

ARTICLE XII, SECTION 3

Executive Directors

INTERPRETATION OF ARTICLE XII, SECTIONS 3(b)(i) AND 3(f)

The request for interpretation of the Articles of Agreement referred to the Executive Directors by Resolution No. 7 of the Board of Governors was considered. . . . It was unanimously agreed that Sections 3(b)(i) and 3(f) of Article XII should be interpreted to mean that any member having one of the five largest quotas at the date of the regular election or at any date between regular elections shall be entitled to appoint an Executive Director who will hold office until the next regular election without prejudice to the right of a subsequently admitted member to appoint a Director if it has one of the five largest quotas.

. . .

Decision No. 2-1
May 8, 1946

EXECUTIVE DIRECTORS: ARTICLE XII, SECTION 3(c)

Article XII, Section 3(c), should be understood as providing that the two members entitled to appoint additional directors are determined by the largest absolute amounts by which 75 percent of members' quotas exceed the average holdings by the Fund of their currencies during the two years preceding an election of directors, provided, of course, that they are not already entitled to appoint directors under Article XII, Section 3(b)(i).

In the calculation of average holdings under the provision, the Fund's special accounts for administrative purposes should not be included unless they exceed one tenth of one percent of the member's quota nor will sundry cash accounts be included. A member should not be entitled to the benefit of Article XII, Section 3(c) where the

average holdings of its currency by the Fund have been reduced below 75 percent of its quota solely because of expenditures by the Fund for administrative purposes or because of the exclusion of the special accounts for administrative purposes from the calculation of average holdings.

Decision No. 574-2
May 18, 1950, as amended by
Decision No. 2620-(68/141)
November 1, 1968

ADDITIONAL APPOINTED DIRECTORS

The phrase "the preceding two years" as used in Article XII, Section 3(c), shall be deemed to be the two-year period ending on the July 31 preceding the dates of regular biennial elections of Executive Directors. However, this decision shall be reconsidered if such regular elections are held in months other than September.

Decision No. 597-4
July 28, 1950

ADJUSTMENT OF QUOTA AND VOTING POWER

A change in the quota of a member between regular biennial elections will change by the same amount the voting power of the elected Executive Director who casts the votes of the member.

Decision No. 180-5
June 25, 1947