

CURRENCY UNION TECHNICAL EXPERT GROUP (CUTEG)

OUTCOME PAPER (CUTEG) # 10-2

JANUARY 24, 2005

(1) Topic: **Standard components of a national BOP in a CU, in particular treatment of reserve assets**

(2) Issues – see CUTEG Issues Paper #10-1

(3) Recommendations:

1. CUTEG agreed that the new BOP manual is not the right vehicle to recommend whether a country member of a CU should produce a national BOP statement or not. However, in a “uses of BOP data” chapter there should be some discussion about the relevance of some BOP data categories, in particular portfolio investment, financial derivatives, other investment, and reserve assets, as financial integration within a CU makes progress.

2. CUTEG agreed that if reserve assets are transferred from national central banks to the CUCB, they are no longer considered as owned by the NCB (although a claim on the CUCB is created).

3. The group agreed that all foreign assets at the national level that meet the criteria of reserve assets at the CU level should also be recognized as reserve assets at the national level.

(4) Rejected Alternatives:

None.

(5) Actions

None.