

Submitted by Treasury

Suggested By-Laws of the International Monetary Fund

1. The Board of Governors shall hold an annual meeting at the principal office of the Fund on _____ of each year.

2. At each annual meeting the Board of Governors shall select a governor to act as Chairman 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.

The Chairman shall select a Secretary, and such other officers as the Board requires from the Board or the staff of the Fund.

3. Whenever any member requests the Executive Directors to call a meeting of the Board, the Managing Director shall notify all members of the request together with the reasons assigned for such request. 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.

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

5. The agenda for the meetings of the Board of Governors shall be submitted by the Managing Director. Any governor or alternate may place upon the agenda any matter for the consideration of the Board.

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.

6. Whenever any action by the Fund must be taken by the Board of Governors, and in the judgment of the Executive Directors the matter should not be put off 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 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 result and the Managing Director shall notify all members.

7. 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 an allowance of \$_____ for each day, including the time of travelling, in lieu of reimbursement for other expenses.

8. 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 XIII, Section 2(b) of the Articles of Agreement.

9. 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 regular meeting.

10. 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 prepare a reply 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.

11. 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 telegraph and conduct ballots by 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.

12. 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.

13. The salary of directors and alternates shall be \$ _____ per annum. They shall also be entitled to reimbursement for reasonable expenses actually incurred in the conduct of the business of the Fund when they have been authorized to incur such expenses.

14. The officials of the Fund shall be a Managing Director, a Deputy Managing Director, 5 Assistant Managing Directors and a General Counsel. Other members of the staff shall be provided for in the annual budget of the Fund.

15. The principal office of the Fund shall be located at _____.

Agencies of the Fund shall be established in the following cities: _____

16. Gold depositories of the Fund shall be established in the following cities: _____

The earmarked gold accounts of the Fund shall be held with the depositories, each acting as fiscal agent for the member in whose territory the depository is located.

17. The currency accounts of the Fund shall be held in the designated depositories, each acting as fiscal agent for the member in whose territory the depository is located.

18. Each member shall designate a fiscal agent or agents for its transactions with the Fund. A member may change the designated fiscal agent or agents at any time by notifying the Fund.

19. 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.

20. The Executive Directors shall recommend to the Board of Governors the disposition of the net income of the Fund. Before computing the net income, adequate reserves shall be provided to meet all contingencies and to offset any losses that may be incurred by the Fund.

After receiving the recommendations of the Executive Directors, the Board of Governors at their annual meeting shall decide what part of the net income of the Fund shall be placed in surplus and what part shall be distributed as dividends to members.

21. The Managing Director shall prepare 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.

22. Any country may apply for membership in the Fund by filing with the Fund an application setting forth all relevant facts. The Fund shall inform the Economic and Social Council of the United Nations of each application for membership and shall inquire of the Council whether there is any objection to the extension of membership to the applicant.

23. The Fund may discuss with the applicant any matters relating to its application. The Executive Directors shall then decide whether to submit an application for membership to the Board of Governors for a telegraphic vote, call a special meeting of the Board, or hold the application until the next meeting of the Board.

24. 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.

25. Any country may request the Fund for an adjustment of its quota. After consulting the member, the Executive Directors shall submit a written report on the request to the Board of Governors at its next meeting. If the request is for an increase in the quota, and the member is not obligated to pay 25 percent of the increase in gold, the report shall contain a recommendation on the amount to be paid in gold.

26. At least one year prior to the time when a review of quotas must be undertaken by the Fund, the Executive Directors shall appoint a committee to study the problem and to prepare a written report to be submitted to the Board of Governors.

27. The International Bank for Reconstruction and Development is authorized to be represented at the meetings of the Board of Governors and Executive Directors, and the representative of the Bank may participate in such meetings, but shall have no vote.