

**IMMEDIATE
ATTENTION**

EBD/11/8

February 16, 2011

To: Members of the Executive Board

From: The Secretary

Subject: **Fifth Amendment of the Articles of Agreement to Expand the Investment Authority of the International Monetary Fund—Entry Into Force**

Attached for the consideration by the Executive Directors is a paper on the entry into force of the proposed Fifth Amendment of the Articles of Agreement to Expand the Investment Authority of the International Monetary Fund. Unless an Executive Director requests that this matter be placed on the agenda, the proposed decision that appears on page 3 will be deemed approved at **noon on Friday, February 18, 2011**. The Executive Board's approval will be recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Department Head

INTERNATIONAL MONETARY FUND

**Fifth Amendment of the Articles of Agreement to Expand the Investment Authority of
the International Monetary Fund—Entry Into Force**

Prepared by the Legal and Secretary's Departments

Approved by Sean Hagan and Siddharth Tiwari

February 16, 2011

1. Article XXVIII of the Articles of Agreement prescribes the conditions for the entry into force of an amendment of the Articles. Pursuant to this provision, paragraph 3 of Resolution No. 63-3 of the Board of Governors provides that the proposed Fifth Amendment to Expand the Investment Authority of the International Monetary Fund shall enter into force for all members as of the date on which the Fund certifies, by formal communication to all members, that three-fifths of the members, having eighty-five percent of the total voting power, have accepted the proposed amendment.¹
2. As of this date, the Fund has 187 members with a total of 2,221,085 votes. To meet the requirements of Article XXVIII, acceptances must be received from at least 113 members having at least 1,887,923 votes. As of noon, February 16, 2011, acceptances have been received from 113 members having 1,902,070 votes.² Accordingly, the Fund is now in a position to send a formal communication to all members certifying that the minimum acceptance requirement under Article XXVIII has been met.
3. Under the attached proposed decision, the Executive Board would: (i) confirm that the required acceptances have been received, (ii) authorize and direct the Secretary to send the formal communication to Fund members certifying that the required acceptances have been received and that, in accordance with Article XXVIII and Resolution No. 63-3 of the Board of Governors, the Fifth Amendment entered into force as of the date of the communication; and (iii) authorize and direct the Secretary to notify the Government of the

¹ It should be emphasized that the Sixth Amendment to Enhance Voice and Participation in the International Monetary Fund and the Fifth Amendment to Expand the Investment Authority of the International Monetary Fund are independent of each other. Accordingly, acceptance of one amendment by a member did not require acceptance of the other, and the entry into force of one does not require the entry into force of the other.

² See SM/11/32 (2/16/11)

United States of America of the entry into force of the Fifth Amendment and request the Government of the United States of America to register the Amendment with the Secretary General of the United Nations. The formal communication would be sent to all members.

PROPOSED DECISION

The following decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

1. The proposed Fifth Amendment to Expand the Investment Authority of the International Monetary Fund approved by Resolution No. 63-3 of the Board of Governors, adopted May 5, 2008, has been accepted by three-fifths of the members having eighty-five percent of the total voting power and, in accordance with Resolution No. 63-3 of the Board of Governors, will enter into force as of the date of the formal communication to members certifying such acceptance.
2. The Secretary is authorized and directed by the Executive Board to send on behalf of the Fund on February 18, 2011, the formal communication, set out in Attachment A to EBD/11/8 (2/16/11) to all members, certifying that the required acceptances have been received and that, in accordance with Resolution No. 63-3 of the Board of Governors, the Fifth Amendment entered into force for all members on February 18, 2011, the date of the communication.
3. The Secretary is authorized and directed to send to the Secretary of State of the United States the communication set out in Attachment B to EBD/11/8 (2/16/11), notifying the Government of the United States of America of the entry into force of the Fifth Amendment and requesting the Government of the United States to register the Fifth Amendment with the Secretary-General of the United Nations.

Attachment A

Communication to all Fund Members

February 18, 2011

I hereby certify that acceptances have been received from 113 members having 1,902,070 votes and, therefore, that three-fifths of the 187 members of the Fund having eighty-five percent of the total voting power of 2,221,085 votes have accepted the Proposed Fifth Amendment of the Articles of Agreement of the International Monetary Fund to Expand the Investment Authority of the International Monetary Fund approved by the Board of Governors Resolution No. 63-3, adopted May 5, 2008.

I have been authorized and directed to inform you that, in accordance with Article XXVIII of the Articles of Agreement and Board of Governors Resolution No. 63-3, the Fifth Amendment entered into force for all members on February 18, 2011, the date of this communication.

Siddharth Tiwari
Secretary

Attachment B

The Honorable
Hillary Rodham Clinton
Secretary of State
Department of State
Washington, D.C. 20520

Madam:

This is to advise the Government of the United States of America, as depository of the Articles of Agreement of the International Monetary Fund, that an amendment of the said Articles, referred to as the Fifth Amendment to Expand the Investment Authority of the International Monetary Fund, entered into force on February 18, 2011.

Attached hereto are the following documents, which I certify as being true and accurate:

(a) a copy of the text of the Fifth Amendment as set out in the attachment to Board of Governors Resolution No. 63-3, adopted May 5, 2008 (Annex A);

(b) a copy of the list of acceptances by members of the Fund as of noon, February 16, 2011, which was communicated to the Executive Board of the Fund on February 16, 2011 (Annex B);

(c) the text of Decision No. [*] adopted by the Executive Board of the Fund on February 18, 2011 (Annex C); and

(d) the text of the formal communication, dated February 18, 2011, from the Fund to all members, which certifies that the Fifth Amendment has been accepted in accordance with the Articles and notifies members of its entry into force on that date (Annex D).

It would be appreciated if the Government of the United States would register the Amendment with the Secretary-General of the United Nations pursuant to Article 102 of the United Nations Charter.

Sincerely,

Siddharth Tiwari
Secretary

Attachments

Annex A

**FIFTH AMENDMENT
OF THE
ARTICLES OF AGREEMENT
OF THE
INTERNATIONAL MONETARY FUND
TO EXPAND THE INVESTMENT AUTHORITY OF THE INTERNATIONAL
MONETARY FUND**

Entered into force February 18, 2011

The Governments on whose behalf the present Agreement is signed agree as follows:

1. The text of Article XII, Section 6(f)(iii) shall be amended to read as follows:

“(iii) The Fund may use a member’s currency held in the Investment Account for investment as it may determine, in accordance with rules and regulations adopted by the Fund by a seventy percent majority of the total voting power. The rules and regulations adopted pursuant to this provision shall be consistent with (vii), (viii), and (ix) below.”

2. The text of Article XII, Section 6(f)(vi) shall be amended to read as follows:

“(vi) The Investment Account shall be terminated in the event of liquidation of the Fund and may be terminated, or the amount of the investment may be reduced, prior to liquidation of the Fund by a seventy percent majority of the total voting power.”

3. The text of Article V, Section 12(h) shall be amended to read as follows:

“(h) Pending uses specified under (f) above, the Fund may use a member’s currency held in the Special Disbursement Account for investment as it may determine, in accordance with rules and regulations adopted by the Fund by a seventy percent majority of the total voting power. The income of investment and interest received under (f)(ii) above shall be placed in the Special Disbursement Account.”

4. A new Article V, Section 12(k) shall be added to the Articles to read as follows:

“(k) Whenever under (c) above the Fund sells gold acquired by it after the date of the second amendment of this Agreement, an amount of the proceeds equivalent to the acquisition price of the gold shall be placed in the General Resources Account, and any excess shall be placed in the Investment Account for use pursuant to the provisions of Article XII, Section 6(f). If any gold acquired by the Fund after the date of the second amendment of

this Agreement is sold after April 7, 2008 but prior to the date of entry into force of this provision, then, upon the entry into force of this provision, and notwithstanding the limit set forth in Article XII, Section 6(f)(ii), the Fund shall transfer to the Investment Account from the General Resources Account an amount equal to the proceeds of such sale less (i) the acquisition price of the gold sold, and (ii) any amount of such proceeds in excess of the acquisition price that may have already been transferred to the Investment Account prior to the date of entry into force of this provision.”

Annex B

Table 1. Countries that Have Accepted the Proposed Fifth Amendment of the Articles of Agreement of the International Monetary Fund

Members	Votes	Members	Votes	Members	Votes
Afghanistan, Islamic Republic of	1,869	Indonesia	21,043	Poland	13,940
Australia	32,614	Ireland	8,634	Portugal	8,924
Austria	18,973	Israel	9,532	Qatar	2,888
Bahamas, The	1,553	Italy	70,805	Romania	10,552
Bangladesh	5,583	Japan	133,378	Russian Federation	59,704
Belgium	46,302	Jordan	1,955	Samoa	366
Benin	869	Kenya	2,964	São Tomé and Príncipe	324
Bhutan	313	Kiribati	306	Saudi Arabia	70,105
Botswana	880	Korea	29,523	Serbia	4,927
Brazil	30,611	Kosovo	840	Seychelles	338
Bulgaria	6,652	Lao People's Democratic Republic	779	Sierra Leone	1,287
Burkina Faso	852	Latvia	1,518	Singapore	8,875
Cambodia	1,125	Lesotho	599	Slovak Republic	3,825
Canada	63,942	Lithuania	1,692	Slovenia	2,567
Central African Republic	807	Luxembourg	3,041	South Africa	18,935
Chad	810	Macedonia, FYR	939	Spain	30,739
China	81,151	Malawi	944	Sri Lanka	4,384
Côte d'Ivoire	3,502	Malaysia	15,116	St. Kitts and Nevis	339
Croatia	3,901	Maldives	332	Sudan	1,947
Cyprus	1,646	Malta	1,270	Suriname	1,171
Denmark	16,678	Mauritania	894	Sweden	24,205
Djibouti	409	Mexico	31,778	Switzerland	34,835
Dominica	332	Moldova	1,482	Tanzania	2,239
Dominican Republic	2,439	Montenegro	525	Thailand	11,069
Eritrea	409	Morocco	6,132	Timor-Leste	332
Estonia	902	Mozambique	1,386	Togo	984
Finland	12,888	Namibia	1,615	Tonga	319
France	107,635	Netherlands	51,874	Trinidad and Tobago	3,606
Gabon	1,793	Nicaragua	1,550	Tunisia	3,115
Gambia, The	561	Niger	908	Turkey	12,163
Georgia	1,753	Norway	16,967	Tuvalu	268
Germany	130,332	Oman	2,190	Uganda	2,055
Greece	8,480	Pakistan	10,587	Ukraine	13,970
Guinea-Bissau	392	Panama	2,316	United Kingdom	107,635
Guyana	1,159	Papua New Guinea	1,566	United States	371,743
Haiti	1,069	Peru	6,634	Vietnam	3,541
Honduras	1,545	Philippines	9,049	Yemen, Republic of	2,685
Hungary	10,634			Zambia	5,141

Total members:	187	Total voting power:	2,221,085
Three-fifths:	113	Eighty-five percent:	1,887,923
Acceptances received from:	113	Total votes of members that have accepted:	1,902,070

Annex C

IMF Executive Board Decision No. [*]-(11/18)
Adopted February 18, 2011

1. The proposed Fifth Amendment to Expand the Investment Authority of the International Monetary Fund approved by Resolution No. 63-3 of the Board of Governors, adopted May 5, 2008, has been accepted by three-fifths of the members having eighty-five percent of the total voting power and, in accordance with Resolution No. 63-3 of the Board of Governors, will enter into force as of the date of the formal communication certifying such acceptance.
2. The Secretary is authorized and directed by the Executive Board to send on behalf of the Fund on February 18, 2011, the formal communication, set out in Attachment A to EBD/11/8 (2/16/11) to all members, certifying that the required acceptances have been received and that, in accordance with Resolution No. 63-3 of the Board of Governors, the Fifth Amendment entered into force for all members on February 18, 2011, the date of the communication.
3. The Secretary is authorized and directed to send to the Secretary of State of the United States the communication set out in Attachment B to EBD/11/8 (2/16/11), notifying the Government of the United States of the entry into force of the Fifth Amendment and requesting the Government of the United States to register the Fifth Amendment with the Secretary-General of the United Nations.

Annex D

Communication to all Fund Members

February 18, 2011

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I have been authorized and directed to inform you that, in accordance with Article XXVIII of the Articles of Agreement and Board of Governors Resolution No. 63-3, the Fifth Amendment entered into force for all members on February 18, 2011, the date of this communication.

Siddharth Tiwari
Secretary