

March 4, 2016

**Currency Composition of Official Foreign Exchange Reserves (COFER)
Q&A on the separate identification of renminbi-denominated reserves holdings**

What does this mean?

- The IMF Executive Board recently decided that, effective October 1, 2016, the renminbi is determined to be a freely usable currency and will be included in the basket of currencies that make up the Special Drawing Right (SDR). The Board has now also agreed that, starting at the same time, the renminbi will be added to, and separately identified, in the Fund's quarterly survey of the composition of foreign exchange reserves (COFER), along with the U.S. Dollar, Euro, Yen, Pound Sterling, Swiss Franc, Australian Dollar, and Canadian Dollar. Data will represent global renminbi holdings by COFER reporting economies.

Does this offer any indication of China's own foreign reserves?

- No. The foreign exchange reserves listed in the COFER survey do not include holdings of the currency of the issuing country. Renminbi assets of the PBoC are not foreign exchange reserves and are therefore not included in COFER. Until now, the renminbi was included in the category of "other currencies."

Does the IMF now formally consider the renminbi a reserve currency? What are the implications for China?

- The separate identification of the RMB in COFER starting October 1, 2016 implies that as of that date, member countries will be able to record as official reserves their holdings of RMB-denominated external assets that are readily available for meeting balance of payments financing needs.
- This recognizes the continuing internationalization, which has been facilitated by China's reforms aimed at promoting a gradual transition towards a more market-based economy. This may lead to its increased acceptance among official holders of foreign exchange reserves.

When will the first data separately identifying renminbi-denominated reserves be published?

- The first data with the separate identification of renminbi-denominated reserves holdings will be published at the end of March 2017. These will be data collected as of December 31, 2016.

For reference:

The Board Paper: Separate Identification of the Chinese Renminbi in the COFER Survey.
February 18, 2016

<http://www.imf.org/external/pp/longres.aspx?id=5020>

Press Release: Chinese Renminbi to be Identified in the IMF's Currency Composition of
Foreign Exchange Reserves, March 4, 2016

<http://www.imf.org/external/np/sec/pr/2016/pr1690.htm>

The data can be accessed on imf.org:

<http://www.imf.org/external/np/sta/cofer/eng/index.htm>

Factsheet: Special Drawing Right (SDR)

<http://www.imf.org/external/np/exr/facts/sdr.htm>

Factsheet: Review of the Special Drawing Right (SDR) Currency Basket

<http://www.imf.org/external/np/exr/facts/sdrcb.htm>

Press Release: IMF Releases Data on the Currency Composition of Foreign Exchange
Reserves with Additional Data on Australian and Canadian Dollar Reserves
June 28, 2013

<http://www.imf.org/external/np/sec/pr/2013/pr13236.htm>