

Statutory Notes and Related Subsidiaries

CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Committee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress, Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

§ 286nn. Approval of contributions for debt reductions for the poorest countries

For the purpose of mobilizing the resources of the Fund in order to help reduce poverty and improve the lives of residents of poor countries and, in particular, to allow those poor countries with unsustainable debt burdens to receive deeper, broader, and faster debt relief, without allowing gold to reach the open market or otherwise adversely affecting the market price of gold, the Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote—

(1) to approve an arrangement whereby the Fund—

(A) sells a quantity of its gold at prevailing market prices to a member or members in nonpublic transactions sufficient to generate 2.226 billion Special Drawing Rights in profits on such sales;

(B) immediately after, and in conjunction with each such sale, accepts payment by such member or members of such gold to satisfy existing repurchase obligations of such member or members so that the Fund retains ownership of the gold at the conclusion of such payment; and

(C) uses the earnings on the investment of the profits of such sales through a separate subaccount, only for the purpose of providing debt relief from the Fund under the modified Heavily Indebted Poor Countries (HIPC) Initiative (as defined in section 262p-6 of this title); and

(2) to support a decision that shall terminate the Special Contingency Account 2 (SCA-2) of the Fund so that the funds in the SCA-2 shall be made available to the poorest countries. Any funds attributable to the United States participation in SCA-2 shall be used only for debt relief from the Fund under the modified HIPC Initiative.

(July 31, 1945, ch. 339, § 62, as added Pub. L. 106-113, div. B, § 1000(a)(5) [title V, § 503(a)], Nov. 29, 1999, 113 Stat. 1536, 1501A-316; amended Pub. L. 106-429, § 101(a) [title VIII, § 801(a)], Nov. 6, 2000, 114 Stat. 1900, 1900A-64.)

Editorial Notes

AMENDMENTS

2000—Par. (1)(B), (D). Pub. L. 106-429 inserted “and” at end of subpar. (B) and struck out subpar. (D) which read as follows: “shall not use more than $\frac{1}{4}$ of the earnings on the investment of the profits of such sales; and”.

Statutory Notes and Related Subsidiaries

CERTIFICATION TO CONGRESS RELATING TO USE OF PROFITS TO AUGMENT INTERNATIONAL MONETARY FUND

Pub. L. 106-113, div. B, § 1000(a)(5) [title V, § 503(b)], Nov. 29, 1999, 113 Stat. 1536, 1501A-316, provided that: “Within 15 days after the United States Executive Director casts the votes necessary to carry out the instruction described in section 62 of the Bretton Woods Agreements Act [22 U.S.C. 286nn], the Secretary of the Treasury shall certify to the Congress that neither the profits nor the earnings on the investment of profits from the gold sales made pursuant to the instruction or of the funds attributable to United States participation in SCA-2 will be used to augment the resources of any reserve account of the International Monetary Fund for the purpose of making loans.”

§ 286oo. Principles for International Monetary Fund lending

It is the policy of the United States to work to implement reforms in the International Monetary Fund (IMF) to achieve the following goals:

(1) Short-term balance of payments financing

Lending from the general resources of the Fund should concentrate chiefly on short-term balance of payments financing.

(2) Limitations on medium-term financing

Use of medium-term lending from the general resources of the Fund should be limited to a set of well-defined circumstances, such as—

(A) when a member's balance of payments problems will be protracted;

(B) such member has a strong structural reform program in place; and

(C) the member has little or no access to private sources of capital.

(3) Premium pricing

Premium pricing should be introduced for lending from the general resources of the Fund, for greater than 200 percent of a member's quota in the Fund, to discourage excessive use of Fund lending and to encourage members to rely on private financing to the maximum extent possible.

(4) Redressing misreporting of information

The Fund should have in place and apply systematically a strong framework of safeguards and measures to respond to, correct, and discourage cases of misreporting of information in the context of a Fund program, including—

(A) suspending Fund disbursements and ensuring that Fund lending is not resumed to members that engage in serious misreporting of material information until such time as remedial actions and sanctions, as appropriate, have been applied;

(B) ensuring that members make early repayments, where appropriate, of Fund resources disbursed on the basis of misreported information;

(C) making public cases of serious misreporting of material information;

(D) requiring all members receiving new disbursements from the Fund to undertake annually independent audits of central bank financial statements and publish the resulting audits; and

(E) requiring all members seeking new loans from the Fund to provide to the Fund

detailed information regarding their internal control procedures, financial reporting and audit mechanisms and, in cases where there are questions about the adequacy of these systems, undertaking an on-site review and identifying needed remedies.

(July 31, 1945, ch. 339, §63, as added Pub. L. 106-429, §101(a) [title VIII, §805], Nov. 6, 2000, 114 Stat. 1900, 1900A-67.)

Editorial Notes

CODIFICATION

Section 101(a) [title VIII, §805] of Pub. L. 106-429, which directed amendment of the Bretton Woods Agreement Act by adding this section, was executed by amending the Bretton Woods Agreements Act by adding this section, to reflect the probable intent of Congress.

§ 286pp. Acceptance of amendments to Articles of Agreement of Fund approved on April 28 and May 5, 2008

The United States Governor of the Fund may agree to and accept the amendments to the Articles of Agreement of the Fund as proposed in the resolutions numbered 63-2 and 63-3 of the Board of Governors of the Fund which were approved by such Board on April 28, 2008 and May 5, 2008, respectively.

(July 31, 1945, ch. 339, §64, as added Pub. L. 111-32, title XIV, §1402, June 24, 2009, 123 Stat. 1917.)

§ 286qq. Quota increase to 4,973,100,000 Special Drawing Rights

(a) In general

The United States Governor of the Fund may consent to an increase in the quota of the United States in the Fund equivalent to 4,973,100,000 Special Drawing Rights.

(b) Subject to appropriations

The authority provided by subsection (a) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(July 31, 1945, ch. 339, §65, as added Pub. L. 111-32, title XIV, §1402, June 24, 2009, 123 Stat. 1918.)

§ 286rr. Approval to sell a limited amount of the Fund's gold

(a) The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the sale of up to 12,965,649 ounces of the Fund's gold acquired since the second Amendment to the Fund's Articles of Agreement, only if such sales are consistent with the guidelines agreed to by the Executive Board of the Fund described in the Report of the Managing Director to the International Monetary and Financial Committee on a New Income and Expenditure Framework for the International Monetary Fund (April 9, 2008) to prevent disruption to the world gold market: *Provided*, That at least 30 days prior to any such vote, the Secretary shall consult with the appropriate congressional com-

mittees regarding the use of proceeds from the sale of such gold: *Provided further*, That the Secretary of the Treasury shall seek to ensure that:

(1) the Fund will provide support to low-income countries that are eligible for the Poverty Reduction and Growth Facility or other low-income lending from the Fund by making available Fund resources of not less than \$4,000,000,000;

(2) such Fund resources referenced above will be used to leverage additional support by a significant multiple to provide loans with substantial concessionality and debt service payment relief and/or grants, as appropriate to a country's circumstances;¹

(3) support provided through forgiveness of interest on concessional loans will be provided for not less than two years; and

(4) the support provided to low-income countries occurs within six years, a substantial amount of which shall occur within the initial two years.

(b) In addition to agreeing to and accepting the amendments referred to in section 286pp of this title relating to the use of proceeds from the sale of such gold, the United States Governor is authorized, consistent with subsection (a), to take such actions as may be necessary, including those referred to in section 286c(e) of this title, to also use such proceeds for the purpose of assisting low-income countries.

(July 31, 1945, ch. 339, §66, as added Pub. L. 111-32, title XIV, §1402, June 24, 2009, 123 Stat. 1918.)

§ 286ss. Acceptance of amendment to Articles of Agreement of Fund approved on October 22, 1997

The United States Governor of the Fund may agree to and accept the amendment to the Articles of Agreement of the Fund as proposed in the resolution numbered 52-4 of the Board of Governors of the Fund which was approved by such Board on October 22, 1997: *Provided*, That not more than one year after the acceptance of such amendments to the Fund's Articles of Agreement, the Secretary of the Treasury shall submit a report to the appropriate congressional committees analyzing Special Drawing Rights, to include a discussion of how those countries that significantly use or acquire Special Drawing Rights in accordance with Article XIX, Section 2(c), use or acquire them; the extent to which countries experiencing balance of payment difficulties exchange or use their Special Drawing Rights to acquire reserve currencies; and the manner in which those reserve currencies are acquired when utilizing Special Drawing Rights.

(July 31, 1945, ch. 339, §67, as added Pub. L. 111-32, title XIV, §1402, June 24, 2009, 123 Stat. 1918; amended Pub. L. 111-117, div. F, title VII, §7034(q)(1)(A), Dec. 16, 2009, 123 Stat. 3363.)

Editorial Notes

AMENDMENTS

2009—Pub. L. 111-117 substituted “resolution numbered 52-4” for “resolution numbered 54-4”.

¹ So in original. The colon probably should be a semicolon.