

ARTICLE V, SECTION 7

**Repurchase Obligations**

EFFECT OF PAYMENT OF GOLD SUBSCRIPTIONS ON REPURCHASE  
OBLIGATIONS

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RESOLVED:

. . . that, for the purpose of the repurchase obligations prescribed by Article V, Section 7, increases and decreases in the monetary reserves of a member shall not be considered if they occur on or before the latest date on which the member's subscription must be paid in accordance with this Resolution; and the payment of subscriptions, whether actually made before or after such latest date for payment, shall not be regarded as resulting in a decrease in monetary reserves.

*Decision No. 124-2*

*January 22, 1947*

REPURCHASE OBLIGATIONS: ARTICLE V, SECTION 7(c)

In the application of the repurchase obligations of the Fund Agreement the limits specified in Article V, Section 7(c), apply solely as of the end of the financial year for which the repurchase obligations are calculated.

*Decision No. 419-1*

*April 11, 1949*

## REPURCHASE OBLIGATIONS: ARTICLE V, SECTION 7(b) (i) OR (ii)

Whenever a member uses its monetary reserves to repurchase its currency from the Fund in accordance with the provisions of Article V, Section 7(b) (i) or (ii), the resulting reduction in its monetary reserves and in the Fund's holdings of its currency must be regarded as having occurred, for the purpose of calculating subsequent repurchase obligations under the same provisions of the Fund Agreement, at the end of the financial year of the Fund in respect of which the obligation to make the repurchase arose. Members shall be informed of the foregoing.

*Decision No. 447-5*

*June 17, 1949*

## VOLUNTARY REPURCHASES

- (1) Subject to paragraph 3 below, a member may offer in voluntary repurchase, and the Fund has the power to accept, if it so decides, gold or convertible currencies to the extent that (a) the Fund's holdings of the convertible currency of a member which is offered would not be increased above 75% of the quota of that member, and (b) the Fund's holdings of the repurchasing member's currency would not be decreased below 75% of its quota.
- (2) As a matter of legal interpretation it is determined that the consent of the member whose currency is offered in voluntary repurchase is not necessary as a condition precedent to the acceptance by the Fund of such currency.
- (3) Where a member has an accrued and undischarged repurchase obligation under Art. V, Sec. 7(b), and Schedule B

in respect of any financial year of the Fund, the member must discharge the obligation in accordance with those provisions; provided, however, that the payment of currency under those provisions may be combined with the sale of gold to the Fund for the currency under Art. V, Sec. 6(a).

*Decision No. 7-(648)*

*March 8, 1951*

#### MINIMAL REPURCHASE OBLIGATIONS PROCEDURE

In cases where a repurchase obligation of less than the equivalent of \$500 is calculated the member will be notified, and the obligation collected, on the next occasion thereafter that a repurchase obligation accrues which, together with the first one, will total the equivalent of \$500 or more.

*Decision No. 705-(57/55)*

*November 7, 1957*

#### CALCULATION OF REPURCHASE OBLIGATIONS: PROMPT REPORTING OF MONETARY RESERVES DATA

1. Where on any April 30 the Fund holds a member's currency in an amount exceeding 75 per cent of the member's quota, the member shall make a provisional monetary reserves report to the Fund not later than May 31.

2. The Fund will make a provisional calculation of the amount and distribution of the repurchase obligations of such members and will inform them of the results of the calculation not later than June 15. Members shall discharge within thirty days any

repurchase obligations as thus provisionally calculated and agreed with the member.

3. All provisional repurchases shall be subject to adjustment by members and the Fund in accordance with Rule I-6 of the Fund's Rules and Regulations.

4. This decision will be reviewed by the Fund not later than the end of 1964.

*Decision No. 1510-(63/23)*

*May 3, 1963*