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IMF Executive Board Approves the Applications of Five Institutions to Become Holders of Special Drawing Rights

International Monetary Fund (IMF)

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PRESS RELEASE NO. PR2347

IMF Executive Board Approves the Applications of Five Institutions to Become Holders of Special Drawing Rights

February 21, 2023

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Washington, DC: The Executive Board of the International Monetary Fund (IMF) approved on February 8, 2023 the applications of the Caribbean Development Bank (CDB), the Development Bank of Latin America (known as Corporacion Andina de Fomento or CAF), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the Inter-American Development Bank (IADB) to become prescribed holders of [Special Drawings Rights \(SDRs\)](https://www.imf.org/en/About/Factsheets/Sheets/2023/special-drawing-rights-sdr), an international reserve asset created by the Fund to help meet the long-term global need to supplement reserves. Approval of these institutions brings the number of prescribed holders to twenty (see attached list).

Prescribed holders may acquire, hold and use SDRs in operations with other prescribed holders and participants in the SDR Department. The SDR Department maintains records on SDR transactions, holdings, and allocations. All IMF members are currently participants in the SDR Department. Under current IMF decisions, prescribed holders may exchange SDRs for currency, and use SDRs in certain operations, including loans, settlement of financial obligations, swaps, pledges, transfer as security for the performance of financial obligations, forwards, and donations. Prescribed holders may elect to participate in the [SDR Voluntary Trading Agreements \(VTAs\)](https://www.imf.org/en/Publications/Policy-Papers/Issues/2021/10/26/Annual-Update-on-SDR-Trading-Operations-498096) or enter into bilateral agreements to conduct their exchanges of SDRs. Unlike participants in the SDR Department, prescribed holders do not receive allocations of SDRs, and they may not request an exchange of SDRs in transactions with designation. [1] <file:///data2/COM/COM/MR/Press%20Releases/2023/PR2347%20-%20SDR%20-%20IMF%20Executive%20Board%20Approves%20the%20Applications%20of%20Five%20Institutions%20to%20Become%20Holders%20of%20Special%20Drawing%20Rights>

As a background, the IMF's Articles of Agreement authorize the Fund to prescribe as holders of SDRs (i) non-members, (ii) members that are not participants in the SDR Department, (iii) institutions that perform functions of a central bank for one or more IMF member countries, and (iv) other official entities. The five applicants approved today are all "other official entities".

Attachment

Following the Executive Board's decision, the following institutions are currently the prescribed holders of SDRs:

- African Development Bank (AFDB)
- African Development Fund (AFDF)

Arab Monetary Fund (AMF)
Asian Development Bank (ADB)
Bank for International Settlements (BIS)
Bank of Central African States (BEAC)
Caribbean Development Bank (CDB)
Central Bank of West African States (BCEAO)
Development Bank of Latin America (Corporacion Andina de Fomento or CAF)
Eastern Caribbean Central Bank (ECCB)
European Central Bank (ECB)
European Bank for Reconstruction and Development (EBRD)
European Investment Bank (EIB)
Inter-American Development Bank (IADB)
International Bank for Reconstruction and Development (IBRD)
International Development Association (IDA)
International Fund for Agricultural Development
Islamic Development Bank
Latin American Reserve Fund (FLAR) - Former Andean Reserve Fund
Nordic Investment Bank

[1] (file:///data2/COM/COM/MR/Press%20Releases/2023/PR2347%20-%20SDR%20-%20IMF%20Executive%20Board%20Approves%20the%20Applications%20of%20Five%20Institutions%20to%20Become%20Holders%20of%20Special%20Drawing%20Rights)
For additional information please see IMF Financial Operations
(<https://www.elibrary.imf.org/display/book/9781484330876/ch04.xml>) Handbook, including Box 4.9
on the designation mechanism.

IMF Communications Department

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