



VII. Rules and Regulations for the Conduct of Business of the Fund

Articles of Agreement: Art. XII, Sec. 2 (g)

The Board of Governors, and the Executive Directors to the extent authorized, may adopt such rules and regulations as may be necessary or appropriate to conduct the business of the Fund.

By-Laws: Sec. 16

Rules and Regulations

The Executive Directors are authorized by the Board of Governors to adopt such rules and regulations, including financial regulations, as may be necessary or appropriate to conduct the business of the Fund. Any rules and regulations so adopted, and any amendments thereof, shall be subject to review by the Board of Governors at their next annual meeting.

Articles of Agreement: Art. XII, Sec. 2

(b) The Board of Governors may delegate to the Executive Directors authority to exercise any powers of the Board, except the power to:

- (i) Admit new members and determine the conditions of their admission.
- (ii) Approve a revision of quotas.
- (iii) Approve a uniform change in the par value of the currencies of all members.
- (iv) Make arrangements to cooperate with other international organizations (other than informal arrangements of a temporary or administrative character).
- (v) Determine the distribution of the net income of the Fund.
- (vi) Require a member to withdraw.
- (vii) Decide to liquidate the Fund.
- (viii) Decide appeals from interpretations of this agreement given by the Executive Directors.

By-Laws: Sec. 15

Delegation of Authority

The Executive Directors are authorized by the Board of Governors to exercise all the powers of the Fund except those reserved to the Board by Article XII, Section 2(b) and other provisions of the Articles of Agreement. The Executive Directors shall not take any action pursuant to powers delegated by the Board of Governors which is inconsistent with any action taken by the Board.



## Excerpt from Report of the Committee on By-Laws

"The Committee then discussed Section 15 relating to the delegation of authority to the Executive Directors. A subcommittee was appointed to consider the specific provisions in the Articles of Agreement reserving powers to the Board of Governors and the question of whether the by-law should state that the Board of Governors may at any time reassume powers delegated to the Executive Directors. The members of this subcommittee were the United Kingdom, France, the Netherlands and the United States. Mr. Rowe-Dutton acted as Chairman of this subcommittee.

"The subcommittee considered this question and recommended that Section 15 should be approved, with the addition of a sentence stating that the Executive Directors should not take any action pursuant to powers delegated to the Board of Governors which is inconsistent with any action taken by the Board. It considered at the same time a list which had been prepared of all the powers of the Board of Governors which under the Articles of Agreement of the International Monetary Fund cannot be delegated to the Executive Directors, but stated that this list could not pretend to be exhaustive. It therefore recommended that no attempt should be made to include such a list in the by-laws but recommended that the list (which is annexed) should be included in this Report for purpose of record."

List of Powers which the Governors of  
the Fund Cannot Delegate

1. Selection of a chairman of the Board (Fund Art. 12, Sec. 2a).
2. The power to adopt regulations for polling the Board in lieu of a meeting (Fund Art. 12, Sec. 2f).
3. The power to fix the salaries of the Executive Directors and the salary and contract of service of the Managing Director of the Fund and the President of the Bank (Fund Art. 12, Sec. 2i).
4. The power to adopt regulations for representation at certain meetings of the Executive Directors of members not entitled to appoint Directors (Fund Art. 12, Sec. 3j).
5. The power to extend the period during which operations of the Fund may be suspended (Fund Art. 16, Sec. 1c).
6. The power to give initial approval to proposed amendments (Fund Art. 17a).
7. The power to increase the number of Executive Directors (Fund Art. 12, Sec. 3b and d).