

2. Paragraph 2 shall read:

- "2. (a) The Fund shall not acquire the currency of any non-member under Article V, Section 7 (b) and (c).
 (b) Any amount payable in the currency of a non-member under 1 (a) or 1 (b) above shall be paid in the convertible currencies of members as determined by the Fund."

3. The following paragraphs 5 and 6 shall be added to Schedule B:

"5. In calculating monetary reserves and the increase in monetary reserves during any year for the purpose of Article V, Section 7 (b) and (c), the Fund may decide in its discretion, on the request of a member, that deductions shall be made for obligations outstanding as the result of transactions between members under a reciprocal facility by which a member agrees to exchange on demand its currency for the currency of the other member up to a maximum amount and on terms requiring that each such transaction be reversed within a specified period not in excess of nine months."

"6. In calculating monetary reserves and the increase in monetary reserves for the purpose of Article V, Section 7 (b) and (c), Article XIX (e) shall apply except that the following provision shall apply at the end of a financial year if it was in effect at the beginning of that year:

'A member's monetary reserves shall be calculated by deducting from its central holdings the currency liabilities to the Treasuries, central banks, stabilization funds, or similar fiscal agencies of other members or non-members specified under (d) above, together with similar liabilities to other official institutions and other banks in the territories of members, or non-members specified under (d) above. To these net holdings shall be added the sums deemed to be official holdings of other official institutions and other banks under (c) above.' "

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The following Schedules shall be added after Schedule E:

SCHEDULE F

DESIGNATION

During the first basic period the rules for designation shall be as follows:

- (a) participants subject to designation under Article XXV, Section 5 (a) (i), shall be designated for such amount as will promote over time equality in the ratios of the participants' holdings of special drawing rights in excess of their net cumulative allocations to their official holdings of gold and foreign exchange.
 (b) The formula to give effect to (a) above shall be such that participants subject to designation shall be designated: