



IMF POLICY PAPER

EXTENSION OF THE PERIOD FOR CONSENT TO INCREASE QUOTAS UNDER THE SIXTEENTH GENERAL REVIEW OF QUOTAS AND TO THE NAB ROLLBACK

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- The **Staff Report**, prepared by IMF staff and completed on October 31, 2024, for the Executive Board's consideration on Lapse of Time Basis by November 8, 2024.

[The documents listed below have been or will be separately released.]

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EXTENSION OF THE PERIOD FOR CONSENT TO INCREASE QUOTAS UNDER THE SIXTEENTH GENERAL REVIEW OF QUOTAS AND TO THE NAB ROLLBACK

Approved By
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Prepared by the Finance (FIN) Department, in consultation with Legal (LEG), Strategy, Policy and Review (SPR), and Secretary's (SEC) Departments.

BACKGROUND

1. **The conclusion of the 16th General Review of Quotas (GRQ) envisages an increase in quotas and a rollback of the New Arrangements to Borrow (NAB).** On December 15, 2023, the IMF's Board of Governors adopted Resolution No. 79-1 on the 16th GRQ which proposes a 50 percent increase in the quotas of all Fund members, conditional on a reduction ("rollback") in the credit arrangements under the NAB. The deadline for receiving member consents to their quota increase and the NAB rollback is November 15, 2024.¹

2. **This paper proposes a six-month extension of the period for consent to the quota increase and the NAB rollback under the 16th GRQ.** Such extension will also extend the period of consent for quota increases under the 14th GRQ (Resolution No. 79-1).²

EXTENSION OF THE PERIOD FOR CONSENT

3. **Effectiveness of the quota increases and the NAB rollback require a high level of consents.** In particular, no increase in a member's quota will become effective until: (i) the Executive Board has determined that members having not less than 85 percent of the total quotas as of November 7, 2023 have consented in writing to the

¹ The Executive Board decision approving the NAB rollback established a safeguard mechanism pursuant to which the rollback can become effective once consents from participants representing 90 percent of total credit arrangements have been secured. Specifically, if a participant is unable to consent to the proposed rollback by the deadline, the proposed change in its credit arrangement would be automatically withdrawn, provided consents from participants representing 90 percent of total arrangements have consented.

² Two members have not yet consented to their proposed quota increase under the 14th GRQ.

increases in their quotas, and (ii) the Executive Board has determined that consents from the NAB participants representing not less than 90 percent of total credit arrangements have been received to allow for the rollback of their NAB credit arrangements.³

4. The deadline to provide consents to the proposed quota increase and to the rollback of NAB credit arrangements under the NAB rollback safeguards mechanism, is November 15, 2024. The Executive Board may extend these deadlines as it may determine.

5. Consents received so far fall short of meeting the conditions for the effectiveness of the quota increases under the 16th GRQ. As of October 31, 2024, 42 IMF members having 36.65 percent of the total quotas on November 7, 2023, have provided their consent to their respective quota increases under the 16th GRQ, and 21 NAB participants whose credit arrangements amount to 51.37 percent of total NAB credit arrangements have provided consents to the rollback of NAB credit arrangements, including their own respective arrangements (Annex I).

6. Given the limited time available to reach the required consents before the deadline, this paper proposes to extend the period for consents by six months. Under the proposal, the period for consents is to end at 6:00 p.m., Washington D.C. time, on May 15, 2025. The proposal for a six-month extension is consistent with the past practice of deadline extensions in similar situations, for example, under the 14th GRQ.⁴

TRANSITIONAL ARRANGEMENTS

7. The Fund is adequately resourced at the current juncture, with arrangements being put in place to extend the 2020 BBAs beyond end-2024. The current term of the 2020 BBAs is set to expire at end-2024. To maintain the Fund's lending capacity in the event of a delay in the effectiveness of quota increases, the Executive Board approved in March 2024 transitional arrangements. These arrangements seek to extend the 2020 BBAs until the general effectiveness conditions for the quota increases under the 16th GRQ have been met. At the request of creditors, their individual amended BBAs could also provide for a maximum term of end-2027. Annex II reports the status of consents to BBA extensions as of October 31, 2024.

³ See [Rollback of Credit Arrangements in the New Arrangements to Borrow](#) .

⁴ All extensions approved under the 14th GRQ between 2011 and 2019, i.e., before the COVID-19 pandemic, were six-month extensions. Starting in 2020 and responding to streamlining efforts following the pandemic, one-year extensions have been approved.

Proposed Decisions

The following decisions, which may be adopted by a majority of the votes cast, are proposed for adoption by the Executive Board:

Decision 1 – Extension of Consent Period for Quota Increases Under 16th GRQ

Pursuant to paragraph 4 of Resolution No. 79-1, *Sixteenth General Review of Quotas and Rollback of Credit Arrangements under the New Arrangements to Borrow (NAB)*, the Executive Board decides that notices of consent from members to increases in their quotas must be received in the Fund before 6:00 p.m., Washington D.C. time, on May 15, 2025.

Decision 2 – Extension of Consent Period for NAB Rollback

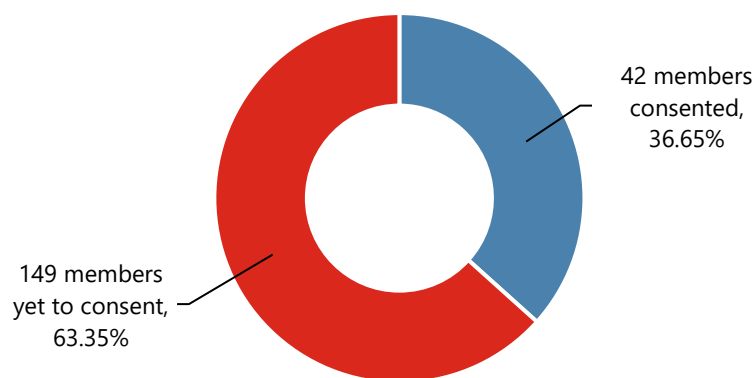
Pursuant to paragraph 2 of Decision No. 17665-(24/11), the Executive Board decides that the deadline after which the proposed change to the credit arrangement of a non-consenting participant will be deemed to have been withdrawn shall be changed to May 15, 2025.

Annex I. Status of Consents to the Quota Increase and the NAB Rollback

1. Status of quota consents. As of October 31, 2024, 42 IMF members having 36.65 percent of the total quotas on November 7, 2023, have provided their consent to the proposed quota increase under the Sixteenth General Review of Quotas. A total of 149 IMF members have still not provided consent to the proposed quota increase. To meet the 85 percent threshold, consents from members representing a cumulative 48.35 percent of the total quotas are still required.

Figure 1. Proposed Quota Increase: Status of Consents 1/
(in percent of total quotas, unless otherwise indicated) 2/

| | | | |
|--------------------------------------|-----|--|-------|
| Number of consents received | 42 | Threshold of consents required 3/ | 85.00 |
| Number of consents yet to receive 5/ | 149 | Quota share of the 42 members, consented | 36.65 |
| | | Quota share of the 149 members, yet to consent 4/ 5/ | 63.35 |



Source: IMF Finance Department.

1/ As of October 31, 2024.

2/ Total paid-in quota as of November 7, 2023.

3/ Threshold of quota consents required as per Resolution 79-1.

4/ The Islamic Republic of Afghanistan, Myanmar, and Venezuela are not able to consent to their quota increase at this stage.

5/ The Principality of Liechtenstein became the 191st member of the Fund on October 21, 2024. As per the BOG's Resolution 79-1, the quota shares are those as of November 7, 2023.

Table 1. Proposed Quota Increase: Member Countries that have Consented 1/

| Count | Country | Quota Shares |
|--------------|---------------------------------|---------------------|
| 1 | Algeria | 0.41 |
| 2 | Australia | 1.38 |
| 3 | Austria | 0.83 |
| 4 | Benin | 0.03 |
| 5 | Brazil | 2.32 |
| 6 | Canada | 2.31 |
| 7 | Czech Republic | 0.46 |
| 8 | Denmark | 0.72 |
| 9 | Dominican Republic | 0.10 |
| 10 | El Salvador | 0.06 |
| 11 | Estonia, Republic of | 0.05 |
| 12 | Eswatini, Kingdom of | 0.02 |
| 13 | Gabon | 0.05 |
| 14 | Gambia, The | 0.01 |
| 15 | Georgia | 0.04 |
| 16 | Germany | 5.59 |
| 17 | Ghana | 0.15 |
| 18 | Haiti | 0.03 |
| 19 | Indonesia | 0.98 |
| 20 | Israel | 0.40 |
| 21 | Japan | 6.47 |
| 22 | Jordan | 0.07 |
| 23 | Kuwait | 0.41 |
| 24 | Latvia, Republic of | 0.07 |
| 25 | Lebanon | 0.13 |
| 26 | Lithuania, Republic of | 0.09 |
| 27 | Malaysia | 0.76 |
| 28 | Mauritania, Islamic Republic of | 0.03 |
| 29 | Mongolia | 0.02 |
| 30 | Montenegro | 0.01 |
| 31 | Netherlands | 1.83 |
| 32 | Nicaragua | 0.05 |
| 33 | Nigeria | 0.52 |
| 34 | Norway | 0.79 |
| 35 | Poland, Republic of | 0.86 |
| 36 | Russian Federation | 2.71 |

Table 1. Proposed Quota Increase: Member Countries that have Consented (concluded)

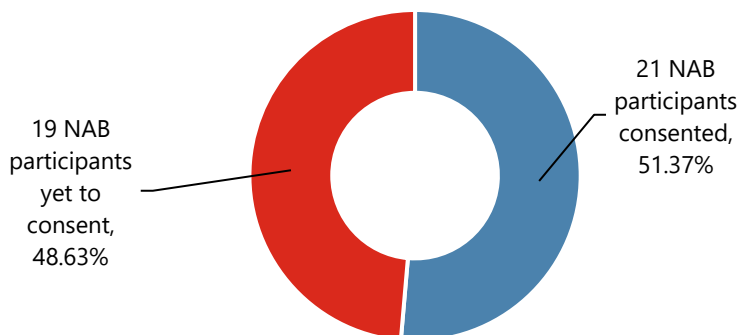
| Count | Country | Quota Shares |
|--------------|-------------------------|--------------|
| 37 | Serbia, Republic of | 0.14 |
| 38 | Slovenia, Republic of | 0.12 |
| 39 | Sweden | 0.93 |
| 40 | Tajikistan, Republic of | 0.04 |
| 41 | Ukraine | 0.42 |
| 42 | United Kingdom | 4.23 |
| Total | | 36.65 |

Source: IMF Finance Department.
1/ As of October 31, 2024.

2. Status of NAB rollback consents. As of October 31, 2024, 21 NAB participants whose credit arrangements amount to 51.37 percent of total NAB credit arrangements have provided valid and verified consents to the rollback of NAB credit arrangements, including their own respective arrangements. Consents from participants with a further 38.63 percent of NAB credit arrangements would be necessary to reach the safeguard threshold set by the Executive Board.

Figure 2. Proposed NAB Rollback: Status of Consents 1/
(in percent of total NAB credit arrangements, unless otherwise indicated) 2/

| | | | |
|-----------------------------------|----|--|-------|
| Number of consents received | 21 | Threshold of consents required | 90.00 |
| Number of consents yet to receive | 19 | Share in NAB credit arrangements: 21 participants consented: | 51.37 |
| | | Share in NAB credit arrangements: 19 participants, yet to consent: | 48.63 |



Source: IMF Finance Department.
1/ As of October 31, 2024.
2/ NAB total credit arrangements as of November 7, 2023.

Table 2. Proposed NAB Rollback: Participants that have Consented 1/

| Count | Participant | Share in total NAB credit arrangements |
|--------------|------------------------------|---|
| 1 | Australia | 1.22 |
| 2 | Austria | 1.00 |
| 3 | Banco Central de Chile | 0.38 |
| 4 | Bangko Sentral ng Pilipinas | 0.19 |
| 5 | Bank of Israel | 0.19 |
| 6 | Brazil | 2.44 |
| 7 | Canada | 2.13 |
| 8 | Danmarks Nationalbank | 0.89 |
| 9 | Deutsche Bundesbank | 7.07 |
| 10 | Hong Kong Monetary Authority | 0.19 |
| 11 | India | 2.44 |
| 12 | Japan | 18.39 |
| 13 | Kuwait | 0.09 |
| 14 | Malaysia | 0.19 |
| 15 | Mexico | 1.39 |
| 16 | National Bank of Poland | 0.71 |
| 17 | Netherlands | 2.52 |
| 18 | Norway | 1.08 |
| 19 | Russian Federation | 2.44 |
| 20 | Sveriges Riksbank | 1.24 |
| 21 | United Kingdom | 5.20 |
| | Total | 51.37 |

Source: IMF Finance Department.

1/ As of October 31, 2024.

Annex II. Status of Creditors' Consents to the Extensions of the 2020 BBAs

1. As of October 31, 2024, 16 creditors representing 46.21 percent of the total commitment under the 2020 BBAs have completed the consent procedure, making the extension of their BBAs effective. Among the creditors that have consented, six have their BBA terms extended until the general effectiveness conditions for the quota increases under the 16th GRQ have been met; the remaining seven have the BBA terms extended until the general effectiveness conditions for the quota increases under the 16th GRQ have been met, or December 31, 2027, whichever comes first.

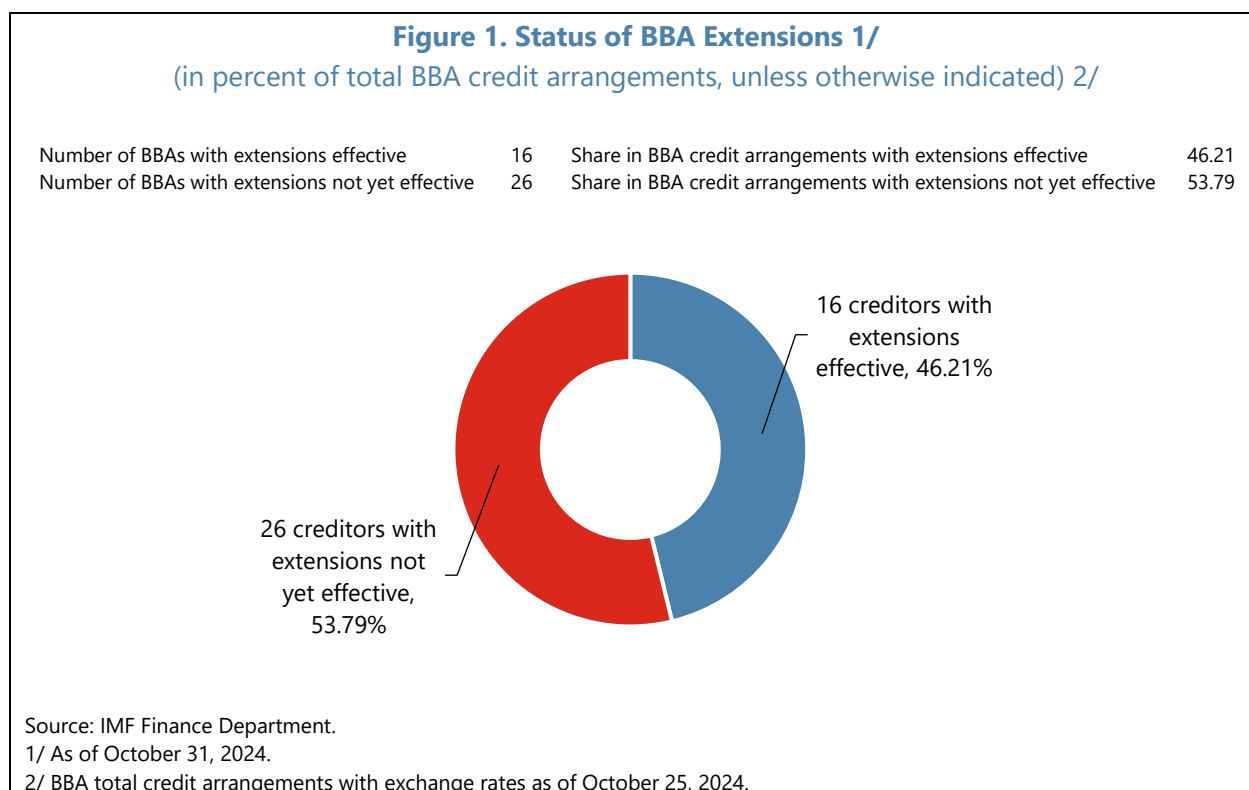


Table 1. BBA Extensions: Creditors with Effective BBA Extensions 1/

| Count | Creditors | SDR (in bn) 2/ | Share in total BBAs |
|--------------|---|-----------------------|----------------------------|
| 1 | Banco de Mexico | 3.24 | 2.29 |
| 2 | Bangko Sentral ng Pilipinas | 0.32 | 0.23 |
| 3 | Bank of Slovenia | 0.32 | 0.23 |
| 4 | Canada | 3.53 | 2.50 |
| 5 | Central Bank of the Republic of Türkiye | 1.62 | 1.15 |
| 6 | Central Bank of the Russian Federation | 2.93 | 2.08 |
| 7 | Central Reserve Bank of Peru | 0.47 | 0.34 |
| 8 | Danmarks Nationalbank | 1.86 | 1.32 |
| 9 | Deutsche Bundesbank | 14.55 | 10.30 |
| 10 | Japan | 19.43 | 13.76 |
| 11 | Korea | 4.86 | 3.44 |
| 12 | Narodowy Bank Polski | 2.20 | 1.56 |
| 13 | Oesterreichische Nationalbank | 2.15 | 1.52 |
| 14 | South African Reserve Bank | 0.65 | 0.46 |
| 15 | Swiss National Bank | 3.18 | 2.25 |
| 16 | United Kingdom | 3.95 | 2.80 |
| TOTAL | | 65.25 | 46.21 |

Source: IMF Finance Department

1/ As of October 31, 2024.

2/ BBA total credit arrangements with exchange rates as of October 25, 2024.