

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

OUTCOME PAPER (RESTEG) # 7

Treatment of Bank Deposits in Resident Banks

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(1) **Topic:** Treatment of Bank Deposits in Resident Banks

(2) **Issues:** See RESTEG Issues Paper #7

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

(i) The group did not reach a firm conclusion on the conditions, if any, under which deposits in resident banks should be included in reserve assets.

(ii) There was general support in RESTEG for the approach of excluding claims on bank deposits in resident banks from the BOP and IIP given that the BOP/IIP covers transactions and positions with nonresidents. However, some members considered that even with such an approach these deposits should be included in the data template as part of section IA, while others considered that the reserves data in IIP and section IA should be the same and that these deposits should be in section IB.

(iii) Another position that was presented was that claims on resident bank deposits be included as reserve assets in the BOP/IIP (and the template section 1A) with a contra-entry created in the BOP and IIP to identify and subtract such claims to avoid double counting.

(4) **Rejected Alternatives:**

A continuation of the present approach in a few countries of including claims on resident bank deposits as reserve assets in the BOP/IIP (and in the template section 1A) with adjustments in the foreign assets of the banks to avoid double counting was not widely supported.

(5) **Actions:**

Draft text on the treatment of bank deposits in resident banks, taking account of the RESTEG discussions will be included in the draft Manual for IMF Committee on Balance of Payments Statistics (BOPCOM) review.