

SUGGESTED BY-LAWS OF THE INTERNATIONAL MONETARY FUND

These By-Laws are adopted under the authority of, and are intended to be complementary to, the Articles of Agreement of the International Monetary Fund; and they shall be construed accordingly. Neither anything in these By-Laws nor the omission of anything from these By-Laws shall be construed as conflicting with, or as qualifying in any manner, any provision or requirement of the Articles of Agreement.

1. Places of Business

The principal office of the Fund shall be located in _____ . Agencies or branch offices may be established and maintained at any place in the territories of other members, whenever it is necessary to do so in order to facilitate the efficient conduct of the business of the Fund.

2. Bank Represented

The Economic and Social Council of the United Nations is authorized to be represented at the meetings of the Board of Governors and Executive Directors, and the representative of the Council may participate in such meetings, but shall have no vote. The Executive Directors are authorized to arrange with the International Bank for Reconstruction and Development to send a representative of the Bank to meetings of the Board of Governors and Executive Directors who may participate in such meetings, but shall have no vote.

3. Notice of Meetings

The Managing Director shall notify all members of any meeting of the Board of Governors.

4. Special Board Meetings

Whenever any member requests the Executive Directors to call a special meeting of the Board, the Managing Director shall notify all members of the request together with the reasons assigned for such request. Special meetings of the Board shall be called by the Directors whenever requested by five members or by members having one-quarter of the total voting power.

5. Proxies

No Governor or Alternate may vote at any meeting by proxy or by any other method than in person.

6. Report of Managing Director

The Managing Director shall prepare for presentation at the annual meeting of the Board of Governors an annual report in which he shall discuss the operations and policies of the

Fund and make recommendations to the Executive Directors and the Board of Governors on the problems confronting the Fund.

7. Secretary

The Secretary of the Fund shall serve as Secretary of the Board of Governors.

8. Minutes

The Board shall keep a summary record of its proceedings which shall be available to all members and which shall be filed with the Executive Directors for their guidance.

9. Expenses of Governors

Each governor and alternate shall present to the Secretary of the Board of Governors a memorandum of transportation expenses incurred in travelling to and from the meetings of the Board. All reasonable transportation expenses shall be paid by the Fund, together with \$_____ for each day he is engaged in the business of the Fund, including the time of travelling, in lieu of reimbursement for other expenses.

10. Election of Chairman and Vice Chairman

At each annual meeting the Board of Governors shall select a Governor to act as Chairman and other Governors to act as Vice Chairmen until the next annual meeting. The selection shall require a majority of the votes cast by the Governors. Successive ballots shall be cast until one nominee has a majority; and after each ballot the nominee with the smallest number of votes shall be dropped from the next ballot.

11. Delegation of Authority

The Executive Directors are authorized by the Board of Governors to exercise all the powers of the Fund except those reserved to the Board by Article XII, Section 2(b) and other provisions of the Articles of Agreement.

12. Rules and Regulations

The Executive Directors are authorized by the Board of Governors to adopt such rules and regulations as may be necessary or appropriate to conduct the business of the Fund. Any rules and regulations so adopted, and any amendments thereof, shall be subject to review by the Board of Governors at their next annual meeting.

13. Executive Directors on Full Time Basis

A. The Executive Directors and their Alternates shall devote their full time to their duties as Executive Directors and Alternates.

B. The Executive Directors and their Alternates shall be regarded as full time officers of the Fund.

C. The Executive Directors and their Alternates shall be regarded as full time officers of the Fund, and they shall be paid salaries only for such time as they devote to the business of the Fund.

D. The Executive Directors and their Alternates shall be regarded as full time officers of the Fund, and no Executive Director or Alternate shall receive any salary from the Fund if he receives a salary or other compensation for personal services from any other source.

E. Executive Directors shall be entitled to six weeks leave of absence from the head office of the Fund each year and to such further extraordinary periods as the Executive Directors shall authorize by special resolution. Except in the case of an emergency, no Executive Director and his Alternate shall be simultaneously absent from the head office of the Fund. All leaves of absence by special resolution and attendance at all meetings of the Executive Directors shall be matters of public record.

No officer or regular employee appointed by the Fund shall be engaged in other lucrative employment or receive a salary or other compensation for personal services from any other source unless authorized by the Executive Directors.

No Executive Director or Alternate shall receive any salary from the Fund if he receives a salary or other compensation for personal services from any other source. In the event that any Executive Director elects not to accept a salary from the Fund, the Alternate to such Executive Director shall be entitled to the salary of an Executive Director in lieu of that as Alternate.

14. Vacant Directorships

Whenever a new Director must be elected because of a vacancy requiring an election, the Managing Director shall notify the members who elected the former Director of the existence of the vacancy. He may convene a meeting of the Governors of such countries exclusively for the purpose of electing a new Director; or he may request nominations by mail or telegraph and conduct ballots by mail or telegraph. Successive ballots shall be cast until one candidate has a majority; and after each ballot, the candidate with the smallest number of votes shall be dropped from the next ballot.

When a new elective director is named, the office of alternate shall be deemed to be vacant and an alternate shall be named by the newly-elected director.

15. Additional Directors

At least one month before the second and subsequent regular elections of directors, the Managing Director shall notify all members of the two members whose currencies held by the Fund have been, on the average over the preceding two years, reduced below their quotas by the largest absolute amounts. He shall state whether either or both are entitled to name a director on this basis.

When a member becomes entitled to name a director in accordance with Article XII, Section 3(c) of the Fund Agreement, it shall not participate in the election of any director.

16. Officials

The officials of the Fund shall be a Managing Director, a Deputy Managing Director, a General Counsel, and such Assistant Managing Directors as the Executive Directors shall determine. Other members of the staff shall be provided for in the annual budget of the Fund.

17. Audits

The Executive Directors shall have an audit of the accounts of the Fund made at least once each year and on the basis of this audit shall submit a balance sheet and a statement of operations of the Fund to the Board of Governors to be considered by them at their annual meeting.

18. Agenda of Board Meetings

The agenda for the meetings of the Board of Governors shall be submitted by the Managing Director after having been approved by the Executive Directors. Any Governor or Alternate may place upon the agenda any matter for the consideration of the Board.

19. Applications for Membership

Any country may apply for membership in the Fund by filing with the Fund an application setting forth all relevant facts.

The Managing Director shall arrange for consultation with the Economic and Social Council of the United Nations and shall inform the Governors of the position taken by the Economic and Social Council.

When submitting an application to the Board of Governors, the Executive Directors shall inform them of the response of the Economic and Social Council and shall recommend to the Board the amount of the quota, the form of payment, the parity of the currency, conditions regarding the removal of exchange restrictions, and such other conditions as, in the opinion of the Executive Directors, the Board of Governors may wish to prescribe.

20. Voting Without Meeting

Whenever, in the judgment of the Executive Directors, an action by the Fund must be taken by the Board of Governors which should not be postponed until the next regular meeting of the Board and does not warrant the calling of a special meeting of the Board, the Executive Directors shall present to each member by telegraph or otherwise a motion embodying the proposed action with a request for a vote by its governor. When sufficient replies have been received to accept or reject the motion, the Executive Directors shall record the results and the Managing Director shall notify all members.

21. Representation of Members
Not Entitled To Appoint a Director

Whenever the Executive Directors are to consider a request made by, or a matter particularly affecting a member not entitled to appoint a director, the member shall be promptly informed in writing of the date set for its consideration. No final action shall be taken by the Executive Directors, nor any question affecting the member submitted to the Board of Governors, until the member has been offered a reasonable opportunity to present its views and to be heard at a meeting of the Executive Directors of which the member has had reasonable notice. Any member, so electing, may waive this provision.

22. Settlement of Disagreements

The International Court of Justice is prescribed as the authority to appoint an umpire whenever there arises a disagreement of the type referred to in Article XVIII (c) of the Articles of Agreement.