



**REPORT TO CONGRESS ON FINANCIAL IMPLICATIONS OF  
U.S. PARTICIPATION IN  
THE INTERNATIONAL MONETARY FUND**

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FY 2024

The U.S. Department of the Treasury prepared this report in compliance with section 504(b) of Appendix E, Title V of the Consolidated Appropriations Act for fiscal year (FY) 2000, Public Law No. 106-113 (Nov. 29, 1999). There are broad and substantial economic benefits to the United States and the global economy resulting from U.S. participation in the International Monetary Fund (IMF). This report focuses primarily on the quantifiable and direct – although typically unrealized – financial implications of U.S. participation in the IMF. It estimates the financial implications of U.S. participation in the IMF’s General Department and Special Drawing Rights (SDR) Department using quarterly data for FY 2024 and annual data for FY 2005-2024. These estimates are derived from valuation gains or losses and net interest income on the United States’ reserve position in the IMF. The estimates are sensitive to changes in U.S. interest rates and the value of the U.S. dollar relative to the SDR. For example, negative net interest income could arise when U.S. interest rates (associated with financing U.S. transactions with the IMF) are higher than the SDR<sup>1</sup> interest rate, which is the basis for the rate that the IMF pays the United States for the use of U.S. financing. The interest cost to the United States in FY 2024 was about \$426 million due to higher U.S. interest rates relative to the SDR interest rate. Negative valuation changes occur when the U.S. dollar strengthens relative to the SDR.

In FY 2024, the net valuation and interest effects for U.S. participation in the IMF across both the General and SDR Departments resulted in a positive \$922 million unrealized return. During the last 20 years, the cumulative net valuation and interest effects for U.S. participation in the IMF overall have reached negative \$5.1 billion, two thirds of which was driven by valuation effects from the sharp appreciation of the dollar in FY 2022. Estimated cumulative valuation effects are typically zeroed out when using a rolling 20-year sum; however, in FY 2022 alone valuation effects totaled more than negative \$3 billion.<sup>2</sup> A portion of those estimated valuation effects have since reversed, but the FY 2022 outlier year will continue to have an outsized impact on the rolling data through FY 2041.

Economic theory suggests that the fluctuations in risk-free interest rates or exchange rates should not on average result in either net gains or net losses over a long period of time. The currency of a country with a lower interest rate is generally expected to appreciate against the currency of a country with a higher interest rate by an amount that would exactly offset the interest differential. In practice, however, changes in exchange rate and interest rate differentials rarely fully offset one another for any given period. Hence, the computations reported below reflect substantial fluctuations with significant gains or losses often arising.

The methodology used in deriving these figures is consistent with previous reports; the most recent revisions were described in the FY 2017-2020 report. The methodology is also summarized briefly in the footnotes attached to the tables. Reports prepared under section

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<sup>1</sup> The SDR is an international reserve asset created by the IMF. The SDR is used as a unit of account by the IMF and certain international organizations. Its value is determined as a weighted average of a basket of five currencies. The SDR carries a market-based interest rate determined on the basis of a weighted average of interest rates on short-term instruments in the markets of the currencies included in the SDR valuation basket.

<sup>2</sup> Since 2001, the total running cost of U.S. participation in the IMF is an estimated and unrealized \$1.5 billion.

504(b) are made available to the public on the Treasury website:  
<https://home.treasury.gov/policy-issues/international/international-monetary-fund>.

Data on the average annual and cumulative income effects and valuation changes related to U.S. participation in the IMF’s General Department over the 20-year period from FY 2005 to 2024 are provided in Table 1a. Data on the net interest income and valuation changes for FY 2024 are provided in Table 1b. Similarly, data on the average annual and cumulative income effects and valuation changes related to U.S. participation in the SDR Department of the IMF over the 20-year period from FY 2005 to 2024 are provided in Table 2a. Data on net interest income and valuation changes during fiscal year 2024 is provided in Table 2b.

Beyond the net interest and valuation effects described in this report, there are broad and substantial economic benefits that flow to the United States from its participation in the IMF that are not captured in the data. Through its three main activities—surveillance, lending, and technical assistance—the IMF helps countries adopt growth-friendly reforms, resolve crises when they occur, and build capacity in areas such as debt management, anti-corruption, and implementation of anti-money laundering and combating the financing of terrorism measures. As a core part of the global financial system, a well-functioning IMF ultimately supports U.S. jobs, exports, and financial markets by promoting economic stability and strong markets abroad. It also helps serve broader strategic U.S. interests by providing countries with a transparent, alternative source of financing to bilateral official creditors whose predatory lending practices can destabilize the global financial system. During financial crises abroad, the United States leverages the IMF as the first responder to protect our domestic economy by promoting global growth and stability, ultimately reducing the severity and frequency of economic crises abroad. When foreign economies are in crisis, they import less from U.S. businesses and invest less in the United States, and those economies can negatively affect our financial markets, thereby hurting the value of retirement savings for American households.

### **Estimating the Financial Implications of U.S. Participation in the IMF’s General Department**

The General Department is the IMF’s principal account, which represents the paid subscriptions of member countries’ quotas and which finances the bulk of the IMF’s lending operations. Four elements go into estimating the financial implications of U.S. participation in the IMF’s General Department:

- Interest foregone by the United States on reserve assets transferred to the IMF;<sup>3</sup>
- Interest paid by the United States on increased borrowing to finance U.S. transfers of U.S. dollars and SDRs to the IMF (under the letter of credit, as part of the quota subscription) and U.S. loans to the IMF (under the second-line of IMF resources, the New Arrangements to Borrow (NAB)), which were fully repaid in FY 2024;
- Interest received by the United States on the U.S. reserve position in the IMF<sup>4</sup> and remuneration on U.S. loans to the IMF (under the NAB); and
- Changes to the value of the U.S. reserve position in the IMF, as a result of fluctuations in the value of the U.S. dollar relative to the SDR.

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<sup>3</sup> When the United States transfers reserve assets including foreign currencies to the IMF to satisfy obligations resulting from a quota increase, the United States incurs a decrease in interest-bearing assets. The SDR interest rate is used in estimating the interest foregone, since assets transferred are currencies that make up the SDR.

<sup>4</sup> The U.S. reserve position in the IMF comprises all outstanding transfers from the United States to the IMF as a part of the U.S. quota subscription. This includes any loans under quota, reserve asset payments under a quota increase, and all gold transfers prior to 1978 (gold transfers totaled SDR 1.675 billion). The United States earns interest on the entire reserve position, except for gold.

Over the period of FY 2005 through FY 2024 (Table 1a), the average annual net interest income effect of U.S. participation in the IMF's General Department was negative \$97 million, while the cumulative net interest income effect was negative \$1,936 million. Negative net interest income arose over this period because the U.S. borrowing cost associated with financing U.S. transactions with the IMF was higher than the SDR interest rate that the IMF provides to repayments to the United States during that same period. The average annual valuation change in the U.S. reserve position was negative \$143 million, while the cumulative valuation change was negative \$2,857 million, reflecting a U.S. dollar that appreciated relative to the SDR over the selected 20-year period. In FY 2024, the financial implications of U.S. participation in the IMF's General Department reflected a net interest income effect of negative \$214 million for FY 2024 (Table 1b). The valuation changes in the U.S. reserve position were positive \$908 million for FY 2024.<sup>5</sup> The sum of these two effects was positive \$694 million.

### **Estimating the Financial Implications of U.S. Participation in the IMF's SDR Department**

The SDR Department is separate from the General Department and was established following the creation of the SDR in 1969 so that the IMF could conduct transactions using the new international reserve asset. Three elements go into estimating the financial implications of U.S. participation in the IMF's SDR Department:

- Interest paid by the United States on increased borrowing to finance acquisitions of SDRs;
- Interest received by the United States on the U.S. holdings of SDRs; and
- Changes to the U.S. dollar value of U.S. holdings of SDRs, as a result of fluctuations in the value of the U.S. dollar relative to the SDR.

In August 2021, the United States received an allocation of SDR 79.5 billion (about \$112.8 billion<sup>6</sup>) out of the total SDR 456 billion (about \$646.8 billion) allocation as part of the IMF's effort to boost global liquidity; however, this allocation does not impact the calculations regarding U.S. participation in the IMF because the SDRs are accounted for as both an asset and liability. The IMF SDR Department pays interest on the SDR holdings of each member country above its allocation and levies charges on each member's SDR holdings below its allocation. Thus, there are no interest or foreign exchange implications for the United States as a result of this allocation. The United States can increase its holdings of SDRs by exchanging dollars for SDRs. This transaction reduces the U.S. cash position, increasing federal borrowing requirements. The United States can also decrease its holdings of SDRs by exchanging SDRs for dollars, which reduces the federal borrowing requirement. Whether SDR exchanges are a net cost to the United States depends on the interest rate differential between the SDR interest rate and Treasury's cost of borrowing. If the United States transfers SDRs to the IMF as a part of a quota increase, U.S. holdings of SDRs decline but the U.S. cash position and federal borrowing requirements remain unchanged.<sup>7</sup>

As shown in Table 2a, over the period FY 2005 through FY 2024, the average annual net interest income effect of U.S. participation in the IMF's SDR Department was negative \$27 million, while the cumulative net interest income effect was negative \$545 million. During the same period, the average annual valuation change on U.S. SDR holdings was positive \$11 million,

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<sup>5</sup> For an explanation of the methodology used in deriving these figures, see the annex of the report prepared for the fiscal years 2017-2020 available at [https://home.treasury.gov/system/files/206/FY17-20\\_Report\\_Financial\\_Implications\\_US\\_Participation\\_IMF\\_0.pdf](https://home.treasury.gov/system/files/206/FY17-20_Report_Financial_Implications_US_Participation_IMF_0.pdf).

<sup>6</sup> As valued on August 23, 2021. The SDR exchange rate can be found at [https://www.imf.org/external/np/fin/data/rms\\_sdrv.aspx](https://www.imf.org/external/np/fin/data/rms_sdrv.aspx).

<sup>7</sup> These costs are accounted for under "U.S. participation in the IMF's General Department."

while the cumulative valuation change was positive \$217 million. In FY 2024, the net interest income effect of U.S. participation in the IMF's SDR Department was negative \$212 million (table 2b). The valuation change on U.S. SDR holdings was positive \$439 million for FY 2024.<sup>8</sup> The sum of these two effects was positive \$228 million.

Consistent with previous reports, this report will be posted on the Treasury website after transmittal to Congress.

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<sup>8</sup> For an explanation of the methodology used in deriving these figures, see the annex of the report prepared for the fiscal years 2017-2020 available at [https://home.treasury.gov/system/files/206/FY17-20\\_Report\\_Financial\\_Implications\\_US\\_Participation\\_IMF\\_0.pdf](https://home.treasury.gov/system/files/206/FY17-20_Report_Financial_Implications_US_Participation_IMF_0.pdf).

**Table 1a - Annual U.S. Participation in the IMF's General Department**

**-- General Department --  
U.S. Fiscal Year, Annually  
(millions of U.S. Dollars)**

<b>Year</b>	<b>Transactions with the IMF</b>			<b>Interest Calculations</b>			<b>Valuation</b>	<b>Total</b>
	<b>Outstanding Credit under U.S. Quota (Letter of Credit &amp; Transfers of Reserve Assets)</b>	<b>Outstanding U.S. Loans to IMF (Under GAB, NAB)</b>	<b>Total Outstanding U.S. Credit with the IMF/1</b>	<b>Interest Expense Associated with Financing U.S. Transactions with the IMF</b>	<b>Remuneration Received by U.S. from IMF &amp; Refund of Burden Sharing</b>	<b>Net Interest Income</b>	<b>Valuation Changes on U.S. Reserve Position</b>	<b>Total</b>
			(Col. 1 + 2)	(Col. 4a + 4b)		(Col. 4 + 5)		(Col. 6 + 7)
	<b>Col. 1</b>	<b>Col. 2</b>	<b>Col. 3</b>	<b>Col. 4</b>	<b>Col. 5</b>	<b>Col. 6</b>	<b>Col. 7</b>	<b>Col. 8</b>
2005	\$13,428	\$0	\$13,428	-\$357	\$316	-\$41	-\$54	-\$95
2006	\$6,756	\$0	\$6,756	-\$205	\$210	\$5	\$107	\$112
2007	\$4,616	\$0	\$4,616	-\$78	\$107	\$29	\$259	\$288
2008	\$4,838	\$0	\$4,838	-\$81	\$59	-\$22	-\$95	-\$117
2009	\$13,513	\$0	\$13,513	-\$45	\$40	-\$5	\$548	\$543
2010	\$13,082	\$0	\$13,082	-\$43	\$23	-\$20	-\$166	-\$186
2011	\$22,810	\$6,148	\$28,958	-\$87	\$63	-\$24	-\$226	-\$250
2012	\$23,654	\$11,753	\$35,407	-\$92	\$52	-\$40	-\$298	-\$338
2013	\$19,990	\$13,624	\$33,614	-\$102	\$24	-\$78	-\$184	-\$262
2014	\$14,854	\$13,665	\$28,519	-\$119	\$28	-\$91	-\$643	-\$734
2015	\$9,507	\$9,528	\$19,035	-\$74	\$10	-\$64	-\$1,088	-\$1,152
2016	\$10,024	\$8,619	\$18,643	-\$64	\$8	-\$56	-\$85	-\$141
2017	\$11,964	\$7,372	\$19,336	-\$140	\$52	-\$89	\$156	\$67
2018	\$15,813	\$4,502	\$20,315	-\$266	\$123	-\$143	-\$204	-\$346
2019	\$23,404	\$2,518	\$25,922	-\$431	\$210	-\$221	-\$486	-\$707
2020	\$31,724	\$1,701	\$33,425	-\$174	\$123	-\$51	\$919	\$868
2021	\$33,261	\$937	\$34,198	-\$71	\$23	-\$48	\$10	-\$38
2022	\$31,795	\$487	\$32,281	-\$397	\$95	-\$301	-\$3,177	-\$3,478
2023	\$32,484	\$75	\$32,559	-\$1,433	\$971	-\$462	\$942	\$481
2024	\$29,157	\$0	\$29,157	-\$1,383	\$1,169	-\$214	\$908	\$694
<b>Total</b>						<b>-\$1,936</b>	<b>-\$2,857</b>	<b>-\$4,793</b>
<b>Annual Average</b>						<b>-\$97</b>	<b>-\$143</b>	<b>-\$240</b>

**Table 1b - Quarterly U.S. Participation in the IMF's General Department**

-- General Department --  
 U.S. Fiscal Year, Quarterly  
 (millions of U.S. Dollars)

<b>Quarter</b>	<b>Transactions with the IMF</b>			<b>Interest Calculations</b>			<b>Valuation</b>	<b>Total</b>
	<b>Outstanding Credit under U.S. Quota (Letter of Credit &amp; Transfers of Reserve Assets)</b>	<b>Outstanding U.S. Loans to IMF (Under GAB, NAB)</b>	<b>Total Outstanding U.S. Credit with the IMF/1</b>	<b>Interest Expense Associated with Financing U.S. Transactions with the IMF</b>	<b>Remuneration Received by U.S. from IMF &amp; Refund of Burden Sharing</b>	<b>Net Interest Income</b>	<b>Valuation Changes on U.S. Reserve Position</b>	<b>Total</b>
			(Col. 1 - 2)			(Col. 4 + 5)		(Col. 6 + 7)
	<b>Col. 1</b>	<b>Col. 2</b>	<b>Col. 3</b>	<b>Col. 4</b>	<b>Col. 5</b>	<b>Col. 6</b>	<b>Col. 7</b>	<b>Col. 8</b>
Q1: Oct - Dec 2023	\$30,500	\$77	\$30,576	-\$367	\$309	-\$58	\$611	\$553
Q2: Jan - Mar 2024	\$30,783	\$0	\$30,783	-\$356	\$295	-\$61	-\$402	-\$463
Q3: Apr - June 2024	\$29,905	\$0	\$29,905	-\$342	\$287	-\$55	-\$203	-\$258
Q4: July - Sept 2024	\$29,157	\$0	\$29,157	-\$317	\$278	-\$39	\$902	\$863
<b>Total</b>						<b>-\$214</b>	<b>\$908</b>	<b>\$694</b>

## TABLE 1

### Footnotes to Columns

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Column 1: Total outstanding credit under the U.S. quota, including drawings by the IMF under the U.S. letter of credit, the transfers of reserve assets to the IMF, and gold transfers prior to 1978.

Column 2: Total outstanding dollar funding through loans to the IMF made by the United States under the General Arrangements to Borrow (GAB, in FY 1998) and the New Arrangements to Borrow (NAB, in FY 1999 and in FY 2011-present). U.S. loans under the GAB and NAB have been repaid. The GAB expired in 2018.

Column 3: Total outstanding U.S. credit with the IMF (horizontal summation of columns 1 and 2).

Column 4: Total interest expense associated with total cumulative transactions shown in column 3. This includes interest paid on incremental public borrowing to fund the IMF's use of U.S. dollars and SDRs under quota and any transfer of U.S. dollars to the IMF under loan arrangements (Supplementary Financing Facility, GAB, NAB), as well as interest income forgone on foreign currencies transferred to the IMF at the time of a quota increase. As Treasury increases its net borrowing from the public in order to provide U.S. dollars or SDRs to the IMF under quota or other loan arrangements, the interest cost associated with such borrowing is calculated using Treasury's average cost of funds. This interest cost enters the federal budget as part of interest on the public debt. For purposes of calculating forgone interest on the transfer of foreign currencies to the IMF, the SDR interest rate is used.

Column 5: Total interest income received through the U.S. reserve position and loans under GAB and NAB. The U.S. reserve position in the IMF is an interest-bearing asset of the Treasury General Account (TGA). This interest ("remuneration") is paid by the IMF every IMF fiscal quarter and is recorded in the federal budget as a negative outlay. The IMF normally pays remuneration in SDRs, which become resources of the Exchange Stabilization Fund (ESF). In return, the ESF transfers an equivalent dollar amount to the TGA. The transfer of dollars from the ESF to the TGA has no effect on Treasury's cash position. If the United States were to request payment in dollars, the payment would be in the form of a decrease in the U.S. letter of credit and a counterpart increase in the U.S. reserve position, but no flow of cash to the TGA.

Column 6: Total net interest paid, forgone, or received as a result of U.S. participation in the General Department of the IMF.

Column 7: The U.S. reserve position in the IMF is denominated in SDRs. The valuation gain (if positive) or loss (if negative) refers to the exchange rate gain or loss on the reserve position due to changes in the dollar value of the SDR. For example, if the SDR appreciates/dollar depreciates, then the dollar value of the reserve position rises and a valuation gain is recorded. This column would also include valuation gains or losses experienced as a result of U.S. loans under the GAB and NAB.

Column 8: The total of net interest and valuation changes, obtained by summing column 6 and column 7.

**Table 2a - Annual U.S. Participation in the IMF's SDR Department**

-- SDR Department --  
 U.S. Fiscal Year, Annually  
 (millions of U.S. Dollars)

Year	Net SDR Holdings			Interest Calculations			Valuation	Total
	SDR Holdings	Cumulative SDR Allocation	Net SDR Holdings (Col. 1 - 2)	Interest Income on Net SDR Holdings	Interest Expense to finance Net SDR Holdings	Net Interest Income (Col. 4 + 5)	Valuation Changes	Total (Col. 6 + 7)
2005	\$8,245	\$7,102	\$1,143	\$114	-\$106	\$8	-\$14	-\$5
2006	\$8,655	\$7,234	\$1,421	\$44	-\$62	-\$17	\$25	\$8
2007	\$9,301	\$7,627	\$1,674	\$63	-\$77	-\$14	\$81	\$67
2008	\$9,418	\$7,630	\$1,788	\$59	-\$44	\$15	-\$3	\$12
2009	\$57,945	\$55,953	\$1,992	\$20	-\$14	\$7	\$33	\$40
2010	\$57,410	\$54,958	\$2,453	\$6	-\$17	-\$11	-\$38	-\$50
2011	\$55,875	\$55,150	\$726	\$7	-\$6	\$1	\$34	\$35
2012	\$55,232	\$54,463	\$769	\$1	-\$3	-\$1	-\$9	-\$10
2013	\$54,966	\$54,177	\$789	\$1	-\$3	-\$2	-\$4	-\$6
2014	\$53,148	\$52,358	\$790	\$1	-\$4	-\$3	-\$27	-\$31
2015	\$50,332	\$49,574	\$758	\$0	-\$4	-\$3	-\$42	-\$45
2016	\$50,054	\$49,294	\$760	\$0	-\$4	-\$4	-\$4	-\$8
2017	\$51,443	\$49,912	\$1,532	\$4	-\$15	-\$10	\$45	\$34
2018	\$50,918	\$49,274	\$1,644	\$12	-\$31	-\$18	-\$22	-\$40
2019	\$49,976	\$48,146	\$1,830	\$18	-\$41	-\$22	-\$41	-\$63
2020	\$51,733	\$49,709	\$2,024	\$10	-\$15	-\$6	\$62	\$57
2021	\$163,874	\$161,825	\$2,049	\$1	-\$5	-\$4	\$2	-\$2
2022	\$153,175	\$147,009	\$6,166	\$14	-\$76	-\$62	-\$426	-\$487
2023	\$162,058	\$151,041	\$11,017	\$249	-\$434	-\$186	\$123	-\$62
2024	\$172,895	\$155,795	\$17,100	\$534	-\$745	-\$212	\$439	\$228
<b>Total</b>						<b>-\$545</b>	<b>\$217</b>	<b>-\$329</b>
<b>Annual Average</b>						<b>-\$27</b>	<b>\$11</b>	<b>-\$16</b>

**Table 2b - Quarterly U.S. Participation in the IMF's SDR Department**

-- SDR Department --  
 U.S. Fiscal Year, Quarterly  
 (millions of U.S. Dollars)

Quarter	Net SDR Holdings			Interest Calculations			Valuation	Total
	SDR Holdings	Cumulative SDR Allocation	Net SDR Holdings	Interest Income on Net SDR Holdings	Interest Expense to finance Net SDR Holdings	Net Interest Income	Valuation Changes	Total
			(Col. 1 - 2)	(Col. 4 + 5)				(Col. 6 + 7)
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Q1: Oct - Dec 2023	\$166,498	\$154,107	\$12,391	\$113	-\$160	-\$47	\$224	\$177
Q2: Jan - Mar 2024	\$166,269	\$152,083	\$14,186	\$127	-\$182	-\$54	-\$163	-\$217
Q3: Apr - June 2024	\$166,211	\$151,082	\$15,128	\$137	-\$195	-\$59	-\$93	-\$152
Q4: July - Sept 2024	\$172,895	\$155,795	\$17,100	\$157	-\$209	-\$52	\$472	\$420
<b>Total</b>						<b>-\$212</b>	<b>\$439</b>	<b>\$228</b>

## TABLE 2

### Footnotes to Columns

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Column 1: Total stock of U.S. holdings of SDRs measured at the end of period, converted into dollars at the end of period exchange rate. Source: IMF.

Column 2: Total stock of U.S. SDR allocations measured at the end of period, converted into dollars at the end of period exchange rate. Changes in the dollar value of cumulative SDR allocations reflect new SDR allocations as well as exchange rate changes.

Column 3: Total stock of U.S. SDR holdings minus allocations measured from end of period (Column 1 minus Column 2), converted into dollars at the end of period exchange rate.

Column 4: Net interest earned on SDR holdings. Derived by subtracting actual charges on SDR allocations from actual interest earned on SDR holdings.

Column 5: Net effect on U.S. borrowing costs of cumulative net SDR holdings, derived by multiplying the dollar equivalent of cumulative net SDR holdings by Treasury's average cost of funds rate. Interest is calculated on the basis of end-quarter holdings and compounded quarterly.

Column 6: Net interest income (Column 4 plus Column 5).

Column 7: The valuation change refers to the gain or loss over the period on the reserve position due to changes in the dollar value of the SDR. For example, if the SDR appreciates/dollar depreciates, then the impact on the dollar value of U.S. holdings of SDRs is positive, and a valuation gain is recorded. The change is calculated by subtracting the beginning of period dollar value of SDR reserves from the same SDR reserve figure converted to dollars using the end of period exchange rate. This isolates changes due to exchange rate movements from changes due to actual SDR transactions over the period.

Column 8: The total net interest and valuation changes (sum of Columns 6 and 7).