

S.I. 2014 No. 16

International Monetary Fund Act

CAP. 18A

INTERNATIONAL MONETARY FUND ORDER, 2014

The Minister, in exercise of the powers conferred on him by section 8 of the *International Monetary Fund Act*, makes the following Order:

1. This Order may be cited as the *International Monetary Fund Order, 2014*.

2. Section 3 of Article XII of the Articles of Agreement of the International Monetary Fund which is set out in the *Schedule* to the *International Monetary Fund Act*, Cap. 18A, in this Order referred to as the principal Act, is amended by

(a) deleting paragraphs (b) to (d) and substituting the following:

“(b) Subject to (c) below, the Executive Board shall consist of twenty Executive Directors elected by the members, with the Managing Director as chairman.

(c) For the purpose of each regular election of Executive Directors, the Board of Governors, by an eighty-five percent majority of the total voting power, may increase or decrease the number of Executive Directors specified in (b) above.

(d) Elections of Executive Directors shall be conducted at intervals of two years in accordance with regulations which shall be adopted by the Board of Governors. Such regulations shall include a limit on the total number of votes that more than one member may cast for the same candidate.”;

(b) deleting paragraph (f) and substituting the following:

“(f) Executive Directors shall continue in office until their successors are elected. If the office of an Executive Director becomes vacant more than ninety days before the end of his term, another Executive Director shall be elected for the remainder of the term by the members that elected the former Executive Director. A majority of the votes cast shall be required for election. While the office remains vacant, the Alternate of the former Executive Director shall exercise his powers, except that of appointing an Alternate.”;

(c) deleting paragraph (i) and substituting the following:

- “(i) (i) Each Executive Director shall be entitled to cast the number of votes which counted towards his election.
- (ii) When the provisions of section 5(b) of this Article are applicable, the votes which an Executive Director would otherwise be entitled to cast shall be increased or decreased correspondingly. All the votes which an Executive Director is entitled to cast shall be cast as a unit.
- (iii) When the suspension of the voting rights of a member is terminated under Article XXVI, section 2(b), the member may agree with all the members that have elected an Executive Director that the number of votes allotted to that member shall be cast by such Executive Director, provided that, if no regular election of Executive Directors has been conducted during the period of the suspension, the Executive Director in whose election the member had participated prior to the suspension, or his successor elected in accordance with paragraph 3(c)(i) of *Schedule L* or with (f) above, shall be entitled to cast the number of votes allotted to the member. The member shall be deemed to have participated in the election of the Executive Director entitled to cast the number of votes allotted to the member.”;

(d) deleting paragraph (j) and substituting the following:

“(j) The Board of Governors shall adopt regulations under which a member may 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.”.

3. Section 8 of Article XII of the Articles of Agreement of the International Monetary Fund which is set out in the *Schedule* to the principal Act is deleted and the following is substituted:

“Section 8. *Communication of views of members*

The Fund shall at all times have the right to communicate its views informally to any member on any matter arising under this Agreement. The Fund may, by a seventy percent majority of the total voting power, decide to publish a report made to a member regarding its monetary or economic conditions and developments which directly tend to produce a serious disequilibrium in the international balance of payments of members. The relevant member shall be entitled to representation in accordance with Section 3(j) of this Article. The Fund shall not publish a report involving changes in the fundamental structure of the economic organization of members.”.

4. Article XXI of the Articles of Agreement of the International Monetary Fund which is set out in the *Schedule* to the principal Act is amended by deleting paragraph (a)(ii) and substituting the following:

“(ii) For decisions by the Executive Board on matters pertaining exclusively to the Special Drawing Rights Department only Executive Directors elected by at least one member that is a participant shall be entitled to vote. Each of these Executive Directors shall be entitled to cast the number of votes allotted to the members that are participants whose votes counted towards his election. Only the presence of Executive Directors elected by

members that are participants and the votes allotted to members that are participants shall be counted for the purpose of determining whether a quorum exists or whether a decision is made by the required majority.”.

5. Article XXIX of the Articles of Agreement of the International Monetary Fund which is set out in the *Schedule* to the principal Act is amended by deleting paragraph (a) and substituting the following:

“(a) Any question of interpretation of the provisions of this Agreement arising between any member and the Fund or between any members of the Fund shall be submitted to the Executive Board for its decision. If the question particularly affects any member, it shall be entitled to representation in accordance with Article XII, Section 3(j).”.

6. Schedule D to the Articles of Agreement of the International Monetary Fund which is set out in the *Schedule* to the principal Act is amended by:

(a) deleting paragraph 1.(a) and substituting the following:

“1. (a) Each member or group of members that has the number of votes allotted to it or them cast by an Executive Director shall appoint to the Council one Councillor, who shall be a Governor, Minister in the government of a member, or a person of comparable rank, and may appoint not more than seven Associates. The Board of Governors may change, by an eighty-five percent majority of the total voting power, the number of Associates who may be appointed. A Councillor or Associate shall serve until a new appointment is made or until the next regular election of Executive Directors, whichever shall occur sooner.”; and

(b) deleting paragraphs 5.(e) and 5.(f) and substituting the following:

“(e) When an Executive Director is entitled to cast the number of votes allotted to a member pursuant to Article XII, Section 3(i)(iii), the

Councillor appointed by the group whose members elected such Executive Director shall be entitled to vote and cast the number of votes allotted to such member. The member shall be deemed to have participated in the appointment of the Councillor entitled to vote and cast the number of votes allotted to the member.”.

7. Schedule E to the Articles of Agreement of the International Monetary Fund which is set out in the *Schedule* to the principal Act is amended by deleting paragraph 1 and substituting the following:

“Transitional Provisions with Respect to Executive Directors

1. Upon the entry into force of this *Schedule*:
 - (a) Each Executive who was appointed pursuant to former Article XII, Sections 3(b)(i) or 3(c), and was in office immediately prior to the entry into force of this *Schedule*, shall be deemed to have been elected by the member who appointed him; and
 - (b) Each Executive Director who cast the number of votes of a member pursuant to former Article XII, Section 3(i)(ii) immediately prior to the entry into force of this *Schedule*, shall be deemed to have been elected by such a member.”.

8. *Schedule L* to the Articles of Agreement of the International Monetary Fund which is set out in the *Schedule* to the principal Act is amended by
 - (a) deleting paragraph 1.(b) and substituting the following:

“(b) appoint a Governor or Alternate Governor, appoint or participate in the appointment of a Councillor or Alternate Councillor, or elect or participate in the election of an Executive Director.”; and
 - (b) deleting paragraph 3(c) and substituting the following:

“(c) The Executive Director elected by the member, or in whose election the member has participated, shall cease to hold office, unless such Executive Director was entitled to cast the number of votes allotted to other members whose voting rights have not been suspended. In the latter case:”.

Made by the Minister this 18th day of March, 2014.

CHRISTOPHER P. SINCKLER
Minister Responsible for Finance