



Proposed Recommendations Document: 1.34 Clarification on Reserve Position in the IMF

Summary Details

Links to Related Guidance/Discussion/Issue Notes and Latest Manuals: BPM Clarification Note: Classification of Reserve Position in the IMF Draft 2025 SNA and Draft BPM7 ¹	
Global Consultation(s):	Not applicable
Discussions at the Advisory Expert Group on National Accounts (AEG) / Balance of Payments Committee (BOPCOM) Meeting(s):	BOPCOM: March 2020 , October 2017
Discussions at GFSAC Meeting(s):	To be determined
Summary of Proposed Recommendations: <p>The proposed recommendation is to revise in the updated GFSM the definitions and descriptions of reserve positions and reserve tranche positions in the IMF. The proposed updates will align the GFSM text with that in the 2025 SNA and BPM7 and will clarify that a member country's reserve position in the IMF is recorded under other deposits, and that where classifying the reserve position in the IMF by original maturity is deemed necessary, it should be categorized as long-term, consistent with the nature of its main component, the reserve tranche. In addition, it is proposed to include the reserve position in the IMF as a specific "of which" category of currency and deposits.</p>	

Background and Issues

1. The *GFSM 2014* describes member countries' reserve position in the IMF in Appendix 3 as follows:
 - Paragraph A3.84 provides detail on what constitutes the reserve position as *"a member country's reserve position in the IMF equals the sum of the reserve tranche plus any indebtedness of the IMF (under bilateral loan agreements, notes, or participation in standing borrowing agreements such as the General Agreements to Borrow and New Agreements to Borrow) in the General Resources Account that is readily available to the member country."*
The paragraph further guides that a member's reserve position in the IMF constitutes part of its

¹ Links are to the "white cover" versions of the 2025 SNA and BPM7. While technically still considered draft only editorial amendments will be made between these versions and the final versions.

reserve assets (external financial assets) and refers to *BPM6*, para.6.85 for further details.

- Paragraph A3.85 provides a description of how an IMF member country can utilize its reserve tranche in the IMF and guides recording utilization of the reserve tranche “as a reduction in the member’s external financial assets in the form of currency and deposits” which is offset by an increase in the member’s external financial assets in the form of foreign exchange.

2. *GFSM 2014* (para. 7.138) discusses the classification of claims on the IMF that are components of international reserves, and are not evidenced by loans, as deposits and *GFSM 2014* (para. 7.140) elaborates on the types of deposits (transferable or nontransferable) but does not specify the deposit type for member countries’ reserve positions in the IMF. Similarly, Table A7.6 presents a breakdown of currency and deposits (currency, transferable deposits, and other deposits). Providing additional guidance and more detailed data on the nature of other deposits to include member’s reserve position in the IMF would enhance clarity in recording these deposits, and aligns with the SNA and other macroeconomic manuals.

3. The [BPM note on the Classification of Reserve Position in the IMF](#) clarifies that the reserve position in the IMF should be classified as other deposits without a maturity breakdown. However, since the reserve position in the IMF could be considered either a deposit payable on demand or a long-term instrument that can be cashed out at short notice, it should be clarified that if a classification by original maturity is deemed necessary, it should be attributed as long-term, in line with the nature of its main component, the reserve tranche. Draft *BPM7* (paras. 5.48, 6.89, A9.11-A9.12 and A9.16) elaborates on the reserve position in the IMF. In addition, the [Glossary of Terms and Definitions in Macroeconomic Statistics](#) contains updated definitions of the reserve position in the IMF and reserve tranche position in the IMF.

Proposed Recommendations

4. The *GFSM* update should consider the following to further clarify the recording of reserve positions in the IMF:

- Align definitions and descriptions of the ‘Reserve position in the IMF’ and ‘Reserve tranche position in the IMF’ with those in the *BPM7* and Glossary of Terms and Definitions in Macroeconomic Statistics.
- Expand the detailed information and data on other deposits, to include the reserve position in the IMF as an of which category of currency and deposits, specifically under other deposits.
- Clarify that when classifying the reserve position in the IMF by original maturity is deemed necessary, it should be categorized as long-term, in line with the nature of its main component, the reserve tranche.

Rationale for Proposed Recommendations

5. The proposed recommendations aim to harmonize the updated *GFSM* with the 2025 SNA and *BPM7*, a key objective of the *GFSM 2014* update process. Clarifying that member countries’ reserve positions in the IMF are classified under other deposits, and encouraging their identification as a component of other deposits when disseminating data, will help ensure consistent fiscal data compilation

and clearer identification of countries' reserve positions, thus improving recording accuracy. This approach will also promote consistency in the recording within public sector debt statistics (PSDS) and external sector statistics (ESS).

Proposed Text for GFSM Update

6. Using the note and text of *BPM7* (paras. 5.48, 6.89, A9.11-A9.12 and A9.16) and the updated definitions of the 'reserve position in the IMF' and 'reserve tranche position in the IMF' in the Glossary of Terms and Definitions in Macroeconomic Statistics, the *GFSM 2014* to be updated as follows:
 - Para. 7.138 to be revised to include examples of IMF claims and incorporating member countries' reserve positions in the IMF as a component of other deposits;
 - Para. 7.140 to be updated to recognize the reserve position in the IMF as a category under other deposits and clarify that other deposits are the same as nontransferable deposits;
 - Table A7.6 (32023) to include separately disclosing member countries' reserve positions in the IMF within other deposits;
 - Other GFS tables, such as Table A8.5, which could require more detailed information on currency and deposits to be reviewed and where applicable revised; and
 - Appendix 3 (paras. A3.84-A3.85) to be revised to be in line with the *BPM7* and Glossary of Terms and Definitions in Macroeconomic Statistics.