**AN BILLE UM CHOMHAONTUITHE BRETTON WOODS (LEASÚ) (UIMH. 2), 2011**

# BRETTON WOODS AGREEMENTS (AMENDMENT) (NO. 2) BILL 2011

## EXPLANATORY MEMORANDUM

*Introduction*

The purpose of this Bill is to enable Ireland to convey to the International Monetary Fund (IMF) its acceptance of an amendment to the Articles of Agreement of the IMF which was approved by the Board of Governors of the IMF in December 2010.

The amendment is ''The Amendment on the Reform of the Executive Board'' and is the seventh amendment of the Articles. The Articles currently establish two categories of Executive Directors: those who are appointed, and those who are elected. The amendment eliminates the category of appointed Executive Directors and requires that all Executive Directors be elected. This forms part of ongoing governance reforms at the IMF.

*Provisions of the Bill*

*Section 1* of the Bill sets out the definitions of terms used in the Bill.

*Section 2* of the Bill provides for approval of the Government's acceptance of the amendment of the Articles set out in the Schedule of the Bill.

*Section 3* contains the provisions relating to short title, construction and collective citation.

### Schedule

The Schedule contains the seventh amendment to the Articles of Agreement, being the Reform of the Executive Board amendment. It has fifteen sections.

*Section 1* provides that the Executive Board shall consist of twenty Executive Directors, elected by the members, with the Managing Director as Chairman. This replaces the provision whereby five of the Executive Directors could be appointed by the five largest members and provides for an all elected Board.

*Section 2* provides that, for the purpose of each regular election of Executive Directors, the Board of Governors, by an eighty-five percent majority of the total voting power, may increase or decrease the number of Executive Directors. The effect of this provision is that the existing possibility whereby the size of the Board may be adjusted will continue to apply to the restructured Board.

*Section 3* provides that 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. The regulations shall include a limit on the total number of votes that more than one member may cast for the same candidate. The effect of this provision is that elections, to the all-elected Executive Board, will continue to be at intervals of two years and in accordance with regulations adopted by the Board.

*Sections 4-15* delete or amend existing provisions which refer to the category of "appointed" Executive Directors and include transitional provisions to govern the period between the entry into force of the amendment and the first election following such entry into force. These sections do not provide for any changes to the existing provisions beyond those resulting from the elimination of the category of appointed Executive Directors.

*Department of Finance,*
*December,* 2011.

Wt. —. 635. 12/11. Clondalkin Pharma and Healthcare. (X58701). Gr. 30-15.