

Web Box 3.2 ROSCs and Data Standards Initiatives

Reports on the Observance of Standards and Codes (ROSCs). Members can request ROSCs, assessments of observance of standards and codes, in any of the following 12 areas: accounting; auditing; anti-money laundering and combating the financing of terrorism (AML/CFT); banking supervision; corporate governance; data dissemination; fiscal transparency; insolvency and creditor rights; insurance supervision; monetary and financial policy transparency; payments systems; and securities regulation. The reports—about 74 percent of which have been published—are used to help sharpen Fund and World Bank policy discussions with national authorities and to strengthen national capacity to participate in, and benefit from, the globalized economy. They are also used in the private sector (including by rating agencies) for risk assessment. Participation in the Standards and Codes Initiative continues to grow. As of end-April 2011, 1,229 ROSC modules had been completed; 1,190 of those were completed by member countries of the Fund, and most systemically important countries had volunteered for assessments. Of the full complement of ROSCs completed, 604 were on financial sector standards. Of these, about one-third (205, or 33.94%) were related to banking supervision, and the others were fairly evenly distributed (13–21 percent) across the other financial sector standards and codes (securities, insurance, payments and securities settlement systems, and AML/CFT).

Special Data Dissemination Standard (SDDS). Created in 1996 by the Executive Board, the SDDS is a voluntary standard whose subscribers—which seek or have access to international capital markets—commit to meeting internationally accepted norms of data dissemination, including coverage, frequency, and timeliness. SDDS subscribers provide information about their data compilation and dissemination practices (metadata) for posting on the IMF's Dissemination Standards Bulletin Board (DSBB) (<http://dsbb.imf.org/>), as well as disseminate macroeconomic and financial data according to advance release calendars on their national websites. As of June 30, 2011, there were 68 SDDS subscribers. Following the Seventh Review of the Fund's Data Standards Initiatives in December 2008, the SDDS was modified to require that subscribers indicate in their metadata where statistical practices deviate from internationally accepted statistical methodologies and to encourage subscribers to undertake and publish periodically a data quality assessment. In March 2010, the IMF's Executive Board decided to incorporate into the SDDS seven financial soundness indicators and a simplified table on external debt on a remaining-maturity basis, both on an encouraged basis. The Board also agreed to modify the SDDS to prescribe, with a four-year transition period, the inclusion of International Investment Position data with quarterly periodicity and timeliness, to improve the usefulness of this data for surveillance. In February 2011, the Executive Board discussed an Interim Report in preparation for the Eighth Review of the Fund's Data Standards Initiatives scheduled for early 2012. Discussions of the Interim Report included several possible proposals that could be made at the time of the Eighth Review, including the creation of an SDDS Plus as part of the Fund's Data Standards Initiatives. The SDDS Plus would be an upper tier of the Fund's Data Standards Initiatives to help address data gaps identified during the global financial crisis. The SDDS Plus would be designed to be fully consistent with the Fund's mandate on the stability of the international monetary system and on surveillance, and would aim to support other Fund initiatives.

General Data Dissemination System (GDDS). The Executive Board established the GDDS in 1997 to help IMF member countries improve their statistical systems. The 100 participants in the GDDS at end-June 2011 provide metadata describing their data compilation and dissemination practices, as well as detailed plans for improvement, for posting on the IMF's DSBB. Of the 109 countries and territories that have participated in the GDDS since it was introduced, 9 have graduated to the SDDS. Following a decision during the Seventh Review, the GDDS was recast in 2011 to emphasize data dissemination and facilitate graduation to the SDDS, including through closer conformity to SDDS specifications.

To complement the SDDS and GDDS, IMF staff have launched the **Statistical Data and Metadata Exchange (SDMX)** initiative and the **Data Quality Assessment Framework (DQAF)**. The SDMX initiative, which is sponsored by seven international organizations including the IMF, aims to develop and use more efficient processes for the exchange and sharing of statistical data and metadata among international organizations and their member countries by providing standard formats for data and metadata, together with content guidelines and an information technology architecture for exchange. The DQAF is an assessment methodology that was integrated into the structure of the Data Reports on the Observance of Standards and Codes (Data ROSCs) following the Fourth Review of the Data Standards Initiatives in 2001. The metadata describing the macroeconomic statistics in both the SDDS and GDDS have been reformatted using the DQAF structure, allowing users to search this information by DQAF codes across countries and by topic.