Table **2.2**

Financial terms under IMF General Resources Account credit

This table shows major nonconcessional lending facilities. Stand-By Arrangements have long been the core lending instrument of the institution. In the wake of the 2007–09 global financial crisis, the IMF strengthened its lending toolkit. A major aim was to enhance crisis prevention instruments through the creation of the Flexible Credit Line (FCL) and the Precautionary and Liquidity Line (PLL). In addition, the Rapid Financing Instrument (RFI), which can be used in a wide range of circumstances, was created to replace the IMF's emergency assistance policy.

Credit facility (year adopted)[1]	Purpose	Conditions	Phasing and monitoring	Access limits[1]	Charges[2]	Repayment schedule (years)	Installments
Stand-By Arrangements (SBA) (1952)	Short- to medium-term assistance for countries with short-term balance-of-payments difficulties	Adopt policies that provide confidence that the member's balance-of-payments difficulties will be resolved within a reasonable period	Generally quarterly purchases (disbursements) contingent on observance of performance criteria and other conditions	Annual: 145% of quota; cumulative: 435% of quota	Rate of charge plus surcharge (200 basis points on amounts above 187.5% of quota; additional 100 basis points when outstanding credit remains above 187.5% of quota for more than 36 months)[3]	3¼–5	Quarterly
Extended Fund Facility (EFF) (1974) (Extended Arrangements)	Longer-term assistance to support members' structural reforms to address long-term balance-of-payments difficulties	Adopt up to 4-year program, with structural agenda and annual detailed statement of policies for the next 12 months	Quarterly or semiannual purchases (disbursements) contingent on observance of performance criteria and other conditions	Annual: 145% of quota; cumulative: 435% of quota	Rate of charge plus surcharge (200 basis points on amounts above 187.5% of quota; additional 100 basis points when outstanding credit remains above 187.5% of quota for more than 51 months)[3]	4½–10	Semiannual
Flexible Credit Line (FCL) (2009)	Flexible instrument in the credit tranches to address all balance-of-payments needs, potential or actual	Very strong ex ante macroeconomic fundamentals, economic policy framework, and policy track record	Approved access available up front throughout the arrangement period; 2-year FCL arrangements are subject to a midterm review after 1 year	No preset limit	Rate of charge plus surcharge (200 basis points on amounts above 187.5% of quota; additional 100 basis points when outstanding credit remains above 187.5% of quota for more than 36 months)[3]	3¼–5	Quarterly
Precautionary and Liquidity Line (PLL) (2011)	Instrument for countries with sound economic fundamentals and policies	Sound policy frameworks, external position, and market access, including financial sector soundness	Large front-loaded access, subject to semiannual reviews (for 1- to 2-year PLL)	125% of quota for 6 months; 250% of quota available upon approval of 1- to 2-year arrangements; total of 500% of quota after 12 months of satisfactory progress	Rate of charge plus surcharge (200 basis points on amounts above 187.5% of quota; additional 100 basis points when outstanding credit remains above 187.5% of quota for more than 36 months)[3]	3¼–5	Quarterly
Rapid Financing Instrument (RFI) (2011)	Rapid financial assistance to all member countries facing an urgent balance-of-payments need	Efforts to solve balance-of-payments difficulties (may include prior actions)	Outright purchases without the need for full-fledged program or reviews	Annual: 37.5% of quota; cumulative: 75% of quota	Rate of charge plus surcharge (200 basis points on amounts above 187.5% of quota; additional 100 basis points when outstanding credit remains above 187.5% of quota for more than 36 months)[3]	3¼–5	Quarterly

[1] The IMF's lending through the General Resources Account (GRA) is primarily financed from the capital subscribed by member countries; each country is assigned a quota that represents its financial commitment. A member provides a portion of its quota in Special Drawing Rights (SDRs) or the currency of another member acceptable to the IMF and the remainder in its own currency. An IMF loan is disbursed or drawn by the borrower's purchase of foreign currency assets from the IMF with its own currency. Repayment of the loan is achieved by the borrower's repurchase of its currency from the IMF with foreign currency.

[2] The rate of charge on funds disbursed from the GRA is set at a margin over the weekly SDR interest rate (currently 100 basis points). The rate of charge is applied to the daily balance of all outstanding GRA drawings during each IMF financial quarter. In addition, a one-time service charge of 0.5 percent is levied on each drawing of IMF resources in the GRA, other than reserve tranche drawings. An up-front commitment fee (15 basis points on committed amounts of up to 115 percent of quota; 30 basis points for amounts in excess of 115 percent and up to 575 percent of quota; and 60 basis points for amounts in excess of 575 percent of quota) applies to the amount that may be drawn during each (annual) period under a Stand-By Arrangement, Flexible Credit Line, Precautionary and Liquidity Line, or Extended Arrangement; this fee is refunded on a proportionate basis as subsequent drawings are made under the arrangement.

[3] Surcharges were introduced in November 2000. A new system of surcharges took effect August 1, 2009, and was updated on February 17, 2016, with some limited grandfathering for existing arrangements.