

A - Scope of Rules and Regulations

A-1 1           These Rules and Regulations supplement the Articles of  
2 Agreement and the By-Laws adopted by the Board of Governors.  
3 They are not intended to replace any provision of either the  
4 Articles of Agreement or the By-Laws. The Rules and Regulations  
5 adopted by the Executive Directors (for subsequent review by the  
6 Board of Governors) attempt to provide such operating rules,  
7 procedures, regulations and interpretation as are necessary  
8 and desirable to carry out the purposes and powers contained in  
9 the Articles of Agreement, as supplemented by the By-Laws. If  
10 any provision in the Rules and Regulations is found to be in  
11 conflict with any provision in the Articles of Agreement or in  
12 the By-Laws, the Articles of Agreement and By-Laws shall prevail  
13 and an appropriate amendment should be made to these Rules and  
14 Regulations.

A-2 15           Additions to, and changes of, the Rules and Regulations  
16 will be made as experience brings to light new problems or  
17 suggests modifications in procedures already adopted.

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.

C - Meetings of the Executive Directors

MEETINGS

C-1 1 Meetings of the Executive Directors shall be called by the  
2 Chairman as the business of the Fund may require. Except in  
3 special circumstances the Chairman shall notify all Executive  
4 Directors of meetings at least two work days in advance.

C-2 5 The chairman shall call a meeting at the request of any  
6 Executive Director.

C-3 7 Except by consent of the Executive Directors present,  
8 meetings shall be open to attendance only by Executive Directors,  
9 the Managing Director and such members of the secretariat as the  
10 Chairman indicates.

C-4 11 The Executive Directors shall meet at the principal office  
12 of the Fund unless it is decided that a particular meeting shall  
13 be held elsewhere.

C-5 14 In the absence of the Managing Director, the Executive Director  
15 selected by the Executive Board shall act as Chairman of meetings.  
16 Executive Directors shall retain their right to vote when serving  
17 as acting Chairman.

AGENDA

C-6 18 The Agenda for each meeting shall be prepared by the Managing  
19 Director. The Agenda shall include any item requested by an  
20 Executive Director.

C-7 21 Except in special circumstances the Managing Director shall  
22 notify Executive Directors of new items on the agenda at least  
23 two full working days before their consideration in meetings.  
24 Additional advance notice shall be given at the discretion of  
25 the Managing Director before the consideration of new items of  
26 especial importance which may require consultation with members  
27 or the return to the seat of the Fund of Executive Directors who  
28 are absent.

C-8 29 Matters not on the agenda for a meeting may be considered at  
30 that meeting only by unanimous consent of the Executive Directors  
31 present.

C-9 32 Any item of the agenda for a meeting, consideration of which  
33 has not been completed at that meeting, shall, unless the Executive  
34 Directors decide otherwise, be automatically included in the agenda  
35 of the next meeting.

VOTING

2-10 36 The Chairman will ordinarily ascertain the sense of the  
37 meeting in lieu of a formal vote. Any Executive Director may  
38 require a formal vote to be taken with votes cast as prescribed  
39 in Article XII, Section 3 (i).

C-11 40 There shall be no formal voting in committees and sub-  
41 committees. The chairman of the committee or subcommittee shall  
42 determine the sense of the meeting (including alternative points  
43 of view) which shall be reported.

C-12 44 No Executive Director may vote at any meeting by proxy or by

45 any other method than in person.

LANGUAGE

C-13 46 The working language of the Fund will be English. The  
47 discussion, documents and reports of meetings will ordinarily  
48 be in English. Speeches or papers presented in other language  
49 shall be translated into English.

MINUTES

C-14 50 Under the direction of the Managing Director, the Secretary  
51 shall be responsible for the preparation of a summary record of  
52 proceedings of the Board.

C-15 53 Verbatim records will be taken only if the Chairman, the  
54 Board or an Executive Director so requests. In such case, the  
55 Secretariat shall be given advance notice of the desire for  
56 verbatim recording.

C-16 57 Draft minutes will be circulated to all Executive Directors  
58 as quickly as possible after meetings. Unless corrections are  
59 returned to the Secretary within the ensuing work day, the draft  
60 minutes will be prepared in final form for approval at the next  
61 meeting.

D - Provisions for Security

D-1 1 Executive Directors, the Managing Director and the staff  
2 will have access to various types of confidential information  
3 and are obligated to exercise the greatest care not to disclose  
4 such information. All information obtained under condition that  
5 it be treated confidentially shall be made available only to such  
6 persons as may be designated by the Executive Board or the  
7 Managing Director.

D-2 8 It is the responsibility of the Managing Director to take  
9 such steps as may be necessary to insure that the staff complies  
10 fully with the provisions of this Section D.

D-3 11 It is essential that complete secrecy be maintained with  
12 respect to the establishment of initial par values of the curren-  
13 cies of members and with respect to impending or proposed changes  
14 in exchange rates. The following classes of information, referred  
15 to hereafter as "secret exchange matters", must be restricted to  
16 persons designated from time to time by the Executive Board:

17 (a) All matters pertaining to the level of  
18 initial par values to be established under  
19 Article XX, Section 4, and to the time when the  
20 par value of each currency will be established;

21 (b) Any proposal for a change in the par  
22 value of a member's currency, the name of the  
23 member proposing the change, the extent of the  
24 proposed change, and the time when a proposed change  
25 may be effected;

26 (c) The views of any Executive Director, the  
27 Managing Director, or any member of the staff con-  
28 cerning the adequacy of the par value of any member's  
29 currency;

30 (d) All matters pertaining to uniform propor-  
31 tionate changes in the par values of the currencies  
32 of all members.

D-4 33 Persons authorized to attend executive sessions of the  
34 Executive Board shall discuss "secret exchange matters" only  
35 among themselves unless they are authorized by the Executive  
36 Board to discuss such information with other specified persons.

D-5 37 Members of the staff shall not discuss "secret exchange  
38 matters" with other members of the staff or with any other person  
39 unless specific permission of the Executive Board has been obtained  
40 by the Managing Director.

D-6 41 Members of the staff shall be requested to work on problems  
42 relating to "secret exchange matters" only with the specific  
43 approval of the Executive Board in each instance. The Executive  
44 Board shall impose such conditions for the preparation and sub-  
45 mission of this type of work as it deems advisable under the  
46 circumstances of each case.

D-7 47 Nothing in this Section D is intended to prevent the prepar-  
48 ation and necessary circulation within the Fund of memoranda or  
49 reports dealing with the factual or analytical presentation of



50 material pertaining to the economic or monetary situation in  
51 any country. Nor is it intended to prohibit the description or  
52 presentation of views held outside the Fund regarding a particular  
53 level of exchange rates.

D-8 54       The provisions of this Section D shall be amplified and  
55 modified as experience brings to light more effective means  
56 of assuring security.

E - Applications for Membership and Quotas

E-1

1           When a country applies for membership in the Fund, and  
2 the application is placed before the Executive Board, the  
3 Chairman shall announce a reasonable time to be allowed for  
4 discussion and preliminary investigation by the Executive  
5 Board before a decision is reached to proceed with the formal  
6 investigation. If this decision is in the affirmative the  
7 Fund may proceed to obtain all relevant information and discuss  
8 with the applicant any matters relating to its application.  
9 Any Executive Director may request such information to be added  
10 to the list requested of the applicant as in his opinion is  
11 relevant to the decision to be made. The Executive Board shall  
12 then decide whether to submit an application for membership with  
13 its views to the Board of Governors for a telegraphic vote or  
14 hold the application until the next meeting of the Board of  
15 Governors. (A.A. II-2; BL 21)

E-2

16           When a country requests an adjustment of its quota, the  
17 Executive Board, after consulting the member, shall submit a  
18 written report on the request to the Board of Governors at its  
19 next meeting. If the request is for an increase in the quota, and  
20 the member is not obligated to pay 25 per cent of the increase in  
21 gold, the report shall contain a recommendation on the amount to  
22 be paid in gold. (A.A.III-2 and 4)

E-3 23           At least one year prior to the time when a review of quotas  
24           must be undertaken by the Fund, the Executive Board shall appoint  
25           a committee to study the problem and to prepare a written report.  
26           (AA III-2)

F - Subscriptions

F-1 1 Gold depositories of the Fund shall be established in  
2 New York, London, Shanghai, Paris, and Bombay. The earmarked  
3 gold accounts of the Fund shall be held with the depositories  
4 designated by the members in whose territories they are located.  
5 A member may pay its gold subscription to the Fund at one or  
6 more of the specified gold depositories, within the terms of  
7 Article XIII, Section 2. (AA XIII-2)

F-2 8 A member shall pay its currency subscription to the  
9 Fund at the designated depository. Each member is authorized  
10 to substitute in accordance with Article III, Section 5,  
11 non-negotiable, non-interest bearing notes payable to the  
12 Fund on demand for that part of the currency holdings of  
13 the Fund which exceed 10 per cent of the member's quota, and  
14 the depository shall hold such notes for the account of the  
15 Fund. Such notes shall not be accepted until the Fund is  
16 satisfied that they are in proper form and that their issue  
17 has been authorized. (AA III-5)

F-3 18 The Executive Board may agree to alter the 10 per cent  
19 requirement in the case of any member, should circumstances  
20 in the opinion of the Executive Board warrant a different  
21 percentage.

F-4 22 The member is allowed 24 hours in which to replace any  
23 sums necessary to maintain the specified minimum.

F-5 24 Any member wishing to make its initial gold payment

25 in excess of the minimum shall be credited for the excess  
26 at the parity price for gold.

G - Determination and Maintenance of  
Par Values and Exchange Rates

G-1

1 As soon as the Fund and a member have agreed on the  
2 par value of the member's currency, and of any separate  
3 currencies of territories in respect of which it has accepted  
4 membership in the Fund, the Executive Board shall decide on  
5 the best method of notifying the members and the Fund shall  
6 publish the agreed par value for the information of the public  
7 within 48 hours after an hour agreed upon by the Executive  
8 Board for specific currencies. Changes in par values of the  
9 currencies of members shall be similarly published. (AA IV-5 and 9)

G-2

10 The members shall arrange through their fiscal agencies  
11 that frequent and regular information as to the market rates  
12 of currencies bought and sold in their territories is made  
13 available to the Fund.

G-3

14 The Managing Director shall report to the Executive  
15 Directors any case in which it appears to him that a member  
16 is not fulfilling its obligations under Article IV, Section 3,  
17 having regard to the permitted margins for spot and forward  
18 transactions in foreign exchange prescribed by the Fund and  
19 to Article XIV. (AA IV-3)

G-4

20 Agreed parities shall not be circumvented by rates  
21 for forward exchange transactions or other transactions  
22 discussed in EBD No. \_\_\_\_\_.

G-5

23           Members shall notify the Fund whether for the settle-  
24           ment of international transactions they, in fact, freely  
25           buy and sell gold within the prescribed limits of price  
26           and shall notify the Fund of any changes in such policy.  
27           (AA IV-4(b))

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H - Proposed Changes of Parities

H-1        1            A member desiring to change the par value of its currency  
2            shall give the Fund as much notice as the circumstances allow,  
3            and shall submit a full and reasoned statement why, in its  
4            opinion, such a change is necessary to correct a fundamental  
5            disequilibrium.    (AA IV-5)

H-2        6            The Fund shall consider a proposal to change the par  
7            value of a currency on the first business day after it receives  
8            the proposal.

H-3 etc. - To be redrafted.



I - Fund Transactions

General

I-1 1           Each member shall designate a fiscal agency for its  
2 transactions with the Fund, in accordance with Article V,  
3 Section 1, before its subscription becomes due, and may  
4 change the agency by notifying the Fund,     (AA V-1)

Foreign Exchange

I-2 5           The Fund shall sell foreign exchange for gold or  
6 currency only on the basis of a request in verified code  
7 from the designated agency, and the agency, in its operations  
8 on behalf of the Fund, will act only on instructions in such  
9 form as may be agreed upon.

I-3 10           Requests for the purchase of foreign exchange in accord-  
11 ance with Article V, Section 3, shall be dealt with in priority  
12 of their reception by the Fund and with a delay of two working  
13 days from the date of their reception if the Fund has in its  
14 possession in liquid form a sufficient amount of the required  
15 currency.

I-4 16           If the Fund does not have in its possession in liquid form  
17 a sufficiently large amount of the required currency, it shall  
18 be permitted a further delay of three working days in order to  
19 meet requests for purchases of that currency.

I-5 20           When a member expects to purchase from the Fund, in a  
21 single transaction or a series of transactions, an unusually

22 large sum of any other member's currency (unusually large  
23 relative to the Fund's holdings of that currency), the member  
24 shall give the Fund as much notice of the proposed transaction  
25 or transactions as can reasonably be effected.

Gold

I-6

26 (Provisions dealing with transactions in gold, the price  
27 to be paid for gold and charges for gold transactions are in  
28 the process of preparation.)

J - Exchange Controls, Currency  
Practices and Agreements

- J-1 1           The Fund shall keep all exchange controls under review  
2           and shall consult with members in accordance with the Articles  
3           of Agreement with a view to their progressive removal.  
4           (AA XIV - 2)
- J-2 5           If a member complains to the Executive Board that another  
6           member is not complying with its obligations concerning exchange  
7           controls, discriminatory currency arrangements, or multiple  
8           currency practices, the complaint shall give all facts pertinent  
9           to an examination.     (AA VIII - 2 and 3)
- J-3 10           Upon receipt of a complaint from a member, the Executive  
11           Board shall make arrangements promptly for consultation with  
12           the members directly involved.
- J-4 13           All requests by a member under Article VIII, Sections 2  
14           and 3, that the Fund approve the imposition of restrictions on  
15           the making of payments and transfers for current international  
16           transactions, or the use of discriminatory currency arrangements  
17           or multiple currency practices, shall be submitted to the  
18           Executive Board in writing, with a statement of the reasons for  
19           making the request.     (AA VIII - 2 and 3)
- J-5 20           The Executive Board shall decide each request for approval  
21           expeditiously.

K - Repurchases and Charges

K-1 1           The first time that a member has to make a gold payment  
2           to the Fund it shall pay an amount of gold at least sufficient  
3           to meet the payment. Any balance of gold shall be held by the  
4           Fund under earmark for the member and may be used to meet other  
5           payments incurred in the future.

K-2 6           The service charge payable by a member buying the currency  
7           of another member in exchange for its own currency shall be  
8           paid at the time the transaction is consummated. (AA V-8(a))

K-3 9           When a member repurchases its currency from the Fund with  
10          gold in accordance with Article V, Section 7 (a), no charge shall  
11          be levied. (AA V - 7(a))

K-4 12          Gold due to the Fund may be delivered at any gold depository  
13          of the Fund. The Fund may accept gold situated elsewhere and in  
14          such cases shall levy an appropriate charge to cover the cost of  
15          moving the gold to its nearest gold depository. (AA V-8 (b) and (f))

K-5 16          No charge shall be levied when a member repurchases its  
17          currency from the Fund with gold or convertible currencies of  
18          members in accordance with Article V, Section 7(b). (AA V-7(b))

K-6 19          At quarterly intervals the Fund shall notify each member of  
20          the charges due to the Fund pursuant to Article V, Section 8 (c)  
21          or (d) on the balance of its currency held by the Fund in excess  
22          of its quota. These charges shall be paid within ten days after  
23          receipt of such notice. (AA V - 8 (c) and (d))

K-7 24           A member wishing to pay in its own currency part of any  
25 charges due shall submit to the Fund a statement giving the  
26 necessary justification. (AA V - 8 (f))

K-8 27           At the end of each financial year of the Fund each member  
28 shall furnish to the Fund the data necessary to calculate its  
29 repurchase obligations pursuant to Article V, Section 7. In  
30 order to facilitate the submission of this data the Fund will  
31 provide a form which will be made available to the members as  
32 soon as possible. All repurchases shall be made within thirty  
33 days after the receipt of notice from the Fund of the amount of  
34 its currency to be repurchased by the member and the extent to  
35 which payment is to be made in gold and in each convertible  
36 currency.       (AA V - 7 and Schedule B)

L - Accounts and Reports

L-1 1           The accounts of the Fund shall be kept in terms of the  
2           currencies held by the Fund, and where deemed desirable shall  
3           also be kept in terms of United States dollars on the basis of  
4           the established parities. For the purpose of producing a balance  
5           sheet to be submitted to the Board of Governors, all accounts  
6           shall be summarized in terms of United States dollars on the  
7           basis of the established parities. (BL - 20)

L-2 8           The accounts of the Fund shall be kept in a manner that  
9           will show clearly the nature of each transaction, the position  
10          of the Fund, and the results of its operations. The Managing  
11          Director shall issue an Administrative Order establishing  
12          procedures to assure that there will be complete records of all  
13          transactions.

L-3 14          A weekly statement of balances and transactions of the  
15          Fund shall be prepared for the guidance of the Executive Board.

L-4 16          The Managing Director shall prepare an annual administrative  
17          budget for presentation to the Executive Board for approval not  
18          later than June 1 of each year. (BL - 20)

L-5 19          Not later than June 30 of each year, the Managing Director  
20          shall present to the Board a summary of the matters which in his  
21          opinion should be included in the annual report to the Board of  
22          Governors. At least one month before the annual meeting of the  
23          Board of Governors, the Managing Director shall submit to the

24 Executive Board for its consideration, a draft of the annual  
25 report (BL - 10)

L-6 26 At least one month before the annual meeting of the Board  
27 of Governors, the audited accounts of the Fund shall be submitted  
28 to the Executive Board for its consideration. (BL - 20)

M - Limitation and Ineligibility

- M-1 1           Whenever the Executive Board would be justified in  
2           declaring a member ineligible to use the resources of the  
3           Fund it may refrain from making the declaration and prescribe  
4           the circumstances under which, and the extent to which, the  
5           member may make use of the resources. (AA V-5, VI-1, XV-2(a))
- M-2 6           When, pursuant to Article IV, Section 6, a member has  
7           become ineligible to use the resources of the Fund, the Executive  
8           Board may determine the circumstances under which, and the extent  
9           to which, the member may make use of the resources. (AA IV - 6)
- M-3 10          Before any member is declared, pursuant to Article XV,  
11          Section 2(a), ineligible to use the resources of the Fund, the  
12          matter shall be considered by the Executive Board, who shall inform  
13          the member in reasonable time of the complaint against it and  
14          allow the member an adequate opportunity for stating its case  
15          both orally and in writing. (AA XV - 2 (a), BL - 22)
- M-4 16          Any member that is ineligible to use the resources of the  
17          Fund, or whose use of the resources has been limited, may request  
18          the Executive Board to permit the resumption of exchange trans-  
19          actions without special limitations.
- M-5 20          If the Executive Board decides not to permit full resumption  
21          of exchange transactions, a written report shall be made to the  
22          member, if it so requests, stating what further action is required  
23          before full resumption will be permitted.



N - Information

- N-1 1 Unless specifically authorized by the Managing Director,  
2 or persons designated by him, no person on the staff shall request  
3 on behalf of the Fund that a member furnish any information to  
4 the Fund. (AA VIII - 5)
- N-2 5 Until further notice the forms to be used by the members  
6 in furnishing information to the Fund shall be prepared under  
7 the direction of the Managing Director and shall be approved by  
8 the Executive Board.
- N-3 9 The Managing Director shall, wherever possible, make  
10 arrangements, after consultation with the appropriate Executive  
11 Director, to obtain information collected by other agencies which  
12 is adequate to meet the needs of the Fund.
- N-4 13 Each Executive Director shall make arrangements with the  
14 members he represents with a view to having them deposit with  
15 the Fund copies of all existing international agreements of a  
16 financial nature entered into with other members or with non-  
17 members, and all such agreements entered into in the future.
- N-5 18 The Managing Director shall take such steps as he considers  
19 necessary, in addition to those specified in Section D, to provide  
20 for the security of confidential information.
- N-6 21 Information in the possession of the Fund shall be published  
22 only with the approval of the Executive Board. Confidential inform-  
23 ation obtained by agreement between the Fund and a member shall be  
24 furnished to persons outside the Fund only with the permission of  
25 the member.

0 - Staff Regulations

PERSONNEL

- 0-1 1           Persons on the staff of the Fund shall be nationals of  
2 members of the Fund.
- 0-2 3           In the discharge of their functions, the persons on the  
4 staff shall owe their duty entirely to the Fund and to no other  
5 authority.
- 0-3 6           All persons on the staff must avoid any action, and in  
7 particular any kind of pronouncement, which may reflect unfavor-  
8 ably upon their position as employees of an international organ-  
9 ization, either in their own country or elsewhere. They should  
10 always bear in mind the reserve and tact incumbent upon them by  
11 reason of their international functions, and they are required to  
12 exercise the utmost discretion in regard to matters of official  
13 business. At no time should they in any way use to private  
14 advantage information known to them by reason of their official  
15 position.
- 0-4 16           Except in the course of his official duties or by express  
17 authorization of the Managing Director, no person on the staff  
18 may, during the term of his appointment of service, publish, cause  
19 to be published, or assist in the publication of any book, pamphlet,  
20 article, letter or other document relative to the policies or activ-  
21 ities of the Fund or to any national political questions; deliver  
22 any speech, lecture, or radio broadcast, or grant any press inter-  
23 view on such policies, activities or questions; or communicate

24 to any person any unpublished information known to him by  
25 reason of his official position. For two years after termination  
26 of his period of service with the Fund, a person formerly on  
27 the staff may not, without the express authorization of the  
28 Managing Director, disclose any confidential information he has  
29 received during his service with the Fund by reason of his official  
30 position.

0-5 31 No person on the staff shall hold other public or private  
32 employment or engage in any occupation or profession which in the  
33 Fund's opinion is incompatible with the proper performance of his  
34 official duties.

0-6 35 A person on the staff may retain re-employment rights or  
36 pension rights acquired in the service of a public or private  
37 organization.

0-7 38 Any person on the staff who accepts a public office of a  
39 political character shall immediately resign from the Fund.

0-8 40 No person on the staff may accept any honor, decoration, favor,  
41 gift, or bonus from any government, or from any other authority or  
42 person external to the Fund, for services rendered during the period  
43 of his appointment or service with the Fund.

0-9 44 Upon appointment, each person on the staff will subscribe in  
45 writing to the following affirmation:

46 "I solemnly affirm:

47 That, to the best of my ability, I will carry out  
48 my responsibilities in a manner that will further the purposes  
49 of the International Monetary Fund;

50 That, I will refrain from communicating confidential  
51 information to persons outside the Fund;

52 That, I will not use to private advantage information  
53 known to me by reason of my official position only; and

54 That, I will accept no instruction in regard to the  
55 performance of my duties from any government or authority  
56 external to the Fund."

Q-10 57 All persons appointed to permanent positions on the staff  
58 shall be classified by grades or positions according to the nature  
59 of their duties and responsibilities. Salary increases within  
60 each grade will be progressively available upon the recommendation  
61 of supervisors and upon the successful completion of successive  
62 periods of work.

Q-11 63 The salary scale for permanent employees of the Fund shall,  
64 so far as practicable, conform to the salary scale of United Nations.

Q-12 65 The Directors and Assistant Directors of departments and  
66 offices of the Fund, and the heads of divisions within departments  
67 and offices, and all persons to be paid 8000 dollars or more per  
68 year, shall be appointed by the Managing Director with the approval  
69 of the Executive Board. All other appointments to the staff shall  
70 be made by the Managing Director or his designated representative.

0-13 71           The directors of departments and offices of the Fund shall  
72    serve at all times subject to the pleasure of the Managing Director,  
73    but in terminating the services of these persons and any other  
74    persons whose appointment was approved by the Executive Board, the  
75    Managing Director shall give at least two weeks' notice to the  
76    Executive Board before notice is given to the person concerned.

0-14 77           The Managing Director shall establish a Personnel Review  
78    Committee consisting of two persons on the staff selected by the  
79    Managing Director, two persons on the staff elected by the staff,  
80    and a fifth member selected by the other four. Each member will  
81    serve a term of one year and may be re-appointed or re-elected.  
82    This Committee will consider and make recommendations to the  
83    Managing Director in all cases where it is proposed to discharge  
84    a person on the staff for actions substantially prejudicial to  
85    the interests of the Fund or for unsatisfactory working relations.  
86    In cases where it is proposed to discharge a person on the staff  
87    for inability or unwillingness to perform the duties of his  
88    position and in the case of persons on the staff recommended for  
89    discharge for failing to meet the requirements of probation, the  
90    person concerned may request the Personnel Review Committee to  
91    investigate and make recommendations to the Managing Director.

0-15 92           The Managing Director is authorized to issue General Orders,  
93    with the approval of the Executive Board, concerning the general  
94    personnel policies which shall apply to the operating staff of  
95    the Fund. The Managing Director is authorized to issue such other  
96    orders as may be necessary to make effective the personnel policies

97 stated in the Rules and Regulations and in the General Orders.

TRAVEL

0-16 98 Official travel will be undertaken by staff members only  
99 with the approval of the Managing Director. Official travel  
100 outside the continental limits of the United States will be  
101 undertaken only with the further approval of the Executive Board.  
102 The Managing Director is authorized to issue from time to time  
103 General Orders, with the approval of the Executive Board, concern-  
104 ing the general travel policies which shall apply to the staff of  
105 the Fund.

P - Capital Transfers

P-1 1        If there is taking place a large or sustained outflow of  
2 capital from a member country that may require net use of the  
3 Fund's resources:

4        a. that member or any other member may notify the Fund,  
5 presenting such information as it deems necessary, and may  
6 request the Fund's views with respect to such capital movement;  
7 and

8        b. the Fund may present to the member or members concerned  
9 a report setting forth its views, and may request the member or  
10 members to report on the situation within a suitable time.

P-2 11        Whenever the Fund has requested a member to exercise controls  
12 to prevent use of the resources of the Fund to meet a large or  
13 sustained outflow of capital, the member shall notify the Fund  
14 promptly and in detail of the measures taken. The member shall  
15 consult with the Executive Board on the institution, administration  
16 and subsequent removal of appropriate controls. (AA VI-1(a))

P-3 17        Each member shall inform the Fund in detail of the measures  
18 it is taking to regulate international capital movements and of  
19 changes made in such measures.

P-4 20        If the Fund is of the opinion that the controls exercised  
21 by a member to regulate international capital movements are  
22 restrictive of payments for current transactions, or unduly delay  
23 transfers of funds in settlement of commitment, the Fund shall,  
24 subject to the provisions of Article VII, Section 3 (b) and  
25 Article XIV, Section 2, consult with the member on the manner in  
26 which the controls are exercised. If, after consultation, the Fund

27 is not satisfied that the controls are exercised in a manner  
28 consistent with the Articles of Agreement, it shall so inform the  
29 member in a written report and give the member an opportunity to  
30 modify the controls. (AA VI-3)

P-5

31 When the Fund's holdings of a member's currency exceed  
32 seventy-five percent of its quota and the Fund finds that a  
33 member is effecting capital movements which are met out of the  
34 member's own resources of gold and foreign exchange and which  
35 may not be in accordance with the purposes of the Fund, the Fund  
36 shall consult with the member with respect to such capital move-  
37 ments. If, after consultation, the Fund is not satisfied that such  
38 capital movements are in accordance with the purposes of the Fund,  
39 it shall present to the member a report setting forth its views,  
40 and request a reply within a suitable time. If the Fund is not  
41 satisfied with the member's report, or the time set by the Fund  
42 has elapsed without receipt of a report, the Fund may request  
43 that action be taken to prevent such use of its resources.  
44 (AA VI - 1 (b)(ii))

P-6

45 Whenever in any case coming before the Fund there is any  
46 doubt whether a transaction is a current or capital transaction,  
47 the Managing Director shall arrange for a report to be presented  
48 to the Executive Board for its consideration and such consultation  
49 with the members concerned as the Executive Board deems appropriate.  
50 (AA XIX - (i))



Q - Scarce Currencies

Q-1 1           When the Fund has declared a currency scarce, it shall  
2 inform all members of the manner in which it proposes to  
3 apportion its sales of the scarce currency. Any member may  
4 consult with the Fund regarding the apportionment of its sales  
5 of the scarce currency.

Q-2 6           When the Fund has declared a currency scarce, the members  
7 shall consult promptly with the Fund on the temporary limitations  
8 they propose to impose on exchange transactions in the scarce  
9 currency.

Q-3 10           The Fund shall offer its good offices if the member whose  
11 currency has been declared scarce wishes to make representations  
12 on the administration of the limitations imposed by another member.

Q-4 13           If the Fund finds that a member maintains limitations on  
14 exchange transactions in a scarce currency which are more restr-  
15 ictive than is necessary in view of the supply held by the member  
16 or accruing to it, the Fund shall consult with the member on the  
17 relaxation of the unnecessary limitations.

Q-5 18           The Fund shall inform the member in a written report of the  
19 extent to which the limitations should be relaxed and the reasons  
20 for its opinion.

R - Relations with Non-Members

- R-1 1 The Fund may request the cooperation of any member with  
2 a view to the application of appropriate measures to prevent  
3 transactions with non-members or with persons in their territ-  
4 ories, contrary to the provisions of the Articles of Agreement  
5 or the purposes of the Fund. (AA XI - 1 (iii))
- R-2 6 When the Fund finds that a member or any of its fiscal  
7 agencies referred to in Article V, Section 1, engages in any  
8 transaction with or cooperates in practices with a non-member  
9 or with persons in a non-member's territory, contrary to the  
10 provisions of the Articles of Agreement or the purposes of the  
11 Fund, it shall present to the member a report setting forth its  
12 views and may request the cessation or modification of the trans-  
13 actions or practices. (AA XI -1(i) and (ii))
- R-3 14 A member shall inform the Fund promptly and in detail of  
15 any restrictions which it imposes on exchange transactions with  
16 non-members or with persons in their territories. (AA VIII-5(a)(xi))
- R-4 17 Any member may notify the Fund of restrictions imposed by  
18 a member on exchange transactions with non-members or with persons  
19 in their territories which are deemed to prejudice the interests  
20 of members and to be contrary to the purposes of the Fund.(AA XI-2)
- R-5 21 When the Fund finds that the restrictions imposed by a  
22 member on exchange transactions with non-members or with persons

23 in their territories are prejudicial to the interests of  
24 members and contrary to the purposes of the Fund, it shall  
25 present to the member a report setting forth its views and may  
26 request the abolition or modification of the restrictions.  
27 (AA XI - 2)