



## Twenty-Ninth Meeting of the IMF Committee on Balance of Payments Statistics

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BOPCOM—16/30

### Reserve-Related Initiatives



## RESERVE-RELATED INITIATIVES<sup>1</sup>

*There are several initiatives underway in the IMF's Statistics Department (STA) in the area of reserve assets. This paper aims to update the Committee on the developments in this area since the last meeting in October 2015. These developments cover five topics: (i) separate identification of the Chinese renminbi (RMB) in the IMF's Survey of Currency Composition of Foreign Exchange Reserves (COFER); (ii) release of the list of participants in the COFER; (iii) expansion of access to individual data reported for the Survey of Securities Held as Foreign Exchange Reserves (SEFER); (iv) release of the list of participants in the SEFER; and (v) revamping of the new Reserves Data Template (RDT) website.*

### I. SEPARATE IDENTIFICATION OF THE RMB IN THE COFER

1. In November 2015, the IMF's Executive Board decided to include the RMB in the basket of currencies included in the Special Drawing Rights, effective October 1, 2016 (IMF Press Release 16/90, <http://www.imf.org/external/np/sec/pr/2016/pr1690.htm>). Following the decision, the Executive Board also approved separate identification of the RMB in the IMF's COFER. The RMB will join the currencies that are currently identified in the survey: U.S. Dollar, Euro, Yen, Pound Sterling, Swiss Franc, Australian Dollar, and Canadian Dollar.

2. Against this background, STA has revised the COFER survey form to separately identify the RMB, beginning with the reference period end-December 2016. The request for COFER data for end-December 2016 will be sent during the first half of January 2017, and the survey results will be disseminated at end-March 2017.

### II. RELEASE OF THE LIST OF PARTICIPANTS IN THE COFER

3. COFER data are reported to the IMF on a voluntary and confidential basis, and the data for individual economies are strictly confidential.<sup>2</sup> At present there are 145 reporters, consisting of IMF member countries, IMF non-member countries/economies, and other entities holding foreign exchanges reserves. 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.<sup>3</sup>

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<sup>1</sup> Prepared by Joji Ishikawa and Antonio Galicia-Escotto, Balance of Payments Division, STA.

<sup>2</sup> Stringent security procedures are in place to safeguard the confidentiality of data reported from individual economies. Access to the individual economy data is restricted to only four staff who process the data. COFER data are disseminated (including to internal IMF users) only in the form of high-level statistical aggregates.

<sup>3</sup> With the publication of the list of COFER participants, the IMF discontinued 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.

4. Publishing this list increases transparency of the COFER, 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) launched in November 2014. SDDS Plus adherents are required to publicize their participation in the COFER.

5. Ninety-six economies have agreed to allow the release of their names as COFER participants when data for the second quarter of 2015 were released on September 30, 2015. The number increased to 97 when data for the first quarter of 2016 were released on June 30, 2016.

### III. EXPANSION OF ACCESS TO INDIVIDUAL SEFER DATA

6. As agreed in the October 2014 Committee meeting, STA conducted a survey of SEFER reporters to gauge views on expanding internal access to the SEFER data reported by individual economies/jurisdictions. Under the IMF's proposal for expanded internal access, confidential data would 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.

7. The survey was part of the SEFER invitation letters sent to 127 economies in December 2014, June 2015, and November 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).

8. As of September 2016, 30 economies responded: 24 have chosen option (c), five have chosen option (a), and one has chosen option (b). Most economies that responded to the survey were supportive to the initiative, but the majority have not responded. A decision will be taken once replies have been received from a large enough share of respondents. Internal access to confidential information by a reduced number of informed IMF users is deemed as highly beneficial in a general environment of increasing—yet rigorously controlled—access

to confidential data on a strict need-to-know basis. This initiative could contribute to establishing such framework at the IMF.

#### **IV. RELEASE OF THE LIST OF PARTICIPANTS IN THE SEFER**

9. In regard to the release of the list of participants in the SEFER, STA had communicated to previous Committee meetings the adoption of a step-by-step approach, assessing first the implications of the release of names of COFER reporters (effected on September 30, 2015) before adopting a similar procedure for SEFER.

10. With the successful release of the list of participants in the COFER, STA now plans to initiate similar steps to release the list of participants in the SEFER. STA would send a letter to economies asking whether they would have any reservations as to their names being released as SEFER participants, beginning with the publication of survey results for the end-December 2016 reference period. This would allow users to better appreciate the coverage and quality of SEFER data and of the Coordinated Portfolio Investment Survey (CPIS); and enhance data transparency in a manner similar to the COFER experience. Data collected under the CPIS, SEFER, and the Survey of Securities Held by International Organizations (SSIO) are consolidated<sup>4</sup> and provide comprehensive information on securities held by participating economies/entities with “from whom to whom” information.

#### **V. REVAMPING OF THE RESERVES DATA TEMPLATE WEBSITE**

11. During the first quarter of 2016, the RDT website was revamped to align it with similar features of data portals currently updated by STA. The technological features, under the criteria of “data access made simple,” improves how STA distributes data and statistics and allows users to find specific information, search time series, and analyze data and metadata. The RDT website shares greater capabilities for dynamic data visualization, downloading and data sharing. Key new features of the RDT website include: (a) a short version of the methodology on its first page (At a Glance) that covers all four Sections of the Template; (b) tabs like “By Country” that give a simple and quick overview (in form of graphs) on individual country’s reserves and drains; and (c) a more user-friendly “Query” option. Finally, countries’ RDT metadata, known as country notes, are being structured in a standardized questionnaire to allow for country-specific footnotes and monthly updates.

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<sup>4</sup> The aggregates of SEFER and SSIO data are also available separately from the CPIS data (please refer to *Table 9: Securities Held as Reserve Assets and International Organizations’ Reported Portfolio Investment Assets by Economy of Nonresident Issuer* posted on the CPIS website).