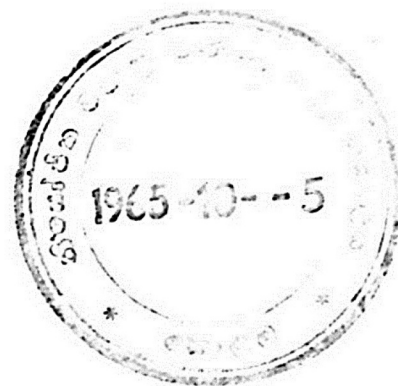


PARLIAMENT OF CEYLON

4th Session 1950



Bretton Woods Agreements Act, No. 20 of 1950

Date of Assent : August 22, 1950

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AN ACT TO ENABLE CEYLON TO BECOME A MEMBER OF THE INTERNATIONAL MONETARY FUND AND OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT BY ACCEPTANCE OF THE INTERNATIONAL AGREEMENTS FOR THE ESTABLISHMENT AND OPERATION OF THE FUND AND BANK.

[Date of Assent: August 22, 1950.]

WHEREAS the International Monetary Fund and the International Bank for Reconstruction and Development were established in pursuance of Agreements drawn up at the United Nations Monetary and Financial Conference held at Bretton Woods in New Hampshire in the United States of America in July 1944:

And Whereas copies of the text of the Articles of the said Agreements have been laid before Parliament:

And Whereas the International Monetary Fund and the International Bank for Reconstruction and Development have prescribed the terms and conditions set out in the First Schedule and the Second Schedule to this Act as the terms and conditions upon which Ceylon may be admitted to Membership of the International Monetary Fund and the International Bank for Reconstruction and Development respectively:

And Whereas, for the purpose of complying with the terms and conditions aforesaid, it is necessary to make provision as hereinafter set out:

Now, therefore, BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Bretton Woods Agreements Act, No. 20 of 1950.

Short title.

Acceptance of the Agreements and Financial Provisions.

2. The Governor-General is hereby authorised by instruments under his hand to empower such person as may be named in such instruments, on behalf of the Government of Ceylon,—

Authorisation of signature of Articles of Agreement of the Fund and the Bank respectively.

(a) to sign the Articles of Agreement of the International Monetary Fund and the Articles of Agreement of the International Bank for Reconstruction and Development, respectively; and

- (b) to deposit with the Government of the United States of America instruments of acceptance of the Articles of Agreement of the Fund (hereinafter referred to as "the Fund Agreement") and of the Articles of Agreement of the Bank (hereinafter referred to as "the Bank Agreement"), stating that the Government of Ceylon has accepted in accordance with its law the respective Articles and the terms and conditions prescribed thereunder as the terms upon which the Government of Ceylon shall be admitted to membership of the Fund and of the Bank.

Subscription to
International
Monetary
Fund.

3. (1) There shall be paid out of the Consolidated Fund of Ceylon such part of the subscription of Ceylon specified in the terms and conditions set out in the First Schedule to this Act as may, in accordance with those terms and conditions and the provisions of sections 3 and 5 of Article III of the Fund Agreement, be payable in gold or in Ceylon currency.

(2) The Minister of Finance is hereby authorised, on behalf of the Government, to create and issue to the International Monetary Fund, in such form as he thinks fit, any such non-interest-bearing and non-negotiable notes or other obligations as the Fund may, under section 5 of Article III of the Fund Agreement, determine to accept in place of any part of the subscription of Ceylon which would, but for such acceptance, be payable in Ceylon currency.

Other payments
to the
International
Monetary
Fund.

4. (1) There shall be paid out of the Consolidated Fund of Ceylon—

- (a) all sums payable to the International Monetary Fund under paragraph (b) of section 8 of Article IV of the Fund Agreement (which relates to changes in the par or foreign exchange value of currencies of members);
- (b) all sums required for implementing the guarantee required by section 3 of Article XIII of the Fund Agreement, that is to say, a guarantee of the assets of that Fund against loss resulting from failure or default of the depository designated by the Government of Ceylon under the said Article;

- (c) all sums required for the redemption of any notes or obligations created and issued to that Fund under this Act; and
- (d) any compensation required to be paid to that Fund or to any member thereof under Schedule D of the Fund Agreement (which relates to the withdrawal of members from the Fund) or under Schedule E thereof (which relates to the liquidation of the Fund).

(2) The Minister of Finance, if he thinks fit so to do, may, on behalf of the Government, create and issue to the International Monetary Fund, in such form as he thinks fit, any such non-interest-bearing and non-negotiable notes or other obligations as the Fund may under section 5 of Article III of the Fund Agreement determine to accept in place of any Ceylon currency payable to the Fund under any provisions of the Fund Agreement mentioned in paragraph (a) or paragraph (b), or under paragraph (c), of sub-section (1) of this section.

5. (1) There shall be paid out of the Consolidated Fund of Ceylon such part of the subscription of Ceylon specified in paragraph 2 of the terms and conditions set out in the Second Schedule to this Act as may, in accordance with those terms and conditions and the provisions of Article II of the Bank Agreement, be payable in gold or United States dollars or in Ceylon currency.

Subscription to
International
Bank for
Reconstruction
and
Development.

(2) The Minister of Finance is hereby authorised, on behalf of the Government, to create and issue to the International Bank for Reconstruction and Development, in such form as he thinks fit, any such non-interest-bearing and non-negotiable notes or other obligations as the Bank may, under section 12 of Article V of the Bank Agreement, determine to accept in place of any part of the subscription of Ceylon which would, but for such acceptance, be payable in Ceylon currency.

6. There shall be paid out of the Consolidated Fund of Ceylon—

- (a) all sums payable to the International Bank for Reconstruction and Development under section 9 of Article II of the Bank Agreement (which relates to changes in the par or foreign exchange value of currencies of members); and

Other payments
to the
International
Bank.

(b) all sums required for the redemption of any notes or obligations created and issued to that Bank under this Act.

Issue of
Government
notes or
obligations to
Central
Bank.

7. (1) For the purpose of providing any sums required to be paid out of the Consolidated Fund under sub-section (1) of section 3 of this Act, or under paragraph (a) or paragraph (b) or paragraph (c) of sub-section (1) of section 4 of this Act, or under section 5 or section 6 of this Act, the Minister of Finance is hereby authorised to raise loans, on behalf of the Government, by the creation and issue to the Central Bank of Ceylon, in such form as he thinks fit, of non-interest-bearing and non-negotiable notes or obligations.

(2) Notwithstanding anything in the Monetary Law Act, No. 58 of 1949, the Central Bank of Ceylon is hereby authorised to accept and hold any notes or obligations created and issued in accordance with the provisions of sub-section (1) of this section.

(3) There shall be paid out of the Consolidated Fund of Ceylon all sums required for the redemption of any notes or obligations created and issued to the Central Bank of Ceylon under sub-section (1) of this section.

Charges and
receipts.

8. (1) The Central Bank of Ceylon is hereby authorised to make payment of all sums required for the purpose of paying any charges payable to the International Monetary Fund under section 8 of Article V of the Fund Agreement.

(2) All sums received by or on behalf of the Government of Ceylon from the International Monetary Fund or from the International Bank for Reconstruction and Development, other than sums received by reason of operations of the Central Bank of Ceylon under Article V or Article VII or Article VIII of the Fund Agreement, shall be paid into the Consolidated Fund of Ceylon; and the sums so received, in so far as they represent capital, shall, unless otherwise provided in that behalf by any written law, be applied from time to time as the Minister of Finance may direct in the redemption of notes or other obligations issued to the Central Bank under this Act.

Status and immunities of the Fund and of the Bank.

Orders for
carrying the
Agreements
into effect.

9. (1) The Governor-General may, by Order, make such provision as he may consider reasonably necessary for carrying into effect any of the provisions of the Fund Agreement and the Bank Agreement relating to

the status, immunities and privileges of the International Monetary Fund and of the International Bank for Reconstruction and Development and their respective governors, executive directors, alternates, officers and employees, or any of the provisions of the Fund Agreement as to the unenforceability of exchange contracts.

(2) Without prejudice to the generality of the provisions of sub-section (1), any Order made under that sub-section may declare that any specified provisions of the Fund Agreement or the Bank Agreement shall have the force of law in Ceylon.

FIRST SCHEDULE.

Terms and conditions prescribed by resolution of the Board of Governors of the International Monetary Fund for admission of the Government of Ceylon to membership in the Fund.

1. *Definitions.*—As used in this resolution:

(a) The term “ Ceylon ” means the Government of Ceylon.

(b) The term “ Fund ” means International Monetary Fund.

(c) The term “ Articles ” means the Articles of Agreement of the Fund.

(d) The term “ dollars ” or “ \$ ” means United States dollars of the weight and fineness in effect on July 1, 1944.

(e) The term “ member ” means member of the Fund.

2. *Quota.*—The quota of Ceylon shall be \$15,000,000.00.

3. *Subscription.*—The subscription of Ceylon shall be equal to its quota, and not less than 5 per cent. of the subscription shall be paid in gold and the balance in the currency of Ceylon.

4. *Payment of Subscription.*—The portion of the subscription to be paid in gold shall be paid not later than the day the Articles are signed on behalf of Ceylon. In case Ceylon does not acquire membership in the Fund, the gold so paid shall be returned to it by the Fund.

5. *Determination of par value.*—Within thirty days after the Fund so requests, Ceylon shall communicate to the Fund the par value of its currency based on the rates of exchange prevailing on the date Ceylon becomes a member of the Fund, and within sixty days following the Fund's receipt of the communicated par value, Ceylon and the Fund shall agree on an initial par value for the currency; provided that the Fund may extend the period of sixty days, and that Ceylon shall be deemed to have withdrawn from the Fund if agreement on a par value has not been reached when the extended period expires.

6. *Exchange transactions with the Fund.*—Ceylon may not engage in exchange transactions with the Fund before the thirtieth day after the par value of its currency has been agreed in accordance with 5 above and its subscription shall be paid in full before such thirtieth day.

7. *Representation and Information.*—Before accepting membership in the Fund, Ceylon shall represent to the Fund that it has taken all action necessary to sign and deposit the instrument of acceptance and sign the Articles, as contemplated by paragraph 8 (a) and (b) of this Resolution, and Ceylon shall furnish to the Fund such information in respect of such action as the Fund may request.

8. *Acceptance of Membership.*—After the Fund shall have informed the Government of the United States of America that Ceylon has complied with the conditions set forth in paragraph 7 of this Resolution, Ceylon shall become a member of the Fund, as of the date when Ceylon shall have complied with the following requirements:

(a) Ceylon shall deposit with the Government of the United States of America an instrument stating that it has accepted in accordance with its law the Articles and all the terms and conditions prescribed in this Resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this Resolution;

(b) Ceylon shall sign the original copy of the Articles held in the Archives of the Government of the United States of America.

9. *Limitation of Period for Acceptance of Membership.*—Ceylon may accept membership in the Fund pursuant to this Resolution until December 31, 1950; provided, however, that, if extraordinary circumstances are deemed by the Executive Directors to warrant an extension of the period during which the Applicant may accept membership pursuant to this Resolution, the Executive Directors may extend such period until such later date as they may determine but in no event beyond June 30, 1951.

SECOND SCHEDULE.

Terms and conditions prescribed by resolution of the Board of Governors of the International Bank for Reconstruction and Development for admission of the Government of Ceylon to membership in the Bank.

1. *Definitions.*—As used in this resolution:

(a) The term "Ceylon" means the Government of Ceylon.

(b) The term "Bank" means International Bank for Reconstruction and Development.

(c) The term "Articles" means the Articles of Agreement of the Bank.

(d) The term "dollars" or "\$" means United States dollars of the weight and fineness in effect on July 1, 1944.

(e) The term "subscription" means the capital stock of the Bank subscribed to by a member.

(f) The term "member" means member of the Bank.

2. *Subscription.*—By accepting membership in the Bank, Ceylon shall subscribe to 150 shares of the capital stock of the Bank at the par value of \$100,000 per share.

3. *Membership in the Fund.*—Before accepting membership in the Bank, Ceylon shall accept membership in and become a member of the International Monetary Fund.

4. *Payments on Subscription:*

(a) Before accepting membership in the Bank, Ceylon shall pay to the Bank:

- (i) Gold or United States dollars equal to 2 per cent. of its subscription, without any right to postpone payment of any part thereof under Section 8 (a) of Article II of the Articles; and
- (ii) An amount in the currency of Ceylon which at the appropriate prevailing exchange rate, shall be equal in value to 18 per cent. of its subscription.

(b) Ceylon shall agree that, if it tenders any part of the payment called for in paragraph (a) (i) above in gold, the Bank shall have the right to reject any such gold which, in its opinion, may not be sold freely and unconditionally by the Bank to members requiring certification or other evidence as to the origin of gold purchased by them.

5. *Representation and Information:* Before accepting membership in the Bank, Ceylon shall represent to the Bank that it has taken all action necessary to sign and deposit the instrument of acceptance and sign the Articles as contemplated by paragraph 6 (a) and (b) of this resolution and Ceylon shall furnish to the Bank such information in respect of such action as the Bank may request.

6. *Acceptance of Membership:* After the Bank shall have informed the Government of the United States of America that Ceylon (i) has made the payments called for by paragraph 4 of this resolution; (ii) has made the representation called for by paragraph 5 of this resolution; and (iii) has furnished the information requested by the Bank pursuant to said paragraph 5, and after Ceylon shall have become a member of the International Monetary Fund, Ceylon shall become a member of the Bank, with a subscription as set forth in paragraph 2 of this resolution, as of the date when Ceylon shall have complied with the following requirements:—

(a) Ceylon shall deposit with the Government of the United States of America an instrument stating that it has accepted in accordance with its law the Articles and all the terms and conditions prescribed in this resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this resolution;

(b) Ceylon shall sign the original copy of the Articles held in the Archives of the Government of the United States of America.

7. *Limitation on Period for Acceptance of Membership:* Ceylon may accept membership in the Bank pursuant to this resolution until December 31, 1950; provided, however, that, if extraordinary circumstances are deemed by the Executive Directors to warrant an extension of the period during which Ceylon may accept membership pursuant to this resolution, the Executive Directors may extend such period until such later date as they may determine, but in no event beyond June 30, 1951.