

SECTION 2.—COMPULSORY WITHDRAWAL

(a) If a member fails to fulfil any of its obligations under this Agreement, the Fund may declare the member ineligible to use the resources of the Fund. Nothing in this Section shall be deemed to limit the provisions of Article IV, Section 6, Article V, Section 5, or Article VI, Section 1.

(b) If, after the expiration of a reasonable period the member persists in its failure to fulfill any of its obligations under this Agreement, or a difference between a member and the Fund under Article IV, Section 6, continues, that member may be required to withdraw from membership in the Fund by a decision of the Board of Governors carried by a majority of the Governors representing a majority of the total voting-power.

(c) Regulations shall be adopted to ensure that before action is taken against any member under (a) or (b) above, the member shall be informed in reasonable time of the complaint against it and given an adequate opportunity for stating its case, both orally and in writing.

SECTION 3.—SETTLEMENT OF ACCOUNTS WITH MEMBERS WITHDRAWING

When a member withdraws from the Fund, normal transactions of the Fund in its currency shall cease and settlement of all accounts between it and the Fund shall be made with reasonable despatch by agreement between it and the Fund. If agreement is not reached promptly, the provisions of Schedule D shall apply to the settlement of accounts.

ARTICLE XVI.—EMERGENCY PROVISIONS

SECTION 1.—TEMPORARY SUSPENSION

(a) In the event of an emergency or the development of unforeseen circumstances threatening the operations of the Fund, the Executive Directors, by unanimous vote, may suspend for a period of not more than one hundred and twenty days the operation of any of the following provisions:—

- (i) Article IV, Sections 3 and 4 (b);
- (ii) Article V, Sections 2, 3, 7, 8 (a) and (f).
- (iii) Article VI, Section 2;
- (iv) Article XI, Section 1.

(b) Simultaneously with any decision to suspend the operation of any of the foregoing provisions, the Executive Directors shall call a meeting of the Board of Governors for the earliest practicable date.

(c) The Executive Directors may not extend any suspension beyond one hundred and twenty days. Such suspension may be extended, however, for an additional period of not more than two hundred and forty days, if the Board of Governors by a four-fifths majority of the total voting-power so decides, but it may not be further extended except by amendment of this Agreement pursuant to Article XVII.

(d) The Executive Directors may, by a majority of the total voting-power, terminate such suspension at any time.

SECTION 2.—LIQUIDATION OF THE FUND

(a) The Fund may not be liquidated except by decision of the Board of Governors. In an emergency, if the Executive Directors decide that liquidation of the Fund may be necessary, they may temporarily suspend all transactions, pending decision by the Board.

(b) If the Board of Governors decides to liquidate the Fund, the Fund shall forthwith cease to engage in any activities except those incidental to the orderly collection and liquidation of its assets and the settlement of its liabilities, and all obligations of members under this Agreement shall cease except those set out in this Article, in Article XVIII, paragraph (c), in Schedule D, paragraph 7, and in Schedule E.

(c) Liquidation shall be administered in accordance with the provisions of Schedule E.

ARTICLE XVII.—AMENDMENTS

(a) Any proposal to introduce modifications in this Agreement, whether emanating from a member, a Governor, or the Executive Directors, shall be communicated to the Chairman of the Board of Governors, who shall bring the proposal before the Board. If the proposed amendment is approved by the Board, the Fund shall, by circular letter or telegram, ask all members whether they accept the proposed amendment. When three-fifths of the members, having four-fifths of the total voting-power, have accepted the proposed amendment, the Fund shall certify the fact by a formal communication addressed to all members.

(b) Notwithstanding (a) above, acceptance by all members is required in the case of any amendment modifying—

- (i) The right to withdraw from the Fund (Article XV, Section 1);
- (ii) The provision that no change in a member's quota shall be made without its consent (Article III, Section 2);
- (iii) The provision that no change may be made in the par value of a member's currency except on the proposal of that member (Article IV, Section 5 (b)).

(c) Amendments shall enter into force for all members three months after the date of the formal communication unless a shorter period is specified in the circular letter or telegram.