

PARLIAMENT OF CEYLON

4th Session 1968-69



Bretton Woods Agreements (Special Provisions) Act, No. 2 of 1969

Date of Assent : January 16, 1969

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Bretton Woods Agreements (Special Provisions) Act, No. 2 of 1969

L. D.—O. 28/68.

AN ACT TO MAKE ALL SUCH LEGAL PROVISIONS AS MAY BE NECESSARY, BY WAY OF THE AMENDMENT OF CERTAIN WRITTEN LAWS OR OTHERWISE, TO GIVE FULL FORCE AND EFFECT TO THE DECISION OF THE GOVERNMENT OF CEYLON TO ACCEPT A PROPOSED AMENDMENT TO THE ORIGINAL ARTICLES OF AGREEMENT OF THE INTERNATIONAL MONETARY FUND OF WHICH CEYLON IS A MEMBER.

[Date of Assent: January 16, 1969]

WHEREAS Ceylon is a member of the International Monetary Fund and the text of the original Articles of Agreement of that Fund were laid before Parliament prior to the passing of the Bretton Woods Agreements Act which enabled Ceylon to become such a member:

And whereas the Board of Governors of that Fund have, by resolution, approved an amendment which is proposed to such original Articles in order to institute a new facility based on special drawing rights in the Special Drawing Account in that Fund and to effect certain other changes (hereafter in this preamble referred to as "the proposed amendment"):

And whereas the text of the proposed amendment was laid before the House of Representatives on November 23, 1968:

And whereas the Government of Ceylon has decided to accept the proposed amendment so as to enable Ceylon to participate in the proposed Special Drawing Account in that Fund:

And whereas it is necessary to make the legal provisions hereinafter set out to give full force and effect to that decision:

Now, therefore, be it enacted by the Queen'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 (Special Provisions) Act, No. 2 of 1969, and shall come into operation on such date as may be appointed by the Minister by Order published in the *Gazette*.

Short title
and date of
operation.

2 *Bretton Woods Agreements (Special Provisions)* *Act, No. 2 of 1969*

Deposit of
certain docu-
ments with the
International
Monetary
Fund.

2. The Governor-General 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 Ceylon, to deposit with the International Monetary Fund—

- (a) an instrument of acceptance stating that the Government of Ceylon has accepted the amendment which is proposed to the Articles of Agreement of that Fund in order to institute a facility based on special drawing rights in the Special Drawing Account in that Fund and to effect certain other changes; and
- (b) an instrument setting forth that the Government of Ceylon undertakes all the obligations of a participant in the Special Drawing Account in that Fund in accordance with its law, and that it has taken all steps necessary to enable it to carry out all such obligations.

Amendment of
section 2 of
Chapter 424.

3. Section 2 of the Bretton Woods Agreements Act (as subsequently amended), hereafter referred to as the “principal Act”, is hereby amended in paragraph (b) of that section, by the omission of the expression “(hereinafter referred to as “the Fund Agreement”)”.

Amendment of
section 4 of
the principal
Act.

4. Section 4 of the principal Act is hereby amended in sub-section (1) of that section as follows:—

- (a) by the substitution, in paragraph (c) of that sub-section, for the expression “this Act; and”, of the expression “this Act;”;
- (b) by the substitution, in paragraph (d) of that sub-section, for the expression “(which relates to the liquidation of the Fund).”, of the expression “(which relates to the liquidation of the Fund);”; and
- (c) by the insertion, immediately after paragraph (d) of that sub-section, of the following new paragraphs:—

“(e) to the Central Bank of Ceylon all sums paid by that Bank on behalf of Ceylon under section 2 of Article XXII of the Fund Agreement, and assessed as so payable under section 4 of Article XXVI of the Fund Agreement;”

Bretton Woods Agreements (Special Provisions) 3
Act, No. 2 of 1969

- (f) any compensation which Ceylon is required or obliged to pay to any participant in the Special Drawing Account in that Fund under section 8 of Schedule I of the Fund Agreement (which relates to the administration of the liquidation of that Account); and
- (g) all sums, other than sums by way of compensation referred to in paragraph (f), which Ceylon is required or obliged to pay to that Fund or any member thereof in order to discharge its obligations as a participant in the Special Drawing Account in that Fund. ”.

5. The following new section is hereby inserted immediately after section 8, and shall have effect as section 8A, of the principal Act:—

Insertion of
new section
8A in the
principal Act

“ Special provisions relating to the Central Bank of Ceylon in relation to operations in the Special Drawing Account.

8A. (1) The Central Bank of Ceylon is hereby authorized to acquire, hold, and operate on, or dispose of, special drawing rights in the Special Drawing Account in the International Monetary Fund.

(2) The Central Bank of Ceylon is hereby authorized—

- (a) to make payment of all sums required for the purpose of paying any charges payable to the International Monetary Fund under section 2 of Article XXVI of the Fund Agreement in respect of the special drawing rights in the Special Drawing Account in that Fund; and
- (b) to receive, and to credit to its own funds, the interest payable by that Fund in respect of such special drawing rights under section 1 of the said Article XXVI.”.

4 *Bretton Woods Agreements (Special Provisions)*
Act, No. 2 of 1969

Insertion of
new section 10
in the principal
Act.

6. The following new section is hereby inserted immediately after section 9, and shall have effect as section 10, of the principal Act:—

Interpretation.

10. In this Act,—

“ Fund Agreement ” means the Articles of Agreement of the International Monetary Fund as originally adopted and as subsequently amended in order to institute a facility based on special drawing rights and to effect certain other changes ;

“ International Monetary Fund ” means the International Monetary Fund which is established and is in operation in accordance with the provisions of the Fund Agreement.’

Amendment of
section 67 of
Chapter 422.

7. Section 67 of the Monetary Law Act is hereby amended in sub-section (1) of that section as follows:—

(1) in paragraph (i) of that sub-section by the omission of the word “ and ”;

(2) in sub-paragraph (d) of paragraph (ii) of that sub-section, by the substitution, for the expression “ and coins.”, of the expression “ and coins; and ”; and

(3) by the insertion, immediately after sub-paragraph (ii) of that sub-section, of the following new sub-paragraph:—

“ (iii) either the whole, or such maximum percentage of the whole, of the holdings of special drawing rights in the Special Drawing Account in the International Monetary Fund according as may be determined, from time to time, by the Monetary Board. ”.