

INTERNATIONAL MONETARY FUND

Seventh Review of the Fund’s Data Standards Initiatives

Prepared by the Statistics Department

(In consultation with other departments)

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ACRONYMS

<i>1968 SNA</i>	<i>System of National Accounts 1968</i>
<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
AASFA—Japan	Administered Account for Select Fund Activities—Japan
ARC	Advance release calendar
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual</i> , <i>Sixth Edition, 2008</i>
DFID	U.K. Department for International Development
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
ECB	European Central Bank
FSI	Financial soundness indicators
GDDS	General Data Dissemination System
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
IMF	International Monetary Fund
NDFs	Nondeliverable forwards
NSDP	National summary data page
Reserves Template	International Reserves and Foreign Currency Liquidity Template
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
SDMX	Statistical Data and Metadata Exchange
STA	Statistics Department

EXECUTIVE SUMMARY

Studies of the financial crises in the 1990s concluded that, at least in part, they derived from data deficiencies. Following the Mexican crisis of 1994, intensive work was undertaken on developing a range of standards and codes, and data standards were among the most critical. The Special Data Dissemination Standard (SDDS) was initiated in 1996 covering key macroeconomic datasets. The SDDS has led to improvements in the macroeconomic datasets that it encompasses, much greater public awareness of data and enhanced macroeconomic basis for policy makers. Thus, the SDDS benefits subscribing countries and has facilitated international surveillance and analysis by capital markets. Sixty-four countries now subscribe to the SDDS.

The present financial turmoil prompts consideration as to whether the SDDS could be useful in helping to shed further light on financial conditions of member economies, by broadening it to include data that would assist in understanding, analyzing, and addressing the present situation. In this regard, although Directors agreed at a November 2007 Board discussion that it was premature to include financial soundness indicators (FSIs) in the SDDS, it may be timely to revisit whether more statistical information on financial conditions should be included in the SDDS, such as some form of financial indicators. The Fund has been working since the Asian crisis on developing financial soundness indicators and harmonized monetary and financial statistics. Progress is being made to bring such indicators to the desired quality, and it seems timely to consider whether the work should be intensified. In light of present turmoil, this paper proposes to accelerate work on monetary and financial statistics, and seeks Board approval to return to the Board within about one year with specific proposals for a work program. The latter would include identifying and proposing some relevant financial statistics, at least on an encouraged basis, within the SDDS.

In parallel with the SDDS, the IMF developed the General Data Dissemination System (GDSS), which is a developmental tool for macroeconomic statistics, for those countries not yet able or willing to subscribe to the SDDS. It focuses on disseminating metadata on a range of statistics and plans for improvement of the statistics. This system has been seen as very successful, with at present 94 participants, and attracting significant external financial support (the U.K. Department for International Development (DFID) GDSS project is the largest single externally-financed project operated by the Fund). This paper proposes that the progress achieved so far by developing metadata now be taken forward by emphasizing the dissemination of data.

The paper makes a number of additional proposals. These include enhancing quality aspects of the SDDS, in particular, making explicit references to internationally accepted statistical methodologies, and encouraging periodic data quality assessments; and clarifying the reserves template to reflect market practices.

I. INTRODUCTION

1. **The IMF introduced the data dissemination standards in the wake of the 1994–1995 Mexican financial crisis as part of a broader internationally-agreed-upon strategy of standards and codes to strengthen transparency and promote good governance practices.** Participation in the initiatives is voluntary. They involve two tiers: (1) the Special Data Dissemination Standard (SDDS), a monitored standard designed to guide countries that have or might seek access to international capital markets in the dissemination of economic and financial data to the public; and (2) the General Data Dissemination System (GDDS), a statistical development framework designed to guide countries in the provision of economic, financial, and socio-demographic data to the public.
2. **Since inception of the SDDS in March 1996 and the GDDS in December 1997, six reviews of the data standards initiatives have been completed.** In the Sixth Review, Directors approved standardized electronic reporting procedures, the publication of annual reports on SDDS observance on the Fund’s Dissemination Standards Bulletin Board (DSBB), using the GDDS plans for improvement to allocate technical assistance, and integrating the metadata of the GDDS and the SDDS into the Fund’s Data Quality Program.¹
3. **The SDDS benefits subscribing countries and has facilitated international surveillance and analysis by capital markets by disseminating a broad range of data and information.** Among the key elements in the SDDS was the initial focus on main macroeconomic statistics (national accounts and prices, balance of payments, government statistics and monetary statistics), supplemented in 1998 with the IIP and in 1999 with detailed international reserves and external debt data, in the aftermath of the Asian crisis. These elements are enhancing policymakers’ capacity to determine appropriate policies both during normal times and, most importantly, during periods of turmoil like the present.
4. **The present financial turmoil prompts consideration as to whether the SDDS could be useful in helping to shed further light on financial conditions of member economies, by broadening it to include data that would assist in understanding, analyzing, and addressing the present situation.** In this regard, although Directors agreed at a November 2007 Board discussion that it was premature to include financial soundness indicators (FSIs) in the SDDS, it may be timely to revisit whether more statistical information on financial conditions should be included in the SDDS, such as some form of financial indicators. The Fund has been working since the Asian crisis on developing financial soundness indicators and harmonized monetary and financial statistics. Progress is being made to bring such indicators to the desired quality, and it seems timely to consider whether the work should be intensified. In light of present turmoil, this paper proposes to accelerate work on monetary and financial statistics, and seeks Board approval to return to the Board

¹ See Sixth Review of the Fund’s Data Standards Initiative (<http://www.imf.org/external/pp/longres.aspx?id=518>) and “The Executive Board has completed the Sixth Review for the Fund’s Data Standards Initiatives” (Public Information Notice No.05/155, November 11, 2005).

within about one year with specific proposals for a work program. The latter would include identifying and proposing some relevant financial statistics, at least on an encouraged basis, within the SDDS.

5. **Building on the achievements of the data standards to date, this Seventh Review also makes proposals to deepen quality aspects of the SDDS and to enhance the GDDS by emphasizing on data dissemination.** The proposals suggest requiring explicit references to benchmark internationally accepted statistical methodologies, the encouragement of subscribers to undertake and publish periodic data quality assessments, and certain tidying-up revisions to the International Reserves and Foreign Currency Liquidity Template (Reserves Template) to reflect market practices. Further, based on strong support from both the Executive Board and GDDS participants, the GDDS-related proposals follow the ones discussed during an informal Board seminar in February 2008 to emphasize data dissemination by GDDS participants.

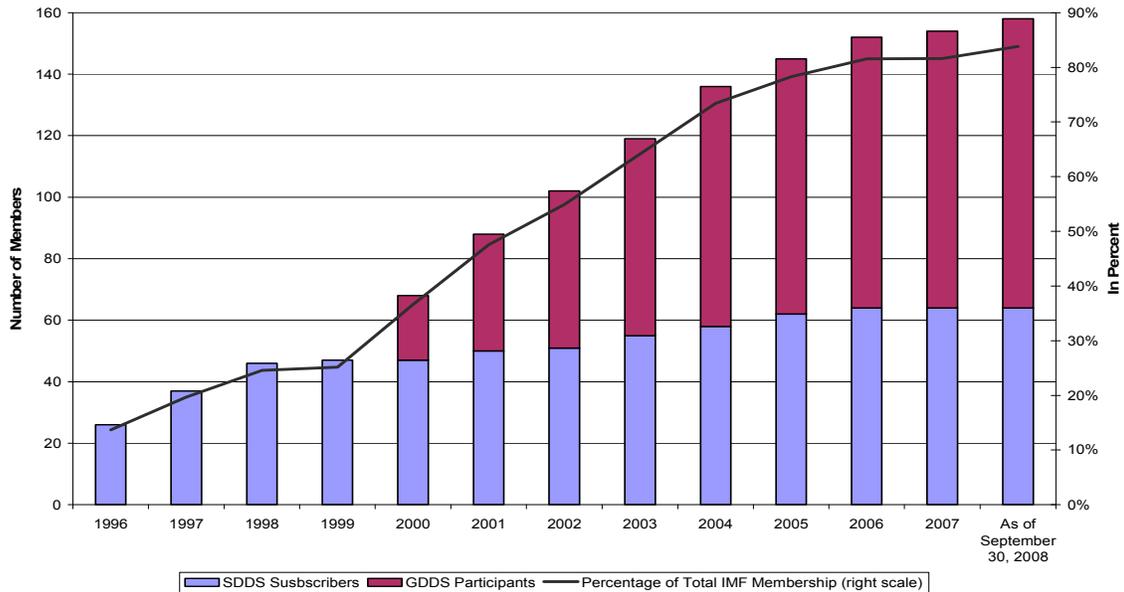
6. **The structure of this Seventh Review paper is as follows.** The second section reviews developments in the data standards initiatives since the Sixth Review. Section III, which reviews the SDDS, suggests advancing data quality under the SDDS and, in light of the present financial turmoil, also makes proposals for a work program to enable the identification and inclusion of some financial indicators on an encouraged basis within the SDDS. This section also includes clarifying the Reserves Template on the use of derivatives. Section IV proposes that the GDDS be enhanced to focus on data dissemination, both to provide immediate benefit to a country's policymakers and to facilitate a country's graduation to the SDDS; Section V discusses the resource implications of the staff proposals and work program. The paper concludes with issues for discussion.

II. DEVELOPMENTS IN THE DATA STANDARDS INITIATIVES SINCE THE SIXTH REVIEW

A. Membership and Outreach

7. **Most member countries have adopted either the SDDS or the GDDS.** Currently, about 85 percent of the Fund membership either subscribes to the SDDS or participates in the GDDS (Figure 1). SDDS subscription now stands at 64 countries and GDDS participation at 94. The GDDS has had 100 participants since its inception, six of which have graduated to the SDDS.

Figure 1. SDDS and GDDS Membership



Source: IMF Statistics Department.

8. **Since the Sixth Review, three countries have subscribed to the SDDS and seventeen countries began participation in the GDDS.** The new SDDS subscribers are Luxembourg, Moldova (a graduate from the GDDS), and Morocco. Of the new GDDS participants, almost half are from the Middle East and Central Asia (representing a 25 percent jump in participation from that region), three from Africa, three from the Western Hemisphere, two from Asia and the Pacific, and one from Europe.

9. **The Statistics Department (STA) pursued an outreach program through workshops and seminars that was bolstered by Phase II of the GDDS Anglophone Africa project (Box 1).** In delivering technical assistance, this project relies on eight modules administered by the IMF, bringing together representatives of 22 countries to exchange experiences and to receive technical assistance. A GDDS module is designed to assist countries in developing national summary data pages (NSDPs) and advance release calendars (ARCs). An SDDS module is to assist participating countries to improve their statistical practices and data products to meet the requirements of the SDDS.

Box 1. Donor Financing to Improve Data Transparency and Dissemination

Activities financed through the Administered Account for Select Fund Activities—Japan (AASFA—Japan, formerly referred to as JSA)

Aspects of STA’s outreach program and technical assistance for the data standards initiatives have been partially financed through the **AASFA—Japan**. In 2008, STA conducted outreach workshops for all GDDS participants, inviting countries from all area departments to Thailand (April), Mexico (June), and Senegal (November), all of which were co-financed by the **AASFA—Japan**.

In December 2006, STA conducted an SDDS regional seminar, co-financed by the **AASFA—Japan** and hosted by the Korea National Statistical Office in Daejeon.

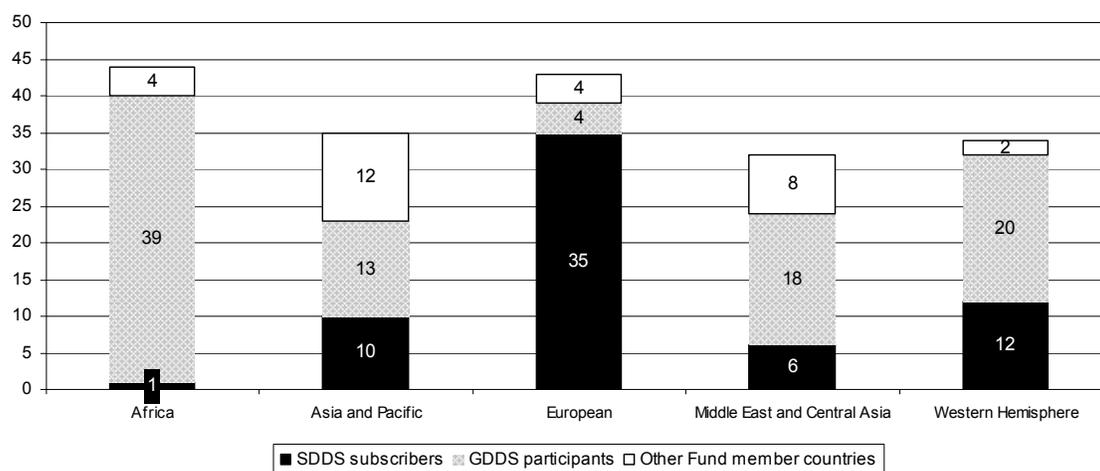
STA has stationed a regional long-term expert on national accounts in Botswana (from November 2007 to November 2008), fully financed through the **AASFA—Japan**. The expert assists Botswana, Mauritius, and Namibia in developing quarterly national accounts in line with the SDDS requirements.

Projects financed by the U.K. Department for International Development (DFID)

Phase I of the **GDDS Project for Anglophone Africa** (2002–06), enabled more than a dozen African countries to develop metadata and plans for improvement for their statistical system and ultimately to become participants in the GDDS. Phase II of this project, entitled **Modules for Strengthening Statistics** (2006–2009), builds on the achievements of the first phase and has been expanded to cover 22 countries. In delivering technical assistance, this project relies on a modular approach and a total of eight topical and functional modules administered by the IMF are being implemented. The phase II project funded an outreach GDDS workshop for the 22 countries, which was held in South Africa (April 2008). Phase III of this project is currently under consideration.

10. **Combined membership in the GDDS and SDDS differs somewhat less across regions than at the time of the Sixth Review (Figure 2).** Africa, Europe, and Western Hemisphere regions now have participation rates around 90 percent (about 85 percent at the Sixth Review). The Middle East and Central Asia region is represented by 75 percent (47 percent at the Sixth Review) of its countries and the Asia Pacific region by 66 percent (60 percent at the Sixth Review).

Figure 2. Fund Membership in SDDS and GDDS by Region
(Number of members)



Source: IMF Statistics Department.

11. **Currently, 30 IMF member countries are neither GDDS participants nor SDDS subscribers** (Table 1). Of these, 14 have expressed an interest to begin GDDS participation and one is working toward SDDS subscription. This is expected to take about two to five years, depending on each country's circumstances. Of the remaining countries, most are constrained by limited statistical capacity, while a few others have yet to make a strong commitment to publicly disseminate key economic data as a matter of policy; these factors will likely continue to limit additional membership in the short and medium term.

Table 1. IMF Member Countries Not Participating in Either GDDS or SDDS
(As of end-September 2008)

Africa	Asia and Pacific	Europe	Middle East and Central Asia	Western Hemisphere
Burundi 1/ Comoros 1/ Equatorial Guinea Eritrea 1/	Bhutan Lao P.D.R. 1/ Maldives Marshall Islands Micronesia Myanmar New Zealand Palau 1/ Papua New Guinea 1/ Samoa 1/ Solomon Islands Timor Leste	Bosnia & Herzegovina Cyprus 2/ Montenegro 1/ Serbia 1/	Algeria 1/ Djibouti 1/ Iran, I.R. of Iraq 1/ Libya 1/ Somalia Turkmenistan Uzbekistan	Guyana Haiti 1/

1/ Working toward GDDS participation.

2/ Working toward SDDS subscription.

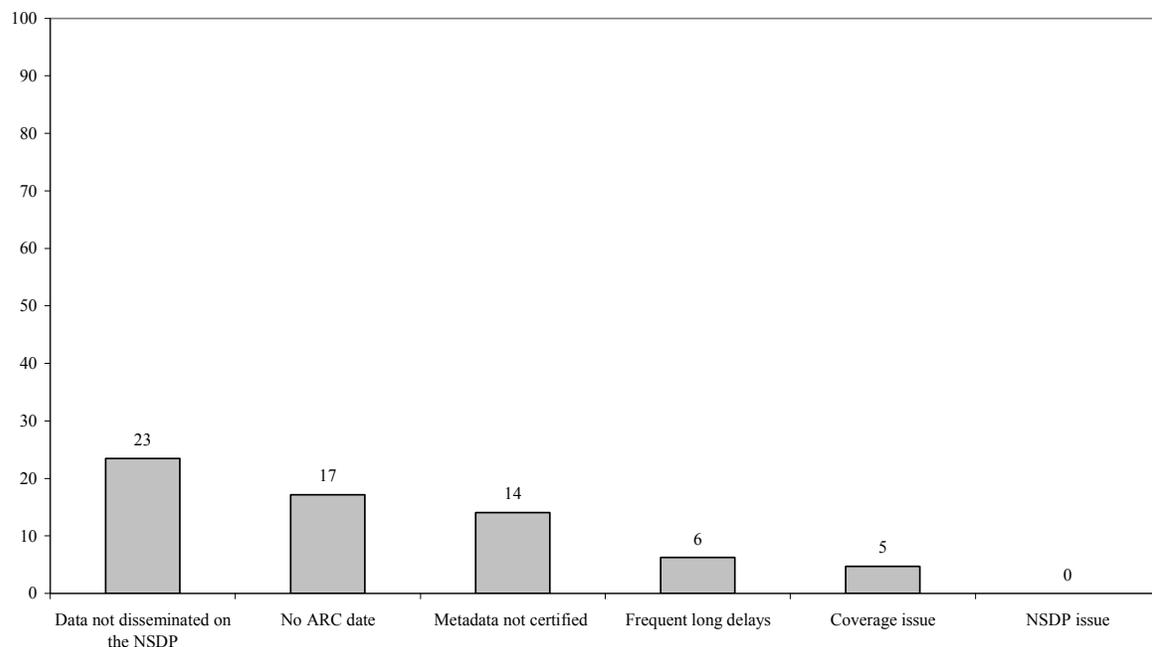
Source: IMF Statistics Department

B. SDDS Advancements

12. **Annual reports on subscribers' SDDS observance were published for the first time on the DSBB for 2006 and 2007. They indicate that most subscribers improved performance in 2007 relative to 2006.** Subscribers' dissemination practices and quarterly certification of metadata improved; they enhanced the information provided on methodology, data sources, and statistical techniques on the DSBB. These improvements are partly due to the investments in SDDS automated monitoring systems, which allowed faster transmittal of alerts to subscribers. Publication of the 2006 annual reports also may have motivated some subscribers to make improvements that were reflected in the 2007 reports. An exception to this overall good result is the apparent deterioration in countries' dissemination of their ARCs (see Figure 3 and 4).

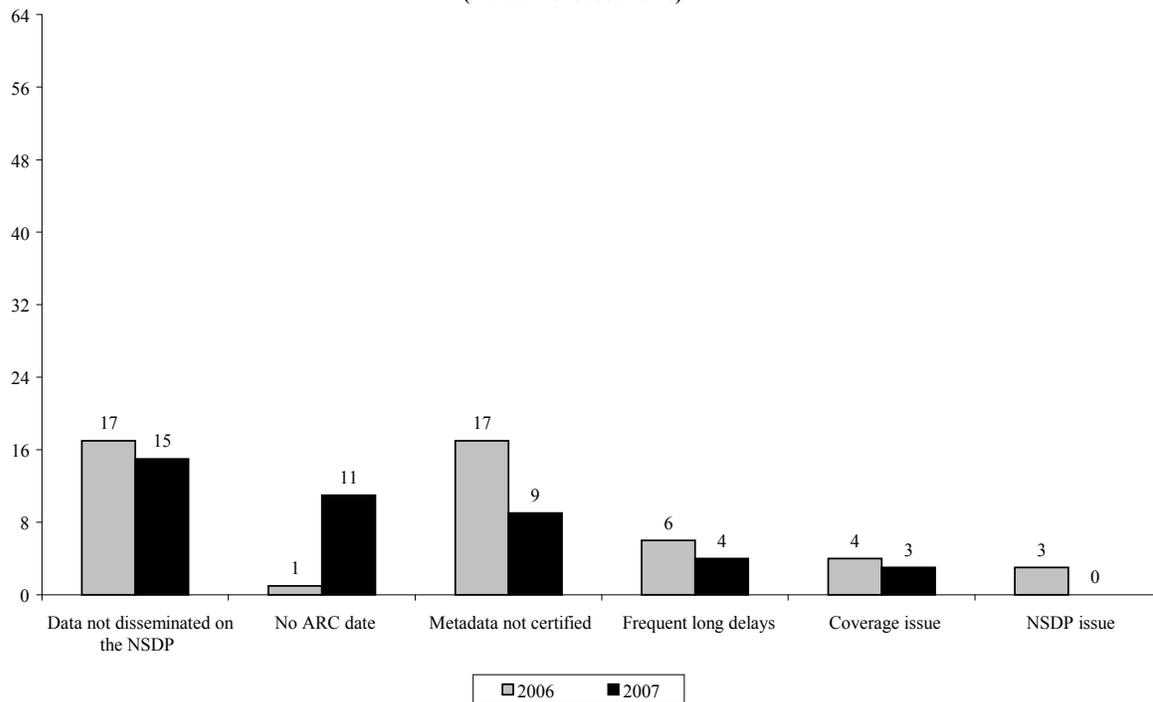
13. **At the same time, enhanced monitoring highlighted a number of problems: in general, these were found to be attributable to capacity constraints, changes in compilation systems, or problems of internal coordination.** Occasionally, issues arose concerning data considered central for Fund surveillance purposes. However, these issues were all resolved on a timely basis (prior to scheduled Article IV consultation discussions) and without a need to initiate any nonobservance procedures.

Figure 3. Special Data Dissemination Standard: Incidence of Selected Issues in 2007 Annual Observance Reports (In percent of total subscribers)



Source: SDDS Annual Report for 2007, available on the DSBB (<http://dsbb.imf.org/Applications/web/dsbbhome/>).

Figure 4. Special Data Dissemination Standard: Incidence of Selected Issues in 2006 and 2007 Annual Observance Reports (Number of subscribers)



Source: SDDS Annual Reports for 2006 and 2007, available on the DSBB (<http://dsbb.imf.org/Applications/web/dsbbhome/>).

14. **Significant progress has been made to automate reporting, thereby facilitating monitoring and reducing the reporting burden on subscribers.** Electronic metadata templates using the Data Quality Assessment Framework (DQAF²) and improved ARC templates have recently become fully operational. Even though SDDS monitoring will remain a resource-intensive activity, additional benefits are expected in 2009 when a web-based system of updating ARCs, metadata, and certification is scheduled to become operational.

15. **At the same time, however, progress on the Statistical Data and Metadata Exchange (SDMX) Initiative³ remains slow.** While SDMX should entail resource savings,

² The IMF DQAF identifies quality-related features of governance of statistical systems, statistical processes, and statistical products. It is rooted in the UN Fundamental Principles of Official Statistics and grew out of the SDDS and is the result of intensive consultations with countries and relevant international organizations. Further details are available at: <http://dsbb.imf.org/Applications/web/dqrs/dqrsdqaf/>.

³ The SDMX consortium comprises the Bank for International Settlements, the European Central Bank, Eurostat, the IMF, the Organization for Economic Cooperation and Development, the United Nations, and the World Bank. See www.sdmx.org for further information. This collaborative initiative promotes the exchange and dissemination of statistical information among international organizations and their member countries on the Internet using common data transmission and dissemination standards.

its development and implementation proved to be more demanding in terms of resources than initially anticipated. Advances contributed by Fund staff since the Sixth Review include the SDMX cross-domain concept initiative and an update of the metadata common vocabulary annex, incorporating concepts used in the SDDS and the GDDS. Staff plan to continue to monitor progress and collaborate with the organizations involved.

16. **Since the Sixth Review, Fund staff have worked on two other issues: oil- and gas-related activities and public sector debt.** First, the staff have consulted with subscribers and participants to deepen the description of how countries cover oil- and gas-related activities and products in selected existing data categories. However, only one subscriber attempted to fully develop this information on the DSBB. STA has supported several other key initiatives to promote energy sector data dissemination such as the Joint Oil Data Initiative (JODI), the international working group on energy statistics (the Oslo Group), and the International Energy Agency's InterEnerStat. Staff will continue to encourage subscribers to establish hyperlinks to energy sector data on the DSBB. The second issue relates to the possible incorporation of public sector debt in the SDDS. This initiative will take more time to be fully assessed. Staff have made progress, including through the interagency Task Force on Financial Statistics, to develop and pilot a public sector debt template. However, further work is needed, especially in consultation with member countries, to evaluate the merits of expanding the SDDS data category on central government debt to the public sector.

17. **At the Sixth Review, Directors had agreed to consider the question of whether a core set of Financial Soundness Indicators (FSIs) should be incorporated into the SDDS during the Seventh Review.** During the Board discussion of FSIs in November 2007, Directors agreed that FSIs should not be included as a required SDDS data category.⁴ As noted above, earlier financial crises show the importance of enhanced transparency. Given the present financial turmoil, it is timely to consider the desirability and feasibility of addressing gaps in the data standards, particularly with regard to financial data. The paper explores in Section III whether the SDDS should help to shed further light on financial conditions of member economies.

C. Other Developments

18. **Guidelines and legal text for the data initiatives have been updated to reflect the changes adopted by the Board in previous reviews:**

- In 2007, the SDDS legal text was updated to reflect changes made at the Sixth Review, and *The Special Data Dissemination Standard Guide for Subscribers and Users (SDDS Guide)* replaced the provisional May 1996 *Guide to the Data*

⁴ Financial Soundness Indicators—Experience with the Coordinated Compilation Exercise and Next Steps (<http://www.imf.org/external/np/sta/fsi/eng/cce/index.htm>).

Dissemination Standard.⁵ The *SDDS Guide* incorporates changes to the standard up to and including the Sixth Review.

- STA published *The General Data Dissemination System: Guide for Participants and Users (GDDS Guide)* in July 2007. The *GDDS Guide* explains the nature and objectives of the GDDS and provides practical guidance to member countries on participation in the GDDS.

19. **At the Sixth Review, Executive Directors endorsed reformatting SDDS and GDDS metadata according to the DQAF.** The conversion of SDDS metadata was completed in June 2008, whereas the conversion of GDDS metadata was dropped from STA's work program due to the Fund's refocusing and downsizing exercise. However, metadata for new GDDS participants and SDDS subscribers will be prepared in DQAF format.

III. STRENGTHENING THE SDDS

A. Broadening the SDDS on Financial Indicators

20. **As noted, international financial circumstances have changed significantly since the November 2007 Board discussion of FSIs and the time may be appropriate in the near future for the Board to consider whether some financial indicators need to be identified and included in the SDDS.** STA has pursued work on two sets of financial sector data: FSIs and harmonized monetary and financial statistics. Both offer the potential to provide early warning signals and monitoring information, comparable across countries, to markets and policymakers.

21. **The work on FSIs was commissioned during previous financial crises to go beyond monetary and financial statistics and hold promise for a strengthened SDDS in the near future.** STA work in these areas emphasizes strengthened metadata to enhance cross-country comparability and has been collaborating with countries to improve timeliness (a recent summary is outlined in the *Review of Data Provision to the Fund for Surveillance Purposes*, <http://www.imf.org/external/np/sec/pn/2008/pn0860.htm>). Progress on harmonized monetary and financial statistics and on FSIs suggests that a fresh look at these financial indicators, including possible expansions (e.g. to cover securities that did not exist when the FSI exercise began) and broader balance sheet linkages to external and fiscal balance sheet data, could further strengthen the SDDS framework.

22. **In light of the present turmoil, this paper seeks Board views on accelerating work on financial statistics and indicators, and reporting back to the Board within approximately one year.** STA staff would work on financial data, in consultation with other departments and SDDS subscribing countries, with a view to firm up the work on financial

⁵ The SDDS and GDDS Guides can be found under the Standards and Codes section: <http://www.imf.org/external/data.htm#sc>. Also available in Arabic, French, Russian, and Spanish.

indicators. Staff would return to the Board with specific proposals for a work program to enable the inclusion of some relevant financial indicators, at least on an encouraged basis, within the SDDS (and perhaps the GDDS, as warranted), including a proposal for an appropriate transition period.

B. Advancing Transparency of Data Quality in the SDDS

23. **The SDDS has transformed countries' data dissemination practices. To enhance the credibility of the data disseminated, the staff proposes to build on this success by seeking subscribers to make it more explicit in the SDDS framework how countries' statistical practices relate to internationally accepted statistical practices.** The proposals are designed to reinforce confidence by users in the quality of the data disseminated. The following paragraphs analyze alternative methods to monitor data quality and to manage the reputational risks for the Fund and the associated costs.

24. **The design of the SDDS rests on the notion that data quality is the responsibility of subscribing countries and that users are expected to formulate their own judgment based on the SDDS dimensions.** These dimensions comprise coverage, periodicity, timeliness, and the data quality dimension. The latter dimension, which consists in the description of statistical practices (referred to as metadata), is certified on a quarterly basis by subscribers who confirm the accuracy of the metadata provided.

25. **Under the SDDS data quality dimension, subscribers are required to provide documentation on methodology and sources used to prepare the statistics.** In addition, they document component detail, reconciliations with related data, and statistical frameworks that support statistical cross-checks and provide assurances of reasonableness on the coverage, periodicity, timeliness, and other qualities of the data. Subscribers that disseminate data and explicitly describe their statistical methodologies and practices are in compliance with the SDDS, even when these descriptions do not explicitly reference internationally accepted statistical methodologies as a benchmark.

26. **The SDDS arguably carries some reputational risk for the Fund, if users erroneously assume that the Fund has endorsed or certified that SDDS data meet international statistical quality standards.** Some users may perceive that the Fund (as the promoter and monitoring agency for the SDDS), in noting full observance of SDDS requirements, has endorsed or certified the disseminated data as fulfilling a minimum standard of data quality. Similarly, users may perceive that the Fund is endorsing or certifying the quality of the data disseminated through the DSBB or on NSDPs.

27. **There have been a few isolated instances where there has been an appearance of questionable data quality by an SDDS subscriber.** These judgments may have arisen due to media reports, significantly different observations for the same data category between governmental and nongovernmental sources, conflicting data across government sources, or a lack of sufficiently detailed metadata. In some instances, these data conflicts may also appear in Fund staff reports or the World Economic Outlook publication. The staff currently does not have an effective means of addressing such problems. In the event that the Fund staff has

reason to believe that the data quality is questionable, little can be done through the SDDS. In particular, under the existing SDDS practices, the Fund cannot insist on assurances, for example, by conducting a review of statistical practices, that good practices are followed, or that subscribers provide a description of their statistical practices relative to an internationally accepted statistical benchmark.

28. **It would be desirable to enhance users' ability to judge the quality of the disseminated statistics by giving more information on how the subscribers' compiling practices compare to internationally accepted statistical practices.** For instance, most SDDS subscribers make references in their metadata to internationally accepted statistical methodologies, especially for the national accounts and balance of payments, though references to the manuals on monetary and financial and government finance statistics are less common. As well, about 75 percent of the 64 SDDS subscribers already state in their metadata that they apply at least one of the elements of quality management (policy, monitoring, or planning) viewed as internationally accepted good practices.

29. **The data module of the Report on the Observance of Standards and Codes (the data ROSC) provides a formal assessment of data quality as part of the IMF's assessment of the observance of the various standards and codes endorsed by the Executive Board.** As reference to assess data quality, the data ROSC uses the DQAF⁶, a framework that incorporates in a systematic manner internationally accepted good statistical practices. Forty-six SDDS subscribers have undertaken and agreed to publish a data ROSC.

30. **The present financial turmoil provides added impetus for increasing data transparency and accountability.** In this context, there is a case for encouraging the undertaking of a data ROSC, or an equivalent regional or peer data quality assessment, on a periodic basis as an encouraged element of the SDDS.

31. **The staff recommends that the SDDS framework be modified to reinforce subscribers' data quality efforts. Specifically, the staff recommends that:**

- The SDDS legal text be modified to assign greater importance to the adoption and implementation of internationally accepted statistical methodologies for the data categories covered by the SDDS. Subscribers would continue to be encouraged, but not required, to adopt and implement a specified list of these methodologies (Appendix I).⁷ At the same time, they would be required to indicate in their metadata posted on the DSBB where deviations from internationally accepted statistical methodologies occur (perhaps merely through an explicit reference to the

⁶ Data ROSCs (which usually cover national accounts, consumer and producer price indices, government finance statistics, monetary statistics, and balance of payments statistics) do not cover all data categories in the SDDS. See also footnote 2 above.

⁷ These methodological best practices are outlined in the manuals and guides listed in the 2007 *Special Data Dissemination Standard: Guide for Subscribers and Users*, see Appendix I copied at the end of this document. Beginning in 2009, the list will be updated to include the *System of National Accounts 2008* and the *Balance of Payments and International Investment Position Manual*, sixth edition (BPM6).

international statistical methodology being utilized).⁸ In instances where, in the judgment of the staff, a subscriber did not provide clear metadata on deviations from internationally accepted statistical methodologies, the SDDS nonobservance procedures would apply.

- The Executive Board would encourage SDDS subscribers to undertake and publish a data quality assessment, using a recognized data quality assessment tool, such as the Fund's DQAF, or the Eurostat or ECB data quality monitoring frameworks. However, failure to undergo or publish a data quality assessment would not constitute nonobservance of the SDDS. Reassessments should take place at no more than seven-to-ten-year intervals, with an appropriate transition period to be determined. Assessments (and reassessments) could be conducted by Fund staff, or alternatively, a subscriber could request another subscriber or external agency to conduct the exercise through a peer review. Thus, the decision on both: (1) the type of assessment; and (2) which external agency would conduct the assessment, would be left to the subscriber. If all subscribers agreed to undertake such an assessment, and two-thirds chose the Fund's data ROSC, this would imply that STA would need to conduct around six data ROSCs per year, at the present level of SDDS subscription—somewhat more than in recent years, but roughly the same as in earlier peak years.
- Existing SDDS procedures on metadata provision and certification could be relaxed to allow annual rather than quarterly certification of the metadata, although metadata updates would remain mandatory in the quarter if changes have occurred.

32. **Staff has made a preliminary estimate of how many SDDS subscribers would need to upgrade their metadata to clarify the methodological basis of their data.** Based on this review, most countries already refer to international methodologies in describing their statistical practices (Table 2). For two of the four main methodologies (covering national accounts and balance of payments), over 90 percent of countries already have explicit references to the current internationally accepted statistical methodologies. The remaining five subscribers could meet the requirement by adding a reference in their SDDS metadata to the previous national accounts methodology (*1968 SNA*). For government finance statistics, only four countries would need to add more details in their metadata. Almost half of the subscribers already have explicit references to the *Government Finance Statistics Manual 2001 (GFSM 2001)* or the *ESA95 Manual on Government Deficit and Debt*. An additional 29 countries already reference *A Manual of Government Finance Statistics, 1986 (GFSM 1986)*. For financial statistics, even though only about 30 percent of subscribers now have an explicit reference to the latest methodology (*Monetary and Financial Statistics*

⁸ This would be a reference to the preceding internationally accepted statistical methodology (for example, the *System of National Accounts 1968 (1968 SNA)* or *A Manual of Government Finance Statistics, 1986 (GFSM 1986)*) or to a regional methodology (such as the *ESA95 Manual on Government Deficit and Debt*) where the deviations have been well documented. In the former case, these would be accepted because the current internationally accepted statistical methodology describes the deviations between the old and the current methodology. The staff would post a list of internationally accepted methodologies on the DSBB.

Manual, 2000 (MFSM)), over 73 percent of subscribers were able to complete the Standardized Report Forms (SRFs) implying that most are largely following the *MFSM* methodology.⁹ Thus, about 26 SDDS subscribers would likely need only to add a reference, while up to roughly 20 may need to do more to describe differences in the methodologies from current best international practices. Given the broad acceptance of many international methodologies, such as on prices or international reserves, few modifications to the metadata would be expected in most other areas.

Table 2. SDDS Subscribers' Metadata Description of Internationally Accepted Statistical Methodologies by Region

IMF Area Department:	SDDS Subscribers	1993 SNA*	GFSM 2001**	MFSM	BPM5
	(Number of countries)				
AFR	1	1	1	0	1
APD	10	9	3	3	10
EUR	35	35	24	6	35
MCD	6	4	1	5	6
WHD	12	10	2	6	12
Total (all regions)	64	59	31	20	64
	(Percentage of all SDDS subscribers by area dept.)				
AFR		100	100	0	100
APD		90	30	30	100
EUR		100	69	17	100
MCD		67	17	83	100
WHD		83	17	50	100
Total (all regions)		92	48	31	100

Source: IMF Statistics Department.

* Includes *European System of Integrated Economic Accounts 1995* as a harmonized methodology.

** Includes *ESA95 Manual on Government Deficit and Debt* as a harmonized methodology.

33. As well, in terms of data quality assessments, most of the 46 ROSC reports of SDDS countries were published during 2001–2006. In addition, in the European context, Eurostat and the European Central Bank (ECB) have developed their own data quality monitoring frameworks,¹⁰ which have been used as the framework for assessments published by

⁹ See the *International Financial Statistics Monetary and Financial Statistics Supplement* (September 2008), <http://www.imfstatistics.org/imf/>. Deviations from *MFSM* methodology are documented in this publication. Over 40 percent of GDDS participants also provide financial statistics to the Fund using the SRFs. Only 13 other countries that are neither SDDS subscribers nor GDDS participants do not yet use the SRFs.

¹⁰ http://epp.eurostat.ec.europa.eu/portal/page?_pageid=2273,1,2273_47140765&_dad=portal&_schema=PORTAL
<http://www.ecb.int/stats/html/sqf.en.html>

11 subscribers.¹¹ In at least two instances, an SDDS subscriber also has subjected itself to a Peer Review on data quality. Thus, only seven subscribers have done none of these. Three of these conducted Data ROSCs in 1999 before the DQAF was introduced in July 2001.

C. Reserves Template

34. **The Reserves Template has substantially enhanced the transparency of countries' external positions.** The Reserves Template and the associated *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template* (“Guidelines”) have significantly improved the reporting of international reserves and foreign currency liquidity to the Fund and to the public at large. The Reserves Template’s comprehensive nature promotes transparency for a wide range of reserve related activities, such as the cross-border swap arrangements set up during the present financial turmoil.

35. However, as foreshadowed in the recent Executive Board discussion on the *Review of Data Provision to the Fund for Surveillance Purposes*,¹² the treatment of exchange-traded futures, (including those settled in domestic currency) in the Reserves Template needs to be modified to capture these exposures and to be consistent with the recent Board decision.¹³ While exposures in these instruments can potentially be significant and substitute for other instruments covered by the Reserves Template, such as nondeliverable forwards (NDFs), their treatment in the framework is at best ambiguous.

36. **To close the gaps in coverage, staff proposes the following:**

- Modify the descriptor for the first item of Section IV.1.b of the Reserves Template from “nondeliverable forwards” to “derivatives (forwards, futures, or options contracts),” and amend the corresponding footnote;¹⁴ and
- Modify the *Guidelines* to request that additional notional value data on futures settled in a foreign currency be provided in the country notes, the same as required for NDFs settled in foreign currency (see paragraph 176 of the *Guidelines*).

The staff further proposes to make these changes effective in July 2009. These proposals would bring consistency to the reporting of financial derivatives and with the amendment to Annex A in Article VIII, Section 5 of the IMF Articles of Agreement that was agreed by the Executive Board in May 2008. Staff expect that these changes would bring little added reporting burden.

¹¹ The Eurostat website contains links to these reports:

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=2273_61904978&_dad=portal&_schema=PORTAL

In addition, Eurostat has begun to pilot similar Code of Practice reports for seven Latin American countries.

¹² <http://www.imf.org/external/np/sec/pn/2008/pn0860.htm>, paragraphs 33-34.

¹³ See Decision No. 14107-(08/38), May 2, 2008, which amends Decision No. 13183-(04/10), January 30, 2004.

¹⁴ Positions under this item are reported at notional value.

37. **Also, staff proposes three “tidying-up” revisions to the Reserves Template, as follows:**

- Within Section III.3 of the Reserves Template, make a clear distinction between a) undrawn unconditional credit lines provided *by*; and b) undrawn unconditional credit lines provided *to*, by labeling the second item as Section III.4, and to add additional rows under both items for the reporting of data on “other international organizations.”
- Within Section IV (1) (f), the words “which are subject to margin” should be deleted from the descriptor as the *Guidelines* call for all derivatives with a residual maturity of over one year to be reported regardless of whether they are subject to margin or not (paragraph 244); and
- Section IV (2) indicates that data on the currency composition of reserves are “to be disclosed less frequently.” The frequency should be specified by indicating that the reporting should be done at least once a year, as presently reported by all SDDS subscribers, and as indicated in the *Guidelines* (Box 1.2, page 12).

The proposed revisions are presented in the attached mock up of the Reserves Template (Appendix II).

38. **Staff plans to update the Guidelines to align them with the new *Balance of Payments and International Investment Position Manual (BPM6)***, which is expected to be finalized in December 2008, and to take account of staff experience accumulated in monitoring SDDS subscribers’ observance of the Reserves Template. This work is to be conducted through the Reserve Assets Technical Expert Group that was first established to help staff revise the methodology for reserve assets for *BPM6*. The work is expected to be completed during 2009. Executive Directors will be provided with the updated Guidelines for information.

IV. ENHANCING THE GDDS

39. **On February 1, 2008, an informal Board seminar discussed experience with the GDDS along with staff recommendations to recast the GDDS to emphasize data dissemination and facilitate graduation to the SDDS.**¹⁵ Executive Directors supported the broad thrust of the staff’s analysis and recommendations, and requested that staff organize consultations with participating countries to familiarize them with the proposed recasting and seek their views. Consequently, STA organized outreach workshops for GDDS participants¹⁶ to discuss the paper “Assessing the General Data Dissemination System—What Has Been Accomplished After Ten Years, and Where Do We Go From Here?” (posted on the DSBB and reflecting comments made during the February informal Board seminar).

¹⁵ See Assessing the General Data Dissemination System — What Has Been Accomplished After Ten Years, and Where Do We Go From Here? <http://dsbb.imf.org/Applications/web/dsbbhome/>.

¹⁶ In Thailand and South Africa (April), Mexico (June), and Senegal (November).

40. **Countries expressed a high level of satisfaction with the GDDS; at the same time, they broadly endorsed the proposed changes to refocus it.** Of particular note:

- Most countries challenged the staff’s interpretation that progress under the GDDS had been moderate. Their comfort level with the GDDS was high and, from their perspective, there had been substantial progress in key statistical areas. In particular, they found that the GDDS has proven to be an effective focal point for statistical development;
- All countries strongly supported placing greater emphasis on data dissemination. Many enthusiastically embraced the key proposals to adopt the NSDP and the ARC.¹⁷ At the same time, some noted that it could take a significant amount of time and effort—especially to strengthen interagency coordination in each country—before their countries would be able to fully adopt all the proposed GDDS modifications;
- Most countries supported streamlining the GDDS format and aligning the data categories with the SDDS data categories;
- Countries did not wish to deemphasize the metadata aspects of the GDDS. They agreed, however, with staff proposals to provide more specificity in the plans for improvement, and to put more emphasis on the timeliness and periodicity dimensions of data dissemination; and
- Countries agreed that the adoption of NSDPs and ARCs would facilitate graduation to the SDDS for countries that were interested in pursuing this standard.

41. **The Board was also particularly interested in GDDS participants’ views on the likely costs that they might incur in adopting the proposals, as well as on possible arrangements to permit transition from the existing to the new GDDS arrangements:**

- Countries agreed that the ARC and NSDP could be implemented without incurring significant staffing and development costs. They believed that the main costs (and, at the same time, potentially the greatest benefits) lay in establishing the necessary degree of cooperation among statistical agencies. Higher costs would be incurred in realigning data categories with those of the SDDS. Given a suitable transition period, most believed that the costs would be manageable. More specifically, most countries mentioned:
 - more resources to expand the scope and coverage of statistics to new data categories;

¹⁷ With Fund technical assistance, six GDDS participants already have developed NSDPs that are available on the Internet.

- adopting new compilation techniques to acquire relevant source data (e.g., surveys to acquire relevant source data for the IIP);
 - possible changes to the legal structure to acquire powers to collect the necessary new source data and enforce reporting; and
 - policy decisions at the highest level to strengthen transparency (e.g., willingness to publish the range of information required by the International Reserves and Foreign Currency Liquidity Template).
- On transition, countries would be free to choose their own timetable, consistent with the voluntary and good faith nature of the GDDS, and would seek to implement new measures at their own pace. There was a presumption that the ARC and NSDP would be implemented relatively quickly, that improvements in timeliness and periodicity would be implemented as feasible, while adoption of some of the new data categories could be expected to be a more lengthy process. Countries supported this proposal, and staff feel that this is a reasonable approach.

42. On the basis of strong support from both the Executive Board and GDDS participants, the staff seeks Directors’ approval for the following changes to be made to the GDDS framework:

- Reorganize the GDDS to strengthen the data dissemination aspect by incorporating elements of the SDDS, especially the NSDP and the ARC. As part of their GDDS practices, countries should be asked to make a good faith commitment to achieving the dissemination objectives, although it is not proposed that the GDDS become a monitored standard like the SDDS.
- Simplify and reformulate the data categories to align them more closely with those of the SDDS. Staff proposes, therefore, to expand and bring the GDDS data categories into conformance with those of the SDDS, including the Reserves Template, albeit with less demanding requirements for periodicity and timeliness.¹⁸
- Strengthen GDDS plans for improvement and orient them more toward graduation to the SDDS, where relevant. Consistent with the voluntary nature of the data standards, it is proposed that countries be free to choose whether or not they “sign up” to the SDDS goal.
- In line with increasing the emphasis on data dissemination while containing overall costs, staff proposes to drop participants’ commitment for annual updates of the metadata and accept updating on either a “best-effort” or “when-merited” basis.

¹⁸ See Table 14 in “Assessing the General Data Dissemination System—What Has Been Accomplished After Ten Years, and Where Do We Go From Here?” <http://dsbb.imf.org/Applications/web/dsbbhome/>.

Nevertheless, the expectation remains that GDDS participants would comprehensively update their plans for improvement annually.

V. RESOURCE IMPLICATIONS

43. **STA remains cognizant of resource costs incurred by countries.** For the SDDS and financial indicators, while the cost to countries of disseminating financial indicators through the SDDS will vary across countries, many countries have already incurred most of the fixed costs that are involved. Considering the significant number of countries that provide (or have committed to provide) FSIs (55 SDDS subscribers)¹⁹ and monetary and financial statistics, many countries have already weighed the costs and benefits of reporting these data, and have favored their compilation and dissemination.

44. **Costs for GDDS participants include initial startup costs to set up the NSDP and ARC, and ongoing costs to maintain them.** The setup costs will differ from country to country, depending in part on whether a web server already exists. Best estimates are that the *one-time cost* for implementation would take between 4–12 person weeks, involving mainly technological (IT) skills and some efforts by the GDDS coordinator²⁰ to bring the data from the various agencies together. For the ongoing maintenance, the main responsibilities lie with the GDDS coordinator, who might use about 10–15 percent of his/her time to update the NSDP and ARC. These costs are likely to be more than fully offset by the benefits to the authorities, including the generation of a central data page with timely data available to all policymakers and the public at large. If the authorities currently publish these data in various paper-based publications, the NSDP and ARC may also produce direct financial savings. The streamlined approach to metadata would reduce the time participants spend on updates, but more emphasis on up-to-date plans for improvement would add to the efforts needed. More focused plans for improvement could give more emphasis to results-based management, and could help policymakers keep track of priorities and implementation, and help in their negotiations with donors.

45. **Ongoing sustained pressures on staff resources are expected to be mitigated through further automating SDDS monitoring and moving to annual SDDS metadata updates and certification.** Exploiting these opportunities depends largely on the pace at which SDDS subscribers can implement online updating of the ARCs and metadata to enhance electronic monitoring. GDDS participants should also continue to adopt planned improvements in electronic reporting of their metadata updates.

¹⁹ Two SDDS countries are close to reporting FSI data in the context of the Coordinated Compilation Exercise for FSIs (<http://www.imf.org/external/np/sta/fsi/eng/cce/index.htm>), and five non-SDDS countries have already reported FSI data for this exercise. Parenthetically, 48 countries disseminate harmonized monetary and financial statistics (as of September 2008) and 57 non-SDDS countries also report such data.

²⁰ As part of its commitment to the GDDS, each participant identifies a GDDS coordinator, who plays an essential role in bringing together the various agencies responsible for data preparation.

46. **Strengthening the data dissemination aspect of the GDDS is not likely to involve additional resource costs for STA, but would likely require a realignment of STA’s technical assistance priorities.** Many GDDS participants may require some technical assistance to establish a centralized NSDP and an ARC. It is envisioned that this assistance would be provided in the context of the existing technical assistance program, but would be dependent on the continued—and possibly enhanced—availability of external financing.²¹ Data dissemination issues would be added to the terms of reference of some technical assistance missions, and regional workshops would be conducted to help countries develop dissemination practices.

47. **No additional resources are being sought at this stage to conduct data quality assessments under the Fund’s data ROSC program or for accelerating the work on monetary and financial statistics and indicators.** Currently, STA budgets four Data ROSCs per year. If demand for data ROSCs significantly exceeds supply, staff would, in the first instance, support subscribers by helping them find an appropriate external reviewer. In the absence of sufficient external review resources, staff would seek to expand the number of Data ROSCs conducted (the marginal cost of a Data ROSC is typically 0.75 staff-years). If additional Fund resources are not available, STA would need to shift internal resources, or the assessments might have to be carried out over a longer time period than envisaged (say ten, rather than seven, years). Work on financial indicators has already been incorporated in the Fund’s existing budget, although some internal shift in resources may be required. Significant acceleration of the work, in response to the ongoing financial turmoil, could lead to a need for additional resources. Any such request could be considered in the paper on integrating financial data proposed to be brought to the Board within about one year.

48. **It is proposed that the Eighth Review of the Data Standards Initiatives be held within about five years.**

VI. ISSUES FOR DISCUSSION

- Do Directors agree that Fund staff identify some relevant financial indicators, in consultation with SDDS subscribers, that could potentially be incorporated in the SDDS (paragraph 22) on an encouraged basis, and provide a paper to the Board within about one year with specific proposals?
- Do Directors agree that SDDS metadata should indicate where statistical practices deviate from internationally accepted statistical methodologies (paragraphs 31)?
- Do Directors agree that all SDDS subscribers should be encouraged periodically to undertake and publish a data quality assessment (paragraphs 23, 31)?

²¹ As noted in Box 1, UK DFID presently finances STA’s GDDS work in sub-Saharan Africa.

- Do Directors agree with the proposal to recast the GDDS to emphasize data dissemination and facilitate graduation to the SDDS, including by closer conformity to SDDS specifications?
- Do Executive Directors agree to revise the Data Template for International Reserves and Foreign Currency Liquidity (Reserves Template) to cover exchange-traded futures, settled in domestic currency and the “tidying-up” revisions (paragraphs 36, 37, and Appendix II)?
- Do Directors agree with the proposed timing for the Eighth Review of the Fund’s Data Standards Initiatives?

49. **Depending on the outcome of Executive Directors’ discussion of the above issues, amendments to the SDDS Annex**

(<http://www.imf.org/external/pubs/ft/sd/index.asp?decision=EBM/96/36>) and GDDS document (<http://dsbb.imf.org/Applications/web/getpage/?pagename=gddshome>) if required, will be prepared and circulated to the Board for approval.

Appendix I. 2007 SDDS Guide: International Guidelines for Selected Data Categories

National Accounts

1. *System of National Accounts 1993* (New York: a publication of the Commission of the European Communities, International Monetary Fund, Organization for Economic Cooperation and Development, United Nations, and the World Bank, 1993). The text can be found on the following UN website: <http://unstats.un.org/unsd/sna1993/introduction.asp>
2. *Quarterly National Accounts Manual: Concepts, Data Sources, and Compilation* (Washington, D.C.: IMF, 2001). The text can be found on the IMF's website: <http://www.imf.org/external/pubs/ft/qna/2000/textbook/index.htm>.
3. *European System of Accounts 1995* (Luxembourg: Eurostat, 1996).
4. *Update to the System of National Accounts 1993: New Standards for Financial Derivatives* (Washington, D.C.: IMF, 2001). The text can be found on the IMF's website: <http://www.imf.org/external/np/sta/sna/2001/eng/update/updsna.pdf>.
5. Summary of discussions on the National Accounts Discussion Forum can be accessed through the following IMF website: <http://www.imf.org/external/np/sta/na/interest/index.htm>. The outcome of the discussions may eventually lead to various modifications of the *1993 System of National Accounts (1993 SNA)*.

Labor Market

6. *Current International Recommendations on Labor Statistics*, as updated (Geneva: International Labor Organization (ILO), 1985).
7. *Husmanns, R., Mehran, F., Verma V. Surveys of Economically Active Population, Employment, Unemployment, and Underemployment: An ILO Manual on Concepts and Methods* (Geneva: ILO, 1990).
8. ILO recommendations can be accessed at the ILO website: <http://www.ilo.org/ilolex/english/recdisp1.htm>.

Price Indices

9. *Consumer Price Index Manual: Theory and Practice 2004* (ILO, IMF, OECD, Eurostat, United Nations, and the World Bank), available on the following webpage: <http://www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm>.

10. *Producer Price Index Manual: Theory and Practice 2004* (ILO, IMF, OECD, UNECE, and World Bank), available on the following webpage:
<http://www.imf.org/external/np/sta/tegppi/index.htm>.

11. *Classification of Expenditure According to Purpose* (New York: United Nations, 1999) United Nations classifications can be accessed through the UN website:
<http://esa.un.org/unsd/cr/registry/regrt.asp>.

General and Central Government Operations

12. *Government Finance Statistics Manual 2001* (Washington, D.C: IMF, 2001). The text can be found on the IMF's website:
<http://www.imf.org/external/pubs/ft/gfs/manual/index.htm>.

Central Government Debt

13. *External Debt Statistics: Guide for Compilers and Users* (Washington, D.C: IMF, 2003). The text can be found on the IMF's website:
<http://www.imf.org/external/pubs/ft/eds/Eng/Guide/index.htm>.

14. *Government Finance Statistics Manual 2001* (Washington, D.C: IMF, 2001). The text can be found on the IMF's website:
<http://www.imf.org/external/pubs/ft/gfs/manual/index.htm>

Monetary and Financial Statistics

15. *Monetary and Financial Statistics Manual, 2000* (Washington, D.C: IMF, 2000). The text can be found on the IMF's website:
<http://www.imf.org/external/pubs/ft/mfs/manual/index.htm>.

16. *Financial Soundness Indicators: Compilation Guide* (Washington, D.C: IMF, 2006). The text can be found on the IMF's website:
<http://www.imf.org/external/pubs/fsi/guide/2006/index.htm>.

17. *Monetary and Financial Statistics: Compilation Guide* (Washington, D.C: IMF, 2008, forthcoming). The text can be found on the IMF's website:
<http://www.imf.org/external/pubs/ft/cgmfs/eng/index.htm>.

Balance of Payments and International Investment Position

18. *Balance of Payments Manual*, fifth edition (Washington, D.C: IMF, 1993). The text can be found on the IMF's website:
<http://www.imf.org/external/pubs/ft/bopman/bopman.pdf>.
19. *Balance of Payments Compilation Guide* (Washington, D.C: IMF, 1995). The text can be found on the IMF's website: <http://www.imf.org/external/pubs/ft/bopcg/1995/bopcg.pdf>.
20. *Balance of Payments Textbook* (Washington D.C: IMF, 1996). The text can be found on the IMF's website: <http://www.imf.org/external/pubs/ft/boptex/boptex.pdf>.
21. *Financial Derivatives: A Supplement to the Balance of Payments Manual*, fifth edition, 1993 (Washington, D.C: IMF, 2000). The text can be found on the IMF's website: <http://www.imf.org/external/pubs/ft/fd/2000/index.htm>.
22. *International Investment Position*—(2002). The text can be found at the website: <http://www.imf.org/external/np/sta/iip/iip.htm>.
23. *Manual on Statistics of International Trade in Services, 2002* is available on the OECD website: <http://www.oecd.org/dataoecd/32/45/2404428.pdf>. It is also available on the following website of the United Nations: <http://unstats.un.org/unsd/tradeserv/manual.asp>.

International Reserves

24. *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template* (Washington, D.C: IMF, 2001). The text can be found on the IMF's website: <http://dsbb.imf.org/Applications/web/sddsguide/>.

External Debt

25. *External Debt Statistics: Guide for Compilers and Users* (also called *Debt Guide*) (Washington, D.C: IMF, 2003). The text can be found on the IMF's website: <http://www.imf.org/external/pubs/ft/eds/Eng/Guide/index.htm>.

Merchandise Trade

26. *International Merchandise Trade Statistics: Concepts and Definitions*, Series M, No. 52, Rev. 2 (New York: United Nations, 1998).

Population

27. *Principles and Recommendations for Population and Housing Census* (New York: United Nations, 1996).

28. *Handbook on Civil Registration and Vital Statistics Systems* (New York: United Nations, 1998).

29. *Indicators of Sustainable Development: Framework and Methodologies* (New York: United Nations, 1996).

Other

30. “Fundamental Principles of Official Statistics,” UN Economic and Social Council *Report of the Special Session of the Statistical Commission* (New York, April 11-15, 1994).

Appendix II. International Reserves and Foreign Currency Liquidity: Proposed Changes to the Reserves Template

III. Contingent short-term net drains on foreign currency assets (nominal value)

1. Contingent liabilities in foreign currency
(a) Collateral guarantees on debt falling due within one year
(b) Other contingent liabilities
2. Foreign currency securities issued with embedded options (puttable bonds) ⁸
3. Undrawn, unconditional credit lines ⁹ provided by:
(a) other national monetary authorities, BIS, IMF, and other international organizations
—other national monetary authorities (+)
—BIS (+)
—IMF (+)
—other international organizations (+)
(b) with banks and other financial institutions headquartered in the reporting country (+)
(c) with banks and other financial institutions headquartered outside the reporting country (+)
4. Undrawn, unconditional credit lines provided to:
(a) other national monetary authorities, BIS, IMF, and other international organizations
—other national monetary authorities (-)
—BIS (-)
—IMF (-)
—other international organizations (-)
(b) banks and other financial institutions headquartered in reporting country (-)
(c) banks and other financial institutions headquartered outside the reporting country (-)
5. Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency ¹⁰
(a) Short positions
(i) Bought puts
(ii) Written calls
(b) Long positions
(i) Bought calls
(ii) Written puts
PRO MEMORIA: In-the-money options ¹¹
(1) At current exchange rate
(a) Short position
(b) Long position
(2) + 5 % (depreciation of 5%)

(a) Short position
(b) Long position
(3) - 5 % (appreciation of 5%)
(a) Short position
(b) Long position
(4) +10 % (depreciation of 10%)
(a) Short position
(b) Long position
(5) - 10 % (appreciation of 10%)
(a) Short position
(b) Long position
(6) Other (specify)
(a) Short position
(b) Long position

IV. Memo items

(1) To be reported with standard periodicity and timeliness: ¹²
(a) short-term domestic currency debt indexed to the exchange rate
(b) financial instruments denominated in foreign currency and settled by other means (e.g., in domestic currency) ¹³
—derivatives (forwards, futures or options contracts)
—short positions
—long positions
—other instruments
(c) pledged assets ¹⁴
—included in reserve assets
—included in other foreign currency assets
(d) securities lent and on repo ¹⁵
—lent or repoed and included in Section I
—lent or repoed but not included in Section I
—borrowed or acquired and included in Section I
—borrowed or acquired but not included in Section I
(e) financial derivative assets (net, marked to market) ¹⁶
—forwards
—futures
—swaps
—options
—other

(f) derivatives (forward, futures, or options contracts) that have a residual maturity greater than one year.
—aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)
(a) short positions (–)
(b) long positions (+)
—aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency
(a) short positions
(i) bought puts
(ii) written calls
(b) long positions
(i) bought calls
(ii) written puts
(2) To be disclosed at least once a year:
(a) currency composition of reserves (by groups of currencies)
—currencies in SDR basket
—currencies not in SDR basket
—by individual currencies (optional)

¹³ Identify types of instrument; the valuation principles should be the same as in Sections I–III. The notional value of derivatives should be shown in the same format as for the nominal/notional values of forwards/futures in Section II and of options in Section III.