



# **Asian Development Bank (Additional Subscription) Act 1977**

**No. 21, 1977**

**An Act to authorize Australia to Subscribe for  
Shares of the Capital Stock of the Asian  
Development Bank**



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## **An Act to authorize Australia to Subscribe for Shares of the Capital Stock of the Asian Development Bank**

*[Assented to 14 April 1977]*

The Parliament of Australia enacts:

### **1 Short title**

This Act may be cited as the *Asian Development Bank (Additional Subscription) Act 1977*.

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## 2 Commencement

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

## 3 Interpretation

In this Act, unless the contrary intention appears:

*callable shares* and *paid-in shares* have the same respective meanings as in the Agreement establishing the Asian Development Bank, a copy of which is set out in the Schedule to the *Asian Development Bank Act 1966*.

*Bank* means the Asian Development Bank.

*United States dollar* means a dollar in the currency of the United States of America of the weight and fineness that was in effect on 31 January 1966.

## 4 Subscription for capital stock of the Bank

- (1) The Treasurer may, on behalf of the Commonwealth, make an agreement or agreements with the Bank providing for the purchase by Australia of 2,869 paid-in shares, and 25,818 callable shares, of the capital stock of the Bank at a price per share that is the equivalent of 10,000 United States dollars.
- (2) Subject to this Act, an agreement so made may contain such terms and conditions as the Treasurer determines.

## 5 Agreement subject to increase of capital stock

An agreement made under this Act does not have effect before the authorized capital stock of the Bank has been increased in pursuance of the resolution adopted by the Board of Governors of the Bank on 29 October 1976, a copy of the text of which is set out in the Schedule to this Act.

## **6 Issue of promissory notes**

- (1) To the extent to which the Bank is prepared to accept promissory notes from Australia in lieu of any payment that Australia is required to make to the Bank in pursuance of an agreement made under this Act, the Treasurer may, on behalf of the Commonwealth, execute and issue to the Bank promissory notes.
- (2) A promissory note issued under subsection (1):
  - (a) shall be payable to the Bank;
  - (b) shall be non-negotiable and non-interest-bearing; and
  - (c) shall be payable at its par value on demand.

## **7 Appropriation**

There may be paid out of the Consolidated Revenue Fund, which is appropriated accordingly, the moneys necessary for the purpose of making any payment that is to be made by Australia:

- (a) in pursuance of an agreement made under this Act; or
- (b) under a promissory note issued under this Act.

## **Schedule—Resolution No. 104 of the Board of Governors adopted on 29 October 1976**

Section 5

### INCREASE IN AUTHORIZED CAPITAL STOCK AND SUBSCRIPTIONS THERETO

WHEREAS:

The Board of Directors of the Bank, having undertaken a study of the resource position of the Bank in accordance with Resolution No. 84 adopted by the Board of Governors, has submitted a Report thereon to the Board of Governors;

The Board of Governors, having considered such Report and being in agreement with the findings of the Board of Directors incorporated in that Report, has concluded that action to increase the authorized capital stock of the Bank is necessary;

NOW THEREFORE the Board of Governors hereby  
RESOLVES:

#### SECTION I. INCREASE IN AUTHORIZED CAPITAL STOCK

(1) The authorized capital stock of the Bank shall, on the Effective Date as hereinafter defined, be increased by \$4,148,000,000 in terms of United States dollars of the weight and fineness in effect on 31 January 1966, divided into 414,800 shares each having a par value of \$10,000. Of such shares, 41,480 shall be paid-in shares and 373,320 shall be callable shares.

(2) Of the paid-in and callable shares authorized by this Resolution, that portion shall be made available for subscription by members in accordance with Section II of this Resolution which, in total, is sufficient to enable each member to subscribe a number of whole shares equivalent to, but not in excess of, 1.35 times the shares subscribed by such member immediately prior to the Effective Date, with 10 per cent of such number (as near as may be) being whole paid-in shares and the balance being callable shares.

(3) The paid-in and callable shares authorized by this Resolution which are not made available for subscription in accordance with paragraph (2) of this Section I shall be reserved to provide for initial subscriptions by new members and for special increases in the subscriptions of individual members, as may be



determined by the Board of Governors pursuant to paragraphs 1 and 3 of Article 5 of the Articles of Agreement of the Bank.

## SECTION II. SUBSCRIPTIONS

(1) Each member shall be entitled to subscribe, at par, a number of whole shares up to but not in excess of 1.35 times the number of shares subscribed by such member immediately prior to the Effective Date. Each such subscription shall be on the terms and conditions set forth in this Resolution, and in all events shall comprise paid-in and callable shares in such proportions that 10 per cent of the shares subscribed shall (as near as may be) be whole paid-in shares and the balance shall be callable shares.

(2) Each member wishing to subscribe pursuant to this Resolution shall deposit with the Bank the following documents in a form acceptable to the Bank:

- (a) an instrument of subscription whereby the member subscribes to the number of paid-in and callable shares specified in such instrument;
- (b) a representation that the member has duly taken all legislative and other internal action necessary to enable it to make such subscription; and
- (c) an undertaking that the member will furnish such information as the Bank may request concerning such action.

Such documents shall be deposited not later than 31 March 1978; provided that at the request of a member the Board of Directors may allow up to a further month for the deposit of documents by that member.

(3) Each instrument of subscription shall become effective and the subscription thereunder shall be deemed to have been made on the Effective Date, or on the date on which the Bank notifies the subscribing member that the documents deposited by such member pursuant to paragraph (2) of this Section II are satisfactory to the Bank, whichever is the later.

(4) Payment in respect of paid-in shares subscribed pursuant to this Resolution shall be made in four equal instalments, of which the first shall be paid on or before 31 March 1978, and the second, third and fourth on or before 31 March of each succeeding year; provided that at the request of a member the Board of Directors may allow up to a further three months after 31 March in the relevant year for payment of any instalment by that member. Of each instalment,

- (a) 40 per cent shall be paid in a convertible currency which, where such currency is not that of the subscribing member, shall be selected by the member in consultation with the Bank; and
- (b) 60 per cent shall be paid in the currency of the subscribing member.

**SECTION III. PROCEDURAL PROVISIONS**

(1) For purposes of this Resolution, the Effective Date shall be the date, on or before 30 September 1977 or such subsequent date not later than 31 December 1977 as the Board of Directors may determine, on which documents satisfactory to the Bank have been deposited pursuant to paragraph (2) of Section II providing for subscriptions in an aggregate amount of at least 240,000 shares.

(2) Except as otherwise determined by the Board of Directors, each payment for shares subscribed pursuant to this Resolution shall be made at the rate of exchange used by the Bank for translation of currencies in its books of account, as of the date such payment is received by the Bank.

(3) Subject to the provisions of this Resolution, the Articles of Agreement of the Bank shall apply *mutatis mutandis* to all shares authorized by, and to subscriptions and payments made under, this Resolution as if such shares were part of the original capital stock of the Bank and such subscriptions and payments were initial subscriptions to and payments for such stock.