

Renminbi Joins the SDR Basket on October 1, 2016



The Special Drawing Right (SDR) is an international reserve asset,

created by the IMF in 1969 to supplement the existing official reserves of member countries. SDRs are allocated to member countries in proportion to their IMF quotas. The SDR also serves as the unit of account of the IMF and some other international organizations.



1974

Introduction of a 16-currency basket



1981

Reduction to a 5-currency basket



1999

Inclusion of the euro as a replacement of the Deutsche mark and the French franc



2016

Inclusion of the Chinese Renminbi

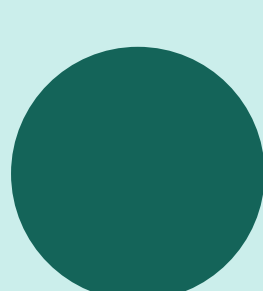
The value of the SDR is defined using a basket of major currencies, which are selected based on their importance in the world's financial and trading systems.

The IMF Executive Board reviews the composition of the SDR basket every five years. This composition is revised to reflect major changes in the roles of various currencies in the global economy. In the most recent review, the Board expanded the basket to include the Chinese Renminbi along with the dollar, euro, pound sterling, and yen.

What is the currency weighting of the SDR Basket?

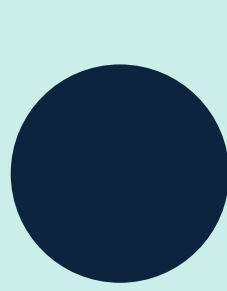
As of October 1, 2016, the five currencies in the new SDR basket will be weighted as follows, based on the formula agreed by the IMF Executive Board:

New weights



41.73%

● US Dollar



30.93%

● Euro



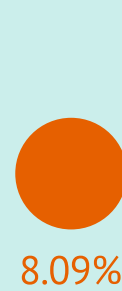
10.92%

● Renminbi



8.33%

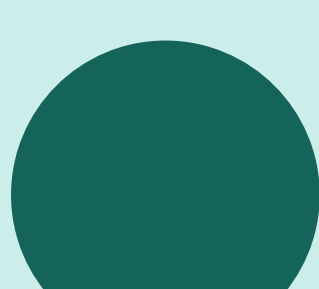
● Yen



8.09%

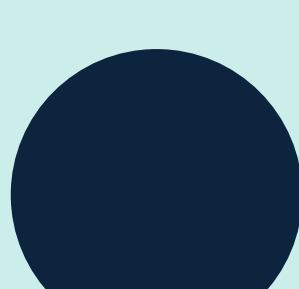
● Pound Sterling

Previous weights



41.9%

● US Dollar



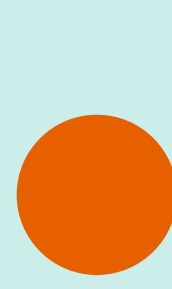
37.4%

● Euro



9.4%

● Yen



11.3%

● Pound Sterling



"The Executive Board's decision to include the renminbi in the SDR basket is an important milestone in the integration of the Chinese economy into the global financial system."

IMF Managing Director Christine Lagarde