



INTERNATIONAL MONETARY FUND

The Short-term Liquidity Line (SLL)

The Short-term Liquidity Line (SLL) is a liquidity backstop for members with very strong policy frameworks and fundamentals, who face potential, moderate, short-term liquidity needs because of external shocks that generate balance of payment difficulties. It aims to minimize the risk of shocks evolving into deeper crises and spilling over to other countries.

Purpose	Provide support to countries facing potential, moderate, short-term balance of payment needs related to capital account pressures that could arise from external developments.
Eligibility	Very strong economic fundamentals and institutional policy frameworks.
	A sustained track record of implementing very strong policies or be in the process of implementing them. A commitment to maintain such policies in the future.
	In addition to a positive assessment of the country's policies in the most recent Article IV consultations , the country must have: <ul style="list-style-type: none">• A sustainable external position• A capital account position dominated by private flows• A track record of steady sovereign access to international capital markets at favorable terms• Sound public finances, including a sustainable public debt position.• Low and stable inflation, in the context of a sound monetary and exchange rate policy framework.• Sound financial system and the absence of solvency problems that may threaten systemic stability.• Effective financial sector supervision• Data integrity and transparency

	<p>The above criteria is the same as the Flexible Credit Line (FCL). This facilitates the transition from the FCL to the SLL, if the special balance of payment need requirement is met (and vice-versa).</p>	
<p>Conditionality</p>	<p>None</p>	
	<p>For approval, the IMF's Executive Board extends an offer, which is contingent on the authorities' acceptance with a signed written communication within two weeks. Sole signatory of the central bank in the written communication is possible if certain requirements are met.</p>	
<p>Review modalities</p>	<p>No reviews</p>	
<p>Terms</p>	<p>Duration</p>	<p>12 months</p>
	<p>Repayment</p>	<p>12 months</p>
		<p>Less costly than the Flexible Credit Line (FCL) at the same access level when used on a purely precautionary basis.</p>
	<p>Interest rate</p>	<p>If a member draws, these charges apply:</p> <p>A lending rate comprising,</p> <ul style="list-style-type: none"> • The market-determined Special Drawing Rights (SDR) interest rate—which has a minimum floor of 5 basis points—and a margin (currently 100 basis points), together known as the basic rate of charge • Surcharges, depending on the amount and time that credit is outstanding. A surcharge of 200 basis points is paid on the amount of credit outstanding above 187.5

		<p>percent of quota. If credit remains above 187.5 percent of quota after three years, this surcharge rises to 300 basis points. Surcharges are designed to discourage large and prolonged use of IMF resources.</p> <p>A non-refundable commitment fee of 8 basis points (bps) and a service charge of 21 bps.</p> <p>If the country draws on the arrangement twice, costs are comparable to the cost of the FCL at similar access levels.</p>
	<p>Access</p>	<p>Access is capped at 145 percent of quota</p> <p>Access is revolving, enabling repeated partial or full purchases and repurchases within and across SLL arrangements. Repurchases would reconstitute the member's right to purchase up to the maximum access approved.</p> <p>Successor arrangements can be approved for as long as a member country continues to qualify and has a special balance of payments need.</p>