

Comparison of Alternative Proposals

for

Articles of Agreement

for the

International Monetary Fund

RETURN TO IMF RECORDS DEPOSITORY

Room C-106

Accession Number

77/95

Box Number

1

Section Number

113

Article IX
Status, Immunities and Privileges
Articles of Agreement

Section 1. Purposes of Article

To enable the Fund to fulfill the functions with which it is entrusted, the status, immunities and privileges set forth in this Article shall be accorded to the Fund in the territories of each member.

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Section 2. Status of the Fund

The Fund shall possess full juridical personality, and, in particular, the capacity:

- (i) to contract;
- (ii) to acquire and dispose of immovable and movable property;
- (iii) to institute legal proceedings.

Alternative A

Section 11. Miscellaneous Powers.

In order to carry out its purposes, the Fund may:

U.S. & U.K.

- (1) Make contracts;
- (2) Acquire and dispose of real and personal property;
- (3) Institute legal proceedings in any court of competent jurisdiction;
- (4) Employ such staff as shall be necessary to conduct the business of the Fund; and
- (5) Adopt such rules or regulations as may be necessary or appropriate to conduct the business of the Fund.

Atlantic City "A"

United States

In order to carry out its purposes and policies, the Fund shall have the following powers in addition to those specified elsewhere in this Agreement;

- (1) To adopt, alter and use an official seal;
- (2) To make contracts;
- (3) To acquire, own, lease or dispose of such real and personal property as may be necessary to conduct the business of the Fund;
- (4) To sue and complain in any court of competent jurisdiction;
- (5) To select, employ and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to conduct the business of the Fund; to define their authority and duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and
- (6) To promulgate, amend, and repeal by-laws, rules and regulations necessary or appropriate to further the purposes and policies of the Fund.

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Section 3. Immunity from judicial process

The Fund, its property and its assets, wherever located and by whomsoever held, shall enjoy immunity from every form of judicial process except to the extent that it expressly waives its immunity for the purpose of any proceedings or by the terms of any contract.

Section 4. Immunity from other action

Property and assets of the Fund, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of seizure by executive or legislative action.

Alternative A

Section 5. Immunities of the Fund

U.S. & U.K.

(a) The Fund shall be immune from suit except when it consents to be sued.

(b) The Fund and its assets of whatsoever nature shall, wheresoever located and by whomsoever held, be exempt and immune from search, seizure, attachment, execution, requisition, confiscation, mortorium and expropriation, whether under judicial process or otherwise, in the territory of any member.

Alternative B

Section 6. Immunity from Suit.

U.S. & U.K.

The Fund shall be immune from suit except when it consents to be sued.

Atlantic City "A"

United States #Section • Immunity of Assets of the Fund.

The Fund and its assets of whatsoever nature shall, wheresoever located and by whomsoever held, be exempt and immune from search seizure, attachments, execution, requisition, confiscation, moratorium and expropriation by any member country or any political subdivision thereof.

#Section • Immunity from Suit

The Fund shall be exempt and immune from suit except when it consents to be sued.

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Section 5. Immunity of archives

The archives of the Fund shall be inviolable.

Alternative A

U.S. & U.K.

(d) The archives of the Fund shall be inviolable.

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Section 6. Freedom of assets from restrictions

To the extent necessary to carry out the operations provided for in this Agreement, all property and assets of the Fund shall be free from restrictions, regulations, controls and moratoria of any nature.

Alternative A

(a) All assets of the Fund shall, to the extent necessary U.S. & U.K. to carry out the operations prescribed by this Agreement, be free from restrictions, regulations and controls of any nature imposed by members.

Atlantic City "A"

United States

All assets of the Fund shall, to the extent necessary to carry out the operations prescribed by this Agreement, be free from restrictions, regulations and controls of any nature imposed by member countries.

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Section 7. Privilege for communications

The official communications of the Fund shall be accorded by members the same treatment as the official communications of other members.

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Section 8. Immunities and privileges of officers and employees

All governors, executive directors, alternates, officers and employees of the Fund

- (i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the Fund waives this immunity.
- (ii) not being local nationals, shall be granted the same immunities from immigration restrictions, alien registration requirements and national service obligations and the same facilities as regards exchange restrictions as are accorded by members to the representatives, officials, and employees of comparable rank of other members.
- (iii) shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

Alternative A

U.S. & U.K. (c) All governors, executive directors, officers and employees of the Fund shall, with respect to their official acts, be exempt from suit except when the Fund consents.

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Section 9. Immunities from taxation

(a) The Fund, its assets, property, income and its operations and transactions authorized by this Agreement, shall be immune from all taxation and from all customs duties. The Fund shall also be immune from liability for the collection or payment of any tax or duty.

(b) No tax shall be levied on or in respect of salaries and emoluments paid by the Fund to executive directors, alternates, officers or employees of the Fund who are not local citizens, local subjects, or other local nationals.

(c) No taxation of any kind shall be levied on any obligation or security issued by the Fund, including any dividend or interest thereon, by whomsoever held

(i) which discriminates against such obligation or security solely because of its origin; or

(ii) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Fund.

Alternative A

Section 7. Restrictions on Taxation of Fund, its Employees and Obligations.

U.S. & U.K.

(a) The Fund shall be exempt and immune from all taxation or liability for the collection or payment of any tax, including without limitation by reason of this enumeration, excises, duties, and imposts, imposed by any member or any political subdivision or taxing authority thereof, in respect of its assets, property, income, activities, operations and transactions of whatsoever nature.

(b) No member, or any political subdivision or taxing authority thereof shall impose or collect any tax on or measured by salaries paid by the Fund to its Executive Directors, officials and employees who are not citizens of such member.

(c) No member, or any political subdivision or taxing authority thereof, shall impose or collect any taxation on any obligation or security issued by the Fund or any dividend or interest thereon, by whomsoever held or received, which discriminates against such

obligation, dividend, or interest, because of its origin, or which is applicable with respect to such obligation, security, dividend, or interest solely because of the place or currency in which it is issued, made payable or paid, or solely because of the location of any office or place of business maintained by the Fund.

Alternative B

U.S. & U.K. (a) The Fund, its assets, property, income and its operations, and transactions authorized by these articles of Agreement shall be exempt and immune from all taxation and from all customs duties. The Fund shall also be exempt and immune from liability for the collection or payment of any tax or duty.

(b) No member, or any political subdivision or any taxing authority thereof, shall impose or collect any tax on or measured by salaries paid by the Fund to its executive directors, officials and employees who are not citizens of such member.

(c) No member, or any political subdivision or taxing authority thereof, shall impose or collect any taxation on any obligation or security issued by the Fund, or any dividend or any interest thereon, by whomsoever held or received:

- (i) which discriminates against such obligation, dividend, or interest, because of its origin; or
- (ii) which is applied solely on the basis of the place or currency in which it is issued, made payable or paid, or solely on the basis of the location of any office or place of business maintained by the Fund.

Atlantic City "A"

United States

(a) The Fund, its assets, property, income, activities, operations and transactions of whatsoever nature shall be exempt and immune from all taxation or liability for the collection or payment of any tax, including without limitation by reason of this enumeration, excises, duties, and imposts, imposed by any member country or any political subdivision or taxing authority thereof.

(b) No member country, or any political subdivision or taxing authority thereof shall impose or collect any tax on or measured by salaries or remunerations for personal services paid by the Fund to persons who are not citizens of such country.

(c) No member country, or any political subdivision or taxing authority thereof, shall impose or collect any taxation on any obligation or security issued by the Fund or any dividend or interest thereon, by whomsoever held or received, which discriminates against such obligation, dividend, or interest, because of its origin, or which is applicable with respect to such obligation, security, dividend, or interest because of the place or currency in which it is issued, made payable or paid, or because of the location of any office or place of business maintained by the Fund.

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Section 10. Application of Article

Each member shall take such action as is necessary in its own territories for the purpose of making effective in terms of its own law the principles set forth in this Article and shall inform the Fund of the detailed action which it has taken.

Alternative A

U.S. & U.K. Each member shall inform the Fund of the detailed action it has taken to grant the exemptions and immunities provided for in this section and in section 5 respectively. Differences which may arise between such member and the Fund as to the sufficiency or propriety of any action shall be resolved in accordance with the provisions of Article XII, Section 1.

Article X
Relations with other International Organizations
Articles of Agreement

The Fund shall cooperate within the terms of this Agreement with any general international organization and with public international organizations having specialized responsibilities in related fields. Any arrangements for such cooperation which would involve a modification of any provision of this Agreement may be effected only after amendment to this Agreement under Article XVII.

Alternative A

Section 8. Relationship to other International Organizations.

U.S. & U.K.

The Fund, within the terms of this Agreement, shall cooperate with any general international organization and with public international organizations having specialized responsibilities in related fields. Any arrangements for such cooperation which would involve a modification of any of the provisions of this Agreement may be effected only after amendment to this Agreement in conformity with the procedure set forth in Article _____.

Atlantic City "A"

United Kingdom The Council shall have power to make such arrangements or agreements as may be necessary or desirable for cooperation between the Fund on the one hand and other International Economic Organizations and the World Organization on the other hand.

These arrangements or agreements must be approved by a 3/5 majority vote.

Article XI
Relations with Non-Member Countries
Articles of Agreement

Section 1. Undertakings regarding relations with non-member countries

Each member undertakes:

- (i) Not to engage in, nor to permit any of its fiscal agencies referred to in Article V, Section 1, to engage in, any transactions with a non-member or with persons in a non-member's territories which would be contrary to the provisions of this Agreement or the purposes of the Fund;
- (ii) Not to cooperate with a non-member or with persons in a non-member's territories in practices which would be contrary to the provisions of this Agreement or the purposes of the Fund; and
- (iii) To cooperate with the Fund with a view to the application in its territories of appropriate measures to prevent transactions with non-members or with persons in their territories which would be contrary to the provisions of this Agreement or the purposes of the Fund.

Section 2. Restrictions on transactions with non-member countries

Nothing in this Agreement shall affect the right of any member to impose restrictions on exchange transactions with non-members or with persons in their territories unless the Fund finds that such restrictions prejudice the interests of members and are contrary to the purposes of the Fund.

Alternative A

Ad hoc Section 9. Obligations of Member countries.
Committee

Each Member Country agrees:

- (a) Not to undertake any transactions with a non-member country which would be contrary to the purposes and provisions of the Fund, and not to allow its agencies with the Fund to undertake such transactions,
- (b) Not to cooperate with non-member countries in practices which are against the purposes and provisions of the Fund,
- (c) To cooperate with the Fund in order to apply appropriate measures to prevent transactions with non-member countries which are contrary to the purposes and provisions of the Fund.

Article XII
Organization and Management
Articles of Agreement

Section 1. Structure of the Fund

The Fund shall have a Board of Governors, Executive Directors,
a Managing Director and a staff.

Article XII
Organization and Management
Articles of Agreement

Section 2. Board of Governors

(a) All powers of the Fund shall be vested in the Board of Governors, consisting of one governor and one alternate appointed by each member in such manner as it may determine. Each governor and each alternate shall serve for five years, subject to the pleasure of the member appointing him, and may be reappointed. No alternate may vote except in the absence of his principal. The Board shall select one of the governors as chairman.

(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.

(c) The Board of Governors shall hold an annual meeting and such other meetings as may be provided for by the Board or called by the Executive Directors. Meetings of the Board shall be called by the Directors whenever requested by five members or by members having one quarter of the total voting power.

(d) A quorum for any meeting of the Board of Governors shall be a majority of the governors exercising not less than two-thirds of the total voting power.

(e) Each governor shall be entitled to cast the number of votes allotted under Section 5 of this Article to the member appointing him.

(f) The Board of Governors may by regulation establish a procedure whereby the Executive Directors, when they deem such action to be in the best interests of the Fund, may obtain a vote of the governors on a specific question without calling a meeting of the Board.

(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.

(h) Governors and alternates shall serve as such without compensation from the Fund, but the Fund shall pay them reasonable expenses incurred in attending meetings.

(i) The Board of Governors shall determine the remuneration to be paid to the Executive Directors and the salary and terms of the contract of service of the Managing Director.

Joint Statement

The Fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including the representatives of the five countries with the largest quotas.

Alternative A

Section 1. Board of Governors.

U.S. & U.K. (a) The administration of the Fund shall be vested in a Board of Governors consisting of one governor and one alternate appointed by each member in such manner as it may determine. Governors and alternates shall serve for five years, subject to the pleasure of their respective governments, and may be reappointed. No alternate may vote except in the absence of his governor. The Board shall select a chairman from its members.

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

- (1) Determining what new members may be admitted and the conditions of their admission;
- (2) Approving a revision of quotas;
- (3) Approving an agreed uniform change in the par value of the currencies of all member countries;
- (4) Requiring a member to withdraw;
- (5) Deciding appeals against interpretations of the Agreement by the Executive Directors given on application by a member country;
- (6) Making agreements to cooperate with other international organizations;
- (7) Deciding to liquidate the Fund.

(c) The Board of Governors shall hold an annual meeting and such other meetings as may be provided for by the Board or convened by the Executive Directors. Meetings of the Board shall be convened by the Executive Directors whenever requested by one quarter of the members or by members having one quarter of the aggregate votes.

(d) The Board may by regulation establish a procedure whereby the Executive Directors, when they deem such action to be in the best interests of the Fund, may obtain a vote of the governors on a specific question in lieu of calling a meeting of the Board.

(e) Governors and alternates shall serve as such without compensation from the Fund, but the Fund shall pay such reasonable expenses as are incurred by the governors and alternates in attending any meetings.

Alternative B

(c) The Board of Governors shall hold an annual meeting and such other meetings as may be provided for by the Board or convened by the Executive Directors. Meetings of the Board shall be convened by the Executive Directors whenever requested by five member countries. Annual meetings shall not be held in the same country more than once in five years.

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Atlantic City "A"

United States

(a) The administration of the Fund shall be vested in a Board of Directors consisting of one director and one alternate appointed by each member country in such manner as it may determine. Directors and alternates shall serve for five years, subject to the pleasure of their respective governments, and may be reappointed. Any alternate may participate in all activities of the Board but he shall not vote except in the absence of his director. The Board shall select from its members a chairman who shall serve for a period of two years.

(b) The Board of Directors may delegate to the Executive Committee authority to exercise, until the next meeting of the Board, my powers of the Board, except the power to make uniform changes in the par values of all member currencies, the power to suspend countries from membership, and the power to liquidate the Fund. Delegated powers shall be exercised in a manner consistent with the purposes and policies of the Fund and the general practices of the Board.

(c) The Board of Directors shall hold an annual meeting and such other meetings as may be provided for by the Board or convened by the Executive Committee. Meetings of the Board shall be convened by the Executive Committee whenever requested by member countries having twenty-five per cent of the aggregate votes. Annual meetings shall not be held in the same country more than once in five years.

(d) The Board may by regulation establish a procedure whereby the Executive Committee, when it deems such action to be in the best interests of the Fund, may poll the directors on specific questions in lieu of calling a meeting of the Board.

(e) Directors and alternates shall serve as such without compensation from the Fund, but the Fund shall pay such reasonable expenses as are incurred by the directors and alternates in attending any meetings of the Fund or any committee of the Fund.

Atlantic City "B"

United States

III (a) A Governing Council, consisting of Councillors appointed by all the Member Countries, each Member appointing one Councillor. Each Councillor may appoint a substitute if he is unable to be present. The Council shall meet at least once a year.

Atlantic City "C"

Functions.

(a) Council. In addition to the appointment of the Director-ate, the Council shall have the following functions:

(i) Power to invite non-signatory countries to become members;

United Kingdom

Atlantic City "C" (cont'd)

United Kingdom

- (ii) the approval of a revision of quotas (II(2));
- (iii) the approval of an agreed uniform change in the gold value of the currencies of members (IV(5));
- (iv) the suspension of a member from the facilities of the Fund (III(2)(d));
- (v) the requirement to a member to withdraw from the Fund (VII(1) as revised);
- (vi) decisions on the interpretation of the Statute given on application by a member;
- (vii) receiving the Statement of Accounts and the Report of the Directorate at the Annual Meeting;
- (viii) to review the working of the Fund in the light of its Purposes and Policies (I);
- (ix) agreements for co-operation with other international organisations.

Article XII
Organization and Management
Articles of Agreement

Section 3. Executive Directors

(a) The Executive Directors shall be responsible for the conduct of the general operations of the Fund, and for this purpose shall exercise all the powers delegated to them by the Board of Governors.

(b) There shall be not less than twelve directors who need not be governors, and of whom

- (i) Five shall be appointed by the five members having the largest quotas;
- (ii) Not more than two shall be appointed when the provisions of (c) below apply;
- (iii) Five shall be elected by the members not entitled to appoint directors, other than the American Republics; and
- (iv) Two shall be elected by the American Republics not entitled to appoint directors.

For the purposes of this paragraph, members means governments of countries whose names are set forth in Schedule A, whether they become members in accordance with Article XI or in accordance with Article II, Section 2. When governments of other countries become members, the Board of Governors may, by a four-fifths majority of the total voting power, increase the number of directors to be elected.

(c) If, at the second regular election of directors and thereafter, the members entitled to appoint directors under (b) (i) above do not include the two members, the holdings of whose currencies by the Fund have been, on the average over the preceding two years, reduced below their quotas by the largest absolute amounts in terms of gold as a common denominator, either one or both of such members, as the case may be, shall be entitled to appoint a director.

(d) Subject to Article XX, Section 3(b) elections of elective directors shall be conducted at intervals of two years in accordance with the provisions of Schedule C, supplemented by such regulations as the Fund deems appropriate. Whenever the Board of Governors increases the number of directors to be elected under (b) above, it shall issue regulations making appropriate changes in the proportion of votes required to elect directors under the provisions of Schedule C.

(e) Each director shall appoint an alternate with full power to act for him when he is not present. When the directors appointing them are present, alternates may participate in meetings but may not vote.

(f) Directors shall continue in office until their successors are appointed or elected. If the office of an elected director becomes vacant more than ninety days before the end of his term, another director shall be elected for the remainder of the term by the members who elected the former director. A majority of the votes cast shall be required for election. While the office remains vacant, the alternate of the former director shall exercise his powers, except that of appointing an alternate.

(g) The Executive Directors shall function in continuous session at the principal office of the Fund and shall meet as often as the business of the Fund may require.

(h) A quorum for any meeting of the Executive Directors shall be a majority of the directors representing not less than one-half of the voting power.

(i) Each appointed director shall be entitled to cast the number of votes allotted under Section 5 of this Article to the member appointing him. Each elected director shall be entitled to cast the number of votes which counted towards his election. When the provisions of Section 5(b) of this Article are applicable, the votes which a director would otherwise be entitled to cast shall be increased or decreased correspondingly. All the votes which a director is entitled to cast shall be cast as a unit.

(j) The Board of Governors shall adopt regulations under which a member not entitled to appoint a director under (b) above may send a representative to attend any meeting of the Executive Directors when a request made by, or a matter particularly affecting, that member is under consideration.

(k) The Executive Directors may appoint such committees as they deem advisable. Membership of committees need not be limited to governors or directors or their alternates.

Alternative A

U.S.

(a) There shall be twelve Executive Directors, namely, the General Manager, the governors representing the five member countries having the largest quotas, and six other governors elected biennially by the governors who are not automatically Executive Directors. The General Manager shall be chairman of the Executive Directors. The Executive Directors shall exercise all authority delegated to them by the Board of Governors and shall be in continuous session at the principal office of the Fund for at least the first three years of operations. In the absence of any Executive Director, his alternate on the Board of Governors may serve in his place. Executive Directors shall be compensated by the Fund in an amount fixed by the Board of Governors.

Whenever a member country not having a governor among the Executive Directors has requested action or will be directly affected by a decision of the Executive Directors, the governor representing such country shall be entitled to be present at the meeting of the Executive Directors considering such request or decision, but he shall not be entitled to vote.

(b) In balloting for the elective Executive Directors, each governor eligible to vote shall cast for one governor all of the votes to which he is entitled under the first paragraph of Section 3 of this article (J.S.VII, 2) The six persons receiving the greatest number of votes shall be Executive Directors, except that no person who receives less than sixteen percent of the aggregate eligible votes shall be considered elected. When six persons are not elected on the initial balloting, a second balloting shall be held in which the person receiving the lowest number of votes shall be ineligible for election and in which there shall vote only those governors who vote for a person not elected and these governors all or part of whose votes for a person elected are deemed to have raised the votes cast for such person above seventeen per cent of the aggregate eligible votes. In determining whether any part of the votes cast by a governor raised the total of any person above seventeen per cent, there shall be considered as not forming part of the excess the votes of the governor casting the largest number of votes for such person, then the votes of the governor casting the next largest number, and so on until the total reaches seventeen per cent. Any governor whose votes are partly not in excess and partly in excess shall be eligible to vote in the second balloting only to the extent of the votes in excess. If enough additional persons are not elected on the second balloting to bring to six the total number each of whom

has received at least sixteen per cent of the aggregate eligible votes, further ballots shall be taken on the same principles until six such persons have been elected, provided that after five persons are elected the sixth may be elected by a simple majority of the remaining votes and shall be deemed to have been elected by all such votes.

(c) Each governor who is automatically an Executive Director shall be entitled to cast the number of votes allotted under Section 3 of this Article (J. S. VII, 2) to the country which he represents. Each elected Executive Director shall be entitled to cast the number of votes to which the governors who elected him would be entitled. A member whose election is due in part to his having received a portion of the votes of a particular governor shall be entitled to vote only those votes of such governor which contributed to his election. When the provisions of the second paragraph of Section 2 of this Article are applicable to a vote on any question the votes to which an Executive Director would otherwise be entitled shall be increased or decreased proportionately. The General Manager shall have no vote.

(d) The Executive Directors may appoint such committees as they deem advisable. Membership of such committees need not be limited to governors and alternates.

Alternative B

U.K.

(b) There shall be twelve Executive Directors, of whom x shall be appointed by the members having the x largest quotas, (the remaining y seats being filled by Executive Directors appointed by members chosen for this purpose by all the Governors excluding those representing the members with the x largest quotas). The members so chosen shall have the power of appointment of directors for two years; at the end of this period any of the members may be chosen again or other members may be chosen. The persons chosen as Executive Directors need not be Governors. The Executive Directors shall meet not less than once every three months.

(c) The Executive Directors shall appoint as Chairman a suitable person who is not a Director. The Chairman may appoint a Director to act for him as Deputy Chairman. The Chairman of the Executive Directors, if he is not a Governor, may attend and speak at meetings of the Board. He shall be eligible to be elected as Chairman of the Board of Governors.

(b) Executive Directors.

The Executive Directors shall conduct all of the business of the Fund delegated to them by the Board of Governors.

(c) The Chairman.

- (i) the Chairman shall reside at the Headquarters of the Fund and the Deputy Chairman must reside there at those times when he is acting for the Chairman;
- (ii) the Executive Directors may delegate to the Chairman or Deputy Chairman the power of performing on their behalf any of the functions delegated to them except the following, supposing they have been so delegated:
 - (1) waiver of any of the conditions in III(2);
 - (2) the exercise of the options of the Fund in III(4);
 - (3) all decisions on the par value of member currencies in IV(1~~4~~);
 - (4) all action relating to the apportionment of scarce currencies (VI);
 - (5) decision on the use of the resources of the Fund by a member who has withdrawn (VIII(4) as revised);
 - (6) decision on X(3) as revised and X(4) as revised;
 - (7) a formal interpretation of the Statute.

(d) Voting.

On questions before the Executive Directors, the Director appointed by the United States shall cast 6 votes, the Director appointed by the United Kingdom shall cast 3 votes, the Director appointed by the U.S.S.R. shall cast 2 votes, and all the other Directors shall cast 1 vote each. The appointed Chairman shall only have a casting vote in case of an equal division in the voting.

In order to constitute a quorum for the Executive Directors there must be present Directors representing not less than one-half of the total voting power of the Executive Directors and not less than six in number.

Alternative C

- a) The Board of Governors shall appoint an Executive Committee.

Cuba

The Executive Committee shall conduct all of the business of the Fund delegated to them by the Board of Governors.

- b) Formation of the Executive Committee.

The Executive Committee shall consist of fourteen Executive Directors appointed as follows:

1. Five Directors representing each one of the five member countries having the largest quotas in the Fund.
2. Three Directors representing the member countries in the economic area of the British Empire.
3. Three Directors representing the member countries in the economic area of the American Republics.
4. Three Directors representing the member countries in all other economic areas.

Each Director shall have an alternate appointed in the same manner. Executive Directors and their alternates need not be Governors and may be reappointed.

c) Method of Election of the Executive Committee.

The five Executive Directors of the five member countries having the largest quotas in the Fund shall be appointed directly by each one of such member countries and shall continue to serve for an indefinite period, subject to the pleasure of their respective Governments.

The remaining nine Executive Directors shall be chosen by the Board of Governors every year at its Annual meeting by separate elections in which all the governors of the respective economic areas shall participate, except those governors representing member countries holding permanent seats in the Executive Committee.

Each governor, in the respective economic area to which his member country belongs, shall be entitled to cast exclusively for one Executive Director all of the votes to which his member country is entitled according to the rules of voting of Section 3 of this Article. The three persons receiving the highest number of votes shall be considered elected, provided, however, that no Executive Director shall be considered elected at the first ballot who has not received at least one-third of all the votes of the participating countries of his respective economic area.

If at the first balloting of the respective economic areas all three Directors should not have been elected according to the application of the preceding rules, then a second balloting shall be held at which only those governors who voted for a person not elected

shall be entitled to participate in the second balloting. If at the second balloting the total number of Directors of the respective area shall not have been elected, further ballotings shall be taken applying the same rules until two Directors shall have been so elected. The third Director may then be elected by a simple majority vote.

The above procedure shall be equally applicable to the election of alternate Executive Directors.

d) Meetings of the Executive Committee.

The Executive Committee shall meet as often as the business of the Fund may require. The Executive Committee may also decide to hold regular meetings at stated periods to consider questions of general policy of the Fund and to prepare the agenda for the annual meeting of the Board of Governors.

The General Manager of the Fund shall act as Chairman of the Executive Committee, but shall have no vote.

In order to constitute a quorum for the meetings of the Executive Committee there must be present not less than seven Directors representing not less than one half of the total voting power of the Executive Directors.

Whenever a member country not having a national among the Executive Directors may have requested action or will be directly affected by a decision of the Executive Committee, such member country shall be entitled to have a representative present at the meeting when such request or decision is to be considered, but such representative shall not be entitled to vote.

e) Decisions of the Executive Committee.

Resolutions of the Executive Committee shall be adopted by the favorable vote of the majority of Directors attending the meeting, provided, however, that in the said voting there should also concur a majority of the voting power represented by each Director according to Section 3.

For the purpose of computing their voting power under Section 3, the Director representing an economic area on the Executive Committee shall be entitled to represent and cast the accumulated number of votes of the member countries that voted for him in his area.

f) The Executive Committee shall appoint the General Manager of the Fund, and shall determine his duties and powers.

The Executive Committee may also appoint such committees as they deem advisable. Membership of such committees need not be limited to governors, directors and alternates.

The General Manager and the Executive Directors shall be compensated by the Fund in an amount fixed by the Board of Governors.

Alternative D

Belgium

b) There shall be 12 Executive Directors of whom 5 shall be appointed by the members having the five largest quotas, 3 by the members having the six next largest quotas, and 4 by the other members. In the balloting for the seats allowed to each of the last two categories, each member eligible to vote in that category shall cast for one director all the votes to which he is entitled and the directors receiving the greatest number of votes shall be Executive Directors.

The members so chosen shall have the power of appointment of directors for two years; at the end of this period any of the members may be chosen again or other members may be chosen. The persons chosen as Executive Directors need not be Governors. The Executive Directors shall meet not less than once every three months.

Alternative E

Formation of the Executive Committee:

Egypt

The Executive Committee shall consist of fifteen executive directors, appointed as follows:

- (1) Five directors representing each one of the member countries having the largest quotas.
- (2) Three directors representing the member countries in the economic area of the British Empire.
- (3) Three directors representing the member countries in the economic area of the American Republics.
- (4) One director representing the mid-east countries.
- (5) Three directors representing the member countries in all other economic areas.

Each director shall have an alternate appointed in the same manner. Executive directors and their alternates need not be governors and may be reappointed.

Alternative F

U.S. & U.K.

1. The Executive Directors shall be responsible for the conduct of the general operations of the Fund, and for this purpose, shall exercise all the powers delegated to them by the board of Governors.

2. There shall be eleven Executive Directors, of whom five shall be appointed by the five members having the largest quotas and six shall be elected biennially, in accordance with the provisions of Schedule B, by all the Governors other than those appointed by the members having the five largest quotas. Persons chosen as Executive Directors need not be Governors.
3. Every Executive Director may appoint an alternate with full power to act for him when he is not present. When the Executive Directors appointing them are present, alternates may participate in meetings but shall not vote.
4. The Executive Directors shall be in continuous session at the principal office of the Fund.
5. In order to constitute a quorum for any meeting of the Executive Directors, there must be present a majority of the Directors representing not less than one-half of the voting power of all the Executive Directors.
6. Each Executive Director appointed by one of the members with the five largest quotas shall be entitled to cast the number of votes allotted under Section 3 of this Article (J.S. VII, 2) to the member appointing him. Each elected Executive Director shall be entitled to cast only the number of votes which actually count toward his election. When the provisions of the second paragraph of Section 2 of this Article are applicable, the votes to which an Executive Director would otherwise be entitled shall be increased or decreased proportionately. Each Executive Director shall cast all of the votes to which he is entitled as a single unit.
7. The Board of Governors shall make regulations containing provisions under which a member which is not entitled to appoint an Executive Director under 2 above shall be permitted to send a representative to attend any meeting of the Executive Directors when a request made by, or a matter particularly affecting, that member is under consideration.
8. The Executive Directors shall appoint a Managing Director who shall not be a Governor or an Executive Director. The Managing Director shall be Chairman of the Executive Directors, but shall have no vote except a casting vote in case of an equal division. He may participate in meetings of the Board of Governors, but shall, however, be eligible for election as Chairman of the Board of Governors. The Managing Director shall hold office at the pleasure of the Executive Directors.

9. The Managing Director shall be chief of the operating staff of the Fund and shall conduct under the direction of the Executive Directors, the ordinary business of the Fund's work. Subject to the general control of the Executive Directors, he shall be responsible for the internal organization of the Fund's staff and the appointment and dismissal of its staff. The Managing Director shall be responsible to the Executive Directors for the accounts.
10. The Executive Directors may appoint such committees as they deem advisable. Members of such committees need not be limited to Governors or Executive Directors or their alternates.
11. The Board of Governors shall determine the remuneration to be paid to the Executive Directors and the salary and terms of service of the Managing Director.

1 Alternative G

Norway

3. For every Executive Director there shall be elected at the same time and according to the same rules an alternate with full power to act for him when he is not present. An Executive Director and his alternate need not represent the same country.
4. The Executive Directors shall be continuously in function at the principal office of the Fund.
8. The Executive Directors shall co-opt a Managing Director who shall not be a Governor or an Executive Director. The Managing Director shall be Chairman of the Executive Directors, but shall have no vote except a casting vote in case of an equal division. He may participate in meetings of the Board of Governors, but shall not vote at such meeting. He shall, however, be eligible for election as Chairman of the Board of Governors. The Managing Director shall cease to hold office when the Executive Directors will so decide. He will not take the chair in the meeting taking such decision.

Alternative H

India

2. There shall be 12 Executive Directors, of whom 6 shall be appointed by the six members having the largest quotas and 6 shall be elected biennially in accordance with the provisions of Schedule B, by all the Governors other than those appointed by the members having the 6 largest quotas. Persons chosen as Executive Directors need not be Governors.

4. Employ such staff as shall be necessary to conduct the business of the Fund, provided that, in employing staff due regard shall be paid to the fair representation of the nationals of member countries.

Alternative I

Cuba

2. There shall be eleven Executive Directors of whom five shall be appointed by the five members having the largest quotas and six shall be elected biennially, in accordance with the provisions set forth in Schedule B, by all the Governors other than those appointed by members having the five largest quotas. Persons chosen as Executive Directors need not be Governors.

The Board of Governors, at the next election after the establishment of the Fund or at any time thereafter, may by a vote of the majority of the member countries and a majority of the quota votes, increase the number of elective seats from a total of six to a total of nine.

Alternative J

CUBA

Exclusively for the purpose of choosing the Elective Directors, each governor representing a member country other than those having permanent seats on the Executive Directorate shall be entitled to cast all the quota votes which he represents according to the first paragraph of Section 3 of this Article plus one thousand additional votes.

Alternative K

U.S., U.K.

- (a) Add to Section 2:

Czechoslovakia

Directors shall continue in office until their successors are appointed or elected.

- (b) Add as a new section after Section 3:

4. If the office of an elective director becomes vacant more than ninety days before the end of his term, another director shall be elected for the remainder of the term by the members who elected the former director. A majority of the votes cast shall be required for election. While the office remains vacant, the alternate of the former director shall exercise his powers, except that of appointing an alternate.

Alternative L

Cuba

2. There shall be twelve Executive Directors of whom
 - (a) five shall be appointed by the five members having the largest quotas,
 - (b) five shall be elected by the remaining members, other than the American Republics and
 - (c) two shall be elected by the American Republics, exclusive of any entitled to appoint an Executive Director under (a), above.

Elections shall be conducted biennially in accordance with the provisions of Schedule B. Persons chosen as Executive Directors need not be Governors.

Alternative M

Canada (a) The _____ countries with the largest quotas shall be each entitled to appoint an Executive Director.

(b) If, at the second election of Executive Directors and thereafter, the members entitled to appoint Executive Directors do not include the two members whose quotas have been used, on the average over the preceding two years, in the largest absolute amounts in terms of gold as a common denominator, such member or members shall also be entitled to appoint Executive Directors.

(c) _____ Executive Directors shall be elected bi-annually, in accordance with the provisions of Schedule B, by all the Governors other than those appointed by the members referred to in (a) and (b) above.

Persons chosen as Executive Directors need not be Governors.

Alternative N

Poland In balloting for the remaining Executive Director each governor of a country, not belonging to the five countries with largest quotas nor being representative of any South American Republic, shall cast for one governor all votes, corresponding to his quota (without the basic 250 votes), as foreseen in Article III, Section 3. The five persons receiving the greatest number of votes shall be Executive Directors, except that one person who receives less than twenty per cent of the aggregate eligible votes shall not be considered as elected. When five persons are not elected on the initial balloting, a second balloting shall be held, in which there shall vote only those governors who voted for a person not elected. In the second balloting those persons shall be considered as elected, who received at least such a percentage of votes of the total amount of votes cast in that balloting, which is obtained by dividing the number 100 by the number of seats to be additionally distributed. If enough additional persons are not elected on the second balloting, further ballots shall be taken on the same principles, provided that after four persons are elected the fifth may be elected by a simple majority of the remaining votes and shall be deemed to have been elected by all such votes.

If new countries should be admitted as members of the Fund, the number of five seats will be increased correspondingly, according to the increased proportion of quotas.

Final Alternative Submitted by the
Special Subcommittee Appointed to Consider all
Proposals Relative to the Executive Directors

Duties and Powers of the Executive Directors

1. The Executive Directors shall be responsible for the conduct of the general operations of the Fund, and for this purpose, shall exercise all the powers delegated to them by the Board of Governors.

Formation of the Executive Directors

2. There shall be _____ Executive Directors, of whom _____ shall be appointed by the _____ members having the largest quotas and _____ shall be elected biennially, in accordance with the provisions of Schedule B, by all the Governors other than those appointed by the members having the _____ largest quotas. Persons chosen as Executive Directors need not be Governors.

Alternate Directors

3. Every Executive Director may appoint an alternate with full power to act for him when he is not present. When the Executive Directors appointing them are present, alternates may participate in meetings but shall not vote.

Meetings of Executive Directors

4. The Executive Directors shall function in continuous session at the principal office of the Fund and shall meet as often as the business of the Fund may require.

5. In order to constitute a quorum for any meeting of the Executive Directors, there must be present a majority of the Directors representing not less than one-half of the voting power of all the Executive Directors.

6. Each Executive Director appointed by one of the members with the _____ largest quotas shall be entitled to cast the number of votes allotted under Section 3 of this Article (J.S. VII, 2) to the member appointing him. Each elected Executive Director shall be entitled to cast only the number of votes which actually counted toward his election. When the provisions of the second paragraph of Section 2 of this Article are applicable, the votes to which an Executive Director would otherwise be entitled shall be increased or decreased proportionately. Each Executive Director shall cast all of the votes to which he is entitled as a single unit.

6a. Except as otherwise specifically provided, all matters before the Executive Directors shall be decided by a majority of the aggregate votes cast.

7. The Board of Governors shall make regulations containing provisions under which a member which is not entitled to appoint an Executive Director under 2 above shall be permitted to send a representative to attend any meeting of the Executive Directors when a request made by, or a matter particularly affecting, that member is under consideration.

Atlantic City "A"

United States

(a) There shall be an executive Committee consisting of the Managing Director, the directors representing the five member countries having the largest quotas and six other directors elected biennially by the directors who are not automatically members of the Committee. The Managing Director shall be chairman of the Committee. The Committee shall exercise all authority delegated to it by the Board of Directors, and shall be in continuous session at the principal office of the Fund. In the absence of any member of the Committee, his alternate on the Board may serve in his place. Members of the Committee shall be compensated by the Fund in an amount fixed by the Board.

Whenever a member country not having a director on the Executive Committee, has requested action or will be directly affected by a decision of the Executive Committee, the director representing such country shall be entitled to be present at the meeting of the Committee considering such request or decision, but he shall not be entitled to vote.

(b) In balloting for the elected members of the Committee, each director eligible to vote shall cast for one director all of the votes to which he is entitled under the first paragraph of Section 2 of this Article. The six persons receiving the greatest number of votes shall be members of the Committee, except that no person who receives less than sixteen per cent of the aggregate eligible votes shall be considered elected. When six persons are not elected on the initial balloting, a second balloting shall be held in which the person receiving the lowest number of votes shall be ineligible for election and in which there shall vote only those directors who votes for a person not elected and these directors all or part of whose votes for a person elected are deemed to have raised the votes cast for such person above seventeen per cent of the aggregate eligible votes. In determining whether any part of a director's votes raised the total of any person above seventeen per cent, there shall be considered as not forming part of the excess the votes of the director casting the largest number of votes for such person, then the votes of the director casting the next largest number, and so on until the total reaches seventeen per cent. Any director whose votes are partly not in excess and partly in excess shall be eligible to vote in the second balloting only to the extent of the votes in excess. If enough additional persons are not elected on the second balloting to bring to six the total number each of whom has received at least sixteen per cent of the aggregate eligible votes, further ballots shall be taken on the same principles until six such persons have been elected, provided that after five persons are elected the sixth may be elected by a simple majority of the remaining votes and shall be deemed to have been elected by all such votes.

Atlantic City "A" (cont'd)

United States

(c) Each director who is automatically a member of the Committee shall be entitled to cast the number of votes allotted under Section 2 of this Article to the country which he represents. Each elected member shall be entitled to cast the number of votes to which the directors who elected him would be entitled. A member whose election is due in part to his having received a portion of the votes of a particular director shall be entitled to vote only those votes of such director which contributed to his election. When the provisions of the second paragraph of Section 2 of this Article are applicable to a vote on any question, the votes to which a member of the Executive Committee would otherwise be entitled shall be increased or decreased proportionately. The Managing Director shall have no vote.

(d) The Executive Committee may appoint such committees as it deems advisable. Membership of such committees need not be limited to directors and alternates.

Atlantic City "B"

United Kingdom

(b) A Directorate, consisting say of 12 Directors, of whom, say 6 shall be appointed by the Members having the 6 largest quotas, (the remaining 6 Seats being filled by Directors appointed by Members chosen for this purpose by all the Councillors excluding those representing the members with the 6 largest quotas. This right of appointment by the members chosen for the purpose shall be for two years; at the end of this period any of the members may be chosen again or other members may be chosen. The persons chosen as Directors need not be Councillors. The Directorate shall meet not less than once every three months.

(c) The Directorate shall co-opt as Chairman a suitable person who is not a Director. The Chairman may appoint a Director to act for him as Deputy Chairman. The Chairman of the Directorate, if he is not a Councillor, may attend and speak at meetings of the Council. He shall be eligible to be elected as Chairman of the Council.

(d) The Directorate shall appoint a General Manager, being a person of knowledge and experience of the business.

Atlantic City "C"

United Kingdom

Voting

(b) On the Directorate, the Director appointed by the United States shall cast 3 votes, the Director appointed by the United Kingdom shall cast 2 votes, and all other Directors shall cast 1 vote each. The co-opted Chairman shall only have a casting vote.

Atlantic City "C" (cont'd)

United Kingdom

In order to constitute a quorum for the Directorate there must be present Directors representing not less than one-half of the total voting power of the Directorate and not less than six in number.

Rules of Procedure

The Council and the Directorate shall draw up such Rules of Procedure as are necessary for the conduct of their business, in conformity with the provisions of the Statutes. The Council's Rules of Procedure shall, inter alia, determine the manner in which annual and other meeting of the Council shall be summoned, and the method of voting for the election of Directors.

Atlantic City "D"

United Kingdom

(b) Directorate.

The conduct of all the business of the Fund, other than that belonging, as above, to the Council, and other than that delegated by the Directorate to the Chairman, as provided below.

(c) The Chairman

- (i) the Chairman shall reside at the Headquarters of the Fund;
- (ii) the Directorate may delegate to the Chairman or Deputy Chairman the power of performing on their behalf all their functions except
 - (1) waiver of any of the conditions in III(2);
 - (2) the exercise of the options of the Fund in III(4);
 - (3) all decisions on the par value of member currencies in IV (1-4);
 - (4) all action relating to the apportionment of scarce currencies (VI).
 - (5) decision on the use of the resources of the Fund by a member who has withdrawn (VIII (4) as revised);
 - (6) decision on X(3) as revised and X(4) as revised;
 - (7) a formal interpretation of the Statute.

SCHEDULE C

Election of Executive Directors

1. The election of the elective executive directors shall be by ballot of the governors eligible to vote under Article XII, Section 3 (b) (iii) and (iv).

2. In balloting for the five directors to be elected under Article XII, Section 3 (b) (iii), each of the governors eligible to vote shall cast for one person all of the votes to which he is entitled under Article XII, Section 5 (a). The five persons receiving the greatest number of votes shall be directors, provided that no person who received less than nineteen percent of the total number of votes that can be cast (eligible votes) shall be considered elected.

3. When five persons are not elected in the first ballot, a second ballot shall be held in which the person who received the lowest number of votes shall be ineligible for election and in which there shall vote only (a) those governors who voted in the first ballot for a person not elected, and (b) those governors whose votes for a person elected are deemed under 4 below to have raised the votes cast for that person above twenty percent of the eligible votes.

4. In determining whether the votes cast by a governor are to be deemed to have raised the total of any person above twenty percent of the eligible votes the twenty percent shall be deemed to include, first, the votes of the governor casting the largest number of votes for such person, then the votes of the governor casting the next largest number, and so on until twenty percent is reached.

5. Any governor part of whose votes must be counted in order to raise the total of any person above nineteen percent shall be considered as casting all of his votes for such person even if the total votes for such person thereby exceed twenty percent.

6. If, after the second ballot, five persons have not been elected, further ballots shall be held on the same principles until five persons have been elected, provided that after four persons are elected, the fifth may be elected by a simple majority of the remaining votes and shall be deemed to have been elected by all such votes.

7. The directors to be elected by the American Republics under Article XII, Section 3 (b) (iv) shall be elected as follows:

(a) Each of the directors shall be elected separately.

(b) In the election of the first director, each governor representing an American Republic eligible to participate in the election shall cast for one person all the votes to which he is entitled. The person receiving the largest number of votes shall be elected provided that he has received not less than forty-five percent of the total votes.

(c) If no person is elected on the first ballot, further ballots shall be held, in each of which the person receiving the lowest number of votes shall be eliminated, until one person receives a number of votes sufficient for election under (b) above.

(d) Governors whose votes contributed to the election of the first director shall take no part in the election of the second director.

(e) Persons who did not succeed in the first election shall not be ineligible for election as the second director.

(f) A majority of the votes which can be cast shall be required for election of the second director. If at the first ballot no person receives a majority, further ballots shall be held in each of which the person receiving the lowest number of votes shall be eliminated, until some person obtains a majority.

(g) The second director shall be deemed to have been elected by all the votes which could have been cast in the ballot securing his election.

Article XII
Organization and Management
Articles of Agreement

Section 4. Managing Director and staff

(a) The Executive Directors shall select a Managing Director who shall not be a governor or an executive director. The Managing Director shall be chairman of the Executive Directors, but shall have no vote except a deciding vote in case of an equal division. He may participate in meetings of the Board of Governors, but shall not vote at such meetings. The Managing Director shall cease to hold office when the Executive Directors so decide.

(b) The Managing Director shall be chief of the operating staff of the Fund and shall conduct, under the direction of the Executive Directors, the ordinary business of the Fund. Subject to the general control of the Executive Directors, he shall be responsible for the organization, appointment and dismissal of the staff of the Fund.

(c) The Managing Director and the staff of the Fund, in the discharge of their functions, shall owe their duty entirely to the Fund and to no other authority. Each member of the Fund shall respect the international character of this duty and shall refrain from all attempts to influence any of the staff in the discharge of his functions.

(d) In appointing the staff the Managing Director shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible.

Alternative A

Section 4. The General Manager.

U.S.

The Board of Governors shall appoint and fix the compensation of a General Manager of the Fund and one or more Assistant General Managers. The General Manager shall be chief of the operating staff of the Fund and shall be a member ex officio of the Board of Governors.

Alternative B

U.K.

(d) The Executive Directors shall appoint a General Manager, being a person of knowledge and experience of the business.

(e) The Chief Assistants of the General Manager shall be appointed by the Executive Directors, on the proposal of the General Manager. The General Manager and his Chief Assistants shall be appointed under contract determinable by six months' notice on either side. The continuance of the service of each of these officials shall be considered by the Executive Directors after every period of 5 years.

- (f) The General Manager shall conduct, under the general direction of the Chairman, the ordinary business of the Fund's work. Subject to the general control of the Executive Directors, he shall be responsible for internal organization and the appointment and dismissal of subordinate staff. The General Manager shall be responsible to the Executive Directors for the accounts.
- (g) The Chairman, the Deputy-Chairman, the General Manager and all the members of the staff shall be paid such salaries and expenses and serve under such conditions as the Fund may determine.

Alternative C

Special
Comm.

1. The Executive Directors shall select a Managing Director who shall not be a Governor or an Executive Director. The Managing Director shall be Chairman of the Executive Directors, but shall have no vote except a deciding vote in case of an equal division. He may participate in meetings of the Board of Governors, but shall not vote at such meetings. He shall, however, be eligible for election as Chairman of the Board of Governors. The Managing Director shall cease to hold office when the Executive Directors shall so decide.

2. The Managing Director shall be chief of the operating staff of the Fund and shall conduct under the direction of the Executive Directors, the ordinary business of the Fund's work. Subject to the general control of the Executive Directors, he shall be responsible for the internal organization of the Fund's staff and the appointment and dismissal of its staff.

3. The Managing Director and the staff of the Fund, in the discharge of their offices, owe their duty entirely to the Fund and to no other authority.

Each member of the Fund shall respect the international character of this duty and shall refrain from all attempts to influence any member of the staff in the discharge of his duty.

4. In appointing the staff the Managing Director shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of selecting personnel recruited on as wide a geographical basis as is possible.

Atlantic City "A"

United States

The Board of Directors shall appoint and fix the compensation of a Managing Director of the Fund and one or more Assistant Managing Directors. The Managing Director shall be chief of the operating staff of the Fund and shall be a member ex officio of the Board of Directors.

Atlantic City "B"

Cuba

(c) The Board of Directors shall hold an annual meeting and such other meetings as may be provided for by the Board or convened by the Executive Committee. Meetings of the Board shall be convened by the Executive Committee whenever requested by five member countries. Annual meetings shall not be held in the same country more than once in five years.

Atlantic City "C"

United Kingdom

(e) The Chief Assistants of the General Manager shall be appointed by the Directorate, on the proposal of the General Manager. The General Manager and his Chief Assistants shall be appointed under contract determinable by six months' notice on either side. The continuance of the service of each of these officials shall be considered by the Directorate after every period of 5 years.

(f) The Chairman, the General Manager and all the members of the staff shall be paid such salaries and expenses and serve under such conditions as the Directorate may determine.

Atlantic City "D"

United Kingdom

(d) The General Manager shall conduct, under the general direction of the Chairman, the ordinary business of the Fund's work. Subject to the general control of the Directorate, he shall be responsible for internal organization and the appointment and dismissal of subordinate staff. The General Manager shall be responsible to the Directorate for the accounts.

Article XII
Organization and Management
Articles of Agreement

Section 5. Voting

(a) Each member shall have two hundred fifty votes plus one additional vote for each part of its quota equivalent to one hundred thousand United States dollars.

(b) Whenever voting is required under Article V, Section 4 or 5, each member shall have the number of votes to which it is entitled under (a) above, adjusted:

- (i) by the addition of one vote for the equivalent of each four hundred thousand United States dollars of net sales of its currency up to the date when the vote is taken, or
- (ii) by the subtraction of one vote for the equivalent of each four hundred thousand United States dollars of its net purchases of the currencies of other members up to the date when the vote is taken

provided, that neither net purchases nor net sales shall be deemed at any time to exceed an amount equal to the quota of the member involved.

(c) For the purpose of all computations under this Section, United States dollars shall be deemed to be of the weight and fineness in effect on July 1, 1944, adjusted for any uniform change under Article IV, Section 7, if a waiver is made under Section 8(d) of that Article.

(d) Except as otherwise specifically provided, all decisions of the Fund shall be made by a majority of the votes cast.

Joint Statement

2. The distribution of voting power on the board and the executive committee shall be closely related to the quotas.

3. Subject to II, 2 and IV, 5, all matters shall be settled by a majority of the votes.

Alternative A

U.S. Each member shall have two hundred fifty votes plus one additional vote for each part of its quota equivalent to one hundred thousand United States dollars of the weight and fineness in effect on July 1, 1944.

Whenever a vote is required under Article III, each member shall be entitled to a number of votes modified from its normal number:

(a) By the addition of one vote for the equivalent of each two hundred thousand United States dollars of the weight and fineness in effect on July 1, 1944 of net sales of its currency by the Fund (adjusted for its net transactions in gold), and

(b) By the subtraction of one vote for the equivalent of each two hundred thousand such United States dollars of its net purchases of the currencies of other member countries from the Fund (adjusted for its net transactions in gold).

Except as otherwise specifically provided all matters before the Fund shall be decided by a majority of the aggregate votes cast.

Alternative B

U.K. On the Board of Governors the number of votes which each governor can cast shall be related to the quota of the member appointing the governors;

A quorum for the Board shall consist of not less than two-thirds of the total voting power of the governors.

Atlantic City "A"

United States

Each member country shall have two hundred fifty votes plus one additional vote for each part of its quota equivalent to one hundred thousand United States dollars of the weight and fineness in effect on July 1, 1944.

Whenever a vote is required under Article III, each member country shall be entitled to a number of votes modified from its normal number:

- (a) By the addition of one vote for the equivalent of each two hundred thousand United States dollars of the weight and fineness in effect on July 1, 1944 of net sales of its currency by the Fund (adjusted for its net transactions in gold), and
- (b) By the subtraction of one vote for the equivalent of each two hundred thousand such United States dollars of its net purchases of the currencies of other member countries from the Fund (adjusted for its net transactions in gold).

Except as otherwise specifically provided all matters before the Fund shall be decided by a majority of the aggregate votes cast.

Atlantic City "B"

United Kingdom

(a) On the General Council the number of votes which each Councillor can cast shall be related to the quota of the member appointing the Councillor;

Where under the Statutes a special majority (e.g. four-fifths, etc.) of votes is required for a decision taken by the Council, this means four-fifths of the total voting power.

A quorum for the Council shall consist of not less than two-thirds of the total voting power of the Councillors.

Article XII
Organization and Management
Articles of Agreement

Section 6. Distribution of net income

(a) The Board of Governors shall determine annually what part of the Fund's net income shall be placed to reserve and what part, if any, shall be distributed.

(b) If any distribution is made, there shall first be distributed a two percent non-cumulative payment to each member on the amount by which seventy-five percent of its quota exceeded the Fund's average holdings of its currency during that year. The balance shall be paid to all members in proportion to their quotas. Payments to each member shall be made in its own currency.

Alternative A

U.S. & U.K.

The Fund shall determine annually what part of its net income shall be placed to reserve and what part, if any, shall be distributed.

If any part is distributed, two percent non-cumulative shall be paid, as a first charge against the distribution of any year, to each member on the average amount during the year by which 75 percent of its quota exceeds the holdings by the Fund of its currency; and the balance to the members in proportion to their quotas. Payments to each member shall be made in its own currency.

Atlantic City "A"

United States

Net income of the Fund shall be distributed annually in the following manner:

- (1) Fifty per cent to surplus until the surplus is equal to ten per cent of the aggregate quotas;
- (2) Such amount to each member country as will give it a return of two per cent on the average amount during the year by which seventy-five per cent of its quota exceeds the holdings of the Fund of its currency; and
- (3) The balance to the member countries in proportion to their quotas.

When the surplus has reached ten per cent of the aggregate quotas, all of the net income shall be distributed to the member countries as provided in (2) and (3) above. Payments to each member country shall be made in its own currency.

Article XII
Organization and Management
Articles of Agreement

Section 7. Publication of reports

(a) The Fund shall publish an annual report containing an audited statement of its accounts, and shall issue, at intervals of three months or less, a summary statement of its transactions and its holdings of gold and currencies of members.

(b) The Fund may publish such other reports as it deems desirable for carrying out its purposes.

Alternative A

Section 5. Publication of Reports

U.S.&
U.K.

The Fund shall publish an annual report containing an audited statement of its accounts and shall issue at intervals of three months or less, a summary statement of its transactions and its holdings of gold and currencies of members.

The Fund may publish such other reports as it deems desirable for carrying out its purposes and policies.

Atlantic City "A"

United States

The Fund shall publish an annual report containing an audited statement of its accounts and shall issue at intervals of three months or less, a summary statement of its transactions and its holdings of gold and currencies of member countries.

The Fund may publish such other reports as it deems desirable for carrying out its purposes and policies.

Article XII
Organization and Management
Articles of Agreement

Section 8. Communication of views to members

The Fund shall at all times have the right to communicate its views informally to any member of any matter arising under this Agreement. The Fund may, by a two-thirds majority of the total voting power, decide to publish a report made to a member regarding its monetary or economic conditions and developments which directly tend to produce a serious disequilibrium in the international balance of payments of members. If the member is not entitled to appoint an executive director, it shall be entitled to representation in accordance with Section 3 (j) of this Article. The Fund shall not publish a report involving changes in the fundamental structure of the economic organization of members.

Alternative A

Section 12. Consideration of Representations of the Fund.

U.S.

The Fund may make representations to a member on monetary or economic conditions and developments in such member which tend, or may tend, to produce a serious disequilibrium in the international balance of payments of members. A representative of the member country involved shall participate in the preparation of the Fund's representations. The Fund shall not make representations which would involve changes in the fundamental structure of the economic organization of members.

Alternative B

U.K.

The Fund shall have at all times the right to communicate its views informally to any member of any matter arising under this Agreement.

Atlantic City "A"

United States

Each member country shall give consideration to the views and recommendations of the Fund on any existing or proposed monetary or economic policy of such member country which tends, or may tend, to produce a serious disequilibrium in the international balance of payments of member countries.

Atlantic City "B"

U.S.S.R.

The Fund may make presentation to a member country on any existing or proposed monetary or economic policy of such member country which tends, or may tend to produce a serious disequilibrium in the international balance of payments of member countries.

The Fund shall not make such presentations which would require changes in the fundamental structure of the economic organization of a member country.

ARTICLE XIII

OFFICES AND DEPOSITORIES

Articles of Agreement

Section 1. Location of offices

The principal office of the Fund shall be located in the territory of the member having the largest quota, and agencies or branch offices may be established in the territories of other members.

Alternative A

Section 9. Location of Offices.

U.S. The principal office of the Fund shall be located in the member having the largest quota, and agencies or branch offices may be established in any member or members.

Alternative B

U.K. The location of the principal office of the Fund shall be decided by the Fund at the first meeting of the Board of Governors, which shall take place in the territory of the member having the largest quota.

Atlantic City "A"

United States

The principal office of the Fund shall be located in the member country having the largest quota, and agencies or branch offices may be established in any member country or member countries.

Article XIII
Offices and Depositories
Articles of Agreement

Section 2. Depositories

(a) Each member country shall designate its central bank as a depository for all the Fund's holdings of its currency, or if it has no central bank it shall designate such other institution as may be acceptable to the Fund.

(b) The Fund may hold other assets, including gold, in the depositories designated by the five members having the largest quotas and in such other designated depositories as the Fund may select. Initially, at least one-half of the holdings of the Fund shall be held in the depository designated by the member in whose territories the Fund has its principal office and at least forty percent shall be held in the depositories designated by the remaining four members referred to above. However, all transfers of gold by the Fund shall be made with due regard to the costs of transport and anticipated requirements of the Fund. In an emergency the Executive Directors may transfer all or any part of the Fund's gold holdings to any place where they can be adequately protected.

Alternative A

U.S. & U.K. Section 6. Depositories.

(a) Each member country shall designate its central bank as a depository for all the Fund's holdings of its currency or, if it has no central bank, it shall designate such other institution as may be acceptable to the Fund.

U.S. only (b) The Fund may hold other assets, including gold, in designated depositories in the four members having the largest quotas and in such other depositories as the Fund may select. At least one-half of the holdings of gold of the Fund shall be held in the designated depository in the member in which the Fund has its principal office. In an emergency, the Executive Directors may transfer all or any part of the Fund's holdings of gold to any place where it can be adequately protected.

Alternative B

(Substitute for (b) under Section 6 of Alternative A)

U.K.

(b) Sums payable to the Fund in gold shall be placed at the disposal of the Fund at a depository indicated by the Fund. In indicating a depository the Fund shall pay regard to the convenience of the member, the costs of transport, and the expected requirements of the Fund. Gold and assets other than holdings of currency belonging to the Fund may be held in or moved to any depository as the Fund may determine.

Alternative C

U.S.S.R. (Substitute the following for subdivision (b) of Alternative A)

(b) Other assets of the Fund, including gold, shall be held in designated depositories, as a general rule, in the four member countries having the largest quotas.

About one-half of the holding of gold of the Fund shall be deposited in the designated depository in the country in which the Fund has its principal office.

Alternative D

(Supplement to Alternative A, section 6-b)

U.S.S.R. At least one half of the holdings of gold of the Fund shall be held in the designated depository in the member in which the Fund has its principal office, and 40% of the holdings of gold of the Fund shall be held in the designated depositories in the remaining three members having the largest quotas.

Alternative E

(Substitute for Section 6(b) of Alternative A)

Committee (b) The Fund may hold other assets, including gold, in designated depositories in the five members having the largest quotas and in such other depositories as the Fund may select. Initially at least one-half of the holdings of the Fund shall be held in the designated depository in the member in which the Fund has its principal office and at least 40 percent of the holdings shall be held in the other principal four depositories. However, all transfers of gold by the Fund shall be made with due regard to the costs of transport and expected requirements of the Fund. In an emergency the Executive Directors may transfer all or any part of the Fund's holdings of gold to any place where it can be adequately protected.

Atlantic City "A"

United States

(a) Each member country shall designate as a depository for the Fund its central bank or, if it has no central bank, such other institution as may be acceptable to the Fund. The holdings of the Fund of the currency of each member country in an amount not less than that deemed by the Fund to be necessary for its operations, shall be deposited in an account in the name of the Fund in the depository in that country.

The Fund shall accept from any member country in lieu of any part of the currency of that country not needed by the Fund in its operations, notes or other form of indebtedness, issued by the Government of the country, which shall be non-negotiable, non-interest bearing and payable at their par value on demand by a credit to the currency account of the Fund in that country.

(b) The Fund may hold other assets, including gold, in designated depositories in the four member countries having the largest quotas and in such other depositories as the Fund may select. At least one-half of the holdings of gold of the Fund shall be deposited in the designated depository in the country in which the Fund has its principal office.

Atlantic City "B"

Netherlands

(b) Other assets of the Fund, including gold, shall be held in designated depositories, as a general rule, in the four member countries having the largest quotas.

About one half of the holding of gold of the Fund shall be deposited in the designated depository in the country in which the Fund has its principal office.

Article XIII
Offices and Depositories
Articles of Agreement

Section 3. Guarantee of the Fund's assets.

Each member guarantees all assets of the Fund against loss resulting from failure or default on the part of the depository designated by it.

Alternative A

U.S. & U.K. All assets of the Fund shall be guaranteed by each member against loss resulting from failure or default on the part of the depository designated by such member.

Atlantic City "A"

United States

All assets of the Fund shall be guaranteed by the member countries against loss resulting from failure or default on the part of depositories in such member countries.

ARTICLE XIV

TRANSITIONAL PERIOD
Articles of Agreement

Section 1. Introduction

The Fund is not intended to provide facilities for relief or reconstruction or to deal with international indebtedness arising out of the war.

Section 2. Exchange restrictions

In the post-war transitional period members may, notwithstanding the provisions of any other articles of this Agreement, maintain and adapt to changing circumstances (and, in the case of members whose territories have been occupied by the enemy, introduce where necessary) restrictions on payments and transfers for current international transactions. Members shall, however, have continuous regard in their foreign exchange policies to the purposes of the Fund; and, as soon as conditions permit, they shall take all possible measures to develop such commercial and financial arrangements with other members as will facilitate international payments and the maintenance of exchange stability. In particular, members shall withdraw restrictions maintained or imposed under this Section as soon as they are satisfied that they will be able, in the absence of such restrictions, to settle their balance of payments in a manner which will not unduly encumber their access to the resources of the Fund.

Section 3. Notification to the Fund

Each member shall notify the Fund before it becomes eligible under Article XX, Section 4 (c) or (d), to buy currency from the Fund, whether it intends to avail itself of the transitional arrangements in Section 2 of this Article, or whether it is prepared to accept the obligations of Article VIII, Sections 2, 3, and 4. A member availing itself of the transitional arrangements shall notify the Fund as soon thereafter as it is prepared to accept the above-mentioned obligations.

Section 4. Action of the Fund relating to restrictions

Not later than three years after the date on which the Fund begins operations and in each year thereafter, the Fund shall report on the restrictions still in force under Section 2 of this Article. Five years after the date on which the Fund begins operations, and in each year thereafter, any member still retaining any restrictions inconsistent with Article VIII, Sections 2, 3, or 4, shall consult the Fund as to their further retention. The Fund may, if it deems such action necessary in exceptional circumstances, make representations to any member that

conditions are favorable for the withdrawal of any particular restriction, or for the general abandonment of restrictions, inconsistent with the provisions of any other articles of this Agreement. The member shall be given a suitable time to reply to such representations. If the Fund finds that the member persists in maintaining restrictions which are inconsistent with the purposes of the Fund, the member shall be subject to Article XV, Section 2(a).

Section 5. Nature of transitional period

In its relations with members, the Fund shall recognize that the post-war transitional period will be one of change and adjustment and in making decisions on requests occasioned thereby which are presented by any member it shall give the member the benefit of any reasonable doubt.

JOINT STATEMENT

X. Transitional Arrangements

1. Since the Fund is not intended to provide facilities for relief or reconstruction or to deal with international indebtedness arising out of the war, the agreement of a member country to provisions III, 5 and IX, 3 above, shall not become operative until it is satisfied as to the arrangements at its disposal to facilitate the settlement of the balance of payments differences during the early post-war transition period by means which will not unduly encumber its facilities with the Fund.

2. During this transition period member countries may maintain and adapt to changing circumstances exchange regulations of the character which have been in operation during the war, but they shall undertake to withdraw as soon as possible by progressive stages any restrictions which impede multilateral clearing on current account. In their exchange policy they shall pay continuous regard to the principles and objectives of the Fund; and they shall take all possible measures to develop commercial and financial relations with other member countries which will facilitate international payments and the maintenance of exchange stability.

3. The Fund may make representations to any member that conditions are favorable to withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with IX, 3 above. Not later than 3 years after coming into force of the Fund any member still retaining any restrictions inconsistent with IX, 3 shall consult with the Fund as to their further retention.

4. In its relations with member countries, the Fund shall recognize that the transition period is one of change and adjustment, and in deciding on its attitude to any proposals presented by members it shall give the member country the benefit of any reasonable doubt.

Alternative A

U.S. & U.K. Section 1. Exchange Restrictions and Currency Arrangements and Practices Retained.

The Fund is not intended to provide facilities for relief or reconstruction or to deal with international indebtedness arising out of the war.

In the post-war transition period members may, notwithstanding the provisions of this Agreement, maintain and adapt to changing circumstances (and, in the case of countries which have been occupied by the enemy, introduce where necessary) restrictions on payments and transfers for current international transactions. In their foreign exchange policies, members shall pay continuous regard to the purposes of the Fund and, as soon as conditions permit, shall take all possible measures to develop commercial and financial arrangements with other members which will facilitate international payments and the maintenance of exchange stability. In particular, members shall withdraw such restrictions when they are satisfied that they could, in the absence of such restrictions, settle their balance of payments in a manner which will not unduly encumber their access to the resources of the Fund.

Section 2. After the effective date of this agreement but before it commences exchange transactions, members shall notify the Fund whether or not they intend to avail themselves of the transitional arrangements above, and whether they are prepared to accept the obligations of IX, 4, IX, 5 and IX, 6. At any subsequent date the member may notify the Fund of its acceptance of these obligations.

Not later than three years after the date on which the operations of the Fund commence and in each year thereafter the Fund shall report on the restrictions still in force under (1) above. Five years after the effective date of this agreement, and each year thereafter, any member still retaining any restrictions inconsistent with IX, 4, IX, 5 or IX, 6 shall consult the Fund as to their further retention. The Fund may, if necessary in exceptional circumstances, make representations to any member that conditions are favorable for the withdrawal of particular restrictions, or for the general abandonment of such restrictions as are inconsistent with other provisions of this Agreement. A member shall be given a suitable time to reply to such representations. If the Fund finds that a member persists in retaining restrictions which are inconsistent with the purposes of the Fund, the member may be declared ineligible to make use of the Fund's resources.

Section 3. In its relations with member countries, the Fund shall recognize that the post-war transition period will be one of change and adjustment and in making decisions on requests presented by any member it shall give the member the benefit of any reasonable doubt.

Atlantic City "A"

United States

Since the Fund is not intended to provide facilities for relief or reconstruction or to deal with international indebtedness arising out of the war, member countries, during the early post-war transition period, may, notwithstanding the provisions of III, 5 and IX, 3, 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 impede payments and transfers for international transactions on current account. They 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 member countries which will facilitate international payments and the maintenance of exchange stability.

United States

Atlantic City "B"

The Fund may at any time make representations to any member country that conditions are favorable for the withdrawal of particular restrictions on exchange transactions or particular arrangements and practices, or for the general abandonment of such restrictions, arrangements and practices which are inconsistent with III, 5 or IX, 3. Not later than three years after the date on which the operations of the Fund commence any member country still retaining restrictions, arrangements or practices inconsistent with III, 5 or IX, 3 shall consult with the Fund as to their further retention and shall retain them only with the approval of the Fund.

Atlantic City "C"

United Kingdom

After the establishment of the Fund, but before it commences operations, members shall notify the Fund whether or not they intend to avail themselves of the optional transitional arrangements under (1) or (2) above; and whether they are prepared to accept the obligations of IX (3) and (4). At any subsequent date a 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 (2) 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.

Atlantic City "D"

United States

In its relations with member countries, the Fund shall recognize that the early post-war transition period will be one of change and adjustment, and in making decisions in requests presented by any member country it shall give the benefit of any reasonable doubt to such country.

Atlantic City "E"

United Kingdom

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

ARTICLE XV

WITHDRAWAL FROM MEMBERSHIP
Articles of Agreement

Section 1. Right of members to withdraw.

Any member may withdraw from the Fund at any time by transmitting a notice in writing to the Fund at its principal office. Withdrawal shall become effective on the date such notice is received.

Joint Statement

1. A member country may withdraw from the Fund by giving notice in writing.

Alternative A

U.S. Section 1. Right of Members to Withdraw.

Any member may withdraw from the Fund at any time by serving written notice on the Fund at its principal office. Withdrawal shall become effective on the date such notice is received.

Alternative B

Australia A member country may withdraw from the Fund by giving notice in writing and the right of withdrawal shall not be prejudiced by membership of the Fund being made a condition of membership of any other international body.

Atlantic City "A"

United States

Any member country may withdraw from membership in the Fund at any time by serving written notice on the Fund at its principal office. Withdrawal shall become effective on the date such notice is received.

Atlantic City "B"

Australia

A member country may withdraw from the Fund by giving notice in writing and the right of withdrawal shall not be prejudiced by membership of the Fund being made a condition of membership of any other international body.

Article XV
Withdrawal from Membership
Articles of Agreement

Section 2. Compulsory withdrawal

(a) If a member fails to fulfill any of its obligations under this Agreement, the Fund may declare the member ineligible to use the resources of the Fund. Nothing in this Section shall be deemed to limit the provisions of Article IV, Section 6, Article V, Section 5, or Article VI, Section 1.

(b) If, after the expiration of a reasonable period the member persists in its failure to fulfill any of its obligations under this Agreement, or a difference between a member and the Fund under Article IV, Section 6, continues, that member may be required to withdraw from membership in the Fund by a decision of the Board of Governors carried by a majority of the governors representing a majority of the total voting power.

(c) Regulations shall be adopted to ensure that before action is taken against any member under (a) or (b) above, the member shall be informed in reasonable time of the complaint against it and given an adequate opportunity for stating its case, both orally and in writing.

Alternative A

U.S. & U.K.

Section 2. If a member fails to fulfill any of its obligations under Article IX ~~or~~ other appropriate Articles, if any, may be mentioned here/ or acts otherwise in a manner which is contrary to the purposes of the Fund, the Fund may declare the member ineligible to use the resources of the Fund.

Section 2a. If, after the expiration of a reasonable period the member persists in its failure to fulfill any of its obligations under Article IX, or continues to act in a manner which is contrary to the purposes of the Fund, or a difference between a member and the Fund under Article IV, Section 6, continues, that member may be required to withdraw from membership in the Fund by a decision of the Board of Governors carried by a majority of the governors representing a majority of the aggregate voting power.

Section 2b. The Board of Governors shall make regulations securing that before action is taken against any member under Section 3, above, the member shall be informed in reasonable time and given a proper opportunity for stating its case.

Atlantic City "A"

United States

A member country failing to meet any of its obligations under this Agreement may be suspended from membership by decision of a majority of the member countries, each of which for this purpose shall have one vote, to be cast by its director or alternate. At the end of one year from the date of suspension, the country shall automatically cease to be a member of the Fund unless a majority of the member countries, voting in the same manner as for suspension, has previously restored the country to good standing.

While under suspension, a country shall be denied all the privileges of membership except that of withdrawal, but shall be subject to all its obligations.

Atlantic City "B"

United Kingdom

If the Fund finds that a member persists, after having received a special notice from the Fund, in acting in a manner inconsistent with the purposes and policies of the Fund, the Fund may, at its option, either:

- (a) give notice that the member is suspended from making further use of the Fund's resources without the approval of the Fund, or
- (b) require that member to withdraw from the Fund.

Article XV
Withdrawal from Membership
Articles of Agreement

Section 3, Settlement of accounts with members withdrawing

When a member withdraws from the Fund, normal transactions of the Fund in its currency shall cease and settlement of all accounts between it and the Fund shall be made with reasonable despatch by agreement between it and the Fund. If agreement is not reached promptly, the provisions of Schedule D shall apply to the settlement of accounts.

SCHEDULE D

Settlement of Accounts with Members Withdrawing

1. The Fund shall be obligated to pay to a member withdrawing an amount equal to its quota, plus any other amounts due to it from the Fund, less any amounts due to the Fund, including charges accruing after the date of its withdrawal; but no payment shall be made until six months after the date of withdrawal. Payments shall be made in the currency of the withdrawing member.
2. If the Fund's holdings of the currency of the withdrawing member are not sufficient to pay the net amount due from the Fund, the balance shall be paid in gold, or in such other manner as may be agreed. If the Fund and the withdrawing member do not reach agreement within six months of the date of withdrawal, the currency in question held by the Fund shall be paid forthwith to the withdrawing member. Any balance due shall be paid in ten half-yearly installments during the ensuing five years. Each such installment shall be paid, at the option of the Fund, either in the currency of the withdrawing member acquired after its withdrawal or by the delivery of gold.
3. If the Fund fails to meet any installment which is due in accordance with the preceding paragraphs, the withdrawing member shall be entitled to require the Fund to pay the installment in any currency held by the Fund with the exception of any currency which has been declared scarce under Article VII, Section 3.
4. If the Fund's holdings of the currency of a withdrawing member exceed the amount due to it, and if agreement on the method of settling accounts is not reached within six months of the date of withdrawal, the former member shall be obligated to redeem such excess currency in gold or, at its option, in the currencies of members which at the time of redemption are convertible. Redemption shall be made at the parity existing at the time of withdrawal from the Fund. The withdrawing member shall complete redemption within five years of the date of withdrawal, or within such longer period as may be fixed by the Fund, but shall not be required to remain in any half-yearly period more than one-tenth of the Fund's excess holdings of its currency at the date of withdrawal plus further acquisitions of the currency during such half-yearly period. If the withdrawing member does not fulfill this obligation, the Fund may in an orderly manner liquidate in any market the amount of currency which should have been redeemed.

5. Any member desiring to obtain the currency of a member which has withdrawn shall acquire it by purchase from the Fund, to the extent that such member has access to the resources of the Fund and that such currency is available under 4 above.

6. The withdrawing member guarantees the unrestricted use at all times of the currency disposed of under 4 and 5 above for the purchase of goods or for payment of sums due to it or to persons within its territories. It shall compensate the Fund for any loss resulting from the difference between the par value of its currency on the date of withdrawal and the value realized by the Fund on disposal under 4 and 5 above.

7. In the event of the Fund going into liquidation under Article XVI, Section 2, within six months of the date on which the member withdraws, the account between the Fund and that government shall be settled in accordance with Article XVI, Section 2, and Schedule E.

Joint Statement

2. The reciprocal obligations of the Fund and the country are to be liquidated within a reasonable time.

3. After a member country has given notice in writing of its withdrawal from the Fund, the Fund may not dispose of its holdings of the country's currency except in accordance with the arrangements made under 2, above. After a country has given notice of withdrawal, its use of the resources of the Fund is subject to the approval of the Fund.

Alternative A

Section 3. Settlement of Accounts with Governments Ceasing to be Members.

U.S.

(a) When a government ceases to be a member in any of the cases referred to in sections ___ above, settlement of all accounts between the Fund and such government shall be made with reasonable dispatch by agreement between the Fund and the government. The Fund shall not engage in any transactions in the currency of such country except in accordance with this Section.

(b) The Fund shall be obligated to pay to such government an amount equal to its quota, plus any other amounts due to it from the Fund, less any amounts due to the Fund from such government, including charges accruing after the government ceases to be a member; but no payment shall be made prior to six months from the date when such government ceases to be a member. Payments shall be made in the currency of that country.

(c) If the Fund's holdings of the currency of such country are not sufficient to pay the net amounts due from the Fund, the balance shall be paid in gold, or in a manner to be agreed between the Fund and such government. If the Fund and the government have not reached agreement within

six months from the date of withdrawal, the currency of that country held by the Fund shall immediately be paid to the government. The balance shall be paid in 12 quarterly installments during the following 3 years. Each such installment shall be paid in the currency of the country acquired by the Fund since the date of withdrawal or by the delivery of gold.

(d) If the Fund fails to meet any payment due in accordance with the preceding paragraphs, the government shall be entitled to acquire from the Fund against the amount then due to it from the Fund the currency of any member held by the Fund, which has not been declared scarce under Article VI, Section 2 (J.S. VI, 2).

(e) If the Fund's holdings of the currency of such country exceed the amount due to such government, and the Fund and the government do not reach agreement on the method of settling their accounts within six months from the date of withdrawal, settlement shall be made as provided in this and the following paragraphs. The government shall be obligated to redeem such excess currency in gold or in the currencies of members which at the time of actual redemption are convertible under Article III, Section 6 (J.S. III,5) within three years from the date of withdrawal, or such longer period as may be fixed by the Fund. Such redemption shall not be effected at a rate in any quarterly period greater than one-twelfth of the Fund's excess holdings at the date of withdrawal of the currency to be redeemed plus current accruals of such currency during such quarterly period. If the Government fails to redeem such excess currency in this manner, the Fund may liquidate in any market that currency at the same rate in an orderly manner. The withdrawing government unconditionally guarantees at all times the unrestricted use of such currency for the purchase of goods or for the payment of other sums due to it or to its nationals. Further, the withdrawing government shall indemnify the Fund against any loss resulting from exchange depreciation until such currency has been used or redeemed.

(f) Any member desiring to obtain the currency of a former member shall acquire the currency by purchase from the Fund, to the extent that such member has access to the resources of the Fund and such currency is available under the preceding paragraph.

(g) In the event of the Fund going into liquidation under ... within six months of the date upon which any government ceases to be a member, all rights and obligations of such government shall be determined in accordance with the provisions governing liquidation instead of the provisions of this section.

Alternative B

Belgium Section 3. (a) When a government ceases to be a member in any of the cases referred to in sections ___ above, settlement of all accounts between the Fund and such governments shall, with reasonable dispatch, be made in accordance with (b) and (c) below.

(b) The Fund shall be obligated to pay to such government an amount equal to its quota, plus any other amounts due to it from the Fund, less any amounts due to the Fund from such government, including charges accruing after the government ceases to be a member; but no payment shall be made prior to six months from the date when such government ceases to be a member.

(c) Payments shall be made in the member's currency and if the Fund's holdings in that currency are not sufficient, in gold and in the other currencies held by the Fund, in accordance with the principles governing liquidation of the Fund (section 4 below) and as if liquidation took place at the day of the member's withdrawal.

(d) If the Fund's holdings of the currency of such country exceed the amount due to such government, that government shall be obligated to redeem such excess currency in gold or in the currencies of members which at the time of actual redemption are convertible under Article III, Section 6 (J.S. III,5) within three years from the date of withdrawal, or such longer period as may be fixed by the Fund. Such redemption shall not be effected at a rate in any quarterly period greater than one-twelfth of the Fund's excess holdings at the date of withdrawal of the currency to be redeemed plus current accruals of such currency during such quarterly period. If the Government fails to redeem such excess currency in this manner, the Fund may liquidate in any market that currency at the same rate in an orderly manner. The withdrawing government unconditionally guarantees at all times the unrestricted use of such currency for the purchase of goods or for the payment of other sums due to it or to its nationals. Further, the withdrawing government shall indemnify the Fund against any loss resulting from exchange depreciation until such currency has been used or redeemed.

(e) Any member desiring to obtain the currency of a former member shall acquire the currency by purchase from the Fund, to the extent that such member has access to the resources of the Fund and such currency is available under the preceding paragraph.

Alternative C

U.K. Section 3. Settlement of Accounts with Governments Ceasing to
be Members.

(a) When a government ceases to be a member in any of the cases referred to in sections ____ above, settlement of all accounts between the Fund and such government shall be made with reasonable dispatch by agreement between the Fund and the government. Failing such agreement, settlement shall be made in accordance with the provisions of (c), (d) and (e). The Fund shall not engage in any transactions in the currency of such country except in accordance with this section.

(b) The Fund shall be obligated to pay to such government an amount equal to its quota, plus any other amounts due to it from the Fund, less any amounts due to the Fund from such government, including charges accruing after the government ceases to be a member; but no payment shall be made prior to six months from the date when such government ceases to be a member. Payments shall be made in the currency of that country.

(c) If the Fund's holdings of the currency of the withdrawing member are not sufficient to pay the net amount due from the Fund, the balance shall be paid in a manner to be agreed between the Fund and the withdrawing member. If the Fund and the withdrawing member have not reached agreement within six months from the date of withdrawal, the currency of that member held by the Fund shall immediately be paid to it. The balance shall be payable in not less than 12 equal quarterly installments in any currency available in the Fund and not declared scarce and desired by the withdrawing government, or at the option of the Fund, by the delivery of gold.

(The preceding paragraph replaces (c) and (d) of Alternative A.)

(e) If the Fund's holdings of the currency of such country exceed the amount due to such government, and the Fund and the government do not reach agreement on the method of settling their accounts within six months from the date of withdrawal, settlement shall be made as provided in this and the following paragraphs.

(i) The withdrawing member shall be free to redeem such excess currencies in gold or in the currencies of members which at the time of actual redemption are convertible under III (6) (J.S. III 5.) within three years from the date of withdrawal or such longer period which may be fixed by the Fund.

(ii) The Fund may place any portion of the remaining balance of the withdrawing member's currency at the disposal of any member desiring it at a rate in any quarterly period not exceeding one-twelfth of the Fund's excess holdings at the date of withdrawal of the currency to be redeemed plus current accruals of such currency during such quarterly period.

(iii) If at the end of five years any balance of the withdrawing member's currency still remains in the hands of the Fund, the Fund may continue the arrangements under (i) and (ii) above for a further period, or the Fund having regard to the means of payment available to the withdrawing member may prescribe to it the manner in which it shall liquidate the balance.

(iv) The withdrawing government unconditionally guarantees at all times the unrestricted use of such currency for the purchase of goods or for the payment of other sums due to it or to its nationals. Further, the withdrawing government shall indemnify the Fund against any loss resulting from exchange depreciation until such currency has been used or redeemed.

(f) Any member desiring to obtain the currency of a former member shall acquire the currency by purchase from the Fund, to the extent that such member has access to the resources of the Fund and such currency is available under the preceding paragraph.

(g) In the event of the Fund going into liquidation under within six months of the date upon which any government ceased to be a member, all rights and obligations of such government shall be determined in accordance with the provisions governing liquidation instead of the provisions of this section.

Atlantic City "A"

United States

When a country ceases to be a member, settlement of reciprocal accounts between the Fund and such country shall be made with reasonable dispatch, not to exceed three years from the date the country ceases to be a member.

The Fund shall be obligated to pay to such country the amount of its quota plus any other amounts due it from the Fund, less any amounts due to the Fund from such country - including charges accruing after the country ceases to be a member - but no payment shall be made before six months from the date it ceased to be a member. Such payments shall be made in the currency of the country held by the Fund and, in the event the holdings of such currency are insufficient, the remainder shall be paid in gold or in such other manner as may be agreed. Currency of the country to be used to meet the Fund's obligations to it shall be set aside for that purpose; but no payment shall be made to the country until the Fund's holdings of its currency in excess of the Fund's obligations to the country are redeemed.

If the Fund and the country do not reach agreement promptly on the method of settling their account, the country shall be obligated to redeem such excess currency in gold or in gold-convertible exchange within a period of not less than three years to be determined by the Fund. Pending redemption by the country of its excess currency, but not before six months from the date the country ceases to be a member, the Fund may liquidate such currency in an orderly manner in any market; and the country unconditionally guarantees the unrestricted use of such currency in the purchase of goods or in the payment of other obligations to it or to its nationals. The country further guarantees such currency against exchange depreciation until it has been used or redeemed.

Any member country desiring to obtain the currency of a former member country shall acquire the currency, if available, by purchase from the Fund.

In the event the Fund goes into liquidation within six months of the date upon which any country ceases to be a member, all rights of such member shall be determined by the provisions governing liquidation instead of the provisions governing settlement of accounts with countries ceasing to be members of the Fund.

Atlantic City "B"

United Kingdom

3. On the withdrawal of a member under (1) or (2) above, the reciprocal obligations of the Fund and the member are to be liquidated within a reasonable time.

4. On the withdrawal of a member under (1) or (2) above, the Fund may not dispose of the member's currency except in accordance with arrangements made under (3) above. After the withdrawal of a member under (1) or (2) above, its use of the resources of the Fund is subject to the approval of the Fund.

ARTICLE XVI

EMERGENCY PROVISIONS

Articles of Agreement

Section 1. Temporary suspension

(a) In the event of an emergency or the development of unforeseen circumstances threatening the operations of the Fund, the Executive Directors by unanimous vote may suspend for a period of not more than one hundred twenty days the operation of any of the following provisions:

- (i) Article IV, Sections 3 and 4(b)
- (ii) Article V, Sections 2, 3, 7, 8(a) and (f)
- (iii) Article VI, Section 2
- (iv) Article XI, Section I

(b) Simultaneously with any decision to suspend the operation of any of the foregoing provisions, the Executive Directors shall call a meeting of the Board of Governors for the earliest practicable date.

(c) The Executive Directors may not extend any suspension beyond one hundred twenty days. Such suspension may be extended, however, for an additional period of not more than two hundred forty days, if the Board of Governors by a four-fifths majority of the total voting power so decides, but it may not be further extended except by amendment of this Agreement pursuant to Article XVII.

(d) The Executive Directors may, by a majority of the total voting power, terminate such suspension at any time..

Article XVI
Emergency Provisions
Articles of Agreement

Section 2. Liquidation of the Fund

(a) The Fund may not be liquidated except by decision of the Board of Governors. In an emergency, if the Executive Directors decide that liquidation of the Fund may be necessary, they may temporarily suspend all transactions, pending decision by the Board.

(b) If the Board of Governors decides to liquidate the Fund, the Fund shall forthwith cease to engage in any activities except those incidental to the orderly collection and liquidation of its assets and the settlement of its liabilities, and all obligations of members under this Agreement shall cease except those set out in this Article, in Article XVIII, paragraph (c), in Schedule D, paragraph 7, and in Schedule E.

(c) Liquidation shall be administered in accordance with the provisions of Schedule E.

SCHEDULE E

Administration of Liquidation

1. In the event of liquidation the liabilities of the Fund other than the repayment of subscriptions shall have priority in the distribution of the assets of the Fund. In meeting each such liability the Fund shall use its assets in the following order:-

- (a) the currency in which the liability is payable;
- (b) gold;
- (c) all other currencies in proportion, so far as may be practicable, to the quotas of the members.

2. After the discharge of the Fund's liabilities in accordance with 1 above, the balance of the Fund's assets shall be distributed and apportioned as follows:

- (a) The Fund shall distribute its holdings of gold among the members whose currencies are held by the Fund in amounts less than their quotas. These members shall share the gold so distributed in the proportions of the amounts by which their quotas exceed the Fund's holdings of their currencies.

- (b) The Fund shall distribute to each member one-half the Fund's holdings of its currency but such distribution shall not exceed fifty percent of its quota.
- (c) The Fund shall apportion the remainder of its holdings of each currency among all the members in proportion to the amounts due to each member after the distributions under (a) and (b) above.

3. Each member shall redeem the holdings of its currency apportioned to other members under 2(c) above, and shall agree with the Fund within three months after a decision to liquidate upon an orderly procedure for such redemption.

4. If a member has not reached agreement with the Fund within the three-month period referred to in 3 above, the Fund shall use the currencies of other members apportioned to that member under 2(c) above to redeem the currency of that member apportioned to other members. Each currency apportioned to a member which has not reached agreement shall be used, so far as possible, to redeem its currency apportioned to the members which have made agreements with the Fund under 3 above.

5. If a member has reached agreement with the Fund in accordance with 3 above, the Fund shall use the currencies of other members apportioned to that member under 2(c) above to redeem the currency of that member apportioned to other members which have made agreements with the Fund under 3 above. Each amount so redeemed shall be redeemed in the currency of the member to which it was apportioned.

6. After carrying out the preceding paragraphs, the Fund shall pay to each member the remaining currencies held for its account.

7. Each member whose currency has been distributed to other members under 6 above shall redeem such currency in gold or, at its option, in the currency of the member requesting redemption, or in such other manner as may be agreed between them. If the members involved do not otherwise agree, the member obligated to redeem shall complete redemption within five years of the date of distribution, but shall not be required to redeem in any half-yearly period more than one-tenth of the amount distributed to each other member. If the member does not fulfill this obligation, the amount of currency which should have been redeemed may be liquidated in an orderly manner in any market.

8. Each member whose currency has been distributed to other members under 6 above guarantees the unrestricted use of such currency at all times for the purchase of goods or for payment of sums due to it or to persons in its territories. Each member so obligated agrees to compensate other members for any loss resulting from the difference between the par value of its currency on the date of the decision to liquidate the Fund and the value realized by such members on disposal of its currency.

Alternative A

#Section 4. Liquidation of the Fund

U.S.

(a) The Fund may not be liquidated except after a decision taken by a majority of the aggregate votes in the Board of Governors. In an emergency, if the Executive Directors decide that liquidation of the Fund may be necessary, they may by a majority vote temporarily suspend all transactions of the Fund, pending an opportunity for further consideration and action by the Board of Governors.

(b) If a decision to liquidate the Fund is carried, the Fund shall forthwith cease to engage in any activities except those incident to an orderly liquidation of its assets and the settlement of its liabilities.

(c) The liabilities of the Fund, other than the repayment of quotas, shall have priority in the distribution of the assets of the Fund. In meeting each such liability the Fund shall use its holdings of the currency in which the liability is due. If these holdings are insufficient, it shall use its gold. If this is insufficient to complete the payment, it shall draw on the currencies held by the Fund as far as possible in proportion to the quotas of the members.

(d) The net assets of the Fund available after the discharge of the above liabilities shall be distributed as follows:

(i) The Fund shall divide its holdings of the currency of each member by the quota of such member and thus ascertain the percentages resulting from this division. The members with regard to whose currency this division produces the lowest and second lowest percentages are hereafter referred to as the members having the lowest and second lowest percentages respectively.

- (ii) All members shall have returned to them in their own currencies a proportion of their quotas equal to the lowest percentage ascertained under (i).
- (iii) There shall then be returned to the member having the second lowest percentage the remainder of its currency held by the Fund. The member having the lowest percentage whose currency held by the Fund has been exhausted under (ii) above shall have returned to it in gold a percentage of its quota equal to the percentage of quota returned to the member having the second lowest percentage. Alternatively, if there is not sufficient gold, then the currency of the member having the second lowest percentage shall be divided between it and the member having the lowest percentage in such manner that each will have been repaid the same proportion of its quota. All other members shall have returned to them amounts in their respective currencies which represent a like proportion of their quotas.
- (d) Distribution of the available assets shall be continued on the principles established above until all available currencies have been exhausted.
- (e) Each member shall redeem its own currency held by another member as a result of the liquidation of the Fund. Redemption shall be made in gold or in such other manner as may be agreed by the members. Unless the members involved otherwise agree, redemption shall be made within three years but shall not be effected at a rate in any quarterly period greater than one-twelfth of the amount distributed to any other member. If the member fails to redeem its currency in this manner, the currency may be disposed of in any market at the same rate in an orderly manner. Each member who is under an obligation to redeem its currency under this paragraph, unconditionally guarantees at all times the unrestricted use of such currency for the purpose of goods or for the payment of other sums due to it or to its nationals. Further, each member agrees to make good any loss resulting from the exchange depreciation of its currency until it has been used or redeemed.

Alternative B

U.K. Article VIII, Section 4. Liquidation of the Fund.

Substitute for (d) of Section 4 of Alternative A:

"The assets of the Fund available after the discharge of the above liabilities shall be distributed in such manner as the Board of Governors shall decide to be most equitable in the circumstances then existing."

Alternative C

Belgium (The following has been suggested as an alternative for Section 4, paragraph (d) of Alternative A, page 37)

Section 4. (d) The net assets of the Fund remaining shall be distributed as follows:

- (i) Each country shall have a prior claim up to its quota on its own currency held by the Fund.
- (ii) Each of the remaining assets of the Fund (gold and currencies) shall be divided proportionately amongst all countries whose quotas have not been reimbursed as per (i) in relation to the amounts still due to them on their quotas.

Alternative D

Committee (a) The Fund may not be liquidated except after a decision taken by a majority of the aggregate votes in the Board of Governors. In an emergency, if the Executive Directors decide that liquidation of the Fund may be necessary, they may by a majority vote temporarily suspend all transactions of the Fund, pending an opportunity for further consideration and action by the Board of Governors.

(b) If a decision to liquidate the Fund is carried, the Fund shall forthwith cease to engage in any activities except those incident to an orderly liquidation of its assets and the settlement of its liabilities.

(c) The liabilities of the Fund, other than the repayment of quotas, shall have priority in the distribution of the assets of the Fund. In meeting each such liability the Fund shall use its holdings of the currency in which the liability is due. If these holdings are insufficient, it shall use its gold. If this is insufficient to complete the payment, it shall draw on the currencies held by the Fund as far as possible in proportion to the quotas of the members.

(d) The net assets of the Fund available after the discharge of the above liabilities shall be distributed as follows:

- (i) The Fund shall distribute its holdings of gold among the countries whose currencies the Fund holds in amounts less than their quotas in proportion to the amounts by which the quotas exceed the Fund's holdings of those currencies.
- (ii) The Fund shall distribute to each member one-half of the Fund's holdings of the currency of that member but not to exceed 50 percent of the quota of the member.
- (iii) The remainder of the Fund's holdings of the currency of each member shall be divided among all the members in proportion to the amounts still due to them.

(e) Each member shall redeem its own currency held by other members as a result of the liquidation of the Fund. Each member shall agree with the Fund upon an orderly procedure for the redemption of its currency, and pending such agreement the Fund may withhold distribution of the member's share of the division of the Fund's holdings of currencies in accordance with (d)(iii) above, and it may apply such share to the redemption of the member's currency on an equitable basis. The Fund shall immediately apply the currencies apportioned to each member whose share is not withheld under the preceding sentence, in redeeming the currency of that member divided among other members.

(f) Currencies held by members as a result of this division after the redemption undertaken in accordance with (e) above, shall be redeemed in gold or in the currency of the country requesting redemption, or in such other manner as may be agreed by the members. If the members involved do not otherwise agree, redemption shall be made within five years but shall not be effected at a rate in any semi-annual period greater than one-tenth of the amount distributed to any other member. If the member fails to redeem its currency in this manner, the currency may be disposed of in any market at the same rate in an orderly manner. Each member who is under an obligation to redeem its currency under this paragraph, unconditionally guarantees at all times the unrestricted use of such currency for the purchase of goods or for the payment of other sums due to it or to its nationals. Further, each member agrees to make good any loss resulting from the exchange depreciation of its currency until it has been used or redeemed.

Atlantic City "A"

United States The Fund may be voted into liquidation only by a majority of the aggregate votes. In an emergency, the Executive Committee may by a majority vote temporarily suspend all transactions of the Fund pending an opportunity for further consideration and action by the Board.

Upon being voted into liquidation, the Fund shall forthwith cease engaging in any activities except those incident to an orderly liquidation of its assets and the settlement of its obligations.

The obligations of the Fund, other than the repayment of quotas, shall be a prior claim on all the assets of the Fund. In meeting each such obligation the Fund shall use its holdings of the currency in which the obligation is due. If these holdings are insufficient, it shall use its gold. If this is insufficient to complete the payment, the remainder shall be covered by drawing on the currencies held by the Fund as far as possible in proportion to the quotas of those countries.

The net assets of the Fund remaining shall be distributed as follows:

- (a) The Fund shall determine a percentage for each country by dividing its holdings of the currency of such country by the quota of such country.
- (b) All countries shall have returned to them in their own currencies a proportion of their quotas equal to the smallest percentage determined in (a).
- (c) The country having the next lowest percentage under (a) above shall then have returned to it the remainder of its currency held by the Fund and the country whose currency holdings have been exhausted shall have returned to it an equivalent proportion of its quota in gold. If there is not sufficient gold, then the currency of the country having the second lowest percentage shall be divided between the two countries in such manner that each will have

been repaid the same proportion of its quota. All other countries shall have paid to them amounts in their respective currencies which represent the same proportion of their quotas.

- (d) Further distributions shall be made in the manner provided in (c) above until the currencies of all countries have been exhausted.

Each member country shall redeem in gold or gold-convertible exchange its currency held by another member country as a result of liquidation. Such redemption shall be made with reasonable dispatch and, in any event, within three years unless the member country receiving such currency shall extend the period. Pending redemption of such currency in the aforesaid manner, a member country receiving it may liquidate it in any market at a rate not to exceed in any quarterly period one-twelfth of the amount held, and the member country obligated to redeem such currency unconditionally guarantees its unrestricted use in the purchase of goods or in the payment of other obligations to such country or to its nationals. Such country further guarantees such currency against exchange depreciation until it has been used or redeemed as aforesaid.

Article XVII
Amendments
Articles of Agreement

(a) Any proposal to introduce modifications in this Agreement, whether emanating from a member, a governor or the Executive Directors, shall be communicated to the chairman of the Board of Governors who shall bring the proposal before the Board. If the proposed amendment is approved by the Board the Fund shall, by circular letter or telegram, ask all members whether they accept the proposed amendment. When three-fifths of the members, having four-fifths of the total voting power, have accepted the proposed amendment, the Fund shall certify the fact by a formal communication addressed to all members.

(b) Notwithstanding (a) above, acceptance by all members is required in the case of any amendment modifying

- (i) the right to withdraw from the Fund (Article XV, Section 1);
- (ii) the provision that no change in a member's quota shall be made without its consent (Article III, Section 2);
- (iii) the provision that no change may be made in the par value of a member's currency except on the proposal of that member (Article IV, Section 5(b)).

(c) Amendments shall enter into force for all members three months after the date of the formal communication unless a shorter period is specified in the circular letter or telegram.

Alternative A

U.S. & U.K. Any governor or executive director desiring to introduce modifications in this Agreement shall communicate his proposal to the Chairman of the Board of Governors who shall bring the proposal before the Board of Governors. If the proposed amendment is approved by the Board of Governors by a majority of the aggregate votes, the Fund shall prepare a protocol, by dated circular letter, to the governments of all the members asking whether they accept the proposed modifications. When the governments of members having four-fifths of the aggregate votes, have accepted the proposed amendment, or, in the case of modifications of the right to withdraw from the Fund, when the governments of all of

the members have accepted, the Fund shall certify the fact by means of a proces verbal, which it shall communicate to the governments of all members. The protocol will enter into force between all members three months from the date of the proces verbal unless a shorter period is specified in the protocol.

Alternative B

(Add the following to Alternative A)

U.K.

Notwithstanding the foregoing provisions (of Alternative A) amendments may be made to the following provisions of this Agreement, namely (unimportant provisions will be inserted later) by a four-fifths majority vote of the Board of Governors.

Atlantic City "A"

United States

Any member country which desires to introduce modifications in this Agreement shall communicate its proposals to the Fund. The Fund, if four-fifths of the aggregate votes deem it advisable, shall prepare a protocol, by dated circular letter, to the governments of all the member countries, asking whether they accept the proposed modifications. When the governments of member countries having four-fifths of the aggregate votes, have acceded, the Fund shall certify the fact by means of a proces verbal, which it shall communicate to the governments of all the member countries. The protocol will enter into force between all the member countries three months from the date of the proces verbal, unless a shorter period is specified in the protocol.

Atlantic City "B"

United Kingdom

The Council shall have power to repeal, amend or add to the provisions of these Statutes by decisions taken by a 3/5 majority except that

- (a) a decision concurred in by all Councillors shall be required for _____
- (b) the Council shall have no power by any repeal, amendment or addition to _____.

Article XVIII
Interpretation
Articles of Agreement

(a) Any question of interpretation of the provisions of this Agreement arising between any member and the Fund or between any members of the Fund shall be submitted to the Executive Directors for their decision. If the question particularly affects any member not entitled to appoint an executive director it shall be entitled to representation in accordance with Article XII, Section 3(j).

(b) In any case where the Executive Directors have given a decision under (a) above, any member may require that the question be referred to the Board of Governors, whose decision shall be final. Pending the result of the reference to the Board the Fund may, so far as it deems necessary, act on the basis of the decision of the Executive Directors.

(c) Whenever a disagreement arises between the Fund and a member which has withdrawn, or between the Fund and any member during liquidation of the Fund, such disagreement shall be submitted to arbitration by a tribunal of three arbitrators, one appointed by the Fund, another by the member or withdrawing member and an umpire who, unless the parties otherwise agree, shall be appointed by the President of the Permanent Court of International Justice or such other authority as may have been prescribed by regulation adopted by the Fund. The umpire shall have full power to settle all questions of procedure in any case where the parties are in disagreement with respect thereto.

Alternative A

U.S. All questions of interpretation of the provisions of this Agreement between two or more member countries shall be resolved by the Fund. Whenever a disagreement arises between the Fund and a country which has ceased to be a member, or between the Fund and any member country after liquidation of the Fund, such disagreement shall be submitted to arbitration.

Alternative B

U.K. (1) All questions which arise involving doubts or differences relating to the interpretation of the provisions of this Agreement shall be submitted to the Executive Directors of the Fund for their opinion. If the question is one which involves a dispute affecting particularly one (or more) member(s) and that (or those) member(s) are not represented among the Executive Directors by a Director appointed by it (or

Atlantic City "A"

United States

All disagreements between two or more member countries concerning the interpretation of any of the provisions of this Agreement or of any amendments thereto, or of any rules, regulations or by-laws promulgated by the Fund, shall be settled by the Fund. Whenever a disagreement arises between the Fund and a country which has ceased to be a member, or between the Fund and any member country after liquidation of the Fund, such disagreement shall be submitted to arbitration.

Atlantic City "B"

United Kingdom

(1) The Fund shall have at all times the right to tender informal advice to any member on any matter arising under these statutes.

(2) All questions which arise involving doubts or differences relating to the interpretation of the provisions of these Statutes shall be submitted to the Directorate of the Fund for their opinion. If the question is one which involves a dispute affecting particularly one (or more) member(s) and that (or those) member(s) are not represented on the Directorate by a Director appointed by it (or them) then that (or those) member(s) may appoint a representative to take part in the discussions of this question in the Directorate on the same footing as the Directors.

(3) In any case where the Directorate has given an opinion under para. (2) above, a member may require that the question be submitted to the Council and the opinion of the Council is final. Pending the result of the reference to the Council, the Fund may (so as is necessary) act on the basis of the opinion of the Directorate.

them) then that (or those) member(s) may appoint a representative to take part in the discussions of this question of the Executive Directors on the same footing as the Directors.

(2) In any case where the Executive Directors have given an opinion under paragraph (1) above, a member may require that the question be submitted to the Board and the opinion of the Board is final. Pending the result of thereference to the Board of Governors, the Fund may (so as is necessary) act on the basis of the opinion of the Executive Directors.

ARTICLE XIX

EXPLANATION OF TERMS
Articles of Agreement

In interpreting the provisions of this Agreement the Fund and its members shall be guided by the following:

(a) A member's monetary reserves means its net official holdings of gold, of convertible currencies of other members, and of the currencies of such non-members as the Fund may specify.

(b) The official holdings of a member means central holdings (that is, the holdings of its Treasury, central bank, stabilization fund, or similar fiscal agency).

(c) The holdings of other official institutions or other banks within its territories may, in any particular case, be deemed by the Fund, after consultation with the member, to be official holdings to the extent that they are substantially in excess of working balances; provided that for the purpose of determining whether, in a particular case, holdings are in excess of working balances, there shall be deducted from such holdings amounts of currency due to official institutions and banks in the territories of members or non-members specified under (d) below.

(d) A member's holdings of convertible currencies means its holdings of the currencies of other members which are not availing themselves of the transitional arrangements under Article XIV, Section 2, together with its holdings of the currencies of such non-members as the Fund may from time to time specify. The term currency for this purpose includes without limitation coins, paper money, bank balances, bank acceptances, and government obligations issued with a maturity not exceeding twelve months.

(e) A member's monetary reserves shall be calculated by deducting from its central holdings the currency liabilities to the Treasuries, central banks, stabilization funds, or similar fiscal agencies of other members or non-members specified under (d) above, together with similar liabilities to other official institutions and other banks in the territories of members, or non-members specified under (d) above. To these net holdings shall be added the sums deemed to be official holdings of other official institutions and other banks under (c) above.

(f) The Fund's holdings of the currency of a member shall include any securities accepted by the Fund under Article III, Section 5.

(g) The Fund, after consultation with a member which is availing itself of the transitional arrangements under Article XIV, Section 2, may deem holdings of the currency of that member which carry specified rights of conversion into another currency or into gold to be holdings of convertible currency for the purpose of the calculation of monetary reserves.

(h) For the purpose of calculating gold subscriptions under Article III, Section 3, a member's net official holdings of gold and United States dollars shall consist of its official holdings of gold and United States currency after deducting central holdings of its currency by other countries and holdings of its currency by other official institutions and other banks if these holdings carry specified rights of conversion into gold or United States currency.

(i) Payments for current transactions means payments which are not for the purpose of transferring capital, and includes, without limitation:

- (1) All payments due in connection with foreign trade, other current business, including services, and normal short-term banking and credit facilities;
- (2) Payments due as interest on loans and as net income from other investments;
- (3) Payments of moderate amount for amortization of loans or for depreciation of direct investments;
- (4) Moderate remittances for family living expenses.

The Fund may, after consultation with the members concerned, determine whether certain specific transactions are to be considered current transactions or capital transactions.

Alternative A

U.S. & U.K. For the purpose of implementing the provisions of this Agreement, the following definitions shall be applied:

1. A member's "monetary reserves" consist of its net official holdings of gold, convertible currencies of other members, and such non-member currencies as the Fund may determine.

"Official holdings" include holdings by a member itself, and by its Central Bank and other official institutions, and also any holdings by other banks within its jurisdiction which, in the particular case, the Fund, after consultation with the member, regards as falling within the official category on the ground that they are substantially in excess of working balances.

2. A member's "official holdings of convertible currencies" consist of its official holdings of the currencies of other members who have accepted the obligation of convertibility under Article VIII, Section 2, together with its official holdings of such non-member currencies as the Fund may from time to time determine. The term "currency" for this purpose includes without limitation coins, notes, bank balances, bank acceptances, and Government obligations issued with a maturity of twelve months.

3. A member's "net official holdings of gold and convertible currencies" (that is, its monetary reserves) shall be calculated by deducting its liabilities which are the counterpart of other countries' official holdings of convertible currency (whether such countries be members or non-members specified under (2) above, from the sum of its own official holdings of gold and its own official holdings of convertible currencies.

4. In reckoning the Fund's holdings of a member's currency there is included also securities of the special type provided for in Article III, Section 5.

5. Notwithstanding that a member has not accepted the obligation of convertibility under Article VIII, Section 2, the Fund may rule that certain holdings of its currency, carrying specified rights of conversion into another currency or into gold, are to be regarded as holdings of convertible currency for the purpose of the calculation of monetary reserves.

6. For the purpose of calculating initial gold subscriptions under Article III, Sections 3 and 4, a member's "net official holdings

of gold and United States dollars" consist of its official holdings of gold and United States currency, after deduction of official holdings by other countries of its currency carrying specific rights of conversion into gold or United States currency.

7. The Committee decided that the definition of "current transactions" should include normal amortization and the repayment of short term credit arising out of the import of goods and services and that the extensive American proposal should be substituted for Professor Robertson's item 6. The Committee decided in particular that tourist expenditures and depreciation should be included.

8. International transactions on current account, unless the Fund determines otherwise, shall be deemed to include but without limitation:

- (i) payments due for goods currently imported or exported;
- (ii) payments due for shipping, insurance, banking and similar services, and payments for personal services;
- (iii) payments arising from travel and tourist expenditures;
- (iv) payments due for royalties on motion pictures, copyrights, patents and similar rights;
- (v) payments due as interest on loans, dividends on securities, and income from other property or business;
- (vi) payments due as taxes, fees and similar obligations to a government, its political sub-divisions, or its agencies;
- (vii) payments due on maturing obligations for the above where the obligations were incurred within one year; and
- (viii) other payments, such as reasonable amortization and depreciation, which the Fund may from time to time regard as due on transactions on current account.

Atlantic City "g"

United States

(a) The term "currency" means every form of medium of exchange used within a member country which is defined in terms of the monetary unit of such country, including without limitation:

- (1) All paper money and coin issued or coined in accordance with the laws of such country;
- (2) All demand deposits in banks within such country; and
- (3) All bills, notes or other form of indebtedness substituted by member countries for part of the Fund's holdings of their currencies.

(b) The term "gold-convertible exchange" means any foreign currency, as defined above, or any evidences of indebtedness expressed in such currency having maturities of less than one year, available for use by the monetary authorities of a country, directly or indirectly, for the purchase of gold.

(c) The term "official holding" means the holdings of a member country's government and central bank and of any governmental department, agency, establishment or corporation; without reduction for any liabilities, whether such liabilities are actual or potential, general or specific, external or internal.

All non-official holdings of gold and all non-official holdings of gold-convertible exchange in excess of one-fourth of the quota of the member country shall be deemed to be official holdings for the purposes of III, 7(a) and (b).

Atlantic City "B"

U.S.S.R.

Insert the following in place of subdivision (c) in the second "Section" of Alternative A:⁷

As holdings of gold and gold convertible exchange shall be considered the holdings of a member country's Central Bank and Treasury.

United Kingdom

Atlantic City "C"

(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

Atlantic City "C" (cont'd)

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 do 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.

Article XX
Final Provisions
Articles of Agreement

Section 1. Entry into force.

This Agreement shall enter into force when it has been signed on behalf of governments having sixty-five percent of the total of the quotas set forth in Schedule A and when the instruments referred to in Section 2(a) of this Article have been deposited on their behalf, but in no event shall this Agreement enter into force before May 1, 1945.

Alternative A

U.S. & U.K. Section 2. Entry into force.

As soon as this Agreement has been signed on behalf of Governments having sixty-five percent of the aggregate of the quotas set forth in Schedule A, this Agreement shall come into force between those Governments, which thereupon become members of the Fund.. Each Government on behalf this Agreement is signed after that time shall become a member of the Fund as from the date of its signature.

Atlantic City "A"

United States

As soon as the evidences of the acceptance of membership by countries having sixty-five percent of the aggregate quotas established in II, 1, have been deposited, this Agreement shall come into force in respect of such countries.

Thereafter this Agreement shall come into force between the countries which shall have accepted membership and each country which subsequently deposits its evidence of acceptance on the date of such deposit.

Article XX
Final Provisions
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Section 2. Signature

- (a) Each government on whose behalf this Agreement is signed shall deposit with the Government of the United States of America an instrument setting forth that it has accepted this Agreement in accordance with its law and has taken all steps necessary to enable it to carry out all of its obligations under this Agreement.
- (b) Each government shall become a member of the Fund as from the date of the deposit on its behalf of the instrument referred to in (a) above, except that no government shall become a member before this Agreement enters into force under Section 1 of this Article.
- (c) The Government of the United States of America shall inform the governments of all countries whose names are set forth in Schedule A, and all governments whose membership is approved in accordance with Article II, Section 2, of all signatures of this Agreement and of the deposit of all instruments referred to in (a) above.
- (d) At the time this Agreement is signed on its behalf, each government shall transmit to the Government of the United States of America one one-hundredth of one percent of its total subscription in gold or United States dollars for the purpose of meeting administrative expenses of the Fund. The Government of the United States of America shall hold such funds in a special deposit account and shall transmit them to the Board of Governors of the Fund when the initial meeting has been called under Section 3 of this Article. If this Agreement has not come into force by December 31, 1945, the Government of the United States of America shall return such funds to the governments that transmitted them.
- (e) This Agreement shall remain open for signature at Washington on behalf of the governments of the countries whose names are set forth in Schedule A until December 31, 1945.
- (f) After December 31, 1945, this Agreement shall be open for signature on behalf of the government of any country whose membership has been approved in accordance with Article II, Section 2.
- (g) By their signature of this Agreement, all governments accept it both on their own behalf and in respect of all their colonies, overseas territories, all territories under their protection, suzerainty, or authority and all territories in respect of which they exercise a mandate.

(h) In the case of governments whose metropolitan territories have been under enemy occupation, the deposit of the instrument referred to in (a) above may be delayed until one hundred eighty days after the date on which these territories have been liberated. If, however, it is not deposited by any such government before the expiration of this period the signature affixed on behalf of that government shall become void and the portion of its subscription paid under (d) above shall be returned to it.

(i) Paragraphs (d) and (h) shall come into force with regard to each signatory government as from the date of its signature.

Alternative A

Provisions Relating to Signature and
Entry into Force of the Agreement

U.S. & U.K. Section 1. Signature

(a) This Agreement shall remain open for signature at Washington on behalf of the Governments of the countries whose names are set forth in Schedule A, until _____, 19__.

(b) After _____, 19__, it shall be open for signature on behalf of the Government of any country whose membership has been approved in accordance with Article II, Section 1.

(c) By their signature of this Agreement all Governments accept it both on their own behalf and in respect of all of their colonies, overseas territories, all territories under their protection, suzerainty or authority and all territories in respect of which they exercise a mandate.

(d) Each Government that signs this Agreement will deposit with the Government of the United States of America an instrument setting forth that it has accepted this Agreement in accordance with its law and has taken all steps necessary to enable it to carry out all of its obligations under this Agreement.

(e) The Government of the United States of America shall inform the Government of all countries whose names are set forth in Schedule A, and all Governments whose membership is approved in accordance with Article II, Section 1 of all signatures of this Agreement.

(f) At the time this Agreement is signed on its behalf each Government shall transmit to the Government of the United States of America one-twentieth of one percent of its quota in gold or gold-convertible exchange for the purpose of meeting administrative expenses of the Fund. The Government of the United States of America shall hold such funds in a special deposit account and shall transmit them to the Board of Governors of the Fund when the initial meeting has been called under Section 3 of this Article. If the initial meeting has not been called by _____, 19____, the Government of the United States of America shall return such funds to the Governments that transmitted them.

Atlantic City "A"

United States

This Agreement shall be presented by the delegates to their respective governments for acceptance of membership. Each government that accepts membership shall sign this Agreement and, as soon as possible, deposit evidence of its acceptance with the Government of the United States of America, which shall transmit certified copies of all evidences of acceptance to the governments of all the countries represented at the United Nations Monetary and Financial Conference.

The Government of the United States of America shall also notify by telegram, cablegram or radiogram the governments of all of such countries immediately upon the deposit with it of each evidence of acceptance.

At the time it accepts membership, each government shall transmit to the Government of the United States of America one-twentieth of one percent of its quota in gold or gold-convertible exchange for the purpose of meeting administrative expenses. The Government of the United States of America shall hold such funds in a special deposit account and shall transmit them to the Board of Directors of the Fund when the initial meeting has been called. If the initial meeting has not been called by January 1, 19 , the Government of the United States of America shall return such funds to the government that transmitted them.

Article XX
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Section 3. Inauguration of the Fund

(a) As soon as this Agreement enters into force under Section 1 of this Article, each member shall appoint a governor and the member having the largest quota shall call the first meeting of the Board of Governors.

(b) At the first meeting of the Board of Governors, arrangements shall be made for the selection of provisional executive directors. The governments of the five countries for which the largest quotas are set forth in Schedule A shall appoint provisional executive directors. If one or more of such governments have not become members, the executive directorships they would be entitled to fill shall remain vacant until they become members, or until January 1, 1946, whichever is the earlier. Seven provisional executive directors shall be elected in accordance with the provisions of Schedule C and shall remain in office until the date of the first regular election of executive directors which shall be held as soon as practicable after January 1, 1946.

(c) The Board of Governors may delegate to the provisional executive directors any powers except those which may not be delegated to the Executive Directors.

Alternative A

Section 3. Organizing the Fund

U.S. & U.K.

(a) As soon as this Agreement comes into force under Section 2 of this Article each member shall appoint a Governor and the Government of the member having the largest quota shall call the first meeting of the Board of Governors.

(b) The Board of Governors shall at its first meeting elect the Executive Directors and arrange for the first meeting of the Executive Directors.

(c) As soon as possible after the first meeting of the Executive Directors has been held, the Managing Director shall be appointed and the Fund shall proceed to carry out the provisions of Section 4 of this article. Communications under that section addressed to the Fund and received before the Executive Directors have held their first meeting shall be entrusted to the Governor appointed by the member in whose territory the first meeting is held and shall be delivered by him to the Board of Governors or Executive Directors as the case may be.

Atlantic City "A"

United States Section . Calling the Initial Meeting of the Fund.

Immediately after receipt of the evidences of acceptance of countries having sixty-five percent of the aggregate quotas established in II, 1, the government of the country accepting membership which has the largest quota shall invite to the initial meeting of the Fund, to be held in that country sixty days after the date of such invitation, all of the countries which shall have accepted membership in the Fund. Such countries shall be represented at the meeting by the directors or alternates they appoint to the Board of Directors of the Fund.

Section . Agenda of the Initial Meeting.

At the initial meeting of the Board of Directors, the Board shall make provision for the organization of the Fund. In addition to such other action as it deems appropriate, it shall elect a chairman, elect an Executive Committee, and set a date for the operations of the Fund to begin, subject to Section 5 of this Article.

Atlantic City "B"

United Kingdom 1. When the Convention comes into force, the first meeting of the Council shall be held as soon as possible. The Councillor appointed by the Government in whose country the first meeting takes place shall take the Chair until the Council have appointed a Chairman.

2. The Council shall then proceed to the election of the Directorate and shall arrange for the first meeting of the Directorate to take place as soon as possible.

3. The Directorate at their first meeting shall appoint the Chairman and General Manager, shall request the payment by each member of such proportion of its subscription as is required, in the opinion of the Directorate, for the preliminary expenses of the Fund, and shall instruct the General Manager to make the necessary arrangements with regard to the taking of offices and the engaging of staff.

4. The Directorate shall then, as soon as may be, take steps to determine the par value of members' currencies in accordance with IV and the provisions of IV shall come into operation.

5. Thereafter the Directorate shall, as soon as seems to them expedient, call up such further proportion of the subscription of each member as in their judgment is immediately required to provide facilities currently required by members, and as from the date of this call the whole of the provision of this Statute shall come into operation.

6. For the purpose of taking action under 4 and 5 above, the assent of Directors representing four-fifths of the total voting power of the Directorate shall be required.

7. Thereafter the Directorate may, from time to time, call up such further instalments of the subscriptions due by members as may be required for the operation of the Fund.

Article XX
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Articles of Agreement

Section 4. Initial determination of par values

(a) When the Fund is of the opinion that it will shortly be in a position to begin exchange transactions, it shall so notify the members and shall request each member to communicate within thirty days the par value of its currency based on the rates of exchange prevailing on the sixtieth day before the entry into force of this Agreement. No member whose metropolitan territory has been occupied by the enemy shall be required to make such a communication while that territory is a theater of major hostilities or for such period thereafter as the Fund may determine. When such a member communicates the par value of its currency the provisions of (d) below shall apply.

(b) The par value communicated by a member whose metropolitan territory has not been occupied by the enemy shall be the par value of that member's currency for the purposes of this Agreement unless, within ninety days after the request referred to in (a) above has been received, (i) the member notifies the Fund that it regards the par value as unsatisfactory, or (ii) the Fund notifies the member that in its opinion the par value cannot be maintained without causing recourse to the Fund on the part of that member or others on a scale prejudicial to the Fund and to members. When notification is given under (i) or (ii) above, the Fund and the member shall, within a period determined by the Fund in the light of all relevant circumstances, agree upon a suitable par value for that currency. If the Fund and the member do not agree within the period so determined, the member shall be deemed to have withdrawn from the Fund on the date when the period expires.

(c) When the par value of a member's currency has been established under (b) above, either by the expiration of ninety days without notification, or by agreement after notification, the member shall be eligible to buy from the Fund the currencies of other members to the full extent permitted in this Agreement, provided that the Fund has begun exchange transactions.

(d) In the case of a member whose metropolitan territory has been occupied by the enemy, the provisions of (b) above shall apply, subject to the following modifications:

- (i) The period of ninety days shall be extended so as to end on a date to be fixed by agreement between the Fund and the member.
- (ii) Within the extended period the member may, if the Fund has begun exchange transactions, buy from the

Fund with its currency the currencies of other members, but only under such conditions and in such amounts as may be prescribed by the Fund.

(iii) At any time before the date fixed under (i) above, changes may be made by agreement with the Fund in the par value communicated under (a) above.

(e) If a member whose metropolitan territory has been occupied by the enemy adopts a new monetary unit before the date to be fixed under (d)(i) above, the par value fixed by that member for the new unit shall be communicated to the Fund and the provisions of (d) above shall apply.

(f) Changes in par values agreed with the Fund under this Section shall not be taken into account in determining whether a proposed change falls within (i), (ii), or (iii) of Article IV, Section 5(c).

(g) A member communicating to the Fund a par value for the currency of its metropolitan territory shall simultaneously communicate a value, in terms of that currency, for each separate currency, where such exists, in the territories in respect of which it has accepted this Agreement under Section 2(g) of this Article, but no member shall be required to make a communication for the separate currency of a territory which has been occupied by the enemy while that territory is a theater of major hostilities or for such period thereafter as the Fund may determine. On the basis of the par value so communicated, the Fund shall compute the par value of each separate currency. A communication or notification to the Fund under (a), (b) or (d) above regarding the par value of a currency, shall also be deemed, unless the contrary is stated, to be a communication or notification regarding the par value of all the separate currencies referred to above. Any member may, however, make a communication or notification relating to the metropolitan or any of the separate currencies alone. If the member does so, the provisions of the preceding paragraphs (including (d) above, if a territory where a separate currency exists has been occupied by the enemy) shall apply to each of these currencies separately.

(h) The Fund shall begin exchange transactions at such date as it may determine after members having sixty-five percent of the total of the quotas set forth in Schedule A have become eligible, in accordance with the preceding paragraphs of this Section, to purchase the currencies of other members, but in no event until after major hostilities in Europe have ceased.

(i) The Fund may postpone exchange transactions with any member if its circumstances are such that, in the opinion of the Fund, they would lead to use of the resources of the Fund in a manner contrary to the purposes of this Agreement or prejudicial to the Fund or the members.

(j) The par values of the currencies of governments which indicate their desire to become members after December 31, 1945, shall be determined in accordance with the provisions of Article II, Section 2.

Alternative A

Section 5. Fixing Initial Par Values.

U.S. & U.K. (a) Each member on whose behalf this Agreement is signed before January 1, 19___, shall communicate to the Fund not later than thirty days after the date on which this Agreement becomes binding on that member, the par value for its currency based on the de facto rates of exchange prevailing for its currency sixty days prior to the date on which this Agreement first comes into force. The par value so communicated shall be the par value of the member's currency for the purposes of the Fund, unless the member signifies within a period of ninety days from the date on which this Agreement became binding on that member that it regards such par value as unsatisfactory. In the case of a member whose territory has been occupied by the enemy, this period of ninety days may be extended by the Fund if the member so requests.

(b) If the Fund is of opinion that the par value thus indicated by the member cannot be sustained without recourse to the Fund on a scale damaging to the Fund and to other members, it shall so inform the member within after receipt of the communication from the member.

(c) When a member or the Fund signifies that the par value of a currency communicated under (a) above is unsatisfactory, the Fund and the member shall, during a period to be determined by the Fund in the light of all relevant circumstances, agree upon a suitable par value for the currency. If the Fund and the member do not agree within the period so determined, the member shall be deemed to have withdrawn from the Fund as of the date of the termination of such period.

(d) A member communicating to the Fund a par value for the currency of its metropolitan territory shall at the same time communicate a value, in terms of that currency, for each separate currency, where such exists, in the territories in respect of which it accepted this Agreement under Section _____. From the values so communicated,

the Fund shall compute the par value of each such separate currency. A member making a communication to the Fund under (c) above shall be deemed, unless it declares otherwise to be making a corresponding communication regarding the par values of such separate currencies. It shall, however, be open to any member to make a communication relating to the metropolitan or any of these separate currencies alone and if the member does so, the provisions of the preceding paragraphs shall apply to each of these currencies separately.

(e) The Fund shall begin exchange transactions at such date as it may determine after par values have been established for the currencies of members having sixty percent of the aggregate quotas set forth in Schedule A but in no event until after August 1, 1945 or after the expiration of one hundred fifty days from the date on which this Agreement first comes into force, whichever is the later.

Alternative B

Section 5. Fixing initial par values of occupied countries.
(Suggested modification of Article XIII, Section 5)

China

Any member country that has been occupied by the enemy in whole or in part shall be entitled to postpone communicating to the Fund the initial par value of its currency during a period to be agreed upon with the Fund. Pending agreement with the Fund upon the initial par value of its currency, a member country shall be entitled to buy from the Fund with its currency the currency of other member countries after agreement with the Fund upon a provisional initial rate of exchange, which may be changed by action of such country within a period and range to be agreed with the Fund, subject to the provisions of Article IV, Section 6.

Alternative C

Section 5. Fixing Initial Par Values.

U.S. & U.K.

(a) Each member on whose behalf this Agreement is signed before _____, shall, within 30 days of receiving notice from the Fund, communicate to it the par value for the member's currency based on the rates of exchange prevailing for its currency sixty days prior to the date on which this Agreement first comes into force, provided that no member shall be required so to communicate while its metropolitan territory is involved in major hostilities. The par value so communicated shall be the par value of the member's currency for the purposes of the Fund, unless the member signifies within ninety days after

receiving the notice above that it regards such par value as unsatisfactory. In the case of a member whose territory has been occupied by the enemy, the Fund may extend the period of ninety days, or, if the member so requests, it shall postpone during a period to be agreed between the member and the Fund the communication of the par value of the member's currency.

(b) If the Fund is of opinion that the par value thus indicated by the member cannot be sustained without recourse to the Fund on a scale damaging to the Fund and to other members, it shall so inform the member within the ninety-day period mentioned in (a) above.

(c) When a member or the Fund signifies that the par value of a currency communicated under (a) above is unsatisfactory, the Fund and the member shall, during a period to be determined by the Fund in the light of all relevant circumstances, agree upon a suitable par value for that currency. If the Fund and the member do not agree within the period so determined, the member shall be deemed to have withdrawn from the Fund as of the date of the termination of such period.

(d) A member communicating to the Fund a par value for the currency of its metropolitan territory shall at the same time communicate a value, in terms of that currency, for each separate currency, where such exists, in the territories in respect of which it accepted this Agreement under Section _____. From the values so communicated, the Fund shall compute the par value of each such separate currency. A member making a communication to the Fund under (c) above shall be deemed, unless it declares otherwise, to be making a corresponding communication regarding the par values of such separate currencies. It shall, however, be open to any member to make a communication relating to the metropolitan or any of these separate currencies alone and, if the member does so, the provisions of the preceding paragraphs shall apply to each of these currencies separately.

(e) Notwithstanding the other provisions of this Agreement, a member that has been occupied by the enemy may agree with the Fund, either in respect of a metropolitan currency or of a separate currency mentioned above, upon a provisional initial rate of exchange, following which such member may buy from the Fund with its currency the currency of other members, but only under conditions and in amounts to be prescribed by the Fund. Such provisional rate may be changed by agreement with the Fund.

(f) The Fund shall begin exchange transactions at such date as it may determine after par values have been established for the currencies of members having sixty percent of the aggregate quotas set forth in

Schedule A but in no event until after the Fund shall have found that major hostilities in the present war in its European phase have ceased. In no case shall the Fund undertake exchange transactions in a member's currency for which a final par value has not been determined or a provisional rate has not been agreed with the Fund.

(g) The Fund may defer initial exchange transactions with any member whose circumstances in the opinion of the Fund would lead to use of the resources of the Fund in a manner contrary to the purposes of this Agreement or damaging to the Fund or other members.

Alternative D

(Addition to Art. XIX, Section 4 of Doc. 351)

Norway To be inserted as last sentence of the Section commencing with "Notwithstanding":

In cases where a new occupied country adopts a new monetary unit, the par value of the new currency shall be valid in relation to the Fund from the date of its enforcement, unless the Fund takes action under (b) above, in which case the procedure prescribed in (c) shall be applied.

Alternative E

Committee

Section 5. Fixing Initial Par Values.

(a) Each member on whose behalf this Agreement is signed before _____, shall, within 30 days of receiving notice from the Fund, communicate to it the par value for the member's currency based on the rates of exchange prevailing for its currency sixty days prior to the date on which this Agreement first comes into force, provided that no member shall be required so to communicate while its metropolitan territory is involved in major hostilities.

(b) In the case of a member whose territory has not been occupied by the enemy the par value so communicated shall be the par value of the member's currency for the purposes of the Fund unless within ninety days after the notice in (a) has been received (1) the member signifies that it regards such par value as unsatisfactory, or (2) the Fund informs the member that it is of opinion that such par value cannot be sustained without recourse to the Fund on a scale damaging to the Fund and to other members. When a member or the Fund so signifies that the par value of a currency is unsatisfactory, the Fund and the member shall, during a period to be determined by the Fund in the light of all relevant

circumstances, agree upon a suitable par value for that currency. If the Fund and the member do not agree within the period so determined, the member shall be deemed to have withdrawn from the Fund as of the date of the termination of such period.

(c) When the par value of the currency of a member whose territory has not been occupied by the enemy has not been signified as unsatisfactory within ninety days, or, having been signified as unsatisfactory, has been agreed with the Fund, the member may buy from the Fund with its currency the currency of other members to the full extent permitted in Article _____, Section _____ provided that the Fund has begun exchange transactions in member currencies.

(d) In the case of a member whose territory has been occupied by the enemy its par value communicated in (a) above shall be the par value of the member's currency for the purposes of the Fund; but for a period to be determined by the Fund in consultation with the member such par value may be changed by agreement with the Fund, and the changes shall not affect the member's rights under Article _____, Section _____. After 90 days from the date on which the Fund notified the member under (a) to communicate its rate, and provided that the Fund has begun exchange transactions in member currencies, (1) the member may buy from the Fund with its currency the currency of other members, but only under conditions and in amounts to be prescribed by the Fund; or (2) if the member elects to be governed by the provisions of Article _____, Section _____, and providing the Fund agrees to the par value then in effect for its currency, the member may buy from the Fund with its currency the currency of other members to the full extent permitted in Article _____, Section _____. If the Fund does not agree to the par values then in effect for the member's currency, the procedure shall be the same as in (b) above.

(e) A member which has not communicated the par value for its currency to the Fund because its metropolitan territory is involved in major hostilities may, for such period as the Fund determines, refrain from communicating its par value after such hostilities have ceased. Until, however, such member communicates the par value of its currency to the Fund, the Fund shall not operate in its currency. When such member communicates the par value of its currency to the Fund, it shall be subject to the procedure described in (d) above.

(f) A country which undertakes to become a member of the Fund after the date mentioned in (a) shall agree with the Fund upon the par value of its currency before becoming a member.

(g) A member communicating to the Fund a par value for the currency of its metropolitan territory shall at the same time communicate a value, in terms of that currency, for each separate currency, where such exists, in the territories in respect of which it accepted this Agreement, under Section _____. From the values so communicated, the Fund shall compute the par value of each such separate currency. A member making a communication to the Fund regarding the par value of its currency, shall be deemed, unless it declares otherwise, to be making a corresponding communication regarding the par value of all the separate currencies circulating in the territory subject to its jurisdiction. It shall, however, be open to any member to make a communication relating to the metropolitan or any of these separate currencies alone and, if the member does so, the provisions of the preceding paragraphs shall apply to each of these currencies separately.

(h) The Fund shall begin exchange transactions at such date as it may determine after par values have been finally established for the currencies of members having sixty-five percent of the aggregate quotas set forth in Schedule A but in no event until after the Fund shall have found that major hostilities in the present war in its European phase have ceased.

(i) The Fund may defer initial exchange transactions with any member whose circumstances in the opinion of the Fund would lead to use of the resources of the Fund in a manner contrary to the purposes of this Agreement or damaging to the Fund or other members.

Alternative F

Norway

The Government of the United States and the Government of the United Kingdom will communicate to the Monetary Fund at its inauguration the initial par value of their respective currencies, expressed in terms of gold. Within one month, the other member countries wishing to adhere to the Fund, will make corresponding communications. Notwithstanding this rule, member countries that have been occupied by the enemy need not make a definitive communication in the above sense until the reconstruction of their monetary system has been completed, and the initial communication may be limited to giving a provisional par value. If the Board of Governors (Directors) of the Fund finds a communicated initial (or provisional) par value reasonable, such par value shall come into force immediately for the purpose of the Fund. If, however, the Board of Governors (Directors) should deem the communicated par value to be open to criticism, the question shall be the subject of further consideration with the member country in question, and the facilities of the Fund shall not be available to the member until agreement has been reached.

Atlantic City "A"

United States The official value on July 1, 1944, of the currency of each member country in terms of gold or gold-convertible currency shall be the par value of that currency for purposes of the Fund, unless either the Fund or the member country concerned signifies within a period of ninety days from the effective date of this Agreement that such par value for a given currency is unsatisfactory. If either so signifies, the Fund and the member country shall, during this period or during an extended period to be determined by the Fund in the light of all relevant circumstances of the member country, agree upon a suitable rate. If agreement between the member country and the Fund is not reached during such period, as extended, the member country shall be deemed to have withdrawn from the Fund as of the date of the termination of such period.

The Fund shall begin exchange transactions at such date as it may determine after par values have been established for the currencies of members having sixty percent of the aggregate quotas fixed in II, 1, but in no event until one-hundred twenty days after the effective date of this Agreement, or until the Fund shall have determined that major hostilities in the present conflict have ceased, whichever is the later. Exchange transactions in a currency, the par value of which has not become established when exchange transactions begin, shall begin when agreement has been reached with the Fund on a par value.

Atlantic City "B"

United Kingdom

1. The government of the U.K., and the Government of the United States will communicate to the Monetary Fund at its inauguration, the initial par value of their respective currencies, expressed in terms of gold. Within one month (or in the case of occupied countries, within one month of liberation) the other member countries wishing to adhere to the Convention will make corresponding communications. Notwithstanding this rule, member countries that have been occupied by the enemy need not make a definitive communication of the initial par value in the above sense until the reconstruction of their monetary system has been completed and the initial communication may be limited to giving a provisional par value. If the Directorate of the Fund finds a communicated initial or provisional par value reasonable, such par value shall come into force immediately for the purpose of the Fund. If, however, the Directorate should deem the communicated par value to be open to criticism, the question shall be the subject of further consideration with the member country in question, and the facilities of the Fund shall not be available to the member until agreement has been reached. All transactions between the Fund and members shall be at par subject to a fixed charge payable by the member making application to the Fund; and all transactions in member currencies shall be at the rates within an agreed percentage of parity.

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DONE at Washington, in a single copy which shall remain deposited in the archives of the Government of the United States of America, which shall transmit certified copies to all governments whose names are set forth in Schedule A and to all governments whose membership is approved in accordance with Article II, Section 2.

U.S. & U.K.

Alternative A

Signed in a single copy which shall remain deposited in the archives of the Government of the United States of America which shall transmit certified copies to all Governments whose names are set forth in Schedule A and to all Governments whose membership is approved in accordance with Article II, Section 1.

Atlantic City "A"

IN FAITH WHEREOF the undersigned have executed this Agreement.

Done at Washington in a single copy which will remain deposited in the archives of the United States of America, and of which certified copies will be transmitted through the diplomatic channel to the other countries represented at the United Nations Monetary and Financial Conference.