

taries, in consultation with the Chairman, be authorized to change it as necessary.

2. *Conduct of Meetings*

It is recommended that the provisions relating to the conduct of the Meetings, as contained in Joint Document No. 2 [Annex II], be approved.

3. *Agendas*

It is recommended that the agendas set forth in Bank Document No. 1, IFC Document No. 1, IDA Document No. 1, and Fund Document No. 1 [Annex III] be adopted by the respective Boards of Governors and that proposed additions to any agenda be submitted in writing through the Secretaries to the Joint Procedures Committee for its recommendations.

4. *Other Reports*

The Committee also considered the other individual items of business on the proposed agendas of the Bank, IFC, IDA, and the Fund, and has made recommendations as to their disposition in separate reports to the respective Boards of Governors.

The Committee will submit a later report on the election of officers and the Joint Procedures Committee for 1963-64.

Approved:

Chairman—Italy

/s/ GUIDO CARLI
(Bank, IFC, and IDA)

/s/ EMILIO COLOMBO
(Fund)

Reporting Member—Iran

/s/ JAHANGIR AMUZEGAR
(Bank, IFC, and IDA)

/s/ MEHDI SAMII
(Fund)

Annex I to Report I

SCHEDULE OF MEETINGS

Monday,	September 30	10:00 A.M.	Joint Boards Address by Chairman Joint Procedures Committee Reports I, II, and III Annual Address, President of IBRD, IFC, and IDA
Tuesday,	October 1	10:00 A.M.	IMF Board Annual Address, Managing Director Annual Discussion
		3:00 P.M.	Annual Discussion (cont.)
Wednesday,	October 2	10:00 A.M.	IBRD, IFC, and IDA Boards Annual Discussion
		3:00 P.M.	Annual Discussion (cont.)
Thursday,	October 3	10:00 A.M.	IBRD, IFC, and IDA Boards Annual Discussion (cont.)
		3:00 P.M.	IMF Board Annual Discussion (cont.)
Friday,	October 4	9:30 A.M.	Joint Procedures Committee
		10:00 A.M.	Joint Boards Joint Procedures Committee Report IV Comments by Heads of Organi- zations Concluding Remarks Adjournment

Annex II to Report I

PROVISIONS RELATING TO THE CONDUCT OF THE MEETINGS

Attendance

1. Sessions of the full Boards of Governors of the Bank, the Fund, the Corporation and the Association, including joint sessions, shall be open to accredited observers, the press and visitors.
2. Meetings of the Joint Procedures Committee shall be open only to Governors who are members of the Committee and their advisers.
3. Sessions of the Boards of Governors and meetings of the Joint Procedures Committee shall be open to Secretariat and technical staff as may be necessary.

Public Information

4. The Chairmen of the Boards of Governors, the President of the Bank, and the Managing Director of the Fund are authorized to communicate to the press such information concerning the proceedings of the Annual Meetings as they may deem suitable. Copies of such communications shall be available to any Governor on his request.

Procedure and Records

5. The Chairmen of the Boards of Governors will establish the order of speaking at each Session. Governors signifying a desire to speak will generally be recognized in the order in which they asked to speak.
6. With the consent of the Chairman, Governors may extend their remarks in the record following the advance submission of the text to the Chairman and Governors.
7. The Secretaries will prepare verbatim transcripts of the proceedings of sessions of the Boards of Governors and the Joint Procedures Committee. The transcripts of committee proceed-

ings, and any summary records thereof, will be confidential and available only to the Chairman, the President of the Bank, the Managing Director of the Fund, and the Secretaries.

8. Reports of the Joint Procedures Committee shall be signed by the respective Committee Chairmen and Reporting Members.

Annex III to Report I

AGENDA

1. 1963 Annual Report
2. Financial Statements and Audit Report
(Appendix VII of 1963 Annual Report and Fund Documents Nos. 2 and 3)
3. Administrative Budget for Fiscal Year Ending April 30, 1964
(Appendix V of 1963 Annual Report and Fund Documents Nos. 3 and 4)
4. General Reserve
(Fund Document No. 5)
5. Changes in Rules and Regulations
(Fund Document No. 6)
6. Application for Membership—Kenya
(Fund Document No. 7)
7. Increases in Quotas
 - a. El Salvador (Fund Document No. 8)
 - b. Honduras (Fund Document No. 9)
 - c. Syrian Arab Republic (Fund Document No. 10)
8. Election of Officers and Joint Procedures Committee for 1963-64.

Report III¹

September 28, 1963

Mr. Chairman:

At the meeting of the Joint Procedures Committee held on September 28, 1963, the matters of business on the agenda of the Board of Governors of the International Monetary Fund were considered.

The Committee submits the following report and recommendations.

1. *Annual Report*

The Committee noted that provision has been made for the annual discussion of the business of the Fund.

2. *Financial Statements, Report on Audit, and Administrative Budget*

The Committee considered the Report on Audit for the Fiscal Year ended April 30, 1963, the Financial Statements contained therein (Fund Document No. 2 and Appendix VII of the 1963 Annual Report), and the Administrative Budget for the Fiscal Year ending April 30, 1964 (Appendix V of the Annual Report and Fund Document No. 4).

The Committee recommends to the Board of Governors the adoption of the draft resolution set forth in Fund Document No. 3.²

3. *General Reserve*

The Committee also considered the recommendation of the Executive Directors with respect to the allocation to the General

¹ Report II dealt with the business of the Boards of Governors of the Bank, IFC, and IDA. Report III and the Resolutions recommended therein were adopted by the Board of Governors of the Fund, in Joint Session with the Boards of Governors of the Bank, IFC, and IDA, on September 30, 1963.

² Resolution No. 18-15; see page 260.

Reserve of the Fund's net income for the Fiscal Year ended April 30, 1963 [Annex I].

The Committee recommends that the Board of Governors adopt the draft resolution contained in Fund Document No. 5.³

4. *Rules and Regulations*

The Committee reviewed the amendments to Rules I-2 and I-4(f) and (g) of the Rules and Regulations as submitted by the Executive Directors and recommends adoption by the Board of Governors of the draft resolution set forth in Fund Document No. 6.⁴

5. *Application for Membership*

The Committee considered the recommendations of the Executive Directors concerning the application of Kenya for membership in the Fund and recommends the adoption by the Board of Governors of the draft resolution set forth in Fund Document No. 7.⁵

6. *Applications for Increases in Quotas*

The Committee also considered the recommendations of the Executive Directors with respect to the requests of El Salvador, Honduras, and the Syrian Arab Republic for increases in their respective quotas and recommends that the Board of Governors adopt the draft resolutions set forth in Fund Documents No. 8, No. 9, and No. 10.⁶

Approved:

/s/ EMILIO COLOMBO
(Italy)
Chairman

/s/ MEHDI SAMII
(Iran)
Reporting Member

³ Resolution No. 18-16; see page 260.

⁴ Resolution No. 18-17; see page 260.

⁵ Resolution No. 18-18; see page 261.

⁶ Resolutions Nos. 18-19, 18-20, and 18-21; see pages 264-65.

Annex I to Report III

September 28, 1963

Dear Mr. Chairman:

For the fiscal year ended April 30, 1963, the Fund had net income of \$21,474,712.96. Under the Articles of Agreement it must be determined annually what part of the Fund's income shall be placed to reserve and what part, if any, shall be distributed.

At the Seventeenth Annual Meeting, the Board of Governors approved the allocation to the General Reserve of the net income for the fiscal year ended April 30, 1962 (Resolution No. 17-8).

Pursuant to the decision taken by the Executive Board on April 14, 1958, the net income of the Fund subsequent to April 30, 1962 has been transferred provisionally at the end of each month to the General Reserve. The total amount thus transferred for the fiscal year ended April 30, 1963 is \$21,474,712.96.

The Executive Directors recommend that the Board of Governors adopt the attached draft resolution ⁷ approving this allocation to the General Reserve.

Yours very truly,

/s/

PIERRE-PAUL SCHWEITZER

*Managing Director**and**Chairman of the Executive Board*

Chairman of the Board of Governors
1963 Annual Meeting
International Monetary Fund

⁷ Resolution No. 18-16; see page 260.

Annex II to Report III

September 28, 1963

Dear Mr. Chairman:

In accordance with Section 16 of the By-Laws, the attached amendments to the Rules and Regulations are submitted for review by the Board of Governors.

On February 25, 1963 Rule I-4(g) was amended to provide that, when an agreement for repurchase within three to five years after a drawing is not reached or observed, the charges on balances in excess of quota to be imposed shall continue to rise by $\frac{1}{2}$ per cent per annum each six months, provided that when the charges payable on any segment have reached 6 per cent the Fund will review the charges to be imposed thereafter. The amended Rule also prescribes the period for which 5 per cent shall be charged in the case of non-observance and that all charges shall be reduced to 5 per cent when the repurchases to which the non-observance relates are made or a new agreement is made for repurchase not later than five years after the drawing.

On April 24, 1963 Rule I-2 was amended to extend until April 30, 1964 the then prevailing service charge on transactions and charges on the Fund's holdings of members' currencies in excess of quotas.

On April 24, 1963 Rule I-4(f) was amended to provide for the charges to be levied on segments of holdings of a member's currency above the level of 100 per cent in excess of quota, i.e., where the Fund's total holdings of that currency are more than 200 per cent of quota. The new schedule applies to each segment of the holdings of a member's currency to the extent that it represents the acquisition of that currency by the Fund from May 1, 1963 through April 30, 1964. The schedule retains three brackets and the same rates of charge in each bracket. The first bracket still covers holdings in excess of quota by amounts ranging from 0-50 per cent, but the second bracket covers holdings in excess of quota by 50-100

per cent (instead of 50-75 per cent), and the third bracket covers holdings in excess of quota by more than 100 per cent (instead of 75-100 per cent in excess of quota).

On April 24, 1963 Rule I-4(g) was further amended to delete subsection (i) and the references to section (e) of Rule I-4 because these had ceased to have any practical application.

These Rules as last amended are set forth in Attachment 1. A proposed Resolution for consideration by the Board of Governors is attached.⁸

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

Yours very truly,

/s/

PIERRE-PAUL SCHWEITZER

Managing Director

and

Chairman of the Executive Board

Chairman of the Board of Governors
1963 Annual Meeting
International Monetary Fund

Attachment 1. Amendments to the Rules and Regulations
Since the 1962 Annual Meeting

Rule I-4(g). Text as amended on February 25, 1963:

The Fund and the member shall consider means by which the Fund's holdings of the currency can be reduced whenever the Fund's holdings of a member's currency are such that:

- (i) (e) above applies and the charge applicable to any segment for any period has reached the rate of $3\frac{1}{2}$ per cent per annum, or

⁸ Resolution No. 18-17; see page 260.

- (ii) (f) above applies and the charge applicable to any segment for any period has reached the rate of 4 per cent per annum.

Thereafter, the charges shall rise in accordance with (e) and (f) above, provided that the rate shall not increase beyond 5 per cent per annum when agreement is reached under this Rule for repurchase within three to five years after a drawing in accordance with Executive Board Decision No. 102-(52/11). In the case of agreements on means to reduce the Fund's holdings beyond five years, the Fund may adopt higher maximum rates. In the absence of agreement on means to reduce the Fund's holdings, the Fund may impose such charges as it deems appropriate after the rate of 5 per cent per annum is reached. When an agreement for repurchase within three to five years after a drawing is not reached or observed, the charges to be imposed shall rise in accordance with (e) and (f) above, provided that when the charges payable on any segment have reached 6 per cent the Fund will review the charges to be imposed thereafter. In the case of non-observance, if 5 per cent is payable on any segment at the date of non-observance, it shall continue to be payable only for that part of a period of six months for which it has not yet been payable; and when the repurchases to which the non-observance relates are made or a new agreement for repurchase not later than five years after the drawing is made all charges in excess of 5 per cent shall be reduced to 5 per cent.

Rule I-2. Text as amended on April 24, 1963:

The service charge payable by a member buying the currency of another member in exchange for its own currency shall be paid at the time the transaction is consummated. The service charge payable for such transactions taking place from December 1, 1951 through April 30, 1964, shall be $\frac{1}{2}$ of 1 per cent.

Rule I-4(f). Text as amended on April 24, 1963:

- (1) With respect to each segment of the holdings of a member's currency to the extent that it represents the acquisition of that currency by the Fund from January 1, 1954 through April 30, 1963:

- (i) The charge to be levied on each segment to the extent that it is within the first bracket of 50 per cent in excess of the quota shall be nil for the first three months, 2 per cent per annum for the next fifteen months, and an additional $\frac{1}{2}$ per cent per annum for each subsequent six months.
 - (ii) The charge to be levied on each segment to the extent that it is within the second bracket of more than 50 per cent and not more than 75 per cent in excess of the quota shall be nil for the first three months, 2 per cent per annum for the next nine months, and an additional $\frac{1}{2}$ per cent per annum for each subsequent six months.
 - (iii) The charge to be levied on each segment to the extent that it is within the third bracket of more than 75 per cent and not more than 100 per cent in excess of the quota shall be nil for the first three months, 2 per cent per annum for the next three months, and an additional $\frac{1}{2}$ per cent per annum for each subsequent six months.
- (2) With respect to each segment of the holdings of a member's currency to the extent that it represents the acquisition of that currency by the Fund from May 1, 1963 through April 30, 1964:
- (i) The charge to be levied on each segment to the extent that it is within the first bracket of 50 per cent in excess of the quota shall be nil for the first three months, 2 per cent per annum for the next fifteen months, and an additional $\frac{1}{2}$ per cent per annum for each subsequent six months.
 - (ii) The charge to be levied on each segment to the extent that it is within the second bracket of more than 50 per cent and not more than 100 per cent in excess of the quota shall be nil for the first three months, 2 per cent per annum for the next nine months, and an additional $\frac{1}{2}$ per cent per annum for each subsequent six months.

- (iii) The charge to be levied on each segment to the extent that it is within the third bracket of more than 100 per cent in excess of the quota shall be nil for the first three months, 2 per cent per annum for the next three months, and an additional $\frac{1}{2}$ per cent per annum for each subsequent six months.

Rule I-4(g). Text as amended on April 24, 1963:

The Fund and the member shall consider means by which the Fund's holdings of the currency can be reduced whenever the Fund's holdings of a member's currency are such that the charge under (f) above applicable to any segment for any period has reached the rate of 4 per cent per annum. Thereafter, the charges shall rise in accordance with (f) above, provided that the rate shall not increase beyond 5 per cent per annum when agreement is reached under this Rule for repurchase within three to five years after a drawing in accordance with Executive Board Decision No. 102-(52/11). In the case of agreements on means to reduce the Fund's holdings beyond five years, the Fund may adopt higher maximum rates. In the absence of agreement on means to reduce the Fund's holdings, the Fund may impose such charges as it deems appropriate after the rate of 5 per cent is reached. When an agreement for repurchase within three to five years after a drawing is not reached or observed, the charges to be imposed shall rise in accordance with (f) above, provided that when the charges payable on any segment have reached 6 per cent the Fund will review the charges to be imposed thereafter. In the case of non-observance, if 5 per cent is payable on any segment at the date of non-observance, it shall continue to be payable only for that part of a period of six months for which it has not yet been payable; and when the repurchases to which the non-observance relates are made or a new agreement for repurchase not later than five years after the drawing is made all charges in excess of 5 per cent shall be reduced to 5 per cent.

Annex III to Report III

September 28, 1963

Dear Mr. Chairman:

I am transmitting herewith on behalf of the Executive Board a proposed Resolution,⁹ which is recommended for adoption by the Board of Governors, on the admission of Kenya, upon the attainment of constitutional independence, to membership in the Fund.

Yours very truly,

/s/

PIERRE-PAUL SCHWEITZER

*Managing Director**and**Chairman of the Executive Board*

Chairman of the Board of Governors
1963 Annual Meeting
International Monetary Fund

⁹ Resolution No. 18-18; see page 261.

Annex IV to Report III

September 28, 1963

Dear Mr. Chairman:

I am transmitting herewith on behalf of the Executive Directors a draft Resolution,¹⁰ which is recommended for adoption by the Board of Governors, on the increase in the quota of El Salvador to \$20 million.

Yours very truly,

/s/

PIERRE-PAUL SCHWEITZER

*Managing Director**and**Chairman of the Executive Board*

Chairman of the Board of Governors
1963 Annual Meeting
International Monetary Fund

¹⁰ Resolution No. 18-19; see page 264.

Annex V to Report III

September 28, 1963

Dear Mr. Chairman:

I am transmitting herewith on behalf of the Executive Directors a draft Resolution,¹¹ which is recommended for adoption by the Board of Governors, on the increase in the quota of Honduras to \$15 million.

Yours very truly,

/s/

PIERRE-PAUL SCHWEITZER

*Managing Director**and**Chairman of the Executive Board*

Chairman of the Board of Governors
1963 Annual Meeting
International Monetary Fund

¹¹ Resolution No. 18-20; see page 264.

Annex VI to Report III

September 28, 1963

Dear Mr. Chairman:

I am transmitting herewith on behalf of the Executive Directors a draft Resolution,¹² which is recommended for adoption by the Board of Governors, on the increase in the quota of the Syrian Arab Republic to \$25 million.

Yours very truly,

/s/

PIERRE-PAUL SCHWEITZER

*Managing Director**and**Chairman of the Executive Board*

Chairman of the Board of Governors
1963 Annual Meeting
International Monetary Fund

¹² Resolution No. 18-21; see page 265.

Report IV¹

October 4, 1963

Mr. Chairman:

The Joint Procedures Committee met on October 4 and submits the present report.

The Committee noted that the Boards of Governors have decided that the 1964 Annual Meetings be convened in Tokyo, Japan, in September 1964.

The Committee recommends that the Governor for El Salvador be elected Chairman, and that the Governors for Ethiopia and Iraq be elected Vice Chairmen, of the Boards of Governors to hold office until the close of the next Annual Meetings.

It is further recommended that a Joint Procedures Committee of the Fund, Bank, IFC and IDA be established to be available after the termination of these Meetings, and until the close of the next Annual Meetings, for consultation at the discretion of the Chairman normally by correspondence and, if occasion requires, by convening; and that this Committee shall consist of the Governors for the following members: Australia, Belgium, Bolivia, Canada, Colombia, El Salvador, Ethiopia, France, Federal Republic of Germany, Greece, India, Iraq, Japan, Nepal, Pakistan, Senegal, Sweden, United Kingdom, United States and Venezuela.

It is recommended that the Chairman of the Joint Procedures Committee shall be the Governor for El Salvador, and the Vice Chairmen shall be the Governors for Ethiopia and Iraq, and that the Governor for Greece shall serve as Reporting Member.

Approved:

Chairman—Italy

/s/ GUIDO CARLI
(Bank, IFC, and IDA)

/s/ EMILIO COLOMBO
(Fund)

Reporting Member—Iran

/s/ JAHANGIR AMUZEGAR
(Bank, IFC, and IDA)

/s/ MEHDI SAMII
(Fund)

¹ The Report was adopted by the Boards of Governors of the Fund and of the Bank, IFC, and IDA, in Joint Session, on October 4, 1963.