

ARTICLE 37

Restriction or suspension of buffer stock operations

1. Notwithstanding the provisions of article 31, the Council, if in session, may, by special vote, restrict or suspend the operations of the Buffer Stock, if in its opinion the discharge of the obligations laid upon the Buffer Stock Manager by that article will not achieve the objectives of this Agreement.

2. If the Council is not in session, the Executive Director may, after consultation with the Chairman, restrict or suspend operations of the Buffer Stock, if in his opinion the discharge of the obligations laid upon the Buffer Stock Manager by article 31 will not achieve the objectives of this Agreement.

3. Immediately after a decision to restrict or suspend operations of the Buffer Stock under paragraph 2 of this article, the Executive Director shall convene a session of the Council to review such decision. Notwithstanding the provisions of paragraph 4 of article 14, the Council shall meet within seven days after the date of restriction or suspension and shall, by special vote, confirm or cancel such restriction or suspension. If the Council cannot come to a decision at that session, buffer stock operations shall be resumed without any restriction imposed under this article.

ARTICLE 38

Penalties relating to contributions to the Buffer Stock Account

1. If a member does not fulfil its obligation to contribute to the Buffer Stock Account by the date such contribution becomes due, it shall be considered to be in arrears. A member in arrears for 60 days or more shall not count as a member for the purpose of voting on matters covered in paragraph 2 of this article.

2. The voting and other rights in the Council of a member in arrears for 60 days or more under paragraph 1 of this article shall be suspended, unless the Council, by special vote, decides otherwise.

3. A member in arrears shall bear interest charges at the prime rate in the host country beginning on the day such payments become due, unless these arrears are met by borrowing by the Council under article 8, in which case that member in arrears shall bear the interest costs associated with such borrowing. Coverage of arrears by the remaining importing and exporting members shall be on a voluntary basis.

4. When the default has been remedied to the satisfaction of the Council, the voting and other rights of the member in arrears for 60 days or more shall be restored. If the arrears have been made good by other members, these members shall be fully reimbursed.