



Twenty-Eighth Meeting of the IMF Committee on Balance of Payments Statistics

Rio de Janeiro, Brazil
October 27–29, 2015

BOPCOM—15/23

Update on Reserve-Related Initiatives

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There are several initiatives underway in the IMF Statistics Department (STA) in the area of reserve assets. This paper aims to update the IMF Committee on Balance of Payments Statistics (Committee) on the developments in this area since the last meeting in October 2014. These developments cover four areas: (i) update on data sharing and confidentiality; (ii) termination of the Survey on the Instrument Composition of Transactions in Foreign Exchange Reserves (INFER); (iii) the production and dissemination of a table showing reserves held in non-SDR basket currencies as a share of total foreign exchange reserves; and (iv) the Survey on the Holdings of Currencies in Official Foreign Currency Assets.

I. UPDATE ON DATA SHARING AND CONFIDENTIALITY

1. This section updates the Committee on the status of efforts to broaden the sharing of information reported through the IMF's Survey of Currency Composition of Foreign Exchange Reserves (COFER) and the Survey of Securities Held as Foreign Exchange Reserves (SEFER). Due to the sensitive nature of data reported to STA on these confidential surveys on reserve assets, and in consideration of some concerns expressed about the proposals in this area at recent Committee meetings, work in this area is being undertaken following a step-by-step approach at a deliberative pace.

A. COFER

2. COFER data are reported to the IMF on a voluntary and confidential basis, and the data for individual economies are strictly confidential. At present there are 146 reporters, consisting of IMF member countries, IMF non-member countries/economies, and other entities holding foreign exchanges reserves. The COFER database distinguishes monetary authorities' claims on nonresidents denominated in U.S. dollars, Euros, pounds sterling, Japanese yen, Swiss francs, Canadian dollars, Australian dollars, and other currencies.

3. With the release of COFER data for the second quarter of 2015 on September 30, 2015, STA included, for the first time, a list of the participating economies that have agreed to disclose their participation in COFER. Publishing this list increases transparency of the COFER survey, allowing users to better appreciate the quality of the data. The release of the list of participants is consistent with the requirements of the Special Data Dissemination Standard Plus (SDDS Plus), which was launched in November 2014. Adherence to SDDS Plus requires the economy to make public its participation in the COFER survey. Ninety-six economies have agreed to allow the release of their names as COFER participants (see Appendix).

¹ Prepared by Joji Ishikawa, Antonio Galicia-Escotto, and Emma Angulo, Balance of Payments Division, STA.

4. COFER is a confidential database and the IMF strives to ensure the confidentiality of individual data submitted by participating economies. With the publication of the list of COFER participants, the IMF has decided to discontinue the publication of separate data for advanced economies vis-à-vis emerging/developing economies so as to avoid possible residual disclosure of individual country data. Historical series for these breakdowns are available up to the first quarter of 2015.

B. SEFER

5. As agreed in the October 2014 Committee meeting, STA plans to slightly expand internal access to the individual SEFER data, while maintaining strict confidentiality with regard to the disclosure of individually identifiable data. This aims to improve the quality of IMF analyses and surveillance activities against the backdrop of the growing interest in analyzing financial interconnections and better understanding risks and vulnerabilities. Under the expanded access, confidential data might be shared with up to six additional staff (two each) across three other IMF departments involved in multilateral surveillance and interconnectedness analysis—the Monetary and Capital Market Department (MCM); the Strategy, Policy, and Review Department (SPR); and the Research Department (RES). This expanded access will not apply to SEFER data that were previously reported to STA under a pledge of confidentiality, unless the provider of such data agrees to give access to the historical data.

6. Following the Committee’s 2014 meeting, SEFER invitation letters were sent to 127 economies in December 2014 and June 2015 asking each economy to choose one of the following three options:

- (a) Limit the sharing of your data to the five STA staff that currently have access to your data for the purposes of processing the data and assuring its accuracy.
- (b) Consent to broaden the sharing of the SEFER data that you report in the future to include up to six additional staff (i.e., two staff each from MCM, RES, and SPR).
- (c) Consent to broaden the sharing of the SEFER data that you have reported in the past as well as the data that you may report in the future to include up to six additional staff (i.e., two staff each from MCM, RES, and SPR).

As of September 2015, 27 economies have responded: 22 have chosen option (c), four have chosen option (a), and one has chosen option (b).

7. In regard to the release of names of SEFER reporters, as presented at the previous Committee meetings in 2013 and 2014 (see paragraph 8 of [BOPCOM 13/19](#) and paragraph 7 of [BOPCOM 14/16](#)), STA has adopted a step-by-step approach, and would first assess the

implications of the release of names of COFER reporters, which was effected on September 30, 2015.

II. TERMINATION OF INFER

8. Considering the merits of using the balance of payments data instead of the INFER data, STA has decided to discontinue the INFER and to use the balance of payments data to produce Table C-1 “*Global Discrepancies in Balance of Payments Statistics*” in the *Balance of Payments Statistics Yearbook (BOPSY)* starting with the 2015 edition.² IMF member countries were notified of the discontinuance of the INFER and were encouraged to report instrument breakdowns of reserve assets in balance of payments report forms if they have not yet reported. The INFER regional sub-aggregates that the Committee has discussed in the past can also be produced from the balance of payments data reported by economies.

9. The data collected in the INFER (i.e., equity and investment fund shares, long-term and short-term debt securities, currency and deposits, financial derivatives, and other claims) are standard components of reserve assets in the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)*. Therefore, these data are regularly reported and disseminated quarterly or annually by many economies. This change improves the coverage of the data on the instrument breakdown of reserve assets in Table C-1 and reduces the reporting burden on IMF member countries.

10. In terms of coverage, more economies are now reporting the data on the instrument composition of reserve assets in the balance of payments than in the INFER. For 2013 data, 144 economies reported INFER-compliant breakdowns in their balance of payments, while 86 participated in the INFER 2013 data collection round.

11. In terms of vintage, the balance of payments data are more up to date than the INFER data since economies report new and revised data periodically, while the INFER was an annual exercise and data revisions were not reported in the following years. Further, INFER data in some cases were reported by reserve management departments in central banks and may not have been aligned to *BPM6* valuation principles.

² The INFER data were used to adjust three lines (i.e., balances of portfolio investment, other investment, and reserve assets) in Table C-1 of the *BOPSY*. The adjustment is made to address global discrepancies of portfolio investment and other investment by reflecting counterparty transactions in securities and other debt instruments in reserve assets (i.e., reserves minus liabilities foreign authorities’ reserves).

III. DISSEMINATION OF TABLE ON SHARE OF NON-SDR BASKET RESERVES IN TOTAL FOREIGN EXCHANGE RESERVES

12. The table developed by IMF staff in 2014 showing the breakdown of non-SDR basket currencies as a percentage of total foreign exchange reserves—derived from the Reserves Data Template (RDT)—is now publicly available on the [IMF website](#).³ Starting 2015, the table is updated quarterly with a lag of no more than one quarter after the reference date.

IV. SURVEY ON THE HOLDINGS OF CURRENCIES IN OFFICIAL FOREIGN CURRENCY ASSETS

13. In the context of the IMF's current quinquennial review of the method of valuation of the SDR, IMF staff conducted an ad-hoc survey of member countries' holdings of currencies in Official Foreign Currency Assets (OFCAs). The survey, conducted during April-May 2015 requested a currency breakdown for a selected set of currencies. OFCAs included monetary authorities' holdings of both official reserve assets and other foreign currency assets (claims on both nonresidents and residents) not included in official reserve assets. Reporting was on a voluntary and confidential basis. The survey results (covering 2013 and 2014 data), available at: <http://www.imf.org/data>, provides a crucial insight into the evolution of official foreign currency assets holdings included in monetary authorities' balance sheets.

³ The RDT is filed monthly by subscribers to the IMF's SDDS and by a few other economies.

Appendix. COFER Reporters That Have Agreed to Have Their Names Released

Total number of COFER reporters 146

of which: 1/

1. Albania	34. Hong Kong SAR	67. Pakistan
2. Argentina	35. Hungary	68. Papua New Guinea
3. Armenia	36. Iceland	69. Peru
4. Aruba	37. Ireland	70. Philippines
5. Australia	38. Israel	71. Poland
6. Austria	39. Italy	72. Portugal
7. Bahamas	40. Jamaica	73. Romania
8. Bangladesh	41. Japan	74. Russia
9. Belarus	42. Kazakhstan	75. San Marino
10. Belgium	43. Kenya	76. Serbia
11. Belize	44. Korea	77. Seychelles
12. Bolivia	45. Kuwait	78. Singapore
13. Bosnia and Herzegovina	46. Latvia	79. Slovak Republic
14. Brazil	47. Lebanon	80. Slovenia
15. Bulgaria	48. Liberia	81. South Africa
16. Cambodia	49. Lithuania	82. Spain
17. Canada	50. Luxembourg	83. Suriname
18. Chile	51. Macau SAR	84. Swaziland
19. China, P.R.: Mainland *	52. Macedonia	85. Sweden
20. Congo, DR	53. Madagascar	86. Switzerland
21. Costa Rica	54. Malawi	87. Tanzania
22. Croatia	55. Malta	88. Trinidad and Tobago
23. Cyprus	56. Mauritania	89. Turkey
24. Czech Republic	57. Mexico	90. UAE
25. Denmark	58. Moldova	91. Ukraine
26. Estonia	59. Montenegro	92. United Kingdom
27. European Central Bank	60. Mozambique	93. United States
28. Finland	61. Nepal	94. Uruguay
29. France	62. Netherlands	95. Vanuatu
30. Georgia	63. New Zealand	96. Zambia
31. Germany	64. Nicaragua	
32. Greece	65. Nigeria	
33. Honduras	66. Norway	

Notes:

1/ This list shows only those COFER reporters that have agreed to have their names released.

* China has reported a representative portfolio on a partial basis and will gradually increase the reported portfolio to full coverage of foreign exchange reserve assets within a period of around two to three years.