

ARTICLE III, SECTION 4

Payments When Quotas Are Changed

INTERPRETATION

It is determined as a matter of interpretation that Art. III, Sec. 4, and not Art. III, Sec. 3, applies to all changes in quotas.

Decision No. 595-3

July 20, 1950

QUOTA INCREASES: GOLD SUBSCRIPTIONS

In connection with any quota increases granted in accordance with the Fund's decision on "Compensatory Financing of Export Fluctuations" and any quota increases granted as the result of requests received before the decision referred to, it is decided:

(a) to recommend to the Board of Governors, where a member presents, for reasons which it shall submit to the Fund, that its reserves should not be reduced by an immediate 25 per cent gold payment, that such member shall be permitted in accordance with an appropriate resolution to have its quota increased in five annual installments, with the right to accelerate the payment of such installments;

(b) to give sympathetic consideration to a request for an exchange transaction up to 25 per cent of the increase by any member which wishes to have the full increase in its quota take effect immediately or to expedite the full increase in its quota if it is paying under the installment schedule. This facility will be available where: (i) the member would encounter undue payments difficulties through the reduction in its reserves by the payment of the 25 per cent gold subscription or of the out-

standing balance; and (ii) the request is made within two years after the date of the consent to the increase or, in the case of an increase in installments, within two years after the payment of the first installment; and (iii) the member requesting such an exchange transaction beyond the gold tranche represents that it will make a repurchase corresponding to any drawing in equal annual installments, to commence one year after the drawing and to be completed not later than three years after the drawing.

Decision No. 1529-(63/33)

June 14, 1963