UNENFORCEABILITY OF EXCHANGE CONTRACTS—FUND’S INTERPRETATION OF ARTICLE VIII, SECTION 2(B)

The meaning and effect of this provision are as follows:

1. Parties entering into exchange contracts involving the currency of any member of the Fund and contrary to exchange control regulations of that member which are maintained or imposed consistently with the Fund Agreement will not receive the assistance of the judicial or administrative authorities of other members in obtaining the performance of such contracts. That is to say, the obligations of such contracts will not be implemented by the judicial or administrative authorities of member countries, for example by decreeing performance of the contracts or by awarding damages for their nonperformance.

Referring Principles:

V.2.4 - Distribution of currency transfer risk