IMF Standing Borrowing Arrangements

Through the New Arrangements to Borrow (NAB), the IMF's main backstop for quota resources, a number of member countries and institutions stand ready to lend additional resources to the IMF. The General Agreements to Borrow (GAB) allows IMF borrowing from a more limited number of countries and institutions in circumstances where the NAB cannot be activated.

New Arrangements to Borrow (NAB)

The NAB is a set of credit arrangements between the IMF and 38 member countries and Institutions, including several emerging market countries. The NAB is used in circumstances in which the IMF needs to supplement its quota resources for lending purposes. The NAB is subject to periodic renewal. In November 2016, the IMF's Executive Board approved its renewal for another five years starting in November 2017.

Decision to triple the IMF's lending resources

As part of efforts to overcome the global financial crisis, in April 2009, the Group of Twenty industrialized and emerging market economies (G20) agreed to increase the resources available to the IMF by up to $500 billion, thus tripling total pre-crisis lending resources of about $250 billion.

This broad goal was endorsed by the International Monetary and Financial Committee (IMFC). The increase was made in two steps: first, through bilateral financing from IMF member countries; second, by incorporating this financing into an expanded and more flexible NAB.

Origins of the NAB

The original NAB was proposed at the 1995 G7 Halifax Summit following the Mexican financial crisis. Growing concern that substantially more resources might be needed to respond to future financial crises prompted participants in the Summit to call on the G10 and other financially strong countries to develop financing arrangements that would double the amount available under the GAB. In January 1997, the IMF's Executive Board adopted a decision establishing the NAB, which became effective in November 1998.

Participants and Amounts of Credit Arrangements
(in Millions of SDRs)[1]

Current Participants	Amount
Australia	2,220.45
Austria	1,818.49
Banco Central de Chile	690.97
Banco de Portugal	783.50
Bangko Sentral ng Pilipinas	340.00
Bank of Israel	340.00
Belgium	3,994.33
Brazil	4,440.91
Canada	3,873.71
China	15,860.38
Cyprus	340.00
Danmarks Nationalbank	1,629.76
Deutsche Bundesbank	12,890.02
Finland	1,133.88
France	9,479.16
Hong Kong Monetary Authority	340.00
India	4,440.91
Italy	6,898.52
Japan	33,508.50
Korea	3,344.82
Kuwait	341.29
Luxembourg	493.12
Malaysia	340.00
Mexico	2,537.66
National Bank of Poland	1,285.40
Netherlands	4,594.80
New Zealand	340.00
Norway	1,966.69
Russian Federation	4,440.91
Saudi Arabia	5,652.74
Singapore	648.55
South Africa	340.00
Spain	3,405.14
Sveriges Riksbank	2,255.68
Swiss National Bank	5,540.66
Thailand	340.00
United Kingdom	9,479.16
United States	28,202.47
Total	180,572.58
New Participants	
Greece	840.60
Ireland	957.97
Total after adherence by new participants	182,371.15

1/ Credit arrangements are subject to a minimum of SDR 340 million.

Expanded NAB

The amended NAB, which became effective on March 11, 2011, increased the maximum amount of resources available to the IMF under the NAB to SDR 370 billion (about $580 billion at the time), from SDR 34 billion. To make the expanded NAB a more effective tool of crisis prevention and management, the loan-by-loan activation under the original NAB was replaced by the establishment of general activation periods of up to six months. The activation periods are subject to a specified maximum level of commitments.

NAB rollback

In the context of the agreement in December 2010 to double the IMF's quota resources under the 14th General Review of Quotas, members agreed on a corresponding rollback of the NAB, resulting in a shift in the composition of the IMF's resources from NAB to quotas. Following the payments for quota increases under the 14th Review in February 2016, the NAB has been rolled back from SDR 370 billion to SDR 182 billion.

How the NAB is used

The IMF's Managing Director must make a proposal to activate the NAB. The proposal becomes effective when accepted by participants representing 85 percent of total credit arrangements and eligible to vote. Approval by the IMF's Executive Board is also required. The NAB was activated for the first time in December 1998. Since its enlargement in March 2011, the NAB has been activated ten times. The last activation was terminated at the end of the quota payment period for the quota increases under the 14th Review (February 25, 2016).

General Agreements to Borrow (GAB)

The GAB enables the IMF to borrow specified amounts of currencies from 11 advanced countries (or their central banks), under certain circumstances. The GAB may only be activated when a proposal to activate NAB is rejected by NAB participants.

The potential amount of credit available to the IMF under the GAB totals SDR 17 billion, with an additional SDR 1.5 billion available under an associated borrowing arrangement with Saudi Arabia. The GAB was established in 1962 and expanded to its current size in 1983, from about SDR 6 billion. It has been activated ten times, the last time in 1998. The GAB and the associated credit arrangement with Saudi Arabia was renewed, without modifications, for a period of five years from December 26, 2013.

GAB Participants and Credit Amounts

Participant	Original GAB (1962–1983) Amount (SDR million[1])	Enlarged GAB (1983–2018) Amount (SDR million)
Belgium	143	595
Canada	165	893
Deutsche Bundesbank	1,476	2,380
France	395	1,700
Italy	235	1,105
Japan[2]	1,161	2,125
Netherlands	244	850
Sveriges Riksbank	79	383
Swiss National Bank		1,020
United Kingdom	565	1,700
United States	1,883	4,250
Total	**6,344**	**17,000**
Saudi Arabia (associated credit arrangement)		1,500

[1] SDR equivalent as at October 30, 1982.
[2] 250,000 million yen entered into effect on November 23, 1976.
Note: Total may not equal sum of components due to rounding.

Participants have agreed unanimously that the GAB should be allowed to lapse when its current term ends on December 25, 2018. GAB participants noted that, while the GAB has served a useful role in the past, its importance as a backstop against potential systemic shocks has declined substantially over the years. The associated agreement with Saudi Arabia will also not be renewed and its term will also end on December 25, 2018.