

IMF COMMITTEE ON BALANCE OF PAYMENTS STATISTICS
RESERVE ASSETS TECHNICAL EXPERT GROUP (RESTEG)

OUTCOME PAPER (RESTEG) # 3

Clarification of Currency of Denomination

Prepared by Antonio Galicia-Escotto, IMF Statistics Department

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(1) **Topic:** Clarification of Currency of Denomination

(2) **Issues:** See RESTEG Issues Paper #3

(3) **Outcome of the Discussions:**

(i) The majority view was to exclude from reserves, assets denominated or indexed to the domestic currency but settled in foreign currency. The main consideration was that in a crisis situation the value of these assets would decline along with the domestic currency. However, a significant minority disagreed. Given the majority view, in the new *Manual* reserve assets would include only those assets denominated and settled in foreign exchange.

(4) **Rejected Alternatives:**

Include all instruments settled in foreign currency as reserve assets.

(5) **Actions:**

RESTEG outcome to be incorporated in the draft Manual for IMF Committee on Balance of Payments Statistics (BOPCOM) review.