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*Number 4 of 1999*

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**BRETTON WOODS AGREEMENTS (AMENDMENT)  
ACT, 1999**

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ARRANGEMENT OF SECTIONS

Section

1. Definitions.
2. Approval of acceptance of proposed amendment.
3. Provisions relating to special drawing rights.
4. Amendment of section 3 of Principal Act.
5. Provision of money for payments out of Central Fund.
6. Provision for certain payments.
7. Provisions relating to further payments.
8. Construction of references to Fund Agreement in *Bretton Woods Agreements Acts, 1957 to 1999*, and consequential repeal.
9. Guaranteeing by Minister of participation by Central Bank in Substitution Agreement.
10. Annual Report.
11. Expenses of Minister.
12. Short title, construction and collective citation.

SCHEDULE

Proposed Fourth Amendment to the Articles of Agreement of  
the International Monetary Fund  
Prepared Pursuant to Board of Governors  
Resolution No. 52 - 4

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*Number 4 of 1999*

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**BRETTON WOODS AGREEMENTS (AMENDMENT)  
ACT, 1999**

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AN ACT TO MAKE PROVISION WITH RESPECT TO ACCEPTANCE BY THE GOVERNMENT OF THE PROPOSED FOURTH AMENDMENT TO THE ARTICLES OF AGREEMENT OF THE INTERNATIONAL MONETARY FUND APPROVED BY THE BOARD OF GOVERNORS OF THAT FUND ON THE 23rd DAY OF SEPTEMBER, 1997, TO PROVIDE FOR CERTAIN PAYMENTS BY THE MINISTER FOR FINANCE UNDER THE ARTICLES OF AGREEMENT OF THE WORLD BANK AND BY THE MINISTER FOR FINANCE AND THE CENTRAL BANK OF IRELAND UNDER THE ARTICLES OF AGREEMENT OF THE INTERNATIONAL MONETARY FUND, TO PROVIDE FOR THE GUARANTEEING BY THE MINISTER FOR FINANCE OF PARTICIPATION BY THE CENTRAL BANK IN THE CREDIT FACILITY OF THE BANK FOR INTERNATIONAL SETTLEMENTS IN FAVOUR OF BANCO CENTRAL DO BRAZIL, TO PROVIDE FOR MATTERS RELATED TO THE AFORESAID MATTERS AND TO AMEND THE BRETTON WOODS AGREEMENTS ACTS, 1957 TO 1977. [7th April, 1999]

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

**1.**—In this Act—

Definitions.

“Act of 1977” means the Bretton Woods Agreements (Amendment) Act, 1977;

“BIS” means the Bank for International Settlements;

“BIS Facility” means the Credit Facility of the Bank for International Settlements in favour of Banco Central do Brazil;

“ESAF Trust” means the Enhanced Structural Adjustment Facility Trust established pursuant to Decision No. 8759 — (87/176) of the Executive Board of the International Monetary Fund taken on 18 December, 1987, as amended;

[No. 4.] *Bretton Woods Agreements* [1999.]  
(Amendment) Act, 1999.

S.1 “HIPC Debt Initiative Trust Fund” means the Trust Fund established pursuant to Resolution No. 96-9 of the Executive Directors of the World Bank and Resolution No. IDA 96-5 of the Executive Directors of the International Development Association;

“HIPC Trust” means the Trust for Special ESAF Operations for Heavily Indebted Poor Countries and Interim ESAF Subsidy Operations established pursuant to Decision No. 11436 — (97/10) ESAF of the Executive Board of the International Monetary Fund taken on 4 February, 1997, as amended;

“Minister” means the Minister for Finance;

“Principal Act” means the Bretton Woods Agreements Act, 1957;

“proposed amendment” means the amendment which it is proposed to make to the Fund Agreement the text of which amendment is set out in the Schedule to this Act;

“SCA-2 Account” means the Second Special Contingent Account set up pursuant to Decision No. 9471- (90/98) of the Executive Board of the International Monetary Fund taken on 20 June, 1990, as amended;

“Substitution Agreement” means the Substitution Agreement between the BIS and participating Central Banks which forms part of the BIS Facility.

Approval of acceptance of proposed amendment.

**2.**—Acceptance by the Government of the proposed amendment is hereby approved.

Provisions relating to special drawing rights.

**3.**—(1) If, but only if, the proposed amendment is made the provisions of this section shall have effect.

(2) The Central Bank is hereby authorised on behalf of the Government to receive from the Fund any special drawing rights allocated to the Government in pursuance of the proposed amendment.

(3) The Central Bank shall, on behalf of the Government, exercise the rights and accept and discharge the obligations relating to special drawing rights received under this section.

Amendment of section 3 of Principal Act.

**4.**—(1) The Minister may make a payment of £7,000,000 in respect of the ESAF Trust and may, subject to *subsection (5)*, make such further payments as the Government decides in respect of the ESAF Trust.

(2) The Minister may make such payment or payments as the Government decides in respect of the HIPC Trust, the aggregate amount of which payment or payments shall not exceed £10,000,000.

(3) The Minister may make a payment of £11,000,000 in respect of the HIPC Debt Initiative Trust Fund and may, subject to *subsection (6)*, make such further payments as the Government decides in respect of the HIPC Debt Initiative Trust Fund.

(4) Section 3(2) of the Principal Act is hereby amended by the deletion of paragraph (j) and the insertion after paragraph (i) of the following paragraphs:

[1999.] *Bretton Woods Agreements* [No. 4]  
(Amendment) Act, 1999.

“(j) payments under subparagraph (iv) of paragraph (c) of S.4 section 4 of Article VI of the Bank Agreement,

(k) payments in respect of the ESAF Trust and the HIPC Trust within the meaning of the *Bretton Woods Agreements (Amendment) Act, 1999*,

(l) payments in respect of the HIPC Debt Initiative Trust Fund within the meaning of the *Bretton Woods Agreements (Amendment) Act, 1999*.”.

(5) The aggregate amount of sums that the Minister may pay in respect of the ESAF Trust for the purposes of *subsection (1)* shall not exceed £20,000,000.

(6) The aggregate amount of sums that the Minister may pay in respect of the HIPC Debt Initiative Trust Fund for the purposes of *subsection (3)* shall not exceed £20,000,000.

5.—The payments referred to in *section 4* shall be made out of the Central Fund or the growing produce thereof. Provision of money for payments out of Central Fund.

6.—(1) The Minister may authorise the Central Bank to make a payment on behalf of the Government of £4,000,000 in respect of the HIPC Trust and any such payment shall be funded by the transfer of the equivalent of £4,000,000 in special drawing rights held by the State from the SCA-2 Account to the HIPC Trust. Provision for certain payments.

(2) Subject to *subsection (3)*, the Minister may authorise the Central Bank to make such further payments as the Government decides in respect of the HIPC Trust.

(3) The aggregate amount of sums that the Minister may authorise in respect of the HIPC Trust for the purposes of *subsections (1) and (2)* shall not exceed £10,000,000.

7.—Where the Minister proposes to make or authorise the making of a payment under *section 4* or *6* of this Act, other than the payment of £7,000,000 in respect of the ESAF Trust, £11,000,000 in respect of the HIPC Debt Initiative Trust Fund and £4,000,000 in respect of the HIPC Trust, the proposal shall be laid before Dáil Éireann as soon as may be and, if a resolution annulling such a proposal is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the proposal is laid before it, the proposal shall be annulled accordingly and the Minister shall not make or authorise the making of such a payment. Provisions relating to further payments.

8.—(1) In the *Bretton Woods Agreements Acts, 1957 to 1999*, references to the Fund Agreement shall be construed as references to the Fund Agreement as amended by the proposed amendment, the text of which is set out in the Schedule to this Act. Construction of references to Fund Agreement in *Bretton Woods Agreements Acts, 1957 to 1999*, and consequential repeal.

(2) Section 3 of the Act of 1977 is hereby repealed.

(3) This section shall come into operation when *section 3* has effect.



[1999.] *Bretton Woods Agreements (Amendment) Act, 1999.* [No. 4.]

the payment and the amount (if any) repaid to him or her on foot of the payment, S.9

- (c) the amount of money covered by the guarantee which was outstanding at the end of that year, and
- (d) an account of any means employed by the Central Bank, singly or in conjunction with other participating Central Banks under the Substitution Agreement, in order to recover any sums paid by the Central Bank under the Substitution Agreement.

(11) This section shall come into effect on the date of the participation of the Central Bank in the Substitution Agreement or the date of commencement of this Act, whichever is the later.

**10.**—(1) The Minister shall, within 3 months after the end of each year, beginning with the year ending 31 December, 1999, prepare and lay before each House of the Oireachtas a report (which shall be known as and in this section is referred to as an “annual report”) in relation to Ireland’s participation in the Bank and the Fund. Annual Report.

(2) An annual report shall, *inter alia*, include—

- (a) particulars of any payments made under the *Bretton Woods Agreements Acts, 1957 to 1999*;
- (b) particulars of any policy positions taken by Ireland at the Bank and the Fund;
- (c) an account of the activities of the Central Bank in exercise of its functions as agent of the Minister under the *Bretton Woods Agreements Acts, 1957 to 1999*;
- (d) the statement referred to in *section 9(10)*.

**11.**—Any expenses incurred by the Minister in the administration of this Act shall be paid out of moneys provided by the Oireachtas. Expenses of Minister.

**12.**—(1) This Act may be cited as the Bretton Woods Agreements (Amendment) Act, 1999. Short title, construction and collective citation.

(2) The Bretton Woods Agreements Acts, 1957 to 1977, and this Act shall be construed together as one Act and may be cited together as the Bretton Woods Agreements Acts, 1957 to 1999.

SCHEDULE

*Section 1.*

Proposed Fourth Amendment to the Articles of Agreement of the International Monetary Fund  
Prepared Pursuant to Board of Governors  
Resolution No. 52 - 4

The Governments on whose behalf the present Agreement is signed agree as follows:

1. The text of Article XV, Section 1 shall be amended to read as follows:

- Sch. (a) To meet the need, as and when it arises, for a supplement to existing reserve assets, the Fund is authorised to allocate special drawing rights in accordance with the provisions of Article XVIII to members that are participants in the Special Drawing Rights Department.
- (b) In addition, the Fund shall allocate special drawing rights to members that are participants in the Special Drawing Rights Department in accordance with the provisions of Schedule M.
2. A new Schedule M shall be added to the Articles, to read as follows:

#### SCHEDULE M

##### Special One-Time Allocation of Special Drawing Rights

1. Subject to 4 below, each member that, as of September 19, 1997, is a participant in the Special Drawing Rights Department shall, on the 30th day following the effective date of the fourth amendment of this Agreement, receive an allocation of special drawing rights in an amount that will result in its net cumulative allocation of special drawing rights being equal to 29.315788813 percent of its quota as of September 19, 1997, provided that, for participants whose quotas have not been adjusted as proposed in Resolution No. 45 - 2 of the Board of Governors, calculations shall be made on the basis of the quotas proposed in that resolution.
2. (a) Subject to 4 below, each country that becomes a participant in the Special Drawing Rights Department after September 19, 1997 but within three months of the date of its membership in the Fund shall receive an allocation of special drawing rights in an amount calculated in accordance with (b) and (c) below on the 30th day following the later of: (i) the date on which the new member becomes a participant in the Special Drawing Rights Department, or (ii) the effective date of the fourth amendment of this Agreement.
- (b) For the purposes of (a) above, each participant shall receive an amount of special drawing rights that will result in such participant's net cumulative allocation being equal to 29.315788813 percent of its quota as of the date on which the member becomes a participant in the Special Drawing Rights Department, as adjusted:
- (i) first, by multiplying 29.315788813 percent by the ratio of the total of quotas, as calculated under 1 above, of the participants described in (c) below to the total of quotas of such participants as of the date on which the member became a participant in the Special Drawing Rights Department, and
- (ii) second, by multiplying the product of (i) above by the ratio of the total of the sum of the net cumulative allocations of special drawing rights received under Article XVIII of the participants described in (c) below as of the date on which the member became a participant in the Special Drawing Rights Department and the allocations received by such participants under 1 above to the total of the sum of the net cumulative allocations of special drawing rights



[1999.]

*Bretton Woods Agreements  
(Amendment) Act, 1999.*

[No. 4.]

received under Article XVIII of such participants as Sch.  
of September 19, 1997 and the allocations received  
by such participants under 1 above.

(c) For the purposes of the adjustments to be made under (b) above, the participants in the Special Drawing Rights Department shall be members that are participants as of September 19, 1997 and (i) continue to be participants in the Special Drawing Rights Department as of the date on which the member became a participant in the Special Drawing Rights Department, and (ii) have received all allocations made by the Fund after September 19, 1997.

3. (a) Subject to 4 below, if the Federal Republic of Yugoslavia (Serbia/Montenegro) succeeds to the membership in the Fund and the participation in the Special Drawing Rights Department of the former Socialist Federal Republic of Yugoslavia in accordance with the terms and conditions of Executive Board Decision No. 10237 - (92/150), adopted December 14, 1992, it shall receive an allocation of special drawing rights in an amount calculated in accordance with (b) below on the 30th day following the later of: (i) the date on which the Federal Republic of Yugoslavia (Serbia/Montenegro) succeeds to membership in the Fund and participation in the Special Drawing Rights Department in accordance with the terms and conditions of Executive Board Decision No. 10237 - (92/150), or (ii) the effective date of the fourth amendment of this Agreement.

(b) For the purposes of (a) above, the Federal Republic of Yugoslavia (Serbia/Montenegro) shall receive an amount of special drawing rights that will result in its net cumulative allocation being equal to 29.315788813 percent of the quota proposed to it under paragraph 3 (c) of Executive Board Decision No. 10237 - (92/150), as adjusted in accordance with 2 (b)(ii) and (c) above as of the date on which the Federal Republic of Yugoslavia (Serbia/Montenegro) qualifies for an allocation under (a) above.

4. The Fund shall not allocate special drawing rights under this Schedule to those participants that have notified the Fund in writing prior to the date of the allocation of their desire not to receive the allocation.

5. (a) If, at the time an allocation is made to a participant under 1, 2, or 3 above, the participant has overdue obligations to the Fund, the special drawing rights so allocated shall be deposited and held in an escrow account within the Special Drawing Rights Department and shall be released to the participant upon discharge of all its overdue obligations to the Fund.

(b) Special drawing rights being held in an escrow account shall not be available for any use and shall not be included in any calculations of allocations or holdings of special drawing rights for the purposes of the Articles, except for calculations under this Schedule. If special drawing rights allocated to a participant are held in an escrow account when the participant terminates its participation in the Special Drawing Rights Department or when it is decided to liquidate the Special Drawing Rights Department, such special drawing rights shall be cancelled.

