



LAWS OF MALAYSIA

REPRINT

Act 472

BRETTON WOODS AGREEMENTS ACT 1957

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BRETTON WOODS AGREEMENTS ACT 1957

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LAWS OF MALAYSIA**Act 472****BRETTON WOODS AGREEMENTS ACT 1957**

An Act to enable Malaysia 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.

*[Peninsular Malaysia – 30 December 1957;
Sabah and Sarawak – 3 December 1964, L.N. 419/1964]*

Short title and application

1. (1) This Act may be cited as the Bretton Woods Agreements Act 1957.

(2) This Act shall apply throughout Malaysia.

2. (*Omitted*).

Authorization of signature of Articles of Agreement of the Fund and the Bank respectively

3. The Yang di-Pertuan Agong is hereby authorized by instruments under his hand to empower such person as may be named in such instruments, on behalf of the Government of Malaysia—

(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 Malaysia 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 Malaysia shall be admitted to membership of the Fund and the Bank.

***4.** (*Deleted by Act A18*).

***5.** (*Deleted by Act A18*).

Power of the Yang di-Pertuan Agong to assign rights and obligations to Bank Negara Malaysia

5A. (1) The Yang di-Pertuan Agong may if he thinks it expedient, by order authorize Bank Negara Malaysia to exercise rights and to perform obligations in respect of the membership of Malaysia in accordance with the terms and conditions as set out in the First Schedule.

***(2)** Upon the making of an order in subsection (1)—

- (a) the rights and obligations referred to shall, notwithstanding the Central Bank of Malaysia Act 1958 [*Act 519*], be deemed to be the rights and obligations of Bank Negara Malaysia; and
- (b) paragraph 28(*g*) and subparagraphs 30(1)(*oo*)(ii) and (iii) of the Central Bank of Malaysia Act 1958 shall have effect.
- (c) (*Omitted*).

(3) Bank Negara Malaysia may, with the prior approval in writing of the Minister of Finance, accept on behalf of the Government of Malaysia and pay any increase in the subscription of Malaysia to the International Monetary Fund which is made in accordance with the Fund Agreement.

**See Bretton Woods Agreements Order 1969 [P.U. (A) 505/1969] w.e.f. 16 December 1969.*

Subscription to International Bank for Reconstruction and Development

6. (1)(a) There shall be charged on the Consolidated Fund such part of the subscription of Malaysia specified in paragraph 2 of the terms and conditions set out in the Second Schedule as may, in accordance with those terms and conditions and Article II of the Bank Agreement, be payable in gold or United States dollars or in Malaysian currency.

(b) There shall be charged on the Consolidated Fund such part of any increase in the subscription of Malaysia as may in accordance with Article II of the Bank Agreement be payable in gold or United States dollars or in Malaysian currency.

(c) Except with the approval signified by resolution of the Dewan Rakyat the subscription of Malaysia shall not be increased so that it (including any increases) exceeds the sum of fifty million United States dollars.

(2) The Minister of Finance is hereby authorized, 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 Malaysia which would, but for such acceptance, be payable in Malaysian currency.

Other payments to the International Bank

7. There shall be charged on the Consolidated Fund—

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

Charges and receipts

***8.** (1) (*Deleted by Act A18*).

(2) All sums received by or on behalf of the Government of Malaysia from the International Bank for Reconstruction and Development shall be paid into the Consolidated Fund.

Orders for carrying the Agreements into effect

9. (1) The Yang di-Pertuan Agong may, by Order, make such provision as he may consider reasonably necessary for carrying into effect 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 subsection (1), any Order made under that subsection may declare that any specified provisions of the Fund Agreement or the Bank Agreement shall have the force of law in Malaysia.

FIRST SCHEDULE

[Section 4]

**Terms And Conditions Upon Which Malaysia Is Admitted To
Membership Of The International Monetary Fund**

Resolution adopted by the Board of Governors of the International Monetary Fund, Twelfth Annual Meeting.

WHEREAS, the Government of Malaysia on 29 May 1957, applied for admission to membership in the International Monetary Fund in accordance with section 2 of Article II of the Articles of Agreement of the Fund; and

WHEREAS, pursuant to section 21 of the By-Laws of the Fund, the Executive Directors have consulted with representatives of that Government and have agreed upon the terms and conditions which, in the opinion of the Executive Directors, the Board of Governors may wish to prescribe for admitting Malaysia to membership in the Fund.

*See Bretton Woods Agreements Order 1969 [P.U. (A) 505/1969] w.e.f. 16 December 1969.

NOW, THEREFORE, the Board of Governors, having considered the recommendations of the Executive Directors, hereby resolves that the terms and conditions upon which Malaysia shall be admitted to membership in the Fund shall be as follows:

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

- (a) The term “Fund” means International Monetary Fund.
- (b) The term “Articles” means the Articles of Agreement of the International Monetary Fund.
- (c) The term “dollars” or “\$” means United State dollars of the weight and fineness in effect on 1 July 1944.

2. *Quota:* The quota of Malaysia shall be \$25 million.

3. *Subscription:* The subscription of Malaysia shall be equal to its quota, and not less than 3.5 per cent of the subscription shall be paid in gold and the balance in the currency of Malaysia.

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 Malaysia. In case Malaysia does not acquire membership in the Fund the gold so paid shall be returned to it by the Fund. The remaining part of the subscription which has not been paid in gold shall be paid before the thirtieth day after the initial par value of the currency of Malaysia has been agreed in accordance with paragraph 5 below.

5. *Determination of Par Value:* Within 30 days after the Fund so requests, Malaysia shall communicate to the Fund a proposed par value for its currency, and within 60 days following the Fund’s receipt of the proposed par value, Malaysia and the Fund shall agree on an initial par value for the currency; provided that the Fund may extend the period of 60 days and that Malaysia shall be deemed to have withdrawn from the Fund if agreement on a par value has not been reached when the extended period expires. In the period between accepting membership and the establishment of an initial par value pursuant to this paragraph, Malaysia shall not change its exchange rates prevailing at the time of accepting membership without agreement with the Fund after prior consultation.

6. *Exchange Transaction with the Fund:* Malaysia 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 paragraph 5 above and its subscription has been fully paid.

7. *Representation and Information:* Before accepting membership in the Fund, Malaysia 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 in paragraphs 8(a) and (b) of this resolution, and Malaysia 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 Malaysia has complied with the conditions set forth in paragraph 7 of this resolution, Malaysia shall become a member of the Fund as of the date when Malaysia shall have complied with the following requirements:

- (a) Malaysia 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; and
- (b) Malaysia shall sign the original copy of the Articles held in the Archives of the Government of the United States of America.

9. *Limitation on Period for Acceptance of Membership:* Malaysia may accept membership in the Fund pursuant to this resolution within six months of the effective date of this resolution, which date shall be the date of its adoption by the Board of Governors; 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.

SECOND SCHEDULE

[Section 6]

**Terms And Conditions Upon Which Malaysia Is Admitted To
Membership Of The International Bank For Reconstruction And
Development**

Resolution adopted by the Board of Governors of the International Bank for Reconstruction and Development on 25 September 1957.

WHEREAS, the Government of Malaysia has applied for admission to membership in the International Bank for Reconstruction and Development in accordance with section 1(b) of Article II of the Articles of Agreement of the Bank; and

WHEREAS, pursuant to section 20 of the By-Laws of the Bank, the Executive Directors, after consultation with representatives of the Government of Malaysia, have made recommendations to the Board of Governors with regard to this application of said country;

NOW, THEREFORE, the Board of Governors, hereby RESOLVES:

THAT the terms and conditions upon which Malaysia shall be admitted to membership in the Bank shall be as follows:

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

- (a) “Articles” means the Articles of Agreement of the Bank.
- (b) “Bank” means International Bank for Reconstruction and Development.
- (c) “Dollars” or “\$” means United States dollars of the weight and fineness in effect on 1 July 1944.
- (d) “Member” means member of the Bank.
- (e) “Subscription” means the capital stock of the Bank subscribed to by a member.

2. *Subscription:* By accepting membership in the Bank, Malaysia shall subscribe to 250 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, Malaysia shall accept membership in and become a member of the International Monetary Fund.

4. *Payments on Subscription:*

- (a) before accepting membership in the Bank, Malaysia shall pay to the Bank—
 - (i) Gold or United States dollars equal to 2 per cent of its subscription; and
 - (ii) An amount in the currency of Malaysia which, at the appropriate prevailing exchange rate, shall be equal in value to 18 per cent of its subscription.
- (b) Malaysia 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, Malaysia 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 paragraphs 6(d) and (e) of this resolution and Malaysia shall furnish to the Bank such information in respect of such action as the Bank may request.

6. *Acceptance of Membership:* Malaysia shall become a member of the Bank, with a subscription as set forth in paragraph 2 of this resolution, as of the date when Malaysia shall have complied with the following requirements:

- (a) Become a member of the International Monetary Fund;
- (b) Made the payments called for by paragraph 4 of this resolution;
- (c) Furnished the representation, and such information as may have been requested, pursuant to paragraph 5 of this resolution;
- (d) Deposited 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;
- (e) Signed 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:* Malaysia may accept membership in the Bank pursuant to this resolution until 31 March 1958; provided, however, that, if extraordinary circumstances are deemed by the Executive Directors to warrant an extension of the period during which Malaysia may accept membership pursuant to this resolution, the Executive Directors may extend such period.

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BRETTON WOODS AGREEMENTS ACT 1957

LIST OF AMENDMENTS

Amending law	Short title	In force from
Ord. 40/1959	Bretton Woods Agreements (Amendment) Ordinance 1959	28-07-1959
Act A18	Central Bank of Malaysia (Amendment) Act 1969	28-03-1969
P.U. (A) 505/1969	Bretton Woods Agreements Order 1969	16-12-1969
P.U. (A) 438/1970	Emergency (Essential Powers) Ordinance No. 60/1970	03-12-1970
Act A70	Bretton Woods Agreements (Amendment) Act 1971	17-09-1971
Act 160	Malaysian Currency (Ringgit) Act 1975	29-08-1975

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LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
4	Ord. 40/1959 Act A18 P.U. (A) 505/1969	28-07-1959 28-03-1969 16-12-1969
5	Act A18 P.U. (A) 505/1969	28-03-1969 16-12-1969
5A	Act A18 P.U. (A) 438/1970 Act A70	28-03-1969 03-12-1970 17-09-1971
6	Ord. 40/1959	28-07-1959
8	Act A18 P.U. (A) 505/1969	28-03-1969 16-12-1969

LIST OF LAWS OR PARTS THEREOF SUPERSEDED

No.	Title
75 of 1957	Bretton Woods Agreements Ordinance 1957

