



**Note Purchase Agreement between
the Central Bank of the
Republic of Turkey and
the International Monetary Fund**

Note Purchase Agreement between the Central Bank of the Republic of Turkey and the International Monetary Fund

This Note Purchase Agreement (this “Agreement”) is entered into between the Central Bank of the Republic of Turkey and the International Monetary Fund (the “Fund”).

1. Purposes and Amounts.

To enhance the resources available on a temporary basis to the Fund for crisis prevention and resolution through bilateral borrowing, the Central Bank of the Republic of Turkey agrees to purchase from the Fund promissory notes, which shall be issued in accordance with the terms of this Agreement and the General Terms and Conditions for International Monetary Fund Series E Notes attached as Annex 1 to this Agreement (the “Notes”). Notes in an SDR-denominated principal amount up to the equivalent of US\$5 billion shall be issued under this Agreement. This Agreement and other bilateral borrowing agreements that the Fund has entered into or amended pursuant to the 2016 borrowing framework shall be referred to each as a “2016 Borrowing Agreement” and collectively as the “2016 Borrowing Agreements”. The term “Bilateral Borrowing Agreements” shall have the meaning as defined under paragraph 4(a) of the Guidelines for Borrowing by the Fund.

2. Term of the Agreement and Use.

(a) The term of this Agreement shall end on December 31, 2019; provided that the Fund may extend the term of this Agreement for one further year through December 31, 2020 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 Central Bank of the Republic of Turkey.

(b) The 2016 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 New Arrangements to Borrow (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 New Arrangements to Borrow (“NAB”) are 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 2016 Borrowing Agreements has been approved by creditors representing at least 85 percent of the total credit amount committed under the 2016 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 2016 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 2016 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 2016 Bilateral 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 2016 Bilateral 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 2016 Bilateral 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 2016 Borrowing Agreements as provided under paragraph 2(b) and for as long as the 2016 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 General Resources Account ("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 issuing Notes for purchase 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); 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 2016 Borrowing Agreements if the relevant creditors under those other agreements request the early repayment of their claims in the circumstances specified in paragraph 7 of the General Terms and Conditions for International Monetary Fund Series E Notes. Notes for purchase may be issued under this Agreement to fund such early repayment of other creditors' claims for as long as claims under the 2016 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) Notes for purchase under this Agreement shall be issued with the goal of achieving over time broadly balanced positions among creditors under all Bilateral Borrowing Agreements relative to their commitments under these agreements.

(g) Subject to paragraph 8(c), the Fund shall not issue Notes for purchase under this Agreement if such issuance would result in the cumulative principal amount of Notes issued under this Agreement exceeding US\$5 billion at the time of such issuance, as calculated pursuant to paragraph 5(d).

3. Estimates, Notices and Limits on Issuance of Notes.

(a) Prior to the beginning of each plan period for the use of bilateral borrowed resources, the Fund shall provide the Central Bank of the Republic of Turkey with its best estimates of the amounts of the Notes that it expects it will issue for purchase under this Agreement during the forthcoming period, and shall provide revised estimates during each period where this is warranted. The Central Bank of the Republic of Turkey shall not be included in the periodic plan, and no Notes shall be issued for purchase under this Agreement, if Turkey 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 Notes shall be issued for purchase under this Agreement if the Central Bank of the Republic of Turkey was included in the periodic plan but, at the time of the issuance of these Notes, Turkey's currency is not being used in transfers under the Financial Transactions Plan because of Turkey's balance of payments and reserve position. Where Turkey was not included in the Financial Transactions Plan at the time of the vote on the activation of the 2016 Borrowing Agreements and is subsequently included in the Financial Transactions Plan, Notes may be issued for purchase under this Agreement to fund purchases made and commitments approved during the activation period unless and for so long as the Central Bank of the Republic of Turkey notifies the Fund that it does not wish to have such issuance for these purposes.

(b) The Fund shall give the Central Bank of the Republic of Turkey at least five business days' Ankara notice of its intention to issue Notes for purchase, 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' (Ankara) notice, notification of intent to issue Notes for purchase would be made at least three business days (Ankara) in advance of the value date, and the Central Bank of the Republic of Turkey would make best efforts to meet such a call.

(c) Payment by the Fund of the principal amount of a Note shall not restore *pro tanto* the amount of Notes that may be issued under this Agreement. The extension of the maturity of a Note, or of any part thereof, in accordance with paragraph 4(a) of the General

Terms and Conditions for International Monetary Fund Series E Notes shall not reduce the amount of Notes that may be issued under this Agreement.

4. Denomination and Price.

Notes shall be denominated in the special drawing right (SDR). Notes shall be issued in multiples of SDR 10 million. The purchase price for each Note shall be 100 percent of the principal amount thereof.

5. Payments for Purchases, Exchanges of Currencies and SDR Valuation.

(a) Unless otherwise agreed between the Fund and the Central Bank of the Republic of Turkey, the purchase price of each Note shall be paid by the Central Bank of the Republic of Turkey on the value date specified in the Fund's notice under paragraph 3, by transfer of the SDR equivalent amount of Turkish lira to the account of the Fund with the designated depository of Turkey; provided that for Notes purchased in accordance with paragraph 2(e), the Central Bank of the Republic of Turkey shall ensure that balances used in the purchase 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 used in the purchase that are balances of a freely usable currency, the Central Bank of the Republic of Turkey shall collaborate with the Fund and other members to enable such balances to be exchanged for another freely usable currency.

(b) Unless otherwise agreed between the Fund and the Central Bank of the Republic of Turkey, all purchases of Notes and exchanges of currency pursuant to this Agreement shall be made at the exchange rate for the relevant currency 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 purchase or exchange. If this exchange rate determination date is not a business day in Ankara, such date shall be the last preceding business day of the Fund that is also a business day in Ankara.

(c) If the Fund changes the method of valuing the SDR, all purchases and exchanges of currency 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.

(d) For purpose of applying the limit specified in paragraphs 1, 2(g) and 8(c) on Fund issuance of Notes for purchase under this Agreement, the US dollar value of each SDR-denominated Note issued by the Fund shall be determined and permanently fixed on the value date of the issuance based on the US dollar/SDR exchange rate established pursuant to Article XIX, Section 7(a) of the Fund's Articles of Agreement and the rules and regulations thereunder for the second business day of the Fund before the value date of the issuance. If this exchange rate determination date is not a business day in Ankara, such date shall be the last preceding business day of the Fund that is also a business day in Ankara.

6. Transferability.

The Central Bank of the Republic of Turkey may not transfer any of its rights or obligations under this Agreement except with the prior written consent of the Fund; provided however that transfers of Notes may be effected pursuant to, and subject in any event to the transfer restrictions and other limitations on transfers of the Notes set forth in, the General Terms and Conditions for International Monetary Fund Series E Notes.

7. Settlement of Questions.

Any question arising under this Agreement shall be settled by mutual agreement between the Central Bank of the Republic of Turkey and the Fund.

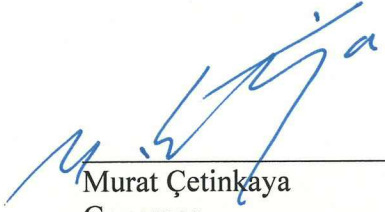
8. Final Provisions.

(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 the date on which Turkey provides the concurrence that is required under Article VII, Section 1(i) of the Fund's Articles of Agreement for Fund borrowing of Turkish lira from the Central Bank of the Republic of Turkey, whichever is later. Upon the entry into effect of this Agreement, the term of the Note Purchase Agreement between the Central Bank of the Republic of Turkey and the Fund that entered into effect in 2013 shall be terminated.

(c) No notes shall be issued for purchase under this Agreement or the Note Purchase Agreement between the Central Bank of the Republic of Turkey and the Fund that entered into effect in 2013 if such issuance would cause the cumulative principal amount of notes issued for purchase under both agreements to exceed the equivalent of US\$5 billion at the time of such issuance, as calculated pursuant to paragraph 5(d).

For the Central Bank of the Republic of Turkey



Murat Çetinkaya
Governor

28/12/2016

Date

For the International Monetary Fund:



Christine Lagarde
Managing Director

1/26/2017

Date

**ANNEX 1. General Terms and Conditions for International Monetary Fund
Series E Notes**

1. Definitions.

These are the General Terms and Conditions for International Monetary Fund Series E Notes that are referred to in the Applicable Note Purchase Agreement, as defined below, and in the Notes described therein and herein. The following definitions apply for purposes of these General Terms and Conditions:

(a) “Applicable Note Purchase Agreement” for any Note means the Note Purchase Agreement between the Fund and the original Eligible Purchaser to whom the Fund (i) had issued the Note, or (ii) had issued any Note in cancellation of which the Note (or one or more Notes previously cancelled in exchange for the Note) had been issued.

(b) “Borrowing Guidelines” means the Guidelines for Borrowing by the Fund.

(c) “Eligible Purchaser” means (i) a member of the Fund, and (ii) the central bank of a member of the Fund.

(d) “Eligible Holder” means (i) an Eligible Purchaser, (ii) a fiscal agency designated by a member of the Fund for purposes of Article V, Section 1 of the Fund’s Articles of Agreement (hereinafter referred to as the “fiscal agency of a member”), and (iii) an official entity that has been prescribed as a holder of special drawing rights (SDRs) pursuant to Article XVII, Section 3 of the Fund’s Articles of Agreement (hereinafter referred to as a “prescribed SDR holder”).

(e) “Notes” mean the promissory notes (International Monetary Fund Series E Notes) that are subject to these General Terms and Conditions.

(f) “Permitted Holder” means (i) an Eligible Holder, and (ii) any other official entity in respect of whom the Fund has consented in writing to a transfer of Notes pursuant to subparagraph 6(b) of these General Terms and Conditions.

(g) “Relevant Member” means, in the case of a Permitted Holder that is the central bank or fiscal agency or other official institution of a member of the Fund, that member of the Fund.

2. Eligible Purchasers and Permitted Holders of Notes.

The Fund will issue Notes solely to Eligible Purchasers. Each Eligible Purchaser will enter into a Note Purchase Agreement with the Fund governing the terms of its purchases of Notes from the Fund. Permitted Holders shall be the only authorized holders of the Notes.

3. Form, Delivery and Custody of Notes.

(a) Notes will only be issued in book entry form. The Fund will establish and maintain in its records a book entry account in the name of each Permitted Holder recording pertinent details of all Notes issued, including the number, issue date, principal amount, series, and maturity date. As of the value date of each purchase or transfer of a Note, the Fund will make an appropriate entry in its records regarding details of the Note purchased or transferred. The making of such an entry in the records of the Fund shall constitute a taking of delivery of the Note by the purchaser or transferee.

(b) Upon the request of a Permitted Holder, the Fund will issue to the Permitted Holder a registered Series E Note substantially in the form set out in Annex 2, including without limitation the legend regarding restrictions on transfer of Notes. Each such registered Note will bear as its issue date the value date of the purchase of the Note and shall be issued in the name of the relevant Permitted Holder. Unless otherwise agreed between a Permitted Holder and the Fund, the Fund will keep registered Notes in custody for the Permitted Holder, and acceptance of custody by the Fund shall constitute delivery of Notes to the Permitted Holder.

4. Maturity.

(a) Except as otherwise provided in this paragraph 4 and in paragraph 7(b)(ii), each Note shall have a maturity date that is three months from its issue date. The Fund may in its sole discretion elect to extend the maturity date of any Note 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 then in effect for all Notes unless, at least five business days (Fund) before a maturity date, the Fund notifies a Permitted Holder by a rapid authenticated means of communication (e.g., SWIFT) that the Fund does not elect to extend the maturity date of the particular Note or portion thereof; provided however (i) that the maturity date of any Note purchased to fund GRA purchases shall not be extended to a date that is later than the tenth anniversary of the date of such Note, and (ii) that the maturity date for any Notes purchased to fund the early repayment of other creditors' claims in accordance with paragraph 2(e) of the Applicable Note Purchase Agreement 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 Notes being issued 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 Permitted Holder, may extend the maximum maturity for Notes purchased up to an additional five years.

(b) The Fund shall pay the principal amount of each Note on the maturity date that is applicable to that Note in accordance with subparagraph (a). If a maturity date for a Note is not a business day in the place where payment is to be made, then the payment date for such principal amount will be the next business day in that place. In such cases, interest will accrue up to the payment date.

(c) The Fund may at its option make an early payment in part or in full of the principal amount of any Note prior to its maturity date, after consultation with the relevant Permitted Holder, provided that the Fund notifies Permitted Holder at least five business days (Fund) before any such payment by a rapid authenticated means of communication (e.g., SWIFT).

(d) The Fund will cancel a Note upon payment of the principal amount of the Note and all accrued interest. If the Fund makes early payment of less than the principal amount of a Note, the Fund will cancel the Note and issue a new Note for the remainder of the amount, with the same maturity date as the cancelled Note. If the maturity date of a Note is extended with respect to less than the principal amount of the Note, the Fund will cancel the Note and issue a new Note for the remainder of the amount, with the extended maturity date.

(e) Any Note to be cancelled by the Fund that is not already in the custody of the Fund shall be surrendered by the Permitted Holder to the Fund for cancellation.

5. Rate of Interest.

(a) Each Note bears interest at the SDR interest rate established by the Fund pursuant to Article XX, Section 3 of the Fund's Articles of Agreement; however, 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 each Note will be equivalent to the interest rate paid by the Fund on such other comparable borrowing.

(b) The amount of interest payable on each Note is calculated on the basis of the principal amount of the Note (including the principal amount of any Note issued in substitution of a Note cancelled pursuant to paragraph 4(d)). Interest accrues daily and is to be paid promptly by the Fund after each July 31, October 31, January 31, and April 30.

6. Transferability of Notes.

(a) A Permitted Holder has the right to transfer at any time all or part of any Note to any Eligible Holder. If requested, the Fund will use its best efforts to arrange such transfers to one or more Eligible Holders identified by the Fund or by the transferor Permitted Holder.

(b) Transfers by a Permitted Holder of all or part of any Note to an official entity other than an Eligible Holder shall require the prior written consent of the Fund, and may only take place on such additional terms and conditions as the Fund may approve.

(c) In no event shall any Permitted Holder have the right to sell, assign, dispose of or otherwise transfer any Note or any part of any Note, directly or indirectly, to any entity that is not (i) an Eligible Holder, or (ii) an official entity in respect of which the Fund has consented in writing to the transfer pursuant to subparagraph (b).

(d) Derivative transactions in respect of any Note, and transfers of participation interests in any Note, are prohibited.

(e) The transferee of a Note transferred pursuant to this paragraph 6 shall, as a condition of the transfer, assume in full the obligations of a Permitted Holder pursuant to paragraph 4(a) regarding extensions of the maturity of the Note and regarding the extension of the maximum maturity of the Note in exceptional circumstances. More generally, any Note or part thereof transferred pursuant to this paragraph 6 shall be held by the transferee on the same terms and conditions as the Note was held by the transferor, except as provided in paragraph 7 with respect to the right to early payment at the request of a Permitted Holder.

(f) The price of a Note transferred pursuant to this paragraph 6 will be as agreed between the transferor and the transferee.

(g) Transfers made pursuant to subparagraph (a) that are in accordance with the terms and conditions of this paragraph 6 will be effected by a duly authenticated notice of transfer from the transferor to the Fund stating the name of the transferee and the Note being transferred, the transferee's eligibility for a transfer pursuant to subparagraph (a), and the value date of the transfer.

(h) For all transfers under this paragraph 6, the Fund will cancel the Note that has been transferred in whole or in part and, if the Note is a registered Note, the transferor shall, as a condition for the transfer, surrender for cancellation any such registered Note that is not already in the custody of the Fund. Upon cancellation of the relevant Note, the Fund will issue a new Note in the name of the transferee for the principal amount transferred and, where appropriate, a new Note in the name of the transferor for any part of the principal amount retained by it. The issue date of each new Note will be the issue date of the cancelled Note, and the new Notes will have the same maturity date (including any maturity date resulting from extensions of a previous maturity date) that is applicable to the cancelled Note pursuant to paragraph 4. The form and delivery of each new Note will be as specified in paragraph 3.

(i) If all or part of a Note is transferred during a quarterly period as described in paragraph 5(b), the Fund will pay interest to the transferee on the principal amount of the Note for the whole of that period.

7. Early Payment by the Fund at Request of Certain Permitted Holders.

(a) The rights provided in subparagraph (b) shall apply only to Permitted Holders of Notes that are either (i) Eligible Purchasers in respect of such Notes, or (ii) transferees of such Notes pursuant to paragraphs 6(a) or 6(b) for which the following conditions are met: (A) the transferee is a member of the Fund, or the central bank or fiscal agency of a member of the Fund, and (B) at the time of transfer, the balance of payments and reserve position of the member or Relevant Member, as the case may be, was considered sufficiently strong in the opinion of the Fund that its currency was being used in transfers under the Financial Transactions Plan.

(b) A Permitted Holder described in subparagraph (a) shall obtain early payment at face value of all or a portion of the principal of Notes as described in subparagraph (a) that are held by such Permitted Holder, if (i) the Permitted Holder represents that its balance of payments and reserve position (the balance of payments and reserve position of the Relevant Member if the Permitted Holder is the central bank or fiscal agency of a member) justifies early payment, and (ii) the Fund, having given this representation the overwhelming benefit of any doubt, determines that there is a need for early payment as requested by the Permitted Holder in light of the balance of payments and reserve position of the Permitted Holder or the Relevant Member, as the case may be.

(c) After consultation with the Permitted Holder, the Fund may make payments pursuant to this paragraph 7 in SDRs or a freely usable currency as determined by the Fund or, with the agreement of the Permitted Holder, in the currencies of other members that are included in the Fund's periodic Financial Transactions Plan for transfers.

8. Media and Modalities of Payments on the Notes.

(a) Except as otherwise provided in paragraph 7, payments by the Fund of the principal amount of Notes shall be made to a Permitted Holder, as determined by the Fund, in (i) the currency borrowed whenever feasible if the Permitted Holder is the original purchaser, (ii) the currency of the Permitted Holder, if the Permitted Holder is a member of the Fund, (iii) the currency of the Relevant Member, if the Permitted Holder is the central bank or fiscal agency of a member of the Fund, or is a prescribed SDR holder that is an official institution of a member, (iv) special drawing rights, if the Permitted Holder is covered by clauses (ii) or (iii) or is otherwise a prescribed SDR holder (provided that it does not increase the member's holdings of special drawing rights above the limit under Article XIX, Section 4 of the Fund's Articles of Agreement unless the member agrees to accept special drawing rights above that limit in such payment, in the case of a Permitted Holder covered by clause (ii)), (v) any freely usable currency determined by the Fund in the case of any Permitted Holder, or (vi) other currencies that are included in the Fund's periodic Financial Transactions Plan for transfers, with the agreement of the Permitted Holder.

(b) Payments by the Fund of interest on the Notes will normally be made in SDRs if the Permitted Holder is a member of the Fund or a central bank or fiscal agency of such a member, or a prescribed SDR holder; provided that in the case of a member of the Fund or a central bank or fiscal agency of such a member, the Fund and the Permitted Holder may agree that interest payments will be made in the currency of the Relevant Member. Payments of interest to other Permitted Holders will be made in a freely usable currency as determined by the Fund.

(c) All payments made by the Fund to a Permitted Holder in currency will be made by crediting the amount due to an account specified in advance by the Permitted Holder for purposes of receiving such payments, or, in the case of a Permitted Holder that is a Fund member, by debiting the Fund's account with the designated depository of that member, as determined by the Fund. Payments in SDRs will be made by crediting the SDR Department account of the Permitted Holder or of the Relevant Member as the case may be.

9. Effective Exchange Rate for Payments.

Unless otherwise agreed between a Permitted Holder and the Fund, all payments in currency of principal and interest under these General Terms and Conditions will 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 payment. If this exchange rate determination date is not a business day in the Permitted Holder's principal location, then such date will be the last preceding business day of the Fund that is also a business day in the Permitted Holder's principal location.

10. Changes in Method of Valuation of SDR.

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

11. Non-Subordination of Claims.

The Fund will not take any action that would have the effect of making a Permitted Holder's claim on the Fund resulting from any Note 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.

12. Settlement of Questions.

Any question arising under any Note shall be settled by mutual agreement between the relevant Permitted Holder and the Fund.

ANNEX 2. Form of Registered Series E Note

Number _____ SDR _____

INTERNATIONAL MONETARY FUND

REGISTERED NOTE

Issue Date: _____

Maturity Date: [to include description of automatic extensions of maturity and extension option in exceptional circumstances]

The INTERNATIONAL MONETARY FUND ("the Fund"), for value received, hereby promises to pay to _____, being the registered holder of this note, an amount equivalent to

_____ Special Drawing Rights (SDR _____)

on the maturity date specified above and to pay interest thereon as set forth below.

This Note is one of a series of "Series E Notes" issued in accordance with the General Terms and Conditions for International Monetary Fund Series E Notes (the "General Terms and Conditions") and the Applicable Note Purchase Agreement as such term is defined in the General Terms and Conditions. Each holder of this Note is deemed to have agreed to the General Terms and Conditions and relevant terms of the Applicable Note Purchase Agreement, including without limitation the maturity date (including the terms on which it may be extended at the sole option of the Fund from time to time), the interest rate, the terms and conditions of early payment at the request of the Fund or the holder hereof, and the terms and conditions of transfer of this Note or any part thereof.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY JURISDICTION.

IN NO EVENT SHALL ANY HOLDER OF THIS NOTE SELL, ASSIGN, DISPOSE OF OR OTHERWISE TRANSFER THIS NOTE, DIRECTLY OR INDIRECTLY, TO ANY ENTITY THAT IS NOT (I) A MEMBER OF THE FUND OR THE CENTRAL BANK OF A MEMBER OF THE FUND, (II) A FISCAL AGENCY DESIGNATED BY A MEMBER OF THE FUND FOR PURPOSES OF ARTICLE V, SECTION 1 OF THE FUND'S ARTICLES OF AGREEMENT, (III) AN OFFICIAL ENTITY THAT HAS BEEN PRESCRIBED AS A HOLDER OF SPECIAL DRAWING RIGHTS PURSUANT TO ARTICLE XVII, SECTION 3 OF THE FUND'S ARTICLES OF AGREEMENT, OR (IV) ANY OTHER OFFICIAL ENTITY IN RESPECT OF WHICH THE FUND HAS CONSENTED IN WRITING TO A TRANSFER PURSUANT TO PARAGRAPH 6(B) OF THE GENERAL TERMS AND CONDITIONS.

ANY DERIVATIVE TRANSACTIONS IN RESPECT OF THIS NOTE, AND TRANSFERS OF PARTICIPATION INTERESTS IN THIS NOTE, ARE PROHIBITED.

Interest shall accrue daily on the principal amount of this Note 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, then the interest rate payable on this Note shall be equivalent to the interest rate paid by the Fund on such other comparable borrowing. Interest shall be paid promptly after each July 31, October 31, January 31, and April 30. Payments of interest shall normally be made in SDRs if the registered holder is a member of the Fund, or a central bank or fiscal agency of a member of the Fund, or a prescribed holder of SDRs, provided that the Fund and such registered holder may agree that interest payments will be made in the currency of the Relevant Member, or in a freely usable currency as determined by the Fund in the case of other registered holders. Payments in SDRs shall be made by crediting the SDR Department account of the registered holder, or of the member for which the registered holder serves as central bank or fiscal agency in the case of registered holders that are the central bank or fiscal agency of a member of the Fund.

[Signatures]