INTERNATIONAL MONETARY FUND

Reform of Quota and Voice in the International Monetary Fund—Report of the Executive Board to the Board of Governors

March 28, 2008

INTRODUCTION

1.   The Resolution on Quota and Voice Reform adopted by the Board of Governors on the occasion of the Fund's Annual Meeting in Singapore in September 2006 (Resolution 61-5, September 18, 2006) (the "Singapore Resolution") requested that the Executive Board complete within two years a reform program to enhance the credibility and effectiveness of the Fund, building on the first step taken in the Singapore Resolution. This report sets out a proposal for a second-round package of reforms consistent with the framework agreed in the Singapore Resolution and, to that end, recommends that the Board of Governors approve the resolution that is appended to this Report (the "Resolution"). The key objectives of the proposed reforms agreed in the Report of the Executive Board to the Board of Governors in September 2006 are: (i) to make significant progress in realigning quota shares with members' relative weight and role in global economy and to make quota and voting shares more responsive to changes in global economic realities in the future, and (ii) equally important, to enhance the participation and voice of low-income countries, for which the Fund plays an important advisory and financing role.

2.   This report is organized as follows: Part I discusses the proposed reform package. Part II provides a Commentary on the proposed amendment of the Articles of Agreement set forth in Attachment II of the Resolution that would: (a) have the effect of increasing the number of basic votes of members and establish a mechanism to ensure that the ratio of the sum of the basic votes of all members to the sum of the members' total voting power remains constant and (b) enable each Executive Director elected by a large number of members to appoint a second Alternate Executive Director. Part III describes the procedure for adopting amendments of the Fund's Articles of Agreement. The Resolution is set forth in the Appendix.

I. OVERVIEW OF THE PROPOSED REFORM PACKAGE

3.   The proposed reform package reflects extensive discussions by the Executive Board since the Singapore Resolution. It also reflects the further guidance provided by the International Monetary and Financial Committee (IMFC) at its April and October 2007 meetings, including in response to the October 2007 progress report of the Executive Board

to the Board of Governors.[1] The proposal seeks to balance the differing views and priorities of members, and agreement has required difficult compromises on the part of all members. At the same time, this agreement reflects the commitment of the membership to the Fund's future by enhancing its effectiveness, credibility, and legitimacy.

A. New Quota Formula

4.   In considering the new quota formula, the Board has been guided by the request from the Board of Governors that the new formula provide a simpler and more transparent means of capturing members' relative positions in the global economy. In addition, the Executive Board has taken into account the need for the new formula to be consistent with the multiple roles of quotas; to be feasible to implement statistically; and to produce results that are broadly acceptable to the membership. While many members have reservations about aspects of the new formula, it represents a major improvement over the existing five formulas,[2] and the Executive Board considers that it provides a reasonable basis for guiding the second round of ad hoc quota increases.

5.   The new quota formula contains the following elements (see Box 1 for algebraic formula and variable definitions):

- four variables expressed in shares—GDP, openness, variability, and reserves—with weights of 50 percent, 30 percent, 15 percent, and 5 percent, respectively;

- the GDP variable is a blend of GDP at market exchange rates and GDP at PPP rates, with weights of 60 percent on market rate GDP and 40 percent on PPP GDP. This approach captures the central role of quotas in the Fund's financial operations, for which GDP at market exchange rates is the most relevant, as well as the Fund's non-financial activities, where PPP GDP can be viewed as a relevant way to capture the relative volume of goods and services produced by economies; and

- a compression factor of 0.95 applied to a linear combination of the four variables. This reduces the dispersion of calculated quotas, moderating to some extent the role of size in the formula.

---

[1] *Communiqué of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund* (PR/07/71, April 14, 2007 and PR/07/236, October 20, 2007). See also *Report of the Executive Board to the Board of Governors—Quota and Voice Reform—Progress Since the 2006 Annual Meetings* (October 16, 2007), available at www.imf.org/external/np/pp/2007/eng/101607.pdf

[2] For background on the existing quota formulas, see *Quotas—Updated Calculations and Data Adjustments* (July 11, 2007), Appendix III, available at www.imf.org/external/np/pp/2007/eng/071107.pdf.

Box 1. The New Quota Formula

The proposed new quota formula includes four quota variables (GDP, openness, variability and reserves), expressed in shares of global totals, with the variables assigned weights totaling to 1.0. The formula also includes a compression factor that reduces dispersion in calculated quota shares.

The proposed new formula is:

$$CQS = (0.5*Y + 0.3*O + 0.15*V + 0.05*R)^{k}$$

Where CQS = calculated quota share;

Y = a blend of GDP converted at market rates and PPP exchange rates averaged over a three year period. The weights of market-based and PPP GDP are 0.60 and 0.40, respectively;

O = the annual average of the sum of current payments and current receipts (goods, services, income, and transfers) for a five year period;

V = variability of current receipts and net capital flows (measured as a standard deviation from the centered three-year trend over a thirteen year period);

R = twelve month average over a year of official reserves (foreign exchange, SDR holdings, reserve position in the Fund, and monetary gold); and

k = a compression factor of 0.95. The compression factor is applied to the uncompressed calculated quota shares which are then rescaled to sum to 100.

---

6.   Some of the variables in the new quota formula have been updated and modernized relative to the measures used in the existing formulas. Nonetheless, the Executive Board considers that further work will be needed in the following areas: the scope for measuring openness on a value added rather than a gross basis, the appropriate treatment of intra-currency union flows, the appropriate way of capturing financial openness, and how to improve the measure of variability to adequately capture members' potential need for Fund resources. Some of these changes will require improvements in data availability, and there is an understanding that selective adjustments to the quota database should be discontinued. The Executive Board has decided to consider these issues based upon additional staff analysis before the formula is used again to guide a further realignment of quota shares.

7.   Different views are held within the Executive Board on the appropriate future roles for PPP GDP and the compression factor in the formula. Recognizing that the inclusion of these elements has been one of the most difficult aspects of the current deliberations, the Executive Board has decided to include these elements in the formula for a period of 20 years. At the end of that period, the scope for retaining these elements would be reviewed

in light of progress toward convergence between market rate and PPP GDP in emerging market and developing countries, and the overall objective of ensuring adequate voice and participation for all members.

B. Second-Round Ad hoc Quota Increases

8.   In its October 2007 Communiqué, the IMFC reaffirmed that the reform should enhance representation for dynamic economies, many of which are emerging market economies, whose weight and role in the global economy have increased. The IMFC also indicated that an outcome of the second round should be a further increase in the voting share of emerging market and developing economies as a whole.

9.   In line with this guidance, the Executive Board recommends that the Board of Governors propose a second round of ad hoc quota increases totaling approximately 9.55 percent (based on an overall increase in the two rounds combined of 11.5 percent) allocated on the following basis:[3]

- All members that are underrepresented under the new quota formula are eligible for increases, based primarily on achieving a uniform proportional reduction in the gap between members' calculated quota shares and their pre-Singapore actual quota shares (degree of "out-of-lineness"). This is consistent with the methodology used in the first round and treats the two rounds together as a single reform.

- To further reinforce the objectives of the reform, the proposed quota increases reflect three additional elements. These have been decided upon as one-time elements of the current reform:

  ➢ Several under-represented advanced countries have agreed to forego part of the quota increases for which they are eligible in the second round, in order to contribute to the broader goals of the reform. Specifically, the United States has indicated that it is willing to forego an increase beyond what is necessary to preserve its post-Singapore voting share, and other eligible G7 members (Germany, Italy, and Japan) have also agreed to forego increases beyond those consistent with achieving the same proportionate reduction in out-of-lineness as the United States. In addition, Ireland and Luxembourg, which are substantially under-represented, have agreed to forego part of the increases they would

---

[3] The Executive Board proposes that the quotas determined on the basis described in this paragraph be rounded to the nearest multiple of SDR 0.1 million. The allocation has been calculated taking into account the proposed Eleventh Review quotas for those members that have not yet consented or paid for their proposed increase in quotas under the Eleventh Review (Resolution 53-2 of the Board of Governors).

otherwise be eligible for (i.e., those beyond a nominal quota increase of 50 percent);

➢ To give additional recognition to dynamism by bringing forward expected future growth for those countries that are most out-of-line in terms of PPP GDP, the Executive Board recommends that under-represented emerging market and developing economies whose shares in global PPP GDP are also substantially larger than their actual pre-Singapore quota shares (by more than 75 percent) should receive a minimum nominal quota increase of 40 percent from their pre-Singapore level; and

➢ Recognizing that the four members that received quota increases in the first round (China, Korea, Mexico, and Turkey) remain substantially under-represented, the Executive Board recommends that these four members should receive a minimum nominal second-round increase of 15 percent.

10.   Taking into account the above, the Resolution proposes that the quotas of members of the Fund listed in Attachment I of the Resolution be increased to the amounts shown against their names in Attachment I.

C. Basic Votes

11.   The Executive Board recommends to the Board of Governors that, as part of the overall package, basic votes be tripled. This would represent the first increase in basic votes since the Fund's inception, and would ensure a significant increase in voting share for low-income country members as a group. It would thereby make a major contribution to achieving one of the two key goals of the reform. The Executive Board further recommends that, as specified in the Singapore Resolution, a mechanism be established that will maintain the share of basic votes to total voting power in the future. As is discussed further in Section II below, implementing these reform measures requires an amendment to the Fund's Articles of Agreement and, to that end, the Resolution proposes that the Board of Governors approve the text of the amendment that is set out in Attachment II of the Resolution. Under the proposed amendment, the number of basic votes would increase as soon as the amendment enters into force, and would reach a tripling when all of the second-round quota increases become effective.[4]

---

[4] As discussed below, the outcome will be a tripling of basic votes if there are no further changes in quotas or membership between the date of the Report and the date on which the last of the second-round quota increases becomes effective, and provided that the quota increases proposed for Somalia and Sudan under the Eleventh General Review will have become effective by the latter of the above dates. This is consistent with the approach taken throughout this reform of using Eleventh Review proposed quotas for those members who have not yet consented to and paid for their quota increases under the Eleventh Review.

D. Outcomes

12.   The proposed reform package will result in a significant realignment of quota and voting shares (see Table 1). For individual members, the proposed quota increases range from 11.7 to 106.1 percent in the two rounds combined, with the largest gains going mainly to dynamic emerging market countries. In total, the proposal envisages ad hoc quota increases for 54 countries, and will lead to an aggregate shift in quota shares for these members of 4.9 percentage points. The reform package will also result in increases in voting share for a much larger number of countries (135 or more than two-thirds of the membership), reflecting the impact of basic votes. The aggregate shift in voting share to these countries will amount to 5.4 percentage points, with substantial increases for members with relatively small economies. The reform will also lead to a net increase in the voting share of emerging market and developing economies as a whole of 2.7 percentage points (1.1 percentage points in terms of quota shares).

E. Future Realignments of Quota Shares

13.   While the proposed reform package would achieve a significant realignment of quota and voting shares, actual quota shares for many members remain considerably out-of-line with their calculated quota shares. Moreover, calculated quota shares will continue to evolve in line with changes in the global economy. It is therefore important that quota shares continue to be adjusted at regular intervals to make further progress in closing the gap between actual and calculated quota shares and to reflect developments in the world economy. This is particularly important for members that will receive only limited increases or whose quota shares will decline in the current round, but that may be expected to grow rapidly in coming years. The Executive Board has decided that such further realignments of quota shares should be recommended in the context of future general quota reviews, beginning with the Fourteenth General Review.

F. Additional Alternate Executive Directors

14.   The Executive Board recommends that the proposed amendment of the Articles also authorize the Board of Governors to adopt rules enabling Executive Directors elected by a large number of members to appoint two Alternate Executive Directors.[5] The Resolution further provides that, upon the effectiveness of the proposed amendment, an Executive Director elected by at least 19 members would be entitled to appoint two Alternate Executive Directors. This proposal would further enhance the capacity of the two Executive Directors' offices representing African constituencies to represent the countries in their constituencies at a higher level, recognizing their special challenges, including the heavy workload that flows

---

[5] In May 2007, the Executive Board approved an increase in the staffing resources for the two African Executive Directors' offices, which represent the largest constituencies, through the allocation of an additional advisor position.

from the important advisory and financial role that the Fund is playing in many of the members of these constituencies. The Executive Board is committed to ensure that any budgetary effects of this change can be accommodated within its overall more restrictive budgetary envelope. See Section II below.

G. Proposed Resolution of the Board of Governors

15.   In light of the foregoing, it is proposed that the Board of Governors adopt the Resolution entitled "Reform of Quota and Voice in the International Monetary Fund" set out in the Appendix to the Report. Because the Resolution proposes increases in the quotas of members, the adoption of the Resolution requires positive responses from Governors having an 85 percent majority of the total voting power. As discussed in greater detail in Section III below, after the proposed amendment of the Articles of Agreement set forth in the Resolution is approved by the Board of Governors, it will enter into force when it is accepted by three-fifths of the members, having eighty-five percent of the total voting power.

II. COMMENTARY ON PROPOSED AMENDMENT

A.   Basic Votes

16.   Under Article XII, Section 5 (a) "[e]ach member shall have two hundred fifty votes plus one additional vote for each part of its quota equivalent to one hundred thousand special drawing rights." The two hundred fifty votes allocated to each member are generally referred to as "basic votes." Under the amended Article XII, Section 5(a), the basic votes of each member shall be the number of votes that results from the equal distribution among all members of 5.502 percent of the aggregate sum of the total voting power of all of the members, provided that there shall be no fractional basic votes. The key features of the amendment may be summarized as follows:

(a) First, because of the principle that each member is to be allocated an equal number of basic votes, the aggregate number of basic votes that corresponds to the percentage of total voting power specified in the amendment will be divided by the number of Fund members to arrive at the number of basic votes to be allocated to each member, subject to (c) below. The application of this rule means that the number of basic votes allocated to each member will be affected not only by changes in members' quotas, but also by changes in the number of Fund members, as is discussed further below. Accordingly, if and when all of the increases in quotas of members proposed in Attachment I to the Resolution become effective, the percentage specified in the amendment will result in each member having 750 basic votes (i.e., triple the existing level), assuming there have been no

changes in the number of members or further changes in quotas since the date of this Report.[6] As provided in the Resolution, the increases in quotas proposed under the Resolution will not become effective until the entry into force of the proposed amendment.

(b) Second, adjustments to the aggregate number of basic votes—and, by extension, to the number of basic votes of each member—will take place automatically. No action by any organ of the Fund will be required to give effect to a change in basic votes once a relevant change (i.e., a change in quotas and/or number of Fund members, as discussed below) becomes effective. Conversely, no organ of the Fund will have the authority to interfere with a change in basic votes once a relevant change has become effective.

(c) Finally, the general rule described in (a) above will be qualified by the fact that the amendment excludes the possibility of fractional basic votes. Dividing aggregate basic votes by the number of Fund members will, in most cases, result in fractional basic votes. In these circumstances, the number of basic votes to be allocated to each member will be rounded upward or downward to a whole number, using the basic rounding convention pursuant to which fractional amounts of 0.5 and above are rounded up to the next whole number while fractional amounts of less than 0.5 are rounded down to the next whole number. As a result, the aggregate number of basic votes actually allocated to all members after such rounding is likely to exceed or fall short of the specified percentage by a small margin.

17.   As is indicated above, while the amendment will ensure that the ratio of total basic votes to total voting power remains constant, both the aggregate number of basic votes and the number allocated to each member will be affected by changes in the quotas of members and changes in the number of Fund members. Specifically:

(a) With respect to changes in the quotas of members, any increases will trigger an increase in both the aggregate number of basic votes and the number of basic votes of each member, thereby achieving the key objective of the amendment; namely, that of ensuring that the ratio of total basic votes to total voting power is not eroded by quota increases. For the same reason, however, any decrease in a member's quota in absolute terms (which would require the consent of the member in question) would result in a decrease in both the aggregate number of basic votes and the number of basic votes of each member.

(b) Regarding changes in the number of members, since the number of basic votes of each member is calculated by dividing the aggregate number of basic votes by the number of Fund members, the admission or withdrawal of a member will affect both (a) the aggregate

---

[6] As noted earlier, the result of a tripling of basic votes also assumes that the quota increases proposed for Somalia and Sudan under the Eleventh General Review will have become effective by the time the last of the quota increases proposed in this Report has become effective.

number of basic votes and (b) the number of members among which this aggregate number must be divided so as to determine the number of basic votes per member.[7] The nature of the effect will depend on whether the quota of the member that is being admitted or is withdrawing is higher or lower than the average quota of all Fund members.

18.   Finally, the proposed amendment will modify Schedule L of the Fund's Articles, which addresses Suspension of Voting Rights. This Schedule provides that, when a member's voting rights are suspended pursuant to Article XXVI, Section 2(c), the number of votes allotted to the member "shall not be included in the calculation of the total voting power" (except for purposes of the acceptance of a proposed amendment pertaining exclusively to the SDR Department). Given this automatic reduction in the total voting power that arises when a member's voting rights are suspended, the operation of this provision under the amended Article XII, Section 5(a)(i) would result in a decrease in both the aggregate number of basic votes and the number of basic votes allocated to each member.[8] To avoid this impact on other members, the proposed amendment adds an additional proviso to paragraph 2 of Schedule L to the effect that the votes allotted to members with suspended voting rights are not to be excluded from the total voting power for purposes of calculating the basic votes of members under the Articles. Consequently, the number of basic votes allocated to members will not be affected by the suspension of voting rights of a particular member.

B.   Alternate Executive Directors

19.   Under Article XII, Section 3(e), each Executive Director shall appoint an Alternate with full power to act for him when he is not present. As amended, Article XII, Section 3(e) will authorize the Board of Governors to adopt rules enabling an Executive Director elected

---

[7] The outcome will be different, however, where membership changes arise from the succession or merger of members. First, in the event of a dissolution of a member and the succession to membership of all successor states, aggregate quotas would not change because, in the case of succession, the Fund simply allocates the quota of the dissolved member among its successors. Since aggregate quotas (and hence the aggregate number of quota-based votes) would not change, the aggregate number of basic votes would also not change. However, the number of members to whom basic votes must be allocated would increase, thereby decreasing the number of basic votes of each member. The converse will apply in the event of a merger of two members: in such circumstances, aggregate quotas—and therefore the aggregate number of basic votes—would not change (the quotas of the merging members are simply combined), but the number of members to whom basic votes must be allocated would decline, thereby increasing the basic votes available to each of the remaining members. These effects of succession and merger are a consequence of the principle of equality of states noted earlier: since the aggregate number of basic votes remains constant, an increase in the number of members will result in fewer basic votes per member, and a decrease in the number of members will result in more basic votes per member.

[8] A member with suspended voting rights continues to be a member of the Fund and continues to be allotted votes (including basic votes) although, as stated in Section 2(c) of Schedule L, the "number of votes allotted to the member shall not be cast in any organ in the Fund."

by more than a specified number of members to appoint two Alternates. Such rules, if adopted, may only be modified in the context of the regular election of Executive Directors. The rules adopted by the Board of Governors under Article XII, Section 3(e) will require an Executive Director appointing two Alternates to designate: (i) the Alternate who shall act for the Executive Director when he is not present and both Alternates are present and (ii) the Alternate who shall exercise the powers of the Executive Director pursuant to Article XII, Section 3(f). With respect to the designation to be made under (i) above, it is noted that, under the interpretation that has been given to the term "present" in the existing text of Article XII, Section 3(e), an Alternate may act for an Executive Director at an Executive Board meeting at which the Executive Director is not present, even if the Executive Director is at Fund Headquarters. Consistent with that interpretation, the designation that is required under Article XII, Section 3(e)(i) will only be relevant for Executive Board meetings at which both Alternates are present and the Executive Director is not present at such a meeting. By notification to the Fund, an Executive Director may change at any time the designations that are required to be made under the amended Article XII, Section 3(e).

20.   Part D of the Resolution sets forth the initial rules that will apply when the proposed amendment enters into force. In addition to the features identified above, these rules provide that, following the first regular election of Executive Directors after entry into force of the proposed amendment, an Executive Director elected by at least 19 members shall be entitled to appoint two Alternate Executive Directors. The Board of Governors may, by a majority of the votes cast, change the minimum number of members required to elect an Executive Director in order to trigger the entitlement.

21.   The entitlement to appoint two Alternates will be based exclusively on the number of members that "elect" an Executive Director. The relevant election would be the most recent election, which could be either a regular election under Article XII, Section 3(d) or an interim election under either Article XII, Section 3(f)[9] (arising from the vacancy of an office of an elected Executive Director) or under Schedule L, Section 3(c)(i) (in the event of a vacancy arising from the suspension of a member's voting rights).[10] If, between such elections, the number of members in an Executive Director's constituency changes and no interim election is required (e.g., because of a member's decision to withdraw from the

---

[9] For purposes of all interim elections, an Executive Director elected by a majority of votes cast by the members in his constituency is considered to have been elected by all of the members of that constituency.

[10] The member whose voting rights have been suspended is not entitled to elect or participate in the election of Executive Directors and cannot be included in the number of members that elect an Executive Director. If the suspension of a member's voting rights is terminated, the member shall be deemed to have participated in the election of the Executive Director entitled to cast the number of votes allotted to the member if the conditions set forth in Article XII, Section 3(h)(v) have been met. The application of this provision may result in the entitlement to appoint two Alternates being triggered between elections.

Fund), such changes would not adversely affect the entitlement to appoint two Alternates for purposes of the amendment.

22.   Under the amendment, an Executive Director elected by the requisite number of members would be entitled—but would not be required—to appoint a second Alternate. It is expected, however, that Executive Directors would avail themselves of this benefit.

III. PROCEDURE

23.   Consistent with the Singapore Resolution, the Resolution that is appended to this Report provides that the second-round increases in quotas being proposed may not become effective until the proposed amendment of the Articles enters into force.

24.   The procedure for amending the Articles of Agreement is set forth in Article XXVIII. Under this Article, a proposed amendment is to be communicated to the Chairman of the Board of Governors for consideration by the Board of Governors. If the proposed amendment is approved by the Board of Governors, the Fund is to ask all members whether they accept it. When three-fifth of the members, having eighty-five percent of the total voting power, have accepted the proposed amendment, the Fund is to certify that fact by a formal communication to all members. Under Article XXVIII(c), an amendment enters into force for every member, regardless of whether or not it has accepted the amendment, three months after the date of this communication unless a shorter period is specified. In the case of the amendment now being proposed, the Executive Board recommends that it should enter into force on the date of the formal communication.[11]

25.   Special considerations apply to members whose voting rights have been suspended under Article XXVI, Section 2(b).[12]

---

[11] The Executive Board is also expected to adopt a Report to the Board of Governors entitled "Report of the Executive Board to the Board of Governors on the Proposed Amendment of the Articles of Agreement of the International Monetary Fund to Expand the Investment Authority of the International Monetary Fund." The amendment proposed under that report is separate from the amendment proposed under this Report, although it is possible that members will consider them at the same time. In the event that either or both of these proposed amendments enter into force prior to the entry into force of the proposed Fourth Amendment (providing for a Special One-Time Allocation of Special Drawing Rights), the term "Fourth Amendment" used in Schedule M of that proposed amendment shall be corrected to accurately reflect the order in which that proposed amendment has actually entered into force.

[12] Such members cannot participate in the adoption of a proposed amendment of the Articles, or be counted in the total number of members for that purpose (except in the case of certain limited amendments that require unanimous acceptance by all members, or in the case of amendments pertaining exclusively to the SDR Department) (Schedule L, paragraph 1(a)). The number of votes allotted to the member shall not be included in the calculation of the total voting power (except for purposes of the acceptance of a proposed amendment pertaining exclusively to the Special Drawing Rights Department) (Schedule L, paragraph 2). Such members

26.   The Appendix to this Report contains the text of the Resolution, to which is attached the text of the proposed amendment discussed above. The Chairman of the Board of Governors has requested that on his behalf the Secretary of the Fund should bring the Resolution and proposed amendment before the Board of Governors for its approval. It is pursuant to this request that the Secretary is transmitting this Report to the Board of Governors.

27.   In the judgment of the Executive Board, the action requested of the Board of Governors should not be postponed until the next regular meeting of the Board of Governors and does not warrant the calling of a special meeting of the Board of Governors. For this reason, the Executive Board, pursuant to Section 13 of the By-Laws, requests Governors to vote without meeting. To be valid, votes must be received at the seat of the Fund before 6:00 p.m., Washington time, April 28, 2008. Considering that the Resolution is also proposing adjustments in the quotas of members that have requested such adjustment and whose names are listed in Attachment I of the Resolution, the adoption of the Resolution requires positive responses from Governors having an eighty-five percent majority of the total voting power. The Resolution must be voted on as a whole.

---

also may not appoint a Governor or Alternate Governor that could vote on the Resolution of the Board of Governors approving an amendment (Schedule L, paragraphs 1(b) and 3(a)).

Table 1. Quota and Voting Shares – By Member 1/
(In percent)

	Calculated Quota Shares		Quota Shares			Voting Shares		
	Existing Five Formulas	New Formula 2/	Pre First Round	Post First Round	Post Second Round 2/ 3/	Pre First Round	Post First Round	Post Second Round 2/ 3/
United States	16.284	18.991	17.380	17.076	17.674	17.023	16.732	16.732
Japan	7.011	8.032	6.228	6.119	6.558	6.108	6.003	6.227
Germany	6.850	6.227	6.086	5.979	6.112	5.968	5.866	5.805
France	4.129	4.016	5.024	4.936	4.506	4.929	4.844	4.288
United Kingdom	5.240	4.429	5.024	4.936	4.506	4.929	4.844	4.288
China 4/	6.137	6.390	2.980	3.719	3.997	2.928	3.652	3.807
Italy	3.317	3.336	3.301	3.243	3.307	3.242	3.187	3.155
Saudi Arabia	1.030	0.835	3.268	3.211	2.931	3.210	3.155	2.800
Canada	3.065	2.569	2.980	2.928	2.672	2.928	2.878	2.555
Russia	1.702	2.053	2.782	2.733	2.495	2.734	2.687	2.387
Netherlands	2.897	1.930	2.415	2.373	2.166	2.375	2.335	2.077
Belgium	2.270	1.504	2.155	2.117	1.932	2.120	2.084	1.856
India	1.287	1.997	1.945	1.911	2.443	1.916	1.883	2.338
Switzerland	1.485	1.211	1.618	1.590	1.451	1.595	1.568	1.401
Australia	1.205	1.321	1.514	1.488	1.358	1.494	1.468	1.313
Mexico	1.841	1.970	1.210	1.449	1.521	1.196	1.430	1.467
Spain	2.237	2.304	1.426	1.401	1.688	1.408	1.384	1.625
Brazil	1.069	1.725	1.420	1.396	1.783	1.402	1.378	1.715
Korea	2.512	2.245	0.764	1.346	1.413	0.760	1.329	1.365
Venezuela	0.427	0.428	1.244	1.222	1.116	1.229	1.208	1.084
Sweden	1.172	0.993	1.121	1.101	1.005	1.108	1.089	0.980
Argentina	0.368	0.583	0.990	0.973	0.888	0.981	0.964	0.869
Indonesia	0.737	0.901	0.973	0.956	0.872	0.964	0.947	0.854
Austria	1.129	0.913	0.876	0.861	0.887	0.869	0.854	0.868
South Africa	0.459	0.589	0.874	0.859	0.784	0.867	0.852	0.771
Nigeria	0.359	0.337	0.820	0.806	0.736	0.814	0.800	0.725
Norway	0.860	0.810	0.782	0.768	0.790	0.777	0.764	0.777
Denmark	1.040	0.853	0.769	0.755	0.794	0.764	0.751	0.780
Iran	0.435	0.594	0.700	0.688	0.628	0.697	0.685	0.623
Malaysia	1.374	0.859	0.695	0.683	0.744	0.692	0.680	0.733
Kuwait	0.355	0.257	0.646	0.635	0.579	0.644	0.633	0.577
Ukraine	0.301	0.338	0.642	0.631	0.576	0.640	0.629	0.574
Poland	0.779	0.868	0.640	0.629	0.708	0.638	0.627	0.699
Finland	0.529	0.545	0.591	0.581	0.530	0.590	0.580	0.531
Algeria	0.340	0.374	0.587	0.577	0.526	0.586	0.576	0.527

Table 1. Quota and Voting Shares – By Member 1/ (continued)
(In percent)

	Calculated Quota Shares		Quota Shares			Voting Shares		
	Existing Five Formulas	New Formula 2/	Pre First Round	Post First Round	Post Second Round 2/ 3/	Pre First Round	Post First Round	Post Second Round 2/ 3/
Turkey	0.751	0.987	0.451	0.548	0.611	0.453	0.547	0.607
Iraq	0.278	0.225	0.556	0.546	0.499	0.556	0.546	0.501
Libya	0.243	0.215	0.526	0.517	0.471	0.526	0.517	0.475
Thailand	0.909	0.836	0.506	0.497	0.604	0.507	0.498	0.601
Hungary	0.489	0.433	0.486	0.477	0.436	0.487	0.479	0.441
Pakistan	0.196	0.356	0.484	0.475	0.434	0.485	0.477	0.440
Romania	0.248	0.302	0.482	0.474	0.432	0.483	0.475	0.438
Egypt	0.253	0.382	0.442	0.434	0.396	0.444	0.436	0.404
Israel	0.544	0.471	0.434	0.427	0.445	0.437	0.429	0.450
New Zealand	0.239	0.263	0.419	0.411	0.375	0.421	0.414	0.384
Philippines	0.473	0.465	0.412	0.404	0.428	0.414	0.407	0.434
Portugal	0.481	0.494	0.406	0.399	0.432	0.409	0.402	0.438
Singapore	1.929	1.031	0.404	0.396	0.591	0.406	0.399	0.588
Chile	0.326	0.350	0.401	0.394	0.359	0.403	0.397	0.369
Ireland	1.660	1.173	0.392	0.385	0.528	0.395	0.389	0.528
Greece	0.485	0.644	0.385	0.378	0.462	0.388	0.382	0.467
Czech Republic	0.585	0.508	0.383	0.377	0.421	0.387	0.380	0.427
Colombia	0.219	0.326	0.362	0.356	0.325	0.366	0.360	0.337
Bulgaria	0.125	0.137	0.300	0.294	0.269	0.305	0.299	0.284
Peru	0.149	0.241	0.299	0.293	0.268	0.304	0.299	0.283
United Arab Emirates	0.508	0.385	0.286	0.281	0.316	0.292	0.287	0.328
Morocco	0.165	0.186	0.275	0.270	0.247	0.281	0.276	0.263
Bangladesh	0.099	0.173	0.250	0.245	0.224	0.256	0.251	0.241
Congo, Dem. Republic of	0.023	0.028	0.249	0.245	0.224	0.256	0.251	0.241
Zambia	0.027	0.034	0.229	0.225	0.205	0.235	0.231	0.224
Serbia	0.085	0.099	0.219	0.215	0.196	0.226	0.222	0.215
Sri Lanka	0.070	0.090	0.193	0.190	0.173	0.201	0.197	0.194
Belarus	0.116	0.121	0.181	0.178	0.162	0.188	0.185	0.183
Ghana	0.042	0.050	0.173	0.170	0.155	0.180	0.177	0.176
Kazakhstan	0.189	0.199	0.171	0.168	0.180	0.179	0.176	0.199
Croatia	0.149	0.154	0.171	0.168	0.153	0.179	0.176	0.175
Slovak Republic	0.247	0.208	0.167	0.164	0.179	0.175	0.172	0.199
Zimbabwe	0.023	0.020	0.165	0.162	0.148	0.173	0.170	0.170
Trinidad and Tobago	0.064	0.059	0.157	0.154	0.141	0.165	0.162	0.163
Vietnam	0.235	0.230	0.154	0.151	0.193	0.162	0.159	0.212

Table 1. Quota and Voting Shares – By Member 1/ (continued)
(In percent)

	Calculated Quota Shares		Quota Shares			Voting Shares		
	Existing Five Formulas	New Formula 2/	Pre First Round	Post First Round	Post Second Round 2/ 3/	Pre First Round	Post First Round	Post Second Round 2/ 3/
Cote d'Ivoire	0.060	0.061	0.152	0.149	0.136	0.160	0.158	0.159
Sudan	0.046	0.075	0.147	0.145	0.132	0.156	0.153	0.155
Uruguay	0.048	0.073	0.143	0.141	0.129	0.152	0.149	0.151
Ecuador	0.083	0.157	0.141	0.139	0.146	0.150	0.147	0.168
Syrian Arab Republic	0.114	0.165	0.137	0.135	0.146	0.146	0.143	0.167
Tunisia	0.106	0.117	0.134	0.132	0.120	0.143	0.140	0.143
Angola	0.156	0.134	0.134	0.132	0.120	0.143	0.140	0.143
Luxembourg	1.369	0.624	0.131	0.128	0.176	0.139	0.137	0.196
Uzbekistan	0.043	0.065	0.129	0.127	0.116	0.138	0.135	0.139
Jamaica	0.048	0.053	0.128	0.126	0.115	0.137	0.134	0.138
Kenya	0.037	0.065	0.127	0.125	0.114	0.136	0.133	0.137
Qatar	0.136	0.135	0.123	0.121	0.127	0.132	0.130	0.150
Myanmar	0.031	0.049	0.121	0.119	0.108	0.130	0.128	0.132
Yemen, Republic of	0.110	0.110	0.114	0.112	0.102	0.123	0.121	0.126
Slovenia	0.148	0.132	0.108	0.107	0.115	0.118	0.116	0.139
Dominican Republic	0.090	0.100	0.102	0.101	0.092	0.112	0.110	0.117
Brunei Darussalam	0.050	0.041	0.101	0.099	0.090	0.110	0.108	0.115
Guatemala	0.066	0.095	0.098	0.097	0.088	0.108	0.106	0.113
Panama	0.048	0.065	0.097	0.095	0.087	0.106	0.104	0.112
Lebanon	0.182	0.151	0.095	0.093	0.112	0.104	0.103	0.135
Tanzania	0.034	0.044	0.093	0.091	0.083	0.103	0.101	0.109
Oman	0.145	0.120	0.091	0.089	0.099	0.100	0.099	0.124
Cameroon	0.032	0.063	0.087	0.085	0.078	0.096	0.095	0.103
Uganda	0.025	0.035	0.084	0.083	0.076	0.094	0.092	0.101
Bolivia	0.023	0.041	0.080	0.079	0.072	0.090	0.088	0.098
El Salvador	0.060	0.068	0.080	0.079	0.072	0.090	0.088	0.098
Jordan	0.080	0.073	0.080	0.078	0.072	0.090	0.088	0.097
Bosnia-Herzegovina	0.064	0.056	0.079	0.078	0.071	0.089	0.087	0.097
Costa Rica	0.078	0.083	0.077	0.075	0.079	0.087	0.085	0.104
Islamic Republic of Afghanistan	0.041	0.038	0.076	0.074	0.068	0.086	0.084	0.094
Senegal	0.024	0.032	0.076	0.074	0.068	0.086	0.084	0.094
Azerbaijan	0.050	0.051	0.075	0.074	0.068	0.085	0.084	0.094
Gabon	0.041	0.039	0.072	0.071	0.065	0.082	0.081	0.091
Georgia	0.019	0.025	0.070	0.069	0.063	0.080	0.079	0.089
Lithuania	0.101	0.100	0.067	0.066	0.077	0.077	0.076	0.103

Table 1. Quota and Voting Shares – By Member 1/ (continued)
(In percent)

	Calculated Quota Shares		Quota Shares			Voting Shares		
	Existing Five Formulas	New Formula 2/	Pre First Round	Post First Round	Post Second Round 2/ 3/	Pre First Round	Post First Round	Post Second Round 2/ 3/
Cyprus	0.063	0.069	0.065	0.064	0.066	0.075	0.074	0.092
Namibia	0.023	0.023	0.064	0.063	0.057	0.074	0.073	0.084
Bahrain	0.142	0.100	0.063	0.062	0.074	0.073	0.072	0.100
Ethiopia	0.024	0.047	0.063	0.061	0.056	0.073	0.071	0.083
Papua New Guinea	0.028	0.026	0.062	0.060	0.055	0.072	0.070	0.082
Bahamas, The	0.027	0.025	0.061	0.060	0.055	0.071	0.070	0.081
Nicaragua	0.020	0.027	0.061	0.060	0.055	0.071	0.070	0.081
Honduras	0.038	0.042	0.061	0.060	0.054	0.071	0.070	0.081
Liberia	0.005	0.008	0.060	0.059	0.054	0.071	0.069	0.081
Latvia	0.058	0.060	0.059	0.058	0.060	0.070	0.068	0.086
Moldova	0.018	0.018	0.058	0.057	0.052	0.068	0.067	0.079
Madagascar	0.015	0.024	0.057	0.056	0.051	0.067	0.066	0.078
Iceland	0.039	0.043	0.055	0.054	0.049	0.065	0.064	0.076
Mozambique	0.025	0.027	0.053	0.052	0.048	0.063	0.062	0.075
Guinea	0.009	0.015	0.050	0.049	0.045	0.060	0.059	0.072
Sierra Leone	0.004	0.006	0.049	0.048	0.044	0.059	0.058	0.071
Malta	0.053	0.039	0.048	0.047	0.043	0.058	0.057	0.070
Mauritius	0.030	0.031	0.048	0.047	0.043	0.058	0.057	0.070
Paraguay	0.037	0.043	0.047	0.046	0.042	0.057	0.056	0.069
Mali	0.014	0.021	0.044	0.043	0.039	0.054	0.053	0.067
Suriname	0.010	0.010	0.043	0.042	0.039	0.054	0.053	0.066
Armenia	0.013	0.018	0.043	0.042	0.039	0.054	0.053	0.066
Guyana	0.010	0.008	0.043	0.042	0.038	0.053	0.052	0.066
Kyrgyz Republic	0.010	0.014	0.042	0.041	0.037	0.052	0.051	0.065
Cambodia	0.031	0.032	0.041	0.040	0.037	0.052	0.051	0.064
Tajikistan	0.011	0.014	0.041	0.040	0.037	0.051	0.050	0.064
Congo, Republic of	0.032	0.029	0.040	0.039	0.035	0.050	0.049	0.063
Haiti	0.012	0.018	0.038	0.038	0.034	0.049	0.048	0.062
Somalia	0.002	0.002	0.038	0.038	0.034	0.049	0.048	0.062
Rwanda	0.006	0.011	0.037	0.037	0.034	0.048	0.047	0.061
Burundi	0.003	0.004	0.036	0.035	0.032	0.047	0.046	0.060
Turkmenistan	0.046	0.056	0.035	0.035	0.041	0.046	0.045	0.069
Togo	0.008	0.011	0.034	0.034	0.031	0.045	0.044	0.059
Nepal	0.020	0.033	0.033	0.033	0.030	0.044	0.043	0.058
Fiji	0.011	0.011	0.033	0.032	0.029	0.044	0.043	0.058

Table 1. Quota and Voting Shares – By Member 1/ (continued)
(In percent)

	Calculated Quota Shares		Quota Shares			Voting Shares		
	Existing Five Formulas	New Formula 2/	Pre First Round	Post First Round	Post Second Round 2/ 3/	Pre First Round	Post First Round	Post Second Round 2/ 3/
Malawi	0.006	0.010	0.032	0.032	0.029	0.043	0.042	0.057
Macedonia, FYR	0.027	0.030	0.032	0.032	0.029	0.043	0.042	0.057
Barbados	0.014	0.016	0.032	0.031	0.028	0.042	0.042	0.057
Niger	0.007	0.012	0.031	0.030	0.028	0.042	0.041	0.056
Estonia	0.072	0.060	0.031	0.030	0.039	0.041	0.041	0.067
Mauritania	0.007	0.009	0.030	0.030	0.027	0.041	0.040	0.055
Botswana	0.051	0.054	0.029	0.029	0.037	0.040	0.040	0.065
Benin	0.009	0.015	0.029	0.028	0.026	0.040	0.039	0.054
Burkina Faso	0.010	0.019	0.028	0.028	0.025	0.039	0.038	0.054
Chad	0.024	0.032	0.026	0.026	0.028	0.037	0.036	0.056
Central African Republic	0.003	0.006	0.026	0.026	0.023	0.037	0.036	0.052
Lao, People's Dem. Republic	0.007	0.013	0.025	0.024	0.022	0.036	0.035	0.051
Mongolia	0.010	0.012	0.024	0.023	0.021	0.035	0.034	0.050
Swaziland	0.020	0.018	0.024	0.023	0.021	0.035	0.034	0.050
Albania	0.027	0.031	0.023	0.022	0.025	0.034	0.033	0.054
Lesotho	0.011	0.010	0.016	0.016	0.015	0.027	0.027	0.044
Equatorial Guinea	0.041	0.038	0.015	0.015	0.022	0.026	0.026	0.050
Gambia, The	0.002	0.003	0.015	0.014	0.013	0.026	0.025	0.042
Montenegro	0.009	0.010	0.013	0.013	0.012	0.024	0.024	0.041
Belize	0.006	0.006	0.009	0.009	0.008	0.020	0.020	0.037
San Marino	0.020	0.013	0.008	0.008	0.009	0.019	0.019	0.039
Vanuatu	0.003	0.003	0.008	0.008	0.007	0.019	0.019	0.036
Djibouti	0.003	0.005	0.007	0.007	0.007	0.019	0.018	0.036
Eritrea	0.008	0.008	0.007	0.007	0.008	0.019	0.018	0.037
St. Lucia	0.004	0.004	0.007	0.007	0.006	0.018	0.018	0.036
Guinea-Bissau	0.004	0.004	0.007	0.007	0.006	0.018	0.018	0.035
Antigua and Barbuda	0.006	0.005	0.006	0.006	0.006	0.018	0.017	0.035
Grenada	0.003	0.003	0.005	0.005	0.005	0.017	0.017	0.034
Samoa	0.002	0.003	0.005	0.005	0.005	0.017	0.016	0.034
Solomon Islands	0.003	0.003	0.005	0.005	0.004	0.016	0.016	0.034
Cape Verde	0.004	0.005	0.004	0.004	0.005	0.016	0.016	0.034
Comoros	0.001	0.002	0.004	0.004	0.004	0.016	0.015	0.033
St. Kitts and Nevis	0.002	0.002	0.004	0.004	0.004	0.016	0.015	0.033
Seychelles	0.005	0.006	0.004	0.004	0.005	0.015	0.015	0.034
St. Vincent and the Grenadines	0.002	0.003	0.004	0.004	0.003	0.015	0.015	0.033

Table 1. Quota and Voting Shares – By Member 1/ (concluded)
(In percent)

	Calculated Quota Shares		Quota Shares			Voting Shares		
	Existing Five Formulas	New Formula 2/	Pre First Round	Post First Round	Post Second Round 2/ 3/	Pre First Round	Post First Round	Post Second Round 2/ 3/
Dominica	0.002	0.002	0.004	0.004	0.003	0.015	0.015	0.033
Maldives	0.005	0.005	0.004	0.004	0.004	0.015	0.015	0.034
Timor-Leste	0.007	0.006	0.004	0.004	0.005	0.015	0.015	0.034
Sao Tome and Principe	0.000	0.001	0.003	0.003	0.003	0.015	0.015	0.033
Tonga	0.001	0.002	0.003	0.003	0.003	0.015	0.014	0.032
Bhutan	0.004	0.005	0.003	0.003	0.004	0.014	0.014	0.033
Kiribati	0.003	0.002	0.003	0.003	0.002	0.014	0.014	0.032
Micronesia, Fed. States of	0.002	0.002	0.002	0.002	0.002	0.014	0.014	0.032
Marshall Islands	0.001	0.001	0.002	0.002	0.001	0.013	0.013	0.031
Palau, Republic of	0.001	0.002	0.001	0.001	0.001	0.013	0.013	0.031

Source: Finance Department.

1/ For the two countries that have not yet consented to, and paid for, their quota increases, 11th Review proposed quotas are used. Countries for which voting rights are suspended are included in total Fund votes. Includes Montenegro, which became a member on January 18, 2007 (pre-Singapore shares have been adjusted accordingly).
2/ Based on the following formula: CQS = (0.50*GDP + 0.30*Openness +0.15*Variability + 0.05*Reserves)^K. GDP blended using 60 percent market and 40 percent PPP exchange rates. K is a compression factor of 0.95.
3/ Based on an overall increase of 11.5 percent (first and second rounds combined); foregoing by six advanced country members (Germany, Ireland, Italy, Japan, Luxembourg, and the United States); uniform proportional reduction of out-of-lineness, based on members' pre-Singapore quota shares and taking into account the first round ad hoc increases provided to four members; minimum 15 percent increase in post-Singapore nominal quota for these four countries; a tripling of basic votes; and underrepresented EMDCs are eligible for minimum nominal quota increase (boost) of 40 percent for first and second rounds combined if their share of global PPP GDP is at least 75 percent greater than pre-Singapore quota share. Based on final rounded figures.
4/ Includes China, P.R., and Hong Kong SAR.

APPENDIX

Resolution No. [   ]

Reform of Quota and Voice in the International Monetary Fund

WHEREAS in response to the request of the Board of Governors set forth in Resolution 61-5, the Executive Board has submitted to the Board of Governors a report entitled "Reform of Quota and Voice in the International Monetary Fund: Report of the Executive Board to the Board of Governors", hereinafter the "Report"; and

WHEREAS the Executive Board has recommended increases in the quotas of a number of Fund members, all of whom have requested that their quotas be increased; and

WHEREAS in response to the request of the Board of Governors set forth in Resolution 61-5, the Executive Board has proposed an amendment of the Articles of Agreement that (a) would have the effect of increasing the number of basic votes of members and establish a mechanism to ensure that the ratio of the sum of the basic votes of all members to the sum of the total voting power of all members remains constant and (b) would enable each Executive Director elected by a large number of members to appoint a second Alternate Executive Director; and

WHEREAS the Chairman of the Board of Governors has requested the Secretary of the Fund to bring the proposal of the Executive Board before the Board of Governors; and

WHEREAS the Report of the Executive Board setting forth its proposal has been submitted to the Board of Governors by the Secretary of the Fund; and

WHEREAS the Executive Board has requested the Board of Governors to vote on the following Resolution without meeting, pursuant to Section 13 of the By-Laws of the Fund:

NOW THEREFORE, the Board of Governors, noting the recommendation and the said Report of the Executive Board, hereby RESOLVES that:

A.   Increase in Quotas of Members

1.   The International Monetary Fund proposes that, subject to the provisions of this Resolution, the quotas of members of the Fund listed in Attachment I to this Resolution shall be increased to the amounts shown against their names in Attachment I.

2.   A member's increase in quota shall not become effective unless the member in question has consented in writing to the increase and has paid to the Fund the full amount of such increase. Each member shall pay 25 percent of its increase either in special drawing rights or in the currencies of other members specified, with their concurrence, by the Fund, or in any combination of special drawing rights and such currencies. The balance of the increase shall be paid by each member in its own currency.

3   Each member shall consent to the proposed increase of its quota no later than October 31, 2008; provided that the Executive Board may extend this period as it may determine, taking into account, in particular, the need of members to obtain domestic legislative approval.

4   Each member shall pay to the Fund the increase in its quota within 30 days of the later of (a) the date on which it notifies the Fund of its consent or (b) the date on which the requirement for the effectiveness of the increase in quota under paragraph 5 below has been met; provided that the Executive Board may extend the payment period as it may determine.

5.   No increase in quota shall become effective before the entry into force of the proposed amendment of the Articles of Agreement approved by this Resolution.

B.   Future Quota Reviews

To ensure that members' quota shares continue to reflect their relative positions in the world economy, the Executive Board is requested to recommend further realignments of members' quota shares in the context of future general quota reviews, beginning with the Fourteenth General Review of Quotas.

C.   Amendment of the Articles of Agreement

1.   The proposed amendment of the Articles of Agreement of the International Monetary Fund set forth in Attachment II to this Resolution (the Proposed Amendment to Enhance Voice and Participation in the International Monetary Fund) is approved.

2.   The Secretary is directed to ask all members of the Fund, by circular letter or telegram, or other rapid means of communication, whether they accept, in accordance with the provisions of Article XXVIII of the Articles, the Proposed Amendment to Enhance Voice and Participation in the International Monetary Fund.

3.   The communication to be sent to all members in accordance with the previous paragraph shall specify that the Proposed Amendment to Enhance Voice and Participation in the International Monetary Fund shall enter into force for all members as of the date on which the Fund certifies, by formal communication addressed to all members, that three-fifths of the members, having eighty-five percent of the total voting power, have accepted the

Proposed Amendment to Enhance Voice and Participation in the International Monetary Fund.

D.   Members Entitled to Appoint Two Alternate Executive Directors

1.   Following the first regular election of Executive Directors after entry into force of the Proposed Amendment to Enhance Voice and Participation in the International Monetary Fund, an Executive Director elected by at least 19 members shall be entitled to appoint two Alternate Executive Directors.

2.   As a condition for appointing two Alternate Executive Directors, an Executive Director is required to designate by notification to the Secretary of the Fund: (i) the Alternate who shall act for the Executive Director when he is not present and both Alternates are present and (ii) the Alternate who shall exercise the powers of the Executive Director pursuant to Article XII, Section 3(f). By notification to the Secretary of the Fund, an Executive Director may change these designations at any time.

ATTACHMENT I

	Proposed Quota (In millions of SDRs)		Proposed Quota (In millions of SDRs)
Albania	60.0	Malaysia	1,773.9
Austria	2,113.9	Maldives	10.0
Bahrain	176.4	Mexico	3,625.7
Bhutan	8.5	Norway	1,883.7
Botswana	87.8	Oman	237.0
Brazil	4,250.5	Palau, Republic of	3.5
Cape Verde	11.2	Philippines	1,019.3
Chad	66.6	Poland	1,688.4
China	9,525.9	Portugal	1,029.7
Costa Rica	187.1	Qatar	302.6
Cyprus	158.2	San Marino	22.4
Czech Republic	1,002.2	Seychelles	10.9
Denmark	1,891.4	Singapore	1,408.0
Ecuador	347.8	Slovak Republic	427.5
Equatorial Guinea	52.3	Slovenia	275.0
Eritrea	18.3	Spain	4,023.4
Estonia	93.9	Syrian Arab Republic	346.8
Germany	14,565.5	Thailand	1,440.5
Greece	1,101.8	Timor-Leste	10.8
India	5,821.5	Turkey	1,455.8
Ireland	1,257.6	Turkmenistan	98.6
Israel	1,061.1	United Arab Emirates	752.5
Italy	7,882.3	United States	42,122.4
Japan	15,628.5	Vietnam	460.7
Kazakhstan	427.8		
Korea	3,366.4		
Latvia	142.1		
Lebanon	266.4		
Lithuania	183.9		
Luxembourg	418.7		

ATTACHMENT II

Proposed Amendment
of the Articles of Agreement
of the International Monetary Fund to Enhance Voice and Participation in the International
Monetary Fund

The Governments on whose behalf the present Agreement is signed agree as follows:

1.   The text of Article XII, Section 3(e) shall be amended to read as follows:

"(e)   Each Executive Director shall appoint an Alternate with full power to act for him when he is not present, provided that the Board of Governors may adopt rules enabling an Executive Director elected by more than a specified number of members to appoint two Alternates. Such rules, if adopted, may only be modified in the context of the regular election of Executive Directors and shall require an Executive Director appointing two Alternates to designate: (i) the Alternate who shall act for the Executive Director when he is not present and both Alternates are present and (ii) the Alternate who shall exercise the powers of the Executive Director under (f) below. When the Executive Directors appointing them are present, Alternates may participate in meetings but may not vote."

2.   The text of Article XII, Section 5(a) shall be amended to read as follows:

"(a)   The total votes of each member shall be equal to the sum of its basic votes and its quota-based votes.

>   (i)   The basic votes of each member shall be the number of votes that results from the equal distribution among all the members of 5.502 percent of the aggregate sum of the total voting power of all the members, provided that there shall be no fractional basic votes.

>   (ii)   The quota-based votes of each member shall be the number of votes that results from the allocation of one vote for each part of its quota equivalent to one hundred thousand special drawing rights."

3.   The text of paragraph 2 of Schedule L shall be amended to read as follows:

"2   The number of votes allotted to the member shall not be cast in any organ of the Fund. They shall not be included in the calculation of the total voting power, except for purposes of: (a) the acceptance of a proposed amendment pertaining exclusively to the Special Drawing Rights Department and (b) the calculation of basic votes pursuant to Article XII, Section 5(a)(i)."