

TABLE 2.1

## FINANCIAL TERMS UNDER IMF GENERAL RESOURCES ACCOUNT CREDIT

This table shows major nonconcessional lending facilities. Stand-By Arrangements have long been the core lending instrument of the institution. In the wake of the 2007–09 global financial crisis, the IMF strengthened its lending toolkit. A major aim was to enhance crisis prevention instruments through the creation of the Flexible Credit Line (FCL) and the Precautionary and Liquidity Line (PLL). In addition, the Rapid Financing Instrument (RFI), which can be used in a

Credit Facility (year adopted) <sup>1</sup>	Purpose	Conditions	Phasing and Monitoring
<b>Stand-By Arrangements (SBA) (1952)</b>	Short- to medium-term assistance for countries with short-term balance of payments difficulties	Adopt policies that provide confidence that the member's balance of payments difficulties will be resolved within a reasonable period	Generally semiannual purchases (disbursements) contingent on observance of performance criteria and other conditions
<b>Extended Fund Facility (EFF) (1974) (Extended Arrangements)</b>	Longer-term assistance to support members' structural reforms to address long-term balance of payments difficulties	At approval, adopt up to a four-year program, with a structural agenda and an annual detailed statement of policies for the subsequent 12 months	Quarterly or semiannual purchases (disbursements) contingent on observance of performance criteria and other conditions
<b>Flexible Credit Line (FCL) (2009)</b>	Flexible instrument in the credit tranches to address all balance of payments needs, potential or actual	Very strong ex ante macroeconomic fundamentals, economic policy framework, and policy track record	Approved access available up front throughout the arrangement period; two-year FCL arrangements are subject to a midterm review after one year
<b>Precautionary and Liquidity Line (PLL) (2011)</b>	Instrument for countries with sound economic fundamentals and policies	Sound policy frameworks, external position, and market access, including financial sector soundness	Large front-loaded access, subject to semiannual reviews (for one- to two-year PLL)
<b>Short-Term Liquidity Line (SLL) (2020)</b>	Liquidity backstop in case of potential external shocks that generate moderate balance of payment needs	Very strong ex ante macroeconomic fundamentals, economic policy framework, and policy track record	Approved access available up front throughout the period of the arrangement and can be reconstituted through repurchase; number of successor SLLs unrestricted as long as member continues to meet qualification criteria
<b>Rapid Financing Instrument (RFI) (2011)</b>	Rapid financial assistance to all member countries facing an urgent balance of payments need	Efforts to solve balance of payments difficulties (may include prior actions)	Outright purchases without the need for full-fledged program or reviews

Source: IMF Finance Department.

<sup>1</sup> The IMF's lending through the General Resources Account (GRA) is financed primarily from the capital subscribed by member countries; each country is assigned a quota that represents its financial commitment. A member provides a portion of its quota in Special Drawing Rights (SDRs) or the currency of another member acceptable to the IMF and the remainder in its own currency. An IMF loan is disbursed or drawn by the borrower's purchase of foreign currency assets from the IMF with its own currency. Repayment of the loan is achieved by the borrower's repurchase of its currency from the IMF with foreign currency.

<sup>2</sup> The rate of charge on funds disbursed from the GRA is set at a margin (currently 100 basis points) over the weekly SDR interest rate. The rate of charge is applied to the daily balance of all outstanding GRA drawings during each IMF financial quarter. In addition, a one-time service charge of 0.5 percent is levied on each drawing of IMF resources in the GRA, other than reserve tranche drawings. An up-front commitment fee (15 basis points

wide range of circumstances, was created to replace the IMF's emergency assistance policy. More recently, as part of its COVID-19 response, the IMF temporarily increased the access limits under emergency financing instruments and the annual limit on overall access under nonconcessional resources. The IMF also established the Short-Term Liquidity Line (SLL) to provide a backstop to members with very strong policies and fundamentals.

Access Limits <sup>1</sup>	Charges <sup>2</sup>	Repayment Schedule (years)	Installments
Annual: 145 percent of quota; due to the COVID shock, this limit was temporarily increased to 245 percent of quota for nine months through April 6, 2021 Cumulative: 435 percent of quota	Rate of charge plus surcharge (200 basis points on amounts above 187.5 percent of quota; additional 100 basis points when outstanding credit remains above 187.5 percent of quota for more than 36 months) <sup>3</sup>	3¼–5	Quarterly
Annual: 145 percent of quota; due to the COVID shock, this limit was temporarily increased to 245 percent of quota for nine months through April 6, 2021 Cumulative: 435 percent of quota	Rate of charge plus surcharge (200 basis points on amounts above 187.5 percent of quota; additional 100 basis points when outstanding credit remains above 187.5 percent of quota for more than 51 months) <sup>3</sup>	4½–10	Semiannual
No preset limit	Rate of charge plus surcharge (200 basis points on amounts above 187.5 percent of quota; additional 100 basis points when outstanding credit remains above 187.5 percent of quota for more than 36 months) <sup>3</sup>	3¼–5	Quarterly
125 percent of quota for six months; 250 percent of quota available on approval of one- to two-year arrangements; total of 500 percent of quota after 12 months of satisfactory progress	Rate of charge plus surcharge (200 basis points on amounts above 187.5 percent of quota; additional 100 basis points when outstanding credit remains above 187.5 percent of quota for more than 36 months) <sup>3</sup>	3¼–5	Quarterly
Up to 145 percent of quota; revolving access for a period of 12 months	The basic rate of charge plus surcharge (200 basis points on credit outstanding above 187.5 percent of quota); SLL credit does not count toward time-based surcharges	Repurchase(s) due no later than 12 months after the purchase; repurchases reconstitute access up to the level approved	
Annual: 50 percent of quota (80 percent for large natural disasters); temporarily increased to 100 percent for nine months through April 6, 2021 Cumulative: 100 percent of quota (133.33 percent for large natural disasters); temporarily increased to 150 percent for nine months through April 6, 2021	Rate of charge plus surcharge (200 basis points on amounts above 187.5 percent of quota; additional 100 basis points when outstanding credit remains above 187.5 percent of quota for more than 36 months) <sup>3</sup>	3¼–5	Quarterly

on committed amounts of up to 115 percent of quota, 30 basis points for amounts in excess of 115 percent and up to 575 percent of quota, and 60 basis points for amounts in excess of 575 percent of quota) applies to the amount available for purchase under arrangements (SBAs, EFFs, PLLs, and FCLs) that may be drawn during each (annual) period; this fee is refunded on a proportionate basis as subsequent drawings are made under the arrangement. For SLL arrangements, the service charge is 21 basis points and a nonrefundable commitment fee of 8 basis points is payable upon approval of an SLL arrangement.

<sup>3</sup> Surcharges were introduced in November 2000. A new system of surcharges took effect August 1, 2009, and was updated February 17, 2016, with some limited grandfathering for existing arrangements.