

## **Revised Guidelines for Borrowing from the Fund**

The Guidelines for Borrowing by the Fund set forth in Decision No. 9862-(91/156), adopted November 15, 1991 shall be revised to read as follows:

“Quota subscriptions are and should remain the basic source of the Fund’s financing. However, on a temporary basis, borrowing by the Fund can provide an important supplement to its resources.

The confidence of present and potential creditors in the Fund will depend not only on the prudence and soundness of its financial policies but also on the effective performance of its various responsibilities, including, in particular, its success in promoting crisis prevention and adjustment.

Against this background, the Executive Board approves the following guidelines on borrowing by the Fund.

1. Fund borrowing shall remain subject to a process of continuous monitoring by the Executive Board in the light of the above considerations. For this purpose, the Executive Board will regularly review the Fund’s liquidity and financial position, taking into account all relevant factors of a quantitative and qualitative nature.
2. The Executive Board may establish at any time, in the context of circumstances prevailing at that time, limits expressed in terms of the total of Fund quotas above which the total of outstanding borrowing plus unused credit lines would not be permitted to rise.
3. Any limits that may be adopted pursuant to paragraph 2 above are not to be understood, at any time, as targets for borrowing by the Fund.
4. For each borrowing agreement entered into by the Fund, other than the General Arrangements to Borrow and the New Arrangements to Borrow, the maximum amount of claims that may be subject to immediate repayment by the Fund as a result of the balance of payments need of the creditor shall be SDR 15 billion.
5. In the context of the Financial Transactions Plan, the Executive Board shall determine the appropriate mix between borrowed resources (including any borrowing under the General Arrangements to Borrow and the New Arrangements to Borrow) and quota resources, in light of the Fund’s liquidity needs and the expected availability of borrowed and quota resources, among other relevant considerations.
6. The Fund shall aim to maintain equitable burden sharing among lenders to the Fund by seeking, over time, broadly balanced cumulative drawings relative to amounts committed across borrowing sources.
7. The Fund shall review these guidelines no later than 90 days after the date of effectiveness of the expanded New Arrangements to Borrow.”