

**INTERNATIONAL FINANCIAL ORGANIZATIONS  
(AMENDMENT) ACT, 2010**  
(Published on 20th April, 2010)

No. 5



of 2010

ARRANGEMENT OF SECTIONS

SECTION

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**An Act to amend the International Financial Organizations Act.**

*Date of assent:* 15th April, 2010

*Date of commencement:* 20th April, 2010

ENACTED by the Parliament of Botswana.

1. This Act may be cited as the International Financial Organizations (Amendment) Act, 2010.

Short title

2. The International Financial Organizations Act, in this Act referred to as “the Act”, is amended in section 12 of Article V in the First Schedule, by substituting for paragraph (*h*) the following new paragraph —

Amendment of section 12 (*h*) of Article V of First Schedule to Cap. 39:05

“(h) Pending uses specified under (*f*) above, the Fund may use a member’s currency held in the Special Disbursement Account for investment as it may determine, in accordance with rules and regulations adopted by the Fund by a seventy per cent majority of the total voting power. The income of investment and interest received under (*f*) (ii) above shall be placed in the Special Disbursement Account.”

3. The Act is amended in section 12 of Article V in the First Schedule by inserting, immediately after paragraph (*j*), the following new paragraph (*k*) —

Insertion of section 12 (*k*) of Article V

“(k) Whenever under (*c*) above, the Fund sells gold acquired by it after the date of the second amendment of this Agreement, an amount of the proceeds equivalent to the acquisition price of the gold shall be placed in the General Resources Account, and any excess shall be placed in the Investment Account for use pursuant to the provisions of Article XII, Section 6 (*f*). If any gold acquired

by the Fund after the date of the second amendment of this Agreement is sold after April 7, 2008 but prior to the date of entry into force of this provision, then, upon the entry into force of this provision, and notwithstanding the limit set forth in Article XII, Section 6 (f) (ii), the Fund shall transfer to the Investment Account from the General Resources Account an amount equal to the proceeds of such sale less (i) the acquisition price of the gold sold, and (ii) any amount of such proceeds in excess of the acquisition price that may have already been transferred to the Investment Account prior to the date of entry into force of this provision.”

Substitution  
of section 3  
(e) of Article  
XII

4. The Act is amended in section 3 of Article XII in the First Schedule by substituting for paragraph (e) the following new paragraph —

“(e) Each Executive Director shall appoint an Alternate with full powers to act for them when they are not present, provided that the Board of Governors may adopt rules enabling an Executive Director elected by more than a specified number of members to appoint two Alternates. Such rules, if adopted, may only be modified in the context of the regular election of Executive Directors and shall require an Executive Director appointing two Alternates to designate: (i) the Alternate who shall act for the Executive Director when the Executive Director is not present and both Alternates are present and (ii) the Alternate who shall exercise the powers of the Executive Director under (f) below. When the Executive Directors appointing them are present, Alternates may participate in the meetings but may not vote.”

Substitution  
of section 5  
(a) of Article  
XII

5. The Act is amended in section 5 of Article XII in the First Schedule by substituting for paragraph (a) the following new paragraph —

“(a) The total votes of each member shall be equal to the sum of its basic votes and its quota-based votes.

(i) The basic votes of each member shall be the number of votes that results from the equal distribution among all the members of 5.502 per cent of the aggregate sum of the total voting power of all the members, provided that there shall be no fractional basic votes.

(ii) The quota-based votes of each member shall be the number of votes that results from the allocation of one vote for each part of its quota equivalent to one hundred thousand special drawing rights.”

Substitution  
of section 6  
(f) (iii) and  
(vi) of Article  
XII

6. The Act is amended in section 6 of Article XII in the First Schedule by substituting —

(a) for paragraph (f) (iii) the following new paragraph —

“(iii) The Fund may use a member’s currency held in the Investment Account for investment as it may determine, in accordance with rules and regulations adopted by the Fund by a seventy per cent majority of the total voting power. The rules and regulations adopted pursuant to this provision shall be consistent with (vii), (viii), and (ix) below.”; and

(b) for paragraph (f) (vi) the following new paragraph —

“(vi) The Investment Account shall be terminated in the event of liquidation of the Fund and may be terminated, or the amount of the investment may be reduced, prior to liquidation of the Fund by a seventy per cent majority of the total voting power.”

7. The Act is amended in Schedule L of the First Schedule by substituting for paragraph 2 the following new paragraph —

Substitution of  
paragraph 2 in  
Schedule L

“2. The number of votes allotted to the member shall not be cast in any organ of the Fund and they shall not be included in the calculation of the total voting power, except for purposes of: (a) the acceptance of a proposed amendment pertaining exclusively to the Special Drawing Rights Department and (b) the calculation of basic votes pursuant to Article XII, Section 5 (a) (i).”

PASSED by the National Assembly this 29th day of March, 2010.

BARBARA N. DITHAPO,  
*Clerk of the National Assembly.*