

Web Box 4.1

ROSCs and data standards initiatives

Reports on the Observance of Standards and Codes (ROSCs). Members can request ROSCs, assessments of observance of standards and codes, in any of the following 12 areas: accounting; auditing; anti–money laundering and combating the financing of terrorism (AML/CFT); banking supervision; corporate governance; data dissemination; fiscal transparency; insolvency and creditor rights; insurance supervision; monetary and financial policy transparency; payments systems; and securities regulation. The reports—about 74 percent of which have been published—are used to help sharpen Fund and World Bank policy discussions with national authorities and to strengthen national capacity to participate in, and benefit from, the globalized economy. They are also used in the private sector (including by rating agencies) for risk assessment. Participation in the Standards and Codes Initiative continues to grow. As of end-April 2011, 1,229 ROSC modules had been completed; 1,190 of those were completed by member countries of the Fund, and most systemically important countries had volunteered for assessments. Of the full complement of ROSCs completed, 604 were on financial sector standards. Of these, about one-third (205, or 33.94 percent) were related to banking supervision, and the others were fairly evenly distributed (13–21 percent) across the other financial sector standards and codes (securities, insurance, payments and securities settlement systems, and AML/CFT).

Special Data Dissemination Standard (SDDS). Created in 1996 by the Executive Board, the SDDS is a global benchmark for disseminating macroeconomic data to the public. SDDS subscription indicates that the country meets a test of “good statistical citizenship.” Countries that subscribe to the SDDS agree to follow good practices in four areas: coverage, periodicity, and timeliness of data; public access to those data; data integrity; and data quality. As of April 30, 2012, there were 71 SDDS subscribers. Following the Seventh Review of the Fund’s Data Standards Initiatives in December 2008, the SDDS was modified to require that subscribers indicate in their metadata where statistical practices deviate from internationally accepted statistical methodologies and to encourage subscribers to undertake and publish periodically a data quality assessment. The Board also agreed to modify the Reserves Template, in particular, to capture data on derivatives that are denominated in a foreign currency and settled by other means. In March 2010, the IMF’s Executive Board decided to incorporate into the SDDS, on an encouraged basis, seven financial soundness indicators and a simplified table on external debt on a remaining-maturity basis. The Board also agreed to modify the SDDS to prescribe, with a four-year transition period, the inclusion of international investment position data with quarterly periodicity and timeliness, to improve the usefulness of these data for surveillance. At the Eighth Review of the Fund’s Data Standards Initiatives in February 2012, the Board approved several enhancements to the SDDS as well as the creation of the SDDS Plus (see next section). Enhancements to the SDDS included addition of hyperlinks on the National Summary Data Page

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(NSDP)¹ to time series for all data categories; introduction of a more-structured timeline to strengthen the credibility of the nonobservance procedure; streamlining of the SDDS by structuring forward-looking indicators and deleting advance release calendar flexibility options; and introduction of two new data categories on an encouraged basis: sectoral balance sheets and general government gross debt; these two new data categories are part of the data categories included in the SDDS Plus.

SDDS Plus. The SDDS Plus is open to all SDDS subscribers but is aimed at economies with systemically important financial sectors. It includes nine additional data categories, which an interested country commits to observing fully by the end of 2019. These data categories refer to the four macroeconomic sectors: real sector (sectoral balance sheets), fiscal sector (general government operations and general government gross debt), financial sector (other financial corporations' survey, financial soundness indicators, and debt securities), and external sector (Coordinated Portfolio Investment Survey, Coordinated Direct Investment Survey and Currency Composition of Foreign Exchange Reserves). Adhering to the SDDS Plus is voluntary, but once a country adheres, it undertakes to meet the most rigorous data dissemination and data quality standards within the Fund's data standards initiatives.

General Data Dissemination System (GDDS). The Executive Board established the GDDS in 1997 for member countries with less-developed statistical systems as a framework for evaluating their needs for data improvement and setting priorities. The GDDS is focused on a set of core statistical frameworks and indicators that provide member countries seeking to improve the quality of their statistics with a clear set of links between the GDDS and the SDDS. Many countries are using participation in the GDDS as a step toward subscription to the SDDS. The 102 participants in the GDDS at end-April 2012 commit to using the GDDS as a framework for statistical development and agree to designate a country coordinator and to prepare descriptions of current statistical production and dissemination practices and plans for short-term and medium-term improvements in these practices for posting on the Dissemination Standards Bulletin Board. Of the 114 countries and territories that have participated in the GDDS since it was introduced, 12 have graduated to the SDDS. Following a decision during the Seventh Review, the GDDS was recast in 2011 to emphasize data dissemination and facilitate graduation to the SDDS, including through closer conformity to SDDS specifications.

To complement the SDDS, SDDS Plus, and GDDS, the IMF staff has launched the **Statistical Data and Metadata Exchange (SDMX)** initiative and the **Data Quality Assessment Framework (DQAF)**. The SDMX initiative, which is sponsored by seven international organizations including the IMF, aims to develop and use more efficient processes for the exchange and sharing of statistical data and metadata among international organizations and their member countries by providing standard formats for data and metadata, together with content guidelines and an information technology architecture for exchange. The DQAF is an assessment methodology that was integrated into the structure of the Data Reports on the Observance of Standards and Codes (Data ROSCs) following the Fourth Review of the Data Standards Initiatives in 2001. The metadata describing the macroeconomic statistics in both the SDDS and

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GDSS have been reformatted using the DQAF structure, allowing users to search this information by DQAF codes across countries and by topic.

¹ The NSDP of subscribers is available via a hyperlink from the IMF's Dissemination Standards Bulletin Board, which in turn is available at <http://dsbb.imf.org/>.