

INTERNATIONAL FINANCE CORPORATION.

No. 69 of 1961.

An Act to amend the *International Finance Corporation Act 1955.*

[Assented to 24th October, 1961.]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1.—(1) This Act may be cited as the *International Finance Corporation Act 1961.* Short title and citation.

(2) The *International Finance Corporation Act 1955** is in this Act referred to as the Principal Act.

(3) The Principal Act, as amended by this Act, may be cited as the *International Finance Corporation Act 1955–1961.*

2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.

3. Section three of the Principal Act is repealed and the following section inserted in its stead:—

“ 3. In this Act, ‘the Agreement’ means the Articles of Agreement of the International Finance Corporation set out in the First Schedule to this Act, as amended in accordance with the resolution set out in the Second Schedule to this Act, being a resolution adopted by vote of the Governors of the International Finance Corporation, as provided by Article VII. of the Articles of Agreement.”. Definition.

4. The heading to the Schedule to the Principal Act is omitted and the following headings are inserted in its stead:— First Schedule.

“ THE SCHEDULES.
FIRST SCHEDULE.”.

5. The Principal Act is amended by adding at the end thereof the following Schedule:— Second Schedule.

“ SECOND SCHEDULE. Section 3.

RESOLUTION No. 21

Amendment of Articles of Agreement

WHEREAS the Articles of Agreement of the Corporation do not permit the Corporation to make investments of its funds in capital stock;

* Act No. 66, 1955.

WHEREAS the Corporation would more effectively fulfil the purposes for which it has been established if it were empowered to make such investments;

WHEREAS, having regard to its nature and purposes, the Corporation has considered it appropriate to declare its policy that, if given such power, it would refrain from exercising the voting rights of a stockholder unless, in its opinion, it were necessary for it to exercise such rights;

WHEREAS the Board of Directors has made recommendations to the Board of Governors that the Articles of Agreement of the Corporation be amended to empower the Corporation to make investments of its funds in capital stock and to include, for the guidance of the Corporation, a provision regarding the exercise of voting rights;

NOW, THEREFORE, the Board of Governors hereby

RESOLVES:

THAT Section 2 of Article III of the Articles of Agreement of the Corporation is deleted and the following new Section substituted therefor:

' Section 2. Forms of Financing.

The Corporation may make investments of its funds in such form or forms as it may deem appropriate in the circumstances.'

THAT subsection (iv) of Section 3 of Article III of the Articles of Agreement of the Corporation is amended to read as follows:

' (iv) the Corporation shall not assume responsibility for managing any enterprise in which it has invested and shall not exercise voting rights for such purpose or for any other purpose which, in its opinion, properly is within the scope of managerial control;''.
