

gress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

§ 286nn. Approval of contributions for debt reductions for the poorest countries

For the purpose of mobilizing the resources of the Fund in order to help reduce poverty and improve the lives of residents of poor countries and, in particular, to allow those poor countries with unsustainable debt burdens to receive deeper, broader, and faster debt relief, without allowing gold to reach the open market or otherwise adversely affecting the market price of gold, the Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote—

(1) to approve an arrangement whereby the Fund—

(A) sells a quantity of its gold at prevailing market prices to a member or members in nonpublic transactions sufficient to generate 2.226 billion Special Drawing Rights in profits on such sales;

(B) immediately after, and in conjunction with each such sale, accepts payment by such member or members of such gold to satisfy existing repurchase obligations of such member or members so that the Fund retains ownership of the gold at the conclusion of such payment; and

(C) uses the earnings on the investment of the profits of such sales through a separate subaccount, only for the purpose of providing debt relief from the Fund under the modified Heavily Indebted Poor Countries (HIPC) Initiative (as defined in section 262p-6 of this title); and

(2) to support a decision that shall terminate the Special Contingency Account 2 (SCA-2) of the Fund so that the funds in the SCA-2 shall be made available to the poorest countries. Any funds attributable to the United States participation in SCA-2 shall be used only for debt relief from the Fund under the modified HIPC Initiative.

(July 31, 1945, ch. 339, § 62, as added Pub. L. 106-113, div. B, § 1000(a)(5) [title V, § 503(a)], Nov. 29, 1999, 113 Stat. 1536, 1501A-316; amended Pub. L. 106-429, § 101(a) [title VIII, § 801(a)], Nov. 6, 2000, 114 Stat. 1900, 1900A-64.)

Editorial Notes

AMENDMENTS

2000—Par. (1)(B), (D). Pub. L. 106-429 inserted “and” at end of subpar. (B) and struck out subpar. (D) which read as follows: “shall not use more than $\frac{1}{4}$ of the earnings on the investment of the profits of such sales; and”.

Statutory Notes and Related Subsidiaries

CERTIFICATION TO CONGRESS RELATING TO USE OF PROFITS TO AUGMENT INTERNATIONAL MONETARY FUND

Pub. L. 106-113, div. B, § 1000(a)(5) [title V, § 503(b)], Nov. 29, 1999, 113 Stat. 1536, 1501A-316, provided that:

“Within 15 days after the United States Executive Director casts the votes necessary to carry out the instruction described in section 62 of the Bretton Woods Agreements Act [22 U.S.C. 286nn], the Secretary of the Treasury shall certify to the Congress that neither the profits nor the earnings on the investment of profits from the gold sales made pursuant to the instruction or of the funds attributable to United States participation in SCA-2 will be used to augment the resources of any reserve account of the International Monetary Fund for the purpose of making loans.”

§ 286oo. Principles for International Monetary Fund lending

It is the policy of the United States to work to implement reforms in the International Monetary Fund (IMF) to achieve the following goals:

(1) Short-term balance of payments financing

Lending from the general resources of the Fund should concentrate chiefly on short-term balance of payments financing.

(2) Limitations on medium-term financing

Use of medium-term lending from the general resources of the Fund should be limited to a set of well-defined circumstances, such as—

(A) when a member's balance of payments problems will be protracted;

(B) such member has a strong structural reform program in place; and

(C) the member has little or no access to private sources of capital.

(3) Premium pricing

Premium pricing should be introduced for lending from the general resources of the Fund, for greater than 200 percent of a member's quota in the Fund, to discourage excessive use of Fund lending and to encourage members to rely on private financing to the maximum extent possible.

(4) Redressing misreporting of information

The Fund should have in place and apply systematically a strong framework of safeguards and measures to respond to, correct, and discourage cases of misreporting of information in the context of a Fund program, including—

(A) suspending Fund disbursements and ensuring that Fund lending is not resumed to members that engage in serious misreporting of material information until such time as remedial actions and sanctions, as appropriate, have been applied;

(B) ensuring that members make early repayments, where appropriate, of Fund resources disbursed on the basis of misreported information;

(C) making public cases of serious misreporting of material information;

(D) requiring all members receiving new disbursements from the Fund to undertake annually independent audits of central bank financial statements and publish the resulting audits; and

(E) requiring all members seeking new loans from the Fund to provide to the Fund detailed information regarding their internal control procedures, financial reporting and audit mechanisms and, in cases where there are questions about the adequacy of