

## ARTICLE XIX, SECTION 6

### **Reconstitution**

#### TRANSFER OF SPECIAL DRAWING RIGHTS HELD IN THE GENERAL RESOURCES ACCOUNT TO PARTICIPANTS TO PROMOTE RECONSTITUTION

1. Pursuant to Article V, Section 3(f), the Fund agrees that a participant that requests a purchase under Article V, Section 3, may obtain SDRs in that purchase from the General Resources Account to promote reconstitution under Article XIX, Section 6(a) and Schedule G, paragraph 1(a). The maximum amount of SDRs that may be obtained in this way shall be the sum of (i) the largest single amount most recently notified to the participant under Rule R-3 or calculated for acquisition in the final month of a reconstitution period, taking into account the proposed date of acquisition, (ii) the total amount of any charges to be paid in SDRs to the General Resources Account prior to the next calculation under Rule R-2 and (iii) obligations under Schedule B, paragraphs 1 and 2 that must be discharged in SDRs by the participant prior to the next calculation under Rule R-2. This maximum amount will be reduced by any net acquisition of SDRs other than by way of allocation subsequent to the date of the calculation.

2. Pursuant to Article V, Sections 6(b) and 6(c), the Fund shall provide a participant, at its request, with SDRs from the General Resources Account for an equivalent amount of the currencies of other members selected by the Managing Director from the currencies in the operational budget, to promote reconstitution under Article XIX, Section 6(a) and Schedule G, paragraph 1(a), in an amount not exceeding the maximum amount defined in paragraph 1 of this decision.

*Decision No. 5699-(78/38) G/S*

*March 22, 1978, effective April 1, 1978*

RECONSTITUTION: REDUCTION IN THE MINIMUM AVERAGE HOLDINGS OF SDRS

I. The Executive Board, having reviewed the rules for reconstitution in accordance with Article XIX, Section 6(b), decides as follows with respect to the five-year periods ending after the date of the first allocation of special drawing rights in the third basic period:

1. The requirement under Schedule G, Paragraph 1(a) (i) regarding the maintenance of a minimum average of total daily holdings of special drawing rights shall be 15 per cent instead of 30 per cent.

2. For the purposes of calculations under Schedule G, Paragraph 1(a) (ii) that are made after the resolution on allocations becomes effective but before the date of the first allocation of special drawing rights in the third basic period, the minimum average daily holdings of special drawing rights required under Schedule G, Paragraph 1(a) (i) shall be 15 per cent.

3. For the purposes of calculations under Schedule G, Paragraph 1(a) (ii) it shall be assumed that no allocations or cancellations of special drawing rights will be made after the third basic period.

II. The Executive Board will consider further in the light of experience the requirement under Schedule G, Paragraph 1(a) (i), as amended by this decision.

*Decision No. 5936-(78/168) S*

*October 25, 1978, effective December 11, 1978*