

Web Document 3.B: Agreement between the IMF and the WTO (1996)

Preamble

CONSIDERING the growing interactions between economic policies pursued by individual countries arising from the globalization of markets;

RECOGNIZING the increasing linkages between the various aspects of economic policymaking that fall within the respective mandates of the International Monetary Fund (“Fund”) and the World Trade Organization (“WTO”), and the call in the Marrakesh Agreement for greater coherence among economic policies internationally;

RECOGNIZING the close collaborative relationship existing over the past several decades between the Fund and the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, and the importance of continuing and strengthening such a relationship between the Fund and the WTO;

HAVING REGARD to Article X of the Fund’s Articles of Agreement, which provides that “the Fund shall cooperate within the terms of this Agreement with any general international organization and with public international organizations having specialized responsibility in related fields”;

HAVING REGARD to Article III.5 of the Marrakesh Agreement Establishing the World Trade Organization, which provides that “with a view to achieving greater coherence in global economic policymaking, the WTO shall cooperate, as appropriate, with the International Monetary Fund”;

HAVING REGARD to the Declarations in the Marrakesh Agreement on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking and on the Relationship of the WTO with the Fund, and to the provisions of Article XV:1, XV:2, XV:3 and Articles XII and XVIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and of Articles XI, XII, and XXVI of the General Agreement on Trade in Services (GATS) concerning cooperation and consultation, including on exchange and trade matters;

The Fund and the WTO agree as follows:

Paragraph 1

The Fund and the WTO shall cooperate in the discharge of their respective mandates in accordance with the provisions of this Agreement.

Paragraph 2

The Fund and the WTO shall consult with each other with a view to achieving greater coherence in global economic policymaking.

Paragraph 3

The Fund shall inform the WTO of any decisions approving restrictions on the making of payments or transfers for current international transactions, decisions approving discriminatory currency arrangements or multiple currency practices, and decisions requesting a Fund member to exercise controls to prevent a large or sustained outflow of capital.

Paragraph 4

The Fund agrees to participate in consultations carried out by the WTO Committee on Balance-of-Payments Restrictions on measures taken by a WTO member to safeguard its balance of payments. For these consultations, existing procedures for Fund participation shall continue and may be adapted as appropriate in accordance with paragraph 14 below.

Paragraph 5

The Fund shall invite the WTO Secretariat to send an observer to the ordinary meetings of the Executive Board of the Fund on general and regional trade policy issues, including the formulation of Fund policies on trade matters, and to discussions of the World Economic Outlook (WEO) when there is a significant trade content. In addition, when consultations between the Fund's staff and the WTO Secretariat lead to the conclusion that matters of particular common interest to both organizations will be under discussion at other meetings of the Executive Board, including country-specific matters, or at meetings of the Committee on Liaison with the WTO, the Managing Director shall recommend that the WTO Secretariat be invited to send an observer to such meetings.

Paragraph 6

The WTO shall invite the Fund to send a member of its staff as an observer to the meetings of the Ministerial Conference, General Council, Trade Policy Review Body, the three sectoral councils, Committee on Trade and Development, Committee on Regional Trade Agreements, Committee on Trade-Related Investment Measures, and Committee on Trade and the Environment and their subsidiary bodies (excluding the Committee on Budget, Finance and Administration, the Dispute Settlement Body, and dispute settlement panels). The WTO shall invite the Fund to send a member of its staff as an observer to meetings of the WTO Dispute Settlement Body where matters of jurisdictional relevance to the Fund are to be considered. The WTO shall also invite the Fund to send a member of its staff to other meetings of the Dispute Settlement Body as well as of other WTO bodies for which attendance is not provided above (excluding the Committee on Budget, Finance and Administration, and dispute settlement panels), when the WTO, after consultation between the WTO Secretariat and the staff of the Fund, finds that such a presence would be of particular common interest to both organizations.

Paragraph 7

The Fund and the WTO shall make available to each other in advance the agendas, and relevant documents, for the meetings to which they are invited pursuant to the terms of this Agreement. In addition, the Fund shall make available to the WTO Secretariat the agendas of the Executive Board meetings at the time of their circulation in the Fund, and the WTO shall make available to the Fund the agendas of the Dispute Settlement Body at the time of their circulation in the WTO.

Paragraph 8

Each organization may communicate its views in writing on matters of mutual interest to the other organization or any of its organs or bodies (excluding the WTO's dispute settlement panels) and such views shall become part of the official record of such organs and bodies. The Fund shall inform in writing the relevant WTO body (including dispute settlement panels) considering exchange measures within the Fund's jurisdiction whether such measures are consistent with the Articles of Agreement of the Fund.

Paragraph 9

For the purpose of this Agreement, the Director-General of the WTO and the Managing Director of the Fund shall ensure cooperation between the staffs of the two institutions and, to that end, shall agree on appropriate procedures for collaboration, including access to databases, and exchanges of views on jurisdictional and policy issues.

Paragraph 10

The Fund's staff shall consult with the WTO Secretariat on issues of possible inconsistency between measures under discussion with a common member and that member's obligations under the WTO Agreement. The WTO Secretariat shall consult with the Fund's staff on issues of possible inconsistency between measures under discussion with a common member and that member's obligations under the Fund's Articles of Agreement.

Paragraph 11

The Fund shall provide the WTO, promptly after circulation to the Executive Board, for the confidential use of its Secretariat, with staff reports and related background staff papers on Article IV consultations and on use of Fund resources on common members and on Fund members seeking accession to the WTO, subject to the consent of the member.

Paragraph 12

The WTO shall provide the Fund, for the confidential use of its management and staff, with Trade Policy Review Reports, summary records and reports of Councils, Bodies and Committees, and reports of WTO Members to these organs.

Paragraph 13

Each party to this Agreement shall ensure that any information communicated under this Agreement shall be used only within the limits specified by the other party.

Paragraph 14

The Director-General of the WTO and the Managing Director of the Fund shall be responsible for the implementation of this Agreement and, to that effect, shall make such arrangements as they deem appropriate.

Paragraph 15

This Agreement shall be reviewed upon the request of either party and may be amended by mutual agreement.

Paragraph 16

This Agreement may be terminated by either party by written notice to the other and, unless otherwise agreed by the parties, shall terminate six months after receipt of such notice.

Paragraph 17

Following approval by the General Council of the WTO and the Executive Board of the Fund, this Agreement shall enter into force on the date of its signature.

Adopted by the IMF by Decision No. 11381-(96/105), November 25, 1996

Signed at Singapore on 9 December 1996 in duplicate.

For the World Trade Organization, Director-General Renato Ruggiero

For the International Monetary Fund, Managing Director Michel Camdessus