



INTERNATIONAL MONETARY FUND FACTSHEET

IMF Quotas

Quota subscriptions generate most of the IMF's financial resources. Each member country of the IMF is assigned a quota, based broadly on its relative size in the world economy. A member's quota determines its maximum financial commitment to the IMF and its voting power, and has a bearing on its access to IMF financing.

Boosting representation of emerging markets and low-income countries

On April 28, 2008, a [large-scale quota and voice reform](#) in the making for nearly two years was adopted by a large margin by the Board of Governors of the IMF. It aims to make quotas more responsive to economic realities by increasing the representation of fast-growing economies and at the same time giving low-income countries more say in the IMF's decision making. The reform builds on an initial step agreed by the IMF's membership in September 2006 to have ad hoc quota increases for four countries—China, Korea, Mexico, and Turkey. The April 2008 reform package is more far-reaching, containing the following elements:

- A new quota formula.
- Ad-hoc quota increases to all 54 countries that were underrepresented under the new quota formula.
- Tripling the number of basic votes to increase the voice of low-income countries, as well as protection of the share of the basic votes in total voting power going forward.
- Providing resources for an additional Alternate Executive Director for the two African chairs represented on the IMF's Executive Board.
- Realigning quota and voting shares every five years.

For the package of reforms to become effective, acceptance of the amendment on Voice and Participation by 111 member countries representing at least 85 percent of total voting power is required. As of October 23, 2009, 42 members representing about 64 percent of total voting power had accepted.

Governance reform is currently being accelerated.

In April 2009, the International Monetary and Financial Committee (IMFC), which advises on IMF policies, called for a prompt start to the Fourteenth General Review of Quotas so that it is completed by January 2011—some two years ahead of the original schedule. The Fourteenth General Review is now underway.

In October 2009, the IMFC endorsed a call by G-20 leaders for a shift in [quota share](#) to dynamic emerging market and developing countries of at least five percent from over-represented to under-represented countries using the [current quota formula](#) as the basis to work from. In addition, there is a commitment to protecting the voting share of the poorest members.

How member countries' quotas are determined

When a country joins the IMF, it is assigned an initial quota in the same range as the [quotas of existing members](#) that are broadly comparable in economic size and characteristics. The IMF uses a quota formula to guide the assessment of a member's relative position.

The newly agreed [quota formula](#) is a weighted average of GDP (weight of 50 percent), openness (30 percent), economic variability (15 percent), and international reserves (5 percent). For this purpose, GDP is measured as a blend of GDP based on a market exchange rates (weight of 60 percent) and on PPP exchange rates (40 percent). The formula also includes a "compression factor" that reduces the dispersion in calculated quota shares across members.

Quotas are denominated in [Special Drawing Rights \(SDRs\)](#), the IMF's unit of account. The largest member of the IMF is the United States, with a quota of SDR 37.1 billion (about \$59.3 billion), and the smallest member is Palau, with a quota of SDR 3.1 million (about \$5.0 million).

Quotas play several key roles in the IMF

A member's quota delineates basic aspects of its financial and organizational relationship with the IMF, including:

Subscriptions. A member's quota subscription determines the maximum amount of [financial resources](#) the member is obliged to provide to the IMF. A member must pay its subscription in full upon joining the Fund: up to 25 percent must be paid in SDRs or widely accepted currencies (such as the U.S. dollar, the euro, the yen, or the pound sterling), while the rest is paid in the member's own currency.

Voting power. The quota largely determines a member's voting power in IMF decisions. Each IMF member has 250 basic votes plus one additional vote for each SDR 100,000 of quota. Accordingly, the United States has 371,743 votes (16.77 percent of the total), and Palau has 281 votes (0.01 percent).

Access to financing. The amount of financing a member can obtain from the IMF (its access limit) is based on its quota. Currently, under [Stand-By and Extended Arrangements](#), a member can borrow up to 200 percent of its quota annually and 600 percent cumulatively. However, access may be higher in exceptional circumstances.

How quota reviews work

The IMF's [Board of Governors](#) conducts general quota reviews at regular intervals (usually every five years). Any changes in quotas must be approved by an 85 percent majority. There are two main issues addressed in a general quota review: the size of an overall increase and the distribution of the increase among the members. First, a general quota review allows the IMF to assess the adequacy of quotas both in terms of members' balance of payments financing needs and in terms of its own ability to help meet those needs. Second, a general review allows for increases in members' quotas to reflect changes in their relative positions in the world economy. The [Thirteenth General Review](#) was concluded on January 28, 2008 with no proposal by the Board of Governors to increase quotas.

Ad hoc quota increases outside general reviews do not occur often, although the increase in quotas approved on April 28, 2008 does qualify as ad-hoc because it was agreed outside the realm of the general quota reviews. In future, the Executive Board has decided that such

further realignments of quota shares should be recommended in the context of future general quota reviews. The goal is to have a dynamic mechanism to adjust quota shares every five years to reflect members' evolving weight in the world economy and to increase the shares of underrepresented countries.

General Quota Reviews		
Quota Review	Date Resolution Adopted	Overall Quota Increase (percent)
First Quinquennial	No increase proposed	---
Second Quinquennial	No increase proposed	---
1958/59 ¹	February and April 1959	60.7
Third Quinquennial	No increase proposed	---
Fourth Quinquennial	March 1965	30.7
Fifth General	February 1970	35.4
Sixth General	March 1976	33.6
Seventh General	December 1978	50.9
Eighth General	March 1983	47.5
Ninth General	June 1990	50.0
Tenth General	No increase proposed	---
Eleventh General	January 1998	45.0
Twelfth General	No increase proposed	---
Thirteenth General	No increase proposed	---

¹ This review is the only one so far conducted outside the five-year cycle.