
MONETARY AND

FINANCIAL STATISTICS

MANUAL



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Foreword

The financial crises of the 1990s exposed weaknesses in the international financial system, highlighting the fact that globalization brings risks as well as important benefits. In response, the international community has mobilized to strengthen the architecture of the international financial system, which comprises the institutions, markets, and practices that governments, businesses, and individuals use when they carry out economic and financial activities. An important element of the "architecture" initiative involves the development and implementation of internationally accepted standards, adherence to which would help ensure that economies function properly at the national level, which is a prerequisite for a well-functioning international system.

In consultation with others, the IMF has developed standards or codes of good practices in its main areas of responsibility. Among these are standards to guide member countries in the dissemination of economic and financial data to the public. These standards—the *Special Data Dissemination Standard* and the *General Data Dissemination System*—comprise a number of elements of good practice in data dissemination. As an essential complement to, and outgrowth of, these standards, the IMF has also intensified efforts to assist countries in improving the quality of their data, including through the development of internationally agreed guidelines on statistical methodology.

I am accordingly very pleased to introduce the *Monetary and Financial Statistics Manual*, which should prove an important aid to countries as they seek to enhance their statistics in this area. The *Manual*, which is the first volume of its kind in the field of monetary and financial statistics, takes its place alongside the IMF's other manuals on statistical methodology—the *Balance of Payments Manual* and the *Government Finance Statistics Manual*. Like these other manuals, the concepts set out in the *Manual* are harmonized with those of the *System of National Accounts 1993*.

This *Manual* has been prepared by the IMF's Statistics Department in close consultation with experts in monetary and financial statistics in member countries and international and regional organizations. I would like to thank all of the experts involved for their invaluable assistance and for their collaborative and cooperative spirit. I would like to commend the manual to compilers of monetary and financial statistics and to urge countries to adopt the *Manual's* concepts as a basis for the statistics that they disseminate to the public and report to the IMF.

Horst Köhler
Managing Director
International Monetary Fund

Preface

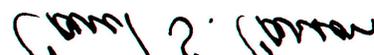
The *Monetary and Financial Statistics Manual* is the latest in a series of international guidelines on statistical methodology that have been issued by the International Monetary Fund. The purpose of the *Manual*, which is intended to be a reference volume, is to offer guidelines for the presentation of monetary and financial statistics. It provides a set of tools for identifying, classifying, and recording stocks and flows of financial assets and liabilities and describes standard, analytically oriented frameworks in which the statistics may be presented and identifies a set of analytically useful aggregates within those frameworks. The concepts and principles set out in the *Manual* are harmonized with those of the *System of National Accounts 1993*.

The *Manual* is designed primarily to be useful to compilers of monetary and financial statistics, both experienced and aspiring, who are developing or updating their national statistics. It may also be useful to compilers, as well as users, of other macroeconomic statistics in understanding the relations between the various sets of statistics. As a set of guidelines for presenting monetary and financial statistics, the *Manual* does not describe how the statistics are to be compiled—that is, sources and methods for compiling statistics—or give practical guidance on questions such as the frequency with which they are to be published. Detailed practical guidance based on the *Manual* will be provided by the Fund in its technical assistance and training work with member countries.

The various drafts of the *Manual* have benefited from comments by member countries and, in particular, by participants in meetings of regional and national experts held at the IMF in November 1996 and February 2000. The IMF benefited considerably from the contributions and comments of the experts who participated in these two meetings, which formed the basis for the redrafting and finalization of the *Manual*, the first volume of its kind in this field of statistics. The IMF staff wishes to acknowledge, with thanks, the contributions of the following experts who participated in the meetings.

Australia	Mr. Bob McColl
Belgium	Mr. Rudi Acx
Brazil	Mr. Bruno Mauricio Ribeiro
Canada	Mr. Jean-Pierre Aubry
China	Mr. Wang Xiaoyi
Colombia	Mr. Carlos Varela Barrios
Egypt	Mr. Ahmed M. Abd El-Kader
France	Mr. Marc Chazelas
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CEMLA	Mr. Roberto Ibarra
ECB	Mr. Patrick Sandars

In addition to this English language version, the *Manual* will also be published in Arabic, Chinese, French, Russian, and Spanish.



Carol S. Carson
Director
Statistics Department
International Monetary Fund

I. INTRODUCTION TO THE MANUAL

1. The purpose of the *Monetary and Financial Statistics Manual (MFSM, or manual)* is to offer guidelines for the presentation of monetary and financial statistics. In addition to their role in assisting in monetary policy formulation and monitoring, the statistics covered in this volume form a basis for the development of a statistical framework for assessing financial sector stability.

2. The *MFSM* first provides a set of tools for identifying, classifying, and recording stocks and flows of financial assets and liabilities. It then describes standard, analytically oriented frameworks in which the statistics may be presented and identifies a set of analytically useful aggregates within those frameworks. The International Monetary Fund (IMF, or the Fund) has designed the *MFSM* primarily to be useful to compilers of monetary and financial statistics, both experienced and aspiring, who are developing or updating their national statistics. It may also be useful to compilers, as well as users, of other macrostatistics in understanding the relationships among the various sets of macrostatistics.

3. The guidelines contained in the *MFSM* provide a conceptual framework for presenting monetary and financial statistics. For most, if not all, countries the implementation of the conceptual framework will require a long-term and flexible approach, and countries will have to set their own priorities for implementation. Because its focus is on concepts, the *MFSM* is not intended to be a compilation guide, and it therefore does not describe how the statistics are to be compiled—that is, it does not give sources or methods for compiling statistics—or give practical guidance on questions such as the frequency with which they are to be published. The Fund will provide detailed practical guidance based on the *MFSM* in its technical assistance and training work with member countries and in time might formalize this guidance in a companion publication. The *MFSM*

also does not demonstrate how to use the statistics. Different countries use monetary and financial statistics in many different ways in varied settings, and case studies of uses also are left to course materials and other publications.

4. This is the first volume of its kind in the field of monetary and financial statistics. An earlier document, *A Guide to Money and Banking Statistics in International Financial Statistics* (IMF, December 1984), was not meant to provide guidelines for compiling and presenting statistics—rather, its purpose was to explain to users of *International Financial Statistics (IFS)* the methodology followed in producing money and banking data included in that publication. This new volume will take its place alongside the Fund's other manuals—the *Balance of Payments Manual* and the *Government Finance Statistics Manual* (forthcoming). This manual focuses on stocks and flows for the financial corporations sector, just as the *Balance of Payments Manual* focuses on stocks and flows with the rest of the world, and the *Government Finance Statistics Manual* focuses on stocks and flows for the general government sector.

5. Like these other manuals, the *MFSM* is harmonized with the *System of National Accounts 1993 (1993 SNA)*. The *1993 SNA*—which was prepared as the joint responsibility of the Fund, the Commission of the European Communities, the Organization for Economic Co-operation and Development, the United Nations, and the World Bank—provides an overarching set of tools for identifying, classifying, and recording stocks and flows related to production and to the distribution, redistribution, and use of income. Consistency in the application of these tools promotes comparability across the major sets of macrostatistics within a country and across countries. This comparability, in turn, promotes efficiency in data preparation, improves the

INTRODUCTION TO THE MANUAL

analytical power of the various sets of macrostatistics, and provides understanding of statistics within and among countries.

6. Because the *MFSM* focuses on stocks and flows for the financial corporations sector, it may, for the most part, be seen as extending and elaborating on the *1993 SNA* in this area; the *MFSM* will note any deviations from the *1993 SNA*. Because the *MFSM* is part of a family of guidelines, the Fund encourages users to adhere to the guidelines in the interest of good practice and comparability. However, national differences and changes in financial markets—which in recent years have been rapid—necessitate that the guidelines must be interpreted flexibly. Moreover, the ongoing processes of financial innovation and globalization of financial markets mean that the Fund will need to update the guidelines periodically. In this respect, there are three areas of relevance to this volume where a consensus has yet to be reached on appropriate international guidelines. These areas relate to the treatment in macrostatistics of (1) accrued interest on traded securities; (2) repurchase agreements and securities lending; and (3) gold swaps and gold loans. Rather than being prescriptive, the *MFSM* simply summarizes the present thinking in each of these areas and will be updated after there is agreement on international guidelines.

7. The structure of the remainder of this volume is as follows:

- Chapter 2 presents an overview, emphasizing the conceptual integrity of the

presentation of monetary statistics and, more broadly, financial statistics.

- Chapters 3 through 5 present the tools: the definition of institutional units and their grouping into sectors, the classification of financial assets, the derivation of stocks and flows, and the accounting rules to be followed.
- Chapter 6 provides a lead-in to the framework presented in Chapter 7. It discusses the general characteristics of monetary aggregates and the treatment of specific assets within those aggregates, as well as credit and debt aggregates.
- Chapter 7 presents the framework for monetary statistics, based on surveys for subsectors of the financial corporations sector that draw on standardized sectoral balance sheets.
- Chapter 8 broadens the manual's scope beyond the more traditional monetary statistics to include the full range of financial statistics, with particular emphasis on flow of funds accounts.

8. The *MFSM* also contains three appendices, the topics of which are as follows:

- (1) The treatment of accounts with the IMF.
- (2) Islamic banking.
- (3) Illustrative sectoral balance sheets for financial corporations subsectors.