas. + Export proceeds must be surrendered.	- Progressive travel tax requirement was introduced.	**5/30** Imports on alcoholic beverages were prohibited. **8/25** Imports of beef and cattle were temporarily prohibited.	**11/30** Imports of certain agricultural products were prohibited

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	3. BOLIVIA (1979)		
Same general structure as in 1970-1973.	**1/25** Import prohibitions of liquors were removed (with some exceptions). **1/27** Imports of acrylic fiber threat became subject to specific authorization. **6/22** Imports of dry batteries and wooden furniture were no longer prohibited.	**11/12** The central bank suspended all purchases of foreign exchange. these were resumed after the devaluations of 11/30.	**2/15** Imports of diesel vehicles and second hand equipment were prohibited. **5/16** Prohibitions for automobiles imports were waived. **5/25** Some exceptions on the prohibition of diesel vehicles were granted. **7/17** The import of cement was prohibited.
	4. BOLIVIA (1982)		
-Departing from the same general framework described in the previous episode (including the abolition of the fixed exchange rate).	**7/30** All sales of foreign exchange were made subject to Central Bank authorization; all imports would require approval of the Ministry of Finance and it would depend on the foreign exchange budget. **9/11** Prohibition of imports of manufactured goods that could be produced locally was extended from public sector agents to all importers.	**11/5** All import payments required being covered by letters of credit drawn on foreign banks. -The importation of 600 "inessential" products was temporaryily prohibited	**1/5** A restrictive system of foreign exchange budgets for the public and private sectors was implemented. -Nonprohibited imports were allowed to be made with the importers' own foreign exchange. -Individuals were only allowed to request foreign exchange up to the limit of their disposable annual income. -Quotas for services' payments were reduced significantly.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		5. CHILE (1982)	
- Imports receive foreign exchange as a paper formality is filled and the shipping documents are received. - Central Bank authorization is required when the payments for invisibles exceed the (high) established limits ($10,000/month for known categories) + Export proceeds must be surrendered after 300 days of shipment.	**1/2** The requirement for an import registration for imports exceeding $10,000 was replaced for a simpler "informe de importacion." **8/18** All goods that remained on the list of prohibited imports were removed from there.	**9/21** The exchange quotas 12/3 for services' payments were reduced substantially. **9/29** The range of transactions handled by foreign exchange houses was curtailed. **10/28** The "Informe de Importacion" became mandatory and was used as an import license.	**3/14** Quotas for services' payments become even more restrictive and required Central Bank's authorization.
		6. COLOMBIA (1962)	
- 3 lists of imports: a) prohibited; b) subject to license; c) freely imported. - <u>All</u> transactions require prior approval. - Basic foodstuff may only be imported by the public sector. + Export proceeds of coffee, bananas (subject to minimum price of surrender) and metals must be surrendered at a lower rate.	**5/24** A lot of products **8/2** were transferred **9/9** from the prohibited and freely imported goods lists into the prior license list.	**3/18** With the exception of 11 items, all merchandise on the import free list was transferred to the list of goods subject to licensing. **11/17** Merchandise included in the import free list and the prior licensing goods was temporarily transferred to the list of prohibited imports. **11/20** Devaluation.	**6/5** Export quotas for sugar were reduced by 60%. **7/6** Exports of sugar were prohibited. **10/16** Chassis for trucks and cars were taken off the prohibited list.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		6. COLOMBIA (1962) (cont.)	
		12/6 Some items were transferred from the prohibited imports to the import free list. **12/17** 522 items were transferred from the prohibited to the prior licensing list.	
		7. COLOMBIA (1965)	
Departing from the same general framework described in the previous episode.	**7/17** The Board of Trade and the Superintendency of Foreign Trade were created. **12/1** The import free list was suspended for 90 days, during that period all goods required a prior license. **12/28** Prior exchange registration for imports ceased to be automatically accepted. A 95% advance deposit was required 20 days before the application for foreign exchange.	**1/1, 3/24** New items were included in the list of goods subject to license. **5/5** <u>All</u> imports required a license. **7/7** The export proceeds other than from coffee and bananas had also to be surrendered 90 days after the registration. **9/2** The structure of the foreign exchange market was changed: a preferential and an intermediate rate were created. **9/7** The exchange rate to be applied to each category of imports was determined.	**1/21** **2/22** **2/28** **3/17** **7/29** Lists of imports that did not require a license if imported at the intermediate rate but require it if imported at the preferential rate were issued. **7/1** A Col. 500 travel tax was introduced. **8/21** All imports payments were to be made at the intermediate rate. **11/29** Operations in the free exchange market were suspended. <u>All</u> imports required again import licenses.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		7. COLOMBIA (1965) (cont.)	
		1/21 Priorities in the allocation of foreign exchange were established for the intermediate and preferential markets.	
		8. COLOMBIA (1967)	
Departing from the framework described in the previous episode.	See last year of precedent episode.	**3/22** The exchange rates in the capital and certificate markets were fixed (after devaluation). **5/7** Tourists were allowed to buy up to $60 on leaving the country.	**5/9** Products from 150 tariff positions were exempted from import licensing and included in the (by then insignificant) import list. **6/5** The 95% advance deposit for foreign exchange applications was lifted for some payments. **7/10** The advance deposit for foreign exchange applications for travel purposes was increased to 100%.
		9. COSTA RICA (1974)	
- Dual exchange market - No import licensing, but stringent division between imports that apply for each exchange rate.	**1/26** Transfers of foreign exchange from the free market to the official market to speed up transactions on the latter.	**3/13** The only import payments that remained eligible for the official rate were basic cereals and pharmaceutical products.	**1/15** All imports in excess of $300 became subject to prior registration with the Central Bank before the foreign exchange could be obtained.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		9. COSTA RICA (1974) (cont.)	
+ Most proceeds (invisibles and exports) must be surrendered although at different rates.	**8/23** The Central Bank tightened the conditions under which official rate could be available for capital goods imports.	**4/25** Unification of exchange market. All restrictions on payments at the official rate were lifted. The period for surrendering export proceeds was reduced from 60 to 25 days. **9/30** The travel allowance of foreign exchange was raised from $1000 to $3000.	**11/25** The total travel allowance became subject to Central Bank's approval and limited to twice a year.
		10. CYPRUS (1967)	
- Member of Sterling Area. - Most imports may be made freely under an open general license; except for some 50 items subject to individual licenses than can be denied. - Certain invisible payments are subject to quotas. + All exports are subject to licenses and the proceeds must be surrendered.	**3/24** Imports from South Africa were prohibited.	**5/4** The open general license ceased to be applied to imports from North Korea, North Vietnam and Tibet. **11/20** The par value was changed.	**5/24** Unrestricted importation of almost all goods from the permitted countries previously under the open general license was allowed.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		11. ECUADOR (1961)	
- Multiple currency practices. - Prior licenses required for all imports. - Imports divided into 2 categories: List 1-essential & semi-essential goods; List 2-non-essential & luxury goods. Goods not included in lists are prohibited. + Almost all exports require licenses to ensure the surrendering of proceeds.	- Proceeds from various types of exports were allowed to be sold in the "free market" during the year.	**2/1** The Central Bank suspended the sales of foreign exchange for prepayment of List 1 imports. **2/20** Cocoa exports were converted at the (lower) official rate. **3/8** Payments in advance or by letter of credit were prohibited for List 2 imports. **3/14** Some imports were transferred from List 1 to List 2. **5/23** Imports of network and displayed metals were prohibited. **7/14** Devaluation and foreign exchange market reform.	- On various dates, certain items were shifted between the 2 import lists. Others were deleted or added. No clear pattern of the measures.
		12. ECUADOR (1970)	
- Same official/free markets. - Same List 1/List 2 imports structure. - Some invisibles had to be sold in the official market.	**5/13** Imports of cotton were suspended. **5/6** Increase of the travel tax.	**1/20** The importation of dairy products were restricted (whenever domestic production was affected).	**11/22** A secondary free exchange market was reintroduced (mainly for capital and private sector transactions).

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		12. ECUADOR (1970) (cont.)	
+ Licenses required to ensure the full surrender of export proceeds. - Minimum surrender price for banana exports.		**6/22** All foreign exchange transactions were placed under the supervision of the Central Bank. Both exchange markets were closed. **7/3** Sales of exchange for some invisibles were restricted; $400 yearly per person for travel purposes and 50% deposit for medical payments. **8/17** Unification of the foreign exchange market (devaluation). **8/28** Quotas for travels, medical payments and study were increased ($1350 year, $2000 year 400/month). All other invisibles didn't have limit for allowance.	
		13. ECUADOR (1982)	
- Same official/free markets. - Same List 1/List 2 imports structure. - Prior import licenses are required for all permitted imports.	**2/13** The Central Bank was prohibited from authorizing exchange at the official rate for making advance payments for imports.	**11/17** About 100 items of List 1 and over 500 items of List 2 were prohibited.	*Throughout the year, several exemptions to the import prohibitions regulations were granted.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
13. ECUADOR (1982) (cont.)			
- Some private payments for invisibles can be made at the official rate, if the pre-fixed quota is exceeded the exchange can be obtained in the free market. + All exports require licenses and must be surrendered.	**Feb.-Mar.**: Several changes in the import lists were made. **5/15** The Central Bank was allowed to extend its intervention in the free market. **12/8** Imports of some vehicles were prohibited.	**12/27** Exemptions of the suspension of imports of some capital goods were granted to importers with long term financing.	
14. EGYPT (1962)			
- Dual exchange market (the official and a 20% higher exchange rate). - Several import items and all imports from Israel are prohibited. - All other imports require individual licenses issued under the framework of an import budget. - Certain invisible payments require the Central Bank approval and are subject to quotas. + Besides from exports to Israel, all goods may be exported without license but the proceeds must be surrendered.	**7/1** The import trade was largely monopolized by the government; besides some industrial firms, private importers were prohibited to import.	**5/7** A single (25% devalued) rate was applied to almost all transactions.	**8/28** Private imports of any kind were no longer permitted.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		15. EGYPT (1979)	
- Dual exchange market (official & parallel). - Imports from Israel & South Africa were prohibited. - No official exchange was allocated for non-essential imports. - Imports are regulated more by exchange allocations determined by an annual budget than by licenses. + Export proceeds must be surrendered.	**7/1** Imports of tea and oil were shifted from the official to the parallel market. **7/2** Almost all invisible transactions were shifted to the parallel market.	**1/1** The unification of the exchange market at the previously prevailing parallel rate was completed.	**2/29** The laws boycotting Israel were abolished.
		16. GUYANA (1967)	
- Member of the Sterling Area. - Imports of a few commodities are prohibited; other luxury and domestically produced goods are subject to individual licensing. The rest of the goods are imported under open general license. - Invisible payments are subject to limits + Exports are free of licensing but must be surrendered.	- In March & July some items were added to the "negative list" of goods subject to specific import licensing.	- During the year a number of commodities were added to the "negative list." **11/20** The par value was changed.	**1/1** The import of certain goods included in the "negative list" was prohibited.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		17. INDIA (1966)	
- Member of the Sterling Area. - Practically all imports require individual licenses. - Licensing priority to foodstuff, capital goods and raw materials; all other imports are severely limited; licenses are given on an annual basis. - Payments for invisibles require approval on an individual basis, no foreign exchange for tourists' travels. + Most goods may be exported without a license. A few are subject to quotas or license. All proceeds must be surrendered.	- From September to December: emergency measures regarding transactions with Pakistan. **10/20** The National Defense Remittance Scheme favoring repatriation or inward flow of invisibles was introduced.	**5/27** The suspension of transactions with Pakistan was rescinded. **5/31** The National Defense Scheme was terminated. **6/6** The par value for the Rupee changed. 59 priority industries were allowed to import at full capacity for 6 months. - Quotas for certain imports were increased. **6/23** Restrictions on raw materials imports were relaxed substantially. **10/24** Some machine tools imports were prohibited.	**5/1** Import restrictions on the 59 priority industries were removed, but prohibitions of imports of 80 more items were introduced. **9/8** Import licenses for the production of some exportables were granted more liberally.
		18. INDONESIA (1978)	
- Single exchange rate. - Registry of authorized importers require an initial deposit.	(No measure of this type was taken.)	**1/26** The export of 14 species of timber was banned. **11/16** The rupiah was devalued by 34%.	(No measure of this type was taken.)

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	18. INDONESIA (1978) (cont.)		
- Vehicles and durable consumer goods are prohibited to import. - Other imports are required for state enterprises (foodstuffs, inputs). - Proceeds and payments from invisibles are not restricted and don't need to be surrendered. + Some goods can't be exported, all export proceeds must be surrendered.		**12/11** Exports of certain commodities were made subject to quotas.	
	19. ISRAEL (1962)		
- Most imports require individual licenses, as well as most payments abroad for invisibles. + Export licenses are required for most products and export proceeds must be surrendered.	(No measure of this type was taken.)	**2/9** Major reform & unification of the exchange system. **3/14** The travel allocation was increased from \$150 to \$250/year. **5/7** The export licensing requirement was eliminated for most industrial exports. **5/28** The travel allocation was increased from \$250 to \$400/yr.	**1/18** Some 300 import items were transferred to the "Free Import Orders". In Mar., June & Nov., some 100 import items hitherto prohibited were added to the Automatic Approval List. **7/1** The travel allocation was increased from \$400 to \$500/travel.

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		19. ISRAEL (1962) (cont.)	
		6/1 Some 400 import items were freed from all licensing and other restrictions. Previously prohibited items were allowed to be imported under individual licenses.	
		20. ISRAEL (1967)	
- Exchange transactions at a single rate. - Few imports are prohibited. - 50% of all imports are free of all licensing and restrictions; the others are subject to individual licenses. - Most payments abroad require individual licenses and some are subject to quotas. + Most exports don't require licenses but the proceeds must be surrendered.	On various dates import restrictions were relaxed freeing some articles from licensing requirements and deleting commodities from the list of prohibited imports.	The import liberalization process continued along the year; besides this: **2/1** The travel allocation was reduced from \$500 to \$350/travel. **2/21** Foreign exchange was granted for membership fees. **11/19** The par value was changed.	- Import restrictions were further relaxed throughout the year. **5/30** The travel allocation was increased from \$350 to \$375 per travel. **6/19** The amount allowed for remittance in support of relatives was increased.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	21. ISRAEL (1971)		
- Single exchange rate. - Few imports are prohibited. All imports not liberalized are included in the "Negative List," formed by the Automatic Approval List and the Restricted list. - Most payments for invisibles require individual licensing & some of them are subject to quotas. + Most exports don't require licenses and the proceeds must either be surrendered or held in a special type of foreign currency account.	**2/1** Goods in 7 tariff classifications were transferred from the Restrictions List to the Autom. Approval List. **3/1** Goods in 5 Tariff classifications were shifted from the Restricted to the Autom. Approval list. **3/2** Exchange allowances for travel were reduced from $375 to $250/travel.	During the year further import items were added to the Free Import List or shifted to the Automatic Approval List. **8/21** The par value was changed.	**12/5** Exchange allowance for travel was increased from $250 to $450/travel. Other quotas for invisibles payments were also increased.
	22. JAMAICA (1967)		
- Member of the Sterling Area. - Most goods might be imported freely under an open general license. - Some 150 tariff items and imports from some countries require industrial licenses issued according to some "essential criteria."	**1/5** Imports of refrigerators require a specific license. **4/4** Imports of irons require a specific license.	During the year, many imports were required to have a specific license (restrictive tendency). **9/20** The foreign exchange allowance for foreign travel purposes was restricted.	- During the year, many imports were excluded from the open general license scheme and became subject to specific licenses. **8/8** Exports to some socialist countries were prohibited.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	22. JAMAICA (1967) (Cont'd)		
- Payments of invisibles outside the Sterling Area require previous approval and are subject to quotas. + Exports outside Sterling Area requires a license and the proceeds must be surrendered within 6 months.		**11/18** The exchange control was extended to transactions with the Sterling Area. **11/21** The Jamaican Pound was devalued. **12/6** The exchange control was no longer applied to the Sterling Area. **12/7** Restrictions on imports from Japan were relaxed.	
	23. JAMAICA (1978)		
- A few goods can be freely imported under an open general license. All other imports require a specific license to be allowed the foreign exchange. - Payments for invisibles require approval from the authorities and are subject to specific quotas and compulsory waiting periods. + A large number of exports do not require a license but the proceeds must be surrendered.	**1/6** The foreign exchange market was reopened on a limited basis for outstanding import and debt payments. Remained closed for other transactions. **1/19** New exchange control guidelines came into force, centralizing foreign exchange transactions. **2/9** 128 items were included in the list of banned imports (which already included cars, consumer goods and foodstuffs).	**1/13** Both the "basic" and the "special" rates were devalued. **5/9** The exchange market was reunified at a further devalued exchange rate. The allowances for travel were further increased. **6/8** A devaluation schedule was announced for the next 12 months.	**5/30** The exchange allocation for tourist business travels were increased.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
23. JAMAICA (1978) (Cont'd)			
- The foreign exchange market was closed since early December.	**4/21** A dual exchange market was implemented and the allowance for travels was slightly increased. **10/21** The "spread" was devalued and the allowance for travels was slightly increased again.		
24. KENYA (1981)			
- Several "effective" exchange rates. - Some imports are prohibited; many goods may be freely imported under general open license but others require a specific license. Imports are classified into 4 categories for the provision of licenses. - Payments for invisibles have no restrictive quotas (education, travel). + Exports of certain footstuffs require licenses, most other exports don't. Export proceeds must be surrendered within 3 months of the shipment.	**6/20** Some privileges of protected industries that allowed them to determine the prohibition of certain imports were abolished.	**11/10** New import system replaced the 4 categories and the open general licenses by 3 schedules with an explicit list of import items.	(No change took place.)

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	25. KOREA (1980)		
- All imports require licenses, some of them issued upon application. - 2 categories of imports: those paid with Korean foreign exchange and those paid with foreign funds. - Restricted items list (328 out of 1010 items) are seldom imported. - All payments for invisibles require individual licenses but most of them are automatically granted. Large quotas for standard payments. + Certain exports require individual licenses, the export proceeds may be either surrendered or deposited in foreign exchange accounts.	**2/1** 21 import items were transferred from the restricted to the automatic approval list. **7/1** 34 import items were transferred to the automatic approval list, by then covering 67.5% of the universe of imports. **12/1** 14 items were transferred from the automatic approval list to the restricted list.	**7/1** 33 import items were transferred to the automatic approval list, raising the proportion of this type of import to 68.6% of the universe. **10/15** Foreign exchange control regulations were simplified (period for receiving export proceeds was extended, transactions eligible for foreign exchange were expanded.)	**1/5** Import quotas were established on 64 import items (foodstuff, chemicals). **5/30** 396 categories were shifted to the automatic approval list, by then accounting for 74.7% of all basic items. **6/20** The maximum foreign exchange allowance for emigrants was set at $100,000. **7/22/** Temporary quotas were introduced on 62 import items. **8/1** The list of invisibles eligible for automatic approval was extended.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		26. MEXICO (1976)	
- Few imports are prohibited. - Import licenses from the Ministry of Trade are required for almost all imports and these may be subject to qualitative restrictions or a validity period. - Public imports are not permitted if a domestic equivalent is available at a 15-20% price differential. + No exchange control is in force for payments or proceeds from invisibles. + No exchange control requirement applied to export proceeds.	- Increasing restrictiveness in the issuance of import licenses. In July most imports licenses were cut by half the amount allowed in 1974. - In Aug. an announcement was made that import licenses would continue to be required until Dec. 1977 for "basic products". - In Sept., 430 tariff items were exempted from import licensing.	**1/1** More stringent import licensing requirements for 3,535 items (although 4,286 items were exempted from 1975 measure). **1/29** Import licensing requirement was eliminated for additional comms. **9/1** Devaluation, the peso was allowed to float and it was announced that no exchange control will be introduced. **9/15** The import licensing requirement was eliminated for 683 tariff items and it was reconfirmed that no exchange controls would be introduced.	**4/1** The import licensing requirement was eliminated for 400 items. **12/28** It was announced that the import licensing requirement would be eliminated with effect on Jan 1, 1978 for 1,920 tariff items.
		27. MEXICO (1982)	
- A small number of imports are prohibited; most imports require licenses. + Certain exports are prohibited and some others require licenses, but no exchange control applies to export proceeds.	**3/24** Import licensing requirements were introduced for 63 tariff items (luxury goods). **6/26** Import licensing requirements were introduced in 861 tariffs items (metal-mechanical industry).	**9/1** A stringent exchange control system was established. Almost all imports became subject to prior licensing. Quotas on most services' payments were introduced.	**5/6** Imports of inputs for export production were exempted from prior licensing. **12/22** The number of items exempted from prior import libensing was increased to 1703.

II. <u>Evolution of Tariffs and Cost Related Import Restrictions</u> (Cont'd.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
8. COLOMBIA (1967) (cont'd.)			
		certain capital goods was fixed at 5%.	**11/28** Some imports made by nonprofit institutions were exempted from the prior deposit requirement.
9. COSTA RICA (1974)			
- In addition to custom duties: 5% ad-valorem sales tax and selective 10%-50% ad-valorem consumption tax on imports coming from outside Central America. - No advance deposit requirements for imports. + Export taxes on bananas, coffees, sugar.	(no change took place).	4/25 + Ad valorem taxes ranging from 1% to 18% were introduced on some exports.	12/27 A temporary import surcharge of 10%-50% for many goods was applied.
10. CYPRUS (1967)			
- No advance deposit requirements.	(No change took place.)	(No change took place.)	(No change took place.)

II. Evolution of Tariffs and Cost Related Import Restrictions (Cont'd.)

11. ECUADOR (1961)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Advance deposit requirements up to 50% for certain imports (in U.S. dollars) on List 2 and 25% on List 1.	**4/1** Advance deposits for certain List 2 imports were reduced from 50% to 20%. **12/15** Advance deposits for certain List 2 imports were abolished.	**3/7** Advance deposits were re-introduced on all private imports (25% on List 1 imports and 50% on List 2 imports). **4/14** An import tax of 2.25% on the cif value of all imports was introduced. **8/17** Advance deposits were increased to 100% on most List 2 imports (except some 100 items still at 50%).	Certain items were shifted between the 2 import lists during the year.

12. ECUADOR (1970)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Advance deposit requirements apply to most public and private imports financed with official exchange. Numerous different rates. - Import surcharge of 10% on List 1 items and 20% on List 2. - 15% of custom duties must be prepaid by List 1 imports and 70% by List 2 imports.	**2/4** Increases in all the categories of the advance deposit scheme took place. **5/27** Further increase in the advance deposit requirements for List 2 imports. Only the portion of the deposit exceeding 100% of the import value would be released on the date of arrival, the remaining, 90 days later. **10/23** Increase in the import surcharge to 11% on List 1 and 22% on List 2. The advance deposit scheme was changed, 385 possible rates ranging from 0% to 700% were created.	**1/23** The proportion of prepaid custom duties was raised to 40% on List 1 imports and 80% on List 2. **3/5** The range and dispersion of advance deposits rates was increased. **4/1** The rates for advance deposits were further raised. **5/12** The import surcharges were increased. **8/17** With the unification of the exchange market, some import surcharges were reduced and all restrictions on current payments were abolished. **9/21** Some List 2 imports were exempted from the additional 20% ad-valorem duty.	**1/1** New advance import deposits ranging from 2% to 30% were introduced. **2/4** Public imports were exempted from the 20% ad valorem duty. **4/1** New, reduced, advance deposits were announced for April, May and June. **6/16** The advance deposit requirements were abolished for List 1 imports. **11/22** Advance import deposits were reintroduced for List 1 imports and increased for List 2 imports.

II. <u>Evolution of Tariffs and Cost Related Import Restrictions</u> (Cont'd.)

13. ECUADOR (1982)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Most imports are subject to advance deposit requirements that range from 15% to 50% of the cif value for a period of 180 or 270 days. + Certain exports are subject to taxes, others receive tax-credit subsidy.	**2/13** The advance deposit imports scheme was made more restrictive (increase in rates and retention period). **2/18** Tariffs on automobiles were raised by up to 100 percentage points. **6/29** Import duties were increased on items of about 500 tariff categories. **9/23** + Export taxes on cocoa and coffee were reduced.	**10/11** The advance deposit rates for imports were increased 80% on average.	**3/17** A tax surcharge ranging from 5% to 15% was imposed on all imports.

14. EGYPT (1962)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- No advance deposit requirements. - Some imports are made at a 20% premium. + Some exports are subject to a 20% tax.	**9/1** Previously premium-exempted imports were made subject to a 10% premium.	(No change took place.)	(No change took place.)

II. <u>Evolution of Tariffs and Cost Related Import Restrictions</u> (Cont'd.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	15. EGYPT (1979)		
- No official exchange allocated for nonessential imports, they should be acquired with foreign exchange from the free market. - No advance deposits requirement.	(No change took place.)	**9/1** Custom duties on certain goods became effectively payable in foreign currency.	**5/10** Import duties were abolished or reduced in several import items (agricultural, capital goods, food). **6/4** An advance deposit scheme was introduced and the requirement of paying custom duties in foreign currency was abolished.
	16. GUYANA (1967)		
- No advance deposit requirement on imports.	**11/16** An advance deposit requirement on imports' letters of credit was introduced.	(No change took place.)	(No change took place.)
	17. INDIA (1966)		
- No advance deposit requirement on imports + Export taxes on some products	**2/17** Custom surcharge of 10% ad valorem was introduced on all imports. **7/1** Almost all private imports require a 25% advance deposit. **8/20** The 10% surcharge and the prior deposit requirement were abolished.	(No change took place.)	**5/26** + Reduction in export duties on some products.

II. Evolution of Tariffs and Cost Related Import Restrictions (Cont'd.)

18. INDONESIA (1978)

Situations at December (t-2)	Previous Year (t-1)	Devaluation Years (t)	Following Year (t+1)
- System of advance deposits in force. - Sales taxes on 5%, 10% and 20% are levied on most cif value of imports.	1/1 A system of 100% advance deposit, 100% financial guarantee and 100% advance payments of duties was introduced for some imports.	1/1 Preferential 20% duty for imports coming from ASEAN countries. 2/25 50% reduction of import duties and sales tax on imports of a few goods. 5/23 Higher import duty on imports of aluminum and cigarettes paper. 6/2 Exemptions on import duties and sales tax for ship-related imports and silver. 9/1 Tariff reductions were announced on 138 imports from ASEAN countries. 11/16 50% reduction in import duties and sales taxes for imports of intermediate inputs (100% if used in manufactured exports). 12/13 The special 100%-100%-100% system was reduced for textiles and other imports.	April: exemptions from import duties and sales taxes were granted for a number of imports. 9/26 Custom duties were reduced on 334 categories of raw materials and intermediate goods, reducing the range from [5-40%] to [5-10%].

II. Evolution of Tariffs and Cost Related Import Restrictions (Cont'd.)

19. ISRAEL (1962)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- The method of payment of each import is specified on the required individual license.	(No change took place.)	6/1 Some 400 items were freed from all restrictions.	(No change took place.)

20. ISRAEL (1967)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- The method of payment of each import is specified on the required individual license.	During the year import licensing requirements were relaxed.	11/19 Custom duties were reduced by 12.5% to maintain constant their domestic-currency value at pre-devaluation levels.	10/1 Import duties on some 400 commodities were reduced by 10%-16%.

21. ISRAEL (1971)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- No advance deposit requirement for imports.	1/1 Reduction in import duties on a wide range of domestically produced goods was announced as part of a 5-year program seeking to reduce the maximum level of tariff protection to 35%. 1/11 An import deposit scheme of 50% of the cif value for a 6-month period earning a 6% interest was introduced.	1/1 The advance deposit rate was reduced from 50% to 40% of the cif value. More reductions in import duties were announced as part of the 5 year plan. The 20% import surcharge was extended to March 31, 1972.	1/1 The advance deposit requirement was reduced from 40% to 30% of the cif values. Tariff reductions related with the Kennedy Round concessions were implemented. 4/15 Custom duties were reduced on average 5% on imports of 420 commodities.

II. Evolution of Tariff and Cost Related Import Restrictions

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	21. ISRAEL (1971) (Cont'd.)		
	2/8 Increases in tax rates for certain imported "luxury" goods were announced. **8/17** An import surcharge of 20% of the cif value was introduced (foodstuff and fuel imports were exempted).		**6/1** Further tariff reductions of up to 10% were announced for imports of 1350 items. **8/1** Custom duties reductions ranging from 20% to 30% were put into effect for some consumer goods.
	22. JAMAICA (1967)		
- No advance deposit requirement for imports - Consumption tax (on imports) of 2.6%	(No change took place.)	**6/9** The consumption tax was raised to 5% and the universe of goods subject to it was widened.	**8/1** Imports of many industrial raw material were admitted free of duty.
	23. JAMAICA (1978)		
- The foreign exchange market was closed since early December. - No advance deposit requirement was in effect.	(No change took place.)	(No change took place.)	(No change took place.)

II. Evolution of Tariff and Cost Related Import Restrictions (Cont'd.)

24. KENYA (1981)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Some imports are subject to a 3 months advance deposit ranging from 100% to 10% of the cif value of imports that bears no interest.	**6/20** A surcharge of 10% was introduced in all import items and custom duties for a wide variety of consumer goods were increased by up to 100%.	**6/13** As part of an import reform, tariffs were raised on over 1400 import items. **11/10** The retention period for the advance deposits was reduced to one month for most goods.	(No change took place.)

25. KOREA (1980)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Advance deposit scheme on all imports. Rates ranging from 10 to 20% of cif value. - Customs tariff system defined as "flexible" (can be changed at any time).	**1/1** Tariffs on most imports were reduced driving down the unweighted average level of tariffs from 36% to 25%. The advance deposit scheme was only retained for private imports on a deferred payment basis. **3/29** The advance import deposit rate was reduced from 20% to 10% for the imports still subject to this scheme.	**7/19** Import tariffs on some "luxury" items were raised from an average of 52% to one of 71% until December 31.	**1/5** Tariff rates on imports subject to quotas were reduced, on average, from 19.5% to 9.2%.

II. Evolution of Tariff and Cost Related Import Restrictions (Cont'd.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
26. MEXICO (1976)			
Import licenses for certain goods are subject to the payment of a fee of usually between 1% and 6% of the value of import transactions. - Many non-essential imports are subject to an import surcharge of 10% ad-valorem.	- Jan.: the 10% import surcharge levied on 2408 items was eliminated. - Aug.: the number of tariff items exempt from export duties was increased; and import duties were increased on 5,845 tariff items (excluding "basic" goods). The average import duty was thus increased from 15% to 20%.	-The import surcharge applicable to all imports was increased from 1% to 2% ad-valorem. **9/8** Export taxes were increased and export incentives were abolished. ***9/8** Import duties were widely reduced to a range of [2%-75%]. It was officially estimated that the average tariff rate fell from 20% to 9%. **10/6** Export taxes were substantially reduced.	**May**: Subsidies of up to 40% of import duties were granted to imports of machinery and equipment by some "basic" industries.
27. MEXICO (1982)			
- The issuance of the required import licenses may require payment between 1% and 17% of the import value.	**1/8** Firms producers of capital goods were given exceptions of up to 100% of import duties of raw material. **5/13** Import duties were modified on 374 tariff items (foodstuff, textiles and machinery).	**3/4** Import duties on 1517 items were reduced to their level of May 1981.	**1.39** The import duty rates for essential imports were reduced on average by 10 percentage points.

II. Evolution of Tariff and Cost Related Import Restrictions (Cont'd.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
27. MEXICO (1982) (cont.)			
	Import duties were increased on 529 tariff items (**7/17** and **11/2**).		
28. NICARAGUA (1979)			
- No advance deposit requirement on imports - Most imports are subject to an import surcharge of 30% of the import duty.	**11/14** Weekly foreign exchange allocation for import payments.	(No change took place.)	(No change took place.)
29. PAKISTAN (1972)			
- Imports from 2 of the 4 existent lists (bonus import list and cash-cum bonus list) are subject to advance deposit requirements and administrative delay.	(No change took place.)	**5/14** Import reform: the 4 lists were consolidated into 2 and the advance deposit requirement was abolished.	**9/15** Import duties were increased and a 25% flood-relief surcharge was levied on all dutiable imports.

II. <u>Evolution of Tariff and Cost Related Import Restrictions</u> (Cont'd.)

30. PAKISTAN (1982)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- The 12 month valid license required for all private imports is subject to a 2% fee. - Irrevocable letters of credit must be opened for all commercial imports.	**1/1** Import duties ranging from 25% to 45% were imposed on 11 basic raw material items. **3/28 +** An ad valorem export duty at 30% was levied on onyx blocks. **7/1** Increases in protective duties ranging from 10% to 50% were introduced on 8 items and from 12% to 85% on 13 raw material items.	**7/1** An across-the-board import surcharge of 5% was levied on all imports.	(No change took place.)

31. PERU (1967)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- No advance deposit scheme for imports was in force.	**8/10** Most imports were made subject to a 1.5% surcharge. **10/28** All commodities listed in Peru's GATT schedule were exempted from the 1.5% surcharge.	**6/7** Import duties on a wide range of commodities were increased substantially. The scope of import duty concessions granted under the Industrial Promotional Law was reduced. **7/31** A list of minimum cif prices on which import duties would be based was issued.	**3/1** Sales tax of 10% to 35% were introduced in non-essential imported goods. **5/29** A 15% surtax was introduced on most imports which payments were made with exchange certificates. **9/13 +** Exports of agricultural products were exempted from the 10% sales tax.

II. <u>Evolution of Tariff and Cost Related Import Restrictions</u> (cont.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
31. PERU (1967) (Cont.d)			
	11/9 + A tax of 10% on the fob value of most exports was introduced until March 31, 1969.		
32. PERU (1975)			
- Virtually all private sector imports must be made on a letter of credit basis. - For imports of capital goods valued over $10,000, at least 80% must be financed abroad. - No advance deposit scheme in force. + Traditional exports subject to taxes and non traditional exports to tax credit (15-30% of fob value).	**1/15** + A 10% special tax on traditional exports was introduced temporarily. **5/11** A 180-day foreign financing requirement on goods other than capital goods was introduced. **10/30** The 180-day foreign financing requirement, the letter of credit and the guarantee letter requirements were abolished.	**1/1** New general customs law introduced a 10% surcharge tax and a 2% statistical tax on all imports. **4/22** + The tax surcharge of 10% on exports was extended indefinitely.	**5/18** A national import program was announced. **6/28** + The tax on traditional exports was increased from 10% to 15%. **6/30** Many import duties were increased. **8/31** Imports of agricultural goods and inputs were exempted from import duties until the end of 1976.

II. Evolution of Tariff and Cost Related Import Restrictions (Cont'd.)

33. PHILIPPINES (1962)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Advance deposit scheme ranging from 50% to 150% (according to the nature of the import) the funds were kept as time deposits on banks for 120 days.	(No change took place.)	**1/22** Although the decontrol program ended, the advance deposit requirement was not removed. **5/22** The range of rates of the advance deposit requirement was reduced to 25%-100%. Imports of raw material by domestic industries were exempted from this requirement.	(No change took place.)

34. PHILIPPINES (1970)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Advance deposits in the form of cash margin deposits are required on the obligatory opening of letters of credit with rates ranging from 25% to 175% of the import value and they are held for 90 or 120 days.	**4/1** Extended the advance deposit requirement for imports. **2/2** Import duties on petroleum and derivatives were raised. **4/16** The period for which the advance import deposits were to be held was reduced to 90 days for some goods and eliminated for others. **9/1** Import duties on many commodities were raised retroactively.	**2/21** Major exchange reform accompanied by relaxation of restrictions. **5/1** A stabilization tax of 8%-10% was introduced on some exports.	**7/1** The rates of the export taxes were reduced in 2 percentage points.

II. <u>Evolution of Tariff and Cost Related Import Restrictions</u> (Cont'd.)

35. SRI LANKA (1967)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Most imports subject to a 10% custom surcharge on the import duty rate (others to 5% or 20%). - No advance deposit scheme was in force.	**3/25** Textiles imports became subject to maximum retail prices (they were already subject to maximum import and wholesale prices). **7/29** A substantial revision of import duties became effective, lowering the average and the dispersion of the tariff structure and setting the maximum tariff on consumer goods at 150%. **11/1** A 10% fee on the cif value of textile imports was introduced.	**5/11** Custom duties were reduced on some "essential" raw materials and capital goods. **7/26** The fees payable on import licenses were increased. **8/9** The fees payable on import licenses were further modified.	**5/6** Custom duties on imports under open general license were revised downwards. **8/2** The tariff structure was adjusted, reducing duties on "essential" items and raising them on "non-essential" ones.

36. TRINIDAD-TOBAGO (1967)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- No advance deposit scheme was in force (restrictions were more in the form of licenses and exchange availability).	(No change took place.)	(No change took place.)	(No change took place.)

II. <u>Evolution of Tariff and Cost Related Import Restrictions</u> (Cont'd.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		37. VENEZUELA (1964)	
- No advance deposit scheme was in force for imports. - 27 custom classifications: imports were eligible for a subsidized exchange rate upon permit.	(No change took place.)	**1/18** Unification of the exchange market, the subsidized rate was maintained. **12/30** 25 custom classifications were no longer eligible for the subsidized rate; this only remained for milk and wheat.	(No change took place.)
		38. YUGOSLAVIA (1965)	
- No advance deposit scheme was in force for imports.	(No change took place.)	**10/14** Yugoslavia applied for full membership in the GATT.	**8/25** Yugoslavia became a full contracting party of the GATT (duties adjusted downwards in some sectors).

III. Payments Restrictions on Capital Transactions

1. ARGENTINA (1970)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- No limitation on inward or outward capital transfers by residents and non-residents. - No restrictions on invisible payments.	**6/15** The forward discount of U.S. dollars was moved from 4% to 8%.	**10/19** The Central Bank reduced the premium on forward exchange from 8% to 6%. **10/21** Within the partial reopening of the exchange market the Central Bank's approval was required for sales of exchange connected with foreign investments or deposits. Profits and dividend remittances were kept restricted.	**3/29** In another reopening of the exchange market the services of foreign loans were permitted. **5/10** Within the partial reopening process remittances of profit and dividends remain suspended. **7.29** External dollar bonds could be issued to encourage repatriation of resident-owned capital. **7/31** New foreign investment law permitted remittances after the 1st year of operation. **9/16** Remittances of profits, dividends and royalties were only permitted through the purchase of negotiable 5-year U.S. $ denominated bonds issued by the government. **9/20** Within the created dual exchange market all financial transactions were to be carried out at a floating rate.

4. BOLIVIA (1982) (Con't)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		transactions were conducted at the free rate. **11/3** The exchange rate system was unified and dollar-denominated contracts were prohibited.	

5. CHILE (1982)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Capital inflows are generally free but outflows are restricted. - Most new foreign borrowing or refinancing of existent credits require prior approval of the Central Bank. - Incentives to foreign direct investment are in force. - Central Bank's approval us required for invisible payments in excess of some (high) predetermined limits.	**3/25** Chilean banks were permitted to contract lines of credit of up to one year year maturity with foreign banks without Central Bank's approval. **4/29** Permission was granted for individuals to maintain deposits in foreign banks. **12/23** Commercial banks were permitted to contract short term credits abroad for re-lending up to a limit determined by a bank's capital and reserves.	**5/5** The minimum average of maturity of 24 months for foreign borrowing was abolished. A reserve deposit requirement of 20% was imposed on short term borrowing. **8/5** It was announced that the exchange rate would be freely determined in the market. **9/3** A preferential exchange rate was established for the service of foreign debt **9/26** A crawling peg system with daily adjustments was adopted.	**2/1** A 90 day moratorium was placed on amortization payments of foreign loans guaranteed by official agencies. **3/14** Transfer of profits and dividends and payments of foreign debt were made subject to authorization of the Central Bank. **7/15** An exchange guarantee to refinance foreign debt payments of private firms was introduced.

6. COLOMBIA (1962)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Capital imported for the petroleum and metal extracting industries must be sold	(No change took place.)	(No change took place.)	**1/19** The conversion rate of official foreign loans was devalued.

6. COLOMBIA (1962) (Cont.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
to the Central Bank at the fixed rate. Other capital inflows and outflows subject to a dual system. Capital imported before 6/17/57 pay amortization and profits at auction rate, capital imported afterwards may enter and remit freely through the parallel market. - Payments of official debt were made at the (lower) certificate rate.			

7. COLOMBIA (1965)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Except for the petroleum industry, capital may be brought in either through the free market or through the intermediate market, but all amortization and payments must be made through the <u>same</u> market. - All capital inflows and outflows must be recorded at the Superintendency of Foreign Trade.	**10/25** The Bank of the Republic ceased its operations in the free market.	**3/10** The exchange rate for petroleum companies proceeds was devalued. **7/7** The recording requirements for capital flows were tightened. **7/15** Debt contracts abroad had to be registered.	**11/19** Operations in the free market were suspended. All Colombian residents who possessed foreign exchange were required to communicate the amounts held and were prohibited to use the funds without previous authorization. **12/1** A capital market replaced the free market and those transactions could take place only through the Bank of the Republic.

III. <u>Payments Restrictions on Capital Transactions</u>

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		7. COLOMBIA (1965) (Cont.)	
			- Banks were required to maintain 100% reserves against their foreign currency liabilities. **12/23** An exchange Control Prefecture was created to enforce the controls on invisibles and capital transactions.
		8. COLOMBIA (1967)	
Departing from the general framework described in the previous episode.	See last year of previous episode.	**3/22** The capital market rate was fixed. The remittance tax on certain transfers was abolished. The holding of foreign currency deposits was abolished. **5/9** A limit of 10% on the net value of the foreign investment was set for the allowed repatriation. **6/12** The surrendering of all the proceeds from profits and interests was made obligatory.	**3/12** The limit to the transfer of foreign capital was raised from 10% to 14% **6/1** The capital exchange market was abolished.
		9. COSTA RICA (1974)	
- Most public debt and services were affected at a lower exchange rate.	(No change took place.)	**4/25** Unification of the dual market all existent restrictions on	(No change took place.)

III. Payments Restrictions on Capital Transactions

9. COSTA RICA (1974) (Cont.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Taxes of 15% and 10% were levied on remittances abroad of debt payments and interest. - Transfers of capital may be made freely through the free market. - Foreign capital entering through the official market must be registered at the Central Bank to ensure access to that market for the related transfer.		transactions at the official rate were lifted. **9/30** Restrictions on outflows of resident owned capital were introduced: the Central Bank denied transfers of capital without actual obligation abroad or when the amount was considered unjustified. **10/1** Various measures to stimulate capital inflows came into force: higher interest rates on foreign currency deposits (different for residents and nonresidents).	(No change took place.)

10. CYPRUS (1967)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Capital inflows from non-Sterling Area countries must be surrendered, payments in those currencies require prior approval. - Foreign investment is permitted if its participation in domestic industries is lower than 50%. - Transactions with foreign securities require prior approval.	(No change took place.)	(No. change took place.)	**2/2** Commercial banks were required to transfer their foreign assets to the Central Bank gradually.

III. Payments Restrictions on Capital Transactions

11. ECUADOR (1961)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Unregistered capital is free to enter through the free market in unlimited quantities. - Foreign capital may enter at the official rate if they were registered with the Central Bank for approved purposes. - Invisible payments at the official rate require a license.	(No change took place.)	**5/22** Despite the reorganization in the exchange market, most non-trade and capital transactions remained in the free market. **7/14** A higher exchange rate (official) was to be applied to registered capital and debt operations.	(No change took place.)

12. ECUADOR (1970)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Voluntary registration of inward capital flows in the Central Bank to have the right to access to the official state. - Government receipts of invisibles must be channeled through the official market.	(No change took place)	**6/29** Bank and nonbank residents were required to sell to the Central Bank all foreign currency they held at home or abroad at the free market exchange rate. **8/17** Unification of the exchange markets. **10/29** Official agencies and foreign institutions were allowed to maintain accounts in foreign currency in the banking system. **12/23** Any person receiving a payment in foreign currency had to surrender the exchange within 10 days.	**8/2** Branches of foreign banks couldn't accept savings or fixed term deposits of Ecuadorian residents. **11/22** With the reintroduction of a free market, private (including foreign branches) banks were allowed to maintain deposits in foreign currency.

III. Payments Restrictions on Capital Transactions

13. ECUADOR (1982)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Capital may freely enter or leave the country through the free market. Most borrowing from abroad is subject to an exchange tax ranging from 0.5% to 2%. - All foreign investment and public debt must be registered at the Central Bank to have the right to access to the official market rate. - Foreign securities or real estate abroad cannot be purchased with official exchange.	**5/15** The Central Bank was allowed to sell foreign exchange for private loans repayments.	**3/3** a "free market" exchange rate for the payment of some imports and refinancing of foreign debt was established. **5/13** The surrender of foreign exchange from private sector's loans approved by the Central Bank was made mandatory.	**2/6** Foreign exchange was authorized to be sold at the official rate for the service of private sector's foreign debts. **4/5** Foreign loans to the private sector maturing in 1985 were authorized under the condition of surrendering the foreign exchange to the Central Bank.

14. EGYPT (1962)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- The import and export of securities and similar items require licenses that are seldom granted. - Some transfers of capital can be made through a system of blocked accounts in foreign currency. - Royalties and dividends are subject to specific quotas.	**12/31** The import of Egyptian bank notes by travelers was prohibited.	(No change took place.)	(No change took place.)

III. Payments Restrictions on Capital Transactions

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	15. EGYPT (1979)		
- Residents who have deposited foreign currency in Egyptian banks may use those funds for any purpose, including transfers abroad. - Otherwise, outward capital transfers are restricted with specific limits to each kind of transfer. - Some foreign exchange accounts are available for residents that receive transfers from abroad.	**7/2** Public debt services were exempted from the shift of all invisibles to the parallel market. **8/29** All public debt in foreign currency required the supervision of the Central Bank.	**1/1** Unification of the exchange markets.	**7/1** Foreign banks were required to ensure that 15% of their foreign currency deposits could be made available on call by the Central Bank.
	16. GUYANA (1967)		
- Residents of the Sterling Area may freely invest and repatriate their capital at any time, non-residents must obtain "approved status". - The export of capital to non-Sterling Area countries is not normally allowed.	(No change took place.)	(No change took place.)	(No change took place.)
	17. INDIA (1966)		
- Intricate system of non-resident accounts in domestic and foreign currency.	**10/20** The National Defense Remittance Scheme which favored repatriation of capital and inward flow	**5/31** The National Defense Remittance Scheme was terminated.	(No change took place.)

III. Payments Restrictions on Capital Transactions

17. INDIA (1966) (cont.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- The inward movement of capital is practically free, except when it is part of an investment that requires prior approval. - Foreign securities can be imported and held. - No restrictions on the remittance of profits, dividends and interest to non-residents.	of invisibles was implemented.		

18. INDONESIA (1978)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Stringent regulation of foreign investment. - Foreign currency deposits and securities can be held and transferred freely by residents and non-residents, but certain foreign borrowing is subject to approval.	**2/15** A list of 4 categories of foreign investment priorities was announced.	(No change took place.)	(No change took place.)

19. ISRAEL (1962)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Incoming capital had to be surrendered at the official rate. - Repayment and amortization of capital are subject to specific regulations according to its maturity.	(No change took place.)	(No change took place.)	(No change took place.)

III. Payments Restrictions on Capital Transactions

19. **ISRAEL (1962)** (cont.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Exchange proceeds from invisibles or capital may be held in foreign currency time deposits or sold at a premium over the official rate.			
20. ISRAEL (1967)			
- Similar framework than in previous episode. - Two types of foreign currency deposits: TAMAM and NATAD. - Most payments of invisibles required individual licenses.	(No change took place.)	**2/21** The quota of foreign exchange for patent rights was reduced to $250/year.	**2/9** Purchases of foreign securities were restricted to those assets listed on the London, Zurich or N.Y. exchanges. **6/23** Regulations on capital transactions were eased. **10/18** The purchase of foreign securities from a larger number of countries was permitted.
21. ISRAEL (1971)			
- Foreign currency deposits may be held by residents and non-residents under different regulations. - Stringent regulations for foreign investment. - Residents cannot maintain money, securities or income	(No change took place.)	**8/16** At the request of the Central Bank, the banking system suspended foreign exchange dealings except in U.S. dollars.	**12/15** Banks were free to establish their own rates of interest on foreign currency accounts.

III. Payments Restrictions on Capital Transactions

21. ISRAEL (1971) (cont.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
from property outside Israel. - Transfers of capital abroad by residents is not generally permitted. - Owners of TAMAM accounts are the only ones allowed to purchase foreign securities.			

22. JAMAICA (1967)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Previous approval is required for investing in non-Sterling Area securities as well as for direct foreign investments (and its remittances) and foreign debt over a certain limit. - The Bank of Jamaica is allowed to charge up to 0.75% on inward and outward transfers.	**8/29** The commission charged on outward transfers was raised from 3/8 to 1 1/2 percent.	**3/17** The commission charged on inward transfers was reduced from 3/16 to 1/8 percent. **9/18** The blocking of the sterling assets of migrators was lifted. **10/12** Banks were prohibited to facilitate foreign exchange for personal transfers of capital. **11/22** Commission changes on outward transfers was increased from 0.5% to 0.75% while that on inward transfers was reduced from 1/8 to 1/16%. **11/28** The free convertibility into sterling of the Jamaican pound was limited to dealings with commercial banks.	**9/22** The commission on outward transfers was reduced from 0.75% to 0.5%.

III. Payments Restrictions on Capital Transactions

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
23. JAMAICA (1978)			
- Foreign currency accounts are only allowed for non-residents - Outflows of resident-owned capital are totally restricted. - Foreign exchange transfers are prohibited. - Stringent controls on direct foreign investment (some repatriation facilities) and on foreign debt payments.	**1/19** Payments for royalties and trademarks were to be blocked for some period. Restrictions on profits, dividends, interest and amortization payments. **4/27** With the creation of a dual market, all capital transactions were effected at a depreciated rate.	**5/9** Reunification of the exchange market. **6/26** All entrants to Jamaica were required to declare the foreign exchange brought in and taken out.	(No change took place.)
24. KENYA (1981)			
- Capital transfers to all countries are restricted. - Foreign investment not restricted but subject to registration. - All flows of securities require approval and residents aren't normally granted it.	(No change took place.)	**3/17** Repatriation of assets held abroad was required to be completed by Dec. 31.	(No change took place.)
25. KOREA (1980)			
- All capital remittances require approval. - Loans from abroad are officially guaranteed if	**1/1** Residents were allowed to hold foreign currency accounts up to a ceiling of $3000. Restrictions to	**6/10** Foreign banks' activities (with residents) were permitted.	**7/29** New regulations to promote direct foreign investment were announced.

III. Payments Restrictions on Capital Transactions

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
2. BOLIVIA (1972)			
- Outward capital transfers were free of controls. Inward capital transfers may be done through the free market, but public sector receipts must be surrendered to the Central Bank. - Invisible payments may be made freely through the free market.	(No change took place.)	(No change took place.)	(No change took place.)
3. BOLIVIA (1979)			
- Same general framework as in 1971 but foreign loans were subject to the authorization of the National Council for planning and economy and had to be registered.	**8/17** A ceiling on short-term indebtedness of Bolivian and foreign financial institutions was set at the level existent at June 30, 1978.	**11/30** With the new exchange regime, new ceilings on short term and medium term foreign exchange liabilities of the banking system were adopted.	(No change took place.)
4. BOLIVIA (1982)			
- Same general framework as in previous episode.	**7/30** All sales of foreign exchange required the authorization of the Central Bank.	**2/5** Devaluation date. Dealings in the parallel market were declared illegal. **3/11** A dual exchange market was created. The official exchange rate was available only for public sector's transactions. All other	**1/5** Foreign borrowing through the official market became highly regulated.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont.d)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	27. MEXICO (1982) (cont.)		
	11/2 **12/30** Import licensing requirements were introduced in 202 and 828 tariff items covering dairy products and foodstuffs.		
	28. NICARAGUA (1979)		
- 2 categories of importers: one is allowed to import any kind of merchandise, the otherallows to import only for industrial needs. - All sales of foreign exchange at the official rate must be authorized by the Central Bank and are subject to quotas. + Some exports require specific authorization, other general authorization and other can be freely made. Almost all the proceeds must be surrendered.	**11/1** The surrender period for exports was reduced from 120 to 30 days. **11/14** Import and invisible payments were classified in terms of priorities. The Central Bank would allocate the foreign exchange on this basis weekly (very restictive).	**2/19** Payments for all imports and most invisibles were made subject to a minimum waiting period of 7 days the quotas for travel and medical expenses were reduced. **4/6** A multiple exchange rate system was introduced. **8/30** The multiple exchange system was abolished, but the parallel market continued. All sales of foreign exchange were temporarily prohibited.	**7/11** The parallel market was officially closed from July 12 to July 20. **3/8** A number of nonessential imports were excluded from the official market.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont.d)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		29. PAKISTAN (1972)	
- Several "effective" exchange rates. - 4 lists of permitted imports: a free list, a licensable list, a export bonus list and a cash-cum bonus list. All imports except those on the "free list" require licenses, the latter 2 lists are subject to deposits and administrative delay. - All payments for invisibles are subject to approval and some items (tourism) have no quota assignment. + Exports of most goods are allowed freely (except 24 items that require licenses), the proceeds must be surrendered within 6 mths.	**1/1** In the import program for the first half of 1971, no provision was made for certain non-essential consumer goods. **4/24** The import of 46 items was prohibited and 28 items were shifted from the licensable list to the cash-cum bonus list. **11/24** Prohibitions on some metal manufacturers and foodstuff imports were introduced.	**4/21** The opening of letters of credit for the import of raw material for the pharmaceutical industry under the free list was no longer permitted. **5/11** Unification of the exchange market. **5/14** The existent licensing lists were consolidated into 2: 23 items on a tied list (foreign aid) and 327 items without quantative restrictions or licenses. **7/5** Some quotas for invisibles were increased and the exchange allocation for tourism was permitted.	- During the year a number of previously prohibited items were added to the free list of imports. Private banks were allowed to carry out more transactions. **6/7, 8/6, 9/7**: Exports of some food products were prohibited. **10/15** Some import items were transferred from the free list to the tied list.
		30. PAKISTAN (1982)	
- 2 lists of permitted imports: a free list and a tied list (procured only from tied sources).	**2/21** The limit on the value of machinery imports by non-restricted industries was increased.	**6/1** The quotas for most services' payments were increased.	**1/7** Mild liberalization of import restrictions. 148 tariff items were made freely importable.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	30. PAKISTAN (1982) (cont.)		
All imports require licenses, except for those made by the government, and their validity is one year. - Payments for invisibles require prior approval and some items are subject to annual quotas (travel: $500/trip). + Exports of some goods are prohibited (foodstuff, metals), most others may be made freely but the proceeds must be surrendered in 4 mths. after the shipment.	**7/1** Some shifts and changes in the import lists were made. **8/16** Export prohibi- **11/21** tions were lifted for 21 agricultural products. Other goods were exempted from quota restrictions.		**11/22** Quotas for most services payments were increased further.
	31. PERU (1967)		
- All imports, except a dozen items, were permitted freely. - No restrictions on payments or proceeds of invisibles.	(No measure of this kind was taken.)	**3/10** Imports of corn and substitutes were made subject to license. **9/4** The Central Bank suspended its operations in the foreign exchange market.	**2/26** The validity of the exchange certificates were reduced from 5 to 3 days. **3/1** Temporary (3 mth.) prohibition on non-essential imports. **5/29** This list of prohibited imports was reduced to 90 items.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		31. PERU (1967) (cont.)	
+ Besides exports of fishmeal and coffee, exports are not subject to license and no control was exercised over export proceeds.		**10/5** All exports required licenses and all export proceeds had to be surrendered again into negotiable exchange certificates. All payments not eligible for certificates could be made through a free exchange market.	**6/24** A new list of imports prohibited covering about 250 items was introduced.
		32. PERU (1975)	
- Dual Exchange Market. - Imports of some "non essential" goods are prohibited and imports of a large number of manufactured goods are seldom granted. - Private sector imports require the approval of the competent ministry and almost all must be made on a letter of credit basis.	**9/24** The basic exchange allocation for tourism was raised from $30 to about $40 per day for up to $30 days more per day.	**9/26** The exchange rates were unified but the dual exchange market was maintained. The documentary letter of credit requirement for private imports was abolished. **11/21** Exports of fishmeal and fish oil were suspended. **12/17** The exchange allocation for expenditures abroad was reduced to $25/day.	**9/1** A system of import licenses was announced. **2/25** All applications for the purchase of exchange for travel was forced to be made 48 hours in advance. **5/18** A list of permitted imports within a National Import Program was published. **6/28** The sol was devalued in both markets.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	32. PERU (1975) (Cont'd)		
- The Central Bank stringently classified the exchange rate that applies to each category of invisibles, some of which are subject to quotas (travel $1200/ year). + All exports are subject to licenses to assure the surrendering of the procedures to the certificate market.			**7/15** The quotas for student remittances and business travel expenditures were increased. **9/22** A system of periodic devaluations was adopted. **11/22** The National Import Program and the Import Exchange Budget for 1977 were announced.
	33. PHILIPPINES (1962)		
- Fluctuating rate appeals to almost all transactions. - No quantitative restrictions on imports or in the exchange allocation (except some minor items). - No restrictions or exchange quotas on payments for invisibles. + Some "strategic" exports cannot be made and the export proceeds must be surrendered.	**3/2** Third phase of "decontrol" program was put into effect determining the items affected by each exchange rate, (official & fluctuating). **10/16** Exchange allowances granted for travel and studies abroad were curtailed. **10/20** All purchases of exchange for imports were made subject to prior approval of the Central Bank.	**1/22** The final phase of the "decontrol" program was put into effect. All restrictions on foreign trade and payments were withdrawn.	(No significant changes took place.)

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
34. PHILIPPINES (1970)			
- Imports of certain agricultural goods were prohibited and those of of cars, textiles and liquors were "voluntarily" restrained. - Almost all imports must be covered by a letter of credit. - All payments for invisibles required Central Bank approval and were subject to quotas. + Some "strategic" products cannot be exported and the export proceeds must be surrendered.	**4/29** The supervision measures on the foreign exchange allocation for travel purposes were tightened. **6/9** Opening of import letters of credit was suspended. **6/19** The opening of letters of credit was resumed but restricted to 4 categories of goods. **11/24** Foreign exchange allowances for travel purposes were reduced. **11/26** All imports other than the 4 categories mentioned above received the approval of the Central Bank as well as all the invisibles payments. The surrendering period was reduced to one business day.	**2/21** Major exchange reform: adoption of a fluctuating rate and relaxation on restrictions on trade and payments. Some import categories and limits to invisibles were maintained. **3/10** Exporters were required to receive their proceeds at most 30 days after the shipment. **5/1** All exchange transactions were forced to be carried at the free market rate (including exports).	**7/28** The Central Bank eliminated the provisions requiring its approval for importation in excess of $50,000 on some capital goods. **9/6** Certain consumer goods for which letters of credit could not be opened were allowed to be imported.

I. <u>Evolution of Payments Restrictions on Current Transactions</u> (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
35. SRI LANKA (1967)			
- Member of the Sterling Area. - Annual import program in force. - All private imports required individual licenses and are divided into 3 groups: essential, less essential and non-essential goods. First 2 groups subject to quotas, last one highly restricted. - All payments for invisibles required individual permits and are subject to quotas. All exports require 2 types of licenses.	**11/27** It was announced that the foreign exchange budget for 1967 would be much lower than the 1966 one due to a terms of trade shock.	**11/22** The par value was changed.	**5/6** A foreign exchange certificate scheme was introduced. Imports were divided into 2 groups, both requiring licenses but one of them also required the surrendering of certificates. **5/31** The open general license import list was expanded by 35 groups of commodities. **7/15** The export of 13 items was banned and that of 18 other items was made subject to + export licenses.
36. TRINIDAD-TOBAGO (1967)			
- Member of the Sterling Area. - For import controls countries are divided into 2 groups: a) Soviet-countries and China (discriminated) & b) All other countries, except U.K.	During the year, the import of a number of goods became subject to individual import licenses.	During the year an increasing number of imports became subject to individual licenses. (4/6, 4/27, 5/5, 10/12). **11/23** The par value was changed.	**3/19** Some authorized banks were allowed to deal in foreign exchange. **10/10** It was announced that licenses wouldn't be granted for the importation of motor-cars and cosmetics.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
	36. TRINIDAD-TOBAGO (1967) (cont.)		
- Regulations include prohibitions, state trading, individual licensing and open general license. - Payments of invisibles outside the Sterling Area require specific approval, supporting documents and are subject to quotas. + Exports of certain goods (foodstuff, petroleum) require individual licenses and all proceeds must be surrendered.			
	37. VENEZUELA (1964)		
- Multiple exchange rate system. - Some goods are prohibited and others may be imported only by the government. A number of items require specific licenses. All imports (27 tariff items) at the special subsidy rate require special permit.	No significant change took place.	**1/18** Major exchange reform towards the unification of the different exchange rates and relaxation of controls.	**3/24** Imports of fertilizers and chemicals requires a license. **5/21** Imports of most consumer durable goods required a license. **7/27** Import licensing restrictions on textiles under 178 tariff items were imposed for 60 days.

I. Evolution of Payments Restrictions on Current Transactions (Cont'd)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		37. VENEZUELA (1964)	
- No restrictions on invisibles. + Some products require a special license to be exported. Petroleum and iron ore proceeds must be surrendered to the Central Bank; other proceeds to the banking system.			**9/29** Almost all above measures became permanent.
		38. YUGOSLAVIA (1965)	
- Single fixed exchange rate. - 89 groups of commodities (raw material) may be imported without quantative restriction. - Import licenses are issued freely for other 12 groups of commodities. - For 28 other groups and capital goods a system of quotas is in force. - Payments for trade related invisibles are treated similarly to imports. Tourism exchange allowance: $20/year.	**2/13** A less restrictive structure of the import and export lists was introduced. **10/30** The travel exchange allowance was (inadvertently) increased.	**7/26** New par value of the dinar.	**3/17** A more liberal use of the foreign exchange proceeds was allowed. **7/21** The access to foreign trade was made easier to more economic institutions.

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
38. YUGOSLAVIA (1965) (cont.)			
+ All proceeds from exports must be surrendered within 30 days. Some exports are subject to individual licenses and others to quotas.			

II. Evolution of Tariffs, Duties and Cost Related Import Restrictions

1. ARGENTINA (1970)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- All imports subject to a 4% tax on the freight, consular fee 1.5% and statistical taxes [0.3-1.5%] - Import duties range: 5% - 140% (exceptions on machinery) - Advance deposits of 40% of cif value in pesos, refunded after 180 days (exception for public sector imports and basic input imports) + Taxes on traditional exports	3/14 Fertilizers, formerly exempted, were charged 20% and 40% import duties	2/6 Most of the special regimes and exceptions from the custom tariff were abolished. 6/15 Import duty concessions were given to some energy and steel industry inputs. 7/11 New import duties: those of 15% were reduced to 0% and higher rates were reduced by 15 to 30 points. 7/15 Taxes on exports up to 35% were introduced. 12/4 New import duties of 200% on 160 items, some concessions were rescinded and others increased.	8/25 + The export taxes were raised up to 45% 10/25 All settlements of imports and exports took place at a mixed exchange rate. 12/20 + Export taxes on traditional exports were eliminated.

2. BOLIVIA (1972)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Custom surcharge of 15% ad valorem is in force. + Taxes on traditional exports - No advanced deposit requirements.	3/17 Reduction in export tax to copper.	10/20 A 20% tax on traditional exports was introduced as well as a 15% tax on the net value of all other exports. 11/15 The custom surcharge of 15% was abolished.	12/1 New (more protective) custom tariff came into effect.

II. <u>Evolution of Tariffs, Duties and Cost Related Import Restrictions</u> (Cont'd.)

3. BOLIVIA (1979)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Most private sector imports subject to an advanced deposit of 5%, 10% or 25% of the cif value which must be lodged 120 days prior to the release from customs. - Custom tax of 1%, "additional tax" 3% and 8% tax on services rendered. + Taxes on traditional exports.	**1/5** Advance deposit requirements were waived from Andean Pact imports. **1/27** Imports of acrylic fiber threat became subject to a specific duty. **3/7** Certain minerals were exempted from export taxes. **6/22** Custom tariff on textiles, paper, vehicles and other goods were adjusted.	**2/1** Exemptions of "essential goods" from custom duties and tariffs and prior deposit requirements were extended. **2/16** Public imports were required to pay all custom duties and tariffs. **7/25** Military supplies **6/28** and armaments were **6/20** exempted from the requirement of paying custom duties and tariffs. **9/18** A 180 days 500% advance deposit was introduced for about 600 tariff positions. **11/30** Devaluation of the peso and abolishment of the 500% prior deposit requirement (return to 25%, 10%, 5% scheme).	**1/18** Some deductions of required taxes and duties for certain imports were granted. **6/23** A 10% additional tax on textile exports to Europe was introduced.

II. <u>Evolution of Tariffs, Duties and Cost Related Import Restrictions</u> (Cont'd.)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
		4. BOLIVIA (1982)	
- Advance deposit requirement of 25% for private imports (also 10% and 5% rates).	**1/12** The 25% advanced deposit requirement was terminated. **2/20** Certain import duty rates were reduced.	**2/5** The dispersion of the tariff structure was reduced but a tax of 1.8% on all foreign exchange sales was introduced. **7/13** Free market transactions were exempted from the 1.8% tax.	(No change took place).
		5. CHILE (1982)	
- Import duties for most items are at a 10% uniform rate. A value added tax on 20% is levied on the sum of the cif value and the import duty. - No advance deposits requirements.	**3/25** Special duties on milk derivatives were eliminated or reduced.	**5/9** Duties were raised on imports of most dairy products. **11/12** Temporary tariff increases, averaging 17 percentage points, were imposed on 12 products.	**3/23** A 12% tax was levied on foreign exchange's purchases for the financing of imports. - The 10% uniform import tariff was raised to 20% until December 1985.

II. Evolution of Tariffs and Cost Related Import Restrictions (Cont'd.)

6. COLOMBIA (1962)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Advance deposits of 1%, 5%, 20%, 50%, 75%, and 130% were discretionarily and discriminatorily requested on different import categories. Returned 90 days after the imports are cleared.	Advance deposit requirements (new): 3/1 on tractors and automobiles: reduced from 130% to 20% 4/19 on plastic products: from 130% to 65% 5/24 on iron and steelwin: from 130% to 100% 6/21 of automobiles and other vehicles: reduction to a 5% rate; other products were uniformly set at 20%.	4/5 Advance deposits to 5 categories of imports were increased: from 5% to 20%, 20% to 50%, 50% to 150%, 75% to 180%, and 100% to 200% 7/1 Advance deposits of the same 5 categories were reduced: from 20% to 15%, 50% to 40%, 150% to 110%, 180% to 150%, and 200% to 170% 8/1 The advance deposits were further reduced from 170% to 150%, 150% to 120%, 110% to 90%, 40% to 30%, 15% to 10% 9/1 Advance deposits of 3 categories were reduced: from 150% to 120%, 120% to 90% and 90% to 65%	2/28 Advance deposits on 2 categories of imports were reduced to 1%. 3/11 Raw materials for export products were exempted from duties and advance deposit requirements. 4/4 Advance deposits on 4 categories were reduced to 10%. 5/2 Advance deposits on 2 categories were reduced to 10% and to 30% in another category.

II. Evolution of Tariffs and Cost Related Import Restrictions (Cont'd.)

7. COLOMBIA (1965)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Departing from the advance deposit requirements described in the last year of the previous episode.	9/2 A 5% advance deposit for imports of basic industry machinery was introduced. 12/28 a 95% advance deposit was required for the application for foreign exchange.	1/20 Advance deposit requirements were announced for some items. 7/10 A 100% peso deposit guarantee was required from all exporters. 10/1 Advance deposit for imports that could only be imported at the (higher) intermediate rate were reduced by 5% of the rate in force. Further 5% monthly reductions for a 20-month period were announced.	(no change in advance deposits requirements)

8. COLOMBIA (1967)

Situation at December (t-2)	Previous Year (t-1)	Devaluation Year (t)	Following Year (t+1)
- Departing from the framework described in the previous episode.	See last year of precedent episode.	1/25 All advance deposit requirements were increased by 50%. 2/15 The advance deposit requirements were restored to their 1965 levels. Rates of 70%, 95% and 130% were introduced. 4/6 The prior import deposit for	During the year the advance deposit requirements were reduced in numerous occasions. 6/5 The 95% advance deposit for foreign exchange applications in some transactions was eliminated.