

CURRENCY UNION TECHNICAL EXPERT GROUP (CUTEG)

DRAFT FOLLOW-UP PAPER (CUTEG) # 6

(1) Topic: Draft Definition of (1) a Currency Union Territory, (2) Regional Organization, and (3) Regional Central Bank

(2) Issues – see CUTEG Issues Paper #1 and CUTEG Outcome Paper #1 (<http://www.imf.org/external/np/sta/bop/cuteg.htm>)

Background

1. This note provides a draft definition of Currency Union Territory, Regional Organization, and Regional Central Bank for inclusion in the revised Manual.

Definition of Currency Union Territory

2. “A currency union (CU) territory consists of the geographic territory of the CU countries/jurisdictions that comprise the CU, the CUCB, and any other regional organizations that comprise the same or a sub-set of the same economies/jurisdictions that comprise the CU.”

Definition of Regional Organization

3. “Regional organizations are a subcategory of international organization; they can be financial and nonfinancial institutions. They consist of those supranational institutions whose members are governments or monetary authorities of economies that are located in a specific region of the world. Regional organizations, which include Currency Union Central Banks (CUCB), are created for many purposes including supporting, guiding, and even governing aspects of the economic relationships or integration processes among the regions’ economies. As with other international organizations, regional organizations are established by political agreement among organization members that has the status of international treaties, and are accorded appropriate privileges and immunities and are not subject to the laws and regulations of the economies in which they are located.”

Currency Union Central Bank

4. “The Currency Union Central Bank (CUCB) is a regional financial institution that acts as the common central bank for the member economies of the CU.”