

SECTION 9.—SEPARATE CURRENCIES WITHIN A MEMBER'S TERRITORIES

A member proposing a change in the par value of its currency shall be deemed, unless it declares otherwise, to be proposing a corresponding change in the par value of the separate currencies of all territories in respect of which it has accepted this Agreement under Article XX, Section 2 (*g*). It shall, however, be open to a member to declare that its proposal relates either to the metropolitan currency alone, or only to one or more specified separate currencies, or to the metropolitan currency and one or more specified separate currencies.

ARTICLE V.—TRANSACTIONS WITH THE FUND

SECTION 1.—AGENCIES DEALING WITH THE FUND

Each member shall deal with the Fund only through its Treasury, central bank, stabilization fund, or other similar fiscal agency, and the Fund shall deal only with or through the same agencies.

SECTION 2.—LIMITATION ON THE FUND'S OPERATIONS

Except as otherwise provided in this Agreement, operations on the account of the Fund shall be limited to transactions for the purpose of supplying a member, on the initiative of such member, with the currency of another member in exchange for gold or for the currency of the member desiring to make the purchase.

SECTION 3.—CONDITIONS GOVERNING USE OF THE FUND'S RESOURCES

(*a*) A member shall be entitled to buy the currency of another member from the Fund in exchange for its own currency subject to the following conditions:—

- (i) The member desiring to purchase the currency represents that it is presently needed for making in that currency payments which are consistent with the provisions of this Agreement;
- (ii) The Fund has not given notice under Article VII, Section 3, that its holdings of the currency desired have become scarce;
- (iii) The proposed purchase would not cause the Fund's holdings of the purchasing member's currency to increase by more than 25 per cent. of its quota during the period of twelve months ending on the date of the purchase nor to exceed 200 per cent. of its quota, but the 25 per cent. limitation shall apply only to the extent that the Fund's holdings of the member's currency have been brought above 75 per cent. of its quota if they had been below that amount;
- (iv) The Fund has not previously declared under Section 5 of this Article, Article IV, Section 6, Article VI, Section 1, or Article XV, Section 2 (*a*), that the member desiring to purchase is ineligible to use the resources of the Fund.

(*b*) A member shall not be entitled, without the permission of the Fund, to use the Fund's resources to acquire currency to hold against forward exchange transactions.

SECTION 4.—WAIVER OF CONDITIONS

The Fund may in its discretion, and on terms which safeguard its interests, waive any of the conditions prescribed in Section 3 (*a*) of this Article, especially in the case of members with a record of avoiding large or continuous use of the Fund's resources. In making a waiver it shall take into consideration periodic or exceptional requirements of the member requesting the waiver. The Fund shall also take into consideration a member's willingness to pledge as collateral security gold, silver, securities, or other acceptable assets having a value sufficient in the opinion of the Fund to protect its interests, and may require as a condition of waiver the pledge of such collateral security.

SECTION 5.—INELIGIBILITY TO USE THE FUND'S RESOURCES

Whenever the Fund is of the opinion that any member is using the resources of the Fund in a manner contrary to the purposes of the Fund it shall present to the member a report setting forth the views of the Fund and prescribing a suitable time for reply. After presenting such a report to a member, the Fund may limit the use of its resources by the member. If no reply to the report is received from the member within the prescribed time, or if the reply received is unsatisfactory, the Fund may continue to limit the member's use of the Fund's resources or may, after giving reasonable notice to the member, declare it ineligible to use the resources of the Fund.

SECTION 6.—PURCHASES OF CURRENCIES FROM THE FUND FOR GOLD

(*a*) Any member desiring to obtain, directly or indirectly, the currency of another member for gold shall, provided that it can do so with equal advantage, acquire it by the sale of gold to the Fund.

(*b*) Nothing in this Section shall be deemed to preclude any member from selling in any market gold newly produced from mines located within its territories.