OUTCOME PAPER (RESTEG) # 1

Clarification of Pledged Assets

Prepared by Antonio Galicia-Escotto, IMF Statistics Department

July 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) #1

(1) **Topic**: Clarification of Pledged Assets

(2) **Issues**: See RESTEG Issues Paper #1

(3) **Outcome of the Discussions**:

   (i) The group agreed to use wording from the *Guidelines* on the treatment of pledged assets in the new *Manual*. The *Guidelines* (paragraph 72) state that “assets pledged are typically not readily available. If clearly not readily available, pledged assets should be excluded from reserves.” However, RESTEG requested a further explanation on those assets that are fully encumbered and on assets given as collateral, e.g., collateral guarantees for lines of credit.

   (ii) RESTEG considered that, if pledged assets given as collateral are to be included in reserves, a memorandum item to the IIP could be considered, so that the amount of pledged assets in reserves were identified. If however pledged assets were to be excluded from reserves because they are encumbered, a supplementary item to the IIP could be considered, indicating the amount of assets excluded.

(4) **Rejected Alternatives**:

   None.

(5) **Actions**:

   *RESTEG outcome to be incorporated in draft Manual for IMF Committee on Balance of Payments Statistics (BOPCOM) review. Memorandum and supplementary items to be considered by BOPCOM.*