LAPSE OF TIME

EBS/20/155

CONFIDENTIAL

October 6, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **2020 Borrowing Agreements—Status of Commitments and Third Set of Agreements**

Board Action:	Executive Directors' **consideration** on a lapse of time basis
Deadline to Request Board meeting, after which Proposed Decision Deemed Approved:	**Tuesday, October 13, 2020** **5:30 p.m.**
Proposed Decision:	Pages 5–6
Publication:	Not proposed, due to the confidentiality of the financial information contained.
Questions:	Mr. Moore, FIN (ext. 39391) Ms. Jajko, FIN (ext. 36656) Ms. Luca, LEG (ext. 38101) Ms. Yiadom, LEG (ext. 39635) Mr. Giddings, LEG (ext. 35564)

INTERNATIONAL MONETARY FUND

CONFIDENTIAL

October 6, 2020

2020 BORROWING AGREEMENTS—STATUS OF COMMITMENTS AND THIRD SET OF AGREEMENTS

Approved By
Andrew Tweedie and Rhoda Weeks-Brown

Prepared by the Finance and Legal Departments in consultation with the Strategy, Policy, and Review Department. The team comprised D. Moore (FIN) and I. Luca (LEG) (leads), M. Albino, W. Bunsoong, H. Chociay, S. Cooney, C. De Luca, C. De Soyres, B. Jajko, Z. Tan (all FIN), A. Giddings, A. Yiadom (all LEG), under the guidance of T. Krueger (FIN) and B. Steinki (LEG).

1. **This paper proposes Executive Board approval of a third set of agreements under the framework for the 2020 Borrowing Agreements.** The third set of 2020 Borrowing Agreements includes four creditors, namely: Bank of Lithuania, Bank of Slovenia, Deutsche Bundesbank, and Spain (see Attachments I–IV). These agreements represent about 15 percent of the total credit amounts targeted under the 2020 Borrowing Agreements from 42 creditors, bringing the total number of creditors to 24 or about 67 percent of the total targeted credit amounts.

2. **The Executive Board has already approved two sets of 2020 Borrowing Agreements:**

- Following Board approval of the framework for the 2020 Borrowing Agreements in March 2020,[1] staff has engaged in discussions with creditors on individual agreements on the basis of the templates for 2020 loan and note purchase agreements set out in SM/20/72, encouraging creditors to conclude discussion expeditiously, taking into account relevant domestic procedures.

- On July 31, 2020, the Executive Board approved the first set of 2020 Borrowing Agreements, covering fourteen agreements (Table 1)[2] and representing about

[1] See *Maintaining Access to Bilateral Borrowing and Review of the Borrowing Guidelines (*SM/20/72, 03/18/20), and Sup. 1 (SM/20/72, Sup. 1, 03/26/2020).

[2] See *2020 Borrowing Agreements—Status of Discussions and First Set of Agreements* (EBS/20/132), and Sup. 1 (EBS/20/132, Sup. 1, 07/29/2020).

45 percent of the total targeted credit amounts. On September 23, 2020, the Executive Board approved the second set of six 2020 Borrowing Agreements (Table 1)[3] representing about 7 percent of the total targeted credit amounts. The aggregate maximum commitments from the twenty creditors under these two sets of agreements are equivalent to SDR 165.2 billion prior to the effectiveness of the increases in their relevant credit arrangements under the doubling of the New Arrangements to Borrow (NAB)[4], and SDR 70.7 billion thereafter.

- So far, nine out of the twenty agreements approved in the first and second sets have met all necessary conditions to become effective on the targeted date of January 1, 2021 (Table 1). The aggregate maximum commitments from these nine creditors are equivalent to SDR 91.1 billion prior to the effectiveness of the increases in their relevant credit arrangements under the doubling of the NAB, and SDR 39.2 billion thereafter.

3. The third set of 2020 Borrowing Agreements put forward for Board approval in this paper includes four loan agreements. The aggregate maximum commitments from these four creditors are equivalent to SDR 48.3 billion prior to the effectiveness of the increases in their relevant credit arrangements under the doubling of the NAB, and SDR 20.8 billion thereafter (Table 1), in line with expected commitments set out in Table 2 of the March 2020 Board paper (SM/20/72).

4. All agreements are consistent with the key substantive terms endorsed by the Executive Board. Drafting variations are limited to non-substantive provisions.

- **Uniform key substantive provisions:** the key substantive provisions, identified in paragraph 11 of SM/20/72, are the same for all agreements.[5]

- **Drafting variations not affecting key substantive provisions** that reflect creditor choices permitted under the framework for the 2020 Borrowing Agreements:[6]

  ✓ The agreements with Bank of Lithuania, Deutsche Bundesbank, and Spain provide for a revolving line of credit (i.e., repayments restore *pro tanto* the amount that can be drawn under an agreement).

[3] See *2020 Borrowing Agreements—Status of Commitments and Second Set of Agreements* (EBS/20/144).

[4] The doubling of the NAB is targeted to take effect on January 1, 2021. As of October 5, 2020, 17 NAB participants representing about 59 percent of the total NAB credit arrangements have consented to the amendments to the NAB Decision and the changes in NAB credit arrangements.

[5] Staff streamlined the title of the provision on transitional arrangements for clarity and applied this edit to all agreements.

[6] Three creditors included in this third set of 2020 Borrowing Agreements have 2016 Borrowing Agreements and are maintaining the same choices regarding flexible terms as under their 2016 Borrowing Agreements. Bank of Lithuania is a new creditor.

- ✓ The agreements with Bank of Lithuania and Spain include the option of a maximum maturity of up to 15 years (i.e., five years beyond the standard 10-year maximum maturity). The agreements with Bank of Slovenia and Deutsche Bundesbank maintain the standard 10-year maximum maturity.

- ✓ The agreements with Bank of Slovenia, Deutsche Bundesbank, and Spain include the general clause to cooperate with the Fund in the spirit of IMFC/G-20 commitments as needed and appropriate.[7]

- ✓ In all the agreements the maximum amount available under the agreements is expressed in currency rather than SDRs.

- ✓ Other drafting variations not affecting key substantive provisions include: (i) in three agreements (Bank of Lithuania, Bank of Slovenia, and Deutsche Bundesbank), the standard variations for cases where the central bank is the creditor rather than the member, and (ii) in the agreement with Deutsche Bundesbank, the replacement of "entry into force" with "entry into effect" in paragraph 15(d).

5. Following Executive Board approval, staff will seek to ensure the effectiveness of the agreements by the target date of January 1, 2021. Consistent with the approach taken under the 2016 Borrowing Agreements, under the proposed decision the Managing Director would be authorized to take such actions as are necessary to execute the agreements on behalf of the Fund. If duly signed by both parties, the agreements will become effective on January 1, 2021, unless additional effectiveness conditions are not met by that date (in which case they would become effective when all conditions are met). Moreover, the effectiveness of three agreements in this set (Bank of Lithuania, Bank of Slovenia, and Deutsche Bundesbank) requires the concurrence of the relevant Fund members for Fund borrowing of their currencies as their respective central bank is the creditor rather than the member. The agreement with Spain requires Fund acknowledgement of the receipt of a written communication from Spain notifying the Fund of the completion of the domestic procedures for the ratification of the agreement.

6. Staff is continuing discussions with other creditors on their 2020 Borrowing Agreements. Staff expects to bring additional sets of 2020 Borrowing Agreements to the Executive Board for approval in the period after the 2020 Annual Meetings. Staff will continue to work with all creditors towards having the 2020 Borrowing Agreements effective on January 1, 2021, following the expiration of the 2016 Borrowing Agreements on December 31, 2020.

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[7] As under the 2016 Borrowing Agreements, with a view to securing longer maximum maturities of 2020 Borrowing Agreement claims in case of exceptional circumstances, creditors under the 2020 Borrowing Agreements are asked to indicate that they stand ready to cooperate with the Fund in the spirit of IMFC/G-20 commitments as needed and appropriate. This expression of support could be conveyed as part of the borrowing agreement itself or separately. In addition, or as an alternative, a creditor may agree to include in its 2020 Borrowing Agreement a clause allowing the Fund, subject to the creditor's consent, to extend the maximum maturity for up to another 5 years (beyond the standard 10-year maximum maturity) in exceptional circumstances. See paragraph 11, 11th bullet on page 13 of *Maintaining Access to Bilateral Borrowing and Review of the Borrowing Guidelines* (SM/20/72, 03/18/20).

Table 1. 2020 Bilateral Borrowing Agreements [1/]

(As of October 5, 2020)

Member (Creditor)	Currency of commitment 2/	Amount 3/ pre-NAB doubling: Currency of commitment (in millions)	pre-NAB doubling: SDRs (in billions)	post-NAB doubling: Currency of commitment (in millions)	post-NAB doubling: SDRs (in billions)	Approval process complete 4/
First Set of Agreements						
Australia	SDR	4,610	4.6	1,986	2.0	
Austria (Oesterreichische Nationalbank)	EUR	6,130	5.1	2,641	2.2	Y
Belgium (National Bank of Belgium)	EUR	9,990	8.3	4,304	3.6	Y
Chile (Central Bank of Chile)	SDR	960	1.0	269	0.3	
Denmark (Danmarks Nationalbank)	EUR	5,300	4.4	2,283	1.9	
France	EUR	31,400	26.2	13,527	11.3	
Japan	USD	60,000	42.5	25,847	18.3	Y
Korea	USD	15,000	10.6	6,462	4.6	
Mexico (Banco de Mexico)	USD	10,000	7.1	4,308	3.1	
New Zealand	USD	1,000	0.7	431	0.3	Y
Poland (Narodowy Bank Polski)	EUR	6,270	5.2	2,701	2.3	Y
Saudi Arabia	USD	15,000	10.6	6,462	4.6	Y
Switzerland (Swiss National Bank)	CHF	8,500	6.6	3,662	2.8	Y
United Kingdom	SDR	9,178.22	9.2	3,954	4.0	Y
Subtotal			**142.1**		**61.1**	
Second Set of Agreements						
Canada	SDR	8,200	8.2	3,532	3.5	
Estonia (Eesti Pank) 5/	EUR	380	0.3	164	0.1	
Peru (Central Reserve Bank of Peru)	SDR	1,100	1.1	474	0.5	
Russia (Central Bank of the Russian Federation)	USD	10,000	7.1	3,901	2.8	
Thailand (Bank of Thailand)	USD	4,000	2.8	1,723	1.2	Y
Turkey (Central Bank of the Republic of Turkey)	USD	5,000	3.5	2,154	1.5	
Subtotal			**23.1**		**9.7**	
Third Set of Agreements						
Germany (Deutsche Bundesbank)	EUR	41,500	34.6	17,878	14.9	
Lithuania (Bank of Lithuania) 5/	EUR	690	0.6	297	0.2	
Slovenia (Bank of Slovenia)	EUR	910	0.8	392	0.3	
Spain	EUR	14,860	12.4	6,401	5.3	
Subtotal			**48.3**		**20.8**	
Agreements Currently Under Negotiation						
Algeria (Bank of Algeria)	USD	5,000	3.5	2,154	1.5	
Brazil (Banco Central do Brasil)	USD	10,000	7.1	3,901	2.8	
Brunei Darussalam	USD	300	0.2	129	0.1	
China (People's Bank of China)	USD	43,000	30.5	21,219	15.0	
Czech Republic (Czech National Bank)	EUR	1,500	1.3	646	0.5	
Finland (Bank of Finland)	EUR	3,760	3.1	1,620	1.4	
India (Reserve Bank of India)	USD	10,000	7.1	3,901	2.8	
Italy (Bank of Italy)	EUR	23,480	19.6	10,115	8.4	
Luxembourg	EUR	2,060	1.7	887	0.7	
Malaysia (Bank Negara Malaysia)	USD	1,000	0.7	431	0.3	
Malta (Central Bank of Malta)	EUR	260	0.2	112	0.1	
Netherlands (De Nederlandsche Bank NV)	EUR	13,610	11.3	5,863	4.9	
Norway (Norges Bank)	SDR	6,000	6.0	2,585	2.6	
Philippines (Bangko Sentral ng Pilipinas)	USD	1,000	0.7	431	0.3	
Singapore (Monetary Authority of Singapore)	USD	4,000	2.8	1,723	1.2	
Slovak Republic	EUR	1,560	1.3	672	0.6	
South Africa (South African Reserve Bank)	USD	2,000	1.4	862	0.6	
Sweden (Sveriges Riksbank)	SDR	7,400	7.4	3,188	3.2	
Subtotal			**106.0**		**47.0**	
Total 6/			**319.5**		**138.5**	
Number of creditors			42		42	9

1/ Amounts reflect SM/20/72. For agreements currently under negotiation, the amounts are subject to their domestic procedures.
2/ Assumed to be the same as each creditor’s 2016 BBA, or EUR for Estonia and Lithuania.
3/ At October 5, 2020 exchange rates.
4/ Agreement will take effect on January 1, 2021.
5/ New creditors that do not participate in the 2016 BBAs.
6/ Equivalent to USD 451 billion pre-NAB doubling and USD 196 billion post-NAB doubling.

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:

1. The Fund deems it appropriate, in accordance with Article VII, Section 1(i) of the Articles of Agreement, to replenish its holdings of currencies in the General Resources Account by borrowing under the loan agreements with Bank of Lithuania, Bank of Slovenia, Deutsche Bundesbank, and Spain on the terms and conditions set forth in the proposed borrowing agreements that are set out in the Attachments I to IV of EBS/20/155, 10/6/20 (the "Agreements").

2. The Executive Board approves the Agreements and authorizes the Managing Director to take such actions as are necessary to execute the Agreements on behalf of the Fund.

3. The Managing Director is authorized, following the execution of the Agreements, to make such determinations and take such actions as are necessary to implement the Agreements, including but not limited to the making of drawings and the extension of the maturity of drawings thereunder, and the determination of the media for payments in light of the Fund's operational needs. Such determinations and actions shall be consistent with the policies and guidelines on borrowing and the use of borrowed resources that are adopted by the Executive Board.

4. The Executive Board shall be informed of developments related to the implementation of the Agreements in reports to be furnished by the Managing Director throughout the term of the Agreements, in the context of the approval of a new Financial Transactions Plan and use of borrowed resources plan, with reports to be furnished more frequently in the event of significant developments related to the Agreements. Such reports shall cover all aspects of the implementation

of the Agreements, including, as applicable, drawings made, disposition of amounts borrowed, and repayment of drawings.

Attachment I. Loan Agreement between the Bank of Lithuania and the International Monetary Fund

1. Purposes and Amounts.

(a) To enhance the resources available on a temporary basis to the International Monetary Fund (the "Fund") for crisis prevention and resolution through bilateral borrowing, Bank of Lithuania agrees to lend to the Fund an SDR-denominated amount up to the equivalent of EUR 690 million (the "Loan Amount"); provided however that, upon the effectiveness of the reform of the Fund's New Arrangements to Borrow (the "NAB") approved by the Fund under Decision No. 16645-(20/5), adopted January 16, 2020 (the "NAB Reform"), the Loan Amount will be automatically reduced to an SDR-denominated amount up to the equivalent of EUR 297 million (the "Rolled Back Loan Amount").

(b) This agreement is based on Article VII, Section 1(i) of the Fund's Articles of Agreement, which authorizes the Fund to borrow from Fund members or other sources if it deems such action appropriate to replenish its holdings of any member's currency in the General Resources Account ("GRA"). This agreement must be considered in light of the Guidelines for Borrowing by the Fund, which make clear that quota subscriptions are and should remain the basic source of Fund financing, and that the role of borrowing is to provide a temporary supplement to quota resources.

(c) This agreement and other bilateral borrowing agreements that the Fund has entered into or amended pursuant to the borrowing framework approved by the Fund in March 2020 shall be referred to each as a "2020 Borrowing Agreement" and collectively as the "2020 Borrowing Agreements." Each bilateral borrowing agreement that the Fund entered into pursuant to the borrowing framework approved by the Fund in August 2016 shall be referred to as a "2016 Borrowing Agreement" and collectively as the "2016 Borrowing Agreements." The 2020 Borrowing Agreements and the 2016 Borrowing Agreements shall be collectively referred to as the "Bilateral Borrowing Agreements".

2. Term of the Agreement and Use.

(a) The term of this agreement shall end on December 31, 2023; provided that the Fund may extend the term of this agreement for one further year through December 31, 2024 by a decision of the Executive Board, taking into account the Fund's overall liquidity situation and actual and prospective borrowing requirements, and with the consent of the Bank of Lithuania.

(b) The 2020 Borrowing Agreements may be activated only after the Managing Director has notified the Executive Board that the Forward Commitment Capacity of the Fund as defined in Decision No. 14906-(11/38), adopted April 20, 2011, taking into account all available uncommitted resources under the NAB (the "modified FCC"), is below SDR 100 billion (the "activation threshold"); provided, however, that the Managing Director shall not provide such notification unless (i) the NAB is activated as of the time of the notification, or there are no available uncommitted resources under the NAB as of that time, and (ii) the activation of the 2020 Borrowing Agreements has been approved by creditors representing at least 85 percent of the total credit amount committed under the 2020 Borrowing Agreements by creditors eligible to vote on such activation. For purposes of conducting a poll of eligible creditors, the Managing Director shall propose in writing the activation of the 2020 Borrowing Agreements and request the creditors' vote. A creditor shall not be eligible to vote on the activation if, at the time of the vote, its 2020 Borrowing Agreement is not effective, or the relevant member is not included in the Fund's Financial Transactions Plan for transfers of its currency. Nothing in this paragraph 2(b) shall preclude the Managing Director from approaching creditors before the modified FCC is below the activation threshold, if extraordinary circumstances so warrant in order to forestall or cope with an impairment of the international monetary system.

(c) If the 2020 Borrowing Agreements are activated pursuant to paragraph 2(b), they shall be automatically deactivated whenever the NAB is no longer activated, unless there are no available uncommitted resources under the NAB at that time. Separately, the 2020 Borrowing Agreements shall be deactivated if the Managing Director has notified the Executive Board that the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has risen above the activation threshold and: (i) the Executive Board determines that activation is no longer necessary; or (ii) six months have elapsed since the date of the Managing Director's notification and, within that period, the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has not fallen below the activation threshold. If, after the deactivation of the 2020 Borrowing Agreements under this paragraph 2(c), the modified FCC were to fall below the activation threshold, the provisions of paragraph 2(b) will apply.

(d) During any period after the activation of the 2020 Borrowing Agreements as provided under paragraph 2(b), and for as long as the 2020 Borrowing Agreements remain activated in accordance with paragraphs 2(b) and 2(c), the Fund may (i) use the resources available under this agreement to fund any outright purchases made from the GRA during the term of this agreement and (ii) approve, during the term of this agreement, commitments of GRA resources under Fund arrangements whose purchases could be funded by drawings under this agreement at any time during the period of such commitments, including after the expiration of the term of this agreement and during any period in which this agreement is no longer activated in accordance with paragraph 2(c) of this agreement; provided however that the commitments covered under this clause (ii) shall also include any commitment whose approval caused the activation threshold to be reached.

(e) Following an activation specified in paragraph 2(b), the resources available under this agreement may also be used by the Fund to fund the early repayment of claims under other 2020 Borrowing Agreements if the relevant creditors under those other agreements request the early repayment of their claims in the circumstances specified in paragraph 8. Drawings may be made under this agreement to fund such early repayment of other creditors' claims for as long as claims under the 2020 Borrowing Agreements remain outstanding, including after the expiration of the term of this agreement or during any period in which this agreement is no longer activated in accordance with paragraph 2(c).

(f) Drawing under this agreement shall be made with the goal of achieving over time broadly balanced positions among creditors under all Bilateral Borrowing Agreements relative to their commitments under these agreements.

3. Estimates, Notices, and Limits on Drawings.

(a) Prior to the beginning of each plan period for the use of bilateral borrowed resources, the Fund shall provide the Bank of Lithuania with its best estimates of the amounts that it expects it will draw under this agreement during the forthcoming period, and shall provide revised estimates during each period where this is warranted. The Bank of Lithuania shall not be included in the periodic plan, and no drawings shall be made under this agreement, if Lithuania is not included and is not being proposed by the Managing Director to be included in the list of countries in the Financial Transactions Plan for transfers of its currency. Moreover, no drawings shall be made under this agreement if the Bank of Lithuania was included in the periodic plan but, at the time of drawing, Lithuania's currency is not being used in transfers under the Financial Transactions Plan because of Lithuania's balance of payments and reserve position. Where Lithuania was not included in the Financial Transactions Plan at the time of the vote on the activation of the 2020 Borrowing Agreements and is subsequently included in the Financial Transactions Plan, drawings may be made under this agreement to fund purchases made and commitments approved during the activation period unless and for so long as Bank of Lithuania notifies the Fund that it does not wish to be drawn upon for these purposes.

(b) The Fund shall give the Bank of Lithuania at least five business days' (Vilnius) notice of its intention to draw, and shall provide payment instructions at least two business days (Fund) prior to the value date of the transaction by a rapid authenticated means of communication (e.g., SWIFT), provided that in exceptional circumstances where it is not possible to provide at least five business days' (Vilnius) notice, notification of intent to draw would be made at least three business days (Vilnius) in advance of the value date, and the Bank of Lithuania would make best efforts to meet such a call.

4. Evidence of Indebtedness.

(a) The outstanding drawings under this agreement will be included in the statements of Lithuania's position in the Fund that are published monthly by the Fund.

(b) At the request of the Bank of Lithuania, the Fund shall issue to the Bank of Lithuania non-negotiable instruments evidencing the Fund's indebtedness to the Bank of Lithuania arising under this agreement. Upon repayment of the amount of any instrument issued under this subparagraph and all accrued interest, the instrument shall be returned to the Fund for cancellation. If less than the amount of such instrument is repaid, the instrument shall be returned to the Fund and a new instrument for the remainder of the amount shall be substituted with the same maturity date as the old instrument.

5. Maturity.

(a) Except as otherwise provided in this paragraph 5 and in paragraph 8, each drawing under this agreement shall have a maturity date of three months from the drawing date. The Fund may in its sole discretion elect to extend the maturity date of any drawing or of any portion thereof by additional periods of three months after the initial maturity date, which extension the Fund shall automatically be deemed to have elected with respect to the maturity dates for all drawings then outstanding unless, at least five business days (Fund) before a maturity date, the Fund notifies the Bank of Lithuania by a rapid authenticated means of communication (e.g., SWIFT) that the Fund does not elect to extend the maturity date of a particular drawing or portion thereof; provided however (i) that the maturity date of any drawing to fund purchases from the GRA shall not be extended to a date that is later than the tenth anniversary of the date of such drawing, and (ii) that the maturity date for any drawings to fund early repayments of other creditors' claims in accordance with paragraph 2(e) shall be a single common maturity date that is the longest remaining maximum maturity of any claim for which such early repayment has been requested or the tenth anniversary of the date of the relevant drawing to fund early repayment, whichever is earlier. Notwithstanding the maturity deadlines in the preceding sentence, following an Executive Board determination that exceptional circumstances exist as a result of a shortage of Fund resources in relation to Fund obligations falling due, the Fund, with the agreement of the Bank of Lithuania, may extend the maximum maturity for drawings under this agreement up to an additional five years.

(b) The Fund shall repay the principal amount of each drawing or relevant part thereof on the maturity date applicable to that drawing or part thereof pursuant to subparagraph (a).

(c) After consultation with the Bank of Lithuania, the Fund may make an early repayment in part or in full of the principal amount of any drawing prior to its maturity date in accordance with subparagraph (a), provided that the Fund notifies the Bank of Lithuania at least five business days (Fund) before any such repayment by a rapid authenticated means of communication (e.g., SWIFT).

(d) Repayments of drawings shall restore *pro tanto* the amount that can be drawn under this agreement. The extension of the maturity of a drawing or of any part thereof pursuant to subparagraph (a) shall not reduce the amount that can be drawn under this agreement.

(e) If a maturity date for a drawing is not a business day in the place where payment is to be made, then the payment date for the principal amount of such drawing will be the next business day in that place. In such cases, interest will accrue up to the payment date.

6. Rate of Interest.

(a) Each drawing shall bear interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of the Fund's Articles of Agreement; provided however that, if the Fund pays an interest rate higher than the SDR interest rate on outstanding balances from any other borrowing on comparable terms that has been effected pursuant to Article VII, Section 1(i) of the

Fund's Articles of Agreement, and for as long as the payment of such higher interest rate remains in effect, the interest rate payable on drawings under this agreement shall be equivalent to the interest rate paid by the Fund on such other comparable borrowing.

(b) The amount of interest payable on each drawing shall be calculated on the basis of the outstanding amount of the drawing. Interest shall accrue daily and shall be paid promptly by the Fund after each July 31, October 31, January 31, and April 30.

7. Denomination, Media and Modalities of Drawings and Payments.

(a) The amount of each drawing and corresponding repayment under this agreement shall be denominated in SDRs.

(b) Unless otherwise agreed between the Fund and the Bank of Lithuania, the amount of each drawing shall be paid by the Bank of Lithuania, on the value date specified in the Fund's notice under paragraph 3, by transfer of the SDR equivalent amount of euro to the account of the Fund at the designated depository of Lithuania; provided that for drawings in accordance with paragraph 2(e), the Bank of Lithuania shall ensure that balances drawn by the Fund that are not balances of a freely usable currency can be exchanged for a freely usable currency of its choice, and, with respect to balances drawn by the Fund that are balances of a freely usable currency, shall collaborate with the Fund and other members to enable such balances to be exchanged for another freely usable currency.

(c) Except as otherwise provided in paragraph 8, repayment of principal shall be made, as determined by the Fund, in the currency borrowed whenever feasible, in euro, in special drawing rights (provided that it does not increase Lithuania's holdings of special drawing rights above the limit under Article XIX, Section 4 of the Fund's Articles of Agreement unless Lithuania agrees to accept special drawing rights above that limit in such repayment), in freely usable currencies, or with the agreement of the Bank of Lithuania in other currencies that are included in the Fund's Financial Transactions Plan for transfers.

(d) Payments by the Fund of interest under this agreement shall normally be made in SDRs; provided that the Fund and the Bank of Lithuania may agree that interest payments will be made in euro.

(e) All payments made by the Fund in euro shall be made to an account specified by the Bank of Lithuania. Payments in SDRs shall be made by crediting Lithuania's account in the Special Drawing Rights Department. Payments in any other currency shall be made to an account specified by the Bank of Lithuania.

8. Early Repayment at Request of the Bank of Lithuania.

At the request of the Bank of Lithuania, the Bank of Lithuania shall obtain early repayment at face value of all or a portion of the drawings outstanding under this agreement, if (i) the Bank of Lithuania represents that Lithuania's balance of payments and reserve position justifies such repayment, and (ii) the Fund, having given this representation the overwhelming benefit of any doubt, determines that there is a need for the early repayment as requested by the Bank of Lithuania in light of Lithuania's balance of payments and reserve position. After consultation with the Bank of Lithuania, the Fund may make repayments pursuant to this paragraph 8 in SDRs or a freely usable currency as determined by the Fund or, with the agreement of the Bank of Lithuania, in the currencies of other members that are included in the Fund's Financial Transactions Plan for transfers.

9. Transferability.

(a) Except as provided in subparagraphs (b) through (h), the Bank of Lithuania may not transfer its obligations under this agreement or any of its claims on the Fund resulting from outstanding drawings under this agreement, except with the prior consent of the Fund and on such terms or conditions as the Fund may approve.

(b) The Bank of Lithuania shall have the right to transfer at any time all or part of any claim on the Fund resulting from outstanding drawings under this agreement to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement ("other fiscal agency"), or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(c) The transferee of a claim transferred pursuant to subparagraph (b) shall, as a condition of the transfer, assume the liability of the Bank of Lithuania pursuant to paragraph 5(a) regarding the extension of the maturity of drawings related to the transferred claim and regarding the extension of the maximum maturity of drawings under this agreement in exceptional circumstances. More generally, any claim transferred pursuant to subparagraph (b), shall be held by the transferee on the same terms and conditions as the claim was held by the Bank of Lithuania, except that (i) the transferee shall acquire the right to request early repayment under paragraph 8 only if it is a member, or the central bank or other fiscal agency of a member, and at the time of transfer the member's balance of payments and reserve position is considered sufficiently strong in the opinion of the Fund that its currency is used in transfers under the Financial Transactions Plan, (ii) if the transferee is a member, or the central bank or other fiscal agency of a member, the reference to euro in paragraph 7 shall be deemed to refer to the currency of the relevant member, and in other cases it shall be deemed to refer to a freely usable currency determined by the Fund, (iii) payments related to the transferred claim shall be made to an account specified by the transferee, and (iv) references to business days (Vilnius) shall be deemed to refer to business days in the place where the transferee is situated.

(d) The price of a claim transferred pursuant to subparagraph (b) shall be as agreed between the Bank of Lithuania and the transferee.

(e) The Bank of Lithuania shall notify the Fund promptly of the claim that is being transferred pursuant to subparagraph (b), the name of the transferee, the amount of the claim that is being transferred, the agreed price for transfer of the claim, and the value date of the transfer.

(f) A transfer notified to the Fund under subparagraph (e) shall be reflected in the Fund's records if it is in accordance with the terms and conditions of this paragraph 9. The transfer shall be effective as of the value date agreed between the Bank of Lithuania and the transferee.

(g) If all or part of a claim is transferred during a quarterly period as described in paragraph 6(b), the Fund shall pay interest to the transferee on the amount of the claim transferred for the whole of that period.

(h) If requested, the Fund shall assist in seeking to arrange transfers.

10. Effective Exchange Rate.

(a) Unless otherwise agreed between the Bank of Lithuania and the Fund, all drawings, exchanges, and payments of principal and interest under this agreement shall be made at the exchange rates for the relevant currencies in terms of the SDR established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the transfer, exchange or payment. If this exchange rate determination date is not a business day in Vilnius, such date shall be the last preceding business day of the Fund that is also a business day in Vilnius.

(b) For purposes of applying the limit on drawings as specified in paragraphs 1(a), 14(a) and 14(b), the euro value of each SDR-denominated drawing shall be determined and permanently fixed on the value date of the drawing based on the euro/SDR exchange rate established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the drawing. If this exchange rate determination date is not a business day in Vilnius, such date shall be the last preceding business day of the Fund that is also a business day in Vilnius.

11. Changes in Method of Valuation of SDR.

If the Fund changes the method of valuing the SDR, all transfers, exchanges and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

12. Non-Subordination of Claims.

The Fund agrees that it will not take any action that would have the effect of making the Bank of Lithuania's claims on the Fund resulting from outstanding drawings under this agreement subordinate in any way to claims on the Fund resulting from any other borrowing effected pursuant to Article VII, Section 1(i) of the Fund's Articles of Agreement.

13. Settlement of Questions.

Any question arising under this agreement shall be settled by mutual agreement between the Bank of Lithuania and the Fund.

14. Transitional Arrangements.

(a) If, following the entry into effect of the NAB Reform, Lithuania's outstanding claims under this agreement are in excess of the Rolled Back Loan Amount as calculated pursuant to paragraph 10(b), the Fund shall repay any outstanding claims under this agreement in excess of the Rolled Back Loan Amount; provided that claims with shorter remaining maximum maturities shall be repaid before those with longer remaining maximum maturities.

(b) No drawing under this agreement shall be made that would cause the total outstanding drawings under this agreement, at the time of such drawing, to (i) exceed the Loan Amount prior to the effectiveness of the NAB Reform, or (ii) exceed the Rolled Back Loan Amount upon and after the effectiveness of the NAB Reform, as calculated pursuant to paragraph 10(b).

15. Final Provisions.

(a) This agreement may be executed in duplicate counterparts, each of which shall be deemed an original and both of which together shall constitute but one and the same instrument.

(b) This agreement shall become effective on the date last signed below, or on the date on which Lithuania provides the concurrence that is required under Article VII, Section 1(i) of the Fund's Articles of Agreement for Fund borrowing of euro from the Bank of Lithuania, or on January 1, 2021, whichever is later.

For the Bank of Lithuania:

______________________________ ______________________________

[Name] Date
[Title]

For the International Monetary Fund:

______________________________ ______________________________

Kristalina Georgieva Date
Managing Director

Attachment II. Loan Agreement between the Bank of Slovenia and the International Monetary Fund

1. Purposes and Amounts.

(a) To enhance the resources available on a temporary basis to the International Monetary Fund (the "Fund") for crisis prevention and resolution through bilateral borrowing, the Bank of Slovenia agrees to lend to the Fund an SDR-denominated amount up to the equivalent of EUR 910 million (the "Loan Amount"); provided however that, upon the effectiveness of the reform of the Fund's New Arrangements to Borrow (the "NAB") approved by the Fund under Decision No. 16645-(20/5), adopted January 16, 2020 (the "NAB Reform"), the Loan Amount will be automatically reduced to an SDR-denominated amount up to the equivalent of EUR 392 million (the "Rolled Back Loan Amount").

(b) This agreement is based on Article VII, Section 1(i) of the Fund's Articles of Agreement, which authorizes the Fund to borrow from Fund members or other sources if it deems such action appropriate to replenish its holdings of any member's currency in the General Resources Account ("GRA"). This agreement must be considered in light of the Guidelines for Borrowing by the Fund, which make clear that quota subscriptions are and should remain the basic source of Fund financing, and that the role of borrowing is to provide a temporary supplement to quota resources.

(c) This agreement and other bilateral borrowing agreements that the Fund has entered into or amended pursuant to the borrowing framework approved by the Fund in March 2020 shall be referred to each as a "2020 Borrowing Agreement" and collectively as the "2020 Borrowing Agreements". Each bilateral borrowing agreement that the Fund entered into pursuant to the borrowing framework approved by the Fund in August 2016 shall be referred to as a "2016 Borrowing Agreement" and collectively as the "2016 Borrowing Agreements". The 2020 Borrowing Agreements and the 2016 Borrowing Agreements shall be collectively referred to as the "Bilateral Borrowing Agreements".

2. Term of the Agreement and Use.

(a) The term of this agreement shall end on December 31, 2023; provided that the Fund may extend the term of this agreement for one further year through December 31, 2024 by a decision of the Executive Board, taking into account the Fund's overall liquidity situation and actual and prospective borrowing requirements, and with the consent of the Bank of Slovenia.

(b) The 2020 Borrowing Agreements may be activated only after the Managing Director has notified the Executive Board that the Forward Commitment Capacity of the Fund as defined in Decision No. 14906-(11/38), adopted April 20, 2011, taking into account all available uncommitted resources under the NAB (the "modified FCC"), is below SDR 100 billion (the "activation threshold"); provided, however, that the Managing Director shall not provide such notification unless (i) the NAB is activated as of the time of the notification, or there are no available uncommitted resources under the NAB as of that time, and (ii) the activation of the 2020 Borrowing Agreements has been approved by creditors representing at least 85 percent of the total credit amount committed under the 2020 Borrowing Agreements by creditors eligible to vote on such activation. For purposes of conducting a poll of eligible creditors, the Managing Director shall propose in writing the activation of the 2020 Borrowing Agreements and request the creditors' vote. A creditor shall not be eligible to vote on the activation if, at the time of the vote, its 2020 Borrowing Agreement is not effective, or the relevant member is not included in the Fund's Financial Transactions Plan for transfers of its currency. Nothing in this paragraph 2(b) shall preclude the Managing Director from approaching creditors before the modified FCC is below the activation threshold, if extraordinary circumstances so warrant in order to forestall or cope with an impairment of the international monetary system.

(c) If the 2020 Borrowing Agreements are activated pursuant to paragraph 2(b), they shall be automatically deactivated whenever the NAB is no longer activated, unless there are no available uncommitted resources under the NAB at that time. Separately, the 2020 Borrowing Agreements shall be deactivated if the Managing Director has notified the Executive Board that the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has risen above the activation threshold and: (i) the Executive Board determines that activation is no longer necessary; or (ii) six months have elapsed since the date of the Managing Director's notification and, within that period, the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has not fallen below the activation threshold. If, after the deactivation of the 2020 Borrowing Agreements under this paragraph 2(c), the modified FCC were to fall below the activation threshold, the provisions of paragraph 2(b) will apply.

(d) During any period after the activation of the 2020 Borrowing Agreements as provided under paragraph 2(b) and for as long as the 2020 Borrowing Agreements remain activated in accordance with paragraphs 2(b) and 2(c), the Fund may (i) use the resources available under this agreement to fund any outright purchases made from the GRA during the term of this agreement and (ii) approve, during the term of this agreement, commitments of GRA resources under Fund arrangements whose purchases could be funded by drawings under this agreement at any time during the period of such commitments, including after the expiration of the term of this agreement and during any period in which this agreement is no longer activated in accordance with paragraph 2(c) of this agreement; provided however that the commitments covered under this clause (ii) shall also include any commitment whose approval caused the activation threshold to be reached.

(e) Following an activation specified in paragraph 2(b), the resources available under this agreement may also be used by the Fund to fund the early repayment of claims under other 2020 Borrowing Agreements if the relevant creditors under those other agreements request the early repayment of their claims in the circumstances specified in paragraph 8. Drawings may be made under this agreement to fund such early repayment of other creditors' claims for as long as claims under the 2020 Borrowing Agreements remain outstanding, including after the expiration of the term of this agreement or during any period in which this agreement is no longer activated in accordance with paragraph 2(c).

(f) Drawing under this agreement shall be made with the goal of achieving over time broadly balanced positions among creditors under all Bilateral Borrowing Agreements relative to their commitments under these agreements.

3. Estimates, Notices, and Limits on Drawings.

(a) Prior to the beginning of each plan period for the use of bilateral borrowed resources, the Fund shall provide the Bank of Slovenia with its best estimates of the amounts that it expects it will draw under this agreement during the forthcoming period, and shall provide revised estimates during each period where this is warranted. The Bank of Slovenia shall not be included in the periodic plan, and no drawings shall be made under this agreement, if Slovenia is not included and is not being proposed by the Managing Director to be included in the list of countries in the Financial Transactions Plan for transfers of its currency. Moreover, no drawings shall be made under this agreement if the Bank of Slovenia was included in the periodic plan but, at the time of drawing, Slovenia's currency is not being used in transfers under the Financial Transactions Plan because of Slovenia's balance of payments and reserve position. Where Slovenia was not included in the Financial Transactions Plan at the time of the vote on the activation of the 2020 Borrowing Agreements and is subsequently included in the Financial Transactions Plan, drawings may be made under this agreement to fund purchases made and commitments approved during the activation period unless and for so long as the Bank of Slovenia notifies the Fund that it does not wish to be drawn upon for these purposes.

(b) The Fund shall give the Bank of Slovenia at least five business days' (Ljubljana) notice of its intention to draw, and shall provide payment instructions at least two business days (Fund) prior to the value date of the transaction by a rapid authenticated means of communication (e.g., SWIFT), provided that in exceptional circumstances where it is not possible to provide at least five business days' (Ljubljana) notice, notification of intent to draw would be made at least three business days (Ljubljana) in advance of the value date, and the Bank of Slovenia would make best efforts to meet such a call.

4. Evidence of Indebtedness.

(a) The outstanding drawings under this agreement will be included in the statements of Slovenia's position in the Fund that are published monthly by the Fund.

(b) At the request of the Bank of Slovenia, the Fund shall issue to the Bank of Slovenia non-negotiable instruments evidencing the Fund's indebtedness to the Bank of Slovenia arising under this agreement. Upon repayment of the amount of any instrument issued under this subparagraph and all accrued interest, the instrument shall be returned to the Fund for cancellation. If less than the amount of such instrument is repaid, the instrument shall be returned to the Fund and a new instrument for the remainder of the amount shall be substituted with the same maturity date as the old instrument.

5. Maturity.

(a) Except as otherwise provided in this paragraph 5 and in paragraph 8, each drawing under this agreement shall have a maturity date of three months from the drawing date. The Fund may in its sole discretion elect to extend the maturity date of any drawing or of any portion thereof by additional periods of three months after the initial maturity date, which extension the Fund shall automatically be deemed to have elected with respect to the maturity dates for all drawings then outstanding unless, at least five business days (Fund) before a maturity date, the Fund notifies the Bank of Slovenia by a rapid authenticated means of communication (e.g., SWIFT) that the Fund does not elect to extend the maturity date of a particular drawing or portion thereof; provided however (i) that the maturity date of any drawing to fund purchases from the GRA shall not be extended to a date that is later than the tenth anniversary of the date of such drawing, and (ii) that the maturity date for any drawings to fund early repayments of other creditors' claims in accordance with paragraph 2(e) shall be a single common maturity date that is the longest remaining maximum maturity of any claim for which such early repayment has been requested or the tenth anniversary of the date of the relevant drawing to fund early repayment, whichever is earlier.

(b) The Fund shall repay the principal amount of each drawing or relevant part thereof on the maturity date applicable to that drawing or part thereof pursuant to subparagraph (a).

(c) After consultation with the Bank of Slovenia, the Fund may make an early repayment in part or in full of the principal amount of any drawing prior to its maturity date in accordance with subparagraph (a), provided that the Fund notifies the Bank of Slovenia at least five business days (Fund) before any such repayment by a rapid authenticated means of communication (e.g., SWIFT).

(d) Repayments of drawings shall not restore *pro tanto* the amount that can be drawn under this agreement. The extension of the maturity of a drawing or of any part thereof pursuant to subparagraph (a) shall not reduce the amount that can be drawn under this agreement.

(e) If a maturity date for a drawing is not a business day in the place where payment is to be made, then the payment date for the principal amount of such drawing will be the next business day in that place. In such cases, interest will accrue up to the payment date.

6. Rate of Interest.

(a) Each drawing shall bear interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of the Fund's Articles of Agreement; provided however that, if the Fund pays an interest rate higher than the SDR interest rate on outstanding balances from any other borrowing on comparable terms that has been effected pursuant to Article VII, Section 1(i) of the Fund's Articles of Agreement, and for as long as the payment of such higher interest rate remains in effect, the interest rate payable on drawings under this agreement shall be equivalent to the interest rate paid by the Fund on such other comparable borrowing.

(b) The amount of interest payable on each drawing shall be calculated on the basis of the outstanding amount of the drawing. Interest shall accrue daily and shall be paid promptly by the Fund after each July 31, October 31, January 31, and April 30.

7. Denomination, Media and Modalities of Drawings and Payments.

(a) The amount of each drawing and corresponding repayment under this agreement shall be denominated in SDRs.

(b) Unless otherwise agreed between the Fund and the Bank of Slovenia, the amount of each drawing shall be paid by the Bank of Slovenia, on the value date specified in the Fund's notice under paragraph 3, by transfer of the SDR equivalent amount of euro to the account of the Fund at the designated depository of Slovenia; provided that for drawings in accordance with paragraph 2(e), the Bank of Slovenia shall ensure that balances drawn by the Fund that are not balances of a freely usable currency can be exchanged for a freely usable currency of its choice, and, with respect to balances drawn by the Fund that are balances of a freely usable currency, shall collaborate with the Fund and other members to enable such balances to be exchanged for another freely usable currency.

(c) Except as otherwise provided in paragraph 8, repayment of principal shall be made, as determined by the Fund, in the currency borrowed whenever feasible, in euro, in special drawing rights (provided that it does not increase Slovenia's holdings of special drawing rights above the limit under Article XIX, Section 4 of the Fund's Articles of Agreement unless Slovenia agrees to accept special drawing rights above that limit in such repayment), in freely usable currencies, or with the agreement of the Bank of Slovenia in other currencies that are included in the Fund's Financial Transactions Plan for transfers.

(d) Payments by the Fund of interest under this agreement shall normally be made in SDRs; provided that the Fund and the Bank of Slovenia may agree that interest payments will be made in euro.

(e) All payments made by the Fund in euro shall be made to an account specified by the Bank of Slovenia. Payments in SDRs shall be made by crediting Slovenia's account in the Special Drawing Rights Department. Payments in any other currency shall be made to an account specified by the Bank of Slovenia.

8. Early Repayment at Request of the Bank of Slovenia.

At the request of the Bank of Slovenia, the Bank of Slovenia shall obtain early repayment at face value of all or a portion of the drawings outstanding under this agreement, if (i) the Bank of Slovenia represents that Slovenia's balance of payments and reserve position justifies such repayment, and (ii) the Fund, having given this representation the overwhelming benefit of any doubt, determines that there is a need for the early repayment as requested by the Bank of Slovenia in light of Slovenia's balance of payments and reserve position. After consultation with the Bank of

Slovenia, the Fund may make repayments pursuant to this paragraph 8 in SDRs or a freely usable currency as determined by the Fund or, with the agreement of the Bank of Slovenia, in the currencies of other members that are included in the Fund's Financial Transactions Plan for transfers.

9. Transferability.

(a) Except as provided in subparagraphs (b) through (h), the Bank of Slovenia may not transfer its obligations under this agreement or any of its claims on the Fund resulting from outstanding drawings under this agreement, except with the prior consent of the Fund and on such terms or conditions as the Fund may approve.

(b) The Bank of Slovenia shall have the right to transfer at any time all or part of any claim on the Fund resulting from outstanding drawings under this agreement to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement ("other fiscal agency"), or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(c) The transferee of a claim transferred pursuant to subparagraph (b) shall, as a condition of the transfer, assume the liability of the Bank of Slovenia pursuant to paragraph 5(a) regarding the extension of the maturity of drawings related to the transferred claim. More generally, any claim transferred pursuant to subparagraph (b), shall be held by the transferee on the same terms and conditions as the claim was held by the Bank of Slovenia, except that (i) the transferee shall acquire the right to request early repayment under paragraph 8 only if it is a member, or the central bank or other fiscal agency of a member, and at the time of transfer the member's balance of payments and reserve position is considered sufficiently strong in the opinion of the Fund that its currency is used in transfers under the Financial Transactions Plan, (ii) if the transferee is a member, or the central bank or other fiscal agency of a member, the reference to euro in paragraph 7 shall be deemed to refer to the currency of the relevant member, and in other cases it shall be deemed to refer to a freely usable currency determined by the Fund, (iii) payments related to the transferred claim shall be made to an account specified by the transferee, and (iv) references to business days (Ljubljana) shall be deemed to refer to business days in the place where the transferee is situated.

(d) The price of a claim transferred pursuant to subparagraph (b) shall be as agreed between the Bank of Slovenia and the transferee.

(e) The Bank of Slovenia shall notify the Fund promptly of the claim that is being transferred pursuant to subparagraph (b), the name of the transferee, the amount of the claim that is being transferred, the agreed price for transfer of the claim, and the value date of the transfer.

(f) A transfer notified to the Fund under subparagraph (e) shall be reflected in the Fund's records if it is in accordance with the terms and conditions of this paragraph 9. The transfer shall be effective as of the value date agreed between the Bank of Slovenia and the transferee.

(g) If all or part of a claim is transferred during a quarterly period as described in paragraph 6(b), the Fund shall pay interest to the transferee on the amount of the claim transferred for the whole of that period.

(h) If requested, the Fund shall assist in seeking to arrange transfers.

10. Effective Exchange Rate.

(a) Unless otherwise agreed between the Bank of Slovenia and the Fund, all drawings, exchanges, and payments of principal and interest under this agreement shall be made at the exchange rates for the relevant currencies in terms of the SDR established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the transfer, exchange or payment. If this exchange rate determination date is not a business day in Ljubljana, such date shall be the last preceding business day of the Fund that is also a business day in Ljubljana.

(b) For purposes of applying the limit on drawings as specified in paragraphs 1(a), 15(b) and 15(d), the euro value of each SDR-denominated drawing shall be determined and permanently fixed on the value date of the drawing based on the euro/SDR exchange rate established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the drawing. If this exchange rate determination date is not a business day in Ljubljana, such date shall be the last preceding business day of the Fund that is also a business day in Ljubljana.

11. Changes in Method of Valuation of SDR.

If the Fund changes the method of valuing the SDR, all transfers, exchanges and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

12. Non-Subordination of Claims.

The Fund agrees that it will not take any action that would have the effect of making the Bank of Slovenia's claims on the Fund resulting from outstanding drawings under this agreement subordinate in any way to claims on the Fund resulting from any other borrowing effected pursuant to Article VII, Section 1(i) of the Fund's Articles of Agreement.

13. Settlement of Questions.

Any question arising under this agreement shall be settled by mutual agreement between the Bank of Slovenia and the Fund.

14. Cooperation with the Fund.

The Bank of Slovenia stands ready to cooperate with the Fund in the spirit of IMFC/G-20 commitments as needed and appropriate.

15. Transitional Arrangements.

(a) Regardless of whether this agreement is activated or not, the Fund: (i) shall make drawings under this agreement to repay any outstanding claims under the Bank of Slovenia's 2016 Borrowing Agreement, and (ii) may make drawings under this agreement to fund purchases under commitments approved by the Fund during an activation of the 2016 Borrowing Agreements or to fund early repayment of claims under other 2016 Borrowing Agreements in case the creditor represents a balance of payments need; provided that notwithstanding paragraph 5(a) of this agreement the maximum maturity date of the claim from the repayment herein shall be the residual maximum maturity date of the claim that is repaid with drawings under this agreement; and provided further that any claims under this agreement that result from the repayment herein shall be considered claims under the 2016 Borrowing Agreements for purposes of funding the early repayment of these claims in case of balance of payments need in accordance with the 2016 Borrowing Agreements.

(b) If, following the entry into effect of the NAB Reform, the Bank of Slovenia's outstanding claims under the Bank of Slovenia's 2016 Borrowing Agreement and this agreement are in excess of the Rolled Back Loan Amount as calculated pursuant to paragraph 10(b), the Fund shall repay any outstanding claims under the Bank of Slovenia's 2016 Borrowing Agreement and this agreement in excess of the Rolled Back Loan Amount; provided that claims with shorter remaining maximum maturities shall be repaid before those with longer remaining maximum maturities.

(c) After the entry into force of this agreement, the Fund may make no further drawing under the Bank of Slovenia's 2016 Borrowing Agreement.

(d) No drawing under this agreement shall be made that would cause the cumulative amount drawn under both this agreement and the 2016 Borrowing Agreement between the Bank of Slovenia and the Fund, at the time of such drawing, to (i) exceed the Loan Amount prior to the effectiveness of the NAB Reform, or (ii) exceed the Rolled Back Loan Amount upon and after the effectiveness of the NAB Reform, as calculated pursuant to paragraph 10(b).

16. Final Provisions.

(a) This agreement may be executed in duplicate counterparts, each of which shall be deemed an original and both of which together shall constitute but one and the same instrument.

(b) This agreement shall become effective on the date last signed below or on the date on which Slovenia provides the concurrence that is required under Article VII, Section 1(i) of the

Fund's Articles of Agreement for Fund borrowing of euro from the Bank of Slovenia, or on January 1, 2021, whichever is later.

For the Bank of Slovenia:

[Name] [Title]	Date

For the International Monetary Fund:

Kristalina Georgieva Managing Director	Date

Attachment III. Loan Agreement between Deutsche Bundesbank and the International Monetary Fund

1. Purposes and Amounts.

(a) To enhance the resources available on a temporary basis to the International Monetary Fund (the "Fund") for crisis prevention and resolution through bilateral borrowing, Deutsche Bundesbank agrees to lend to the Fund an SDR-denominated amount up to the equivalent of EUR 41,500 million (the "Loan Amount"); provided however that, upon the effectiveness of the increase in the credit arrangement of Deutsche Bundesbank under the Fund's New Arrangements to Borrow (the "NAB") as part of the reform of the NAB approved by the Fund under Decision No. 16645-(20/5), adopted January 16, 2020 (the "NAB Reform"), the Loan Amount will be automatically reduced to an SDR-denominated amount up to the equivalent of EUR 17,878 million (the "Rolled Back Loan Amount").

(b) This agreement is based on Article VII, Section 1(i) of the Fund's Articles of Agreement, which authorizes the Fund to borrow from Fund members or other sources if it deems such action appropriate to replenish its holdings of any member's currency in the General Resources Account ("GRA"). This agreement must be considered in light of the Guidelines for Borrowing by the Fund, which make clear that quota subscriptions are and should remain the basic source of Fund financing, and that the role of borrowing is to provide a temporary supplement to quota resources.

(c) This agreement and other bilateral borrowing agreements that the Fund has entered into or amended pursuant to the borrowing framework approved by the Fund in March 2020 shall be referred to each as a "2020 Borrowing Agreement" and collectively as the "2020 Borrowing Agreements." Each bilateral borrowing agreement that the Fund entered into pursuant to the borrowing framework approved by the Fund in August 2016 shall be referred to as a "2016 Borrowing Agreement" and collectively as the "2016 Borrowing Agreements." The 2020 Borrowing Agreements and the 2016 Borrowing Agreements shall be collectively referred to as the "Bilateral Borrowing Agreements".

2. Term of the Agreement and Use.

(a) The term of this agreement shall end on December 31, 2023; provided that the Fund may extend the term of this agreement for one further year through December 31, 2024 by a decision of the Executive Board, taking into account the Fund's overall liquidity situation and actual and prospective borrowing requirements, and with the consent of Deutsche Bundesbank.

(b) The 2020 Borrowing Agreements may be activated only after the Managing Director has notified the Executive Board that the Forward Commitment Capacity of the Fund as defined in Decision No. 14906-(11/38), adopted April 20, 2011, taking into account all available uncommitted resources under the NAB (the "modified FCC"), is below SDR 100 billion (the "activation threshold");

provided, however, that the Managing Director shall not provide such notification unless (i) the NAB is activated as of the time of the notification, or there are no available uncommitted resources under the NAB as of that time, and (ii) the activation of the 2020 Borrowing Agreements has been approved by creditors representing at least 85 percent of the total credit amount committed under the 2020 Borrowing Agreements by creditors eligible to vote on such activation. For purposes of conducting a poll of eligible creditors, the Managing Director shall propose in writing the activation of the 2020 Borrowing Agreements and request the creditors' vote. A creditor shall not be eligible to vote on the activation if, at the time of the vote, its 2020 Borrowing Agreement is not effective, or the relevant member is not included in the Fund's Financial Transactions Plan for transfers of its currency. Nothing in this paragraph 2(b) shall preclude the Managing Director from approaching creditors before the modified FCC is below the activation threshold, if extraordinary circumstances so warrant in order to forestall or cope with an impairment of the international monetary system.

(c) If the 2020 Borrowing Agreements are activated pursuant to paragraph 2(b), they shall be automatically deactivated whenever the NAB is no longer activated, unless there are no available uncommitted resources under the NAB at that time. Separately, the 2020 Borrowing Agreements shall be deactivated if the Managing Director has notified the Executive Board that the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has risen above the activation threshold and: (i) the Executive Board determines that activation is no longer necessary; or (ii) six months have elapsed since the date of the Managing Director's notification and, within that period, the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has not fallen below the activation threshold. If, after the deactivation of the 2020 Borrowing Agreements under this paragraph 2(c), the modified FCC were to fall below the activation threshold, the provisions of paragraph 2(b) will apply.

(d) During any period after the activation of the 2020 Borrowing Agreements as provided under paragraph 2(b) and for as long as the 2020 Borrowing Agreements remain activated in accordance with paragraphs 2(b) and 2(c), the Fund may (i) use the resources available under this agreement to fund any outright purchases made from the GRA during the term of this agreement and (ii) approve, during the term of this agreement, commitments of GRA resources under Fund arrangements whose purchases could be funded by drawings under this agreement at any time during the period of such commitments, including after the expiration of the term of this agreement and during any period in which this agreement is no longer activated in accordance with paragraph 2(c) of this agreement; provided however that the commitments covered under this clause (ii) shall also include any commitment whose approval caused the activation threshold to be reached.

(e) Following an activation specified in paragraph 2(b), the resources available under this agreement may also be used by the Fund to fund the early repayment of claims under other 2020 Borrowing Agreements if the relevant creditors under those other agreements request the early repayment of their claims in the circumstances specified in paragraph 8. Drawings may be made under this agreement to fund such early repayment of other creditors' claims for as long as claims under the 2020 Borrowing Agreements remain outstanding, including after the expiration of the term of this agreement or during any period in which this agreement is no longer activated in accordance with paragraph 2(c).

(f) Drawing under this agreement shall be made with the goal of achieving over time broadly balanced positions among creditors under all Bilateral Borrowing Agreements relative to their commitments under these agreements.

3. Estimates, Notices, and Limits on Drawings.

(a) Prior to the beginning of each plan period for the use of bilateral borrowed resources, the Fund shall provide Deutsche Bundesbank with its best estimates of the amounts that it expects it will draw under this agreement during the forthcoming period, and shall provide revised estimates during each period where this is warranted. Deutsche Bundesbank shall not be included in the periodic plan, and no drawings shall be made under this agreement, if Germany is not included and is not being proposed by the Managing Director to be included in the list of countries in the Financial Transactions Plan for transfers of its currency. Moreover, no drawings shall be made under this agreement if Deutsche Bundesbank was included in the periodic plan but, at the time of drawing, Germany's currency is not being used in transfers under the Financial Transactions Plan because of Germany's balance of payments and reserve position. Where Germany was not included in the Financial Transactions Plan at the time of the vote on the activation of the 2020 Borrowing Agreements and is subsequently included in the Financial Transactions Plan, drawings may be made under this agreement to fund purchases made and commitments approved during the activation period unless and for so long as Deutsche Bundesbank notifies the Fund that it does not wish to be drawn upon for these purposes.

(b) The Fund shall give Deutsche Bundesbank at least five business days' (Frankfurt am Main) notice of its intention to draw, and shall provide payment instructions at least two business days (Fund) prior to the value date of the transaction by a rapid authenticated means of communication (e.g., SWIFT), provided that in exceptional circumstances where it is not possible to provide at least five business days' (Frankfurt am Main) notice, notification of intent to draw would be made at least three business days (Frankfurt am Main) in advance of the value date, and Deutsche Bundesbank would make best efforts to meet such a call.

4. Evidence of Indebtedness.

(a) The outstanding drawings under this agreement will be included in the statements of Germany's position in the Fund that are published monthly by the Fund.

(b) At the request of Deutsche Bundesbank, the Fund shall issue to Deutsche Bundesbank non-negotiable instruments evidencing the Fund's indebtedness to Deutsche Bundesbank arising under this agreement. Upon repayment of the amount of any instrument issued under this subparagraph and all accrued interest, the instrument shall be returned to the Fund for cancellation. If less than the amount of such instrument is repaid, the instrument shall be returned to the Fund and a new instrument for the remainder of the amount shall be substituted with the same maturity date as the old instrument.

5. Maturity.

(a) Except as otherwise provided in this paragraph 5 and in paragraph 8, each drawing under this agreement shall have a maturity date of three months from the drawing date. The Fund may in its sole discretion elect to extend the maturity date of any drawing or of any portion thereof by additional periods of three months after the initial maturity date, which extension the Fund shall automatically be deemed to have elected with respect to the maturity dates for all drawings then outstanding unless, at least five business days (Fund) before a maturity date, the Fund notifies Deutsche Bundesbank by a rapid authenticated means of communication (e.g., SWIFT) that the Fund does not elect to extend the maturity date of a particular drawing or portion thereof; provided however (i) that the maturity date of any drawing to fund purchases from the GRA shall not be extended to a date that is later than the tenth anniversary of the date of such drawing, and (ii) that the maturity date for any drawings to fund early repayments of other creditors' claims in accordance with paragraph 2(e) shall be a single common maturity date that is the longest remaining maximum maturity of any claim for which such early repayment has been requested or the tenth anniversary of the date of the relevant drawing to fund early repayment, whichever is earlier.

(b) The Fund shall repay the principal amount of each drawing or relevant part thereof on the maturity date applicable to that drawing or part thereof pursuant to subparagraph (a).

(c) After consultation with Deutsche Bundesbank, the Fund may make an early repayment in part or in full of the principal amount of any drawing prior to its maturity date in accordance with subparagraph (a), provided that the Fund notifies Deutsche Bundesbank at least five business days (Fund) before any such repayment by a rapid authenticated means of communication (e.g., SWIFT).

(d) Repayments of drawings shall restore *pro tanto* the amount that can be drawn under this agreement. The extension of the maturity of a drawing or of any part thereof pursuant to subparagraph (a) shall not reduce the amount that can be drawn under this agreement.

(e) If a maturity date for a drawing is not a business day in the place where payment is to be made, then the payment date for the principal amount of such drawing will be the next business day in that place. In such cases, interest will accrue up to the payment date.

6. Rate of Interest.

(a) Each drawing shall bear interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of the Fund's Articles of Agreement; provided however that, if the Fund pays an interest rate higher than the SDR interest rate on outstanding balances from any other borrowing on comparable terms that has been effected pursuant to Article VII, Section 1(i) of the Fund's Articles of Agreement, and for as long as the payment of such higher interest rate remains in effect, the interest rate payable on drawings under this agreement shall be equivalent to the interest rate paid by the Fund on such other comparable borrowing.

(b) The amount of interest payable on each drawing shall be calculated on the basis of the outstanding amount of the drawing. Interest shall accrue daily and shall be paid promptly by the Fund after each July 31, October 31, January 31, and April 30.

7. Denomination, Media and Modalities of Drawings and Payments.

(a) The amount of each drawing and corresponding repayment under this agreement shall be denominated in SDRs.

(b) Unless otherwise agreed between the Fund and Deutsche Bundesbank, the amount of each drawing shall be paid by Deutsche Bundesbank, on the value date specified in the Fund's notice under paragraph 3, by transfer of the SDR equivalent amount of euro to the account of the Fund at the designated depository of Germany; provided that for drawings in accordance with paragraph 2(e), Deutsche Bundesbank shall ensure that balances drawn by the Fund that are not balances of a freely usable currency can be exchanged for a freely usable currency of its choice, and, with respect to balances drawn by the Fund that are balances of a freely usable currency, shall collaborate with the Fund and other members to enable such balances to be exchanged for another freely usable currency.

(c) Except as otherwise provided in paragraph 8, repayment of principal shall be made, as determined by the Fund, in the currency borrowed whenever feasible, in euro, in special drawing rights (provided that it does not increase Germany's holdings of special drawing rights above the limit under Article XIX, Section 4 of the Fund's Articles of Agreement unless Germany agrees to accept special drawing rights above that limit in such repayment), in freely usable currencies, or with the agreement of Deutsche Bundesbank in other currencies that are included in the Fund's Financial Transactions Plan for transfers.

(d) Payments by the Fund of interest under this agreement shall normally be made in SDRs; provided that the Fund and Deutsche Bundesbank may agree that interest payments will be made in euro.

(e) All payments made by the Fund in euro shall be made to an account specified by Deutsche Bundesbank. Payments in SDRs shall be made by crediting Germany's account in the Special Drawing Rights Department. Payments in any other currency shall be made to an account specified by Deutsche Bundesbank.

8. Early Repayment at Request of the Deutsche Bundesbank.

At the request of Deutsche Bundesbank, Deutsche Bundesbank shall obtain early repayment at face value of all or a portion of the drawings outstanding under this agreement, if (i) Deutsche Bundesbank represents that Germany's balance of payments and reserve position justifies such repayment, and (ii) the Fund, having given this representation the overwhelming benefit of any doubt, determines that there is a need for the early repayment as requested by Deutsche Bundesbank in light of Germany's balance of payments and reserve position. After consultation with Deutsche Bundesbank, the Fund may make repayments pursuant to this paragraph 8 in SDRs or a freely usable currency as determined by the Fund or, with the agreement of Deutsche Bundesbank, in the currencies of other members that are included in the Fund's Financial Transactions Plan for transfers.

9. Transferability.

(a) Except as provided in subparagraphs (b) through (h), Deutsche Bundesbank may not transfer its obligations under this agreement or any of its claims on the Fund resulting from outstanding drawings under this agreement, except with the prior consent of the Fund and on such terms or conditions as the Fund may approve.

(b) Deutsche Bundesbank shall have the right to transfer at any time all or part of any claim on the Fund resulting from outstanding drawings under this agreement to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement ("other fiscal agency"), or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(c) The transferee of a claim transferred pursuant to subparagraph (b) shall, as a condition of the transfer, assume the liability of Deutsche Bundesbank pursuant to paragraph 5(a) regarding the extension of the maturity of drawings related to the transferred claim. More generally, any claim transferred pursuant to subparagraph (b), shall be held by the transferee on the same terms and conditions as the claim was held by Deutsche Bundesbank, except that (i) the transferee shall acquire the right to request early repayment under paragraph 8 only if it is a member, or the central bank or other fiscal agency of a member, and at the time of transfer the member's balance of payments and reserve position is considered sufficiently strong in the opinion of the Fund that its currency is used in transfers under the Financial Transactions Plan, (ii) if the transferee is a member, or the central bank or other fiscal agency of a member, the reference to euro in paragraph 7 shall be deemed to refer to the currency of the relevant member, and in other cases it shall be deemed to refer to a freely usable currency determined by the Fund, (iii) payments related to the transferred claim shall be made to an account specified by the transferee, and (iv) references to business days (Frankfurt am Main) shall be deemed to refer to business days in the place where the transferee is situated.

(d) The price of a claim transferred pursuant to subparagraph (b) shall be as agreed between Deutsche Bundesbank and the transferee.

(e) Deutsche Bundesbank shall notify the Fund promptly of the claim that is being transferred pursuant to subparagraph (b), the name of the transferee, the amount of the claim that is being transferred, the agreed price for transfer of the claim, and the value date of the transfer.

(f) A transfer notified to the Fund under subparagraph (e) shall be reflected in the Fund's records if it is in accordance with the terms and conditions of this paragraph 9. The transfer shall be effective as of the value date agreed between Deutsche Bundesbank and the transferee.

(g) If all or part of a claim is transferred during a quarterly period as described in paragraph 6(b), the Fund shall pay interest to the transferee on the amount of the claim transferred for the whole of that period.

(h) If requested, the Fund shall assist in seeking to arrange transfers.

10. Effective Exchange Rate.

(a) Unless otherwise agreed between Deutsche Bundesbank and the Fund, all drawings, exchanges, and payments of principal and interest under this agreement shall be made at the exchange rates for the relevant currencies in terms of the SDR established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the transfer, exchange or payment. If this exchange rate determination date is not a business day in Frankfurt am Main, such date shall be the last preceding business day of the Fund that is also a business day in Frankfurt am Main.

(b) For purposes of applying the limit on drawings as specified in paragraphs 1(a), 15(c) and 15(e), the euro value of each SDR-denominated drawing shall be determined and permanently fixed on the value date of the drawing based on the euro/SDR exchange rate established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the drawing. If this exchange rate determination date is not a business day in Frankfurt am Main, such date shall be the last preceding business day of the Fund that is also a business day in Frankfurt am Main.

11. Changes in Method of Valuation of SDR.

If the Fund changes the method of valuing the SDR, all transfers, exchanges and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

12. Non-Subordination of Claims.

The Fund agrees that it will not take any action that would have the effect of making Deutsche Bundesbank's claims on the Fund resulting from outstanding drawings under this agreement subordinate in any way to claims on the Fund resulting from any other borrowing effected pursuant to Article VII, Section 1(i) of the Fund's Articles of Agreement.

13. Settlement of Questions.

Any question arising under this agreement shall be settled by mutual agreement between Deutsche Bundesbank and the Fund.

14. Cooperation with the Fund.

Deutsche Bundesbank stands ready to cooperate with the Fund in the spirit of IMFC/G-20 commitments as needed and appropriate.

15. Transitional arrangements.

(a) Regardless of whether this agreement is activated or not, the Fund: (i) subject to paragraph 15(b) below, shall make drawings under this agreement to repay any outstanding claims under Deutsche Bundesbank's 2016 Borrowing Agreement, and (ii) may make drawings under this agreement to fund purchases under commitments approved by the Fund during an activation of the 2016 Borrowing Agreements or to fund early repayment of claims under other 2016 Borrowing Agreements in case the creditor represents a balance of payments need; provided that notwithstanding paragraph 5(a) of this agreement the maximum maturity date of the claim from the repayment herein shall be the residual maximum maturity date of the claim that is repaid with drawings under this agreement; and provided further that any claims under this agreement that result from the repayment herein shall be considered claims under the 2016 Bilateral Borrowing Agreements for purposes of funding the early repayment of these claims in case of balance of payments need in accordance with the 2016 Borrowing Agreements, and for purposes of special calls under paragraph 23 of the Fund's Decision No. 16645-(20/5), adopted January 16, 2020.

(b) To the extent that claims under Deutsche Bundesbank's 2016 Borrowing Agreement or this agreement are outstanding when the increase in the NAB credit arrangement of Deutsche Bundesbank's becomes effective, Deutsche Bundesbank shall be deemed to request, in accordance with paragraph 23 of the Fund's Decision No. 11428-(97/6), adopted January 27, 1997 on the NAB, as amended, that the Managing Director make calls under the NAB credit arrangement of Deutsche Bundesbank up to the maximum available amount, taking into account the Fund's need for maintaining prudential balances, to fund the repayment of such claims; provided that if the increase in the NAB credit arrangement of Deutsche Bundesbank and this agreement enter into effect at the same time, the repayment of Deutsche Bundesbank's outstanding claims under Deutsche Bundesbank's 2016 Borrowing Agreement shall be funded first with calls under Deutsche Bundesbank's NAB credit arrangement before drawings are made under this agreement pursuant to paragraph 15(a) above.

(c) If following the repayment of outstanding claims under Deutsche Bundesbank's 2016 Borrowing Agreement and this agreement as provided in paragraph 15(b) above, Deutsche Bundesbank's outstanding claims under these agreements remain in excess of the Rolled Back Loan Amount, as calculated pursuant to paragraph 10(b), the Fund shall repay any outstanding claims under Deutsche Bundesbank's 2016 Borrowing Agreement and this agreement in excess of the

Rolled Back Loan Amount; provided that claims with shorter remaining maximum maturities shall be repaid before those with longer remaining maximum maturities.

(d) After the entry into effect of this agreement, the Fund may make no further drawing under Deutsche Bundesbank's 2016 Borrowing Agreement.

(e) No drawing under this agreement shall be made that would cause total outstanding drawings under both this agreement and the 2016 Borrowing Agreement between Deutsche Bundesbank and the Fund, at the time of such drawing, to (i) exceed the Loan Amount prior to the effectiveness of the increase in Deutsche Bundesbank's NAB credit arrangement, or (ii) exceed the Rolled Back Loan Amount upon and after the effectiveness of the increase in Deutsche Bundesbank's NAB credit arrangement, as calculated pursuant to paragraph 10(b); provided that drawings beyond the Rolled Back Loan Amount under (ii) herein are authorized, if within the same day of these drawings any resulting claim that would exceed the Rolled Back Loan Amount is repaid with a special call under Deutsche Bundesbank's NAB credit arrangement, and Deutsche Bundesbank hereby requests the Managing Director to make such calls to fund the repayment in accordance with paragraph 23 of the Fund's Decision No. 11428-(97/6), adopted January 27, 1997 on the NAB, as amended.

16. Final Provisions.

(a) This agreement may be executed in duplicate counterparts, each of which shall be deemed an original and both of which together shall constitute but one and the same instrument.

(b) This agreement shall become effective on the date last signed below or on January 1, 2021, or the date on which Germany provides the concurrence that is required under Article VII, Section 1(i) of the Fund's Articles of Agreement for Fund borrowing of euro from Deutsche Bundesbank, whichever is later.

For Deutsche Bundesbank:

[Name] [Title]	Date
[Name] [Title]	Date

For the International Monetary Fund:

Kristalina Georgieva Managing Director	Date

Attachment IV. Loan Agreement between the Kingdom of Spain and the International Monetary Fund

1. Purposes and Amounts.

(a) To enhance the resources available on a temporary basis to the International Monetary Fund (the "Fund") for crisis prevention and resolution through bilateral borrowing, the Kingdom of Spain ("Spain") agrees to lend to the Fund an SDR-denominated amount up to the equivalent of EUR 14,860 million (the "Loan Amount"); provided however that, upon the effectiveness of the increase in the credit arrangement of Spain under the Fund's New Arrangements to Borrow (the "NAB") as part of the reform of the NAB approved by the Fund under Decision No. 16645-(20/5), adopted January 16, 2020 (the "NAB Reform"), the Loan Amount will be automatically reduced to an SDR-denominated amount up to the equivalent of EUR 6,401 million (the "Rolled Back Loan Amount").

(b) This agreement is based on Article VII, Section 1(i) of the Fund's Articles of Agreement, which authorizes the Fund to borrow from Fund members or other sources if it deems such action appropriate to replenish its holdings of any member's currency in the General Resources Account ("GRA"). This agreement must be considered in light of the Guidelines for Borrowing by the Fund, which make clear that quota subscriptions are and should remain the basic source of Fund financing, and that the role of borrowing is to provide a temporary supplement to quota resources.

(c) This agreement and other bilateral borrowing agreements that the Fund has entered into or amended pursuant to the borrowing framework approved by the Fund in March 2020 shall be referred to each as a "2020 Borrowing Agreement" and collectively as the "2020 Borrowing Agreements." Each bilateral borrowing agreement that the Fund entered into pursuant to the borrowing framework approved by the Fund in August 2016 shall be referred to as a "2016 Borrowing Agreement" and collectively as the "2016 Borrowing Agreements". The 2020 Borrowing Agreements and the 2016 Borrowing Agreements shall be collectively referred to as the "Bilateral Borrowing Agreements".

2. Term of the Agreement and Use.

(a) The term of this agreement shall end on December 31, 2023; provided that the Fund may extend the term of this agreement for one further year through December 31, 2024 by a decision of the Executive Board, taking into account the Fund's overall liquidity situation and actual and prospective borrowing requirements, and with the consent of Spain.

(b) The 2020 Borrowing Agreements may be activated only after the Managing Director has notified the Executive Board that the Forward Commitment Capacity of the Fund as defined in Decision No. 14906-(11/38), adopted April 20, 2011, taking into account all available uncommitted resources under the NAB (the "modified FCC"), is below SDR 100 billion (the "activation threshold");

provided, however, that the Managing Director shall not provide such notification unless (i) the NAB is activated as of the time of the notification, or there are no available uncommitted resources under the NAB as of that time, and (ii) the activation of the 2020 Borrowing Agreements has been approved by creditors representing at least 85 percent of the total credit amount committed under the 2020 Borrowing Agreements by creditors eligible to vote on such activation. For purposes of conducting a poll of eligible creditors, the Managing Director shall propose in writing the activation of the 2020 Borrowing Agreements and request the creditors' vote. A creditor shall not be eligible to vote on the activation if, at the time of the vote, its 2020 Borrowing Agreement is not effective, or the relevant member is not included in the Fund's Financial Transactions Plan for transfers of its currency. Nothing in this paragraph 2(b) shall preclude the Managing Director from approaching creditors before the modified FCC is below the activation threshold, if extraordinary circumstances so warrant in order to forestall or cope with an impairment of the international monetary system.

(c) If the 2020 Borrowing Agreements are activated pursuant to paragraph 2(b), they shall be automatically deactivated whenever the NAB is no longer activated, unless there are no available uncommitted resources under the NAB at that time. Separately, the 2020 Borrowing Agreements shall be deactivated if the Managing Director has notified the Executive Board that the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has risen above the activation threshold and: (i) the Executive Board determines that activation is no longer necessary; or (ii) six months have elapsed since the date of the Managing Director's notification and, within that period, the modified FCC (excluding any amounts available under the Bilateral Borrowing Agreements) has not fallen below the activation threshold. If, after the deactivation of the 2020 Borrowing Agreements under this paragraph 2(c), the modified FCC were to fall below the activation threshold, the provisions of paragraph 2(b) will apply.

(d) During any period after the activation of the 2020 Borrowing Agreements as provided under paragraph 2(b) and for as long as the 2020 Borrowing Agreements remain activated in accordance with paragraphs 2(b) and 2(c), the Fund may (i) use the resources available under this agreement to fund any outright purchases made from the GRA during the term of this agreement and (ii) approve, during the term of this agreement, commitments of GRA resources under Fund arrangements whose purchases could be funded by drawings under this agreement at any time during the period of such commitments, including after the expiration of the term of this agreement and during any period in which this agreement is no longer activated in accordance with paragraph 2(c) of this agreement; provided however that the commitments covered under this clause (ii) shall also include any commitment whose approval caused the activation threshold to be reached.

(e) Following an activation specified in paragraph 2(b), the resources available under this agreement may also be used by the Fund to fund the early repayment of claims under other 2020 Borrowing Agreements if the relevant creditors under those other agreements request the early repayment of their claims in the circumstances specified in paragraph 8. Drawings may be made under this agreement to fund such early repayment of other creditors' claims for as long as claims under the 2020 Borrowing Agreements remain outstanding, including after the expiration of the term of this agreement or during any period in which this agreement is no longer activated in accordance with paragraph 2(c).

(f) Drawing under this agreement shall be made with the goal of achieving over time broadly balanced positions among creditors under all Bilateral Borrowing Agreements relative to their commitments under these agreements.

3. Estimates, Notices, and Limits on Drawings.

(a) Prior to the beginning of each plan period for the use of bilateral borrowed resources, the Fund shall provide Spain with its best estimates of the amounts that it expects it will draw under this agreement during the forthcoming period, and shall provide revised estimates during each period where this is warranted. Spain shall not be included in the periodic plan, and no drawings shall be made under this agreement, if Spain is not included and is not being proposed by the Managing Director to be included in the list of countries in the Financial Transactions Plan for transfers of its currency. Moreover, no drawings shall be made under this agreement if Spain was included in the periodic plan but, at the time of drawing, Spain's currency is not being used in transfers under the Financial Transactions Plan because of Spain's balance of payments and reserve position. Where Spain was not included in the Financial Transactions Plan at the time of the vote on the activation of the 2020 Borrowing Agreements and is subsequently included in the Financial Transactions Plan, drawings may be made under this agreement to fund purchases made and commitments approved during the activation period unless and for so long as Spain notifies the Fund that it does not wish to be drawn upon for these purposes.

(b) The Fund shall give Spain at least five business days' (Madrid) notice of its intention to draw, and shall provide payment instructions at least two business days (Fund) prior to the value date of the transaction by a rapid authenticated means of communication (e.g., SWIFT), provided that in exceptional circumstances where it is not possible to provide at least five business days' (Madrid) notice, notification of intent to draw would be made at least three business days (Madrid) in advance of the value date, and Spain would make best efforts to meet such a call.

4. Evidence of Indebtedness.

(a) The outstanding drawings under this agreement will be included in the statements of Spain's position in the Fund that are published monthly by the Fund.

(b) At the request of Spain, the Fund shall issue to Spain non-negotiable instruments evidencing the Fund's indebtedness to Spain arising under this agreement. Upon repayment of the amount of any instrument issued under this subparagraph and all accrued interest, the instrument shall be returned to the Fund for cancellation. If less than the amount of such instrument is repaid, the instrument shall be returned to the Fund and a new instrument for the remainder of the amount shall be substituted with the same maturity date as the old instrument.

5. Maturity.

(a) Except as otherwise provided in this paragraph 5 and in paragraph 8, each drawing under this agreement shall have a maturity date of three months from the drawing date. The Fund may in its sole discretion elect to extend the maturity date of any drawing or of any portion thereof by additional periods of three months after the initial maturity date, which extension the Fund shall automatically be deemed to have elected with respect to the maturity dates for all drawings then outstanding unless, at least five business days (Fund) before a maturity date, the Fund notifies Spain by a rapid authenticated means of communication (e.g., SWIFT) that the Fund does not elect to extend the maturity date of a particular drawing or portion thereof; provided however (i) that the maturity date of any drawing to fund purchases from the GRA shall not be extended to a date that is later than the tenth anniversary of the date of such drawing, and (ii) that the maturity date for any drawings to fund early repayments of other creditors' claims in accordance with paragraph 2(e) shall be a single common maturity date that is the longest remaining maximum maturity of any claim for which such early repayment has been requested or the tenth anniversary of the date of the relevant drawing to fund early repayment, whichever is earlier. Notwithstanding the maturity deadlines in the preceding sentence, following an Executive Board determination that exceptional circumstances exist as a result of a shortage of Fund resources in relation to Fund obligations falling due, the Fund, with the agreement of Spain, may extend the maximum maturity for drawings under this agreement up to an additional five years.

(b) The Fund shall repay the principal amount of each drawing or relevant part thereof on the maturity date applicable to that drawing or part thereof pursuant to subparagraph (a).

(c) After consultation with Spain, the Fund may make an early repayment in part or in full of the principal amount of any drawing prior to its maturity date in accordance with subparagraph (a), provided that the Fund notifies Spain at least five business days (Fund) before any such repayment by a rapid authenticated means of communication (e.g., SWIFT).

(d) Repayments of drawings shall restore *pro tanto* the amount that can be drawn under this agreement. The extension of the maturity of a drawing or of any part thereof pursuant to subparagraph (a) shall not reduce the amount that can be drawn under this agreement.

(e) If a maturity date for a drawing is not a business day in the place where payment is to be made, then the payment date for the principal amount of such drawing will be the next business day in that place. In such cases, interest will accrue up to the payment date.

6. Rate of Interest.

(a) Each drawing shall bear interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of the Fund's Articles of Agreement; provided however that, if the Fund pays an interest rate higher than the SDR interest rate on outstanding balances from any other borrowing on comparable terms that has been effected pursuant to Article VII, Section 1(i) of the Fund's Articles of Agreement, and for as long as the payment of such higher interest rate remains in effect, the interest rate payable on drawings under this agreement shall be equivalent to the interest rate paid by the Fund on such other comparable borrowing.

(b) The amount of interest payable on each drawing shall be calculated on the basis of the outstanding amount of the drawing. Interest shall accrue daily and shall be paid promptly by the Fund after each July 31, October 31, January 31, and April 30.

7. Denomination, Media and Modalities of Drawings and Payments.

(a) The amount of each drawing and corresponding repayment under this agreement shall be denominated in SDRs.

(b) Unless otherwise agreed between the Fund and Spain, the amount of each drawing shall be paid by Spain, on the value date specified in the Fund's notice under paragraph 3, by transfer of the SDR equivalent amount of euro to the account of the Fund at the designated depository of Spain; provided that for drawings in accordance with paragraph 2(e), Spain shall ensure that balances drawn by the Fund that are not balances of a freely usable currency can be exchanged for a freely usable currency of its choice, and, with respect to balances drawn by the Fund that are balances of a freely usable currency, shall collaborate with the Fund and other members to enable such balances to be exchanged for another freely usable currency.

(c) The obligations of Spain under Article V, Section 3(e) and Article V, Section 7(j) of the Fund's Articles of Agreement concerning exchanges of its currency purchased or to be used in repurchases from the Fund shall apply, respectively, to purchase and repurchase transactions in the General Resources Account involving its currency used in drawings and to be used in repayments of principal under this agreement.

(d) Except as otherwise provided in paragraph 8, repayment of principal shall be made, as determined by the Fund, in the currency borrowed whenever feasible, in euro, in special drawing rights (provided that it does not increase Spain's holdings of special drawing rights above the limit under Article XIX, Section 4 of the Fund's Articles of Agreement unless Spain agrees to accept special drawing rights above that limit in such repayment), in freely usable currencies, or with the agreement of Spain in other currencies that are included in the Fund's Financial Transactions Plan for transfers.

(e) Payments by the Fund of interest under this agreement shall normally be made in SDRs; provided that the Fund and Spain may agree that interest payments will be made in euro.

(f) All payments made by the Fund in euro shall be made to an account specified by Spain or by debiting the Fund's account with the designated depository of Spain, as determined by the Fund. Payments in SDRs shall be made by crediting Spain's account in the Special Drawing Rights Department. Payments in any other currency shall be made to an account specified by Spain.

8. Early Repayment at Request of Spain.

At the request of Spain, Spain shall obtain early repayment at face value of all or a portion of the drawings outstanding under this agreement, if (i) Spain represents that its balance of payments and reserve position justifies such repayment, and (ii) the Fund, having given this representation the overwhelming benefit of any doubt, determines that there is a need for the early repayment as requested by Spain in light of its balance of payments and reserve position. After consultation with Spain, the Fund may make repayments pursuant to this paragraph 8 in SDRs or a freely usable currency as determined by the Fund or, with the agreement of Spain, in the currencies of other members that are included in the Fund's Financial Transactions Plan for transfers.

9. Transferability.

(a) Except as provided in subparagraphs (b) through (h), Spain may not transfer its obligations under this agreement or any of its claims on the Fund resulting from outstanding drawings under this agreement, except with the prior consent of the Fund and on such terms or conditions as the Fund may approve.

(b) Spain shall have the right to transfer at any time all or part of any claim on the Fund resulting from outstanding drawings under this agreement to any member of the Fund, to the central bank or other fiscal agency designated by any member for purposes of Article V, Section 1 of the Fund's Articles of Agreement ("other fiscal agency"), or to any official entity that has been prescribed as a holder of SDRs pursuant to Article XVII, Section 3 of the Fund's Articles of Agreement.

(c) The transferee of a claim transferred pursuant to subparagraph (b) shall, as a condition of the transfer, assume the liability of Spain pursuant to paragraph 5(a) regarding the extension of the maturity of drawings related to the transferred claim and regarding the extension of the maximum maturity of drawings under this agreement in exceptional circumstances. More generally, any claim transferred pursuant to subparagraph (b), shall be held by the transferee on the same terms and conditions as the claim was held by Spain, except that (i) the transferee shall acquire the right to request early repayment under paragraph 8 only if it is a member, or the central bank or other fiscal agency of a member, and at the time of transfer the member's balance of payments and reserve position is considered sufficiently strong in the opinion of the Fund that its currency is used in transfers under the Financial Transactions Plan, (ii) if the transferee is a member, or the central bank or other fiscal agency of a member, the reference to euro in paragraph 7 shall be deemed to refer to the currency of the relevant member, and in other cases it shall be deemed to refer to a freely usable currency determined by the Fund, (iii) payments related to the transferred claim shall be made to an account specified by the transferee, and (iv) references to business days (Madrid) shall be deemed to refer to business days in the place where the transferee is situated.

(d) The price of a claim transferred pursuant to subparagraph (b) shall be as agreed between Spain and the transferee.

(e) Spain shall notify the Fund promptly of the claim that is being transferred pursuant to subparagraph (b), the name of the transferee, the amount of the claim that is being transferred, the agreed price for transfer of the claim, and the value date of the transfer.

(f) A transfer notified to the Fund under subparagraph (e) shall be reflected in the Fund's records if it is in accordance with the terms and conditions of this paragraph 9. The transfer shall be effective as of the value date agreed between Spain and the transferee.

(g) If all or part of a claim is transferred during a quarterly period as described in paragraph 6(b), the Fund shall pay interest to the transferee on the amount of the claim transferred for the whole of that period.

(h) If requested, the Fund shall assist in seeking to arrange transfers.

10. Effective Exchange Rate.

(a) Unless otherwise agreed between Spain and the Fund, all drawings, exchanges, and payments of principal and interest under this agreement shall be made at the exchange rates for the relevant currencies in terms of the SDR established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the transfer, exchange or payment. If this exchange rate determination date is not a business day in Madrid, such date shall be the last preceding business day of the Fund that is also a business day in Madrid.

(b) For purposes of applying the limit on drawings as specified in paragraphs 1(a), 15(c) and 15(e), the euro value of each SDR-denominated drawing shall be determined and permanently fixed on the value date of the drawing based on the euro/SDR exchange rate established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations of the Fund thereunder for the second business day of the Fund before the value date of the drawing. If this exchange rate determination date is not a business day in Madrid, such date shall be the last preceding business day of the Fund that is also a business day in Madrid.

11. Changes in Method of Valuation of SDR.

If the Fund changes the method of valuing the SDR, all transfers, exchanges and payments of principal and interest made two or more business days of the Fund after the effective date of the change shall be made on the basis of the new method of valuation.

12. Non-Subordination of Claims.

The Fund agrees that it will not take any action that would have the effect of making Spain's claims on the Fund resulting from outstanding drawings under this agreement subordinate in any way to claims on the Fund resulting from any other borrowing effected pursuant to Article VII, Section 1(i) of the Fund's Articles of Agreement.

13. Settlement of Questions.

Any question arising under this agreement shall be settled by mutual agreement between Spain and the Fund.

14. Cooperation with the Fund.

Spain stands ready to cooperate with the Fund in the spirit of IMFC/G-20 commitments as needed and appropriate.

15. Transitional Arrangements.

(a) Regardless of whether this agreement is activated or not, the Fund: (i) subject to paragraph 15(b) below, shall make drawings under this agreement to repay any outstanding claims under Spain's 2016 Borrowing Agreement, and (ii) may make drawings under this agreement to fund purchases under commitments approved by the Fund during an activation of the 2016 Borrowing Agreements or to fund early repayment of claims under other 2016 Borrowing Agreements in case the creditor represents a balance of payments need; provided that notwithstanding paragraph 5(a) of this agreement the maximum maturity date of the claim from the repayment herein shall be the residual maximum maturity date of the claim that is repaid with drawings under this agreement; and provided further that any claims under this agreement that result from the repayment herein shall be considered claims under the 2016 Borrowing Agreements for purposes of funding the early repayment of these claims in case of balance of payments need in accordance with the 2016 Borrowing Agreements, and for purposes of special calls under paragraph 23 of the Fund's Decision No. 16645-(20/5), adopted January 16, 2020.

(b) To the extent that claims under Spain's 2016 Borrowing Agreement or this agreement are outstanding when the increase in the NAB credit arrangement of Spain becomes effective, Spain shall be deemed to request, in accordance with paragraph 23 of the Fund's Decision No. 11428-(97/6), adopted January 27, 1997 on the NAB, as amended, that the Managing Director make calls under the NAB credit arrangement of Spain up to the maximum available amount, taking into account the Fund's need for maintaining prudential balances, to fund the repayment of such claims; provided that if the increase in the NAB credit arrangement of Spain and this agreement enter into effect at the same time, the repayment of Spain's outstanding claims under Spain's 2016 Borrowing Agreement shall be funded first with calls under Spain's NAB credit arrangement before drawings are made under this agreement pursuant to paragraph 15(a) above.

(c) If following the repayment of outstanding claims under Spain's 2016 Borrowing Agreement and this agreement as provided in paragraph 15(b) above, Spain's outstanding claims under these agreements remain in excess of the Rolled Back Loan Amount, as calculated pursuant to paragraph 10(b), the Fund shall repay any outstanding claims under Spain's 2016 Borrowing Agreement and this agreement in excess of the Rolled Back Loan Amount; provided that claims with shorter remaining maximum maturities shall be repaid before those with longer remaining maximum maturities.

(d) After the entry into force of this agreement, the Fund may make no further drawing under Spain's 2016 Borrowing Agreement.

(e) No drawing under this agreement shall be made that would cause the total outstanding drawings under both this agreement and the 2016 Borrowing Agreement between Spain and the Fund, at the time of such drawing, to (i) exceed the Loan Amount prior to the effectiveness of the increase in Spain's NAB credit arrangement, or (ii) exceed the Rolled Back Loan Amount upon and after the effectiveness of the increase in Spain's NAB credit arrangement, as calculated pursuant to paragraph 10(b); provided that drawings beyond the Rolled Back Loan Amount under (ii) herein are authorized, if within the same day of these drawings any resulting claim that would exceed the Rolled Back Loan Amount is repaid with a special call under Spain's NAB credit arrangement, and Spain hereby requests the Managing Director to make such calls to fund the repayment in accordance with paragraph 23 of the Fund's Decision No. 11428-(97/6), adopted January 27, 1997 on the NAB, as amended.

16. Final Provisions.

(a) This agreement, drawn up in English and Spanish languages with both texts being equally binding, shall be executed in each language in duplicate counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

(b) Following signature by Spain and the Fund, this agreement shall become effective on the date the Fund acknowledges the receipt of a written communication from Spain notifying the Fund that the domestic procedures for its ratification have been duly completed, or on January 1, 2021, whichever is later.

For the Kingdom of Spain:

[Name] [Title]	Date

For the International Monetary Fund:

Kristalina Georgieva Managing Director	Date