

Monetary and Financial Statistics Manual and Compilation Guide Revision

Annotated Outline (2011-11)

prepared by Financial Institutions Division / Statistics Department / IMF

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Chapter 1. Introduction

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- 1.3 Main changes from the *2000 MFSM* and the *2008 MFS Compilation Guide*
- 1.4 Structure of the Manual

Chapter 2. Framework for Monetary and Financial Statistics

The SNA as the overarching framework for macroeconomic statistics in general, and within them for monetary statistics. Overview of uses and concepts.

- 2.1 *The 2008 System of National Accounts*
- 2.2 Scope and Uses of Monetary and Financial Statistics
- 2.3 Principles and Concepts
 - Residence, etc.; Sectorization; Classification; Valuation; Time of recording; Aggregation, Consolidation, and Netting.
 - Underlying accounting systems/principle.
 - International Financial Reporting Standards

Chapter 3. Institutionals Units and Sectors

Presentation of institutional units and sectors according to the 2008 SNA. Regrouping of the new subsectors of the financial sector into the three subsectors currently used in MFS (central bank, ODCs, OFCs). The chapter will mostly follow what it's currently in the Compilation Guide, although with additional elaboration on

*some institutional units, such as sovereign wealth funds, shadow banking, etc.
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- 3.8 The Non-profit Institutions Serving Households Sector
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Chapter 4. Classification of Financial Assets

Definition of financial assets and liabilities. Enumeration of financial assets following the 2008 SNA financial instruments classification. Description of financial assets and liabilities. Elaboration on relatively new financial assets, such as pass-through and other asset-backed securities, different types of securitizations (full securitization, covered bonds), credit default swaps, financial derivatives (forwards, futures, options), securities with embedded derivatives, etc.

- 4.1 Introduction
- 4.2 Definition of Financial Assets
- 4.3 Classification of Financial Assets
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 - 4.3.2 SDRs
 - 4.3.3 Currency and deposits
 - Electronic money
 - 4.3.4 Debt securities
 - Including Securitization, asset-backed securities (collateralized mortgage obligations, collateralized debt obligations), securities with embedded derivatives.
 - 4.3.5 Loans
 - Repurchase agreements and securities lending, financial lease, factoring gold swaps.
 - Nonperforming loans, provisions for nonperforming loans.
 - Guidance for distinguishing between deposits and loans (Guide, Annex 4.1)
 - 4.3.6 Equity and investment fund shares, including own equity
 - 4.3.7 Insurance, pension, and standardized guarantee schemes
 - 4.3.8 Financial derivatives and employee stock options
 - Forward contracts, futures, currency and interest rates swaps, options (American, European, Bermuda), credit default swaps, employee stock options.
 - 4.3.9 Other accounts receivable/payable
 - Tax credit/liabilities, accumulated depreciation.

Annexes

1. Guidance for distinguishing between deposits and loans
2. IMF accounts and recording of transactions and positions with the IMF (Quota subscription, SDR allocation, UFC, IMF loans, Reserve position in the Fund).
3. Islamic banking.

Chapter 5. Stocks, Flows, and Accounting Rules

Description of the 2008 SNA framework of opening stock, flows (transactions, holding gains and losses, OCVA), and closing stock. Estimation of transactions on the basis of opening and closing stocks, revaluations, and OCVA.

General principles for valuing financial assets (market prices, fair value, amortized cost—which is IFRS accepted but not MFS recommended, non-traded instruments).

Valuation practices for different financial instruments (securities, loans, equity, etc.).

Valuation of instruments indexed to a general price index, to a narrow index, to a foreign currency. Valuation of forward and option contracts.

Time of recording. Accrual accounting. General principles for aggregation, netting and consolidation.

- 5.1 Introduction
- 5.2 Financial Stocks and Flows
 - 5.2.1 Adding-up requirements
 - 5.2.2 Opening and closing stocks
 - Recording of transactions, revaluations, OCVA
 - 5.2.3 Flows
 - Transactions, Holding gains and losses, Other changes in the volume of assets
- 5.3 Valuation of Assets and Liabilities
 - 5.3.1 General principles
 - Market prices
 - Fair value
 - Other valuations (nominal value, amortized value, face value, book value, historic cost)
 - Indexed instruments
 - Indexed to a general index, indexed to a narrow index, index to a foreign currency
 - 5.3.2 Valuation of stocks and flows by asset classification
 - Monetary gold and SDRs
 - National and foreign currency
 - Deposits
 - Debt securities
 - Loans
 - Equity and investment fund shares, including own equity
 - Insurance, pension and standardized guarantee schemes
 - Financial derivatives
 - Other Accounts Receivable/Payable
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- 5.4 Recording Principles
 - 5.4.1 Simultaneous recording of transactions
 - 5.3.2 Accrual accounting
- 5.5 Aggregation, Consolidation, and Netting
 - 5.5.1 Aggregation
 - 5.5.2 Consolidation
 - 5.5.3 Netting
 - Hedge accounting

Annexes

1. Estimation of transactions and valuation changes.
2. Settlement date and trade date accounting
3. Numerical example of valuation and recording of different types of securities.
4. Numerical example of valuation and recording of a forward exchange contract.

Chapter 6: Money, Credit, and Debt

Purpose/Rationale for compilation of money stock/broad money (measurement of the capacity of spending within an economy + spelling out of a general/conceptual definition of money as a guidance for selecting components to be included in monetary aggregates by compilers). Recent developments on definition of money and monetary aggregates. Analytical usefulness of monetary aggregates and the monetary base. Discussion of sources of money creation, general reference to monetary policy and inflation targeting. Liquidity aggregates.

- 6.1 Introduction
 - Four basic functions of money
 - Rationale for compiling a monetary aggregate
- 6.2 Definition of Money / Broad Money
 - 6.2.1 National currency
 - 6.2.2 Foreign currency
 - 6.2.3 Types of assets likely to be included in monetary aggregates
- 6.3 Monetary Aggregates
 - 6.3.1 Money issuing sectors (depository corporations + particular cases)
 - 6.3.2 Money holding sectors (other resident sectors except central government)
 - 6.3.3 Money neutral sectors (central government and non residents + particular cases) explanations on why central government is not a money holding sector will be developed further than in the *MFSM2000*.
 - 6.3.4 Possible National Definitions of Monetary Aggregates (through real examples: content for M1 is generally the same across countries, then differences appear when moving to M2, M3)
 - 6.3.5 Divisia money

- 6.4 Monetary Base
- 6.5 Liquidity Aggregates (address possible issues arising from the ongoing G-20 Subgroup on global liquidity)
- 6.5 Credit (regarding credit include a reference to borrowing from nonresident deposit-takers. Recent IMF work has shown that including nonresident borrowing can be an important indicator of excess credit growth)
- 6.6 Debt
- 6.6 Seasonal Adjustments

Annexes

- 1. Monetary statistics in a currency union.
- 2. Dollarized economies and co-circulation
- 3. Use of Monetary Statistics for Monetary Policy (Reserve requirements, Open market operations, Inflation targeting)

Chapter 7: Compilation and Dissemination of Monetary Statistics

(overall content: Manual Chapter 2 + Manual Chapter 7 + Guide Chapter 7)

Practical issues in the collection, compilation, and dissemination of monetary statistics. Standardized Report Forms and Supplemental Data Report Form. Analytical use of monetary surveys. Data validation and quality controls.

- 7.1 Source data
 - 7.1.1 Monetary statistics (for SRF and SDRF)
 - 7.1.2 Financial statistics
 - 7.1.3 IFRS (Addressing differences between IFRS and MFS: Periodicity, timeliness, sectorization, terminology, classification of some financial instruments).
- 7.2 Reporting of monetary and financial data to the IMF
 - Central bank, ODCs, OFCs
- 7.3 Sectoral Balance Sheets
 - including material from Guide pages 74, § 379 to 392.
- 7.4 Surveys of financial corporations and their subsectors
 - 7.4.1 Aggregation and consolidation
 - Central bank, ODC, DC, OFC, FC surveys
 - 7.4.2 Analytical use of monetary surveys
 - (e.g. $MB = NFA + NDC - OIN$)
- 7.5 Data Validation
- 7.6 Data Dissemination

Annexes

- 1. Annexes 7.1 to 7.5 from the Guide

Chapter 8: Beyond Monetary Statistics

Monetary statistics as a source to other statistical products, such as financial statistics and the balance sheet approach matrix.

8.1 Introduction

In particular, use *MFMS* pages 94 to 99 (updated as needed)

8.2 Financial Statistics

- 8.1.1 Definition, scope, and framework
- 8.1.2 Presentation of financial statistics
- 8.1.3 Compilation methods and source data
- 8.1.4 Systemic development/structure.
- 8.1.5 Estimation techniques for missing data

8.3 Balance Sheet Approach Matrix

- 8.1.2 Definition, scope, and framework
- 8.1.3 Structure
- 8.1.4 Source data
SRFs, IIP, QEDH, National data on government debt, Estimation of missing data

Annexes

1. Top to bottom sectoral accounts
2. Illustrated Sectoral balance sheets

APPENDICES

- A Standardized Report Forms and SDRF
- B A glossary of instruments.