

SUGGESTED ADDITION TO NAC TECHNICAL COMMITTEE DRAFT
OF FUND BY-LAWS DATED SEPTEMBER 27, 1945

(Submitted in accordance with the decision
made at the October 1 meeting)

Compulsory Withdrawal of a Member

• If the Executive Directors believe that a member, after having been declared ineligible to use the resources of the Fund, is persisting in its failure to fulfill any of its obligations under the Articles of Agreement, or if a difference between a member and the Fund under Article IV, Section 6, of the Articles of Agreement continues, the Executive Directors shall proceed as follows:

(1) They shall send a written report to the member stating clearly the reasons for their belief that the member is not fulfilling its obligations to the Fund or the reasons for being unable to agree with a member under Article IV, Section 6. The report must specify a reasonable time within which the member may file a written reply and a date thereafter on which the member may send a representative to present its case to the Executive Directors.

(2) If, in the opinion of the Executive Directors, the member fails to show that it is fulfilling its obligations under the Agreement or to indicate that it is willing to do so in the future, or if the difference between the member and the Fund under Article IV, Section 6, continues, the Executive Directors shall bring the matter to the attention of the Board of Governors.

(3) The Executive Directors shall notify the member of the date on which its case will be considered by the Board of Governors and of the fact that it may send a representative to that meeting and may file additional written statements with the Board of Governors.

(4) A reasonable period of time before the date set for the meeting of the Board of Governors, the Executive Directors shall send to each member of the Board of Governors a copy of the original report of the Fund stating its complaint against the member, the reply of the member, the minutes of the meeting of the Executive Directors at which the case was considered, and any further relevant documents.

Submitted by the Board of Governors
of the Federal Reserve System
October 15, 1945

Draft of Additional Section of the By-Laws of the International
Monetary Fund.

23. The Executive Directors may institute proceedings to obtain a decision of the Board of Governors to require a member to withdraw from membership in the Fund by presenting a formal report to the member and all of the Governors containing a full statement of the complaint against it. The member shall be given reasonable notice of the date on which the Board of Governors will consider the matter, shall have an opportunity to present its case in writing, and shall have the right to be represented and present its case orally to the Board.

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