

صندوق النقد العربي

ARAB MONETARY FUND

## Articles of Association of the ARAB MONETARY FUND

Dated: April 27, 1976

As amended until June 30, 2024

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**This Agreement is made in Rabat, Kingdom of Morocco, on Tuesday, the 27<sup>th</sup> of Rabi' al-Thani, 1396 AH, corresponding to the 27<sup>th</sup> of April 1976 AD.**

Article 21, paragraph (b), was amended to raise the maximum lending limit to four times the member's paid-up subscription, pursuant to Board of Governors Resolution No. (4) of 1981.

Article 32, paragraph (b), was amended from “eight resident directors” to “eight non-resident directors”, pursuant to Board of Governors Resolution No. (4) of 1986.

Article 30 was amended to replace the term "salaries" with "remuneration" for the Board of Executive Directors, pursuant to Board of Governors Resolution No. (8) of 1988.

Article 12 was amended to raise the Fund's authorized capital from 250 million to 600 million Arab Accounting Dinars (AAD), pursuant to Board of Governors Resolutions No. (3) of 1983 and No. (3) of 1987.

The Preamble and Article 56 were amended to include the Republic of Djibouti among the acceding states to the Agreement, pursuant to Board of Governors Resolution No. (4) of 1996, and to include the Union of the Comoros, pursuant to Board of Governors Resolution No. (5) of 1999.

The remaining capital balance was subscribed pursuant to Board of Governors Resolution No. (3) of 2005, and the subscription schedule attached to the Agreement was amended accordingly.

Article 40, paragraph (f), was added pursuant to Board of Governors Resolution No. (3) of 2005, concerning the application of the weighted equity rule.

Article 22, paragraph (e), was added pursuant to Board of Governors Resolution No. (4) of 2007, concerning the Trade Facilitation Loan.

Article 22, paragraph (d), was added pursuant to Board of Governors Resolution No. (4) of 1997, establishing the Structural Adjustment Facility loan, and amended pursuant to Board of Governors Resolution No. (4) of 2009, separating facility ceilings for the financial and banking sector and the government finance sector.

Article 22, paragraph (f), was added pursuant to Board of Governors Resolution No. (4) of 2009, concerning the Short-Term Liquidity Facility.

The capital increase was subscribed pursuant to Board of Governors Resolution No. (3) of 2013, and the subscription schedule attached to the Agreement was amended accordingly.

Article 12 was amended to raise the Fund's authorized capital from 600 million to 1,200 million Arab Accounting Dinars (AAD), pursuant to Board of Governors Resolution No. (3) of 2013.

Article 12 was further amended to raise the Fund's authorized capital from 1,200 million to 2,150 million Arab Accounting Dinars (AAD), pursuant to Board of Governors Resolution No. (3) of 2024.

Articles 11(b), 12(d), 15(c), 18, 21(c), 22, and 23 were amended pursuant to Board of Governors Resolution No. (3) of 2024.

## **ARTICLES OF AGREEMENT OF THE ARAB MONETARY FUND**

### **The Governments of the founding Member States:**

The Hashemite Kingdom of Jordan  
The United Arab Emirates  
The Kingdom of Bahrain  
The Tunisian Republic  
The People's Democratic Republic of Algeria  
The Kingdom of Saudi Arabia  
The Republic of the Sudan  
The Syrian Arab Republic  
The Federal Republic of Somalia  
The Republic of Iraq  
The Sultanate of Oman  
The State of Palestine  
The State of Qatar  
The State of Kuwait  
The Lebanese Republic  
The State of Libya  
The Arab Republic of Egypt  
The Kingdom of Morocco  
The Islamic Republic of Mauritania  
The Republic of Yemen

### **And the governments of the states subsequently acceding to the Agreement:**

The Republic of Djibouti  
The Union of the Comoros

Desiring to establish the monetary foundations for Arab economic integration and to advance economic development across all Arab States, have agreed as follows:

**Article (1)**

This Agreement establishes an Arab organization named the Arab Monetary Fund, referred to hereafter as "the Fund".

**Article (2)**

The Fund possesses an independent juridical personality. It holds, in particular, the right to own property, enter into contracts, and bring legal proceedings.

**Article (3)**

The Fund's headquarters shall be in the city of Abu Dhabi in the United Arab Emirates. The Fund may establish agencies and offices by resolution of the Board of Governors.

## PART ONE: OBJECTIVES

### ARTICLE (4)

The Fund aims to contribute to achieving the following objectives:

- (a) Correcting disequilibria in the balances of payments of Member States.
- (b) Promoting the stability of exchange rates among Arab currencies, achieving their mutual convertibility, and working to eliminate restrictions on current payments between Member States.
- (c) Establishing the policies and mechanisms of Arab monetary cooperation to advance Arab economic integration and accelerate economic development in Member States.
- (d) Providing advice on external investment policies for the monetary resources of Member States, in a manner that preserves the real value of those resources and promotes their growth, when so requested.
- (e) Developing Arab financial markets.
- (f) Studying ways to expand the use of the Arab Accounting Dinar (AAD) and preparing the conditions for establishing a unified Arab currency.
- (g) Coordinating the positions of Member States on international monetary and economic issues to serve their common interests and contribute to resolving global monetary problems.
- (h) Facilitating settlement of current payments between Member States to promote trade among them.

## PART TWO: MEANS

### ARTICLE (5)

The Fund shall rely on the following means to achieve its objectives:

- (a) Providing short-and medium-term facilities to Member States to help finance overall deficits in their balances of payments with the rest of the world arising from trade in goods and services, transfers, and capital movements.
- (b) Issuing guarantees for Member States to support their borrowing from other financial sources to finance overall balance of payments deficits.
- (c) Acting as intermediary in issuing loans in Arab and international financial markets on behalf of and guaranteed by Member States.
- (d) Coordinating the monetary policies of Member States and developing cooperation among their monetary authorities.
- (e) Liberalizing and promoting trade and resulting current payments, and encouraging capital movements between Member States.
- (f) Allocating sufficient paid-in resources in Member State currencies to provide credit facilities for settling current payments between Member States, in accordance with rules and regulations approved by the Board of Governors and within a special account established by the Fund for this purpose.
- (g) Managing any funds entrusted to it by a Member State or Member States for the benefit of other Arab or non-Arab parties, consistent with the Fund's objectives. The Fund shall establish the necessary arrangements for managing such funds in agreement with the relevant Member State or Member States and shall open special accounts for this purpose.
- (h) Conducting periodic consultations with Member States concerning their economic conditions and policies to help achieve the objectives of the Fund and the States concerned.
- (i) Undertaking studies necessary to achieve the Fund's objectives.
- (j) Providing technical assistance to the monetary and banking authorities in Member States.

**ARTICLE (6)**

Member States shall cooperate among themselves and with the Fund to achieve its objectives. Each member shall, in particular:

- (a) Reduce restrictions on current payments between Member States and on capital movements and their returns, with the aim of eliminating such restrictions entirely.
- (b) Work to achieve the necessary degree of coordination among Arab economic policies, particularly fiscal and monetary policies, to serve Arab economic integration and help create the conditions for establishing a unified Arab currency.

**ARTICLE (7)**

The Fund shall cooperate with similar Arab institutions in achieving its objectives and shall cooperate with similar international organizations when necessary.

**ARTICLE (8)**

The Fund shall provide technical assistance and services in the monetary and financial domains to Member States that conclude economic agreements aimed at achieving monetary union among themselves, as a stage toward achieving the Fund's objectives.

**ARTICLE (9)**

The Fund may, by resolution of the Board of Governors, adopt any other means that help achieve its objectives.

## PART THREE: MEMBERSHIP

### ARTICLE (10)

Membership in the Fund shall be open to all Arab States that sign and ratify this Agreement in accordance with the final provisions of this Agreement.

## PART FOUR: RESOURCES

### ARTICLE (11)

- (a) The resources of the Fund shall consist of the following:
  - (1) Paid-up capital.
  - (2) Reserves.
  - (3) Loans and facilities obtained by the Fund.
  - (4) Any other resources approved by the Board of Governors.
- (b) The Fund shall submit an assessment to the Board of Governors every five years, or whenever necessary, to determine the adequacy of its resources for achieving its designated objectives.
- (c) All resources of the Fund shall consist of convertible currencies acceptable to the Fund, subject to the provisions of Article 5(f) and Article 14(3).

## CHAPTER ONE: CAPITAL

### Section One: Definition and Components

#### ARTICLE (12)

- (a) The authorized capital of the Fund shall be 2,150 million (AAD) (two thousand one hundred fifty million Arab Accounting Dinars).
- (b) For the purposes of this Agreement, the Arab Accounting Dinar shall equal three units of Special Drawing Rights (SDR) as valued by the International Monetary Fund. This parity rate and the method of valuing the Arab Accounting Dinar may be amended by a resolution of the Board of Governors adopted by a three-fourths majority of the voting power.
- (c) The authorized capital shall be divided into 43,000 (forty-three thousand) shares, each with a value of 50,000 (AAD) (fifty thousand Arab Accounting Dinars).
- (d) The authorized capital may be amended by resolution of the Board of Governors.

### Section Two: Subscription and Payment

#### ARTICLE (13)

- (a) Subscription to the capital shall be made in accordance with the schedule annexed to this Agreement.
- (b) The Board of Governors shall determine the share of any other Arab State that requests to join the Fund and whose share is not specified in the schedule annexed to this Agreement.

#### ARTICLE (14)

- (a) Each member shall pay for its subscribed shares as follows:
1. Five percent (5%) upon depositing its instrument of ratification of this Agreement.
  2. An additional twenty percent (20%), no later than the date this Agreement enters into force pursuant to Article 55.
  3. Two percent (2%) in the member's national currency, regardless of its convertibility, for the purpose specified in Article 5 (f), no later than the date this Agreement enters into force.
  4. All amounts referred to in paragraphs (1) and (2) of this Article shall be deposited during the transitional period with the central bank in the headquarters State, and amounts referred to in paragraph (3) shall be deposited with the central banks in Member States, in the name of the Fund.
  5. Amounts under paragraphs (1) and (2) shall be invested under guarantee of the headquarters State government. Principal and returns shall be remitted to entities the Fund designates.
- (b) The remainder of the subscription, or any portion thereof, shall be paid upon Fund request as its operations require, under terms and conditions the Board of Governors determines, provided that payment shall be made no later than six months from the date of notifying the member of the call.
- (c) When an Arab State ratifies or accedes to this Agreement after it has entered into force, the new member shall pay from its allocated share a proportion equivalent to that paid by members from their shares, within three months from the date of depositing its instruments of ratification.

#### Section Three: Capital Increase

#### ARTICLE (15)

The Board of Governors may, by resolution, increase the capital of the Fund subject to the following conditions:

- (a) Approval by an absolute majority of votes cast, provided such majority is not less than thirty percent (30%) of the total voting power of Member States, if the increase is for issuing shares for the subscription of an Arab State wishing to join the Fund.
- (b) Approval by a three-fourths majority of the voting power of Member States if the distribution of the capital increase does not change the relative voting positions of members.
- (c) Approval by eighty-five percent (85%) of the voting power of Member States if the distribution of the capital increase results in a change in the relative voting positions of members.
- (d) If a Member State declines to accept the increase in its share of the capital and no agreement is reached on distributing this increase among other Member States pursuant to paragraph (c), the capital increase shall be reduced by the amount of the proposed increase in the share of the declining Member State.

## CHAPTER TWO: RESERVES

### ARTICLE (16)

- (a) The Fund shall establish a general reserve. It may also establish special reserves when needed, with the Board of Governors determining their size and purpose at the time of their establishment.
- (b) The general reserve and special reserves shall be funded from the Fund's annual net income as determined by the Board of Governors.

## CHAPTER THREE: LOANS AND FACILITIES OBTAINED BY THE FUND

### ARTICLE (17)

- (a) The Fund may borrow from Member States and from Arab and foreign monetary and financial institutions and markets to finance its operations, and it may issue securities for this purpose.
- (b) Borrowing shall be conducted in accordance with terms and conditions determined by the Board of Executive Directors.

### ARTICLE (18)

The maximum indebtedness of the Fund, including borrowed amounts and issued guarantees, shall be two hundred percent (200%) of the sum of the authorized capital and the general reserve. This ratio may be exceeded with the approval of the Board of Governors upon recommendation of the Board of Executive Directors, provided that the financial soundness of the Fund is maintained.

## PART FIVE: USE OF RESOURCES - LENDING

### ARTICLE (19)

The Fund shall provide its members with short-term or medium-term loans for a period not exceeding seven years. The term of each loan shall be determined individually. These loans shall be subject to the terms and conditions set forth in this Agreement.

## CHAPTER ONE: LENDING CONDITIONS

### ARTICLE (20)

- (a) When examining loan applications for decision and determining loan terms and conditions, the Fund shall take into account the following factors:
1. The Fund's financial circumstances and its lending and financial activity programs.
  2. The member's need for loans in light of its overall balance of payments deficit, its reserves, and its financial and economic conditions.
  3. The member's ability to repay the loan by the specified date in accordance with the Fund's lending system, its ability to borrow from similar financial institutions, and the amount of loans owed to such institutions or to the Fund.
  4. The member's borrowing from the Fund relative to its paid-in subscription.
  5. The term of the requested loan.
  6. The degree of growth in the member's economic exchanges with other Arab countries.
  7. The extent to which the member has utilized its automatic borrowing rights from similar international or regional lending institutions.
- (b) The Fund's resources shall not be made available to address capital flight except in exceptional cases, in accordance with criteria established by the Board of Executive Directors.

## CHAPTER TWO: LENDING LIMITS

### ARTICLE (21)

- (a) Loans provided to a member during any twelve-month period shall not exceed three times its paid-in subscription.
- (b) Outstanding loans owed by a member at any time shall not exceed ten times its paid-in subscription, or twenty percent (20%) of the Fund's resources available for lending, whichever is less.
- (c) The Board of Executive Directors may, by resolution, exceed the ratios set forth in paragraphs (a) and (b) of this Article, provided the criteria set forth in Article 20 are observed.

## CHAPTER THREE: TYPES OF LOANS

### ARTICLE (22)

- (a) The Fund shall provide Member States with a loan to finance an overall balance of payments deficit according to a ceiling determined by the Board of Executive Directors. This loan shall be provided to the member automatically.
- (b) If a member's need exceeds the automatic loan ceiling referred to in paragraph (a) of this Article, the Fund may lend to it in support of a financial program agreed upon between the Fund and the member. The program shall extend over a time period determined by the Board of Executive Directors with the aim of reducing the deficit in the member's balance of payments.
- (c) If a member's need exceeds the automatic loan ceiling referred to in paragraph (a) of this Article and the balance of payments deficit results from a structural imbalance in the Member State's economy requiring a medium-term timeframe to address, the Fund may lend to it in support of a financial program agreed upon between the Fund and the member. The program shall extend over a time period determined by the Board of Executive Directors with the aim of finding an appropriate solution to the member's problems.
- (d) The Board of Executive Directors shall adopt the terms and conditions for the lending programs referred to in paragraphs (a), (b), and (c), as well as any new lending programs, upon proposal by Fund management, consistent with the objectives of correcting imbalances, financing balance of payments deficits of Member States, maintaining their economic and financial stability, and appropriately protecting the Fund's resources.
- (e) The Fund may establish the necessary arrangements, criteria, and controls to verify that the borrowing member's use of its resources is within the agreed framework.
- (f) The Fund may establish economic reform programs to assist Member States that are not eligible to benefit from its resources to become eligible. For this purpose, it may establish the necessary policies, criteria, and controls.

### ARTICLE (23)

The Fund's loans shall have preferred creditor status.

### ARTICLE (24)

When the Fund's facilities to a member take the form of a guarantee, the issuance of the guarantee shall be subject to the same lending terms and limits set forth in this Agreement. The Fund shall charge a commission for issuing such guarantees.

## CHAPTER FOUR: INTEREST AND COMMISSIONS

### ARTICLE (25)

- (a) The Fund shall provide its loans and facilities at concessional and unified rates of interest and commissions.
- (b) Interest on a member's borrowing to finance the portion of the overall deficit in its balance of payments arising from its trade with Arab States shall be more concessional. Oil transactions shall be excluded from this favorable treatment.
- (c) The Board of Executive Directors shall determine from time to time the interest rates and commissions that the Fund applies in its operations, taking into consideration the loan term, type, and size, the cost of its resources, and any other relevant considerations.
- (d) The Board of Executive Directors shall determine the interest payable for late repayment of outstanding loans.

## CHAPTER FIVE: CONTROLS ON USE

### ARTICLE (26)

- (a) The Fund shall agree with the member requesting a loan on a program of specific measures to narrow and correct the imbalance in its balance of payments, in cases where such a program is required under this Agreement. The Fund shall, in such cases, monitor the implementation of the agreed program in cooperation with the member.
- (b) In all cases, the Fund shall conduct periodic consultations with the borrowing member.

### ARTICLE (27)

If the Fund determines that a member is using its resources in a manner inconsistent with the purposes for which the Fund was established, it shall present a report to the member with its views and allow a reasonable period for response. If the Fund does not receive a response within the specified period or if the response is unsatisfactory, the Board of Governors may limit the member's right to use its resources or, after granting the member a reasonable period, may declare the member ineligible to use the Fund's resources.

### ARTICLE (28)

If the Board of Governors issues a decision declaring a member ineligible to use Fund resources, such prohibition shall remain in effect unless the Board of Governors rescinds its decision upon the elimination of the reasons that gave rise to it. In such case, the member shall compensate the Fund for all damages it has incurred as a result of the violation committed by that member.

## PART SIX: ORGANIZATION AND MANAGEMENT

### CHAPTER ONE: FUND ORGANS

#### ARTICLE (29)

The organs of the Fund shall consist of the Board of Governors, the Board of Executive Directors, the Director General Chairman of the Board of Executive Directors, the Loan and Investment Committees, and such staff and experts as are necessary to carry out the Fund's work.

### CHAPTER TWO: BOARD OF GOVERNORS

#### ARTICLE (30)

- (a) The Board of Governors consists of a Governor and a Deputy Governor appointed by each member for renewable five-year terms, unless the member replaces either during the term. The Board elects its Chairman annually, rotating among the Governors.
- (b) The Board of Governors shall be considered the General Assembly of the Fund and shall vest all powers of administration. It may delegate to the Board of Executive Directors the exercise of any of its powers, except for:
  1. Admission of new members.
  2. Increase of capital.
  3. Determining the distribution of the Fund's net income.
  4. Appointment of auditors and approval of final accounts.
  5. Deciding disputes concerning the interpretation of the provisions of this Agreement.
  6. Suspension of a member.
  7. Permanent cessation of the Fund's operations and liquidation of its assets.
  8. Amendment of the Agreement.
- (c) The Board of Governors shall hold at least one annual meeting and shall also meet upon request of half of its members, or members holding half of the total voting power, or upon request of the Board of Executive Directors.
- (d) A meeting of the Board shall be valid when attended by a majority representing at least two-thirds of the voting power.
- (e) The Board of Governors may establish rules enabling the Board of Executive Directors to obtain the approval of Board of Governors members on a specific matter without calling a meeting.
- (f) The Board of Governors shall adopt resolutions concerning the rules, instructions, and regulations necessary for the administration of the Fund's affairs.
- (g) Governors and their Deputies shall perform their duties on the Board of Governors without compensation, except that the Fund shall pay them appropriate expenses incurred for attending meetings.
- (h) The Board of Governors shall determine the remuneration of Executive Directors and their Deputies, as well as the salary of the Director General and the terms of his contract.
- (i) In formulating its policies concerning Arab economic integration and the liberalization and development of trade among Member States, the Board of Governors shall cooperate with the Economic Council, the Council of Arab Economic Unity, and the Arab Fund for Economic and Social Development.

## CHAPTER THREE: VOTING

### ARTICLE (31)

- (a) When voting in the Board of Governors, each member shall be entitled to seventy-five (75) votes regardless of the number of shares it holds, plus one additional vote for each share held by the member.
- (b) Decisions on all matters submitted to the Board of Governors shall be made by an absolute majority of the voting power, unless otherwise provided.

## CHAPTER FOUR: BOARD OF EXECUTIVE DIRECTORS

### ARTICLE (32)

- (a) The Board of Executive Directors shall exercise the powers delegated to it by the Board of Governors. It may delegate such powers as it deems appropriate to the Director General.
- (b) The Board of Executive Directors shall consist of the Director General as Chairman and eight non-resident Directors elected by the Board of Governors from nationals of Member States with recognized experience and competence. They shall be appointed for a renewable term of three years.
- (c) The election of members of the Board of Executive Directors shall be conducted in accordance with such rules and procedures as the Board of Governors may establish, as follows:
  - 1. Any Governor may nominate one candidate for membership on the Board of Executive Directors.
  - 2. Each Governor shall vote for one candidate with the number of votes held by the member represented, in accordance with Article 31.
  - 3. The eight candidates receiving the highest number of votes shall be elected.
  - 4. Each Governor who did not nominate a candidate or whose candidate was not elected to the Board of Executive Directors shall assign, for the election period, to one of the elected Directors the votes that Governor represents on the Board of Governors in accordance with Article 31.
- (d) Directors shall appoint Deputies who shall attend meetings of the Executive Directors in their absence. Deputies shall have the right to vote in such cases.
- (e) Members of the Board of Executive Directors shall continue in office until their successors are elected. If the position of any Director becomes vacant for a period exceeding ninety days before the end of the term, the Governors whose votes the former Director represented shall choose a successor for the remaining period.
- (f) Meetings of the Board of Executive Directors shall be valid when attended by a majority representing at least two-thirds of the total voting power.
- (g) Resolutions of the Board of Executive Directors shall be adopted by an absolute majority of the voting power of those voting, unless otherwise provided.

## CHAPTER FIVE: DIRECTOR GENERAL AND STAFF

### ARTICLE (33)

- (a) The Board of Governors shall appoint, from persons other than its members or members of the Board of Executive Directors and their Deputies, a Director General of the Fund for a term of five years, which may be renewed. The Director General shall, by virtue of his office, serve as Chairman of the Board of Executive Directors.
- (b) The Director General shall attend meetings of the Board of Governors and participate in its discussions without the right to vote.
- (c) The Director General shall vote in the Board of Executive Directors in the event of a tie.
- (d) The Director General shall submit an annual report on the Fund's operations to the Board of Governors at its regular annual meeting and shall also submit an annual report on the Fund's activities to the Economic Council.
- (e) The Director General shall be the chief executive officer of the Fund's staff and shall be responsible for all of its operations before the Board of Executive Directors. The Director General shall implement the technical and administrative regulations within the Fund and shall have the authority to appoint and dismiss staff and experts in accordance with the Fund's regulations.
- (f) The Director General and staff shall owe their loyalty exclusively to the Fund. They shall refrain from influencing the conduct of its operations in any manner contrary to its interests and shall maintain impartiality in the performance of their duties.
- (g) In appointing the staff, the Director General shall give due regard to the principle of distributing positions among nationals of the Fund's Member States to the extent possible, without prejudice to the principle that the necessary competence and experience must be ensured.

## CHAPTER SIX: LOAN AND INVESTMENT COMMITTEES

### ARTICLE (34)

The Director General shall form loan and investment committees to make recommendations on lending and investment policies. The Director General shall review these recommendations and submit proposals thereon to the Board of Executive Directors.

## PART SEVEN: WITHDRAWAL - SUSPENSION AND TERMINATION OF MEMBERSHIP - LIQUIDATION

### CHAPTER ONE: WITHDRAWAL FROM THE FUND

#### ARTICLE (35)

- (a) Any member may withdraw from the Fund after five years of membership by sending a written notice to the Fund at its headquarter office.
- (b) Withdrawal shall become effective on the date the notice is received, or on such later date as the notice may specify, provided that such date is within six months from the date of receipt.
- (c) If the Fund terminates its operations within six months after a member's withdrawal takes effect, the withdrawing member shall be considered a member for purposes of liquidation as provided in Article 40 of this Agreement.

#### ARTICLE (36)

- (a) A withdrawing member shall have no rights under this Agreement except as provided in this Article and Article 52.
- (b) Unless otherwise provided, the withdrawing member shall remain liable for all financial obligations owed to the Fund, whether as a member, borrower, guarantor, or otherwise.
- (c) Upon the effective date of withdrawal, the withdrawing member's obligation for any unpaid or uncalled amount on shares to which it has subscribed shall cease. This paragraph shall not apply if the conditions for the application of Article 38 are met.
- (d) The Fund and the withdrawing member shall agree on the settlement of their accounts. The shares of the withdrawing member shall be redeemed at their nominal value, less any capital loss or plus the member's proportionate share of the surplus and general reserve distributable as net income.
- (e) When settling their accounts, the withdrawing member and the Fund shall agree on the date for payment of account balances and the currency in which payment shall be made.
- (f) If the Fund and the withdrawing member fail to reach agreement on the settlement of their accounts, the matter shall be submitted to arbitration as provided in Article 52 of this Agreement.

## CHAPTER TWO: SUSPENSION OF MEMBERSHIP

### ARTICLE (37)

- (a) The Board of Governors shall, by resolution, suspend the membership of any State that fails to meet its obligations to the Fund.
- (b) The member whose membership is to be suspended shall be given an appropriate opportunity to present its case before any decision is made in this regard.

### ARTICLE (38)

Suspension of membership shall deprive the member of its right to borrow and vote. The member shall remain subject to all of its obligations under this Agreement.

## CHAPTER THREE: TERMINATION OF MEMBERSHIP

### ARTICLE (39)

A member shall be permanently divested of its membership by resolution of the Board of Governors, should it continue to fail to fulfill its obligations to the Fund for a period of two years from the date of temporary suspension of its membership.

## CHAPTER FOUR: LIQUIDATION OF THE FUND

### ARTICLE (40)

- (a) The Fund may terminate its operations by a resolution adopted by a majority of three-fourths of the total voting power.
- (b) Withdrawal of all members in accordance with Article 35 of this Agreement shall be deemed a termination of the Fund's operations.
- (c) Upon adoption of a resolution to terminate operations pursuant to paragraphs (a) or (b) of this Article, the Fund shall immediately cease all activities except those relating to the orderly recovery, preservation, and protection of its assets and the settlement of its obligations. The Fund shall continue to exist until its obligations have been finally settled and its assets distributed.
- (d) The mutual rights and obligations between the Fund and members under this Agreement shall remain unaffected. No member may withdraw or have its membership suspended or terminated, nor may any of the Fund's assets be distributed to members, except as permitted by this Agreement in such circumstances.
- (e) The Fund's net assets shall be distributed in proportion to the shares held by each member. Distribution may be made in cash or other assets.
- (f) The weighted ownership rule shall be applied when calculating Member States' shares in net income and reserves, to protect Member rights where capital installment payments differ in timing.

## PART EIGHT: PRIVILEGES AND IMMUNITIES

### CHAPTER ONE: THE FUND

#### Section One: Legal Immunity of Fund Assets

##### ARTICLE (41)

- (a) All property and assets of the Fund, wherever located and by whomsoever held in Member States, shall be immune from all forms of provisional measures prior to the issuance of a final judgment against the Fund by a competent authority in accordance with Article 53.
- (b) The property and assets of the Fund, wherever located and by whomsoever held in Member States, shall enjoy immunity from search, seizure, confiscation, expropriation, or any other form of compulsory measures issued by executive or legislative authority.
- (c) The Fund's papers, records, and documents, wherever located and by whomsoever held, shall enjoy immunity in Member States.

#### Section Two: Exemption from Restrictions and Regulations

##### ARTICLE (42)

All funds and assets of the Fund shall be exempt, to the extent necessary for carrying out the operations provided for in this Agreement and in accordance with its provisions, from all restrictions, regulations, controls, and moratoria of any kind.

##### ARTICLE (43)

Members shall accord the Fund's communications the same treatment accorded to the official communications of other members.

#### Section Three: Tax Exemption

##### ARTICLE (44)

- (a) The Fund, its assets, property, income, and its operations and activities provided for in this Agreement shall be exempt from all taxes and customs duties. The Fund shall also be exempt from liability for the payment of any other fees or taxes.
- (b) The Fund's shares shall be exempt from all taxes and duties upon issuance.
- (c) Financial instruments that may be issued by the Fund shall be exempt from all taxes and duties, as shall all interest, commissions, and revenues arising from the Fund's loans, deposits, facilities, and guarantees of any kind.

## CHAPTER TWO: FUND PERSONNEL - PRIVILEGES AND IMMUNITIES

### ARTICLE (45)

- (a) Governors, Deputy Governors, the Director General, Executive Directors and their Deputies, staff, experts, and employees shall receive:
1. Judicial immunity with respect to acts performed in their official capacity.
  2. Exemption from immigration restrictions, alien registration requirements, and currency exchange controls.
  3. Travel facilities.
  4. Exemption from taxes on salaries and emoluments received from the Fund.
- (b) The headquarters State shall be obligated to provide these privileges and immunities, in addition to the obligation of other Member States to provide them as required for work purposes.

## PART NINE: GENERAL PROVISIONS

### CHAPTER ONE: FUND TRANSACTIONS WITH MEMBERS

#### ARTICLE (46)

Fund transactions with a member shall be conducted through its treasury, central bank, or similar fiscal agency.

### CHAPTER TWO: DATA AND REPORTS

#### ARTICLE (47)

- (a) The Fund may request data necessary for discharging its duties. The Fund considers members' varying capacities to prepare such data. No member is required to furnish data that would disclose activities of individual financial institutions beyond Fund needs or that would disclose the affairs of individuals or corporations.
- (b) The Fund serves as a center for collecting and exchanging economic information, particularly on monetary and financial matters.
- (c) Members shall authorize the Fund to obtain on an ongoing basis all periodic reports and data on their economic and financial conditions prepared by any Arab or international organization engaged in producing such reports and data. The Fund consults with the member regarding any additional studies relevant to Fund operations.

### CHAPTER THREE: MEMBER LIABILITY FOR FUND OBLIGATIONS

#### ARTICLE (48)

- (a) A member is not liable by reason of membership for Fund obligations beyond the limits prescribed in this Agreement.
- (b) A member's liability continues for the unpaid portion of its shares.

## CHAPTER FOUR: VALUATION OF ASSETS, LIABILITIES, AND OPERATIONS

### ARTICLE (49)

- (a) Fund assets, liabilities, and operations are valued in Arab Accounting Dinars
- (b) Fund operations are conducted in Arab Accounting Dinars, any other accounting currency, or any convertible currencies accepted by the Fund.
- (c) Fund operations relating to the special account referred to in Article 5, paragraph (f), are conducted in Member State currencies at the representative exchange rate determined by the International Monetary Fund.

## CHAPTER FIVE: AMENDMENT OF THE AGREEMENT

### ARTICLE (50)

- (a) Any Governor may propose amendments to this Agreement by communicating the proposed amendment to the Chairman of the Board of Governors, who shall present the proposal to the Board of Governors at the earliest opportunity.
- (b) If the proposal is approved by the Board of Governors by a majority of three-fourths of the voting power, the Director General shall record the amendment by an official notification addressed to all members. The amendment shall be registered with the General Secretariat of the League of Arab States.
- (c) Notwithstanding paragraph (b) of this Article, the approval of all members shall be required for amendments to provisions that affect:
  - 1. The right to withdraw from the Fund in accordance with Article 35 of this Agreement.
  - 2. The limitation of members' liability for the unpaid portion of their shares in accordance with Article 48, paragraph (b), of this Agreement.
  - 3. Approval of an authorized capital increase in accordance with Article 15, paragraph (b), of this Agreement. The exception provided in this paragraph may not be amended except with the approval of all members.
- (d) Approved amendments shall become effective for all members three months after the date of the official notification issued by the Fund, unless the Board of Governors specifies a shorter period.

## CHAPTER SIX: INTERPRETATION OF THE AGREEMENT

### ARTICLE (51)

The Board of Executive Directors shall interpret any provision of this Agreement. A member shall have the right to contest such interpretation before the Board of Governors, whose decision shall be binding and final. The Fund may act in accordance with the decision of the Board of Executive Directors pending the issuance of a decision by the Board of Governors.

## CHAPTER SEVEN: ARBITRATION

### ARTICLE (52)

If a dispute arises between the Fund and a State whose membership has been terminated or which has withdrawn from the Fund, or between the Fund and any of its members during the final liquidation of the Fund's operations, either party may submit the dispute to an arbitration tribunal composed of three arbitrators. The Fund shall appoint one arbitrator, and the member party shall appoint the second. The two arbitrators shall select a third arbitrator by mutual agreement. If they fail to agree, the Secretary-General of the League of Arab States shall select the third arbitrator from among qualified Arab experts. The decision of the arbitration tribunal shall be final and binding.

## CHAPTER EIGHT: LITIGATION

### ARTICLE (53)

Legal proceedings against the Fund shall be brought before the competent courts in the headquarters State. Proceedings may also be brought before the courts of the place where a dispute arises if the Fund has an agency or authorized office there.

## PART TEN: FINAL PROVISIONS

### CHAPTER ONE: RATIFICATION, DEPOSIT, AND ACCESSION

#### ARTICLE (54)

- (a) Signatory Arab States shall ratify this Agreement under their constitutional procedures without delay and deposit their instruments of ratification with the General Secretariat of the League of Arab States, which records each deposit and notifies all Member States through the Secretary-General.
- (b) Non-signatory Arab States may accede to this Agreement with Board of Governors approval by depositing instruments of ratification with the General Secretariat of the League of Arab States, which records each deposit and notifies all Member States through the Secretary-General.
- (c) Signatory States that ratify this Agreement are bound by its provisions and shall deposit instruments of ratification with the General Secretariat of the League of Arab States before entry into force and until the Fund designates an alternative depository after operations begin.

### CHAPTER TWO: ENTRY INTO FORCE

#### ARTICLE (55)

This Agreement shall enter into force one month after the deposit of instruments of ratification by States whose aggregate subscriptions are not less than fifty-five percent (55%) of the authorized capital provided for in Article 12 of this Agreement.

#### ARTICLE (56)

The Secretary-General of the League of Arab States shall issue the invitation to the first meeting of the Board of Governors. IN WITNESS WHEREOF, the undersigned plenipotentiaries, whose names appear after this Agreement, have signed this Agreement on behalf of and in the name of their respective governments.

DONE in the City of Rabat, Kingdom of Morocco, on Tuesday, the twenty-seventh day of Rabi' al-Thani 1396 Hijri, corresponding to the twenty-seventh day of April 1976, in a single original in the Arabic language, to be deposited with the General Secretariat of the League of Arab States. A true copy shall be delivered to each State signatory to or acceding to this Agreement:

- The Hashemite Kingdom of Jordan
- The United Arab Emirates (UAE)
- The Kingdom of Bahrain
- The Republic of Tunisia
- The People's Democratic Republic of Algeria
- The Republic of Djibouti
- The Kingdom of Saudi Arabia (KSA)
- The Republic of the Sudan
- The Syrian Arab Republic
- The Federal Republic of Somalia
- The Republic of Iraq
- The Sultanate of Oman
- The State of Palestine
- The State of Qatar
- The Union of the Comoros
- The State of Kuwait
- The Lebanese Republic
- The State of Libya
- The Arab Republic of Egypt
- The Kingdom of Morocco
- The Islamic Republic of Mauritania
- The Republic of Yemen

## Subscription of Arab Member States to the Authorized Capital of the Arab Monetary Fund

<u>Arab State</u>	Subscription in Initial Capital	Subscription in Increased Capital
	<i>In Thousands of Arab Accounting Dinars</i>	
The Hashemite Kingdom of Jordan	4,000	35,475.00
The United Arab Emirates	15,000	126,491.67
The Kingdom of Bahrain	4,000	32,966.67
The Republic of Tunisia	5,000	46,045.83
The People's Democratic Republic of Algeria	38,000	279,141.67
The Kingdom of Saudi Arabia	38,000	318,737.50
The Republic of the Sudan	10,000	65,933.33
The Syrian Arab Republic	4,000	47,479.17
The Federal Republic of Somalia	4,000	26,337.50
The Republic of Iraq	25,000	279,141.67
The Sultanate of Oman	4,000	32,966.67
The State of Palestine	1,700	14,190.00
The State of Qatar	10,000	65,933.33
The State of Kuwait	25,000	210,700.00
The Lebanese Republic	5,000	32,966.67
The State of Libya	9,300	88,472.50
The Arab Republic of Egypt	25,000	210,700.00
The Kingdom of Morocco	10,000	98,720.83
The Islamic Republic of Mauritania	4,000	32,966.67
The Republic of Yemen	9,000	101,408.33
The Republic of Djibouti	-	1,612.50
The Union of the Comoros	-	1,612.50
	<b>250,000</b>	<b>2,150,000.00</b>