

EBS/83/237  
Supplement 4

CONFIDENTIAL

December 30, 1983

To: Members of the Executive Board  
From: The Acting Secretary  
Subject: Determination of the Rate of Remuneration - Alternative  
Approaches

The attached supplement on the alternative approaches to the determination of the rate of remuneration is scheduled for Executive Board consideration this afternoon, December 30, 1983.

Att: (1)

INTERNATIONAL MONETARY FUND

Determination of the Rate of Remuneration--Alternative Approaches

Prepared by the Treasurer's Department

(In consultation with the Legal Department)

Approved by David Williams

December 30, 1983

Method C presented in EBS/83/237, Supplement 3 has been revised on the basis proposed by Mr. Wicks and also to incorporate suggestions made by other Directors at EBM/83/185, as follows:

1. Effective May 1, 1984, the remuneration coefficient shall be raised by  $\{3/5\}$  percentage points.
2. The rate of remuneration shall be raised consistent with Article V, Section 9 (a) of the Articles of Agreement as and when the SDR interest rate declines. In each 12-month period starting January 1, 1984, the remuneration coefficient shall be increased each quarter by one percentage point for each one- $\{tenth/sixth\}$  of a percentage point that the SDR interest rate has declined, up to and including the week preceding the quarter, below the lower of (i) the rate applicable during the preceding week including December 31, or (ii) the rate in effect for the last day in the quarter preceding the last increase in the coefficient.
3. The operation of paragraph 2 above will be reviewed on the occasion of the reviews of the rate of charge under Rule I-6(4) and of the SDR interest rate under Rule T-1(d).
4. If the rate of charge would exceed the SDR interest rate, the Executive Board will review the remuneration coefficient, and in particular will consider whether the rate of remuneration should be set at 85 percent of the SDR interest rate or at the level that would reduce the rate of charge to the SDR interest rate in effect at the time of the review, whichever is higher.