

INTERNATIONAL MONETARY FUND

# BY-LAWS

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# RULES AND REGULATIONS

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SIXTY-FOURTH ISSUE | JULY 2017

*By-Laws*

*Rules and Regulations*

*International Monetary Fund*

*Sixty-Fourth Issue • July 2017*  
*WASHINGTON, D.C.*

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CERTIFICATE

I hereby certify that this is a full and true copy of the By-Laws and of the Rules and Regulations of the International Monetary Fund, as amended to July 10, 2017.

A handwritten signature in black ink, appearing to read 'Jianhai Lin'.

*Jianhai Lin*

*Secretary of the Fund*

Washington, D.C.

July 10, 2017

## I. BY-LAWS OF THE INTERNATIONAL MONETARY FUND

These By-Laws are adopted under the authority of, and are intended to be complementary to, the Articles of Agreement of the International Monetary Fund; and they shall be construed accordingly. In the event of a conflict between anything in these By-Laws and any provision or requirement of the Articles of Agreement, the Articles of Agreement shall prevail.

### Section 1. PLACES OF BUSINESS

The principal office of the Fund shall be located within the metropolitan area of Washington, D.C., United States of America.

The Executive Board may establish and maintain agencies or branch offices at any place in the territories of other members, whenever it is necessary to do so in order to facilitate the efficient conduct of the business of the Fund.

*Adopted March 16, 1946, amended June 13, 1978*

### Section 2. GENERAL DEPARTMENT AND SPECIAL DRAWING RIGHTS DEPARTMENT

In matters pertaining exclusively to the Special Drawing Rights Department references in these By-Laws, other than in Sections 4, 5, 6, and 13(b), to members of the Fund or to Governors and Executive Directors shall be understood to refer only to members that are participants or to Governors appointed by members that are participants and Executive Directors elected or designated by at least one member that is a participant.

*Adopted October 2, 1969, amended June 13, 1978, amended March 26, 2013, effective January 26, 2016*



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Section 3. MEETINGS OF THE BOARD OF GOVERNORS

(a) The Board of Governors shall hold regular meetings, which shall be at annual intervals unless the Board of Governors decides otherwise. The Board of Governors shall determine the time and place of a regular meeting, but the Executive Board may change the time and place of such a meeting if it deems it necessary to do so because of special circumstances. “Regular meetings” of the Board of Governors shall mean meetings subject to this Section 3(a).

(b) Special meetings of the Board of Governors may be called at any time by the Board of Governors or the Executive Board and shall be called upon the request of fifteen members of the Fund or of members of the Fund having in the aggregate one-quarter of the total voting power. Whenever any member of the Fund requests the Executive Board to call a special meeting of the Board of Governors, the member shall state the reasons therefor. The Managing Director shall notify all members of the Fund of the request and of the reasons given therefor.

(c) Arrangements shall be made for meetings of the Board of Governors in the territory of a member only if the Fund has received written assurances with respect to immunities and privileges and other facilities for holding meetings that are satisfactory to it.

*Adopted March 16, 1946, amended October 2, 1946, and June 13, 1978*

Section 4. NOTICE OF MEETINGS OF THE  
BOARD OF GOVERNORS

The Managing Director shall cause notice of the time and place of each meeting of the Board of Governors to be given to each member of the Fund by rapid means of communication not less than 42 days prior to the date set for such meeting, except that in urgent cases notice shall be sufficient if dispatched by rapid means of communication not less than ten days prior to the date set for the meeting.

*Adopted March 16, 1946, amended October 2, 1946, and June 13, 1978*

## SEC. 5. ATTENDANCE AT MEETINGS

## Section 5. ATTENDANCE AT MEETINGS

(a) An Executive Director and his Alternate may attend all meetings of the Board of Governors and may participate in such meetings, but an Executive Director or his Alternate shall not be entitled to vote at any such meeting unless he shall be entitled to vote as a Governor or an Alternate or temporary Alternate of a Governor.

(b) The Chairman of the Board of Governors, in consultation with the Executive Board, may invite observers to attend any meeting of the Board of Governors.

(c) The Executive Board is authorized to invite the International Bank for Reconstruction and Development to send a representative of the Bank to meetings of the Board of Governors and the Executive Board who may participate in such meetings, but shall have no vote.

(d) The Executive Board is authorized to accept invitations from the Bank to send a representative of the Fund to participate in meetings of the Board of Governors or Executive Directors of the Bank.

(e) The World Trade Organization shall be entitled to send a member of the Secretariat as an observer to meetings of the Board of Governors.

*Adopted March 16, 1946, amended June 13, 1978; paragraphs (a) and (b) amended October 2, 1946; paragraphs (c) and (d) were adopted as Section 2 on March 16, 1946; paragraph (e) adopted on January 8, 1997*

Section 6. AGENDA OF MEETINGS OF THE  
BOARD OF GOVERNORS

(a) Under the direction of the Executive Board, the Managing Director shall prepare an agenda for each meeting of the Board of

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Governors and shall cause the agenda to be transmitted to each member of the Fund with the notice of the meeting.

(b) Additional subjects may be placed on the agenda for any meeting of the Board of Governors by any Governor provided that he shall give notice thereof to the Managing Director not less than seven days prior to the date set for the meeting. In special circumstances the Managing Director, by direction of the Executive Board, may at any time place additional subjects on the agenda for any meeting of the Board of Governors. The Managing Director shall cause notice of the addition of any subjects to the agenda for any meeting of the Board of Governors to be given as promptly as possible to each member of the Fund.

(c) Any Governor or Governors may request the Board of Governors at any time to place a subject on the agenda for any meeting of the Board of Governors even though the notice required by this Section has not been given. The Board of Governors may at any time place any subject on the agenda for any meeting of the Board of Governors even though the notice required by this Section has not been given.

(d) Except as otherwise specifically directed by the Board of Governors, the Chairman of the Board of Governors jointly with the Managing Director shall have charge of all arrangements for the holding of meetings of the Board of Governors.

*Adopted March 16, 1946, amended October 2, 1946, and June 13, 1978*

#### Section 7. SELECTION OF CHAIRMAN AND VICE-CHAIRMEN

At each regular meeting the Board of Governors shall select a Governor to act as Chairman and at least two other Governors to act as Vice-Chairmen until the end of the next regular meeting.

In the absence of the Chairman, the Vice-Chairman designated by the Chairman shall act in his place.

*Adopted March 16, 1946, amended June 13, 1978*

## SEC. 8. SECRETARY

## Section 8. SECRETARY

The Secretary of the Fund shall serve as Secretary of the Board of Governors.

*Adopted March 16, 1946*

## Section 9. MINUTES

The Board of Governors shall keep a summary record of its proceedings, which shall be available to all members and which shall be filed with the Executive Board for its guidance.

*Adopted March 16, 1946, amended June 13, 1978*

## Section 10. REPORT OF EXECUTIVE BOARD

The Executive Board shall have prepared for presentation to the Board of Governors an annual report in which shall be discussed the policies and activities of the Fund and which shall make recommendations to the Board of Governors on the problems confronting the Fund. The Executive Board shall review, as part of the annual report, the functioning of the international monetary system, including the adequacy of global reserves, the conduct of the business of the General Department and of the Special Drawing Rights Department, as well as the performance of financial services by the Fund, including the administration of resources contributed by members.

*Adopted March 16, 1946, amended October 2, 1969, and June 13, 1978*

## Section 11. VOTING

Except as otherwise specifically provided in the Articles of Agreement, all decisions of the Board of Governors shall be made by a majority of the votes cast. At any meeting the Chairman may ascertain the sense of the meeting in lieu of a formal vote but he shall

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require a formal vote upon the request of any Governor. Whenever a formal vote is required the written text of the motion shall be distributed to the voting members.

*Adopted March 16, 1946, amended June 13, 1978*

Section 12. PROXIES

No Governor or Alternate may vote at any meeting by proxy or by any other method than in person, but a member may make provision for the designation of a temporary Alternate to vote for the Governor at any session of the Board of Governors at which the regularly designated Alternate is unable to be present.

*Adopted March 16, 1946, amended June 13, 1978*

Section 13. VOTING WITHOUT MEETING

(a) Whenever, in the judgment of the Executive Board, any action by the Fund must be taken by the Board of Governors which should not be postponed until the next meeting of the Board of Governors and does not warrant the calling of a special meeting of the Board of Governors, the Executive Board shall request Governors to vote without meeting.

(b) The Executive Board shall present to each member by rapid means of communication a motion embodying the proposed action.

(c) Votes shall be cast during such period as the Executive Board may prescribe.

(d) The Executive Board may provide that no Governor shall vote on a motion during such period after dispatch of the motion as the Executive Board prescribes.

(e) At the expiration of the period prescribed for voting, the Executive Board shall record the results, and the Managing Director shall notify all members. If the replies received do not include a

## SEC. 14. TERMS OF SERVICE

majority of the Governors exercising two-thirds of the total voting power, which is required for a quorum of the Board of Governors, the motion shall be considered lost.

*Adopted March 16, 1946, amended October 2, 1969, and June 13, 1978*

## Section 14. TERMS OF SERVICE

(a) Governors and Alternates shall receive reimbursement for reasonable expenses incurred in attending meetings of the Board of Governors, except for travel expenses.

(b) Pending the necessary action by members to exempt from national taxation salaries and allowances paid out of the budget of the Fund, the Governors and the Executive Directors, and their Alternates, the Managing Director, and staff members and other employees of the Fund, except those whose employment contracts state otherwise, shall receive from the Fund a tax allowance that the Executive Board determines to be reasonably related to the taxes paid by them on such salaries and allowances.

In computing the amount of tax adjustment to be made with respect to any individual, it shall be presumed for the purposes of the computation that the income received from the Fund is his total income. All salary scales and expense allowances prescribed pursuant to this section are stated as net on the above basis.

(c) The salary of the Managing Director shall be determined by the Board of Governors and shall be included in his contract. The Fund shall also pay any reasonable expenses incurred by the Managing Director in the interest of the Fund (including travel and transportation expenses for himself, and expenses for his family, and his personal effects in moving once to the seat of the Fund during or immediately before his term of office and in moving once from the seat during or within a reasonable period after his term of office). The contract of the Managing Director shall be for a term of five years and may be renewed for the same term or for a shorter term at the discretion of the Executive Board,

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provided that no person shall be initially appointed to the post of Managing Director after he has reached his sixty-fifth birthday and that no Managing Director shall hold such post beyond his seventieth birthday.

(d) It shall be the duty of an Executive Director and his Alternate to devote all the time and attention to the business of the Fund that its interests require, and, between them, to be continuously available at the principal office of the Fund; however, in the event that both an Executive Director and his Alternate are unable to be available at the principal office of the Fund for reasons of health, absence while on business of the Fund, or similar reasons, the Executive Director may designate a temporary Alternate to act for him for periods of time which shall not in the aggregate exceed fifteen business days in the course of any year of his service. In special circumstances the Executive Director may designate a temporary Alternate to serve for an additional aggregate period not exceeding fifteen business days. When the positions of both the Executive Director and his Alternate become vacant, a temporary Alternate may continue to act until the effective date of the election of the successor Executive Director or the end of a six-month period, whichever is earlier. A temporary Alternate shall receive no salary or expense allowance for his services in this capacity.

- (e) (i) Executive Directors and their Alternates shall be entitled to remuneration in the form of salary and supplemental allowances at such annual rates as shall be determined from time to time by the Board of Governors. Remuneration as determined shall continue until changed by the Board of Governors.
- (ii) A standing Joint Committee on the Remuneration of Executive Directors and their Alternates, appointed by the Chairmen of the Boards of Governors of the Fund and Bank and consisting of one of the Chairmen and

## SEC. 14. TERMS OF SERVICE

two former Governors or Alternate Governors of the Fund or Bank, chosen by the Chairmen in consultation with the Managing Director of the Fund and the President of the Bank, shall be constituted following each regular meeting of the Board of Governors. The Joint Committee shall consider all matters affecting the remuneration and other benefits of the Executive Directors of the Bank and Fund, and of their Alternates, and from time to time, but at least by July 1 of each year in which a regular election of Executive Directors is scheduled to be held, shall make such recommendations for any action by the Board of Governors on the said matters as the Joint Committee shall deem advisable. Reports of the Joint Committee shall be submitted to the Board of Governors for a vote on any recommendation contained therein without meeting in accordance with Section 13 of the By-Laws. In making proposals with respect to the remuneration of the Executive Directors and their Alternates, the Committee shall bear in mind their functions under the Articles of Agreement of the Fund in relation to those of the Managing Director.

(f) The Executive Directors and their Alternates are to be reimbursed, in addition, for all reasonable expenses for travel incurred on official Fund business, and for reasonable expenses incurred by them in connection with official Fund business to entertain senior officials of the governments or central banks or relevant persons in the academic, public, or private sectors of the members that elected or designated them, and relevant members of the media. They shall also be reimbursed for travel and transportation expenses for themselves, their families, and their personal effects in moving once to the seat of the Fund during or immediately before their periods of service, and in moving once from the seat during or within a reasonable period after their periods of service.



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In addition, Executive Directors and Alternates shall, in the third year of continuous full-time service in either capacity and in every second year of such service thereafter, be entitled to reimbursement for the cost of transportation expenses for their families in travelling once to and from the country of which they or their spouses are nationals, provided that in cases where the spouse is a national of a country other than that of the Executive Director or the Alternate the reimbursement for transportation expenses to and from the country of the spouse does not exceed transportation expenses to and from the country of which the Executive Director or Alternate is a national. For home leave travel every second year, reimbursement shall be made on the basis of cabin- or economy-class accommodations.

(g) Where not specified, it is assumed that the Executive Director or Alternate will be a full-time Executive Director or Alternate. Where it is intended that he shall not devote his full time, it shall be so indicated. Where an Executive Director or Alternate indicates that he intends to devote only part of his time to the Fund, his remuneration shall be prorated on the basis of a representation by him of the proportion of his time he has devoted to the interests of the Fund. The representation shall be made at appropriate intervals.

(h) Where an individual is serving both Fund and Bank, the aggregate of salary received from both shall not exceed the full annual single salary as determined in accordance with (e) above.

In all cases of salaries or expenses involving dual offices in the Fund or Bank, or both, the individual affected is entitled to take his choice as to which salary or expense he elects, but he shall not be entitled to both.

(i) An individual putting forward a claim for reimbursement for any expenses incurred by him shall include therewith a representation

## SEC. 15. DELEGATION OF AUTHORITY

that he has not received and will not claim reimbursement in respect to those expenses from any other source.

(j) Secretarial and staff services, office space, and other services incidental to the performance of the duties of the Executive Directors and Alternates shall be provided by the Fund.

*Adopted March 16, 1946; paragraph (a) amended March 18, 1946, June 6, 1966, May 17, 1977, June 13, 1978, and September 23, 2008; paragraph (b) amended June 13, 1978 and December 31, 1979; paragraph (c) amended July 27, 1951, December 14, 1960, effective December 1, 1960, February 13, 1969, effective November 1, 1968, August 31, 1973, effective September 1, 1973, and June 13, 1978; paragraph (d) amended September 17, 1947, December 20, 1971, June 26, 1972, June 13, 1978, September 20, 1993, and March 26, 2013, effective January 26, 2016; paragraph (e) amended January 5, 1951, effective January 1, 1951, December 2, 1957, effective November 1, 1957, December 28, 1959, effective November 1, 1959, November 7, 1962, effective September 1, 1962, August 8, 1966, effective November 1, 1965, February 13, 1969, effective November 1, 1968, July 30, 1969, effective August 1, 1969, July 13, 1972, effective November 1, 1972, July 8, 1974, and June 13, 1978; paragraph (f) amended September 17, 1947, September 30, 1948, August 18, 1961, September 10, 1964, February 13, 1969, June 13, 1978, September 5, 1980, May 10, 1999, and December 15, 2010, effective January 26, 2016; paragraph amended June 13, 1978; paragraph (h) amended June 13, 1978; paragraph (j) amended June 13, 1978*

## Section 15. DELEGATION OF AUTHORITY

*The Executive Board is authorized by the Board of Governors to exercise all the powers of the Board of Governors except those conferred directly by the Articles of Agreement on the Board of Governors.*

*Adopted March 16, 1946, amended October 2, 1969, and June 13, 1978*

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Section 16. RULES AND REGULATIONS

The Executive Board is authorized by the Board of Governors to adopt such Rules and Regulations, including financial regulations, as may be necessary or appropriate to conduct the business of the Fund. Any Rules and Regulations so adopted, and any amendments thereof, shall be subject to review by the Board of Governors at their next regular meeting.

*Adopted March 16, 1946, amended June 13, 1978*

Section 17. VACANT DIRECTORSHIPS

Whenever a vacancy arises for an Executive Director, the Managing Director shall notify the members who elected the former Executive Director of the existence of the vacancy. He may convene a meeting of the Governors of these members exclusively for the purpose of electing a new Executive Director; or he may request nominations, and conduct ballots, by rapid means of communication. Successive ballots shall be cast until one candidate has a majority; and after each ballot, the candidate with the smallest number of votes shall be dropped from the next ballot.

If a member's voting rights have been suspended, that member shall not participate in the election of the new Executive Director.

When a new Executive Director is named, the office of Alternate shall be deemed to be vacant and an Alternate shall be named by the newly elected Executive Director.

*Adopted March 16, 1946, amended June 13, 1978, April 12, 1993, and March 26, 2013, effective January 26, 2016*

Section 18. ABROGATED

*On March 26, 2013, with effect from January 26, 2016, the Board of Governors decided to abrogate Section 18 (a) through (c)*

## SEC. 19. REPRESENTATION OF MEMBERS

Section 19. REPRESENTATION OF MEMBERS AT MEETINGS  
OF FUND ORGANS

## 1. Representation of Members

(a) Each member may, in accordance with the regulations provided in this Section, send a representative to attend any meeting of the Executive Board when a request made by, or a matter particularly affecting, that member is under consideration. A member may waive its rights under this provision. The Executive Board shall determine whether a matter under consideration particularly affects a member, which determination shall be final.

(b) Whenever a member desires to present its views at the meeting of the Executive Board at which a request the member has made is to be considered, it shall so notify the Fund when it makes the request and shall designate a representative for this purpose who shall be available at the seat of the Fund. Failure to give notice or to designate an available representative shall constitute a waiver of the member's right to present its views at the meeting.

(c) Whenever the Executive Board is to consider a matter which has been determined particularly to affect a member, the member shall be promptly informed by rapid means of communication of the date set for its consideration. No final action shall be taken by the Executive Board with respect to such matter, nor any question particularly affecting such member submitted to the Board of Governors, until the member has either waived its rights under paragraph (a) of this Section or has been given an opportunity to present its views through an appropriately authorized representative at a meeting of the Executive Board, of which the member has had reasonable notice.

2. Representation of Members Whose Voting  
Rights Have Been Suspended

The provisions of subsection 1 above shall apply, *mutatis mutandis*, to the representation of members whose voting rights have been

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suspended pursuant to Article XXVI, Section 2(b), at meetings of the Board of Governors and the Executive Board.

*Adopted March 16, 1946; amended September 17, 1947; June 13, 1978; April 12, 1993; and December 15, 2010, effective January 26, 2016*

Section 20. BUDGET AND AUDITS

(a) The Managing Director shall prepare an annual administrative budget to be presented to the Executive Board for approval. The budget so approved shall be incorporated in the annual report presented to the Board of Governors.

(b) An external audit of the financial statements of the Fund and of Accounts administered under Article V, Section 2(b), including the financial statements of the Staff Retirement Plan, shall be made annually and such audit shall relate to the period representing the financial year.

(c) An external audit committee shall have general oversight of the annual audit. The audit committee shall consist of three persons who shall be selected by the Executive Board and appointed by the Managing Director. The persons serving on the audit committee must be nationals of different members of the Fund at the time of their appointment; at least one of them shall be a national of one of the six members having the largest quotas. The members of the audit committee must possess the qualifications required to carry out the oversight of the annual audit. They shall be appointed for a period of three years and may be reappointed for a further period of three years. A person appointed to replace a member whose term of office has not expired shall hold office for the remainder of the predecessor's term; any person so appointed may be reappointed for two full three-year terms. In the performance of their functions, the members of the audit committee shall be considered as officers of the Fund for purposes of the Articles of Agreement of the Fund.

## SEC. 20. BUDGET AND AUDITS

Each audit committee shall elect one of its members as chairman, shall determine its own procedure, and shall otherwise be independent of the Management of the Fund in overseeing the annual audit. The Executive Board shall approve the terms of reference of the audit committee. The audit committee may recommend changes to the terms of reference for the approval of the Executive Board.

An external audit firm shall be selected by the Executive Board in consultation with the audit committee and appointed by the Managing Director to conduct the annual audit and issue an audit report. The members of the audit committee and the audit firm, including its partners and personnel, shall respect the confidential nature of their service and the information made available for the purposes of the audit.

(d) The annual audit shall be conducted in accordance with generally accepted auditing standards, and shall include such tests of the accounting records and such auditing procedures as are considered necessary. The audit shall be comprehensive with respect to examination of the financial records of the General Department, the Special Drawing Rights Department, and Accounts administered under Article V, Section 2(*b*), including the Staff Retirement Plan; shall extend, in so far as practicable, to the ascertainment that the operations and transactions conducted during the period under review are supported by the necessary authority; and shall determine that there is adequate and faithful accounting for the assets and liabilities of the General Department and Accounts administered under Article V, Section 2(*b*), including the Staff Retirement Plan, and for special drawing rights. On the basis of this audit, the audit firm shall state whether the financial statements as presented give a true and fair view of the financial position at the close of the financial year of the General Department, and of Accounts administered under Article V, Section 2(*b*), including the Staff Retirement Plan, and, with respect to the Special Drawing Rights Department,

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of the allocation and holdings of special drawing rights, and of the result of operations and transactions during that year. For these purposes, the audit committee and the audit firm shall have access to the accounting records of the Fund and other supporting evidence of its operations and transactions, and of its administration of Accounts under Article V, Section 2(b), including the Staff Retirement Plan. The Managing Director of the Fund shall furnish the audit committee and the audit firm with such information and representations as may be required in connection with the audit.

(e) The Executive Board shall decide all questions of policy raised by requests of the audit committee or the audit firm for particular information or the inspection of particular records or documents. The refusal of any such requests for reasons of policy shall be explained in the comments of the Executive Board forwarded to the Board of Governors with the audit report.

Any question the audit committee or the audit firm may have concerning interpretation of the Articles of Agreement, the By-Laws, the Rules and Regulations, or the decisions of the Fund shall be discussed with the Managing Director, or officials designated by him, and if the reply is not completely satisfactory to the audit committee or the audit firm, the matter shall be referred to the Executive Board through the Managing Director.

(f) The audit committee shall transmit the report issued by the audit firm to the Board of Governors for consideration by it. Such transmittal shall be made through the Managing Director and the Executive Board which shall forward with the audit report its comments thereon. The audit firm shall afford the Managing Director an opportunity for explanation to it before deciding that any matter seems to require criticism in the report. The audit report

## SEC. 21. APPLICATIONS FOR MEMBERSHIP

shall be transmitted to the Board of Governors within a reasonable time after its completion.

The audit firm may formally furnish to the audit committee, the Managing Director and the Executive Board the firm's views and suggestions concerning the system of accounting, internal financial control, and documentary and other procedure which may technically strengthen or improve the administration of the Fund's financial affairs. Such matters need not be dealt with in the audit report unless the audit firm believes they are of such moment as to warrant inclusion.

Except for findings that, in the view of the audit firm concurred in by the audit committee, are considered minor and thus only of interest to the Management of the Fund, all the views and suggestions of the audit firm shall be communicated to the Managing Director and the Executive Board at the same time. The Managing Director's response to the views and suggestions of the audit firm that have been communicated to the Executive Board shall also be communicated to the Executive Board.

(g) The Managing Director shall determine what expenses are necessary and reasonable in connection with each annual audit, and the Fund shall bear such expenses.

*Adopted March 16, 1946, amended September 17, 1947, October 2, 1969, March 20, 1972, June 13, 1978, and September 30, 1999.*

## Section 21. APPLICATIONS FOR MEMBERSHIP

(a) Any country may apply for membership in the Fund by filing with the Fund an application, which shall set forth all relevant facts.

(b) The Executive Board shall report on all applications to the Board of Governors. When an application is submitted to



## BY-LAWS

the Board of Governors with a recommendation that the applicant country be admitted to membership, the Executive Board after consultation with the applicant country shall recommend to the Board of Governors the amount of the quota, the form of payment of the subscription, and such other conditions as, in the opinion of the Executive Board, the Board of Governors may wish to prescribe.

*Adopted March 16, 1946, amended June 13, 1978*

## Section 22. COMPULSORY WITHDRAWAL

Before any member is required to withdraw from membership in the Fund, the matter shall be considered by the Executive Board, which shall inform the member in reasonable time of the complaint against it and allow the member an adequate opportunity for stating its case both orally and in writing. The Executive Board shall recommend to the Board of Governors the action it deems appropriate. The member shall be informed of the recommendation and the date on which its case will be considered by the Board of Governors and shall be given a reasonable time within which to present its case to the Board of Governors both orally and in writing. Any member so electing may waive this provision.

*Adopted March 16, 1946, amended June 13, 1978*

Section 23. SETTLEMENT OF DISAGREEMENTS WITH  
WITHDRAWING MEMBER

The President of the International Court of Justice is prescribed as the authority to appoint an umpire whenever there arises a disagreement of the type referred to in Article XXI(d) or Article XXIX(c).

*Adopted March 16, 1946, amended October 2, 1969, and June 13, 1978*

## SEC. 24. AMENDMENT OF BY-LAWS

## Section 24. AMENDMENT OF BY-LAWS

These By-Laws may be amended by the Board of Governors at any meeting thereof or by vote without a meeting as provided in Section 13.

*Adopted October 2, 1946*

## II. RULES AND REGULATIONS OF THE INTERNATIONAL MONETARY FUND

### A—SCOPE OF RULES AND REGULATIONS

A-1. These Rules and Regulations supplement the Articles of Agreement and the By-Laws adopted by the Board of Governors. They are not intended to replace any provision of either the Articles or the By-Laws. The Rules and Regulations provide such operating rules, procedures, regulations, and interpretation as are necessary and desirable to carry out the purposes and powers contained in the Articles, as supplemented by the By-Laws. If any provision in the Rules and Regulations is found to be in conflict with any provision in the Articles or in the By-Laws, the Articles and By-Laws shall prevail and an appropriate amendment shall be made to these Rules and Regulations.

*Adopted September 25, 1946, amended April 1, 1978*

A-2. Additions to, and changes of, the Rules and Regulations will be made as experience brings to light new problems or suggests modifications in procedures already adopted.

*Adopted September 25, 1946*

### B—TERMS AND DEFINITIONS

B-1. Executive Director, except where otherwise specified, shall include the Alternate or the temporary Alternate, as the case may be. In matters pertaining exclusively to the Special Drawing Rights Department references in these Rules and Regulations to Executive Director, other than in Rules C-1, C-5(a), C-15, and C-16, shall apply to an Executive Director elected or designated by at least one member that is a participant. Staff shall include all officers or employees of the Fund other than the Managing Director and those persons whose

## B—TERMS AND DEFINITIONS

contracts state that they are not staff members. It shall not include Executive Directors, Alternate Executive Directors, Senior Advisors, or Advisors to Executive Directors.

*Adopted September 25, 1946; amended August 14, 1947, effective September 17, 1947; September 18, 1969; April 1, 1978; August 27, 2003; and February 26, 2013, effective January 26, 2016*

B-2. Chairman, except where otherwise specified, shall refer to the Chairman or Acting Chairman of the Executive Board.

*Adopted September 25, 1946*

B-3. Agenda ordinarily refers to both the list of items to be considered at a meeting and the supplementary documents pertinent thereto.

*Adopted September 25, 1946*

B-4. Business day of the Fund refers to the normal working hours of the Fund, 9:00 a.m. to 5:30 p.m. at the official time for the District of Columbia, on Monday through Friday of each week with the following exceptions (which will include the preceding Friday whenever one of the dates specified below falls on a Saturday and the following Monday whenever one falls on a Sunday):

January 1  
 The third Monday in January  
 The third Monday in February  
 The last Monday in May  
 July 4  
 The first Monday in September  
 The second Monday in October  
 The fourth Thursday in November  
 The Friday following the fourth Thursday in November  
 December 25

*Adopted May 28, 1947, amended March 8, 1948, October 27, 1961, November 24, 1970, April 1, 1978, June 5, 1978, February 8, 1985, and July 28, 1986*

B-5. The definition of “business day” shall not affect in any way the arrangements which have been made for the receipt of

## RULES AND REGULATIONS

messages at all times and for prompt action upon them as required by circumstances and by the Articles, By-Laws, and Rules and Regulations.

*Adopted April 1, 1978*

B-6. SDR refers to the special drawing right of the Fund. The term “SDR” (or “SDRs,” as appropriate) shall be adopted as standard usage in Fund documents, correspondence, and publications where a reference to special drawing rights is intended, provided that if the text is in a language in which a different usage has become established, that usage may be retained.

*Adopted July 26, 1983. The texts of the other sections of the Rules and Regulations have been amended in accordance with Rule B-6, as indicated in the note following each Rule so amended.*

## C—THE EXECUTIVE BOARD

### Meetings

C-1. Meetings of the Executive Board shall be called by the Chairman as the business of the Fund may require. Except in special circumstances the Chairman shall notify all Executive Directors of meetings at least two business days in advance.

*Adopted September 25, 1946, amended May 28, 1947, and April 1, 1978*

C-2. The Chairman shall call a meeting at the request of any Executive Director.

*Adopted September 25, 1946*

C-3. (a) Ordinary meetings of the Executive Board shall be open to attendance by Senior Advisors and Advisors to Executive Directors, the Secretary and such other members of the staff as the Chairman indicates, but the Executive Board may determine which particular members of the staff may attend

## C—EXECUTIVE BOARD

a session. The Deputy Managing Director shall be entitled to attend all ordinary meetings of the Executive Board.

- (b) Meetings of the Executive Board shall be held in executive session whenever the Managing Director or any Executive Director so desires. Only Executive Directors, the Managing Director, and the Deputy Managing Director shall be present at executive sessions, except that for any particular executive session the Executive Board may permit attendance by the Secretary and by such other members of the staff as may be prescribed by the Executive Board. The Executive Board may permit attendance by Senior Advisors or Advisors to Executive Directors.

*Adopted September 25, 1946, amended January 15, 1948, April 1, 1978, and August 27, 2003.*

C-4. The Executive Board shall meet at the principal office of the Fund unless the Executive Board decides that a particular meeting shall be held elsewhere.

*Adopted September 25, 1946, amended April 1, 1978*

- C-5. (a) Executive Directors may participate in all meetings of the Executive Board and of its committees.
- (b) In the absence of the Managing Director, the Deputy Managing Director shall act as Chairman and shall have a deciding vote in case of an equal division. In the absence of both the Managing Director and the Deputy Managing Director, the Executive Director selected by the Executive Board shall act as Chairman. An Executive Director shall retain his right to vote when serving as Acting Chairman.

RULES AND REGULATIONS

*Adopted September 25, 1946, amended November 12, 1948, September 18, 1969, and April 1, 1978*

Agenda

C-6. The agenda for each meeting shall be prepared by the Chairman. The agenda shall include any item requested by an Executive Director.

*Adopted September 25, 1946*

C-7. Except in special circumstances the Chairman shall notify Executive Directors of new items on the agenda at least two full business days before their consideration in meetings. Additional advance notice shall be given at the discretion of the Chairman before the consideration of new items of special importance which may require consultation with members or the return to the principal office of the Fund of Executive Directors who are absent.

*Adopted September 25, 1946, amended May 28, 1947, and April 1, 1978*

C-8. Matters not on the agenda for a meeting may be considered at that meeting only by unanimous consent of the Executive Directors present.

*Adopted September 25, 1946*

C-9. Any item of the agenda for a meeting, consideration of which has not been completed at that meeting, shall, unless the Executive Board decides otherwise, be automatically included in the agenda of the next meeting.

*Adopted September 25, 1946, amended April 1, 1978*

Voting

C-10. The Chairman shall ordinarily ascertain the sense of the meeting in lieu of a formal vote. Any Executive Director may require a formal vote to be taken with votes cast as prescribed in Article XII, Section 3(i), or Article XXI(a)(ii).

## C—EXECUTIVE BOARD

*Adopted September 25, 1946, amended September 18, 1969, and April 1, 1978*

C-11. There shall be no formal voting in committees and subcommittees. The Chairman of the committee or subcommittee shall determine the sense of the meeting (including alternative points of view) which shall be reported.

*Adopted September 25, 1946*

C-12. No Executive Director may vote at any meeting by any other method than in person unless the Executive Board decides otherwise in the context of a Board meeting convened by way of telecommunication. No Executive Director may vote at any meeting by proxy.

*Adopted September 25, 1946, amended April 10, 2013*

## Language

C-13. The working language of the Fund shall be English. The discussion, documents, and reports of meetings shall ordinarily be in English. Speeches or papers presented in other languages shall be translated into English.

*Adopted September 25, 1946, amended April 1, 1978*

## Minutes

C-14. Under the direction of the Managing Director, the Secretary shall be responsible for the preparation of a summary record of the proceedings of the Executive Board.

*Adopted September 25, 1946*

C-15. Verbatim records shall be kept for inclusion in the archives of the Fund only if the Chairman or an Executive Director so requests. In addition, verbatim records may be kept in order to assist the Secretary to prepare the summary record of a meeting of the Executive Board, provided that these verbatim records shall be destroyed after a reasonable period of time.

*Adopted September 25, 1946, amended April 1, 1978*



RULES AND REGULATIONS

C-16. Draft minutes shall be circulated to all Executive Directors as soon as possible after meetings. They shall be submitted for approval by the Executive Board within a reasonable time.

*Adopted September 25, 1946, amended May 28, 1947, August 14, 1947, and April 1, 1978*

D—APPLICATION FOR MEMBERSHIP  
AND CHANGE IN QUOTA

Application for Membership

D-1. When a country applies for membership in the Fund, the application shall be placed promptly before the Executive Board, and a reasonable time shall be allowed for discussion and preliminary investigation by the Executive Board before a decision is reached to proceed with the formal investigation. If this decision is in the affirmative the Fund may proceed to obtain all relevant information and discuss with the applicant any matters relating to its application. Any Executive Director may request such information to be added to the list requested of the applicant as in his opinion is relevant to the decision to be made. The Executive Board shall then decide whether to submit an application for membership with its views to the Board of Governors for a vote without meeting or hold the application until the next meeting of the Board of Governors.

If the Executive Board decides not to proceed with its formal investigation of an application for membership, it shall report that decision to the Board of Governors with the reasons for the decision.

*Adopted September 25, 1946, amended April 1, 1978*

Quotas

D-2. When a member requests an adjustment of its quota, the Executive Board, after consulting the member, shall submit a written report on the request to the Board of Governors.

## E—SUBSTITUTION OF SECURITIES FOR CURRENCY

*Adopted September 25, 1946, amended May 28, 1947, and April 1, 1978*

D-3. At least one year prior to the time when a general review of quotas must be undertaken by the Board of Governors, the Executive Board shall appoint a Committee of the Whole to study the matter and to prepare a written report. If it is decided to conduct a general review before the time at which such a review must be undertaken by the Board of Governors, the Executive Board shall appoint a Committee of the Whole for this purpose promptly.

*Adopted September 25, 1946, amended April 1, 1978*

## E—SUBSTITUTION OF SECURITIES FOR CURRENCY

E-1. Each member is authorized to substitute, in accordance with Article III, Section 4, non-negotiable, non-interest bearing notes or similar obligations payable to the Fund on demand for that part of the currency holdings of the Fund in the General Resources Account which exceed  $\frac{1}{4}$  of 1 per cent of the member's quota, and the depository shall hold such notes or similar obligations for the account of the Fund. Such notes or similar obligations shall not be accepted until the Fund is satisfied that they are in proper form and that their issue has been authorized. The balances held in the administrative accounts of the Fund shall not be considered as part of the currency holdings of the Fund for the application of this Rule.

*Adopted September 25, 1946, amended February 20, 1950, January 30, 1974, April 1, 1978, and June 23, 1988*

E-2. The Executive Board may agree to alter the  $\frac{1}{4}$  of 1 percent requirement in the case of any member should circumstances in the opinion of the Executive Board warrant a different percentage.

*Adopted September 25, 1946, amended February 20, 1950, and January 30, 1974*

## RULES AND REGULATIONS

E-3. The member is allowed 24 hours in which to deposit the currency necessary to maintain the amount required under E-1 and E-2.

*Adopted September 25, 1946, amended April 1, 1978*

## F—GOLD

F-1. Gold depositories of the Fund shall be established in the United States, the United Kingdom, France, and India. The gold of the Fund shall be held with the depositories designated by the members in whose territories they are located at places agreed with the Fund.

*Adopted September 25, 1946, amended November 29, 1956, and April 1, 1978*

F-2. The Fund may hold gold under earmark for members.

*Adopted April 1, 1978*

## G—OPERATIONS AND TRANSACTIONS

G-1. Each member shall designate a fiscal agency in accordance with Article V, Section 1, and may change the agency after notifying the Fund.

*Adopted September 25, 1946, amended September 18, 1969*

G-2. Instructions from a member for the transfer of currency, SDRs, or gold between it and the General Department and for transfers of SDRs through the Special Drawing Rights Department shall be given by the fiscal agency of the member. Instructions shall be authenticated in the manner agreed upon by the Fund and the fiscal agency.

*Adopted September 25, 1946, amended February 20, 1947, April 1, 1978, and July 26, 1983*

G-3. In its operations on behalf of the Fund a depository will act only on instructions authenticated in such manner as may be agreed upon by the Fund and the depository.

## G—OPERATIONS AND TRANSACTIONS

*Adopted September 25, 1946, amended February 20, 1947, and April 1, 1978*

- G-4. (a) When a duly authenticated request is received for a purchase in accordance with Article V, Section 3, other than a reserve tranche purchase or a purchase under a stand-by or extended arrangement, the Fund shall promptly consider the request. Except when the Executive Board decides otherwise, instructions for a transfer of currency shall be given by the Fund on the day of its decision approving the purchase, unless such decision has been taken after the close of the business day, in which case instructions shall be given not later than the close of the first business day following the decision. When a request is received for a reserve tranche purchase of currency, or subject to (b) below for a purchase of currency in accordance with a stand-by or extended arrangement, the Fund's instructions to the appropriate depository to make the transfer shall be given not later than the close of the first business day following receipt of the request.
- (b) The value date for a purchase that involves resources borrowed by the Fund under the policy on enlarged access, and that is in accordance with the stand-by or extended arrangement, will normally be either the 15th or the last day of the month, or the preceding business day if the day selected is not a business day. If the request for the purchase is not received in the Fund in time for its instructions to be issued for the first of these value dates following the date of receipt, the purchase will be executed at the next such value date.
- (c) Repurchases in respect of a purchase financed with resources borrowed under the policy on enlarged access should be made normally with a value date of either the 6th day or 22nd day of the month,

## RULES AND REGULATIONS

or the next business day if the day selected is not a business day, provided that repurchase will be completed not later than seven years from the date of the purchase.

- (d) Members should consult the Fund in a timely manner with respect to the time they expect to make a purchase or a repurchase and in order to ascertain the date by which a request to purchase must be made or instructions given by the member to depositories with respect to a repurchase in order for instructions to be given for a specific date.
- (e) Instructions for the transfer of currency for any purchase, other than a reserve tranche purchase, shall be rescinded, to the extent that it is feasible, during the period between the issuance of the instructions and the value date for the purchase if, during that period, the member requesting the purchase has any overdue financial obligation to the Fund or is failing to meet a repurchase expectation pursuant to the Guidelines on Corrective Action with respect to a noncomplying purchase.

*Adopted September 25, 1946, amended February 7, 1947, April 1, 1978, and April 29, 1981, effective May 1, 1981; paragraph (a) amended April 25, 2003; paragraphs (b) and (c) amended February 24, 1982; paragraph (b) amended May 1, 1984, effective July 3, 1984; paragraph (e) adopted February 20, 1985*

G-5. When a member expects to purchase from the Fund, in a single transaction or a series of transactions, an amount of another member's currency that is unusually large in relation to the quota of that other member, the member shall give the Managing Director as much notice of the proposed transaction or transactions as can reasonably be effected.

*Adopted September 25, 1946, amended April 1, 1978*

## H—EXCHANGE CONTROLS, CURRENCY PRACTICES

H—EXCHANGE CONTROLS, CURRENCY PRACTICES,  
AGREEMENTS, AND INFORMATION

H-1. The Fund shall keep all exchange controls under review and shall consult with members with a view to the progressive removal of exchange restrictions in accordance with the Fund Agreement.

*Adopted September 25, 1946*

H-2. If a member complains to the Executive Board that another member is not complying with its obligations concerning exchange controls, discriminatory currency arrangements, or multiple currency practices, the complaint shall give all facts pertinent to an examination.

*Adopted September 25, 1946*

H-3. Upon receipt of a complaint from a member, the Executive Board shall make arrangements promptly for consultation with the members directly involved.

*Adopted September 25, 1946*

H-4. All requests by a member under Article VIII, Sections 2 and 3, that the Fund approve the imposition of restrictions on the making of payments and transfers for current international transactions, or the use of discriminatory currency arrangements or multiple currency practices, shall be submitted to the Executive Board in writing, with a statement of the reasons for making the request.

*Adopted September 25, 1946*

H-5. The Executive Board shall decide each request for approval expeditiously.

*Adopted September 25, 1946*

H-6. The Fund shall arrange through the fiscal agencies of members that frequent and regular information as to the market rates of members' currencies bought and sold in their territories is made available to the Fund.

*Adopted September 25, 1946, amended April 1, 1978*

## RULES AND REGULATIONS

H-7. Pursuant to Article VIII, Section 5, the Fund shall arrange with members to report their official holdings of gold and foreign exchange to the Fund within thirty days of the end of each month.

*Adopted April 1, 1978*

I—CHARGES IN RESPECT OF GENERAL RESOURCES  
ACCOUNT TRANSACTIONS AND REMUNERATION

I-1. The service charge payable by a member buying, in exchange for its own currency, the currency of another member or SDRs from the General Resources Account shall be 0.5 percent, except that no service charge shall be payable in respect of any purchase to the extent that it is a reserve tranche purchase. The service charge shall be paid at the time the transaction is consummated.

*Adopted September 25, 1946, amended November 19, 1951, November 14, 1952, June 26, 1953, October 14, 1953, December 23, 1953, December 15, 1954, December 27, 1955, May 23, 1956, December 21, 1956, December 9, 1957, December 12, 1958, March 20, 1959, April 20, 1959, April 19, 1960, April 17, 1961, April 25, 1962, April 24, 1963, April 13, 1964, April 28, 1965, April 22, 1966, September 18, 1969, September 10, 1971, April 1, 1978, April 22, 1981, effective May 1, 1981, July 26, 1983, and January 7, 1994*

I-2. The Fund shall notify each member by cable, as soon as possible after July 31, October 31, January 31, and April 30, of the charges it owes to the Fund pursuant to Article V, Section 8(b) or (c) for the three calendar months ending on each such date. The charges shall be payable on the second business day following the dispatch of the notification.

*Adopted September 25, 1946, amended July 30, 1948, February 24, 1954, April 1, 1977, April 1, 1978, April 22, 1981, effective May 1, 1981, April 23 1982, January 7, 1994, and April 25, 2003*

## I—CHARGES AND REMUNERATION

I-3. Charges levied under Article V, Section 8(b) or (c) shall be computed for each member on the basis of the daily balances of its currency held by the Fund that are subject to charges. The Fund's holdings of each member's currency shall consist of all of its currency except amounts, not in excess of 0.1 percent of quota, in a special account to meet administrative expenses and amounts in sundry cash accounts.

*Adopted July 30, 1948, amended November 1, 1968, April 1, 1978, April 22, 1981, effective May 1, 1981, and January 7, 1994*

I-4. Deleted.

I-5. Deleted.

I-6. (1) Deleted.

(2) Deleted.

(3) Deleted.

(4) The rate of charge on holdings (i) acquired as a result of a purchase under a policy that has been the subject of an exclusion under Article XXX(c), or (ii) that exceed the amount of the member's quota after excluding any balances referred to in (i), shall be determined in accordance with (a) and (b) below.

(a) The rate of charge shall be determined as the SDR interest rate under Rule T-1 plus a margin expressed in basis points. The margin shall be set at a level that is adequate (i) to cover the estimated intermediation expense of the Fund for the period under (b) below, taking into account income from service charges, and (ii) to generate an amount of net income for placement to reserves. The appropriate amount for reserve contribution shall be assessed taking into account, in particular, the current level of precautionary balances, any floor or target for precautionary balances, and the expected contribution from surcharges and commitment fees to precautionary balances; provided,



## RULES AND REGULATIONS

however, that the margin shall not be set at a level at which the basic rate of charge would result in the cost of Fund credit becoming too high or too low in relation to long-term credit market conditions as measured by appropriate benchmarks. Notwithstanding the above, in exceptional circumstances, the margin may be set at a level other than that which is adequate to cover estimated intermediation expenses of the Fund and to generate an amount of net income for placement to reserves.

- (b) The margin shall be set for a period of two financial years. A comprehensive review of the Fund's income position shall be held before the end of the first year of each such two-year period and the margin may be adjusted in the context of such a review, but only if this is warranted in view of fundamental changes in the underlying factors relevant for the establishment of the margin at the start of the two-year period.

(5) Deleted.

(6) Deleted.

(7) Deleted.

(8) Deleted.

(9) Deleted.

(10) Deleted.

(11) Deleted.

*Adopted as I-7 April 24, 1963; amended April 13, 1964; April 28, 1965; April 22, 1966; June 13, 1974; September 13, 1974; April 4, 1975; April 1, 1977; April 1, 1978; October 25, 1978, effective January 1, 1979; April 22, 1981, effective May 1, 1981; and January 7, 1994; paragraphs (1), (2), and (3) deleted January 7, 1994; paragraph (4) amended May 13, 1981; August 23, 1988; September 17, 1990; December 5, 1990;*

## I—CHARGES AND REMUNERATION

*April 23, 1993; January 7, 1994; and May 1, 2012; paragraph (4)(a) amended June 9, 1982; June 5, 1985; January 7, 1994; April 22, 2005; April 28, 2006; and May 1, 2012; paragraph (4)(b) amended January 7, 1994; April 22, 2005; April 28, 2006; and May 1, 2012; paragraph (4)(c) deleted May 1, 2012; paragraph (4)(d) deleted May 1, 2012; paragraphs (5), (6), (7), (8), (9), (10), and (11) deleted January 7, 1994*

I-7. Deleted.

I-8. The following provisions shall apply to all GRA arrangements:

- (a) Subject to paragraphs (e) and (f) below, a charge shall be payable at the beginning of each twelve-month period (“the relevant period”) of an arrangement as follows:
  - (i)  $\frac{15}{100}$  of 1 percent per annum on amounts of up to 115 percent of the member’s quota that could be purchased during the relevant period; and
  - (ii)  $\frac{3}{10}$  of 1 percent per annum on amounts in excess of 115 percent and up to 575 percent of the member’s quota that could be purchased during the relevant period; and
  - (iii)  $\frac{3}{5}$  of 1 percent per annum on amounts in excess of 575 percent of the member’s quota that could be purchased during the relevant period.
- (b) When a purchase is made under an arrangement, the amount of the charge paid under subparagraph (a) above shall be reduced, and a refund equal to the reduction shall be made, as follows:
  - (i) to the extent that purchases during the relevant period do not exceed 115 percent of the member’s quota, the portion of the charge calculated in accordance with subparagraph (a)(i) above shall be reduced by the proportion that the amount of the purchase bears to the amount of the arrangement

RULES AND REGULATIONS

- not exceeding 115 percent of the member's quota that could be purchased during the relevant period;
- (ii) to the extent that purchases during the relevant period exceed 115 percent but do not exceed 575 percent of the member's quota, the portion of the charge calculated in accordance with subparagraph (a)(ii) above shall be reduced by the proportion that the amount of the purchase bears to the amount of the arrangement exceeding 115 percent but not exceeding 575 percent of the member's quota that could be purchased during the relevant period; and
  - (iii) to the extent that purchases during the relevant period exceeds 575 percent of the member's quota, the portion of the charge calculated in accordance with subparagraph (a)(iii) above shall be reduced by the proportion that the amount of the purchase bears to the amount of the arrangement exceeding 575 percent of the member's quota that could be purchased during the relevant period.
- (c) If a member notifies the Fund that it wishes to cancel an arrangement, the Fund shall repay to the member a portion of the charge. The portion repaid shall represent the charge for the period remaining unexpired at the date of cancellation for the amount that could still be purchased under the arrangement at the date of cancellation for which the member has paid a charge.
  - (d) Refunds for reductions under subparagraph (b) above and repayments under subparagraph (c) above of a charge paid for an arrangement shall be made in the media selected by the Fund.
  - (e) Instead of the thresholds of 115 percent and 575 percent referred to in subparagraphs (a) and (b) above, the thresholds of 200 percent and 1000 percent,

## I—CHARGES AND REMUNERATION

respectively, shall be used in computing charges and refunds for a member until the earlier of (i) the effective date of that member's quota increase under the 14<sup>TH</sup> General Review of Quotas, or (ii) February 26, 2016.

- (f) A member with an arrangement in effect on February 17, 2016 may notify the Fund by February 25, 2016 that it elects to have the charges and refunds applicable to such arrangement to be based on the thresholds of 200 percent and 1000 percent of the member's quota in effect prior to the effectiveness of the quota increase for that member under the 14th General Review of Quotas, instead of the thresholds of 115 percent and 575 percent, respectively, under subparagraphs (a) and (b) above. Absent such notification, the relevant charges and refunds shall be determined under subparagraphs (a), (b), (c) and (d) above. If a member has made an election under this subparagraph (f), such election shall cease to apply as of the date of the Fund's approval of any augmentation of an arrangement in effect for that member on February 17, 2016. The member shall then be subject to the relevant charges and refunds as determined under subparagraphs (a), (b), (c) and (d). New arrangements approved by the Fund after February 17, 2016 are not eligible for the election under this subparagraph (f).

*Adopted April 1, 1978; amended January 7, 1994, November 28, 2000, March 24, 2009, April 10, 2009, and February 17, 2016*

- I-9. (a) Remuneration shall accrue daily. The amount that has accrued during each quarter of the financial year of the Fund shall be paid as of the beginning of the following quarter.
- (b) A member that wishes to receive in its own currency the whole or a specified portion of the remuneration payable to it shall so notify the Fund.

RULES AND REGULATIONS

*Adopted September 18, 1969; amended April 1, 1978; and July 26, 1983, effective August 1, 1983*

- I-10. (a) The rate of remuneration shall be equal to 100 percent of the rate of interest on holdings of SDRs under Rule T-1 (hereafter referred to as “SDR interest rate”).
- (b) The relationship of the rate of remuneration to the SDR interest rate will be referred to as the remuneration coefficient.”

*Adopted June 13, 1974; amended July 7, 1975; June 30, 1976; April 1, 1978; October 25, 1978, effective January 1, 1979; September 17, 1980, effective January 1, 1981; April 22, 1981, effective May 1, 1981; July 26, 1983, effective August 1, 1983; January 6, 1984; and July 25, 1986, effective August 1, 1986 and February 1, 1987*

J—ACCOUNTING AND REPORTING

Accounts

- J-1. (a) The accounts of the General Department shall be summarized, and the financial statements relating to them shall be expressed, in terms of the SDR. Currencies and other assets denominated in currency shall be valued in accordance with exchange rates under Article XIX, Section 7(a) and decisions of the Fund. Gold held by the Fund on the date of the Second Amendment shall be valued on the basis of one SDR per 0.888 671 gram of fine gold, and gold accepted by the Fund after that date shall be valued in terms of the SDR in such manner as the Executive Board shall decide.
- (b) The accounts of the Special Drawing Rights Department shall be kept in terms of the SDR.
- (c) An Account administered by the Fund under Article V, Section 2(b) shall be summarized, and the financial

## J—ACCOUNTING AND REPORTING

statements relating to it shall be expressed, in terms of the SDR or, if the Fund so decides, in terms of a currency held in the Account.

*Adopted September 25, 1946; amended September 18, 1969; February 25, 1972, effective March 20, 1972; April 1, 1978; and July 26, 1983*

- J-2. (a) The accounts of the General Department shall be kept in a manner that will show clearly the nature and amount of each operation and transaction and the position of each member. The accounts of the Special Drawing Rights Department shall be kept in a manner that will show clearly the nature and amount of each operation and transaction in SDRs and the position of each participant, the Fund, and each other holder.
- (b) Accounts administered by the Fund under Article V, Section 2(b) shall be kept in a manner that will show clearly the nature and amount of each operation and transaction, the position of each such Account, the position of each contributor, and the position of each recipient of resources from the Account.

*Adopted September 25, 1946; amended September 18, 1969; April 1, 1978; and July 26, 1983*

- J-3. (a) A summary statement of the operations and transactions conducted through the General Department shall be issued at intervals of three months or less. A monthly statement shall be sent to each member, setting forth the member's position in the Accounts of the General Department and the details of operations and transactions between the member and the Fund other than operations and transactions of an administrative nature.
- (b) A summary statement of the operations and transactions conducted through the Special Drawing Rights Department, and of the position of each participant and each other holder, shall be issued at intervals of three months or less. A statement

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shall be sent periodically to each participant and each other holder, setting forth the position of the participant or the other holder in the Special Drawing Rights Department and the details of operations and transactions involving the participant or the other holder.

- (c) A summary statement of the operations and transactions conducted through Accounts administered by the Fund under Article V, Section 2(b), except the Staff Retirement Fund, shall be issued at intervals of three months or less. A monthly statement shall be sent to each contributor and to each recipient of benefits through such an Account, setting forth the position of the contributor or the recipient, and the details of operations and transactions between the Account and the contributor or the recipient.
- (d) Accounting and reporting with respect to the Staff Retirement Fund shall be carried out in accordance with the terms of the Staff Retirement Plan.

*Adopted September 25, 1946; amended September 18, 1969; and April 1, 1978*

Annual Administrative Budget

J-4. Not later than April 1 of each year, the Managing Director shall present for the approval of the Executive Board the annual administrative budget of the Fund. The budget shall include a projection of the income of the Fund and of the expense of conducting the business of the Fund and of reimbursement of the General Resources Account in respect of the expenses of administration of the Special Disbursement Account, the Special Drawing Rights Department, and Accounts administered by the Fund under Article V, Section 2(b).

*Adopted September 25, 1946; amended February 20, 1948; September 18, 1969; and April 1, 1978*

## J—ACCOUNTING AND REPORTING

## Annual Report

J-5. Not later than May 31 of each year, the Managing Director shall present to the Executive Board for its consideration a summary of the matters which in his opinion should be included in the annual report to the Board of Governors. At least two months before a regular meeting of the Board of Governors, the Managing Director shall submit to the Executive Board for its consideration a draft of the annual report. If a regular meeting of the Board of Governors is not scheduled to be held during a year, the draft shall be submitted as soon as possible after May 31 of the same year.

*Adopted September 25, 1946; amended April 1, 1978*

## Audit

J-6. At least two months before a regular meeting of the Board of Governors, the audited financial statements of the Fund shall be submitted to the Executive Board for its consideration. If a regular meeting of the Board of Governors is not scheduled to be held in any year, the audited financial statements shall be submitted as soon as possible after the end of the financial year of the Fund.

*Adopted September 25, 1946; amended April 1, 1978*

J-7. When the external audit committee communicates views and suggestions pursuant to Section 20(f) of the By-Laws, those views and suggestions shall be communicated at the same time to the Managing Director and the Executive Board.

*Adopted May 22, 1998*

J-8. Any review of the external audit process initiated by the Fund shall be conducted under the direction of the Executive Board and the Managing Director and any report shall be communicated upon completion, at the same time, to the Executive Board and the Managing Director.

*Adopted May 22, 1998*



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Financial Year

J-9. For purposes of the Fund's accounts and reports, its financial year shall begin on May 1 and end on the succeeding April 30. *Adopted February 7, 1947; amended May 28, 1947, effective September 17, 1947; April 1, 1978; and May 22, 1998*

K—LIMITATION, INELIGIBILITY, AND SUSPENSION OF  
VOTING RIGHTS

K-1. The Managing Director shall report to the Executive Board any case in which it appears to him that a member is not fulfilling obligations under the Articles other than obligations referred to in Rule S-1.

*Adopted September 25, 1946; amended September 18, 1969; and April 1, 1978*

K-2. Whenever the Executive Board is authorized by the Articles to declare a member ineligible to use the general resources of the Fund it may refrain from making the declaration and indicate the circumstances under which, and the extent to which, the member may make use of the general resources.

*Adopted September 25, 1946; amended April 1, 1978*

K-3. Before any member is declared ineligible to use the general resources of the Fund pursuant to Article XXVI, Section 2(a), the matter shall be considered by the Executive Board, which shall inform the member in reasonable time of the complaint against it and allow the member an adequate opportunity for stating its case both orally and in writing.

*Adopted September 25, 1946; amended April 1, 1978*

K-4. When any member that is ineligible to use the general resources of the Fund, or whose use of the general resources has been limited according to Rule K-2 above, requests the Executive Board to permit the resumption of the use of the general resources with or without special limitations and the Executive Board decides

## L—CAPITAL TRANSFERS

not to permit such resumption, a written report shall be presented to the member stating what further action is required before such resumption will be permitted.

*Adopted September 25, 1946; corrected October 18, 1950; amended April 1, 1978*

K-5. When it is decided to use assets held in the Special Disbursement Account to make a distribution to developing members in accordance with Article V, Section 12(f)(iii), the Executive Board shall consider whether to permit a member that has been declared ineligible to use the general resources of the Fund under Article V, Section 5 to participate in the distribution before the ineligibility of the member has ceased.

*Adopted April 1, 1978*

K-6. Before any member's voting rights are suspended pursuant to Article XXVI, Section 2(b), the matter shall be considered by the Executive Board, which shall inform the member in reasonable time of the complaint against it and allow the member an adequate opportunity for stating its case both orally and in writing.

*Adopted March 10, 1993*

K-7. When a member, whose voting rights have been suspended, requests the Executive Board to terminate the suspension and the Executive Board decides not to terminate such suspension, a written report shall be presented to the member stating what further action is required before such suspension will be terminated.

*Adopted March 10, 1993*

## L—CAPITAL TRANSFERS

L-1. If a large or sustained outflow of capital from a member country is taking place:

- (a) that member or any other member may notify the Fund, presenting such information as it deems necessary, and may request the Fund's views with respect to such capital movement; and

RULES AND REGULATIONS

- (b) the Fund may present to the member or members concerned a report setting forth its views, and may request the member or members to report on the situation within a suitable time.

*Adopted September 25, 1946*

L-2. Whenever the Fund has requested a member to exercise controls to prevent use of the general resources of the Fund to meet a large or sustained outflow of capital, the Fund shall request the member to notify it promptly and in detail of the measures taken.

*Adopted September 25, 1946, amended April 1, 1978*

L-3. Each member shall inform the Fund in detail of any measures it is taking to regulate international capital movements and of changes made in such measures.

*Adopted September 25, 1946, amended April 1, 1978*

L-4. If the Fund is of the opinion that the controls exercised by a member to regulate international capital movements are restrictive of payments for current international transactions, or unduly delay transfers of funds in settlement of commitments, the Fund shall, subject to the provisions of Article VII, Section 3(b) and Article XIV, Section 2, consult with the member on the manner in which the controls are exercised. If, after consultation, the Fund is not satisfied that the controls are exercised in a manner consistent with the Articles, it shall so inform the member in a written report and request it to modify the controls.

*Adopted September 25, 1946, amended April 1, 1978*

M—RELATIONS WITH NON-MEMBERS

M-1. The Fund may request the cooperation of any member with a view to the application of appropriate measures to prevent transactions with non-members or with persons in their territories, contrary to the provisions of the Articles or the purposes of the Fund.

*Adopted September 25, 1946, amended April 1, 1978*

## M—RELATIONS WITH NON-MEMBERS

M-2. When the Fund finds that a member or any of its fiscal agencies referred to in Article V, Section 1, engages in any transaction with or cooperates in practices with a non-member or with persons in a non-members' territory contrary to the provisions of the Articles or the purposes of the Fund, it shall present to the member a report setting forth its views and may request the cessation or modification of the transactions or practices.

*Adopted September 25, 1946, amended April 1, 1978*

M-3. A member shall inform the Fund promptly and in detail of any restrictions which it imposes on exchange transactions with non-members or with persons in their territories.

*Adopted September 25, 1946*

M-4. Any member may notify the Fund of restrictions imposed by a member on exchange transactions with non-members or with persons in their territories which are deemed to prejudice the interests of members and to be contrary to the purposes of the Fund.

*Adopted September 25, 1946*

M-5. When the Fund finds that the restrictions imposed by a member on exchange transactions with non-members or with persons in their territories are prejudicial to the interests of members and contrary to the purposes of the Fund, it shall present to the member a report setting forth its views and may request the abolition or modification of the restrictions.

*Adopted September 25, 1946*

M-6. The Fund deems that it would be prejudicial to the interests of members and contrary to the purposes of the Fund for a member to impose restrictions on exchange transactions with those non-members having entered into special exchange agreements under the General Agreement on Tariffs and Trade, or with persons in their territories, which the member would not in similar circumstances be authorized to impose on exchange transactions with other members or persons in their territories. Therefore, pursuant to Article XI, Section 2, members should not institute restrictions on exchange transactions with such

## RULES AND REGULATIONS

non-members, or persons in their territories, unless the restrictions (a) if instituted on transactions with other members, or persons in their territories, would be authorized under the Articles, or (b) have been approved in advance by the Fund. Requests for prior approval shall be submitted in writing with a statement of reasons.

*Adopted June 7, 1950, amended April 1, 1978*

## N—STAFF REGULATIONS

N-1. Persons on the staff of the Fund shall be nationals of members of the Fund unless the Executive Board authorizes exceptions in particular cases. In appointing the staff the Managing Director shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible.

*Adopted as N-2 September 25, 1946, amended June 22, 1979*

N-2. Subject to Rule N-1 above, the employment, classification, promotion and assignment of persons on the staff of the Fund shall be made without discriminating against any person because of sex, race, creed, or nationality.

*Adopted as N-1 September 25, 1946, amended June 22, 1979*

N-3. Persons on the staff of the Fund, in the discharge of their functions, shall owe their duty entirely to the Fund and to no other authority, and shall neither seek nor accept instructions from any government or any authority external to the Fund.

*Adopted September 25, 1946, amended June 22, 1979*

N-4. Persons on the staff of the Fund shall maintain standards of conduct compatible with their position as international civil servants and shall avoid any action or pronouncement, either in their own country or elsewhere, that would not be in keeping with their position as international civil servants. They shall always bear in mind the reserve and tact incumbent upon them by reason of

## N—STAFF REGULATIONS

their international functions, and they shall exercise the utmost discretion in matters of official business.

*Adopted September 25, 1946, amended June 22, 1979*

N-5. Except with the express authorization of the Managing Director, persons on the staff of the Fund may not, during their term of service: (i) publish, cause to be published, or assist in the publication of any book, pamphlet, article, letter, or other document relating to the policies or activities of the Fund or to any national political questions; or (ii) deliver any speech, lecture, or broadcast, or grant any press interview on such policies, activities, or questions.

*Adopted September 25, 1946, amended June 22, 1979*

N-6. Persons on the staff of the Fund, and persons formerly on the staff of the Fund, shall not, at any time, without the express authorization of the Managing Director: (i) reveal any unpublished information known to them by reason of their service with the Fund to a person not authorized by the Fund to receive the information; or (ii) use, or allow the use of, unpublished information known to them by reason of their service with the Fund for private advantage, directly or indirectly, or for any interest contrary to that of the Fund as determined by the Managing Director.

*Adopted as part of N-5 September 25, 1946, amended June 22, 1979*

N-7. Persons on the staff of the Fund, during their terms of service, including periods of leave with or without pay, shall not hold other public or private employment, engage in any occupation, business activity, or profession, that, in the opinion of the Managing Director, is incompatible with these Rules or the proper performance of their official duties or inconsistent with their position as international civil servants.

*Adopted as N-6 September 25, 1946, amended June 22, 1979*

N-8. Persons on the staff of the Fund shall not engage in such political activity as, in the opinion of the Managing Director, is inconsistent with, or reflects adversely upon, the independence

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and impartiality required by their position as international civil servants. Any person on the staff of the Fund who accepts an office of a political character shall immediately offer to resign from the staff of the Fund.

*Adopted September 25, 1946, amended June 22, 1979*

N-9. Persons on the staff of the Fund may retain re-employment rights or pension rights acquired in the service of another public or a private organization.

*Adopted as N-7 September 25, 1946, amended June 22, 1979*

N-10. No person on the staff may accept any honor, decoration, favor, gift, or bonus from any government, or from any other authority or person external to the Fund, for services rendered during the period of his appointment or service with the Fund.

*Adopted as N-9 September 25, 1946*

N-11. Upon appointment, each person on the staff will subscribe in writing to the following affirmation:

—I solemnly affirm:

—That, to the best of my ability, I will carry out my responsibilities in a manner that will further the purposes of the International Monetary Fund;

—That, I will refrain from communicating confidential information to persons outside the Fund;

—That, I will not use to private advantage information known to me by reason of my official position; and

—That I will accept no instruction in regard to the performance of my duties from any government or authority external to the Fund.

*Adopted as N-10 September 25, 1946*

N-12. The Managing Director shall inform the Executive Board at least two weeks in advance of any action to appoint

## N—STAFF REGULATIONS

or dismiss any person to or from a position graded equal to or above that of a division chief. Such information shall not be necessary for other appointments or dismissals by the Managing Director.

*Adopted as N-13 September 25, 1946, amended July 1, 1959, June 22, 1979, and December 27, 1989*

N-13. The Managing Director is authorized to issue General Administrative Orders concerning general personnel policies that have been approved by the Executive Board.

*Adopted as N-14 September 25, 1946, amended June 22, 1979*

N-14. Persons on the staff of the Fund shall have the right to associate in order to present their views to the Managing Director and the Executive Board, through representatives, on matters pertaining to personnel policies and their conditions of service.

*Adopted June 22, 1979*

N-15. Appropriate procedures shall be established for the consideration of complaints and grievances of individual persons on the staff of the Fund on matters involving the consistency of actions taken in their individual cases with the regulations governing personnel and their conditions of service.

*Adopted June 22, 1979*

- N-16. (a) Official travel shall be undertaken by persons on the staff of the Fund only with the approval of the Managing Director.
- (b) The Managing Director shall inform the Executive Board of all such travel at least once a month and in such manner as indicates the purpose of the travel.
- (c) (i) Official travel by persons on the staff of the Fund to a members' territory shall be undertaken only after consultation with the Executive Director elected or designated by the member.



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- (ii) In addition, normally, meetings of persons on the staff of the Fund with officials of a member to discuss official business shall be held only after consultation with the Executive Director elected or designated by the member.
- (d) The advance approval of the Executive Board shall be necessary for technical services by persons on the staff of the Fund in response to requests by non-members or international agencies. In addition, such approval shall be necessary for participation by persons on the staff of the Fund in the deliberations of national or international agencies, or in conferences, in which the views of the Executive Board on the subject matter of the deliberations or conferences are to be presented.
- (e) For the purpose of this Rule N-16, official travel shall be deemed not to include travel solely in accordance with the provisions of staff benefit policies.

*Paragraph (a) adopted as N-15(a) September 25, 1946, amended February 11, 1948, and June 22, 1979; paragraphs (b), (c), and (d) adopted as N-15(b), (c), and (d) February 11, 1948, amended June 22, 1979; paragraph (c) amended February 26, 2013, effective January 26, 2016; paragraph (d) amended September 4, 1991; paragraph (e) adopted June 22, 1979*

O—VALUATION OF THE SDR, VALUATION OF CURRENCIES IN TERMS OF THE SDR, FREELY USABLE CURRENCY, PROCEDURES FOR EXCHANGE OF CURRENCY, AND OPERATIONAL BUDGET

Valuation of the SDR

O-1. The value of the SDR shall be the sum of the values of the following amounts of the following currencies:

U.S. dollar	0.58252
Euro	0.38671

## O—VALUATION OF SDR

Chinese yuan	1.0174
Japanese yen	11.900
Pound sterling	0.085946

*Adopted September 18, 1969; amended June 13, 1974, effective July 1, 1974; July 1, 1974; April 1, 1978; June 30, 1978, effective July 1, 1978; September 17, 1980, effective January 1, 1981; July 26, 1983; December 31, 1985, effective January 1, 1986; December 31, 1990, effective January 1, 1991; December 29, 1995, effective January 1, 1996; September 21, 1998, effective January 1, 1999; December 29, 2000, effective January 1, 2001; December 30, 2005, effective January 1, 2006; December 30, 2010, effective January 1, 2011; and September 30, 2016, effective October 1, 2016*

## Valuation of Currencies in Terms of the SDR

- O-2. (a) The value of the United States dollar in terms of the SDR shall be equal to the reciprocal of the sum of the equivalents in United States dollars of the amounts of the currencies specified in Rule O-1, calculated on the basis of exchange rates established in accordance with procedures decided from time to time by the Fund.
- (b) The value of a currency other than the United States dollar in terms of the SDR shall be determined on the basis of the value of the United States dollar in terms of the SDR in accordance with (a) above and an exchange rate for that other currency determined as follows:
- (i) for the currency of a member having an exchange market in which the Fund finds that a representative spot rate for the United States dollar can be readily ascertained, that representative rate;
  - (ii) for the currency of a member having an exchange market in which the Fund finds that a representative spot rate for the United States dollar cannot be readily ascertained but in which a representative spot rate can be readily ascertained for a currency as described in (i), the

RULES AND REGULATIONS

rate calculated by reference to the representative spot rate for that currency and the rate ascertained pursuant to (i) above for the United States dollar in terms of that currency;

(iii) for the currency of any other member, a rate determined by the Fund.

(c) Procedures to establish exchange rates under (b) above shall be determined by the Fund in consultation with members.

*Adopted September 18, 1969; amended June 13, 1974, effective July 1, 1974; July 1, 1974; April 1, 1978; and July 26, 1983*

Freely Usable Currency

O-3. (a) The Fund shall determine the currencies that are freely usable in accordance with Article XXX(f).

(b) The Fund shall consult a member before placing its currency on, or removing it from, the list of freely usable currencies.

*Adopted April 1, 1978*

Procedures for Exchange of Currency

O-4. (a) The Fund shall consult all members with respect to procedures for the prompt exchange of currency, or to facilitate such exchange, in connection with

(i) the operations and transactions of the Fund conducted through the General Resources Account, and

(ii) transactions with designation conducted through the Special Drawing Rights Department.

(b) On the request of any member, an Executive Director, or the Managing Director, the Executive Board shall decide whether procedures under (a) above for the

## O—VALUATION OF SDR

exchange of currency are in accordance with the obligations of members.

- (c) The Fund shall inform all members of the procedures for the exchange of each freely usable currency.

*Adopted April 1, 1978*

O-5. A member requesting an exchange of currency in accordance with the procedures under Rule O-4(a) shall make its request to the Fund not later than the date on which the Fund issues instructions for the execution of the operation or transaction that gives rise to the request.

*Adopted April 1, 1978*

O-6. (a) An exchange of currency in accordance with the procedures under Rule O-4(a) shall be made at an exchange rate between the two currencies corresponding to their exchange rates in terms of the SDR as determined under Rule O-2, if

- (i) the exchange is requested under Article V, Section 3(e)(i) or (iv) or under Article V, Section 7(j)(i) or (iv), or
  - (ii) the procedures for the exchange of currency under Rule O-4(a) so provide.
- (b) The exchange rate for each currency for the purposes of (a) above shall be determined as of the date of dispatch of the Fund's instruction for the execution of the transaction or operation under (a) above, and if this rate cannot be used, the rate of the preceding day closest thereto that is practicable.
- (c) The value date for an exchange of currency under (a) above shall be the second business day after the date of dispatch of the Fund's instruction under (b) above, or as early thereto as is practicable.

*Adopted April 1, 1978, amended July 26, 1983, and April 25, 2003.*

RULES AND REGULATIONS

O-7. No member shall levy any charge or commission in respect of an exchange of currency to which Rule O-6 applies.

*Adopted April 1, 1978*

O-8. (a) An exchange of currency to which Rule O-6 applies shall be made by an official agency of the member issuing the currency, unless the members exchanging currency agree otherwise.

(b) Instruction for an exchange by an official agency under (a) above shall be given by the Fund.

*Adopted April 1, 1978*

O-9. (a) In an exchange pursuant to Article V, Section 7(*j*) (iv), the freely usable currency to be provided by the repurchasing member in the exchange shall be the freely usable currency agreed between the members exchanging currency.

(b) In the absence of agreement under (a) above, the Fund shall specify the freely usable currency to be provided by the repurchasing member. In making any such specification, the Fund shall take into account the circumstances of the members exchanging currency.

*Adopted April 1, 1978*

Operational Budget

O-10. (a) At quarterly intervals the Executive Board shall decide on the transactions plan, including amounts, for the use of currencies and SDRs in the operations and transactions of the Fund conducted through the General Resources Account until the next decision takes effect.

## P—PROCEDURES FOR OPERATIONS

- (b) The Executive Board may decide at any time to adopt a special transactions plan.
- (c) On the request of any member, an Executive Director, or the Managing Director, the Executive Board shall review, and if necessary amend, any transactions plan adopted pursuant to (a) or (b) above.

*Adopted April 1, 1978, amended July 26, 1983, and February 25, 2000*

P—PROCEDURES FOR OPERATIONS AND  
TRANSACTIONS INVOLVING SDRS

Transactions with Designation

- P-1. (a) A participant shall inform the Fund of its intention to use SDRs in a transaction with designation. If it desires a particular freely usable currency the participant shall indicate this not later than the date on which the Fund issues instructions for the execution of the transaction.
- (b) Instructions for a transaction pursuant to (a) above shall be given by the Fund in accordance with Rule P-2 and the procedures under Rule O-4(a), and shall be carried out promptly.

*Adopted September 18, 1969, amended April 1, 1978, and July 26, 1983*

P-2. In a transaction with designation the freely usable currency shall be provided at an exchange rate determined under Rule O-2, and at an official agency of the participant issuing the currency.

*Adopted April 1, 1978*

P-3. No participant shall levy any charge or commission in respect of the provision of currency in a transaction with designation.

*Adopted September 18, 1969, amended April 1, 1978*

## RULES AND REGULATIONS

P-4. A participant using SDRs in a transaction with designation shall declare that the use is in accordance with Article XIX, Section 3(a), or a waiver under Article XIX, Section 3(c).

*Adopted September 18, 1969, amended April 1, 1978, and July 26, 1983*

### Designation of Participants to Provide Currency

P-5. At annual intervals the Executive Board shall decide, in accordance with Article XIX, Section 5, and Decision No. 11976-(99/59) S, on the plan, including amounts, by which designations will be made until the next decision takes effect.

On the request of any participant, an Executive Director, or the Managing Director, the Executive Board shall review, and if necessary amend, any plan adopted pursuant to this Rule.

*Adopted September 18, 1969, amended April 1, 1978, and October 1, 2015*

### Transactions by Agreement Between Participants

P-6. (a) The exchange rate in a transaction by agreement between participants shall be determined under Rule O-2 as of the date of the agreement, unless the transaction is carried out at another exchange rate pursuant to authorization by the Fund under Article XIX, Section 7(b). Settlement shall take place on the date of the agreement or any business day within two business days from that date, as agreed between the participants.

(b) No participant shall levy any charge or commission in respect of a transaction under Article XIX, Section 2(b).

*Adopted April 1, 1978, amended June 1, 1988 and April 25, 2003.*

### Prescribed Operations

P-7. The parties to an operation pursuant to a prescription under Article XIX, Section 2(c) shall declare that the operation is in accordance with the prescription.

*Adopted September 18, 1969, amended April 1, 1978*

## Q—OTHER HOLDERS

## Recording

P-8. A participant using SDRs in a transaction shall inform the Fund immediately of the receipt of currency in accordance with the Articles of Agreement and these Rules and Regulations.

*Adopted September 18, 1969, amended April 1, 1978, and July 26, 1983*

P-9. The Fund shall record a transaction or an operation in the Special Drawing Rights Department when it is satisfied that the transaction or the operation is in conformity with the obligations of participants under the Articles of Agreement and with the Rules and Regulations and any applicable decisions of the Fund. A transaction shall be recorded as of the date on which currency is provided, and an operation shall be recorded as of the date on which it is carried out.

*Adopted September 18, 1969, amended April 1, 1978*

## Q—OTHER HOLDERS

Q-1. An application for prescription by the Fund as a holder of SDRs, and of the terms and conditions for holding, accepting, and using SDRs in operations and transactions, shall be filed with the Fund with all relevant facts. Terms and conditions shall be prescribed by the Executive Board after consultation with the applicant.

*Adopted April 1, 1978, amended July 26, 1983*

## R—ABROGATED

On April 22, 1981, with effect from April 30, 1981, the Executive Board decided to abrogate the rules for reconstitution under Schedule G, paragraph 1(a), and Rules R-1 through 6, which implemented those rules.

## S—SUSPENSION OF USE OF SDRS

S-1. The Managing Director shall report to the Executive Board any facts on the basis of which it appears to him that a participant is not fulfilling obligations under the Articles that could lead to



## RULES AND REGULATIONS

suspension under Article XXIII, Section 2, and may include a complaint in his report.

*Adopted September 18, 1969, amended April 1, 1978*

S-2. A participant may complain that another participant is not fulfilling obligations under the Articles that could lead to suspension under Article XXIII, Section 2, and the Managing Director shall transmit the complaint to the Executive Board with his comments. Any complaint shall be made in writing or by any rapid means of communication, and it shall be accompanied by a statement of the facts on which the participant bases its complaint.

*Adopted September 18, 1969, amended April 1, 1978*

S-3. The Managing Director shall immediately inform a participant of any complaint against it and the statement of the facts on which the complaint is based.

*Adopted September 18, 1969*

S-4. If the complaint is that the participant has failed to fulfill its obligations under Article XIX, Section 4, the participant shall not use SDRs and this limitation shall continue pending the disposition of the complaint.

*Adopted September 18, 1969, amended April 1, 1978, and July 26, 1983*

S-5. A participant against which a complaint has been made under Rule S-1 or Rule S-2, the Managing Director, or an Executive Director may request the Executive Board to dismiss the complaint. The Executive Board shall consider the request forthwith.

*Adopted September 18, 1969, amended April 1, 1978*

S-6. If the right of a participant to use SDRs has been limited under Rule S-4, and a request under Rule S-5 has been made by a participant, the complaint shall be deemed to have been dismissed at the end of ten business days after the request, or at the end of such longer period as the participant states in the request, unless within this time the Executive Board has taken a decision disposing of the complaint.

## T—INTEREST, CHARGES, AND ASSESSMENTS IN SDRS

*Adopted September 18, 1969, amended April 1, 1978, and July 26, 1983*

S-7. If the right of a participant to use its SDRs has been suspended under Article XXIII, Section 2, the participant may request the Executive Board to terminate the suspension. If the Executive Board decides not to terminate the suspension, a written report shall be made to the participant stating the circumstances under which the suspension would be terminated.

*Adopted September 18, 1969, amended April 1, 1978, and July 26, 1983*

S-8. All procedures under Rules S-1 through S-7 shall be conducted as expeditiously as possible, and shall allow the participant an adequate opportunity to state its case both orally and in writing.

*Adopted September 18, 1969, amended April 1, 1978*

T—INTEREST, CHARGES, AND ASSESSMENTS IN  
RESPECT OF SDRS

- T-1. (a) Interest and charges in respect of SDRs shall accrue daily at the rate referred to in (b) below. The amount that has accrued during each quarter of the financial year of the Fund shall be paid promptly as of the beginning of the following quarter. The accounts of participants shall be credited with the excess of interest due over charges or debited with the excess of charges over the interest due. The accounts of holders that are not participants shall be credited with the interest due.
- (b) The rate of interest on holdings of SDRs for each weekly period commencing each Monday shall be equal to the combined market interest rate as determined by the Fund at the beginning of the period in the manner described in (c) below, provided that, if the combined market rate is below 0.050 percent, the rate shall be established at 0.050 percent.

## RULES AND REGULATIONS

- (c) The combined market interest rate shall be the sum, rounded to the three nearest decimal places, of the products that result from multiplying each yield or rate listed below, expressed as an equivalent annual bond yield, for the preceding Friday by the value in terms of the SDR on that Friday of the amount of the corresponding currency specified in Rule O-1, as determined pursuant to Rule O-2(b). If a yield or rate is not available for a particular Friday, the calculation shall be made on the basis of the latest available yield or rate.

U.S. dollar	Market yield for three-month U.S. Treasury bills
Euro	Three-month spot rate for euro area central government bonds with a rating of AA and above published by the European Central Bank
Chinese renminbi	Three-month benchmark yield for China Treasury bonds as published daily by the China Central Depository and Clearing Co., Ltd.
Japanese yen	Three-month Japanese Treasury Discount Bills
Pound sterling	Market yield for three-month U.K. Treasury bills

- (d) Deleted.

*Adopted September 18, 1969; amended June 13, 1974; June 30, 1976; April 1, 1978; June 15, 1978, effective July 1, 1978; September 17, 1980, effective January 1, 1981; and July 26, 1983, effective August 1, 1983; paragraph (b) amended October 25, 1978, effective January 1, 1979; April 22, 1981, effective May 1, 1981; October 24, 2014; and January 1, 2015; paragraph (c) amended April 22, 1981, effective May 1, 1981; October 5, 1990, effective January 1, 1991; September 21, 1998, effective January 1, 1999; October 11, 2000, effective January 1, 2001; November*

## T—INTEREST, CHARGES, AND ASSESSMENTS IN SDRS

*23, 2005, effective January 1, 2006; February 5, 2009; October 24, 2014; January 1, 2015; and November 30, 2015, effective October 1, 2016; paragraph (d) deleted January 7, 1994*

T-2. Assessments shall be levied promptly, as of the end of each financial year of the Fund, on the basis of a reasonable estimate of the expenses of conducting the business of the Special Drawing Rights Department for the financial year, and the accounts of participants shall be debited with the amounts of the assessments.

*Adopted September 18, 1969, amended April 1, 1978*

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