

*Alternative B  
(To be inserted later)*

(Substitute the following for Section 2(b) and (c) in Alternative A.)

(b) The term "monetary reserves" means the sum of a country's net official holdings of gold and convertible exchange. "Official holdings" include the holdings of a Central Bank, Treasury, or other Government Institution, and also the holdings of any other banks, which in the particular circumstances of the case it is agreed between the Fund and the member country should properly come within the "official" category. This interpretation shall not, however, include, for example, holdings of authorized dealers in exchange not in excess of normal working balances; but they include holdings of banks other than Central Banks when in practice some part of the member's reserves in foreign currency in excess of working balances is normally held in the name of such banks.

"Convertible exchange" means the currencies of members who have accepted the obligation of convertibility under IX(3). Where a member declares that this obligation is accepted from the outset, that member's currency shall be reckoned as convertible for the purpose of the official subscription.

"Net" official holdings shall be calculated by deducting the liabilities of other official holders in gold or convertible currencies from the gross official holdings of gold and convertible currency, so as to provide that gold and convertible currencies so not count twice, first in respect of a country holding convertible currency and second in respect of gold held against it by the country having this liability. Accordingly, convertible exchange reckoned as part of the official holdings of one country shall be deductible in reckoning the net official holdings of the country whose exchange is involved.

(NOTE. These provisions are in substitution for the "Note on Certain Definitions" circulated as Doc. F-5.)

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7/1/44

- 27 - 47

Art. XII, Sec. 2  
Additional Article