

(To be inserted later)

& Section 1. Exchange Restrictions and Currency Arrangements and Practices Retained.

Since the Fund is not intended to provide facilities for relief or reconstruction or to deal with international indebtedness arising out of the war, member countries, during the early post-war transition period, may, notwithstanding the provisions of III, 5 and IX, 3, maintain and adapt to changing circumstances and introduce, where necessary, in the case of countries which have been occupied by the enemy, exchange regulations and currency arrangements and practices which impede payments and transfers for international transactions on current account. They undertake to withdraw as soon as possible by progressive stages all such restrictions, arrangements and practices. In their exchange policies member countries shall pay continuous regard to the purposes and policies of the Fund and shall take all possible measures to develop commercial and financial relations with other member countries which will facilitate international payments and the maintenance of exchange stability.

& Section 2. Withdrawal of Exchange Restrictions.

The Fund may at any time make representations to any member country that conditions are favorable for the withdrawal of particular restrictions on exchange transactions or particular arrangements and practices, or for the general abandonment of such restrictions, arrangements and practices which are inconsistent with III, 5 or IX, 3. Not later than three years after the date on which the operations of the Fund commence any member country still retaining restrictions, arrangements or practices inconsistent with III, 5 or IX, 3 shall consult with the Fund as to their further retention and shall retain them only with the approval of the Fund.

* Section 3. Policy of the Fund During the Transition Period.

In its relations with Member countries, the Fund shall recognize that the early post-war transition period will be one of change and adjustment, and in making decisions in requests presented by any member country it shall give the benefit of any reasonable doubt to such country.

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