

November 18, 1974

To: Members of the Executive Board

From: The Acting Secretary

Subject: Draft Amendments on Establishment of a Council -
Distribution and Delegation of Powers

Attached for consideration by the Executive Directors are eight tables dealing with the distribution and delegation of powers.

This subject will be brought to the agenda for discussion on a date to be announced.

INTERNATIONAL MONETARY FUND

Draft Amendments on Establishment of a Council:

Distribution and Delegation of Powers

Prepared by the Legal Department

Approved by Joseph Gold

November 14, 1974

Eight tables are attached to this memorandum:

68 Table 1 shows the powers that are conferred directly on the Board of Governors. These powers are inherently not subject to delegation. Some of them, however, have been expressly reserved under Article XII, Section 2(b) or Article XXVII(a)(1). Those that are expressly reserved are shown in the fourth column, but it must be emphasized that all powers conferred directly on the Board of Governors cannot be delegated unless there is an express power to delegate them. In the present Articles, no express power has been granted to the Board of Governors to delegate to the Executive Directors any powers directly conferred on the Board. Similarly, none of these powers could be delegated by the Board of Governors to the Executive Directors under the draft amendments in DAA/74/1, Suppl. 1. Under the draft amendments, however, certain powers could be delegated to the Council. These powers are shown in the last column.

Table 2 sets forth the residual powers of the Board of Governors that are reserved to the Board under the present Articles, so that they cannot be delegated to the Executive Directors. These reserved powers would continue to be not subject to delegation to the Executive Directors, but some of them would be subject to delegation to the Council under the draft amendments in DAA/74/1, Suppl. 1. The residual powers that cannot now and could not be delegated to the Executive Directors under the draft but would be delegable to the Council are shown in the last column.

Table 3 combines Tables 1 and 2, and thereby shows in the last column all the directly conferred and the reserved powers of the Board of Governors that could be delegated to the Council under the draft amendments in DAA/74/1, Suppl. 1.

Table 4 sets forth the non-reserved residual powers of the Board of Governors under the present Articles, i.e., all powers that are neither conferred directly on the Board or on any other organ nor reserved to the Board of Governors. In connection with this table, and Table 2, the following caveat that was included in DAA/74/1, Suppl. 2 (p.4) should be borne in mind:

-2-

"The 'residual' powers ... listed ... [are] subject, however, to the following important exceptions:

- (a) Residual powers reserved to the Board of Governors.
- (b) Implied powers (e.g., the power to invest as exercised in the past, to give technical assistance, to permit members to postpone the discharge of certain obligations).
- (c) Powers arising out of the obligations of members. For example, the obligation of members to collaborate with the Fund under Article IV, Section 4(a) for certain purposes means that the Fund has a power to collaborate with members for those purposes.
- (d) Powers that applied only to original members (e.g., the powers under Article III, Sections 3(b) and (d)).

Even apart from these exceptions, the list cannot be regarded as exhaustive. Many powers can be subdivided into component powers, including ancillary powers that are necessary for the exercise of a principal power."

All powers in Table 4 can be delegated to the Executive Directors and have been delegated to them by Section 15 of the By-Laws. It would be possible to delegate them to the Council as well under the draft amendments in DAA/74/1, Suppl. 1. If the same powers could be and were delegated to both the Executive Directors and the Council, there would nevertheless be a difference in the criteria that would determine whether powers should be exercised by an organ. Under Article XII, Section 3(a), the Executive Directors are responsible for "the conduct of the general operations of the Fund." The exercise of powers by the Council would be governed by Article XII, Section 3(b) of the draft amendments in DAA/74/1, Suppl. 1.

69

Table 5 lists the powers that are conferred directly on the Executive Directors under the present Articles. No change would be made in this list under the draft amendments in DAA/74/1, Suppl. 1.

Table 6 shows two new powers that would be conferred directly on the Executive Directors under the draft amendments. These powers involve certain relations of the Executive Directors to the Council.

Table 7 sets forth the powers that are conferred directly on the Managing Director. No change would be made under the draft amendments.

-3-

Table 8 lists in Part 1 the powers that would be conferred directly on the Council under the draft amendments; in Part 2 the powers conferred directly on the Board of Governors that the Board would be able to delegate to the Council under the draft amendments (see Table 1); and in Part 3 the residual powers of the Board of Governors that cannot be delegated to the Executive Directors under the present Articles and could not be delegated to them under the draft amendments but could be delegated to the Council under the draft amendments (see Table 2). In addition, under the draft amendments, the Board of Governors would be able to delegate to the Council any of the residual powers listed in Table 4.

Attachments: Tables 1 - 8

Table 1. Powers of the Board of Governors: Directly
Conferred Powers and their Delegability to the Council

No.	Articles of Agreement		Expressly reserved	Special majority (Proportion of total voting power)	DAA/74/1, Supl. 1: delegable to Council
	Description	Reference			
1	Select its chairman	XII - 2(a)		No	
2	Delegate powers of the Fund not expressly reserved	XII - 2(b)		No	
3	Provide for its meetings	XII - 2(c)		No	
4	Establish procedure for vote without meeting	XII - 2(f)		No	
5	Adopt rules and regulations, or authorize the Executive Directors to do so	XII - 2(g)		No	<u>71</u>
6	Determine remuneration of executive directors	XII - 2(i)		No	
7	Determine Managing Director's salary and terms of service	XII - 2(i)		No	
8	Increase number of elected executive directors	XII - 3(b)		4/5	
9	Adjust proportion of votes to elect executive directors following action under XII - 3(b)	XII - 3(d)		No	
10	Adopt regulations for representation of a member at meeting of Executive Directors	XII - 3(j)		No	

Table 1. (continued) Powers of the Board of Governors: Directly
Conferred Powers and their Delegability to the Council

No.	Articles of Agreement		Expressly reserved	Special Majority (proportion of total voting power)	DAA/74/1, Suppl.1: delegable to Council
	Description	Reference			
11	Determine distribution of net income of Fund	XII - 6(a) and XII - 2(b)(v)	X	No	
12	Require member to withdraw	XV - 2(b) and XII - 2(b)(vi)	X	majority of governors plus majority of total voting power	
72 13	Extend a suspension under XVI - 1(a) or XXIX - 1 beyond 120 days	XVI - 1(c)		4/5	X
14	Decide to liquidate the Fund	XVI - 2(a) and XII - 2(b)(vii)	X	No	
15	Approve amendment for submission to members for acceptance	XVII(a)		No	
16	Establish membership, procedures, and voting majorities of Committee on Interpretation	XVIII(b)		No	
17	Decide appeals from interpretations by Executive Directors	XVIII(b) and XII - 2(b)(viii)	X	85% for overruling decision of Committee on Interpretation	
18	Decide on allocations or cancellations for basic periods	XXIV - 2(a), (b), and (c), XXIV - 4(a), (d), and XXVII(a)(i)	X	85%	X
19	Make certain changes in decisions on allocations or cancellations because of unexpected major developments	XXIV - 3, XXIV - 4(a), (d), and XXVII(a)(i)	X	85%, except to decrease rates of allocation	X

-3-

Table 1. (continued) Powers of the Board of Governors: Directly Conferred Powers and their Delegability to the Council

No.	Articles of Agreement		Expressly reserved	Special majority (proportion of total voting power)	DAA/74/1, Supl.1: delegable to Council
	Description	Reference			
20	Request Managing Director to make proposal under XXIV - 4(a) <u>1/</u>	XXIV - 4(c)(iv)		No	
21	Determine eligibility of nonparticipant's governor to vote in Committee on Interpretation on Special Drawing Account	XXVII(c)		No	
22	Decide to liquidate Special Drawing Account	XXXI(a) and XXVII(a)(i)	X	No	<u>73</u>

1/ This power is also directly conferred on the Executive Directors, and would be directly conferred on the Council as well.

Table 2. Powers of the Board of Governors: Residual Powers Reserved to the Board of Governors 1/ and their Delegability to the Council

No.	Articles of Agreement		Special majority (proportion of total voting power)	DAA/74/1, Supl. 1: delegable to Council
	Description	Reference		
1	Admit new member and determine conditions of its admission	II - 2 and XII - 2(b)(i)	No	
2	Approve revision of quotas as result of general review	III - 2 and XII - 2(b)(ii)	85%	X
3	Approve adjustment of individual quotas	III - 2 and XII - 2(b)(ii)	4/5	X
4	Decide on payment or on mitigation of effects of payment of increases in quotas following general review	III - 4(c) and XII - 2(b)(ii)	85%	X
5 <u>74</u>	Approve uniform change of par values	IV - 7 and XII - 2(b)(iii)	85%	X
6	Decide, upon uniform changes of par values, not to apply provisions relating to maintenance of gold value of Fund's assets	IV - 8(d) and XII - 2(b)(iii)	85%	X
7	Revise provisions on repurchase and revise and supplement rules for distribution of repurchases among types of reserves	V - 7(d), Sched. B, and XII - 2(b)(ix)	85%	X
8	Make arrangements to cooperate with other international organizations (other than informal arrangements of a temporary or administrative character)	X and XII - 2(b)(iv)	No	X
9	Make transfers to general reserve from special reserve	XII - 6(c) and XII - 2(b)(x)	No	
10	Prescribe additional transactions or categories of transactions without designation	XXV - 2(b)(ii) and XXVII(a)(i)	85%	

-2-

Table 2. (continued) Powers of the Board of Governors: Residual Powers Reserved to the Board of Governors and their delegability to the Council

No.	Articles of Agreement		Special majority (proportion of total voting power)	DAA/74/1, Suppl. 1: delegable to Council
	Description	Reference		
11	Prescribe other holders and terms and conditions for operations between them and participants	XXIII - 3 and XXVII(a)(i)	85%	
12	Decide to adopt, modify, or abrogate rules for reconstitution	XXV - 6(b) and XXVII(a)(i)	85%	

1/ In addition to the powers enumerated in this table, the following seven directly conferred powers, as numbered in Table 1, have been expressly reserved to the Board of Governors: 11, 12, 14, 17, 18, 19, and 22.

Table 3. Powers of the Board of Governors:
Directly Conferred Powers and Residual
Powers Reserved to the Board of Governors,
and their Delegability to the Council

(Tables 1 and 2 Combined)

No.	Articles of Agreement		Non-delegable powers		Special ma- jority (propor- tion of total voting power)	DAA/74/1, Suppl. 1: delegable to Council
	Description	Reference	Directly con- ferred powers	Express- ly re- served powers		
1	Admit new member and determine condi- tions of its admission	II - 2 and XII - 2(b) (i)		X	No	
2	Approve revision of quotas as result of general review	III - 2 and XII - 2(b)(ii)		X	85%	X
3	Approve adjustment of individual quotas	III - 2 and XII - 2(b)(ii)		X	4/5	X
4	Decide on payment or on mitigation of effects of payment of increase in quotas following general review	III - 4(c) and XII - 2(b)(ii)		X	85%	X
5	Approve uniform change of par values	IV - 7 and XII - 2(b) (iii)		X	85%	X
6	Decide, upon uni- form changes of par values, not to ap- ply provisions re- lating to mainte- nance of gold value of Fund's assets	IV - 8(d) and XII - 2(b)(iii)		X	85%	X
7	Revise provisions on repurchase and revise and supple- ment rules for dis- tribution of repur- chases among types of reserves	V - 7(d), Sched. B, and XII - 2(b)(ix)		X	85%	X

-2-

Table 3. (continued) Powers of the Board of Governors:
 Directly Conferred Powers and Residual
 Powers Reserved to the Board of Governors
 and their Delegability to the Council

(Tables 1 and 2 Combined)

No.	Articles of Agreement		Non-delegable powers		Special majority (proportion of total voting power)	DAA/74/1, Suppl. 1: delegable to Council
	Description	Reference	Directly conferred powers	Expressly reserved powers		
8	Make arrangements to cooperate with other international organizations (other than informal arrangements of a temporary or administrative character)	X and XII - 2(b)(iv)		X	No	X
9	Select its chairman	XII - 2(a)	X		No	
10	Delegate powers of the Fund not expressly reserved	XII - 2(b)	X		No	
11	Provide for its meetings	XII - 2(c)	X		No	
12	Establish procedure for vote without meeting	XII - 2(f)	X		No	
13	Adopt rules and regulations, or authorize the Executive Directors to do so	XII - 2(g)	X		No	
14	Determine remuneration of executive directors	XII - 2(i)	X		No	
15	Determine Managing Director's salary and terms of service	XII - 2(i)	X		No	
16	Increase number of elected executive directors	XII - 3(b)	X		4/5	

77

Table 3. (continued) Powers of the Board of Governors:
 Directly Conferred Powers and Residual
 Powers Reserved to the Board of Governors
 and their Delegability to the Council

(Tables 1 and 2 Combined)

No.	Articles of Agreement		Non-delegable powers		Special majority (proportion of total voting power)	DAA/74/1, Suppl. 1: delegable to Council
	Description	Reference	Directly conferred powers	Expressly reserved powers		
17	Adjust proportion of votes to elect Executive Directors following action under XII - 3(b)	XII - 3(d)	X		No	
18	Adopt regulations for representation of a member at meeting of Executive Directors	XII - 3(j)	X		No	
78						
19	Determine distribution of net income of Fund	XII - 6(a) and XII - 2(b)(v)	X	X	No	
20	Make transfers to general reserve from special reserve	XII - 6(c) and XII - 2(b)(x)		X	No	
21	Require member to withdraw	XV - 2(b) and XII - 2(b)(vi)	X	X	majority of governors plus majority of total voting power	
22	Extend a suspension under XVI - 1(a) or XXIX - 1 beyond 120 days	XVI - 1(c)	X		4/5	X
23	Decide to liquidate the Fund	XVI - 2(a) and XII - 2(b)(vii)	X	X	No	
24	Approve amendment for submission to members for acceptance	XVII(a)	X		No	

Table 3. (continued) Powers of the Board of Governors:
Directly Conferred Powers and Residual
Powers Reserved to the Board of Governors
and their Delegability to the Council

(Tables 1 and 2 Combined)

No.	Articles of Agreement			Special ma- jority (propor- tion of total voting power)	DAA/74/1, Supl. 1: delegable to Council
	Description	Reference	Non-delegable powers Directly con- ferred powers	Express- ly re- served powers	
25	Establish member- ship, procedures, and voting majori- ties of Committee on Interpretation	XVIII(b)	X		No
26	Decide appeals from interpreta- tions by Execu- tive Directors	XVIII(b) and XII - 2(b)(viii)	X	X	85% for over- ruling decision of Committee on Interpretation
27	Prescribe other holders and terms and conditions for operations between them and participants	XXIII - 3 and XXVII (a)(i)		X	85%
28	Decide on alloca- tions or cancella- tions for basic periods	XXIV - 2(a), (b), and (c) XXIV - 4(a), (d), and XXVII(a)(i)	X	X	85%
29	Make certain chan- ges in decisions on allocations or can- cellations because of unexpected major developments	XXIV - 3, XXIV - 4(a) (d), and XXVII(a)(i)	X	X	85%, except to decrease rates of allocation
30	Request Managing Director to make proposal under XXIV - 4(a) <u>1/</u>	XXIV - 4(c)(iv)	X		No
31	Prescribe addition- al transactions or categories of trans- actions without designation	XXV - 2(b) (ii) and XXVII(a)(i)		X	85%

79

1/ This power is also directly conferred on the Executive Directors, and
would be directly conferred on the Council as well.

-5-

Table 3. (continued) Powers of the Board of Governors:
 Directly Conferred Powers and Residual
 Powers Reserved to the Board of Governors
 and their Delegability to the Council

(Tables 1 and 2 Combined)

No.	Articles of Agreement		Non-delegable powers		Special ma- jority (propor- tion of total voting power)	DAA/74/1, Suppl.1: delegable to Council
	Description	Reference	Directly con- ferred powers	Express- ly re- served powers		
32	Decide to adopt, modify, or abrogate rules for reconstitution	XXV - 6(b) and XXVII (a)(i)		X	85%	
<u>80</u> 33	Determine eligi- bility of non- participant's governor to vote in Committee on Interpretation on Special Drawing Account	XXVII(c)	X		No	
34	Decide to liquidate Special Drawing Account	XXXI(a) and XXVII (a)(i)	X	X	No	

Table 4. Powers of the Board of Governors:
Residual Powers not Reserved to the
Board of Governors

No.	Article - Section	Description of power
1.	III - 2	Conduct a general review of quotas; propose an adjustment of quotas; consider adjustment of particular quotas
2.	III - 4(a)	Reduce gold subscription in connection with adjustment of quota
3.	III - 5	Accept notes or similar obligations in place of currency not needed for Fund's operations
4.	IV - 2	Prescribe margins for gold trans- actions by members
5.	IV - 3(ii)	Determine reasonableness of margin for other than spot exchange transactions
6.	IV - 5(b)	Consult with member prior to change in par value
7.	IV - 5(c)	Concur in or object to change in par value
8.	IV - 6	Determine to prevent or end ineligi- bility for unauthorized change of par value
9.	IV - 8(a) - (c)	Require action to maintain gold value of Fund's assets
10.	V - 3(a) and (d)	Authorize purchase of currency by member
11.	V - 3(b)	Permit member to use Fund's resources to acquire currency to hold against forward exchange transactions
12.	V - 3(c)	Adopt policies on use of Fund's resources
13.	V - 4	Waive conditions on use of Fund's resources; require collateral

Table 4. (continued) Powers of the Board of Governors:
Residual Powers not Reserved to the Board of Governors

No.	Article - Section	Description of power
14.	V - 5	Issue report; limit use of Fund's resources; declare ineligibility for improper use of resources
15.	V - 6(a)	Purchase gold from member
16.	V - 7(a) - (c), and Schedule B	Authorize repurchase and administer repurchase system
17.	V - 8(a)	Levy service charges on purchases of currency
18.	V - 8(b)	Levy handling charge in connection with gold purchases or sales by Fund
19.	V - 8(d)	Consider with member means to reduce Fund's holdings of member's currency; impose higher charges
82		
20.	V - 8(e)	Change rates of charge on holdings of currency balances in excess of quota
21.	V - 9	Determine rate of remuneration and medium of payment
22.	VI - 1	Request member to exercise controls to prevent use of Fund's resources for large or sustained outflow of capital; declare member ineligible for failing to impose controls
23.	VII - 1	Find general scarcity of a currency developing; inform members and issue report with recommendations
24.	VII - 2	Replenish holdings of currency by borrowing or by selling gold
25.	VII - 3	Declare a currency scarce; apportion holdings; issue report, end declaration
26.	VIII - 2	Approve exchange restrictions
27.	VIII - 3	Approve discriminatory currency arrangements and multiple currency practices

-3-

Table 4. (continued) Powers of the Board of Governors:
Residual Powers not Reserved to the Board of Governors

No.	Article - Section	Description of power
28.	VIII - 5	Require members to furnish information
29.	IX - 2	Contract; acquire and dispose of property; institute legal proceedings
30.	IX - 3	Waive immunity from judicial process
31.	X	Cooperate with other international organizations by informal arrangements of a temporary or administrative character
32.	XII - 7	Publish reports
33.	XII - 8	Communicate views informally to member; publish a report
34.	XIII - 2	Select depositories for certain assets
35.	XIV - 4	Report; make representations regarding withdrawal of restrictions; declare member ineligible for failure to withdraw them
36.	XV - 2(a) and (c)	Determine member has failed to fulfill obligations and declare it ineligible to use resources of Fund
37.	XV - 3, and Schedule D	Agree to settlement of accounts with members withdrawing; and administer financial relations upon withdrawal
38.	XVIII(c)	Appoint arbitrator in certain circumstances and participate in arbitration proceedings
39.	XIX(a) and (d)	Specify non-member currency as component of monetary reserves
40.	XIX(c)	Deem non-central holdings to be official holdings
41.	XIX(d)	Determine additional means of payment to be currency

83

Table 4. (continued) Powers of the Board of Governors:
Residual Powers not Reserved to the Board of Governors

No.	Article - Section	Description of power
42.	XIX(g)	Deem holdings of currencies of members availing themselves of Article XIV to be convertible
43.	XIX(i)	Add to categories of current transactions; determine whether specific transactions are to be considered current or capital
44.	XIX(j)	Float compensatory financing facility alongside gold tranche
45.	XXII - 2	Determine expenses of operating Special Drawing Account
46.	XXII - 3	Determine that changes in SDR holdings are in accordance with Articles and record them
84 47.	XXIV - 2(d)	Decide that new participant shall start to receive allocations beginning with the next allocation after it becomes a participant; determine the basis on which allocations shall be made to new members
48.	XXIV - 2(e)	Terminate prospectively the effect of opting out by participant
49.	XXV - 2(b)(ii)	Prescribe transactions by agreement between participants within specified categories
50.	XXV - 3(b)	Make representation to participant that fails to fulfill expectation of need
51.	XXV - 3(c)	Prescribe specified transactions as exempt from expectation of need
52.	XXV - 4 and 5, and Schedule F	Designate participants to provide currency for SDRs; administer designation rules; agree to a higher acceptance limit; adopt supplementary principles of designation; give priority to designation in specified situations; review and adopt new rules of designation

-5-

Table 4. (continued) Powers of the Board of Governors:
Residual Powers not Reserved to the Board of Governors

No.	Article - Section	Description of power
53.	XXV - 7(a)	Decide to disregard changes in monetary reserves resulting from allocation or cancellation of SDRs during year
54.	XXV - 7(c)	Decide to accept SDRs in certain operations and transactions of General Account
55.	XXV - 7(d)	Replenish holdings of currency with SDRs held in General Account
56.	XXV - 7(e)	Provide participant with SDRs from General Account in specified situations
57.	XXV - 7(f)	Use SDRs by agreement with a participant in General Account operations and transactions
58.	XXV - 7(g)	Levy charges on participants in connection with General Account operations and transactions involving SDRs
59.	XXV - 8	Adopt regulations to give effect to equal value rule; consult participant on procedure for determining rates of exchange for its currency
60.	XXVI - 3	Modify rate of interest and charges on SDR holdings
61.	XXVI - 4	Levy assessments for reimbursement of General Account for operating Special Drawing Account
62.	XXVI - 5	Sell SDRs to participant needing them to pay any charge or assessment; specify participants to provide them for this purpose
63.	XXVII(d)	Submit certain disagreements to arbitration
64.	XXIX - 2	Take action for failure of participant to fulfill obligations connected with SDRs

85

Table 4. (continued) Powers of the Board of Governors:
Residual Powers not Reserved to the Board of Governors

No.	Article - Section	Description of power
65.	XXX	Settle obligations upon termination of participation
66.	XXXI(c), and Schedule I	Redeem SDRs as necessary in liquidation of Special Drawing Account, and administer liquidation of that Account
67.	Schedule F	Administer liquidation of Fund
68.	Schedule G	Administer reconstitution rules; determine whether to apply XXIX - 2(b) upon failure by participant to comply with these rules

1/ The following special majorities are required for the exercise of residual powers not reserved to the Board of Governors:

86

Reference (number in Table 2)	Article	Section	Subject	Special Majorities (Proportion of Total Voting Power)
20	V	8(e)	Change rates of charge on holdings of currency balance in excess of quota	3/4
21	V	9(a)	Change rate of remuneration to above 2% or below 1%	3/4
33	XII	8	Publish a report on a member's monetary or economic conditions and developments	2/3

Table 5. Powers of the Executive Directors:
Directly Conferred Powers under the Articles of Agreement

No.	Article-Section	Description of power	Special majority
1.	XII-2(c)	Call a meeting of Board of Governors	No
2.	XII-2(f)	Obtain vote of Board of Governors without meeting	No
3.	XII-3(a)	Supervise the general operations of the Fund	No
4.	XII-3(k)	Appoint committees	No
5.	XII-4(a)	Select or dismiss Managing Director	No
6.	XII-4(b)	Supervise Managing Director in exercising functions under XII-4(b)	No
7.	XIII-2(b)	Transfer gold holdings in emergency	No <u>87</u>
8.	XVI-1(a)	Suspend operation of specified provisions	Unanimous vote
9.	XVI-1(d)	Terminate suspension under XVI-1(a) or XXIX-1	Majority of total voting power
10.	XVI-2(a)	Suspend transactions pending decision on liquidation	No
11.	XVII(a)	Propose amendment to Articles of Agreement <u>1/</u>	No
12.	XVIII(a)	Decide a question of interpretation	No
13.	XXIV-4(a)	Concur/or disagree with Managing Director's proposal on allocation or cancellation of special drawing rights	No
14.	XXIV-4(c)(iv)	Request the Managing Director to make proposal to allocate or cancel special drawing rights	No
15.	XXVII(c)	Decide a question of interpretation involving Special Drawing Account	No

1/ This power may be exercised by members and governors also.

Table 5. (continued) **Powers of the Executive Directors:**
directly conferred powers under the Articles of Agreement

No.	Article-Section	Description of power	Special majority
16.	XXIX-1	Suspend operation of provisions relating to special drawing rights	Unanimous vote
17.	XXXI(a)	Suspend allocations, cancellations, and transactions in special drawing rights pending decision to liquidate Special Drawing Account	No

Table 6. Powers of the Executive Directors: Directly Conferred Powers
under DAA/74/1, Suppl. 1, and DAA/74/1, p. 7, paragraph 4

No.	Draft Article - Section	Description of power	Special majority
1	XII - 3 (c)(vii)	Obtain vote of Council without meeting	No
2	XVI - 1(b)	Decide, upon suspension of operation of specified provisions, to call meeting of the Board of Governors or of the Council	No

**Table 7. Powers of the Managing Director:
directly conferred powers**

No.	Article-Section	Description of power
1.	XII-4(a)	Serve as chairman of Executive Directors, with deciding vote in case of tie
2.	XII-4(a)	Participate without vote in meetings of Board of Governors
3.	XII-4(b)	Serve as chief of operating staff of Fund
4.	XII-4(b)	Conduct Fund's ordinary business, under direction of Executive Directors
5.	XII-4(b)	Organize, appoint, and dismiss staff subject to general control of Executive Directors
<u>90</u> 6.	XXIV-4(a)	Propose to Board of Governors decisions under XXIV-2(a), (b), and (c), and 3
7.	XXIV-4(b)	Conduct consultations and assess conditions leading to proposals to allocate or cancel special drawing rights
8.	XXIV-4(c)	Report to Executive Directors and Board of Governors if no proposal consistent with XXIV-1 has broad support

Table 8. Powers of the Council*

Part 1. Directly conferred powers

No.	Description	Reference	Special majority (proportion of total voting power)
1	Call a meeting of the Board of Governors	DAA/74/1, Suppl. 1, draft XII - 2(e)	No
2	Obtain a vote of the Board of Governors without meeting	DAA/74/1, Suppl. 1, draft XII - 2(h)	No
3	Adopt rules and regulations	DAA/74/1, Suppl. 1, draft XII - 2(i)	No
4	Appoint committees	DAA/74/1, Suppl. 1, draft XII - 2(l)	No
5	Consider proposals by the Executive Directors under XVII(a) to amend the Articles of Agreement	DAA/74/1, Suppl. 1, draft XII - 3(b) (second sentence)	No
6	Take various actions regarding its own procedures	DAA/74/1, Suppl. 1, draft XII - 3(c)	No
7	Request Managing Director to make proposals under XXIV - 4(a) 1/	DAA/74/1, p.7, paragraph 5	No

91

Part 2. Directly conferred powers of the Board of
Governors that are delegable to Council

No.	Description	Reference	Special majority (proportion of total voting power)
8	Extend a suspension under XVI - 1(a) or XXIX - 1 beyond 120 days	Table 1, No.13	4/5
9	Decide on allocations or cancellations for basic periods	Table 1, No.18	85%
10	Make certain changes in decisions on allocations or cancellations because of unexpected major developments	Table 1, No.19	85% except to decrease rates of allocation

Table 8. (continued) Powers of the CouncilPart 3. Residual powers reserved to the Board of
Governors that are delegable to Council 2/

No.	Description	Reference	Special majority (proportion of total voting power)
11	Approve revision of quotas as result of general review	Table 2, No.2	85%
12	Approve adjustment of individual quotas	Table 2, No.3	4/5
13	Decide on payment or on mitigation of effects of payment of increases in quotas following general review	Table 2, No.4	35%
14	Approve uniform changes of par values	Table 2, No.5	85%
15	Decide, upon uniform changes of par values, not to apply provisions relating to maintenance of gold value of Fund's assets	Table 2, No.6	85%
<u>92</u> 16	Revise provisions on repurchase and revise and supplement rules for distribution of repurchases among types of reserves	Table 2, No.7	35%
17	Make arrangements to cooperate with other international organizations (other than informal arrangements of a temporary or administrative character)	Table 2, No.8	No

* This table is based on DAA/74/1, Suppl. 1, and DAA/74/1, p.7, paragraph 5.

It includes the powers that would be directly conferred on the Council, and the directly conferred powers of, and the residual powers reserved to, the Board of Governors, that would be delegable to the Council. It does not include, however, the residual powers not reserved to the Board of Governors, listed in Table 4, which would be delegable to the Council as well as to the Executive Directors.

1/ This power is directly conferred on both the Board of Governors and the Executive Directors.

2/ In addition to the powers enumerated in Part 3 of this Table, the following two powers in Part 2 of this Table have been expressly reserved to the Board of Governors: Nos. 9 and 10.