

INTERNATIONAL MONETARY FUND

**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**

Prepared by the Finance Department

(In consultation with the Legal and Secretary's Departments)

Approved by Andrew Tweedie

June 19, 2012

1. This paper proposes a six-month extension of the period for consent to increase quotas under the Fourteenth General Review of Quotas.<sup>1</sup> The current deadline is due to expire on June 30, 2012;<sup>2</sup> however, Resolution No. 66-2 provides that the Executive Board may extend the period for consent as it may determine. An extension under the Board of Governor's Resolution No. 66-2 will also extend the periods of consent for quota increases under the 2008 Reform of Quota and Voice (Resolution No. 63-2) and the Eleventh General Review of Quotas (Resolution No. 53-2).<sup>3</sup>

2. As of June 18, 2012, 80 members have not yet consented to their proposed quota increases under Resolution No. 66-2 (see Appendix I).<sup>4</sup> The membership committed to use its best efforts to complete, no later than the 2012 Annual Meetings, the necessary steps before individual quota increases can become effective, which requires two remaining conditions to be met: (1) consent to quota increases from members representing at least 70 percent of quotas as of November 5, 2010 and (2) entry into force of the proposed amendment of the Articles of Agreement on the Reform of the Executive Board, for which many members are

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<sup>1</sup> See Board of Governor's Resolution No. 66-2, *Fourteenth General Review of Quotas and Reform of the Executive Board*, which can be found at: <http://www.imf.org/external/pubs/ft/sd/index.asp?decision=66-2>.

<sup>2</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* (12/9/11) <http://www.imf.org/external/np/pp/eng/2011/120811a.pdf>.

<sup>3</sup> Paragraph 7 of Resolution No. 66-2 states: "For members that have not yet consented to their increases in quotas under the Eleventh General Review and under Board of Governors' Resolution No. 63-2, the deadline for consent to such quota increases shall be the date determined by or under paragraph 4 above".

<sup>4</sup> One hundred and eight members representing 66.95 percent of quotas on November 5, 2010 have consented to their quota increases.

still in the process of seeking completion of the necessary domestic legal approvals.<sup>5,6,7</sup> Once these steps are completed, members can pay for their quota increase to make them effective.

3. A few members still have to consent to their ad hoc quota increases under the 2008 Reform and the 11<sup>th</sup> General Review of Quotas. Eight of the 54 members eligible for quota increases under the 2008 Reform have not yet consented to their quota increases (see Appendix II). Furthermore, two members (Somalia and Sudan) are currently not eligible to consent to their quota increases under the 11<sup>th</sup> and 14<sup>th</sup> General Reviews due to protracted arrears to the Fund in the General Resources Account.<sup>8,9</sup>

4. In the circumstances and noting the timeline for the effectiveness of quota increases under the 14<sup>th</sup> General Review, it is proposed to extend the period for consent under Resolution No. 66-2 to end at 6:00 p.m., Washington time, on December 31, 2012. This proposal would not affect the efforts underway to secure the two remaining conditions for the effectiveness of the 14<sup>th</sup> Review quota increases as noted above.

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

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<sup>5</sup> To enter into force, the proposed amendment must be accepted by three-fifths of the members (i.e., 113 members), having eighty-five percent of the total voting power. As of June 18, 2011, 81 members accounting for 55.51 percent of the total voting power – Angola, Australia, Austria, The Bahamas, Bangladesh, Belarus, Belgium, Belize, Benin, Bhutan, Brazil, Brunei Darussalam, Burkina Faso, Cambodia, Cameroon, Central African Republic, China, Comoros, Croatia, Cyprus, Denmark, Dominica, Dominican Republic, El Salvador, Finland, France, Gabon, Germany, Greece, Guinea-Bissau, Guyana, Haiti, Honduras, Iceland, India, Ireland, Israel, Italy, Jamaica, Japan, Kenya, Korea, Lao People’s Dem. Republic, Lesotho, Malaysia, Maldives, Malta, Mauritius, Mexico, Montenegro, Morocco, Myanmar, Namibia, Nepal, Netherlands, Nicaragua, Norway, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Poland, Portugal, Samoa, Sao Tome and Principe, Seychelles, Sierra Leone, Singapore, Slovenia, Spain, Sri Lanka, St. Vincent and the Grenadines, Suriname, Swaziland, Sweden, Tonga, Trinidad and Tobago, Turkey, United Kingdom, and Vietnam—have accepted the amendment.

<sup>6</sup> The third condition for effectiveness was met on March 3, 2011 when the Voice and Participation Amendment entered into force.

<sup>7</sup> The Executive Board discussed *Proposed Amendment to the Articles of Agreement on the Reform of the IMF Executive Board and Fourteenth General Review of Quotas—Status of Acceptances and Consents* ( 6/4/2012) on June 11, 2012 <http://www.imf.org/external/np/pp/eng/2012/061212.pdf>.

<sup>8</sup> Resolutions No. 53-2 and 66-2 provide that no member with overdue purchases, charges, or assessments to the General Resources Account may consent to, or pay for, its quota increase until it becomes current with respect to these obligations.

<sup>9</sup> See *Review of the Fund's Strategy on Overdue Financial Obligations* (8/21/2011) <http://www.imf.org/external/np/pp/eng/2011/081911.pdf>.

**PROPOSED DECISION**

Pursuant to paragraph 4 of Resolution No. 66-2, *Fourteenth General Review of Quotas and Reform of the Executive Board*, the Executive Board decides that notices of consent from members to increases in their quotas must be received in the Fund by 6:00 p.m., Washington time, on December 31, 2012.

**Members' Consents to Increases in Quotas  
Under the Fourteenth General Quota Review of Quotas in the  
International Monetary Fund**

(as of June 18, 2012)

The 80 members listed below have not yet consented to their respective increases under the Board of Governors' Resolution No. 66-2:

Islamic Republic of Afghanistan	Hungary	Slovak Republic
Albania	Iraq	Solomon Islands
Argentina	Israel	Somalia
Armenia	Jordan	South Sudan
Austria	Kazakhstan	St. Kitts and Nevis
Azerbaijan	Kiribati	St. Lucia
Bahrain	Kosovo	Sudan
Bolivia	Kuwait	Switzerland
Bosnia-Herzegovina	Kyrgyz Republic	Syrian Arab Republic
Bulgaria	Lebanon	Tajikistan
Canada	Lithuania	Timor-Leste
Cape Verde	Macedonia, FYR	Togo
Central African Republic	Madagascar	Tunisia
Chile	Mali	Turkmenistan
Congo, Dem. Republic of	Marshall Islands	Tuvalu
Congo, Republic of	Mauritania	Ukraine
Costa Rica	Micronesia, Fed. States of	United Arab Emirates
Cyprus	Mongolia	United States
Czech Republic	Montenegro	Vanuatu
Ecuador	Morocco	Venezuela
Egypt	New Zealand	
Eritrea	Niger	
Estonia	Oman	
Fiji	Palau, Republic of	
Georgia	Senegal	
Ghana	Qatar	
Grenada	Rwanda	
Guatemala	Samoa	
Guinea	San Marino	
Guinea-Bissau	Sao Tome and Principe	

**Status of Members' Consents to  
Increases in Quotas Under the 2008 Reforms of Quota and Voice  
in the International Monetary Fund**

(as of June 18, 2012)

Under the Board of Governors' Resolution No. 63-2 on *Reform of Quota and Voice in the International Monetary Fund*, of the 54 members eligible for increases in quotas, 8 members listed below have not yet consented to their respective increases in quota.

Bahrain

Bhutan

Cape Verde

Costa Rica

Kazakhstan

Palau, Republic of

Timor-Leste

Turkmenistan