

INTERNATIONAL MONETARY FUND AND WORLD BANK GROUP INSTITUTIONS

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International Monetary Fund and World Bank Group Institutions Act 2016

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International Monetary Fund and World Bank Group Institutions Act 2016

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The International Monetary Fund and World Bank Group Institutions Act 2016 No 3 was certified and commenced on 29 January 2016 (GN No 48/2016; Gaz 10/2016).

Amending Legislation	Certified	Date of Commencement
Revised Written Laws Act 2021 No 7	1 June 2021	1 June 2021

An Act to provide for the Republic's membership to the International Monetary Fund and the World Bank Group institutions and to provide for related purposes.

Enacted by the Parliament of Nauru as follows:

PART 1 — PRELIMINARY

1 Short title

This Act may be cited as the *International Monetary Fund and World Bank Group Institutions Act 2016*.

2 Commencement

This Act commences upon certification by the Speaker and came into effect on 29 January 2016.

3 Objective

The objective of this Act is to make provisions for the acceptance of membership by the Republic to the International Monetary Fund and the World Bank Group Institutions and to provide for related purposes.

4 Interpretation

In this Act:

'Articles of Agreement' means the respective Articles of Agreement of the Fund, the Bank, the Corporation and the Association;

'Department' means the Department of Finance;

'ICSID Convention' means the *Convention on the Settlement of Investment Disputes between States and Nationals of Other States*;

'ICSID' means the International Centre for Settlement of Investment Disputes;

'MIGA Convention' means the Multilateral Investment Guarantee Agency Convention;

'Minister' means the Minister for Finance;

'the Agency' means the Multilateral Investment Guarantee Agency;

'the Association' means the International Development Association;

'the Bank' means the International Bank for Reconstruction and Development;

'the Corporation' means the International Finance Corporation;

'the Fund' means the International Monetary Fund;

'the Government' means the Government of Nauru; and

'the Republic' means the Republic of Nauru.

PART 2 — MEMBERSHIP TO THE INSTITUTIONS

5 Acceptance of Membership

- (1) The Minister is hereby authorised to accept on behalf of the Republic membership to the following:
 - (a) International Monetary Fund; and
 - (b) World Bank Group Institutions, namely:
 - (i) International Bank for Reconstruction and Development;
 - (ii) International Finance Corporation;
 - (iii) International Development Association;
 - (iv) Multilateral Investment Guarantee Agency; and
 - (v) International Centre for Settlement of Investment Disputes.
- (2) The Government hereby accepts the following instruments:
 - (a) the respective Articles of Agreement of the Fund, the Bank, the Corporation and the Association as amended and the Convention Establishing the Multilateral Investment Guarantee Agency (MIGA Convention) and the Convention on the Settlement of Disputes between States and Nationals of Other States (ICSID Convention); and
 - (b) the terms and conditions of the resolutions of the respective Boards of Governors of the Fund, the Bank, the Corporation and Association, the Council of Governors of the Agency, and the Administrative Council of ICSID relating to the membership of the Republic in these institutions.

6 Special Drawing Rights

- (1) Upon the admission of the Republic to membership of the Fund, the Republic is hereby authorised to be a participant in the Special Drawing Rights Department.
- (2) The Minister shall execute and deposit with the Fund on behalf of the Government an instrument of participation, stating that the Republic undertakes all obligations of a participant in the Special Drawing Rights Department of the Fund and to act on behalf of the Republic in this Department, in accordance with the laws of the Republic and representing that the Republic has taken all necessary steps to enable it to carry out all obligations of a participant in the Special Drawing Rights Department.

PART 3 — FINANCIAL PROVISIONS

7 **Appropriation**

- (1) The Government is authorised and directed to borrow or acquire by any appropriate means, and to pay on behalf of the Republic, the amounts that are payable from time to time to the Fund, the Bank, the Corporation, the Association, and the Agency, under the terms and conditions of the Resolutions relating to membership of the Republic in the organisations set forth in Section 5 and under their respective Articles of Agreement or Convention and to make payments in connection with participation of the Republic in the Special Drawing Rights Department of the Fund.
- (2) The Government is hereby authorised to issue, in accordance with the Articles of Agreement of the Fund, the Bank, and the Association and the MIGA Convention, any non-negotiable, non-interest bearing notes or obligations which may be necessary or appropriate in respect of the Republic's membership of the Fund, the Bank, the Corporation, the Association or the Agency.

8 **Fiscal Agency**

The Department shall serve:

- (a) as the fiscal agency as required under Article V, section 1 of the Articles of Agreement of the Fund and Article III, section 2 of the Articles of Agreement of the Bank; and
- (b) is accordingly authorised to carry out, on behalf of the Republic, all operations and transactions authorised under the various provisions of the Articles of Agreement of the Fund and the Bank, including the receipt of any amounts which may be paid or transferred to the Republic pursuant to these operations and transactions.

9 **Designation of channel of communication**

The Department is designated to serve as the channel of communication referred to in Article IV, section 10 of the Articles of Agreement of the Corporation, Article VI, section 10 of the Articles of Agreement of the Association, and Article 38 of the MIGA Convention.

10 **Authorisation to designate depository**

The Minister is authorised to designate a depository for all of the Fund's, the Bank's, the Corporation's, the Association's and the Agency's holdings of the currency of the Republic that is acceptable to these institutions.

11 **Authorised Representative**

The Minister shall sign the originals of the Articles of Agreement of the Fund, the Bank, the Corporation and the Association, the MIGA and ICSID Conventions on behalf of the Republic and is authorised to execute and deposit any instrument of acceptance, instrument of ratification and other documents that may be required for accepting membership in these organisations.

PART 4 — CERTAIN PROVISIONS HAVING THE FORCE OF LAW

12 Specific provisions having the force of law

The following provisions are incorporated into this Act and shall have full force and effect as law in the Republic from the date of the Minister's signature of the respective Articles of Agreements and Conventions:

- (1) Articles VIII, section 2(b), Article IX, sections 2 to 9 inclusive, and Article XXI(b) of the Articles of Agreement of the Fund;
- (2) Articles VII, sections 2 to 9 inclusive, of the Articles of Agreement of the Bank;
- (3) Article VI, sections 2 to 9 inclusive, of the Articles of Agreement of the Corporation;
- (4) Articles VIII, sections 2 to 9 inclusive, of the Articles of Agreement of the Association;
- (5) Articles 44 to 48 inclusive of the MIGA Convention; and
- (6) Chapter I, section 6, Articles 18 to 24 inclusive of the ICSID Convention.

PART 5 — MISCELLANEOUS PROVISIONS

13 Appointment of Governor and alternate Governor

The President, in consultation with Cabinet, shall appoint the Governor and alternate Governor of the Fund and of the Bank.

14 Regulations

The Cabinet may make regulations in accordance with the provisions of this Act, and shall undertake other legal acts and administrative actions in order to carry out the obligations of the Republic under the Articles of the Agreement, the Conventions and the resolutions referred to in Section 5 and to give full force and effect to the provisions of this Act.

