STATISTICS

Monetary and Financial Statistics Advisory Committee (MFSAC)

For Global Consultation

2028 Monetary and Financial Statistics Manual (MFSM)

Proposed Recommendation

2.2 Treatment of centralized currency unions in macroeconomic statistics

Prepared by the MFSAC Secretariat

Summary

Links to Related Guidance/Discussion/Issue Notes and Latest Manuals: GN B.3 Treatment of Centralized Currency Unions in Macroeconomic Statistics *2025 System of National Accounts (SNA)* and *Integrated Balance of Payments and International Investment Position Manual, Seventh Edition (BPM7)*[1]	
Global Consultation(s):	BPM Consultation: August 2021
Discussions at the Advisory Expert Group on National Accounts (AEG) / Balance of Payments Committee (BOPCOM) Meeting(s):	BOPCOM: October 2021, October 2019
Discussions at MFSAC Meeting(s):	March 2026

Summary of Proposed Recommendations:

The proposed recommendation for the 2028 *Monetary and Financial Statistics Manual* (*2028 MFSM)* is to remove ambiguities in the treatment of centralized currency unions. Specifically, it is proposed to clarify that (i) transactions between a member economy's resident units and national agency acting as the central bank should be treated as transactions and positions between residents, even when settled through accounts at the currency union central bank, and (ii) own-account transactions of a currency union central bank (CUCB) are transactions that do not relate to regular operations of monetary authority of an economy and are recorded as transactions and positions with nonresidents for member economy's resident units.

The proposed clarifications also cover the treatment of pooled foreign exchange reserve assets (including the use of imputed reserves where direct allocation is not available), and the attribution of SDR holdings and allocations to member economies, in line with the *2025 SNA* and *BPM7*.

Background and Issues

1. The Guidance Note (GN) B.3 (Treatment of Centralized Currency Unions in Macroeconomic Statistics) recommends to maintain the existing *BPM6* guidance to treat the offices of the central bank (also understood as the national agencies) in each of the countries of a centralized currency union as residents of the economies of their location. This is in response to an issue raised on the *BPM6* regarding the ambiguous interpretation of the role of national agencies and their transactions with residents. GN B.3 clarifies that transactions between the national agency and resident units of the same member economy settled through accounts at the currency union central bank are recorded/imputed in the accounts of the national agency for statistical purposes and are treated as transactions and positions between residents.

2. The GN also provides clarification on when the CUCB is "acting on its own account," which is relevant in determining whether CUCB transactions are to be considered domestic or cross-border in nature. While no conceptual changes are introduced relative to *BPM6*, the GN clarifies that CUCB own-account transactions and positions are limited to those that cannot be attributed to national agencies and that do

[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.

not relate to the regular operations of the monetary authorities of member economies. Further, the GN clarifies the treatment of pooled foreign exchange reserves in centralized currency unions. Where direct allocation of reserve assets to member economies is feasible but not available, imputed reserve assets for each member economy should be derived using net claims on the CUCB as a proxy, consistent with *BPM6*, and any deviations from the default imputation approach should be documented in metadata.

Proposed Recommendations

3. The following recommendations are proposed for the *2028 MFSM*:

- Update the description of a currency union that is currently in *MFSMCG* (para. 3.119-3.122) to align with the description in *BPM7* (paras. 4.191-4.192) and *2025 SNA* (para. 5.244-5.247).
- Include in the definition of a central bank in *MFSMCG* (para. 3.111) a reference to national agencies of a centralized currency units to align with *BPM7* (para. 4.125) and *2025 SNA* (para. 5.147).
- Add a clarification that own-account transactions of a CUCB are transactions that do not relate to regular operations of monetary authority of an economy and are recorded as transactions and positions with nonresidents for member economy's resident units.
- Consider inclusion of selected numerical examples from Annex 3 of *BPM7* to illustrate intra-union lending of CUCB to resident units of member CU member economies channeled through national agencies.
- Add a reference to *BPM7* (paras. A3.40-A3.42) and *2025 SNA* (para. 5.247) on the treatment of reserve assets in centralized currency unions, including the default use of imputed foreign exchange reserve assets for member economies, when compiled imputed reserves is feasible, based on net claims on the CUCB, with any deviations documented in metadata. Also clarify that SDR holdings and allocations are attributed to the member countries participating in the IMF SDR Department, including in centralized currency unions; the imputed reserve asset guidance applies only to foreign exchange reserve components.

Rationale for Proposed Recommendations

4. The proposed recommendations aim to remove ambiguities in the treatment of centralized currency unions in the *2028 MFSM*.

Proposed Text for the MFSM Update

5. These proposed recommendations and further considerations beyond the 2025 SNA and BPM7 will be further examined in the Discussion Note 1.7 Classification of cross-border positions by country within currency unions.

6. The main change will be to adjust the text in the *2028 MFSM* to be in line with the revised guidance in the *BPM7* (Chapter 4) and *2025 SNA* (Chapter 5), concerning "residence, institutional units and sectors". It provides the following new, expanded definition and description of currency union central banks.

Currency Unions and Currency Union Central Banks

2025 SNA para. 5.246 / BPM7 para. 4.191: *The central bank of a currency union is treated as a special kind of international organization. The members of the international organization, of which the central bank is part, are the governments or the national central banks of the countries in the currency union. The*

central bank is treated as being nonresident in any of the member countries of the currency union but is resident in the currency area as a whole. More on the treatment of currency and economic unions can be found in appendix 3 of BPM7.

2025 SNA para. 5.247 / BPM7 para. 4.192: *In relation to the treatment of centralized currency unions, national agencies including the notional resident units, are treated as residents of the economies of their location. Transactions between the national agency and resident units of the same member economy settled through accounts at the currency union central bank will thus be recorded/imputed in the balance sheets of the national agency for statistical purposes, and treated as transactions and positions between residents. This ensures that in each economy, monetary activities with residents of the currency union are carried out by national agencies (which resemble in its operations a national central bank) having their own assets and liabilities.*

BPM7 para. A3.37: *Transactions of residents with the CUCB, where the CUCB is acting on its own account, should be recorded in the national balance of payments according to the nature of the transaction. The CUCB own account transactions are those that cannot be attributed to national agencies. In simple terms, for the most part, the balance sheet of CUCB could be seen as the sum of the balance sheets of the national agencies of CUCB. This implies that every transaction conducted by the CUCB is mostly recorded in the imputed balance sheet of the national agencies of the CUCB. Own account transactions of CUCB are considered to be those that do not relate to regular operations of the monetary authority of an economy. For example, debt securities issued by the CUCB and subscribed by residents of an economy of the CU are treated as own account transactions of the CUCB. They are recorded as portfolio investment in the national BOP.*

BPM7 para. A3.38: *Transactions and positions of the CUCB with nonresidents of the CU, where the CUCB is acting on its own account, such as interest on the part of reserve assets that are not allocated to any member state or bonds issued by the CUCB and subscribed by nonresidents of the CU, should not be recorded in any national BOP of member states but are included in the BOP of the CU.*