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CONFIDENTIAL

March 31, 1992

To: Members of the Committee of the Whole on Membership
for the Republics of the Former U.S.S.R.

From: The Secretary

Subject: Model Documentation

Attached for information is a set of model documentation that extends from a draft report on membership to the Executive Board through the voting procedure by the Governors. This material will be referred to during the Committee of the Whole meeting scheduled for tomorrow, Wednesday, April 1, 1992.

Mr. Friedman (ext. 6712) is available to answer technical and factual questions relating to these documents.

Att: (1)

Other Distribution:
Department Heads

[Date], 1992

To: Members of the Executive Board

From: Chairman, Committee of the Whole on Membership for [Applicant Country]

Subject: [Applicant Country] - Report on Membership

[Applicant country] applied for membership in the Fund on [date]. The Committee of the Whole on Membership for [Applicant Country] met on [date] to study the application and to report to the Executive Board.

The Committee, after considering the size and characteristics of the economy of [applicant country] in relation to those of existing members and taking into account the existing structure of Fund quotas, concluded that an initial quota of SDR [] million would be appropriate for [applicant country]. The Committee further agreed that [applicant country] should be given the option to consent to an increase in its quota to SDR [] million, in accordance with the provisions of the Board of Governors' Resolution No. 45-2 on the Ninth General Review of Quotas. This increase would take effect in accordance with the terms of that Resolution and [applicant country] would pay for the increase in accordance with Article III, Section 3 of the Articles.

The Committee considers that [applicant country] should be permitted to pay its initial subscription within six months after accepting membership in the Fund. The Committee further recommends that [applicant country] should pay an amount equivalent to [] percent of its initial quota in SDRs or in currencies of other members acceptable to the Fund. Such payment would be in accordance with Article II, Section 2 of the Articles and the guidelines adopted by the Executive Board in Executive Board Decision No. 6266-(79/156), adopted September 10, 1979, for the payment of reserve assets in connection with the initial quota payment. The balance of the subscription shall be paid in the currency of [applicant country].

The authorities of [applicant country] have indicated that the proposed terms and conditions for the membership of [applicant country] are acceptable to them.

Accordingly, the Committee recommends that the attached draft decision be adopted by the Executive Board, and that the report and the draft Resolution appended thereto be sent to the Board of Governors, the latter for a vote without meeting.

DRAFT DECISION

MEMBERSHIP FOR [APPLICANT COUNTRY]

1. The Board of Governors is requested to vote without meeting pursuant to Section 13 of the By-Laws of the Fund on the attached draft Resolution.
2. The Secretary is directed to send the attached report and draft Resolution on Membership for [applicant country] to each member of the Fund by rapid means of communication on or before [].
3. To be valid, votes must be cast by Governors or Alternate Governors and must be received at the seat of the Fund before 6:00 p.m. Washington time on []. Votes received after that time will not be counted.
4. The effective date of the Resolution of the Board of Governors shall be the last day allowed for voting.
5. All votes cast pursuant to this decision shall be held in the custody of the Secretary until counted, and all proceedings with respect thereto shall be confidential until the Executive Board determines the result of the vote.
6. The Secretary is authorized to take such further action as he shall deem appropriate to carry out the purpose of this decision.

REPORT BY THE EXECUTIVE BOARD

MEMBERSHIP FOR [APPLICANT COUNTRY]

[Applicant country] applied on [date] for admission to membership in the International Monetary Fund in accordance with Section 2 of Article II of the Articles of Agreement of the Fund. Pursuant to Section 21 of the By-Laws, the Executive Board has consulted with the representative of [applicant country] and has agreed upon the terms and conditions which, in the opinion of the Executive Board, the Board of Governors may wish to prescribe for admitting [applicant country] to membership in the Fund.

The Executive Board has therefore approved the attached Resolution for submission to the Board of Governors for a vote without meeting pursuant to Section 13 of the By-Laws.

INTERNATIONAL MONETARY FUND

RESOLUTION

MEMBERSHIP FOR [APPLICANT COUNTRY]

WHEREAS, [applicant country] on [], 1991[92] requested admission to membership in the International Monetary Fund in accordance with Section 2 of Article II of the Articles of Agreement of the Fund;

WHEREAS, pursuant to Section 21 of the By-Laws of the Fund, the Executive Board has consulted with the representative of [applicant country] and has agreed upon the terms and conditions which, in the opinion of the Executive Board, the Board of Governors may wish to prescribe for admitting [applicant country] to membership in the Fund;

NOW, THEREFORE, the Board of Governors, having considered the recommendations of the Executive Board, hereby resolves that the terms and conditions upon which [applicant country] shall be admitted to membership in the Fund shall be as follows:

1. Definitions: As used in this Resolution:
 - (a) The term "Fund" means the International Monetary Fund;
 - (b) The term "Articles" means the Articles of Agreement of the Fund, as amended; and
 - (c) The term "SDRs" means special drawing rights of the Fund.
2. Quota: The quota of [applicant country] shall be SDR [] million.
3. Payment of Subscription: The subscription of the [applicant country] shall be equal to its quota. [Applicant country] shall pay [] percent of its subscription in SDRs or in the currencies of other members selected by the Managing Director from those currencies that the Fund would receive in accordance with the operational budget in effect at the time of payment. The balance of the subscription shall be paid in the currency of [applicant country].
4. Timing of Payment of Subscription: [Applicant country] shall pay its subscription within six months after accepting membership in the Fund.
5. Increase in Quota Equivalent to an Increase Under the Ninth General Review: The quota of [applicant country] shall be increased to SDR [] million, subject to the consent of [applicant country], to be given in accordance with the provisions of the Resolution of the Board of Governors No. 45-2 on the Ninth General Review of Quotas. This increase

shall take effect in accordance with the terms of that Resolution and [applicant country] shall pay the increase in accordance with Article III, Section 3 of the Articles.

6. Exchange Transactions with the Fund and Remuneration: [Applicant country] may not engage in transactions under Article V, Section 3, or receive remuneration under Article V, Section 9, until its subscription has been paid in full.

7. Exchange Arrangements: Within 30 days after accepting membership in the Fund, [applicant country] shall notify the Fund of the exchange arrangements it intends to apply in fulfillment of its obligations under Article IV, Section 1 of the Articles.

8. Representation and Information: Before accepting membership in the Fund, [applicant country] shall represent to the Fund that it has taken all action necessary to sign and deposit the Instrument of Acceptance and sign the Articles as contemplated by paragraphs 9(a) and 9(b) of this Resolution, and [applicant country] shall furnish to the Fund such information in respect of such action as the Fund may request.

9. Effective Date of Membership: After the Fund shall have informed the Government of the United States of America that [applicant country] has complied with the conditions set forth in paragraph 8 of this Resolution, [applicant country] shall become a member of the Fund on the date when [applicant country] shall have complied with the following requirements:

- (a) [Applicant country] shall deposit with the Government of the United States of America an instrument stating that it accepts in accordance with its law the Articles and all the terms and conditions prescribed in this Resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this Resolution; and
- (b) [Applicant country] shall sign the original copy of the Articles held in the Archives of the Government of the United States of America.

10. Period of Acceptance of Membership: [Applicant country] may accept membership in the Fund pursuant to this Resolution not later than six months after the effective date of this Resolution, which date shall be the date of its adoption by the Board of Governors; provided, however, that if the circumstances of [applicant country] are deemed by the Executive Board to warrant an extension of this period during which [applicant country] may accept membership pursuant to the Resolution, the Executive Board may extend such period until such later date as it may determine.

Sir:

I have been authorized and directed by the Executive Board to send to you the enclosed Report on Membership for [names of applicant countries] together with draft resolutions for adoption by the Board of Governors. The Board of Governors has been requested to vote without meeting, pursuant to Section 13 of the By-Laws of the Fund, on the attached resolutions.

To be valid, votes must be cast by Governors or Alternate Governors and must be received at the seat of the Fund on or before _____, Washington time, on _____ 1992. Votes received after that date and time will not be counted. It would be appreciated if you would transmit the proposed resolutions to the Governor or Alternate Governor of the Fund appointed by your country, with the request that votes be cast on each. Please note that if there has been a recent change in either Governor or Alternate Governor, a valid vote can be cast by the new Governor or Alternate Governor only after the Fund has received official notification of the change.

To facilitate the voting process, we are transmitting to you the attached ballot (Annex) which may be sent to us by facsimile or courier. The same format may also be used to cast votes by cable or telex. Use of the ballot format is not mandatory. Votes may be transmitted in any manner, and an attachment has been prepared outlining various methods for transmitting votes to the Fund. Whatever method is chosen, the communication should be signed by the Governor or Alternate Governor or there should be a clear indication that he or she has given instructions that the votes be transmitted by the sender.

Very truly yours,

Leo Van Houtven
Secretary

Suggested Methods for Transmitting Votes

With regard to voting without meeting, pursuant to Section 13 of the By-Laws of the Fund, no particular form of vote is required so long as the Fund receives a clear indication as to whether the Governor approves or disapproves the proposed resolution(s). Votes should be transmitted to the Fund by rapid means of communication - e.g. facsimile (fax), telex, or courier. In view of the number of resolutions now being put before the Governors, the following alternative methods for transmitting votes are suggested for your use.

A ballot form (see Annex) has been prepared listing the countries for which membership resolutions have been enclosed. Beside each country name there is a space where the vote (approve, disapprove, abstain) may be entered. At the bottom of the page there is a space for the signature of the Governor or Alternate Governor. Spaces are also reserved for his or her name to be clearly entered and, most importantly, the name of the member country whose votes are being cast.

If the ballot form is employed, it should be transmitted to the Fund either by fax or courier. If by fax, the communication should be transmitted to the following number: (202) 623-4661. If a courier is employed to deliver the ballot, the address is: International Monetary Fund, Room C-200, 700-19th Street, NW, Washington, DC 20431, USA. Since a courier company generally requests a contact telephone number, the number to be used is (202) 623-6796.

If voting by telex, the same format as the ballot form may be used. Each applicant country should be separately identified, with clear indication of approval, disapproval or abstention from voting on the respective membership resolutions. The telex number(s) to be used are: 64111 IMF UR or 248331 IMF UR.

Governors or Alternate Governors participating in the April Interim and Development Committee meetings may, of course, vote in person. In this event, use of the ballot form should simplify the process. Completed ballots should be delivered to the Communications Division, Room C-200 in the Fund Headquarters Building. Blank ballot forms may also be obtained at that location. The telephone number there is ext. 6796.

Concerning the resolutions on membership in the International Monetary Fund for the following countries, I wish to cast my votes as follows (please check the appropriate box for each applicant country):

[Applicant Country] I approve disapprove abstain from voting

Signature of Governor/Alternate Governor

Member Country

Name of Governor/Alternate Governor

Complete this block if someone other than the Governor or Alternate Governor is transmitting the votes.

I am directed by the Governor/Alternate Governor (circle one) to transmit the above votes.

Signature of official transmitting the votes
of the Governor or Alternate Governor

Member Country

Name, title and department

PLEASE NOTE: Votes must be received at the seat of the Fund no later than _____.

