

**IMMEDIATE
ATTENTION**

EBD/10/59

August 26, 2010

To: Members of the Executive Board

From: The Secretary

Subject: **Extension of Period for Consent to Increases in Quotas Under the Eleventh General Review of Quotas**

Attached for consideration by the Executive Directors is a paper on an extension of the period for consent to increases in quotas under the Eleventh General Review of Quotas. It is intended that this paper will be published on the Fund's external website after Thursday, September 9, 2010.

It is not proposed to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests by **noon on Thursday, September 2, 2010**. In the absence of such a request, the draft decision that appears on page 2 will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Questions may be referred to Mr. Kohler, FIN (ext. 34106).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

**Extension of Period for Consent to Increases in Quotas Under the
Eleventh General Review of Quotas**

Prepared by the Finance Department

In consultation with the Legal and Secretary's Departments

Approved by Andrew Tweedie

August 24, 2010

1. This paper proposes an extension of the period for consent to quota increases under the Eleventh General Review, which is due to expire on September 24, 2010, to September 23, 2011. The Board of Governors' Resolution No. 59-4 on the "New Period for Consent—Increases of Quotas of Members Under the Eleventh General Review" provides that the Executive Board may extend the period for consent as it may determine.¹
2. All members currently eligible to consent to and pay for their Eleventh Review quota increases have done so. However, there are two members (Somalia and Sudan) that have protracted arrears to the Fund in the General Resources Account and accordingly cannot consent to an increase in quotas until their arrears have been cleared (Table 1).² The timing for arrears clearance in the cases of Somalia and Sudan remains uncertain.³ It appears,

¹ The initial deadline of January 29, 1999 specified in the Board of Governors' Resolution No. 53-2, January 30, 1998, on the "Increases in Quotas of Fund Members—Eleventh General Review" was extended at regular intervals. Board of Governors' Resolution No. 59-4, September 20, 2004, on the "New Period for Consent—Increases of Quotas of Members Under the Eleventh General Review" set a new deadline of September 19, 2005. This deadline was extended by Executive Board Decision No. 13548-(05/73), August 24, 2005, to September 29, 2006; by Executive Board Decision No. 13778-(06/76), August 25, 2006, to September 28, 2007; by Executive Board Decision No. 13972-(07/77), September 5, 2007, to September 26, 2008; by Executive Board Decision No. 14167-(08/77), September 4, 2008, to September 25, 2009; and further extended by Executive Board Decision No. 14418-(09/92), September 1, 2009, to September 24, 2010 (see *Extension of Period for Consent to Increases in Quotas Under the Eleventh General Review of Quotas*, EBD/09/64, 8/25/2009). The texts of Resolution No. 53-2 and Resolution No. 59-4 are reproduced in *Selected Decisions*, Thirty-Fourth Issue, December 31, 2009, pp. 10–12 and pp. 15–16.

² The status of consents is posted on the Fund's external web site at <http://www.imf.org/external/np/tre/quota/status.htm>.

³ See *Review of the Fund's Strategy on Overdue Financial Obligations* (EBS/10/156, 8/17/2010).

however, appropriate to extend the consent period under the Eleventh General Review to allow these members the possibility of consenting and subscribing to their quota increases.⁴

Table 1. Member Countries that have not Consented to the Increase in Their Quotas Proposed Under the Eleventh General Review

(As of August 13, 2010)

Country	Current Quota	Proposed New Quota
	(In SDR millions)	
Somalia*	44.2	81.7
Sudan*	169.7	315.1

*These countries have overdue obligations in the General Resources Account and are currently ineligible to consent.

3. In the circumstances, it is proposed to extend the period for consent to end at 6:00 p.m., Washington time, on September 23, 2011.
4. Accordingly, the following decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

PROPOSED DECISION

Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 59-4, “New Period for Consent—Increase of Quotas of Members Under the Eleventh General Review,” 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 September 23, 2011.

⁴ The Board of Governors’ Resolution No. 53-2 provides 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. When deciding on an extension of the period for consent, the Executive Board is to give particular consideration to the situation of members that may still wish to consent to increases in their quotas, including members with protracted arrears to the General Resources Account that, in its judgment, are cooperating with the Fund toward the settlement of these obligations.