IMF POLICY PAPER

REVIEW OF THE METHOD OF VALUATION OF THE SDR—AMENDMENT TO RULE O-1

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- The Staff Report, prepared by IMF staff and completed on September 30, 2016 for the Executive Board’s consideration on September 30, 2016.

The IMF’s transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities’ policy intentions in published staff reports and other documents.


International Monetary Fund
Washington, D.C.
This paper seeks Executive Board approval of an amendment to Rule O-1, which specifies the currency amounts in the SDR valuation basket.

In accordance with Decision No. 15891-(15/109), adopted November 30, 2015, as amended by Decision No. 16033-(16/71), adopted on July 20, 2016, on the method of valuation of the SDR, the amounts of each currency to be included in the SDR valuation basket, effective October 1, 2016, have been determined and are illustrated in Table 1, column 3.

These currency amounts are calculated such that the value of the SDR in U.S. dollar terms is the same under the new basket as the value of the SDR prevailing today, and that, at the average exchange rates for the three-month period ending today (July 1 through September 30, 2016), the share of each currency in the value of the SDR corresponds to the weight approved by the IMF Executive Board on November 30, 2015. Table 1, column 9 shows that the shares of the currencies in the value of the SDR are in fact equivalent to the weights approved on November 30, 2015.
Proposed Decision

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

Effective October 1, 2016, Rule O-1, which specifies the amounts of the currencies in the SDR valuation basket, shall be amended to read as follows:

“Rule O-1. The value of the SDR shall be the sum of the values of the following amounts of the following currencies:

U.S. dollar 0.58252
Euro 0.38671
Chinese yuan 1.0174
Japanese yen 11.900
Pound sterling 0.085946”
Table 1. Calculation of Amounts of Currency Units to be Listed in Amended Rule O-1, Effective October 1, 2016

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<tr>
<td></td>
<td>Sep. 30, 2016 (TEX)</td>
<td>Jul. 1 - Sep. 30 (BEX)</td>
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<tr>
<td>U.S. dollar</td>
<td>1</td>
<td>1</td>
<td><strong>0.58252</strong></td>
<td>0.582520</td>
<td>0.582520</td>
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<tr>
<td>Euro</td>
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<td>1.116498</td>
<td><strong>0.38671</strong></td>
<td>0.431800</td>
<td>0.431761</td>
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<td>Chinese yuan</td>
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<td>0.149828</td>
<td><strong>1.0174</strong></td>
<td>0.152445</td>
<td>0.152435</td>
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<td>Japanese yen</td>
<td>0.00988631</td>
<td>0.00977142</td>
<td><strong>11.900</strong></td>
<td>0.117647</td>
<td>0.116280</td>
<td>8.33</td>
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<tr>
<td>Pound sterling</td>
<td>1.2961</td>
<td>1.313967</td>
<td><strong>0.085946</strong></td>
<td>0.111395</td>
<td>0.112930</td>
<td>8.09</td>
<td>0.00</td>
</tr>
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</table>

**On September 30, 2016**  
SDR1 = US$ 1.39581 2/ = Sum 1.39581 2/ 1.395926 (6)

Source: IMF Finance Department.

1/ The exchange rates are expressed as U.S. dollars per currency unit.
2/ The value in U.S. dollars of one SDR, rounded to six significant digits.
5/ The total may not reflect the sum of displayed components due to rounding.