

5. RATE OF REMUNERATION

Rule I-10 shall read as follows:

(a) The rate of remuneration shall be equal to 85 percent of the rate of interest on holdings of SDRs under Rule T-1 (hereafter referred to as the "SDR interest rate"). The relationship of the rate of remuneration to the SDR interest rate will be referred to as the "remuneration coefficient."

(b) Beginning April 30, 1984, the remuneration coefficient during each quarter shall be at the level determined under (1), (2), (3), and (4) below, but no higher than permitted by Article V, Section 9(a):

(1) During the period May 1, 1984 to April 30, 1987, the remuneration coefficient shall be the higher of (i) or (ii) below:

(i) The remuneration coefficient in effect on January 1, 1984 increased by 3.33 percentage points in each of the three financial years beginning May 1, 1984, May 1, 1985, and May 1, 1986;

(ii) The remuneration coefficient in effect on January 1, 1984, increased or decreased on the first day of each quarter by 1 percentage point for each 1/6 of 1 percentage point that the SDR interest rate on the day before the beginning of the quarter is below or above the SDR interest rate in effect on April 30, 1984, provided that the remuneration coefficient in any quarter in each of these three financial years shall not be more than 2.5 percentage points above the amount of the coefficient for that year as determined under (i) above.

(2) Following the adjustment in the remuneration coefficient on May 1, 1986, the rate of remuneration shall be reviewed before May 1, 1987. This review shall be conducted in the light of all the relevant considerations, including, in particular, the SDR interest rate and the rate of charge.

(3) Beginning May 1, 1987, the remuneration coefficient shall be the higher of (i) or (ii) below:

(i) The remuneration coefficient existing at the end of the preceding financial year;

(ii) A remuneration coefficient of 95 percent, increased or decreased on the first day of each quarter by 1 percentage point for each 1/6 of 1 percentage point that the SDR interest rate on the day before the beginning of a quarter is below or above the SDR interest rate on April 30, 1987, provided that the remuneration coefficient in any quarter of a financial year shall not be more than 2.5 percentage points above the level at the end of the preceding year.

(4) The rate of remuneration, while less than 100 percent of the SDR interest rate, shall be rounded to the nearest two decimal places.

(c) The operation of (b) above shall be reviewed on the occasion of the reviews of the rate of charge under Rule I-6(4) and the SDR interest rate under Rule T-1(d).

(d) If the rate of charge on holdings specified in Rule I-6(4) should exceed the SDR interest rate, the Executive Board shall review the remuneration coefficient, and, in particular, will consider whether the remuneration coefficient should be set, within the range in Article V, Section 9(a), at such a level as would permit the rate rate of charge to be set under Rule I-6(4) (a) or

(b) at the same level as the SDR interest rate referred to above and still meet the target amount of net income for the financial year.

Decision No. 7603-(84/3), adopted
January 6, 1984