

(To be inserted later)

Alternative B

- * 1. During the transitional period after the termination of hostilities, member countries may, by giving notice in accordance with 4 below, notwithstanding the provisions of [III(5)] and IX(3) and (4), 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 impeded payments and transfers by international transactions on current account.
- * 2. They shall, however, 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 members which will facilitate international payments and the maintenance of exchange stability.
- & 3. The Fund is not intended to provide facilities for relief or reconstruction, or to deal with international indebtedness arising out of the war. Certain member countries will, therefore, need to be satisfied that arrangements are at their disposal to facilitate settlement of the balance of payments' differences during the early post-war transition period by means which will not unduly encumber their facilities with the Fund, before they can undertake in good faith the obligation under 2 above. Such member countries will at their request, be allowed a period not exceeding two years from the coming into force of the Fund before assuming this obligation, and shall before that time discuss with the Fund whether the general situation is such as to enable them to accept the obligations of the Fund in this respect.

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J.S. Art. X., Secs. 1-4

& 4. After the coming into force of the Fund but before it commences operations, member countries shall notify the Fund whether or not they intend to avail themselves of the optional transitional arrangements under (1) and (3) above; and whether they are prepared to accept the obligations of IX(3) and (4). At any subsequent date the member may notify its acceptance of these obligations. Not later than three years from the coming into force of the Fund and in each year thereafter the Fund shall report on the restrictions still in force under 1 above. Five years after the coming into force of the Fund and each year thereafter any member still retaining any restrictions inconsistent with IX(3) and (4) shall consult the Fund as to their further retention. At any time during the transitional period the Fund may report that a particular member country appears to be clearly in a position to accept the obligations of IX(3) and (4), including in the report a rejoinder by the member country concerned, if this country so desires, and a persistent disregard of the Fund's advice may be regarded as coming under Article VIII.

* 5. In its relations with member countries the Fund shall recognize that the early transition period will be one of change and adjustment over a term of uncertain duration, and in making decisions in respect of requests presented by any member country, it shall give the benefit of any reasonable doubt to such country.

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Secs. 1-4

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