

B

GUARDIAN
MCE
AN BOND
U.S.A.

The following terms are employed with the ~~intention~~ ^{intention} of dealing ~~with~~ ^{with} these
in the ~~consequence~~ ^{consequence} of the ~~Fund~~ ^{Fund} purposes of these
Rules and Regulations!

Revised Draft
August 13, 1946

Agreed

B - Terms, Definitions and Symbols

Employed in this Document

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Executive Director, except where otherwise specified,
shall include the Alternate.
Executive Board refers to the Executive Directors and
the Chairman as a body.
Agenda ordinarily refers to both the list of items to
be considered at a meeting and the supplementary documents
pertinent thereto.
Member refers to the governments which have been submitted
to membership in the Fund.
Member country refers to the geographical territories on
behalf of which the member has accepted membership and those
persons living therein as well as to the member.
Fund refers to the Board of Governors, the Executive
Board, and the entire staff of the International Monetary Fund.
Whether the whole is meant or any of the parts, depends upon the
context or the decision of the Executive Board.
FA ~~refers~~ refers to the Articles of Agreement of the International
Monetary Fund.
BL refers to the By-Laws of the International Monetary Fund
as adopted by the Board of Governors.
RR refers to these Rules and Regulations.
Gold is defined in EBD No. _____.
Currency refers to _____.
Executive Session refers to a Meeting of the Executive
Directors in which no person is present except the Executive

*Fund Agreement means Article 1 Agreement and
where the context is clear "the Agreement" shall refer to the
Articles of Agreement of the International Monetary Fund.*

*shall refer to Chairman and Acting
Chairman, except where otherwise specified, Chairman merely
over by the Managing Director*

to the Executive Board as acting Chairman

26 Directors, Managing Director, and, with the approval of the
27 Board granted separately for each Executive Session, the Secretary
28 of the Board.

B-11 29 General Order refers to an order issued by the Managing
30 Director with the approval of the Executive Board.

B-12 31 Administrative Order refers to an order issued by the
32 Managing Director pursuant to a general authorization of the
33 Executive Board.

B - Terms, Definitions and Symbols

B-1 1 Executive Director, except where otherwise specified,
2 shall include the Alternate.

B-2 3 Executive Board refers to the Executive Directors and
4 the Chairman as a body.

B-3 5 Agenda ordinarily refers to both the list of items to
6 be considered at a meeting and the supplementary documents
7 pertinent thereto.

B-4 8 Member refers to the governments which have been submitted
9 to membership in the Fund.

B-5 10 Member country refers to the geographical territories on
11 behalf of which the member has accepted membership and those
12 persons living therein as well as to the member.

B-6 13 Fund refers to the Board of Governors, the Executive
14 Board, and the entire staff of the International Monetary Fund.
15 Whether the whole is meant or any of the parts, depends upon the
16 context or the decision of the Executive Board.

B-7 17 AA refers to the Articles of Agreement of the International
18 Monetary Fund.

19 BL refers to the By-Laws of the International Monetary Fund
20 as adopted by the Board of Governors.

21 RR refers to these Rules and Regulations.

B-8 22 Gold is defined in EBD No. _____.

B-9 23 Currency refers to _____.

B-10 24 Executive Session refers to a Meeting of the Executive
25 Directors in which no person is present except the Executive

26 Directors, Managing Director, and, with the approval of the
27 Board granted separately for each Executive Session, the Secretary
28 of the Board.

B-11 29 General Order refers to an order issued by the Managing
30 Director with the approval of the Executive Board.

B-12 31 Administrative Order refers to an order issued by the
32 Managing Director pursuant to a general authorization of the
33 Executive Board.

B - Terms, Definitions and Symbols

- B-1 1 Executive Director, except where otherwise specified,
2 shall include the Alternate.
- B-2 3 Executive Board (~~shall~~) refers to the Executive Directors
4 and the Chairman as a body.
- B-3 5 Agenda (~~shall~~) ordinarily refers to both the list of
6 items to be considered at a meeting and the supplementary
7 documents pertinent thereto.
- B-4 8 Member refers to the governments which have been admitted
9 to membership in the Fund.
- B-5 10 Member country refers to the geographical territories
11 on behalf of which the member has accepted membership and
12 those persons living therein as well as to the member.
- B-6 13 Fund refers to the Board of Governors, the Executive
14 Board, and the entire staff of the International Monetary
15 Fund. Whether the whole is meant or any of the parts,
16 (~~would~~) depends upon the context or the decision of the
17 Executive Board.
- B-7 18 AA (~~These letters used in the Rules and Regulations~~)
19 refers to the Articles of Agreement of the International
20 Monetary Fund.
- 21 BL (~~These letters used in the Rules and Regulations~~)
22 refers to the By-Laws of the International Monetary Fund
23 as adopted by the Board of Governors.
- 24 RR refers to these Rules and Regulations. (~~of the~~
25 ~~International Monetary Fund adopted by the Executive Board.~~)
- B-8 26 Gold is defined in EBD No. _____

B-9 27 Currency refers to _____.

B-10 28 Executive Session refers to a meeting of the Execu-
29 tive Directors in which none are present except the
30 Executive Directors, Managing Director, and, with the
31 approval of the Board granted separately for each Execu-
32 tive Session, the Secretary of the Board.

B-11 33 General Order refers to an order issued by the
34 Managing Director with the approval of the Executive Board.

B-12 35 Administrative Order refers to an order issued by
36 the Managing Director pursuant to a general authorization
37 of the Executive Board.

B - Terms, Definitions and Symbols

- B-1 1 Executive Director, except where otherwise specified,
shall include the Alternate.
- B-2 2 Executive Board [shall] refers to the Executive Directors
3 and the Chairman as a body.
- B-3 4 Agenda [shall] ordinarily refers to both the list of
5 items to be considered at a meeting and the supplementary
6 documents pertinent thereto.
- B-4 7 Member refers to the governments which have been
8 admitted to membership in the Fund ~~Accepted the~~
9 ~~Articles of Agreement in accordance with their terms.~~
- B-5 10 Member country refers to the geographical ter-
11 ritories on behalf of which the member has accepted
12 membership and those persons living therein ~~the~~
13 ~~nationals of the member~~ as well as to the member.
- B-6 14 Fund refers to the Board of Governors, the
15 Executive Board, and the entire staff of the Inter-
16 national Monetary Fund. Whether the whole is meant
17 or any of the parts, ~~would~~ depends upon the context
18 or the decision of the Executive Board.
- B-7 19 AA [These letters used in the Rules and Regulations]
20 refers to the Articles of Agreement of the International
21 Monetary Fund.
- 22 BL [These letters used in the Rules and Regulations]
23 refers to the By-Laws of the International Monetary
24 Fund as adopted by the Board of Governors. ~~At~~
25 ~~Savannah on March 19, 1946.~~
- 26 RR Refers to ^{these} Rules and Regulations, ~~of~~ the International
27 Monetary Fund adopted by the Executive Board.

B-8 28 Gold is defined in ~~Board Memorandum~~ EBD No. _____

B-9 29 Currency refers to _____.

B-10 30 Executive Session refers to a meeting of the
31 Executive Directors in which none are present except
32 the Executive Directors, Managing Director, and,
33 with the approval of the Board granted separately for
34 each Executive Session, the Secretary of the Board.

B-11 General Order refers to an order issued
by the Managing Director with the
approval of the Executive Board.

B-12 Administrative Order refers to an order
issued by the Managing Director pursuant
to a general authorization of the Executive
Board.

B - Terms, Definitions and Symbols

- B-1 1 Executive Director, except where otherwise specified,
shall include the Alternate.
- B-2 2 Executive Board shall refer to the Executive Directors
3 and the Chairman as a body.
- B-3 4 Agenda shall ordinarily refer to both the list of
5 items to be considered at a meeting and the supplementary
6 documents pertinent thereto.
- B-4 7 Member refers to the governments which have been
8 admitted to membership in the Fund ~~accepted the~~
9 Articles of Agreement in accordance with their terms.
- B-5 10 Member country refers to the geographical ter-
11 ritories on behalf of which the member has accepted
12 membership and those persons living therein ~~the~~
13 nationals of the member as well as to the member.
- B-6 14 Fund refers to the Board of Governors, the
15 Executive Board, and the entire staff of the Inter-
16 national Monetary Fund. Whether the whole is meant
17 or any of the parts, would depend upon the context
18 or the decision of the Executive Board.
- B-7 19 AA These letters used in the Rules and Regulations
20 refer to the Articles of Agreement of the International
21 Monetary Fund.
- 22 BL These letters used in the Rules and Regulations
23 refer to the By-Laws of the International Monetary
24 Fund as adopted by the Board of Governors. ~~at~~
25 Savannah on March 19, 1946.
- 26 RR Refers to Rules and Regulations of the International
27 Monetary Fund adopted by the Executive Board.

B-8 28 Gold is defined in Board Memorandum EBD No. _____

B-9 29 Currency refers to _____.

B-10 30 Executive Session refers to a meeting of the
31 Executive Directors in which none are present except
32 the Executive Directors, Managing Director, and,
33 with the approval of the Board granted separately for
34 each Executive Session, the Secretary of the Board.

1 B-7 Member Refers to the governments which have accepted the
 2 Articles of Agreement and have fully complied with conditions stated
 3 in Articles

4 B-8 Member country Refers to the nationals of a member as well as
 5 *constitutional territory & all persons in*
 6 *constitutional territory*
 7 to the member.

8 B-9 Fund Refers to Board of Governors, Executive Board, and entire
 9 staff of the International Monetary Fund. *Which of these parts is*
 10 *whether the whole is intended by any of the parts,*
 11 *would depend upon the context or the decision of*
 12 *the Executive Board.*

B - Terms, Definitions and Symbols

B-1 1 Executive Director, except where otherwise specified,
2 shall include the Alternate.

B-2 3 Executive Board shall refer to the Executive Directors and
4 the Chairman as a body.

B-3 5 Agenda shall ordinarily refer to both the list of items to
6 be considered at a meeting and the supplementary documents
7 pertinent thereto.

B-4 8 Member refers to the governments ^{of members} which ~~have~~ accepted the
9 ~~Articles of Agreement, in accordance with their terms.~~

B-5 10 Member country refers to the geographical territories on
11 behalf of which the member has accepted membership and ^{two persons living therein} the
12 ~~nationals of the member~~ as well as to the member.

B-6 13 Fund refers to the Board of Governors, the Executive Board,
14 and the entire staff of the International Monetary Fund. Whether
15 the whole is meant or any of the parts, would depend upon the
16 context or the decision of the Executive Board.

B-7 17 AA These letters used in the Rules and Regulations refer to
18 the Articles of Agreement of the International Monetary Fund.

19 BL These letters used in the Rules and Regulations refer to
20 the By-Laws of the International Monetary Fund as adopted by
21 the Board of Governors, at Savannah on March 19, 1946.

22 RR Refers to Rules and Regulations of the International Monetary
23 Fund adopted by the Executive Board.

B-8 24 Gold is defined in ^{EFD} Board Memorandum No. _____.

B-9 ¹⁰ Currency refers to _____
B-9 25 Executive Session refers to a meeting of the Executive
26 Directors in which none are present except the Executive

*added to Dec. 21, 1945 & other govts
admitted to membership by the Fund.*

*which have
been admitted
to membership
in the Fund.*

- 27 Directors, Managing Director, and, with the approval of the
- 28 Board granted separately for each Executive Session, the
- 29 Secretary of the Board.

B-10 *Currency refers*

B - Terms, Definitions and Symbols

- B-1 1 (1) Executive Director. Except where otherwise
2 specified, the term Executive Director shall include
3 the Alternate.
- B-2 4 (2) Executive Board. The term Executive Board shall
5 refer to the Executive Directors and the Chairman as a
6 body.
- B-3 7 (3) Agenda. The term agenda shall ordinarily refer to
8 both the list of items to be considered at a meeting and the
9 supplementary document pertinent thereto.
- B-4 10 AA These letters used in the Rules and Regulations refer
11 to the Articles of Agreement of the International Monetary
12 Fund.
- 13 BI These letters used in the Rules and Regulations refer
14 to the Bylaws of the International Monetary Fund as adopted
15 by the Board of Governors at Savannah on March 19, 1946.
- 16 RR Refers to Rules and Regulations of the International
17 Monetary Fund
- B-5 18 Gold is defined in Board Memorandum No. _____
- B-3 19 Executive Session refers to a meeting of the Executive
20 Directors in which none are present except the Executive
21 Directors, Managing Director, and, with the approval of
22 the Board ^{announced separately} for each Executive Session, the Secretary
23 of the Board.

B. Par Values and Exchange Rates

B-1 The Fund shall notify all members at monthly intervals of the agreed par value, in terms of the United States dollar of the weight and fineness of July 1, 1944, of the currency of each member.

B-2 Each member shall report to the Fund by telegraph at least once each week the highest and lowest rates for actual spot transfers of dollars made in conformity with its laws and exchange regulations. In the absence of such transfers, the member shall report the corresponding rates for the currency of the member with the highest quota for which actual transfers were made.

B-3 No member shall buy or sell gold from or to any other member, or the government or central bank of a non-member, for any member currency at a price that differs from the agreed parity for that currency by more than *a percentage prescribed by the Fund for each currency from time to time.* 1 percent.

B-4 Each member shall report to the Fund any transactions *undertaken* it contemplates for the purchase or sale of gold, including newly-mined gold purchased from its own nationals, at any price differing from parity by more than 1 percent. *by central bank, etc., + estimates for private transactions (black market)*

B-5 Each member shall inform the Fund whether it buys and sells gold freely to other members within the limits prescribed above and shall inform the Fund of any change in its policy.

B-6 The rates for forward exchange transactions or for time bills of exchange in currencies of other members shall not be for the purpose of *circumventing* ~~negating~~ the agreed parity, ~~nor shall it have the effect of undermining the agreed parity.~~

The rates for such exchange shall not differ from parity by more than 1-1/2 percent with an allowance of an additional 1/2 percent for each month prior to delivery or maturity.

B-7 A member may request the permission of the Fund to allow forward exchange transactions or transactions in time bills of exchange at rates other than those prescribed above.

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B-8 A member proposing a change in the par value of its currency shall notify the Fund of the proposed change and shall submit, through a representative authorized to consult with the Fund, a written report to support its contention that the change is necessary.

B-9 The proposal of the member shall be considered by the Executive Directors at a meeting held on the next business day of the Fund, or as soon thereafter as possible, at which the representative of the member shall be invited to be present and to participate.

B-10 If the proposed change together with all previous changes does not exceed 10 percent of the initial par value, the Fund shall not object; but it may inform the member through a written report of its opinion of the advisability of such action. The opinion of the Fund shall be given the member within 72 hours of the proposal.

B-11 A member that changes the parity of its currency without giving the Fund an opportunity to present its opinion shall be deemed to have failed to consult with the Fund; but if the Fund does not inform the member of its opinion within 72 hours, it shall be deemed to have been consulted on the proposed change.

B-12 If the proposed change, together with all previous changes, exceeds 10 percent but not 20 percent of the initial parity, the Fund shall give the member a written report, within 72 hours, which declares whether the Fund concurs or objects and the reasons for its attitude.

B-13 A member that changes the parity of its currency under the above circumstances without waiting for the Fund to declare its attitude shall be deemed to have failed to consult with the Fund; but if the Fund does not declare its attitude within 72 hours, it shall be deemed to have concurred in the proposed change.

B-14 If the proposed change, together with all previous changes, exceeds 20 percent of the initial parity, the Fund shall consider the proposal with dispatch. It shall hold such further consultation with the representatives of the member as it deems necessary and it may call for additional information and reports.

B-15 If the Fund is not prepared to declare its attitude by the tenth day after the proposal for the change is presented, it shall so inform the member in writing and it shall set a definitive date within another ten days at which time it shall give the member a written report which declares whether the Fund concurs or objects and the reasons for its attitude.

B-16 A member that changes the parity of its currency under the above circumstances without waiting for the Fund to declare its attitude shall be deemed to have failed to consult with the Fund; but if the Fund does not declare its attitude within 20 days, it shall be deemed to have concurred in the proposed change.

B-17 A member that proposes to change the par value of its currency and contends that the change will not affect international transactions shall submit, through a representative authorized to consult with the Fund, a written report to support its contention. The Fund shall inform the member whether in its opinion the proposed change affects international transactions and it shall give the member a written report, within 72 hours, which shall state its opinion on this point.

B-18 A member that changes the par value of its currency, under the above circumstances, before the Fund has expressed its opinion or contrary to the Fund's opinion, shall be deemed to have failed to consult with the Fund; but if the Fund does not express its opinion within 72 hours, it shall be deemed to have agreed that the proposed change does not affect international transactions.

B-19 Any member may propose to the Fund or the Board of Governors that a uniform proportionate change be made in the par values of the currencies of all members. The member proposing such a change shall submit a report to support the contention that such a change is needed.

B-20 When such a change is proposed to the Fund, the Executive Directors shall consider whether to present the proposal to the Governors for a telegraphic vote. The Executive Directors shall present the proposal for a telegraphic vote if a majority vote of the Executive Directors, including each director representing 10 percent of the aggregate of quotas, so decides. Otherwise they shall return the proposal to the member with a statement of the action of the Executive Directors; and the member may, at its option, present the same proposal to the Board of Governors at its next meeting.

B-21 Within one month after members agree with the Fund on the initial parities of their currencies, each member shall communicate to the Fund any class of exchange transactions it proposes to continue at rates that differ from parity by more than the prescribed margin. The member shall present to the Fund a written report stating the reasons why such other rates are necessary and the period during which it proposes to continue them.

B-22 The Executive Directors shall meet with a representative of the member to consider the matter. They shall inform the member of their decision in a written report stating the reasons for their attitude. If the Executive Directors disapprove such other rates they shall set a date for discontinuing or modifying them.

B-23 A member that continues such other rates contrary to the decision of the Fund shall be regarded as having failed to fulfill its obligations under the Fund Agreement.

B-24 A member proposing to introduce rates for any class of exchange transactions that differ from parity by more than the prescribed margin shall notify the Fund of the proposal and shall submit, through a representative

authorized to consult with the Fund, a written report stating why such other rates are necessary.

B-25 The Executive Directors shall consult with the member on its proposal and shall inform the member of their decision in a written report stating the reasons for their attitude.

B-26 A member that introduces such other rates contrary to the decision of the Fund shall be regarded as having failed to fulfill its obligations under the Fund Agreement.