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September 9, 2016

Honorable Scott Morrison MP
Treasurer
Australian Treasury
Parkes ACT 2600, Australia

Dear Treasurer:

Global economic growth continues to face significant headwinds and risks. As we collectively seek stronger, more inclusive and resilient growth, in line with the Hangzhou action plan, we must ensure an adequate global financial safety net. In this context, I was heartened by the support expressed by G20 Leaders for the Fund to maintain access to bilateral borrowing agreements, in line with the objective of preserving the IMF's current lending capacity.

The Executive Board has agreed on a framework for maintaining access to bilateral borrowing beyond the 2012 agreements. The new framework builds closely on the existing agreements, and includes a strengthened role for creditors in any activation and a common end-date of end-2019, extendable to end-2020 with creditors' consents. The new framework also ensures that bilateral borrowing would remain a third line of defense after quotas and the NAB.

Your country's support through a loan agreement under the 2012 Borrowing Agreements has been critical in ensuring the adequacy of the IMF's resources, and I hope we can count on your continued support at least in line with your generous pledge of SDR 4.61 billion under the existing 2012 loan agreement.

Executive Directors noted the importance of securing broad participation by members and looked forward to concluding as many agreements as possible by the Annual Meetings as the first group of the 2012 Borrowing Agreements will expire in October 2016. In line with this goal, I would appreciate your response by September 23, 2016, recognizing that some pledges may be subject to domestic approval processes. I am also reaching out to potential new creditors to encourage them to join this important effort.

Let me thank you again for your continued strong support for the Fund's finances.

Yours sincerely,

cc: Mr. Sterland, Executive Director, IMF