

**IMF COMMITTEE ON BALANCE OF PAYMENTS STATISTICS
RESERVE ASSETS TECHNICAL EXPERT GROUP (RESTEG)**

OUTCOME PAPER (RESTEG) #11.1

**TREATMENT OF ALLOCATED/UNALLOCATED GOLD HELD AS RESERVE ASSETS
AND GOLD SWAPS AND GOLD DEPOSITS**

Prepared by Hidetoshi Takeda, IMF Statistics Department

September 2006

The views expressed in this paper are those of the author(s) only, and the presence of it, or of links to it, on the IMF website does not imply that the IMF, its Executive Board, or its management endorses or shares the views expressed in the papers.

**RESERVE ASSETS TECHNICAL EXPERT GROUP (RESTEG)
OUTCOME PAPER (RESTEG) # 11.1**

September 2006

(1) **Topic:** Treatment of Allocated/Unallocated Gold Held as Reserve Assets and Gold Swaps and Gold Deposits

(2) **Issues:** See Follow-up Paper (RESTEG) #11.1

(3) **Recommendations:**

(i) The majority of RESTEG members that commented preferred to treat unallocated gold consistently with the AEG recommendation as foreign-currency-denominated deposits, rather than monetary gold, and include these deposits in reserve assets if the reserves criteria are met. In this treatment, unallocated gold accounts held with residents (such as bullion banks) are excluded from reserve assets. One member was in favor of classifying unallocated gold accounts held by monetary authorities as gold with detailed breakdowns of monetary gold (maybe renamed as “gold holdings”) for reconciliation with national accounts as shown in paragraph 14 of the Follow-up Paper #11.1.

(ii) On the treatment of gold swapped out from reserves, the majority preferred to retain the asset on swap in reserve assets and record the swap loans in RRL, if with a nonresident. One member preferred to exclude the asset on swaps from reserve assets and demonetize (allocated gold)/reclassify it as other investment (unallocated gold) of the monetary authorities, if with a nonresident.

(iii) RESTEG agreed that double counting issues may arise for both allocated and unallocated gold from outright sales of gold acquired through gold swaps/loans, as described in paragraphs 22 and 23. Some suggested that a solution to this double counting needs to be considered, although some noted that such double counting is not a new issue given it can also arise for securities under repo.

(4) **Rejected Alternatives**

None.