INTERNATIONAL MONETARY FUND

**Guidance Note for Reviewing the Implementation of the Central Bank Transparency Code**

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# Use of the Guidance Note

1. **This Note provides guidance for conducting the Review of the Implementation of the Central Bank Transparency Code (CBT), including completing the Review Template**. In particular, it provides guidance and practical suggestions on reviewing central bank transparency practices according to the CBT and discusses key issues that might arise during the Review and factors to consider concerning the dimensions of transparency (means, timeliness, periodicity, and quality of disclosure). However, the note is not intended to be a detailed or prescriptive manual for measuring transparency, nor is this the intention of the CBT. Instead, the reviewer(s) should use the note to guide their reviews, while maintaining sufficient flexibility for interpretation and country-specific circumstances. This Note will be updated to reflect the outcome of the country pilot cases at the end of the pilot phase.

# Introduction

## Objectives of the Review of the CBT[[1]](#footnote-2)

1. **The CBT Review is intended to assist central banks evaluate and improve their transparency practices, strengthen the dialogue with stakeholders and contribute to their policy effectiveness**. The CBT is applicable to all IMF members, on a voluntary basis. Central banks could assess their existing transparency practices using the CBT and allow for more informed central bank choices on transparency, including on confidentiality, and more effective communication between the central bank and its various stakeholders, including in explaining the absence of disclosure of specific information. The Review could provide a better understanding of the rationale for the central bank’s mandate and governance, policies, operations, outcomes, and official relations, as well as reduce uncertainty and facilitate a public dialogue that can anchor public expectations and foster better policies.
2. **The CBT Review is anchored on a range of practices that may be used to implement the CBT principles**. The practices reflect the design of the CBT to be relevant to all Fund member countries’ central banks. They take into account their diverse backgrounds, including with respect to legal frameworks, governance arrangements and levels of economic and financial development. It is against this background that central bank transparency choices should be considered. The range of practices will help central banks and their stakeholders to determine if central bank transparency in practice is balanced, given the country-specific circumstances. The practices are not intended to be a tool for transparency ranking of central banks and the CBT Review does not involve compliance ratings.

## Scope and Coverage of the Reviews

1. **The CBT Review should be carried out based on the CBT’s 5-pillar framework covering central bank governance, policies, operations, outcome, and official relations**; which cover transparency in every area of central banking (Figure 1):
2. Pillar I. Transparency in governance, covering institutional issues.
3. Pillar II. Transparency in policies, focusing on the economics of the central bank policy decisions.
4. Pillar III. Transparency in operations, highlighting how policy decisions are implemented.
5. Pillar IV. Transparency in outcome, focusing on how the outcome of central bank policies and other actions are reported to stakeholders to facilitate accountability.
6. Pillar V. Transparency in official relations, covering the central bank interaction with the government and other domestic agencies, and international relations and commitments.



1. **The scope and coverage of each CBT Review should be clearly stated and explained.** Each Review would need to outline its scope, in terms of Pillars, and coverage, in terms of the components within those Pillars, that would be reviewed. The Review scope and coverage should be discussed and agreed upon with the central bank ahead of the mission and explained taking into account the central bank’s legal mandate, structure, organization, and other relevant contextual issues.

# Considerations in Reviewing Implementation of the CBT Principles

## Transparency Review Versus Review of Soundness of Governance and Institutional Setup

1. **The CBT does not contain a central bank governance framework.** The CBT Review (in particular Pillar I) should focus on reviewing central banks transparency practices *over their governance arrangements* without specifying what the central bank governance should look like. Pillar I, for instance, outlines transparency practices for various forms of central bank autonomy / independence (Principle 1.3.). If a central bank does not have one or more of those forms of central bank autonomy, the practices still allow the central bank to enhance transparency over those arrangements without the CBT passing judgment over the central bank’s institutional arrangement.
2. **The CBT can inform discussions on central bank governance but would not express any preference or judgement.** The central bank, by offering transparency over its institutional and governance arrangements, could facilitate a discussion between the central bank and its stakeholders on whether such governance arrangements are adequate.

## Transparency Review Versus Review of Soundness of Central Bank Actions and Policies

1. **The CBT does not pass judgment on central bank policies, policy frameworks, or actions.** The CBT Review (in particular of Pillars II, III, and IV) should focus on reviewing central banks transparency practices *over their policies and actions,* but should not assess what a central bank’s policies should be nor what operational toolkit(s) central banks should have to implement their policies.Pillars II, III, and IV ensure that central bank policies and instruments that are most common among all central banks would be able to be selected within the CBT Review, if and when applicable to the respective central bank.

## Review of CBT Principles

1. **The CBT includes high-level Principles and practical range of Practices.** Part A contains the CBT Principles, including sub-principles where applicable. These (sub) principles are repeated in Part B, whilst adding the Practices per (sub) principle. The Practices are divided into three categories; “Core,” “Expanded,” and “Comprehensive;” indicating the level of transparency in the specific area. In few cases (see, for instance, Principle 2.2.1. on Objectives and Framework of Cross-Border Financial Flows and Foreign Exchange Administration) the level of distinction between the three categories of Practices is limited, or nonexistent (see, for instance, Principle 3.6.2. on Enforcement of Macroprudential Policy).
2. **The CBT Review should evaluate central banks’ transparency practices against the CBT Principles**. This evaluation should be carried out taking into account the country’s specific circumstances, providing justifications for its conclusions, and proposing an action plan for improvements. It is possible that some of the central bank’s transparency practices could cut across more than one CBT principle or practice. In this case the Review should map where the main focus of the actual practice lies and recommend consolidation as appropriate.

## Public Disclosure

1. **Public disclosure is a critical component of transparency.** Public disclosure is the means by which the central bank can showcase its decisions, the underlying rationale, and possible consequences in a manner that can effectively and efficiently fulfill the information needs of the various stakeholders of the central bank, and manage expectations of those stakeholders accordingly.
2. **The CBT’s requirements to disclose are broad and include nearly any form of publication.** As noted in the CBT’s Glossary, “disclose” (and similarly, “publicly available,” “publicly disclosed,” “clearly disclosed”) includes publication of the legal framework and policy decisions in official gazettes, as well as posting them on the central bank’s website, and publication in printed or electronic mass media. This is not only a requirement to make such information available, but also to allow for easy accessibility, as discussed below.[[2]](#footnote-3)
3. **The recipients of such disclosure are the public at large.** “Public” in the context of the CBT encompasses all interested individuals, institutions and entities, whether domestic or international. This is, of course, dependent on country- and central bank-specific circumstances, as well as on the specific Principles and Practices. A broad definition of “public” would include, in most circumstances, the central bank’s own staff, the country’s legislative power, the government (including the Ministry of Finance or equivalent department), other financial supervisory and regulatory agencies, financial institutions, other market parties, and the general public (including, but not limited to, consumers, deposit holders, and investors).

## Dimensions of Transparency

**Means of disclosure**

1. **Transparency can take different forms and shapes.** The central bank can use the following (non-limitative) *means of disclosure*: central bank website; official gazette; circulares; electronic messages via central bank reporting and communication channels; publications, interviews, speeches, and articles in various media (printed or electronic); other electronic communication (such as, social media platforms).

#### Timeliness of disclosure

1. **Transparency needs to be timely.** It is not sufficient for a central bank to disclose specific information when the need among the potential recipients for such information has already passed or is not relevant anymore. The nature of timeliness is dependent on the specific objective of transparency. This could relate to informing market parties of forthcoming decisions, or decisions that have just been taken by the central bank and which are helpful for market parties to inform their own decisions, for instance, in the area of monetary policy or macroprudential oversight.

#### Periodicity of disclosure

1. **Transparency could consist of a one-off disclosure, or multiple disclosures over an extended period.** In the case of decisions relating to monetary policy, such as interest rate decisions, it is likely that the central bank would be transparent about the choices it makes at regular intervals—most notably, whenever it makes an interest rate decision. In other cases, the central bank would make one-off or significantly less frequent decisions, such as relating to changes to its organizational structure, or its communication policy. Similarly, legal changes that affect the central bank law would occur infrequently (e.g., may be once every few years), and therefore transparency of the central bank over such changes would similarly not be very frequent. On the other hand, changes in regulatory framework (e.g., affecting foreign currency transactions) may occur more frequently and would need to ensure the transparency over such changes on a more frequent basis.

#### Quality of disclosure

1. **The quality of disclosure relates to accessibility and ease of understanding.** Disclosing central bank-related information via a variety of tools is not a simple push of the button. Often, information from the central bank itself, as well as information from its legal framework, needs to be “translated” into more easily understandable language. This would ensure the central bank’s various semi-professional and non-professional stakeholders would be able to understand and gauge the possible consequences of the information disclosed by the central bank. In countries with multiple official and unofficial languages, it would also be essential that the central bank takes regional language limitations into account. Additionally, central bank websites could be difficult to navigate, as they often contain a myriad of subpages and links. As such, the central bank should also ensure that information relevant for specific stakeholders is accessible to such stakeholders with a little effort. For example, if specific information on a central bank’s website can only be found by conducting a tailored external search engine query, and the central bank’s own website makes it difficult to swiftly and easily find such information, it is likely that the central bank has not made that information easily accessible. Similarly, if the information relevant for specific stakeholders is published in mass media, the central bank should ensure that it is done in a popular printed or electronic mass media accessible without significant effort.

## Transparency Issues Covered in Other International Standards

1. **The stand-alone CBT Review should not include the review of transparency on central bank functions related to micro-prudential supervision (banking, insurance and securities), resolution, and financial market infrastructure**. These areas already have established international standards. The Review of the situation of a country’s compliance with international standards, including transparency-related principles, are conducted by relevant assessors in the context of the Financial Sector Assessment Program (FSAP) and stand-alone assessments. The publication of Reports on Standards and Codes (ROSCs), detailed assessment reports (DARs) and technical notes (TNs) provide transparency and is generally encouraged. In cases in which ROSCs, DARs and TNs on the observance of international standards have been published, the CBT Review should include references to the publications.

## “Not Applicable” Review

1. **Not all Principles and Practices are applicable to every central bank, in every situation.** In those cases where one or more of the Principles, Sub-Principles or Practices do not apply to a central bank in the current situation, it would be reasonable to indicate “not applicable” in the Review form. This also holds for those Principles, Sub-Principles and Practices that might apply to the central bank, but where it has explicitly chosen not to have its transparency practices in those areas assessed. The Review should note the reasons for not assessing these principles or sub-principles.

## “Not Implemented” Review

1. **“Not Implemented” could be assigned in some cases.** “Not implemented” should be assigned to Principles and Sub-Principles that are within the scope of the CBT Review but where the central bank has either not implemented them or the implementation falls short of what is required under the “Core” practice descriptions of these Principles and Sub-Principles.

# Conducting the CBT Review

## Using the Detailed Review Template

1. **The Review Template (see Appendix I) consists of the following tables:**
2. **Table 1**, which allows the reviewer to include for every relevant Principle and Sub-Principle a description of the transparency practices of the central bank, a qualitative review of those practices (including the indication of whether the practices fall in the categories of “Core,” “Expanded,” or “Comprehensive”), and additional comments that might be necessary in the specific case.
3. **Table 2**, which allows the reviewer to provide a summary of the Review, highlight which transparency practices of the central bank fall under the “Core,” “Expanded,” or “Comprehensive” categories, or whether the respective Principles or Sub-Principles are “not implemented” or “not applicable.”
4. **Table 3** is the “Recommended Action Plan,” which should outline the suggested steps for enhancing central bank transparency in specific areas, taking into account the country specific circumstances. Only those practices need to be listed for which specific recommendations are made.
5. **The Review Template should allow for the authorities to include an official response to the Review**. In the case of a self-Review by the central bank, this could be used to include any other comments from the side of the central bank that were not (sufficiently) addressed elsewhere in the Review Template.

## Summary Review of the CBT

**General**

1. **The summary should** clarify the scope of the CBT Review and **evaluate central bank transparency from multiple perspectives.** The general discussion in the Review report should provide background covering the relevant country information and the institutional setting in which the Review is being conducted, i.e., describe the organization being assessed and the context in which the Review is being conducted, as well as the relevant country specific circumstances. The summary should also: (i) note the main information sources for the Review (e.g., laws, regulations, websites, etc.); (ii) discuss briefly the review process in the context of the specific country circumstances; and (iii) note the use of any self-Review and assess its scope.

**Main findings—summary**

1. **The Summary should provide an overall evaluation of the quality of transparency practices against the CBT Principles**. It should identify particular strengths in transparency practices, as well as the main areas of concern that impact transparency. The summary should provide information about major transparency reforms implemented in the recent past or scheduled for the near future; note recent improvements in particular transparency practices, indicating the factors that motivated these changes; and identify future plans to improve transparency practices. For practices where improvements are deemed needed, the summary should provide the main reasons for the shortfall in the practice; indicate whether efforts are being made to address this, and within what timeframe; as well as the extent of progress that will be achieved if current efforts proceeded as envisaged in accordance to practices categories.

**Recommended plan of actions to improve transparency practices**

1. **For each of the Principles listed in the table of recommended actions, the relevant practice and the suggested action, if any, should be noted**. The reviewer should ensure that these recommendations are focused on improving transparency, and not on introducing changes to governance and policy frameworks.

## Review Consistency

1. **The CBT Review should follow a consistent approach for reviewing CBT Principles based on the discussion in Section III of this note ("Considerations in Reviewing the Practices of the Code") above**. The Review is expected to:
2. Cite sections (excerpt or paraphrase if lengthy) of the laws, regulations, circulars, press releases or other public disclosure instruments used by central banks that are relevant to each assessed Principle.
3. Note where and how the information is disclosed.
4. Evaluate and map to the applicable practice level.
5. Explain (in the comments) the outcome of the analysis, particularly if it cuts across more than one transparency practice category.

**Appendix I.** **Guidance and Templates for Writing the CBT Review Report**

**General**

1. Provide background information on the Review, i.e., describe the organization being assessed and the context in which the Review is being conducted; state the particulars of the reviewers.

**Information used for Review**

1. Detail the main information sources in making the Review. This would include relevant laws, regulations and instructions, and other documentation (reports, studies, public statements, websites, unpublished guidelines, directives, and reviews); counterparty agencies and officials with whom Review-related discussions were held; meetings with other domestic authorities, any relevant government or industry associations (such as bankers’ associations, auditors, and accountants).
2. Describe factors that facilitated or impaired the Review, including extent of non-cooperation in providing information, and indicate the extent to which these factors may have affected the objectivity of the Review.

**Principle-by-principle review**

1. The Review is intended to evaluate the central bank transparency practices to the CBT practice categories for each principle and should be carried out according to the considerations that are outlined in section III in the Guidance Note. The Review should avoid using terms that indicate rating (e.g., observed, partially observed, etc.).
2. The Review should be matched to the applicable practice category whenever the practice criteria is generally met without any significant deficiencies.
3. If the central bank practice for any principle or sub-principle is assessed to cover elements in more than one CBT practice category, the Review should indicate in which category the weight of the central bank practice falls under and highlight the elements covered by other CBT practice categories.
4. A principle or sub-principle will be considered not applicable whenever, in the view of the reviewer, it does not apply given the structural, legal and institutional features within a country, or where the central bank has explicitly chosen not to have its transparency practices in such areas assessed. The Review should note the reasons for not assessing these principles or sub-principles.
5. Due to the specific conditions in individual countries, there may be instances where a country can demonstrate a CBT principle-based practice through different disclosure means.
6. The Review should elaborate on efforts that are underway to enhance transparency according to the CBT principles, and what the overall situation would be when the current efforts are completed. In some cases, the reviewer may wish to note that a certain central bank transparency practice is in line with the CBT except for a specific exception that is being addressed. In such cases, the Review might state “Practice x will meet the CBT principle under CBT practice category [X] when…,” and note how important the exception is with respect to fully implementing the relevant principle.
7. The Review of each principle should have three parts: description, review and comments (Table 1).

**A. Description**

1. Provide information on the Principle as practiced by the central bank. Cite the relevant laws, regulations, reports, and comment on supporting information. This section should be omitted if the Review is not applicable.

**B. Review**

1. Present a clear qualitative review of the degree of the central bank transparency practices’ adherence with the CBT principles as noted in paragraph [X] above. The Review should note the CBT category practice that applies to central bank transparency practices.

**C. Comments**

1. Elaborate, to the extent needed, on the review’s findings, noting, in particular, the relevant contextual issues.

|  |  |
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| **Table 1. Central Bank Transparency Code—Detailed Review** | |
| **Central Bank of [Country Name]** | |
| **Pillar I—Central Bank Governance** | |
| **Principle 1.1.** | **Legal Structure**: The central bank discloses its legal framework to the public in a manner that is clear and easily accessible. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.2.** | **Mandate**: The central bank discloses its mandate—including its objectives, functions, and legally defined powers—in a manner that is clear and easily accessible to the public. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.3.** | **Autonomy**: The central bank discloses its autonomy—as defined in relevant legislation or regulations, allowing it to reveal the extent to which it is autonomous or not, in what forms, and under which conditions—in a manner that is clear and easily accessible for the public. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.3.1.** | **Institutional/Operational Autonomy**: There is clarity on whether the central bank is prohibited from seeking or taking instructions from any private or public body. The extent to which the central bank’s autonomy varies for the various elements of its mandate is clearly disclosed. Where appropriate, a central bank’s governing law clarifies whether it has goal or instrument autonomy concerning its various objectives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.3.2.** | **Functional Autonomy**: There is clarity on whether the central bank can perform its duties without prior approval from the government. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.3.3.** | **Personal Autonomy**: Whether there is security of tenure for the members of the central bank’s decision-making bodies is clear, as is the nature of such security. In this respect, security of tenure encompasses the eligibility and disqualification criteria for the appointment of the members of a central bank’s decision-making bodies, the appointment procedure, the dismissal criteria and procedure, their remuneration, and the duration of their tenure. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.3.4.** | **Financial Autonomy**: The central bank’s financial resources available to fulfill its mandate, and the nature of those resources, are clearly disclosed. In this respect, there is clarity regarding the central bank’s capital, the rules governing any recapitalization of the central bank, its budget, reserves, provisions, profit distribution mechanism, monetary financing, and applicable accounting standards. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.4.** | **Decision-Making Arrangement**: The central bank discloses a clear overview of the organizational structure or allocation of responsibilities to its decision-making bodies: policy making, day-to-day management, and internal oversight of the central bank. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.5.** | **Risk Management**: The central bank discloses the principal risks that it needs to take to meet its objectives (such as financial, operational, and legal risks), and the framework to manage these risks. This includes information on the risk governance structure and risk strategy. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.5.1.** | **Risk Exposure**: The central bank discloses the principal risks that it needs to take to meet its objectives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.5.2.** | **Risk Framework**: The central bank discloses the process for identifying financial and nonfinancial risks, the overall risk strategy, and the accompanying risk governance structure designed to monitor and evaluate risks effectively. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.6.** | **Accountability Framework**: The central bank discloses its accountability framework that provides transparency and reporting mechanisms to internal decision-making bodies, political institutions, and the general public. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.6.1.** | **Arrangements**: Accountability arrangements are clearly identified, including (i) internal and external audit arrangements and compliance; (ii) reporting to an audit committee or Board having an oversight responsibility; and (iii) the external publication of audited financial statements and annual reports. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.6.2.** | **Tools**:  **Independently Audited Financial Statements**: The central bank discloses its auditing and accounting standards and compliance frameworks and gives the public sufficient information to assess and understand the central bank’s financial performance, use of resources, and transactions with the government and other stakeholders.  **Internal Audit**: The central bank provides the public with information regarding its internal audit function, discloses its framework and compliance with the framework, and the scope of its responsibilities.  **Audit Committee**: It is clear whether an internal oversight body that reports to the Board exists, and which of the activities are published. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.6.3.** | **Anti-corruption Measures and Internal Code of Conduct**: It is clear whether domestic anti-corruption legislation and measures apply to the decision-makers, staff, and agents of the central bank. The central bank discloses its internal Code of Conduct with additional requirements specific to central bank management and staff. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.6.4.** | **Human Capital Management:** The central bank discloses its policies and practices concerning the governance and management of human capital. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.7.** | **Communication:** The central bank discloses means and methods of communication and the forms of disclosure of information to its stakeholders. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.7.1.** | **Arrangement**: The central bank discloses the organizational structure, responsibilities, and processes relevant for communication. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.7.2.** | **Strategy/Tools**: The central bank discloses the objectives, target audiences, channels, and tools of communication policy. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 1.8.** | **Confidentiality**: The central bank discloses its policy on confidentiality or secrecy of central bank information, including the reasons underlying the choices it has made on disclosure or non-disclosure of sensitive information. |
| Description |  |
| Review |  |
| Comments |  |
| **Pillar II—Central Bank Policies** | |
| **Principle 2.1.** | **Monetary Policy**: The central bank publicly and clearly discloses the objectives, policy framework, and instruments of monetary policy. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.1.1.** | **Objectives and Framework**: The central bank discloses its monetary policy framework and strategy for achieving its objectives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.1.2.** | **Policy Decisions**: The central bank discloses its monetary policy decisions in a timely manner and indicates how the decisions foster the achievement of its monetary policy objective(s). The central bank discloses the process by which policy decisions are taken, including with respect to the meeting calendar of its monetary policy decision-making bodies and their voting procedures. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.1.3.** | **Supporting Analysis**: The central bank discloses relevant economic information and supporting analysis that informs its monetary policy decisions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.2.** | **Cross-Border Financial Flows and** **Foreign Exchange Administration:** The central bank is clear about its role in determining and implementing the policy on cross-border financial flows and foreign exchange administration. It discloses the objective(s), the legal and institutional frameworks it is acting under, its policy decisions, as well as the process by which policy decisions are taken. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.2.1.** | **Objectives and Framework**: The central bank discloses the policy’s objective(s), legal and institutional frameworks, and the strategy to achieve the policy objectives. There is clarity whether the central bank can delegate some of its functions to implement policy decisions to other entities and on the modalities of such delegation. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.2.2.** | **Policy Decisions:** Policy decisions, whether on new actions or changes to standing policy or other changes in the regulatory framework, are publicly announced, explained, and disclosed in a timely manner. The central bank is clear about the process by which policy decisions are taken. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.2.3.** | **Supporting Analysis:** The central bank discloses in a timely manner the supporting analysis, including the intended outcome that informs its policy decisions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.3.** | **Foreign Exchange Management:** The central bank clearly and publicly discloses its foreign exchange policy objectives, including the hierarchy of objectives and the operational framework and instruments of foreign exchange interventions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.3.1** | **Objectives and Framework**: The central bank discloses its policy objectives and legal, operational, and institutional frameworks, consistent with the chosen foreign exchange regime. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.3.2.** | **Policy Decisions**:The central bank discloses its decision-making process, including the rationale for foreign exchange management instruments, and the means and methods of reaching a decision. The potential impact of its policy decisions is explained in a timely manner. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.3.3.** | **Supporting Analysis**:The central bank discloses its assumptions, transmission channels, and analysis backing the intervention policy decisions, as well as ex-post evaluation of economic impact. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.4.** | **Foreign Exchange Reserve Management:** The central bank discloses its policy objectives for foreign exchange reserve management, along with key considerations behind the policy, details on how oversight responsibility is allocated, and the potential impact of the policy. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.4.1.** | **Objectives and Framework**: The central bank discloses broad investment objectives, operative models, how it allocates oversight responsibility, and the institutional framework of its policy decisions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.4.2.** | **Policy Decisions**: The central bank discloses key elements of policy formulation, related risk exposures, instruments, decision-making hierarchy, and the oversight allocation process. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.4.3.** | **Supporting Analysis**: The central bank discloses the key assumptions and review process related to its policy decisions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.5.** | **Macroprudential**: The objectives, decision-making process, and instruments of macroprudential policy are clearly communicated to the public. Indicators and supporting analysis to assess the need for macroprudential measures are disclosed alongside policy decisions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.5.1.** | **Objectives and Framework:** The central bank discloses its macroprudential policy framework, including its objectives, instruments, and strategy for achieving its objectives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.5.2.** | **Policy Decisions**: The central bank publicly announces its macroprudential policy decisions in a timely manner, and discloses the decision-making process leading up to macroprudential action. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.5.3.** | **Supporting Analysis**: The central bank discloses the key indicators and analyses used to assess the need for macroprudential measures. It explains the rationale and the expected transmission channels of policy instruments in achieving their objectives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.6.** | **Microprudential Supervision**: Selected principles from BCP, ICP, and IOSCO. |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 2.7.** | **Emergency Liquidity Assistance**: The central bank discloses the scope and objectives of emergency liquidity assistance, while maintaining the necessary confidentiality, to preserve financial stability and in support of monetary policy and its implementation. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.8.** | **Resolution**: Selected principles from KA |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 2.9.** | **Financial Market Infrastructures**: Selected principles from PFMI |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 2.10.** | **Financial Integrity**: The central bank discloses its policies and powers for Anti-Money Laundering/Countering the Financing of Terrorism supervision, and a description of its internal control framework relating to the activities or services that may give rise to Money Laundering/Terrorist Financing risk. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 2.11.** | **Consumer Protection**: The central bank discloses its policies relating to consumer protection, conducted solely or jointly with other agencies. |
| Description |  |
| Review |  |
| Comments |  |
| **Pillar III—Central Bank Operations** | |
| **Principle 3.1.** | **Monetary Policy**: The central bank discloses its operational framework with a well-defined operational target, objectives, instruments, collateral, and access criteria. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.1.1.** | **Instruments**: The central bank discloses its monetary policy instruments. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.1.2.** | **Coverage**: The central bank discloses: (i) the type of instrument (open market operations, standing facilities, other facilities, reserve requirements, and direct instruments of monetary control); (ii) the characteristics of each instrument; and (iii) the collateral framework. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.1.3.** | **Access:** The central bank discloses the monetary policy counterparties’ framework. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.2.** | **Cross-Border Financial Flows and Foreign Exchange Administration:** The central bank discloses how it implements this policy in terms of the instruments and the scope of its operations and actions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.2.1.** | **Instruments:** The central bank’s instruments for implementing the policy and the circumstances in which they can be used are clearly defined and disclosed. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.2.2.** | **Coverage:** The central bank discloses information about the persons (entities and individuals), transactions, and other aspects of the foreign exchange system that it can and does regulate; persons, transactions, and activities that it can license, approve, monitor, and sanction; and foreign exchange transactions that it can perform. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.3.** | **Foreign Exchange Management:** The central bank discloses how it implements its foreign exchange policies framework in terms of instruments, markets, size, and mode of access. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.3.1.** | **Instruments:** The central bank discloses the set of instruments used for foreign exchange management policy, key considerations under which these instruments are chosen, and eligibility criteria of counterparties and mode of access. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.3.2.** | **Coverage:** The central bank discloses the markets and agents who are targeted by the foreign exchange management policy. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.4.** | **Foreign Exchange Reserve Management**: The central bank discloses the general principles governing its foreign exchange reserve management operations, including relationships with counterparties and service providers. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.4.1.** | **Instruments**: The central bank discloses the broad selection criteria for eligible asset classes, composition of instruments, investment horizon and constraints. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.4.2.** | **Coverage**: The central bank discloses the criteria to select eligible market counterparties and service providers and eligible markets to conduct its operations. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.4.3.** | **Review**: The central bank discloses criteria to assess adequacy and liquidity parameters and discloses such analysis regularly, at predetermined times. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.5.** | **Financial Stability Reviews and Stress Testing**: The central bank periodically discloses its review of domestic financial stability to the public and is transparent about the methods used for such reviews, including its framework for stress testing. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.5.1.** | **Financial Stability Reviews**: The central bank periodically provides to the public its review of risk to financial stability, including new and emerging sources of vulnerability. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.5.2.** | **Macroprudential Stress Testing Methods:** The central bank discloses the methods and key assumptions of the stress testing framework. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.5.3.** | **Stress Testing Coverage:** The central bank discloses the coverage of the stress testing exercise. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.5.4.** | **Central Bank Use of Stress Test Results:** There is clarity about the ways the central bank uses the stress test results. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.6.** | **Macroprudential Policy Implementation**: The central bank discloses how it implements macroprudential policies, including the design of policy instruments and enforcement arrangements. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.6.1.** | **Instruments**: The central bank discloses the precise design and objectives of its macroprudential instruments, including the scope of entities and financial instruments subject to macroprudential constraints. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.6.2.** | **Enforcement**: The central bank discloses enforcement mechanisms and responsibilities for all entities and financial instruments subject to macroprudential constraints. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.7.** | **Microprudential Supervision**: Selected principles from BCP, ICP, and IOSCO. |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 3.8.** | **Emergency Liquidity Assistance**: The central bank may disclose any ongoing provision of emergency liquidity assistance (including bilateral and market-wide support) and its conditions and parameters once the need for confidentiality has ceased. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.9.** | **Resolution**: Selected principles from KA |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 3.10.** | **Financial Market Infrastructures**: Selected principles from PFMI |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 3.11.** | **Financial Integrity**: The central bank discloses its Anti-Money Laundering/Countering the Financing of Terrorism supervisory processes as well as details about resources allocated to its internal Anti-Money Laundering/Countering the Financing of Terrorism controls. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 3.12.** | **Consumer Protection**: The central bank discloses its operations relating to consumer protection conducted solely or jointly with other agencies. |
| Description |  |
| Review |  |
| Comments |  |
| **Pillar IV—Central Bank Outcome** | |
| **Principle 4.1.** | **Monetary Policy:** The central bank is transparent about the outcome of its monetary policy conduct. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.1.1.** | **Governance Actions:** The accountability of the central bank on monetary policy is clear as to whom accountability is owed and how it is discharged. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.1.2.** | **Policies**: The central bank discloses progress toward achieving its monetary policy objective(s) as well as prospects for achieving them. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.1.3.** | **Operations**: The central bank discloses the volumes and interest rates of the operations, as well as the level of the operational target achieved. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.2.** | **Cross-Border Financial Flows and Foreign Exchange Administration:** The central bank discloses the outcome of its policy implementation. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.2.1.** | **Governance Actions:** The central bank discloses information about to whom its accountability on the policy is owed and how it is discharged. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.2.2.** | **Policies:** The central bank discloses on a regular basis information about the results in achieving the policy objectives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.2.3.** | **Implementation:** The central bank discloses on a regular basis information about the results of the policy implementation. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.3.** | **Foreign Exchange Management:** The central bank discloses how its governing committee is accountable for undertaking and reporting on foreign exchange interventions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.3.1.** | **Governance Actions**: The central bank discloses its decision-making structure and how it is accountable for Foreign Exchange Management. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.3.2.** | **Policies**: The central bank discloses the role of Foreign Exchange Management toward achieving its policy objective(s) as well as its interaction with broader monetary policy objectives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.3.3.** | **Operations**: The central bank discloses the results of its market operations, the volume of activity, and the direction of interventions on its website at a predefined time lag. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.4.** | **Foreign Exchange Reserve Management**: The central bank discloses any changes to the general principles of internal governance and provides clarity on the outcomes of its policy decisions about foreign exchange reserve management. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.4.1.** | **Governance Actions**: The central bank publicly discloses the general principles of internal governance to ensure the integrity of its policy formulation and operations. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.4.2.** | **Reporting on Implementation**: The central bank discloses data relating to the level and composition of reserve assets, short-term liabilities, and drains that can lead to demand on reserves at a predefined frequency. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.4.3.** | **Financial Results**: There is clarity in audited financial statements on the amount, composition, profit/loss, and risks arising from foreign exchange reserves. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.5.** | **Macroprudential Policy**: The central bank discloses outcomes and evaluations of its macroprudential policy actions and its accountability for such actions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.5.1.** | **Governance Actions**: The accountability of the central bank on macroprudential policies is clear as to whom accountability is owed and how it is discharged. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.5.2.** | **Policies**: The central bank discloses ex-post evaluations of its macroprudential policies. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.6.** | **Microprudential Supervision**: Selected principles from BCP, ICP, and IOSCO. |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 4.7.** | **Emergency Liquidity Assistance**: The Emergency Liquidity Assistance framework allows for appropriate disclosure of the provision of liquidity support, terms and conditions, and amounts provided, while maintaining confidentiality as long as required. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.8.** | **Resolution**: Selected principles from KA. |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 4.9.** | **Financial Market Infrastructures**: Selected principles from PFMI. |
|  | Reference as per Section III.F. of the Guidance Note |
| **Principle 4.10.** | **Financial Integrity**: The central bank discloses the outcome of its Anti-Money Laundering/Countering the Financing of Terrorism supervisory actions as well as details about the oversight of its internal Anti-Money Laundering/Countering the Financing of Terrorism controls. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 4.11.** | **Consumer Protection**: There is clarity about the results and implications of consumer protection policies and operations conducted solely or jointly with other agencies. |
| Description |  |
| Review |  |
| Comments |  |
| **Pillar V—Central Bank Official Relations** | |
| **Principle 5.1.** | **Government**: The central bank discloses its relationship with the government. This includes the exchange of information, the coordination of policies, and financial aspects such as rules on profit distribution, clearly distinguishing the different roles and modalities this can take. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.1.1.** | The institutional relationship between the central bank and the government/its agencies is clearly defined and publicly disclosed. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.1.2.** | The central bank publicly discloses its policies and terms and conditions governing financial transactions with the government, including its fiscal agent role, the management of the current account, deposit taking, advances, guarantees, loans and credit arrangements to the public sector, as well as agency services performed on behalf of the government. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.1.3.** | The instruments used in interaction (including the financial transactions) between the central bank and the government/its agencies are clearly defined and publicly disclosed. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.1.4.** | The central bank discloses publicly on a regular basis the outcome of its interaction (including operations) with the government/its agencies. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.2.** | **Domestic Financial Agencies**: The central bank discloses its relationships with domestic financial agencies as relevant to the pursuit of its mandate and the execution of its functions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.2.1.** | The relationship between the central bank and relevant domestic financial agencies is clearly defined and publicly disclosed, including cooperation and (co-) decision-making modalities and arrangements for the formal/informal sharing of information. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.2.2.** | The policies and instruments used in the interaction of the central bank with domestic financial agencies, and the outcome of the interaction are transparent. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.2.3.** | With respect to macroprudential policy, the central bank discloses its role, responsibly, and actions—and those of any other authority it collaborates with. The central bank also discloses any advice it receives. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.2.4.** | With respect to financial stability, all arrangements to restore or maintain financial stability are clearly disclosed, including arrangements on data sharing, liquidity support, and who is responsible for which type of decision or action at what stage. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.3.** | **Foreign Agencies**: The central bank discloses its dealings with international organizations foreign governments, other central banks, and other relevant foreign agencies, including the nature of the involvement or interactions, and any obligations and commitments that may arise from these relationships. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.3.1.** | The relationship for the exchange of information and coordination of actions and policies between the central bank and international organizations, foreign governments, other central banks, and other relevant foreign agencies is clearly defined and publicly disclosed. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.3.2.** | The central bank publicly discloses its policies, terms, and conditions governing interaction with international organizations, foreign governments, other central banks, and other relevant foreign agencies. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.3.3.** | The instruments used in the interaction (including financial transactions) between the central bank and international organizations, foreign governments, other central banks, and other relevant foreign agencies are clearly defined and publicly disclosed. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.3.4.** | The central bank discloses publicly on a regular basis the outcome of its relationship with international organizations, foreign governments, other central banks, and other relevant foreign agencies. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.4.** | **Other Relations**: The central bank discloses its involvement with private or semi-public institutions. |
| Description |  |
| Review |  |
| Comments |  |
| **Principle 5.4.1.** | The central bank discloses its investments in and ownership of subsidiaries and joint ventures with private, semi-public, or public entities. |
| Description |  |
| Review |  |
| Comments |  |

1. Based on the detailed review, a summary table should be presented (Table 2).

|  |  |
| --- | --- |
| **Table 2. Central Bank of [--] Transparency Practices Overview** | |
| **CBT Practice Category** | **CBT Principles List** |
| Core |  |
| Expanded |  |
| Comprehensive |  |
| Not implemented |  |
| Not applicable |  |

1. The report should include a recommended action plan for enhancing the central bank transparency based on the outcome of the Review and taking into account the country specific circumstances. This should be presented in table 3 below, which will facilitate the monitoring of progress. List only those practices with respect to which specific recommendations are being made.

| **Table 3. CBT Recommended Plan of Actions** | |
| --- | --- |
| **Reference Practice** | **Recommended Action** |
| Pillar I—Central Bank Governance |  |
| **1.1.** **Legal Structure**: The central bank discloses its legal framework to the public in a manner that is clear and easily accessible. |  |
|  |  |
|  |  |
|  |  |

1. See, IMF, 2020, *The Central Bank Transparency Code*. IMF Policy Paper No. 2020/038. Washington, D.C., International Monetary Fund. [↑](#footnote-ref-2)
2. Note also that the IMF’s Central Bank Legislation Database (CBLD) can be used to access central banks’ legal frameworks. The CBLD contains specific search categories related to central bank transparency. [↑](#footnote-ref-3)