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May 6, 2022

**Statement by Mr. Trabinski and Mr. Tola on Review of the Method of Valuation of the SDR  
(Preliminary)  
Executive Board Meeting  
May 11, 2022**

**We support keeping the current method of valuation of the SDR.** Revisions to this method should occur only as a result of major changes in the roles of currencies in the world economy during the five-year period the review covers, and that has not been the case.

**More specifically, we agree with maintaining the current composition of the SDR currency and interest rate baskets and endorse the proposed updated weights of the currencies in the SDR basket.** We take note that applying the formula adopted by the Board in the 2015 review results in a modest increase in the weights of the U.S. dollar and the Chinese renminbi.

**We support the proposed modification of the valuation decision to formalize the current practice of addressing data gaps.** We welcome the progress in addressing data gaps by formalizing the current practice of using data that is available within the relevant five-year period as part of the SDR valuation methodology.

**We agree that the new currency and interest rate baskets should come into effect on August 1, 2022, and that the next SDR valuation review take place in five years.**

Reviews at regular intervals are important to ensure that the currencies in the basket and their weights reflect the currencies' importance in international trade and financial transactions. This is crucial to maintaining the attractiveness of the SDR as an international reserve asset and as a unit of account.

**We thank staff for pointing out and assessing the implications of advances in fintech for the SDR valuation framework.** We agree with staff that the cross-border use of cryptocurrencies and central bank digital currencies is poised to have an impact on the global

financial system should there be wide adoption. In this context, we welcome the efforts of the Fund to keep abreast of developments in these areas, which would be useful to inform subsequent SDR valuation reviews.

Finally, we welcome that a majority of respondents to the survey for SDR users operate without major difficulties across the five markets whose currencies constitute the SDR basket.