

**INTERNATIONAL FINANCIAL ORGANISATIONS
(AMENDMENT) ACT, 2012**

No. 8



of 2012

ARRANGEMENT OF SECTIONS

SECTION

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An Act to amend the International Financial Organisations Act.

Date of Assent: 25.09.2012

Date of Commencement: ON PUBLICATION

ENACTED by the Parliament of Botswana

1. This Act may be cited as the International Financial Organisations Act, 2012.

Short title

2. The International Financial Organisations Act, in this Act referred to as “the Act”, is amended in section 3 of Article XII in the First Schedule by —

Amendment of section 3 of Article XII of First Schedule to Cap. 39:05

- (a) substituting for paragraph (b), the following new paragraph —
“(b) subject to (c) below, the Executive Board shall consist of 20 Executive Directors elected by the members, with the Managing Director as the chairman.”;
- (b) substituting for paragraph (c), the following new paragraph —
“(c) For the purpose of each regular election of Executive Directors, the Board of Governors may, by an 85 per cent majority of the total voting power, increase or decrease the number of Executive Directors as specified in (b) above.”;
- (c) substituting for paragraph (d), the following new paragraph —
“(d) Elections of Executive Directors shall be conducted at intervals of two years in accordance with regulations which shall be adopted by the Board of Governors. Such regulations shall include a limit on the total number of votes that more than one member may cast for the same candidate.”;

- (d) substituting for paragraph (f), the following new paragraph —
- “(f) Executive Directors shall continue in office until their successors are elected. If the office of an Executive Director becomes vacant more than 90 days before the end of his term, another Executive Director shall be elected for the remainder of the term by the members that elected the former Executive Director. A majority of the votes cast shall be required for election. While the office remains vacant, the Alternate of the former Executive Director shall exercise his powers, except that of appointing an Alternate.”;
- (e) substituting for paragraph (i), the following new paragraph —
- “(i) (i) Each Executive Director shall be entitled to cast the number of votes which counted towards his election.
- (ii) When the provisions of Section 5 (b) of this Article are applicable, the votes which an Executive Director would otherwise be entitled to cast shall be increased or decreased correspondingly. All the votes which an Executive Director is entitled to cast shall be cast as a unit.
- (iii) When the suspension of the voting rights of a member is terminated under Article XXVI, Section 2 (b), the member may agree with all the members that have elected an Executive Director that the number of votes allotted to that member shall be cast by such Executive Director, provided that, if no regular election of Executive Directors has been conducted during the period of the suspension, the Executive Director in whose election the member had participated prior to the suspension, or his successor elected in accordance with paragraph 3 (c) (i) of Schedule L or with (f) above, shall be entitled to cast the number of votes allotted to the member. The member shall be deemed to have participated in the election of the Executive Director entitled to cast the number of votes allotted to the member.”;
- and
- (f) substituting for paragraph (j), the following new paragraph —
- “(j) The Board of Governors shall adopt regulations under which a member may send a representative to attend any meeting of the Executive Board when a request made by, or a matter particularly affecting that member is under consideration.”.

3. The First Schedule to the Act is amended in Article XII by substituting for section 8, the following new section —

“Communi-
cation
of views to
members

8. The Fund shall at all times have the right to communicate its views informally to any member on any matter arising under this Agreement. The Fund may, by a 70 per cent majority of the total voting power, decide to publish a report made to a member regarding its monetary or economic conditions and developments which directly tend to produce a serious disequilibrium in the international balance of payments of members. The relevant member shall be entitled to representation in accordance with Section 3 (j) of this Article. The Fund shall not publish a report involving changes in the fundamental structure of the economic organisation of members.”.

Amendment of
section 8 of
Article
XII of First
Schedule
of the Act

4. The First Schedule to the Act is amended in Article XXI by substituting for paragraph (a) (ii), the following new paragraph —

“(ii) For decisions by the Executive Board on matters pertaining exclusively to the Special Drawing Rights Department, only Executive Directors elected by at least one member that is a participant shall be entitled to vote. Each of these Executive Directors shall be entitled to cast the number of votes allotted to the members that are participants whose votes counted towards his election. Only the presence of Executive Directors elected by members that are participants and the votes allotted to members that are participants shall be counted for the purpose of determining whether a quorum exists or whether a decision is made by the required majority.”.

Amendment
of
paragraph
(a) of
Article XXI of
First Schedule
of the Act

5. The First Schedule to the Act is amended in Article XXIX by substituting for paragraph (a), the following new paragraph —

“(a) Any question of interpretation of the provisions of this Agreement arising between any member and the Fund or between any members of the Fund shall be submitted to the Executive Board for its decision. If the question particularly affects any member, it shall be entitled to representation in accordance with Article XII, Section 3 (j).”.

Amendment of
paragraph (a)
of Article
XXIX of
First Schedule
of the Act

6. The First Schedule to the Act is amended in Schedule D by substituting for paragraph 1 (a), the following new paragraph —

“1 (a) Each member that has the number of votes allotted to it, or each group of members that has the number of votes allotted to it, cast by an Executive Director shall appoint to the Council, one Councillor who shall be a Governor, Minister in the Government of a member, or a person of comparable rank, and may appoint not more than seven Associates. The Board of Governors may change, by an 85 per cent majority of the total voting power, the number of Associates who may be appointed. A Councillor or Associate shall serve until a new appointment is made or until the next regular election of Executive Directors, whichever shall occur sooner.”.

Amendment of
paragraph 1 of
Schedule D of
First Schedule
of the Act

Amendment of paragraph 5 of Schedule D of First Schedule of the Act

7. The First Schedule to the Act is amended in paragraph 5 of Schedule D by —

(a) deleting paragraph (e); and

(b) substituting for paragraph (f), the following new paragraph —

“(e) When an Executive Director is entitled to cast the number of votes allotted to a member pursuant to Article XII, Section 3 (i) (iii), the Councillor appointed by the group whose members elected such Executive Director shall be entitled to vote and cast the number of votes allotted to such member. The member shall be deemed to have participated in the appointment of the Councillor entitled to vote and cast the number of votes allotted to the member.”.

Insertion of paragraph 7 into Schedule E of First Schedule

8. The First Schedule to the Act is amended in Schedule E by inserting immediately after paragraph 6 the following new paragraph —

“Transitional provisions with respect to Executive Directors

7. (a) Each Executive Director who was appointed pursuant to former Article XII, Section 3 (b) (i) or 3 (c), and was in office immediately prior to the entry into force of this Act shall be deemed to have been elected by the member who appointed him; and

(b) Each Executive Director who cast the number of votes of a member pursuant to former Article XII, Section 3 (i) (ii) immediately prior to the entry into force of this Act, shall be deemed to have been elected by such a member.”.

Amendment of Schedule L of First Schedule of the Act

9. The First Schedule to the Act is amended in Schedule L by —

(a) substituting for paragraph 1 (b), the following new paragraph —

“(b) appoint a Governor or Alternate Governor, appoint or participate in the appointment of a Councillor or Alternate Councillor, or elect or participate in the election of an Executive Director.”; and

(b) substituting for paragraph 3 (c), the following new paragraph —

“(c) The Executive Director elected by the member, or in whose election the member has participated, shall cease to hold office, unless such Executive Director was entitled to cast the number of votes allotted to other members whose voting rights have not been suspended.”.

PASSED by the National Assembly this 16th day of August, 2012.

BARBARA N. DITHAPO,
Clerk of the National Assembly.