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Reserves Data Template (RDT) - Metadata

Statistics on RDT is produced following the IMF requirements provided in International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template [1] (IMF, 2013), as well as in the 6th edition of the Balance of Payments and International Investment Position Manual [2] (IMF, 2009) (BPM6). The framework of the Data Template is built on two related concepts: (1) International reserves (reserve assets) and (2) Foreign currency liquidity.

According to BPM6 "Reserves assets are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes." (para. 6.64).

Foreign currency liquidity is a broader concept than that of international reserves. In the RDT, foreign currency liquidity has two dimensions:

1. foreign currency resources (including both official reserve assets and other foreign currency assets) at the disposal of the authorities that are readily available to meet demands for foreign exchange, and,
2. predetermined and contingent demands on foreign currency resources resulting from short-term foreign currency liabilities and off-balance-sheet activities of the authorities.

The RDT covers the NBM as monetary authority that holds and manages the international reserves, and the central government that accounts for most of the official foreign currency liabilities.

The RDT only includes instruments settled in foreign currency (sections I through III). Instruments denominated in foreign currency or indexed to foreign currency but settled in domestic currency or other means are reported as memorandum items (section IV). Foreign assets in nonconvertible currencies, as well as other assets that do not meet reserve assets concepts, are not included in the RDT.

The international reserves are revalued daily, data are converted to US dollars at the NBM's official exchange rate. Securities position is revalued monthly at the market price of the instruments concerned on the last day of the reference month. Accrued interest on deposits is recorded daily, and accrued interest on securities in foreign currency is recorded monthly.

The main primary information used for producing the RDT includes the following:

- (i) the stock of official reserve assets and other foreign currency assets at period-end;
- (ii) repayment schedule of loans from the IMF for the next 12 months, aggregated long and short positions in forwards and futures in foreign currencies vis-a-vis the domestic currency;
- (iii) required reserves deposits in foreign currency held by authorized banks with the NBM, amounts scheduled to be drawn from the IMF's loans (contingent financing lines);
- (iv) currency composition of reserve assets by currencies included / not included in the SDR basket;
- (v) the NBM's scheduled expenditures in foreign currency on goods and services for the next 12 months;
- (vi) repayment schedule of public external loans and publicly guaranteed loans drawn by the private sector, for which the guarantee was / was not activated (separately), for the next 12 months;
- (vii) potential drawings by the general government within credit lines.

The data source for items (i) through (v) is the NBM, for items (vi)–(vii) – the Ministry of Finance.

Section I. ***Official reserve assets and other foreign currency assets*** presents the stock of foreign currency resources of the NBM and the government. Part I.A is provided to report the information on reserve assets and part I.B – on other foreign currency assets.

Part 1.A. "Official reserve assets" includes 5 components:

1. Reserves in convertible foreign currencies, specified by securities and deposits. Securities in the form of highly liquid marketable equity and debt securities are included. Only securities in foreign currency issued by non-residents are reflected. Within deposits, consistent to the liquidity concept, demand deposits and time deposits that are redeemable upon demand are included. Deposits included in reserve assets are those held in foreign central banks, the Bank for International Settlements, and other banks;
2. Reserve position in the IMF represents the sum of SDR and other foreign currency amounts that a member country may draw from the IMF at short notice and without condition from its reserve tranche;
3. Special Drawing Right (SDR) are international reserve assets the IMF created to supplement the reserves of member countries. SDRs are allocated in proportion to the countries' respective quotas;
4. Gold (including gold deposits and gold swapped) includes only monetary gold held by the NBM as a reserve asset;
5. Other reserve assets include foreign currency assets that are liquid and readily available but not included in the categories (1) – (4), like financial derivatives, loans to nonbank nonresidents, repo assets.

Section II. ***Predetermined short-term net drains of foreign currency assets*** is used to report the authorities' (NBM and Ministry of Finance) predetermined short-term (in the following 12 months) net drains of foreign currency assets. This item reflects data related to liabilities:

- (i) with the original maturity of one year or less;
- (ii) with the original maturity of more than one year, but with the remaining maturity of one year or less;
- (iii) payments scheduled for the next 12 months related to the service of liabilities with the remaining maturity of more than one year.

"Predetermined drains" are the known or scheduled contractual obligations in foreign currency. Contractual obligations can arise from on-balance-sheet and off-balance-sheet activities. On-balance-sheet activities include predetermined payments of principal and interest associated with loans and securities. Off-balance-sheet activities that give rise to predetermined flows of foreign currency include commitments in forwards and futures-type contracts, as well as in swaps.

Section II ***reflects net drains of foreign currency*** on the following financial instruments:

1. Loans, securities and deposits in foreign currency (principal and interest). It includes predetermined payments associated with servicing debt to the IMF, loans contracted directly by the government, loans contracted under government guarantee on which the guarantee has been exercised (serviced by the guarantor), as well as with securities issued in foreign currency by the government and the NBM. These payments are reflected under "Outflows" with the "minus" sign.
2. Others, which includes inflows and outflows related to REPOs, trade credits, as well as accounts payable in foreign currency for contractually defined purchases of goods and services.

Section III. ***Contingent short-term net drains on foreign currency assets*** includes short-term (for the following 12 months) conditional drains on foreign currency resources that may be made by the country's authorities (NBM and Ministry of Finance).

This Section covers two types of contingent flows:

1. those that emanate from potential assets and liabilities (like undrawn and unconditional credit lines, contingent liabilities in the form of guarantees and securities with embedded options); and
2. those that reflect possible future inflows and outflows of foreign currency arising from the authorities' positions in options contracts, if the options are exercised.

Section III differs from Section II, as foreign currency flows to be reflected in Section III are conditioned by exogenous events.

Section III comprises the authorities' contingent liabilities in foreign currency, including collateral guarantees (1(a)). Only contractual obligations of the authorities are included here, i.e. this Section reflects scheduled payments (on principal and interest) associated with the servicing of loans and securities contracted or issued under government guarantee, when the guarantee has not been activated. Other legal or implicit contingent liabilities of the authorities are reported under the item 1(b). Contingent liabilities are to be disclosed when they are recognized, that is when the legal obligations take force. An example of other contingent liabilities are commercial banks' required reserves in foreign exchange held with the NBM. The whole amount of these reserves is reflected as having a maturity of one month or less.

Section IV. ***Memo items*** provides supplementary information covering:

1. stocks and flows not disclosed in Sections I – III but deemed relevant for assessing the authorities' reserves and foreign currency liquidity positions, as well as risk exposure in foreign exchange;
2. additional details on stocks and flows disclosed in Sections I – III;
3. stocks and flows presented according to classifications or valuation criteria different from those in Sections I – III.

Subsection IV.2. ***Currency composition of reserves*** (by groups of currencies). Two major groups of currencies are specified: currencies in the SDR basket (total and by type of currency) and currencies outside of the SDR basket.

Currently, the SDR basket comprises the following currencies: US dollar, euro, Chinese yuan, Japanese yen, and pound sterling. Conventionally, based on the IMF's recommendation, in the RDT monetary gold and assets in SDR (such as participations in SDR and the reserve position in the IMF) are included in the total amount of currencies in the SDR basket.

Tags

International Reserves and Foreign Currency Liquidity [3]

RDT [4]

Reserves Data Template [5]

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