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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

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following document has been released and is included in this package.

- The **Staff Report** on 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 IMF staff. The proposed decision in the paper was approved by the Executive Board on December 24, 2015.

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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

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1. This paper proposes a further six-month extension of the period for consent to increase quotas under the Fourteenth General Review of Quotas.¹ The current deadline is due to expire on December 31, 2015,² however, Board of Governors Resolution No. 66-2 provides that the Executive Board may extend the period for consent as it may determine. An extension under 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).³
2. As of December 14, 2015, 21 members have not yet consented to their proposed quota increases under Resolution No. 66-2 (see Appendix I).⁴ Once the conditions for effectiveness of the individual quota increases are met, members may then pay for their quota increases to make them effective.⁵

¹ See Board of Governors 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>.

² 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* (06/11/2015), <http://www.imf.org/external/np/pp/eng/2015/061115c.pdf>.

³ 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".

⁴ One hundred and sixty-seven members representing 80.49 percent of quotas on November 5, 2010 have consented to their quota increases.

⁵ The outstanding condition is the entry into force of the Proposed Amendment on the Reform of the Executive Board, which must be accepted by three-fifths of the members (i.e., 113 members), having eighty-five percent of the total voting power. As of December 14, 2015, 147 members accounting for 77.25 percent of the total voting power have accepted the amendment. Please see <http://www.imf.org/external/np/sec/misc/consents.htm>. The

3. A few members still have to consent to their quota increases under the 2008 Reform and the 11th General Review of Quotas. Five of the 54 members eligible for ad hoc 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 11th and 14th General Reviews due to protracted arrears to the Fund in the General Resources Account.^{6,7}

4. In these circumstances, it is proposed to extend the period for consent under Resolution No. 66-2 to end at 6:00 p.m., Washington time, on June 30, 2016. This proposal would not affect the efforts underway to secure the remaining condition for the effectiveness of the 14th General Review quota increases as noted above.

second and third conditions—consent to quota increases from members representing at least 70 percent of quotas as of November 5, 2010 and effectiveness of the Voice and Participation Amendment—have been met.

⁶ Resolutions No. 53-2 and 66-2 provide that no member with overdue repurchases, 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.

⁷ See *Review of the Fund's Strategy on Overdue Financial Obligations* (8/20/2012), www.imf.org/external/np/pp/eng/2012/082012.pdf.

Proposed Decision

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

“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 June 30, 2016.”

Appendix I. Status of Members' Consents to Increases in Quotas Under the Fourteenth General Review of Quotas in the International Monetary Fund

(as of December 14, 2015)

The 21 members listed below have not yet consented to their respective quota increases under the Board of Governors Resolution No. 66-2:

Bahrain	Sudan
Bolivia	Syria
Bosnia and Herzegovina	Tuvalu
Cabo Verde	United Arab Emirates
Costa Rica	United States
Ecuador	Venezuela
Eritrea	
Grenada	
Guatemala	
Kyrgyz Republic	
Madagascar	
Micronesia	
Rwanda	
Somalia	
St. Kitts and Nevis	

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

(as of December 14, 2015)

The five members listed below have not yet consented to their respective quota increases under the Board of Governors Resolution No. 63-2:

Bahrain
Bhutan (*)
Costa Rica
Palau, Republic of (*)
Turkmenistan (*)

*Bhutan, Palau, and Turkmenistan have consented to their quota increases under the Fourteenth General Review.