



## IMF POLICY PAPER

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### EXTENSION OF THE PERIODS FOR PAYMENT OF QUOTA INCREASES UNDER THE FOURTEENTH GENERAL REVIEW OF QUOTAS AND THE 2008 REFORM

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- The **Staff Report** on Extension of the Periods for Payment of Quota Increases Under the Fourteenth General Review of Quotas and the 2008 Reform, prepared by IMF staff. The proposed decision in the paper was approved by the Executive Board on May 25, 2016.

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## EXTENSION OF THE PERIODS FOR PAYMENT OF QUOTA INCREASES UNDER THE FOURTEENTH GENERAL REVIEW OF QUOTAS AND THE 2008 REFORM

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1. This paper proposes a further 34-day extension of the period for payment of quota increases under the Fourteenth General Review of Quotas ("Fourteenth Review"), and an extension for the payment of the quota increases under the 2008 Reform, through June 30, 2016.
2. For the Fourteenth Review, under Board of Governors Resolution No. 66-2, each member shall pay to the Fund the increase in its quota within 30 days after the later of (a) the date on which it notifies the Fund of its consent, or (b) the date on which all of the general effectiveness conditions for the quota increases under the Fourteenth Review are met, provided that the Executive Board may extend the payment period as it may determine.<sup>1</sup> The initial 30-day period for payments has been extended three times, most recently through May 27, 2016.<sup>2</sup> Good progress is being made in implementing the quota payments.<sup>3</sup> However, some members have indicated that they require additional time to complete internal procedures for the payment of quota increases. Staff is following up with the authorities in each of these cases to facilitate timely arrangements for payments.

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<sup>1</sup> See paragraph 5 in [Board of Governors Resolution No. 66-2](#), *Fourteenth General Review of Quotas and Reform of the Executive Board*. Likewise, under Resolution No. 66-2 (paragraph 4), the Executive Board may also extend the period for consent as it may determine. The initial period for consent in Resolution No. 66-2 was December 31, 2011. The Executive Board has extended this period on several occasions, most recently until June 30, 2016; see [Extension of the Period for Consent to Increase Quotas Under the Fourteenth General Review of Quotas, the 2008 Reform of Quota and Voice, and the Eleventh General Review of Quotas](#) (12/17/15).

<sup>2</sup> See [Extension of the Periods for Payment of Quota Increases Under the Fourteenth General Review of Quotas and the 2008 Reform](#) (4/21/16).

<sup>3</sup> As of May 19, 179 members had consented to their quota increase and 167 members had paid their quota increases.

3. With respect to the 2008 Reform, among members that have consented to their ad hoc quota increases under the 2008 Reform, two members – Eritrea and the Syrian Arab Republic – require additional time to complete the payments for their ad hoc quota increases.<sup>4</sup> The Executive Board has previously extended the payment deadline for these countries, most recently in April 2016.<sup>5</sup> Their deadline for payment is currently May 27, 2016.

4. The Period for Consent to Increase Quotas Under the Fourteenth General Review of Quotas, the 2008 Reform of Quota and Voice, and the Eleventh General Review of Quotas has been extended on several occasions, most recently until June 30, 2016.<sup>6</sup> Synchronizing the extension of the periods for consent to and payment of quota increases would allow streamlining of administrative procedures and adoption of associated decisions. The appropriate length of possible further extensions in the periods for consent to and payment of quota increases could then be considered simultaneously in a single document before June 30, 2016.

5. In these circumstances, it is proposed that the Executive Board extend the period for payment of the quota increases under the Fourteenth General Review of Quotas through June 30, 2016 for those members whose quota payments would otherwise be due earlier.<sup>7</sup> It is also proposed that the Executive Board extend the period for payment of the quota increases under the 2008 Reform for Eritrea and the Syrian Arab Republic through June 30, 2016.

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<sup>4</sup> 49 of the 54 members eligible for ad hoc quota increases under the 2008 Reform have consented to their quota increases. Except Eritrea and the Syrian Arab Republic, all members that consented have also made corresponding quota subscription payments. All five members that have not yet consented to their 2008 Reform quota increases (Bahrain, Bhutan, Costa Rica, Palau, and Turkmenistan) have, however, consented to their quota increases under the Fourteenth General Review, and four of these five members (Bahrain, Bhutan, Costa Rica, and Turkmenistan) have paid for their Fourteenth Review quota increases.

<sup>5</sup> [Extension of the Periods for Payment of Quota Increases Under the Fourteenth General Review of Quotas and the 2008 Reform](#) (4/21/16).

<sup>6</sup> See [Extension of the Period for Consent to Increase Quotas Under the Fourteenth General Review of Quotas, the 2008 Reform of Quota and Voice, and the Eleventh General Review of Quotas](#) (12/17/15).

<sup>7</sup> Consistent with Resolution No. 66-2, members that consent on or after May 27, 2016 will continue to have 30 days to make the quota subscription payment from the date of their consent.

## Proposed Decisions

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

### **Decision 1: Extension of the Period of Payment of Quota Increase Under the Fourteenth General Review of Quotas**

Pursuant to paragraph 5 of Board of Governors Resolution No. 66-2, *Fourteenth General Review of Quotas and Reform of the Executive Board*, the Executive Board decides that each member shall pay to the Fund the increase in its quota under the Fourteenth General Review by the later of (a) June 30, 2016, or (b) 30 days after the date on which it notifies the Fund of its consent.

### **Decision 2: Extension of the Period of Payment of Quota Increase Under the 2008 Reform**

Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 63-2, "Reform of Quota and Voice in the International Monetary Fund," the Executive Board decides to extend the period for payment of quota increase by Eritrea and the Syrian Arab Republic through June 30, 2016.