

**STATEMENT**  
**AGREEMENT ON A MEMORANDUM OF UNDERSTANDING BETWEEN THE OFFICIAL**  
**CREDITOR COMMITTEE AND SRI LANKA ON A DEBT RESTRUCTURING**

June 26, 2024

Since the Official Creditor Committee (OCC) and Sri Lanka agreed on the main parameters of a debt treatment consistent with those of the Extended Fund Facility (EFF) arrangement between Sri Lanka and the IMF on November 23, 2023, the OCC and Sri Lanka furthered discussions in order to finalize the agreement in a Memorandum of Understanding (MoU).

The OCC also continued to engage extensively with the Sri Lankan authorities, the IMF and the World Bank, as well as China and Sri Lanka's private creditors in order to ensure comparability of treatment.

On June 26, 2024, the OCC and Sri Lanka finalized the MoU, based on the main parameters of the debt treatment agreed in November 2023. The progress on the MoU had enabled the IMF staff to present to the IMF Executive Board the second review of Sri Lanka's EFF arrangement and thus open the way for approval of the third disbursement under the arrangement.

The OCC commends the Sri Lankan authorities for their continuous efforts in implementing the reforms necessary for their country's return to a sustainable path.

The OCC now looks forward to receiving from Sri Lanka all information necessary for the OCC to ensure comparability of treatment. The OCC also expects that the Sri Lankan authorities will continue to engage with their private creditors to find as soon as possible an agreement on terms at least as favourable as the terms offered by the OCC.

These engagements will ensure that the overall debt treatment granted to Sri Lanka is consistent with the IMF program parameters.

**Background notes**

1. The Paris Club was formed in 1956. It is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by borrower countries. The members of the Paris Club which are part of the Official Creditor Committee are representatives of countries with eligible claims on Sri Lanka: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Japan, Korea, the Netherlands, Russia, Spain, Sweden, the United Kingdom, the United States of America.

2. Representatives of the International Monetary Fund, the World Bank and the Asian Development Bank attended the OCC meetings as observers. China, Saudi Arabia and Iran attended the OCC preparatory meetings.

3. The Official Creditor Committee for Sri Lanka was formally formed by 17 countries on May 9, 2022. It is co-chaired by India, Japan and France as chair of the Paris Club. The committee includes India and Hungary, in addition to the Paris Club creditors mentioned in note 1.