

**Twentieth Meeting of the
IMF Committee on Balance of Payments Statistics
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Reconvened Working Group on Securities Databases

**Prepared by the Statistics Department
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In the context of the IMF initiative on the Coordinated Portfolio Investment Survey, and with encouragement from the IMF Committee on Balance of Payments Statistics, the Statistics Department set up in 1999 the Inter-Agency Working Group on Securities Databases—comprised of the Bank for International Settlements (BIS), European Central Bank (ECB), and the IMF—to explore the merits of establishing a global securities database. Such a database would include detailed information on securities issued in international and local bond markets. The working group considered further developing the securities database of the BIS. It also undertook a study that found that countries were in favor of a global securities database managed by an international organization. In 2001, the working group put its work on hold until the ECB’s work on developing a Centralized Securities Data Base was more advanced.

Earlier this year (May 2007), the G-8 Finance Ministers met in Potsdam, Germany, and issued an “Action Plan for Developing Local Bond Markets in Emerging Market Economies and Developing Countries.”¹ The Action Plan contained a number of initiatives directed toward improving the efficiency of local currency bond markets in emerging and developing countries, including improving local bond market databases. It also called on the IMF and the World Bank to report to the G-8 deputies on how to implement this plan before the October 2007 G-8 Finance Ministers meeting.

Against this context, the IMF’s Statistics Department (STA), with support from the IMF’s Monetary and Capital Markets Department (MCM), reconvened the Working Group on Securities Databases. Representatives from the BIS, ECB, World Bank, Deutsche

¹ G-8 Action Plan for Developing Local Bond Markets in Emerging Market Economies and Developing Countries, Potsdam, May 19, 2007.

Bundesbank, Bank of Mexico, and Federal Reserve² met at the IMF on September 27-28, 2007, with the immediate objective of responding to the request from the G-8 Finance Ministers to “undertake a stocktake of currently available data on local debt markets [in emerging market economies and developing countries] and identify any gaps, with a view to consolidating the information.”

The meeting was very productive on several fronts. First, the stocktake that was requested by the G-8 established that the BIS and the ECB have databases on domestic (and international) debt securities that could be developed to meet the requirements of users of statistics. The BIS expects, by next summer, to make significant improvements to its database on domestic debt securities. The ECB’s Centralized Securities Data Base, which is still under development, holds considerable potential for use outside Europe in the medium term. Second, a handbook on debt securities statistics will be developed to standardize concepts and terminology and improve cross-country data comparability. The new handbook will be anchored to existing international statistical standards, such as the *System of National Accounts*. Third, for its part, STA will provide expert advice on securities statistics in the context of macroeconomic statistics and help develop a platform that would enable users of statistics to compare aggregated data on debt securities by issuer country, sub-type of security, and institutional holder.

Two conferences—one to be hosted by the Fund³ in early March 2008, and another by the Deutsche Bundesbank in close cooperation with the Federal Ministry of Finance in Frankfurt in late January 2008—will, respectively, inform the Working Group of users’ requirements on securities databases, and further advance the work in responding to other information needs of the G-8 Action Plan. For the latter, the Bundesbank, with the G-8 Presidency, has developed a broader agenda in connection with the G-8 Action Plan,

² The original working group, comprised of the BIS, ECB, and the IMF, put its work on hold in 2001 until the ECB’s work on developing a centralized securities database on a security-by-security basis was well advanced. Since then, the ECB has made significant progress.

³ Irving Fisher Committee workshop on “Challenges to Improve Global Comparison of Securities Statistics.” The BIS will handle most of the logistics for the workshop.

including implementation of the balance sheet approach to assess financial stability and identification of new vulnerabilities in financial markets. It was agreed that these issues, as well as the Working Group's activities, could be taken forward at the international level under the stewardship of a yet to be determined "statistical umbrella group," or inter-secretariat group, on finance statistics.