

Key Points for Strengthening the CMIM

1. Strengthening Crisis Resolution Mechanism(CRM)

i) Size

- a. To double the total size of CMIM from the current US\$120bn to US\$240bn while keeping the current share of financial contributions and voting power among the member countries the same

ii) IMF De-linked Portion

- b. To increase the IMF de-linked portion to 30% in 2012 with a view to increasing it to 40% in 2014 subject to review should conditions warrant

iii) Maturity, Supporting period and Monitoring

- c. IMF linked portion: To lengthen the maturity period from 90 days to 1 year with 2 renewals, totaling up to 3 years in supporting period
- d. IMF de-linked portion: To lengthen the maturity from 90 days to 6 months with 3 renewals, totaling up to 2 years in supporting period
- e. To conduct monitoring on a bi-annual basis

iv) Name

- f. To adopt “CMIM Stability Facility (CMIM-SF)” as the name for CRM

2. Introducing Crisis Prevention Function(CPF)

i) Introduction

- a. To introduce one simplified crisis prevention facility

ii) Qualifications and Conditionality

- b. To allow Executive Level Decision Making Body (ELDMB, Deputies’ Level Meeting) to flexibly apply the 5 qualification criteria, which are stipulated below, as ex-ante qualifications and ex-post conditionality after considering the economic reports by the requesting country and analyses by AMRO/ADB/IMF as the basis for the decision

< 5 qualification criteria >

- (i) External position and market access*
- (ii) Fiscal policy*
- (iii) Monetary policy*
- (iv) Financial sector soundness and supervision*
- (v) Data adequacy*

iii) Name

- c. To adopt “CMIM Precautionary Line (CMIM-PL)” as the name for CPF

iv) Duration of Access, Arrangement period, Maturity and Monitoring

- d. To set the Duration of Access of CMIM-PL at 6 months with 3 renewals, totaling 2 years in arrangement period
- e. To set the Maturity at 6 months for the IMF de-linked portion and 1 year for the IMF linked portion
- f. To conduct monitoring on a bi-annual basis

v) Commitment Fee

- g. To introduce the commitment fee of 0.15% to CMIM-PL, in principle

vi) Relationship with CMIM-SF

- h. The total amount that can be drawn by each member country, either for prevention or resolution purposes, should be within the maximum swap amount set aside for that country
- i. To restrict dual-drawing from both CMIM-SF and CMIM-PL
- j. To replace the CMIM-PL with CMIM-SF if any CMIM-PL recipient party is hit with crisis and needs additional support, depending on the decision made by ELDMB