

**IMMEDIATE
ATTENTION**

EBD/03/82

September 4, 2003

To: Members of the Executive Board

From: The Secretary

Subject: **Rules and Regulations Amended Since the 2002 Annual Meeting**

Attached for the Executive Board's consideration is a draft letter to the Chairman of the Board of Governors submitting for review by the Governors the text of the amendments to the Rules and Regulations adopted since the 2002 Annual Meeting. A proposed resolution for the Board of Governors is attached as Annex II.

It is not proposed to bring this matter to the agenda for discussion unless an Executive Director so requests by **noon on Tuesday, September 9, 2003**. In the absence of such a request, the letter and draft resolution will be deemed approved and it will be so recorded in the minutes of the next meeting thereafter.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

DRAFT

September 24, 2003

Dear Mr. Chairman:

In accordance with Section 16 of the By-Laws, the attached amendments of the Rules and Regulations adopted since the 2002 regular meeting (Annex I) are submitted for review by the Board of Governors. A draft resolution for approval by Governors appears in Annex II.

Rules G-4(a), I-2, O-6(b), O-6(c), and P-6(a) were amended by the Executive Board (with effect from April 25, 2003) to reflect, respectively, changes in the cut-off time for processing requests for purchases, the payment day for charges, the value date for exchange of currency, and the value date for settlement of SDR transactions by agreement.

The Executive Board has made no other changes in the Rules and Regulations since the last Annual Meeting.

Yours very truly,

/s/

Horst Köhler
Managing Director
and
Chairman of the Executive Board

Chairman of the Board of Governors
2003 Annual Meetings
International Monetary Fund

**RULES AND REGULATIONS AMENDED SINCE THE
2002 ANNUAL MEETINGS**

Rule G-4(a). Text as amended, effective April 25, 2003:

When a duly authenticated request is received for a purchase in accordance with Article V, Section 3, other than a reserve tranche purchase or a purchase under a stand-by or extended arrangement, the Fund shall promptly consider the request. Except when the Executive Board decides otherwise, instructions for a transfer of currency shall be given by the Fund on the day of its decision approving the purchase, unless such decision has been taken after the close of the business day, in which case instructions shall be given not later than the close of the first business day following the decision. When a request is received for a reserve tranche purchase of currency, or subject to (b) below for a purchase of currency in accordance with a stand-by or extended arrangement, the Fund's instructions to the appropriate depository to make the transfer shall be given not later than the close of the first business day following receipt of the request.

Rule I-2. Text as amended, effective April 25, 2003:

The Fund shall notify each member by cable, as soon as possible after July 31, October 31, January 31, and April 30, of the charges it owes to the Fund pursuant to Article V, Section 8(b) or (c) for the three calendar months ending on each such date. The charges shall be payable on the second business day following the dispatch of the notification.

Rule O-6(b). Text as amended, effective April 25, 2003:

The exchange rate for each currency for the purposes of (a) above shall be determined as of the date of dispatch of the Fund's instructions for the execution of the transaction or operation under (a) above, and if this rate cannot be used, the rate of the preceding day closest thereto that is practicable.

Rule O-6(c). Text as amended, effective April 25, 2003:

The value date for an exchange of currency under (a) above shall be the second business day after the date of the dispatch of the Fund's instructions under (b) above, or as early thereto as is practicable.

Rule P-6(a). Text as amended, effective April 25, 2003:

The exchange rate in a transaction by agreement between participants shall be determined under Rule O-2 as of the date of the agreement, unless the transaction is carried out at another exchange rate pursuant to authorization by the Fund under Article XIX, Section 7(b). Settlement shall take place on the date of the agreement or any business day within two business days from that date, as agreed between the participants.

DRAFT RESOLUTION

Amendments of the Rules and Regulations

RESOLVED:

That the Board of Governors of the Fund hereby notifies the Executive Board that it has reviewed the amendments of Rules G-4(a), I-2, O-6(b), O-6(c), and P-6(a), which have been made since the 2002 Annual Meeting, and has no changes to suggest.