

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

OUTCOME PAPER (RESTEG) # 9

Reserve Related Liabilities

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(1) **Topic:** Reserve-related Liabilities (RRL)

(2) **Issues:** See RESTEG Issues Paper #9

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

(i) RESTEG agreed that RRL should be presented in the main accounts of the BOP/IIP, rather than as a memorandum item. It was noted that such a category might cause an overlap with exceptional financing in the analytical presentation and this needed to be considered.

(ii) RESTEG agreed that RRL should only include liabilities to non-residents, not least for the consistency within the balance of payments framework. Some stated that liabilities to residents could be provided via different presentation, i.e., as a memorandum or supplementary item. No firm views could be reached on memorandum/supplementary items.

(iii) RESTEG agreed that RRL should be foreign currency liabilities only. The issue of hedging through derivatives was raised and it was noted that some proposals on monitoring in the IIP foreign currency hedging through derivatives is being prepared for BOPCOM discussion.

(iv) There were differing views on whether total reserve related liabilities or only short-term reserve related liabilities should be included in RRL. The consensus was broadly in favor of presenting the total, with a remaining short-term (one-year) maturity split, as countries use foreign currency borrowing to raise forex reserves, while also it was noted that monitoring the short-term liquidity position is important.

(v) Regarding sectoral coverage, the majority preferred the same institutional coverage as reserve assets. However, the importance of monitoring government foreign currency external debt was emphasized and again it was noted that some proposals for providing detail on foreign currency borrowing more generally in the IIP is being prepared for BOPCOM discussion.

(4) **Rejected Alternatives:**

None.

(5) **Action:**

RESTEG outcomes to be included in the draft Manual for IMF Committee on Balance of Payments Statistics (BOPCOM) review, including the idea of adding a memorandum or a supplementary item to cover RRL to residents. The implications for the standard components are to be set out for BOPCOM's attention.