

and for its contingent liabilities to the Bank so long as any part of the loans or guarantees contracted before it ceased to be a member is outstanding; but it shall not incur liabilities with respect to loans and guarantees entered into thereafter by the Bank nor share either in the income or the expenses of the Bank.

2. At the time a State or Territory ceases to be a member, the Bank shall arrange for the repurchase of such member's shares by the Bank as a part of the settlement of accounts with such member in accordance with the provisions of paragraphs 3 and 4 of this Article. For this purpose, the repurchase price of the shares shall be the value shown by the books of the Bank on the date of cessation of membership.

3. The repayment for shares repurchased by the Bank under this Article shall be governed by the following conditions:

(a) Any amount due to the member concerned for its shares shall be withheld so long as that member, its central bank or any of its political sub-divisions or agencies remains liable, as borrower or guarantor, to the Bank and such amount may at the option of the Bank, be applied on any such liability as it matures. No amount shall be withheld on account of the contingent liability of the member for future calls on its subscription for shares in accordance with paragraph 6 of Article 7. In any event, no amount due to a member for its shares shall be paid until six (6) months after the date on which its membership ceases.

(b) Payments for shares may be made from time to time, upon their surrender by the former member concerned, to the extent by which the amount due to the repurchase price in accordance with paragraph 2 of this Article exceeds the aggregate amount of liabilities on loans and guarantees referred to in sub-paragraph (a) of this paragraph, until the former member has received the full repurchase price.

(c) Payments shall be made in such available currencies as the Bank determines, taking into account its financial position.

(d) If losses are sustained by the Bank on any guarantees or loans which were outstanding on the date of cessation of membership and the amount of such losses exceeds the amount of the reserve provided against losses on that date, the former member concerned shall repay, upon demand, the amount by which the repurchase price of its shares would have been reduced if the losses had been taken into account when the repurchase price was determined. In addition, the former member shall remain liable on any call for unpaid subscriptions in accordance with paragraph 6 of Article 7, to the same extent that it would have been required to respond if the impairment of capital had occurred and the call had been made at the time the repurchase price of its share was determined.

4. If the Bank terminates its operations pursuant to Article 44 within six (6) months of the date upon which the membership of any member ceases, all rights of the member concerned shall be determined in accordance with the provisions of Articles 44 to 46. That member shall be considered as still a member for purposes of such Articles but shall have no voting rights.