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The Rules of the Game: Data-Related Mandate, Obligations, and Practices at the IMF

Miguel de Las Casas

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Prepared by Miguel de Las Casas

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Author's E-Mail Address: mdelascasas@imf.org

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ABBREVIATIONS

CBS	Central Bank Survey
CGD	Central Government Debt
COFER	Composition of Foreign Exchange Reserves
CDIS	Coordinated Direct Investment Survey
CPIS	Coordinated Portfolio Investment Survey
CPI	Consumer Price Index
DCS	Depository Corporations Survey
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
FSA	financial stability assessment
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
GDDS	General Data Dissemination System
GGO	General Government Operations
GRA	General Resources Account
HIPC	Highly Indebted Poor Countries
IAIS	International Association of Insurance Supervisors
<i>IFS</i>	<i>International Financial Statistics</i>
IIP	International Investment Position
IMFC	International Monetary and Financial Committee
PC	Performance Criteria
PPI	Producer Price Index
PRGT	Poverty Reduction and Growth Trust
PRGF	Poverty Reduction and Growth Facility
PSI	Policy Support Instrument
PSO	Public Sector Operations
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
SDR	Special Drawing Rights
SPR	Strategy, Policy, and Review Department of the IMF
STA	Statistics Department of the IMF
TA	technical Assistance
TCIRS	Table of Common Indicators Required for Surveillance

EXECUTIVE SUMMARY

To carry out its mandate to foster global economic and financial stability, the IMF's effectiveness hinges fundamentally on the availability of timely and accurate data. Most basically, without the appropriate data, the Fund would be unable to fulfill its responsibilities in the areas of crisis prevention—exercising proper surveillance—and crisis resolution—through Fund-supported program design and implementation.

This critical need for data and the associated obligations of its member countries, ingrained in the Articles of Agreement since the foundation of the Fund, have evolved over time, resulting in the current legal framework: a set of legal provisions that aim to ensure the Fund's effectiveness in its operations, provide a level playing field for all members, and safeguard both economic stability and the institution's financial resources.

Beyond the rules for mandatory data provision, the Fund also relies on a number of voluntary initiatives and programs to meet its data needs. In fact, most of the economic information used by the Fund is provided by member countries voluntarily. This cooperation is based on trust and mutually beneficial. Better data enables the Fund to better deliver on its responsibilities, which, in turn, means providing a better service to members and other stakeholders.

Somewhere midway between legal obligations and purely voluntary provision, the Fund also uses moral suasion to encourage members to provide good quality data. This is pursued through a combination of periodic evaluations of the data provided by individual countries, included in selected reports, and increased publication expectations of those reports.

On the part of the Fund, very few obligations exist regarding data dissemination. However, it engages in activities to (i) promote the production and dissemination of good quality data—ranging from the provision of technical assistance to the design of international standards—and (ii) monitor the data provided by member countries in different contexts. The Fund also follows a transparency policy that promotes the publication of most documents, including those that provide detailed data on individual countries.

I. INTRODUCTION

1. **The IMF's core operations depend critically on the availability of timely and accurate data.** At the most basic level, without enough good quality data, the Fund would be unable to provide useful and properly tailored policy advice to its members, or to lend its resources on solid grounds so that programs have reasonable prospects for success. An emphasis on the collection of the necessary data and the problems this could entail was already prominent at the very foundation of the institution. Harry Dexter White sketched a system for data collection and management at the Fund and foresaw many of the pitfalls that would need to be overcome (IMF, 1946).
2. **This fundamental need for information was transformed into specific obligations for members, as ingrained in the original IMF Articles of Agreement.** However, the subsequent evolution of the global economy dictated new informational needs to which the IMF had to adapt. Adaptation occurred partly through a series of updates of the legal provisions that govern the mandatory furnishing of data to the IMF—often in response to major economic crises—and resulted in the current legal framework. The latter encompasses the basic guiding principles, a list of the minimum data to be provided by member countries, and the procedures to be followed in the relatively infrequent cases of misreporting. These legal underpinnings are intended to ensure that the Fund's operations can be effectively conducted, they provide a level playing field for its members, and they help to safeguard both economic stability (globally and bilaterally) and the institution's financial resources.
3. **At the same time, the Fund has sought to fulfill its data requirements through the development of practices not embedded in the legal framework.** Most of these practices are based on the voluntary sharing of data by members. Indeed, the majority of the economic information used by the Fund is provided voluntarily. This cooperation is based on trust and on its mutually beneficial nature. On the one hand, having abundant and reliable information enables the Fund to better deliver on its responsibilities, while, on the other, members and stakeholders in general benefit from higher quality IMF policy advice, financing programs, technical assistance, and publications.
4. **The rest of this paper presents the current framework in which flows of data take place and reviews its historical underpinnings.** Section II analyzes the provision of data to the Fund by member countries, both legally-required and voluntary. Section III considers the Fund's obligations and practices. Section IV offers some conclusions.

II. MEMBERS' OBLIGATIONS AND PRACTICES

A. General Obligations

Article VIII, Section 5—Furnishing of Information

5. **The Fund's requirements regarding data provision arose out of the institution's prospective role at the time of its founding.** The IMF was charged with helping to rebuild the international monetary system after World War II, including overseeing the system of fixed exchange rate arrangements between countries (the par value system) and providing short-term balance of payments financing.

6. **Thus, the Articles of Agreement, as adopted in 1944 at the Bretton Woods Conference, laid out the legal framework governing data provision by members to the IMF.** In particular, Article VIII, Section (5), describes the obligations of members to furnish information to the Fund—both for surveillance and for the use of the Fund's general resources—and establishes the "*minimum necessary*" information to be provided by member countries, so that the Fund can discharge its duties (Table 1). The data requirements laid out in Article VIII reflect the needs of an institution working under the par value system, with member countries' exchange rates pegged to the U.S. dollar and the value of the latter fixed in terms of gold. Consequently, they mainly center on holdings and flows of gold and foreign exchange, trade, and exchange controls.

7. **The Fund is also empowered to request information in a comprehensive and flexible way.** To this effect, Article VIII, Section (5) states that "*The Fund may require members to furnish it with such information as it deems necessary for its activities....*" This power is nonetheless a prerogative of the Executive Board. Fund's staff or management are not authorized to make such a requirement.¹ Furthermore, Article VIII, Section 5(b) notes two important additional restrictions. First, the Fund "*shall take into consideration the varying ability of members to furnish the data requested,*"—a provision that is mainly relevant for the assessment of possible cases of breach of obligations. Second, members are not obliged to provide information "*in such detail that the affairs of individuals or corporations are disclosed.*"

8. **Article VIII, Section 5 also explicitly recognized the voluntary provision of information.** In addition to the mandatory information, Section 5(c) clarifies that "*The Fund may arrange to obtain further information by agreement with members,*" a capacity informally exercised by staff on a continuous basis.

¹ The Executive Board may decide to request data from the membership in general or from a specific member country. See IMF (1995a and 2000b).

Strengthening the effectiveness of Article VIII, Section 5

9. **Beyond the Articles of Agreement, the IMF has kept the mandatory provision of data by member countries under frequent review since the early years**, in a quasi-continuous effort to keep the data available to the institution aligned with its members' needs. However, problems with data reporting have been recurrent.

10. **A major step in this process was the 1977 Surveillance Decision,**² adopted in response to the Second Amendment of the Articles of Agreement. Following the termination of the par value system in 1971, the 1977 Decision significantly expanded the purview of the Fund's surveillance responsibilities, implicitly recognizing the need for more and broader data.^{3,4} At the same time, as discussed below, major crises have shaped and widened the policies of the Fund on statistics-related issues. For example, while the 1982 Latin American debt crisis put the emphasis on external debt and international banking statistics, the 1997 Asian crisis highlighted the need for solid financial sector and reserves data.

11. **Another milestone was the Executive Board decision, in April 1995, setting an “absolute minimum” of data to be provided by members to the Fund for surveillance purposes.** The agreement was reached in the midst of a growing awareness of the potentially disastrous effect misreporting of data may have on the quality of surveillance (triggered by the 1994 Mexican crisis). This absolute minimum included the balance sheet of the central bank, plus ten key economic indicators, as shown in Table 1 (IMF, 1995a; 1995c).

12. **All these steps led to the adoption of Decision No. 13183—Strengthening the Effectiveness of Article VIII, Section 5—in January 2004.** Three closely interrelated factors drove the Executive Board to take this decision.⁵ First, major crisis episodes had highlighted the criticality of timely and proper provision of information for the effective discharge of the Fund's duties (by 2003, the experience of the 1997 Asian crisis was added to that from the 1994 Mexican crisis). Second, the list of data to be provided to the IMF on a mandatory basis had become clearly insufficient. Most notably, fiscal and monetary aggregates, core to the effectiveness of surveillance, were still missing in the Articles of

² Decision No. 5392-(77/63), adopted April 29, 1977.

³ The Second Amendment, although effective April 1, 1978, was approved by the Board of Governors on April 30, 1976, triggering the deliberations on the 1977 Decision. See Boughton (2001), IMF (1995b and 2006a).

⁴ The 1977 Surveillance Decision was later replaced by the 2007 and 2012 surveillance decisions, which further aligned surveillance with the requirements of the evolving global economy without imposing new obligations on members, including those of a statistical nature (respectively, Decision No.13919-(07/51), June 15, 2007, “Bilateral Surveillance over Members’ Policies—2007 Decision;” and Decision No.15203-(12/72), July 18, 2012, “Decision on Bilateral and Multilateral Surveillance.”

⁵ See IMF (2003b).

Table 1. IMF Members' Formal and Minimum Obligations Regarding Data Provision

1944–Article VIII, Sec 5	1995–Absolute Minimum	2004–Decision No. 13183 (updated 2010)
<p>(i) official holdings at home and abroad of (1) gold, (2) foreign exchange;</p> <p>(ii) holdings at home and abroad by banking and financial agencies, other than official agencies, of (1) gold, (2) foreign exchange;</p> <p>(iii) production of gold;</p> <p>(iv) gold exports and imports according to countries of destination and origin;</p> <p>(v) total exports and imports of merchandise, in terms of local currency values, according to countries of destination and origin;</p> <p>(vi) international balance of payments, including (1) trade in goods and services, (2) gold transactions, (3) known capital transactions, and (4) other items;</p> <p>(vii) international investment position, i.e., investments within the territories of the member owned abroad and investments abroad owned by persons in its territories so far as it is possible to furnish this information;</p> <p>(viii) national income;</p> <p>(ix) price indices, i.e., indices of commodity prices in wholesale and retail markets and of export and import prices;</p> <p>(x) buying and selling rates for foreign currencies;</p> <p>(xi) exchange controls, i.e., a comprehensive statement of exchange controls in effect at the time of assuming membership in the Fund and details of subsequent changes as they occur;</p> <p>(xii) where official clearing arrangements exist, details of amounts awaiting clearance in respect of commercial and financial transactions, and of the length of time during which such arrears have been outstanding.</p>	<p>(i) exchange rates;</p> <p>(ii) international reserves;</p> <p>(iii) reserve or base money;</p> <p>(iv) broad money;</p> <p>(v) interest rates;</p> <p>(vi) consumer price index;</p> <p>(vii) exports and imports;</p> <p>(viii) external current account balance;</p> <p>(ix) overall fiscal balance;</p> <p>(x) GDP or GNP.</p> <p>Balance sheet of the central bank</p>	<p>(i) reserve, or base money;</p> <p>(ii) broad money;</p> <p>(iii) interest rates, both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds;</p> <p>(iv) revenue, expenditure, balance and composition of financing (i.e., foreign financing and domestic bank and nonbank financing) for the general and central governments respectively; the stocks of central government and central government-guaranteed debt, including currency and maturity composition and, if the debt data are amenable to classification on the basis of the residency or nonresidency of the holder, the extent to which the debt is held by residents or nonresidents;</p> <p>(v) balance sheet of the central bank;</p> <p>(vi) external current account balance;</p> <p>(vii) exports and imports of goods and services;</p> <p>(viii) for the monetary authorities: international reserve assets (specifying separately any reserve assets that are pledged or otherwise encumbered), reserve liabilities, short-term liabilities linked to a foreign currency but settled by other means, and the notional values of financial derivatives to pay and to receive foreign currency (including those linked to a foreign currency but settled by other means);</p> <p>(ix) gross domestic product, or gross national product;</p> <p>(x) consumer price index;</p> <p>(xi) gross external debt; and</p> <p>(xii) consolidated balance sheet of the banking system.</p>

Agreement. The lessons from some experiences in the late nineties⁶—both in program and non-program cases—showed how the lack of comprehensiveness of Article VIII, Section 5 hampered the Fund’s ability to act on the misreporting of these crucial variables. Finally, the third factor was the Fund’s interest in equipping itself to face the growing number of misreporting cases. However, at the time of the adoption of the Decision, it was made explicit that the cooperative nature of the data provision policy was to be preserved. In addition, and of significant importance, the 2004 decision clarified the scope of Article VIII, Section 5 to cover not only the non-provision of data, but also the provision of inaccurate data.

13. **Decision No. 13183 constitutes the second pillar of the IMF data provision framework.** It (i) expands and updates the list of data considered mandatory (Table 1);⁷ (ii) states the steps to be followed when a country does not meet its obligations (see the following section on deficient data reporting), and (iii) develops the consideration given in Article VIII, Section 5, to member countries’ capacity to furnish information, outlining steps members need to follow in cases when they are unable to furnish the required information.

14. **As Table 1 reveals, the Fund’s de jure data needs have evolved substantially over time.** While several of the categories adopted in 1944 have become outdated, Decision No. 13183 drew heavily on the 1995 minimum and added, most significantly, the requirements on public sector debt, external debt and the consolidated banking sector balance sheet. The adoption of the Decision did not constitute a revolution for the data provision policy of the Fund, since the majority of the data sets were already being routinely provided by members voluntarily. Decision No. 13183 was therefore understood as an alignment of members’ obligations to current practices. In any case, as discussed below, the information members share with the IMF de facto, on a voluntary basis, vastly exceeds the minimums required by the legal framework.⁸

⁶ For example: Egypt (1999–2000), Jordan (1996–98), Pakistan (1998–99), Russia (1996–98), Thailand (2000), and Ukraine (1996–98).

⁷ The list presented reflects the current version of Decision No.13183-(04/10), January 30, 2004, as amended by Decision Nos.13814-(06/98), November 15, 2006, (...), and 14354-(09/79), July 23, 2009, effective January 7, 2010.

⁸ Article IV, Section 3(b) on Surveillance over Exchange Arrangements provides an additional piece to the Fund’s legal architecture on data provision. It states that “each member shall provide the Fund with the information necessary for such surveillance, and, when requested by the Fund, shall consult with it on the member’s exchange rate policies.” Nevertheless, this provision remains undeveloped and unused, since the Executive Board has never specified what “necessary” means in this context and the Fund relies on Article VIII to obtain the information it needs. See IMF (2000b).

B. Deficient Data Reporting⁹

15. **Serious deficient data reporting constitute a relatively infrequent phenomenon at the IMF, but they reemerge intermittently.**¹⁰ For instance, during the seventies and early eighties, a number of misreporting cases generated concerns about their impact on the credibility of Fund-supported programs and the quality of the members' cooperation with the institution. Eventually, they triggered the adoption of the 1984 *Misreporting and Noncomplying Purchases in the General Resources Account—Guidelines on Corrective Action*¹¹ (Misreporting Guidelines). During the following decade, episodes of misreporting concentrated on data provision for program monitoring¹² and cases varied widely in terms of (i) severity, ranging from instances of minor nonobservance of conditionality to cases of misrepresenting the real economic situation and policies; and (ii) the degree of intent, ranging from misreporting due to institutional weakness to systematic and deliberate misreporting. Similarly, the misreporting cases in the late 1990s signaled some possible gaps in the legal framework and were understood as having a high cost to the Fund's relations with the affected members. Therefore, IMF Management considered them of great gravity, since *"they represent(ed) a breach of trust by certain members and could undermine the Fund's credibility and reputation,"* (IMF, 2000d). They led to a hardening of the IMF's attitude towards reporting deficiencies, as reflected in the 2000 modification of the Misreporting Guidelines. More recently (between 2000 and 2008), 44 cases of misreporting under Fund-supported programs occurred, while concerns regarding data provision for surveillance were raised 19 times in the period 2003–12.

16. **Decision No. 13183 establishes the general procedures to be followed when a member breaches its obligation to provide information.** Breaches occur both in cases of lack of provision or when the data is supplied inaccurately or late. For the procedures to unfold, as a precondition, the Executive Board has to rule out the possibility of the misreporting being due to the members' inability to provide the information. The process would follow the eight steps described in Annex 1. In general terms, it would progress gradually, contemplating a number of interactions, minimum periods, and warnings, followed

⁹ Within the Fund, the term "misreporting" refers legally to cases of inaccurate provision of information in the context of Fund financed programs and PSIs only, while "breach of obligations" is used, in the context of surveillance, to refer to unmet obligations under Article VIII, Section V.

¹⁰ See IMF (1984a, 1984b, 2000a, 2008a, and 2012e), and <http://www-intranet.imf.org/departments/SPR/UFR/Pages/Misreporting-and-Safeguards.aspx> (internal).

¹¹ Decision No. 7842-(84/165), November 16, 1984, as amended by Decisions Nos. 12249-(00/77), July 27, 2000, and 13849-(06/108), December 20, 2006. See also IMF (2000e). The legal foundation for the Guidelines is to be found in Article V, Section 3(a) of the Articles of Agreement, which require the Fund to establish adequate safeguards for the use of its resources.

¹² Ethiopia (1996–97), Hungary (1982–89), Kyrgyz Republic (1996–98), Mauritania (1988), Mauritius (1985), Philippines (1990), Romania (1995–96), Senegal (1986), and Zaire (1985). See IMF (2000a).

by increasingly forceful measures on the part of the Fund. If the concerned member fails repeatedly to adopt appropriate remedial action, sanctions can escalate from a statement of concern to a declaration of censure,¹³ followed by ineligibility to use the Fund's resources, suspension of voting rights, and, finally, expulsion.

17. **A specific set of stricter procedures applies when the deficient reporting—s.s. misreporting—is associated with disbursements under Fund-financed programs**, as contained in the Misreporting Guidelines. For the misreporting framework to apply, the member must have made a “noncomplying purchase” (i.e. a purchase that it was not entitled to make), because of inaccurate information provided by the authorities which has led the Fund to believe erroneously that the member had complied with all the relevant Performance Criteria (PC)¹⁴ and other conditions applicable (any measures expressly identified by the Executive Board for approval of an arrangement, completion of a review, or granting of a waiver).

18. **Importantly, and unlike Article VIII, Section (5), the Misreporting Guidelines apply regardless of the member's ability to provide the relevant information or the reasons for misreporting.** Therefore, they may apply with or without the concurrence of a breach of obligations under Article VIII. Another significant difference is that the Misreporting Guidelines apply only in the first four years following the noncomplying purchase, while there is no time limit for the application of Article VIII, Section (5).

19. **According to the Misreporting Guidelines, members will be called on to take corrective action**, provided that a disbursement is (i) financed by the GRA; (ii) authorized on the basis of information that is later proved to be inaccurate: and (iii) still outstanding. When IMF staff finds an indication that conditionality originally reported as fulfilled may not have been observed, it is the Managing Director's responsibility to notify the member and begin appropriate consultations to find out whether the purchase was in effect “noncomplying.” If that is the case, the Managing Director must notify the member of this finding and report to the Executive Board, making recommendations on the steps to be followed. If up to four years have elapsed between the noncomplying purchase and the notification to the member, the Executive Board may decide either to (i) request repayment of the outstanding amount, or (ii) grant a waiver of nonobservance—normally, only if the

¹³ The most recent such case is Argentina, for which the Executive Board issued a declaration of censure in February 2013. The Board had earlier called on Argentina to implement remedial measures to address the quality of official data reported to the IMF (CPI and GDP) and found that progress had not been sufficient. The case remains outstanding.

¹⁴ Performance Criteria (PC) are quantitative targets for variables whose observance or implementation is established as a formal condition for the making of purchases or disbursements under a Fund arrangement. Decision No. 13183 refers exclusively to PCs, but Decisions No.7842 (see below) and No. 12250, extend the definition to other forms of conditionality, including, explicitly, Prior Actions. In general terms, information demanded under a program's conditionality, i.e., arising from a decision of the Executive Board, is covered by Article VIII, Section 5 and decision No. 13183, since it has been required by the Fund. See IMF (2000b).

deviation from the relevant condition was minor or temporary, or if the member has adopted additional corrective policies. If the member does not make the requested repayment, the subsequent report of the Managing Director to the Executive Board may include a recommendation to initiate actions under Article V, Section 5 of the Articles of Agreement, i.e., ineligibility to use the Fund's general resources.

20. **The procedures above are adapted to particular cases.** They are somewhat softened when the nonobservance is considered to be *de minimis* in nature, or when it occurs under the Policy Support Instrument, given that the use of the latter does not entail the use of Fund resources (IMF, 2005d). Similarly, misreporting episodes associated with disbursements under the Poverty Reduction and Growth Trust (PRGT) facilities¹⁵ are subject neither to Article VIII, Section 5, nor to the Misreporting Guidelines. Since these arrangements are not financed by the GRA, the obligations of members using PRGT resources are governed exclusively by the Poverty Reduction and Growth Facility (PRGF) Instrument, which includes a very similar set of procedures.

C. Initiatives and Programs

21. **Beyond the universal obligations embedded in the IMF legal framework, member countries furnish the institution with data in the context of diverse initiatives and programs.** They do so both in support of the Fund's own operations and using it as a dissemination platform. As discussed below, the degree to which these practices are voluntary varies widely.

C.1. Special Data Dissemination Standard

22. **The financial crisis originating in Mexico in 1994 highlighted the importance of transparency (or lack thereof) for preventing turmoil in financial markets.** In the context of volatile and increasingly integrated global financial markets, uncertainty over a country's real economic situation—e.g., the level of foreign exchange reserves in Mexico—could become an important contributing factor to the severity and systemic nature of the crisis (see, for example, Anjaria, 1999). In response, in April 1995, the International Monetary and Financial Committee—at the time called the Interim Committee—requested the creation of a set of standards to guide countries in the public dissemination of data. Thus, the IMF consulted with national statistical agencies around the world and designed the Special Data Dissemination Standard (SDDS), which was approved by the Executive Board in March 1996.

¹⁵ The Poverty Reduction and Growth Trust (PRGT) is an account administered by the IMF but financed with donations, not with Fund's resources. See Poverty Reduction and Growth Trust, Annex: Instrument to Establish the Poverty Reduction and Growth Trust, Appendix I: Misreporting and Noncomplying Disbursements. Decision No. 8759-(87/176) ESAF, December 18, 1987, as amended by Decision Nos. 9115-(89/40) ESAF, March 29, 1989, (...), and 15035-(11/116), December 1, 2011. See also IMF (2000b).

23. **The SDDS is intended to increase the public availability of data**, thereby contributing to the implementation of sound macroeconomic policies and to a better functioning of financial markets. More precisely, it was conceived as a tool for proper data dissemination for those economies interested, or already active, in capital markets.

24. **Participation is voluntary but once a country has subscribed, it entails certain commitments** along four dimensions (IMF, 2007): (i) the data dimension, which establishes the coverage, periodicity and timeliness of the data to be disseminated (Box 1 below); (ii) public accessibility, to ensure all parties have ready and equal access to the information; (iii) integrity, to build trust in the data producers, the SDDS requires transparency regarding the terms and conditions under which official statistics are produced, government access to data before release, ministerial commentary upon releases, and revisions and changes in methodology; and (iv) quality.

25. **The standard, as its very name indicates, focuses on dissemination practices, not on quality.** Indeed, data quality is not monitored by the Fund in the context of the SDDS and, therefore, membership does not necessarily imply better statistics. The assessment of data quality is left to the users. To help them undertake this assessment, the SDDS prescribes the dissemination of information—or “monitorable proxies”—on the methodologies used by subscribers. The Fund, however, does monitor whether the data released by subscribers¹⁶ are consistent with the standard’s specifications on coverage, periodicity, and timeliness,¹⁷ and publishes observance reports annually. This setup implies that a country may be in full observance of the standards, and reported as such in the Dissemination Standards Bulletin Board (DSBB), and at the same time be providing faulty data—i.e. potentially in breach of its obligations under Article VIII, Section 5. While “legally” viable, this possibility is inconsistent with the overarching goals of the Data Standards Initiative (see next section) and erodes its credibility.

26. **Metadata¹⁸ for each participant’s prescribed data categories are published in the DSBB, “as provided to the IMF by the respective country.”** The Fund publishes and maintains the DSBB, a website for the dissemination of information. However, the metadata posted on the DSBB is provided by subscribers and the responsibility for its accuracy and reliability rests with them. According to the SDDS Guide for Subscribers and Users, the role of the IMF is to review “subscribers’ metadata for comprehensiveness and international

¹⁶ These include documentation on methodology and sources used, component detail, reconciliations with related data, statistical frameworks that support cross-checks and provide assurances of reasonableness, and deviations from internationally accepted statistical methodologies in the metadata.

¹⁷ “Serious and persistent non observance” is cause for removal from the standard.

¹⁸ Information on the countries’ current compilation and dissemination practices, including methodologies used, calendars, coverage, sources and scope of data.

comparability.” The DSBB currently provides information for 64 SDDS subscribing countries. With the exception of West Bank and Gaza, for which no information on compliance is provided, virtually all the categories in every country are reported as meeting the SDDS requirements.¹⁹

C.2. General Data Dissemination System

27. **Created in 1997, the General Data Dissemination System (GDDS) constitutes a less-demanding version of the SDDS.** Together they form the Data Standards Initiative, later complemented with the introduction of the SDDS Plus (see below). Working on the same four dimensions of data as the SDDS, the goal of the GDDS is to provide a framework to address the needs of those economies willing to disseminate relevant information and to develop their statistical systems over time. In 2015, the Executive Board decided to enhance the system (e-GDDS) to support transparency, encourage statistical development, and help create synergies between data dissemination and surveillance. The GDDS does not formally constitute a standard, as the two other components of the DSI, and therefore compliance is not assessed in the same way.²⁰

28. **Participation is voluntary and generates no obligations regarding data provision.**²¹ It does, however, demand (i) a commitment to use the GDDS as a framework for the development of national systems for data management and (ii) the preparation of metadata on compilation and dissemination practices and the elaboration of short and medium term plans for improvement. Currently, 112 GDDS participant economies post their metadata in the DSBB²² (the list does not include SDDS participants).

C.3. SDDS Plus

29. **Established in October 2012, the SDDS Plus aims at addressing some of the fissures uncovered by the global financial crisis,** just as the SDDS was created in reaction to the data gaps identified during the Mexican crisis. Its main focus is on financial stability.

¹⁹ DSBB, Summary of Observance, as of May 5, 2015. Out of a total of approximately 1,450 categories, 1,440 are reported as compliant, nine as non-available or blank (mostly encouraged categories), and one as not meeting SDDS requirements.

²⁰ See IMF (2015a).

²¹ The General Data Dissemination System 2013, Guide for Participants and Users. Performance under the GDDS was not monitored since it is not a standard as the SDDS and the SDDS plus. Under the new e-GDDS, however, monitoring is increased, with the aim of fostering dialogue during Article IV missions on constraints and capacity-building needs. Monitoring for e-GDDS participants is possible when they set up a National Statistics Development Plan, and its results will be published on the DSBB. Remaining issues are to be briefly discussed in the Article IV report’s Statistical Issues Appendix.

²² DSBB-GDDS-Participating Countries, as of May 5, 2015.

In fact, the increasing integration of financial systems and the idea that some countries' financial sectors play a determining role in the functioning of the international monetary system constitute the core of this initiative.²³ Participation is also voluntary and open to all SDDS subscribers. Economies with systemically important financial sectors, as determined by the Executive Board, are especially encouraged to join.

30. The SDDS Plus is based on the same four dimensions of data dissemination as the SDDS, and adds the following obligations:

- **Data dimension:** further to those in the SDDS, SDDS Plus adherents must observe requirements in nine additional data categories (Box 1). The latter are closely related to the list of 20 recommendations produced by the Financial Stability Board (FSB) and the IMF under the G-20's Data Gaps Initiative.
- **Quality:** on top of the demands for SDDS subscribers, the SDDS Plus (i) prescribes the dissemination of deviations from internationally accepted statistical methodologies, and (ii) encourages data modules of the Reports on the Observance of Standards and Codes (see below), or other quality assessments, every seven to ten years.

31. The goal of the SDDS Plus is to include as adherents all those economies that play a leading role in international capital markets and have internationally interconnected institutions. During the transition period—through end-2019—adherents may fall short of fulfilling up to four of the additional nine data categories, provided that they elaborate credible transition plans. Currently eight SDDS Plus adherents post their metadata in the DSBB.²⁴

32. As in the SDDS, responsibility for accuracy lies with adherents. The IMF publishes the metadata on the DSBB, but the “responsibility for the accuracy and completeness of the metadata and underlying economic and financial data remains with the respective adherent.” The observance verifications undertaken by the Fund for the SDDS Plus are virtually identical to those conducted for the SDDS.

C.4 Financial Sector Assessment Program

33. The Financial Sector Assessment Program (FSAP) was created in 1999, following the Asian crisis, which highlighted the “devastating effects of financial system failures on macroeconomic stability, growth, and welfare” (IMF, 1999a; 1999b). As a result, the FSAP was launched with the ultimate goal of promoting the stability and health (and, when necessary, the development, jointly with the World Bank) of domestic financial sectors, so they can contribute to growth and economic progress. In operational terms, the Fund's main

²³ The Special Data Dissemination Standard Plus, Guide for Adherents and Users, 2014.

²⁴ France, Germany, Italy, Netherlands, Portugal, Spain, Sweden, United States.

goal under the program is financial sector crisis prevention through the early detection of weaknesses and the suggestion of policy responses.

Box 1. SDDS and SDDS Plus Data Categories

The SDDS distinguishes two types of data categories: “prescribed” and “encouraged.” Prescribed data categories are those considered essential for country economic analysis and their dissemination is mandatory for subscribers. The second type, “encouraged,” includes additional categories that may increase the transparency of a country’s economic performance and policy implementation, but are not compulsory. Prescribed data categories may be grouped into:

- Real sector: national accounts, production index, employment, unemployment, wages/earnings, consumer price index (CPI), and producer price index (PPI).
- Fiscal sector: general government operations (GGO) or public sector operations (PSO), central government operations (CGO), and central government debt (CGD).
- Financial sector: depository corporations survey (DCS), central bank survey (CBS), interest rates, and share price index of the stock market.
- External sector: balance of payments, official reserve assets, international reserves and foreign currency liquidity, merchandise trade, international investment position (IIP), external debt, and exchange rates.
- Data on population.

Additional categories prescribed by the SDDS Plus:

- (i) Sectoral balance sheets
- (ii) Quarterly general government operations
- (iii) General government gross debt
- (iv) Other financial corporations’ survey
- (v) Financial soundness indicators
- (vi) Debt securities
- (vii) Participation in the Currency Composition of Foreign Exchange Reserves (COFER) database (dissemination of these data is not prescribed)
- (viii) Participation in the Coordinated Portfolio Investment Survey (CPIS)
- (ix) Participation in the Coordinated Direct Investment Survey (CDIS).

34. **The financial stability assessments (FSAs) under the FSAPs are data-intensive.** They include three main elements: an evaluation of risks to macro-financial stability, a study of the country’s financial stability policy framework, and the analysis of the authorities’ capacity to manage a financial crisis. This means that a large amount of data and metadata is provided by members; e.g., those necessary to conduct: (i) assessments of financial soundness, (ii) solvency, liquidity, and insurance sector stress tests, and (iii) evaluations of compliance with a number of internationally recognized principles (e.g., the Basel Core Principles, the International Association of Insurance Supervisors Core Principles).

35. **A salient aspect of the provision of information during an FSA is the need for confidential data.** Normally gathered and managed by banking supervisors, such information is often highly market-sensitive and refers to individual institutions. Given that,

as discussed above, countries are under no obligation to share this type of information with the IMF, the conduct of these exercises relies on an agreement (and trust) between staff and the authorities on how to share data in ways that are voluntary and do not break the member's confidentiality laws. In practice, this is done in a variety of ways, for example by providing individual institutions' data without disclosing the institutions' names, entrusting authorities to conduct the stress tests according to the conditions specified by the IMF, or granting access to information on a confidential basis (reading room).²⁵

36. **In 2010, FSAs became mandatory for some members.** Although more than two thirds of the membership had participated in the program up to 2010, FSAPs were conducted on a strictly voluntary basis. However, the continued globalization of financial markets and the major failings unveiled by the 2007–08 global financial crisis made evident the need for further integration of surveillance over financial policies and traditional bilateral surveillance. Thus, in September 2010, the Executive Board decided to make FSAs a mandatory part of Article IV surveillance, helping to overcome previous reluctance by some economies to volunteer for the FSAP.²⁶ Thus, FSAs became mandatory, every five years, for a subset of jurisdictions deemed to have systemically important financial sectors on the basis of their size and interconnectedness; the list of such jurisdictions²⁷ is to be reviewed periodically.

37. **According to the IMF, the legal basis for the conduct of these mandatory assessments is provided by Articles IV and VIII and Decision No. 13183.** In fact, no extension or modification to Decision No. 13183 was deemed necessary at the time of the adoption of mandatory FSAs,²⁸ implying confidence in the authorities' willingness to provide the data needed voluntarily.

III. THE FUND'S OBLIGATIONS AND PRACTICES

38. **The IMF has few legal obligations with regard to data and statistics.** In particular, when it comes to its own publications, the Fund is obliged to publish only (i) an annual report containing its audited accounts, and (ii) a periodic summary of its operations and its holdings of Special Drawing Rights (SDRs), gold, and members' currencies. This responsibility is stated in Article XII, Section 7, of the Articles of Agreement, which leaves the publication of

²⁵ The FSAP mission team is granted access to confidential information only in a reading room, where electronic reproduction and distribution systems are not allowed.

²⁶ Notably, prior to the global financial crisis, the U.S. had not volunteered to participate in the FSAP.

²⁷ Currently comprised of Australia, Austria, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Hong Kong SAR, India, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, Norway, Poland, Russian Federation, Singapore, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States.

²⁸ See IMF (2010c).

any other reports at the discretion of the Fund. More explicitly, in its pamphlet *Financial Organization and Operations of the IMF*, the Fund describes “*the collection and dissemination of economic and financial data on its member countries*”²⁹ as voluntary, under the category “*service and supplementary informational functions.*” This would cover those IMF publications widely used as statistical references, such as the *International Financial Statistics* or the Balance of Payments Statistics (notwithstanding the importance attached by H.D. White to the launch of these publications during the establishment of the IMF),³⁰ and the so-called flagship reports, i.e., the *World Economic Outlook* (including the *WEO Database*), the *Global Financial Stability Report*, and the *Fiscal Monitor*. The Fund is under no obligation to disseminate data on the economic situation of its members.

39. **Formally, however, serving as an informational hub is part of the Fund’s mandate.** Article VIII, Section 5(c), contains a generic provision stating that the Fund “*shall act as a center for the collection and exchange of information on monetary and financial problems...*”, thus furthering the Fund’s first purpose: “*To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems*”(Article I(i)).³¹

40. **In practice, the IMF has undertaken a number of responsibilities in the realm of data management and dissemination.** Despite the scarcity of legal obligations to publish, the Fund publishes a large number of reports, fosters the publication of documents by countries, and attempts to monitor the quality of the data that feeds into its publications.

A. Data Quality

A.1 General data quality controls

41. **As a first line of action, the Fund supports good quality data management and production in member countries.** This is pursued, essentially, through the provision of technical assistance and capacity building to improve national statistical systems and by promoting the implementation of quality standards.

42. **Secondly, as part of its analytic functions, the IMF is supposed to refine and cross-check the information received,** both in the context of the financial programming

²⁹ Together with “*reporting on its country and global surveillance assessments, and disseminating its policy and research findings.*”

³⁰ See IMF (1946).

³¹ The Fund’s flagship publication for dissemination of statistics—the *International Financial Statistics (IFS)*—has a history dating almost to the inception of the IMF. See Annex 2 for an abbreviated history of the *IFS*.

framework and as part of its internal review processes, including through comparison against third party sources (IMF, 2000a).

43. **Thirdly, the Fund conducts and publishes explicit quality evaluations of the information received.** To evaluate the quality of statistics, the Fund uses the Data Quality Assessment Framework (DQAF).³² Rooted in the UN *Fundamental Principles of Official Statistics* and developed by the Fund in consultation with statistical authorities around the world, the DQAF was presented to the Executive Board in 2001 as part of its Data Standards Initiative. It evaluates the quality of statistical systems—their governance, processes, and products. However, as with the SDDS, the Fund, to a great extent, has to rely on the information provided by countries regarding data quality to undertake the assessment. The Fund can evaluate metadata, but it does not have the resources to analyze the accuracy of the data. To do that, assessments are structured in six parts, i.e., the existence of a set of prerequisites—legal and institutional—and five dimensions of data quality: assurances of integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility. For each dimension, good practices are identified and, in turn, several indicators are chosen for each good practice.

44. **The DQAF provides the organizing model for the Report on the Observance of Standards and Codes—Data Module (Data ROSC).** Data ROSCs are conducted by Fund staff at the request of member countries, and are therefore voluntary. They provide an in-depth evaluation of members’ macroeconomic statistics against the SDDS or the GDDS—to assess dissemination practices—complemented by an assessment of data quality based on the DQAF. They also include staff’s recommendations aimed at increasing the member’s adherence to international statistical practices and the usefulness of statistics. Data ROSCs are resource-intensive, both in terms of staff and the budget, and take a long time to complete, including experts working in the field and at headquarters. This led the Statistics Department of the IMF (STA) to, first, reduce the number of exercises undertaken and, more recently, to temporarily suspend data ROSCs.

A.2 Data quality for surveillance

45. **The Fund is expected to systematically assess the quality of the data provided by member countries for Article IV consultations and its implications for surveillance.** Evaluations are guided by the *Data Provision to the Fund for Surveillance Purposes—Operational Guidance Note*,³³ and follow the structure of the DQAF (as detailed above). In order to make these assessments clear and comparable across countries, staff is expected to use a homogenized classification system. The one currently in use was approved and

³² See IMF (2003e) and <http://dsbb.imf.org/Pages/DQRS/DQAF.aspx>.

³³ See IMF (2013d) and its previous version IMF (2008b).

reviewed at the time of the *2008 and 2012 Reviews of Data Provision to the Fund for Surveillance Purposes*.³⁴

46. **In accordance with this system, the quality of the data is ranked as being A, B, or C, according to the following definitions:**

- A. *Adequate*; meaning that the data provided are sufficiently good to analyze economic developments and offer policy advice in the areas central to surveillance,
- B. *Broadly adequate*; meaning that the data provided allow for the conduct of surveillance but have some shortcomings,
- C. Data quality *significantly hamper(s)* surveillance; meaning that the data provided have serious shortcomings that introduce significant uncertainty which, in turn, has a material impact on the quality and reliability of the policy recommendations.

47. **The language above should be used by staff in Article IV reports to state their assessment of the members’ data adequacy.** The latter should also be described in the Statistical Issues Appendix, a document that, (i) when applicable, also indicates whether the country participates in the GDDS, the SDDS, or the SDDS Plus, (ii) contains a Table of Common Indicators Required for Surveillance (TCIRS),³⁵ and (iii) includes detailed information on any data issues, their implications, and remedial measures. The Operational Guidance Note requires staff to explicitly distinguish between different sources of statistics—“official statistics, other sources of data, and staff estimates”—in tables and charts. Special emphasis is to be given to the need to highlight and explain the use, if any, of staff estimates instead of official data.³⁶

48. **The requirement to include explicit data quality evaluations in Article IV reports is intended to prompt corrective action.** Data adequacy is expected to be a topic for discussion with the authorities during Article IV consultations, to an extent commensurate with its effects on surveillance quality. In case C countries, for example, data issues should always be raised. This dialogue with the authorities on data adequacy should be informed by prior consultation with STA and the Strategy, Policy and Review Department (SPR), who are to raise key issues and suggest remedial measures and possible technical assistance.

³⁴ See IMF (2008a and 2012e).

³⁵ A TCIRS is a standardized table that provides information (e.g., on timeliness, frequency, methodology, and accuracy) regarding the quality of the main surveillance indicators.

³⁶ The previous version of the guidelines, approved in 2008, was much more explicit: “especially when staff have had to construct key data based on limited information.”

A.3 Data quality for Fund arrangements

49. **In the context of financing programs, the Fund takes additional steps by conducting *safeguards assessments*.** These assessments, introduced in 2000, are intended to mitigate the risk of misuse of IMF resources and minimize misreporting under Fund-supported programs.³⁷ A safeguards assessment evaluates the capacity of the central bank to manage the funds adequately and provide reliable information. Assessments are based on the documentation provided by the central banks and on discussions with central banks' officials and external auditors. While complementary, safeguards assessments are conducted independently from other activities mentioned above, such as surveillance, program discussions, FSAPs, ROSCs, or TA.

50. Five key areas are analyzed at the onset of a Fund-supported program and monitored for as long as credit is outstanding:

- External audit mechanism; the publication of the central bank's annual financial statements, audited independently and according to international standards is a key requirement.
- Legal structure and autonomy; in this area, work focuses on the regulations and practices of the central bank in the areas of autonomy, transparency, and governance, with the main goal of preventing government interference.
- Financial reporting; an assessment of the central bank's operations against international best practices for transparent financial accounting and reporting.
- Internal audit mechanism; staff assesses whether the internal audit is effective, independent, and sufficiently resourced. Compliance with international standards is also evaluated.
- System of internal controls; this part of the review focuses on the oversight of external and internal audits, and on the controls over banking, accounting and foreign exchange operations, with a particular emphasis on reserves management.

51. **Central banks constitute the core of the assessments**, given that they are typically in charge of managing the disbursements and reporting data. However, when the financing is provided for direct budgetary support, assessments also look at the framework delineating the responsibilities of the central bank and the government in connection to the repayment of the

³⁷ The safeguards assessments policy applies to all countries seeking financial support from the Fund, with the exception of arrangements under the Flexible Credit Line—given that users of this facility are subject to strong institutional requirements—and First Credit Tranche Purchases (up to 25 percent of the country's quota). Arrangements under the Policy Support Instrument and the Staff Monitored Program do not involve use of Fund resources and, therefore, in this context, conducting a safeguards assessment is not mandatory.

loan. Moreover, a recent review of the safeguards assessment policy³⁸ introduced a requirement to conduct fiscal safeguards reviews for all exceptional access arrangements with an expectation that at least 25 percent of the funds will be directed to financing of the state budget.

52. **The outcomes of these exercises are the Safeguards Assessment Reports, which are confidential.** They identify vulnerabilities and make recommendations that may become part of the program benchmarks. They always evaluate possible risks regarding the monetary data reported to the Fund. Despite the confidential character of these documents, the Executive Board is informed of their findings and recommendations, and a summary is included in the program staff reports. Subject to the consent of the central bank in question, they can be shared confidentially with the European Central Bank (ECB) and the World Bank.

B. Transparency

53. ***“The Fund will strive to disclose documents and information on a timely basis unless strong and specific reasons argue against such disclosure.”***³⁹ Despite the absence of legal obligations to publish, the Fund recognizes, under this general principle, the critical importance of transparency, both for member countries and for the Fund itself. Thanks to continuous reforms, especially over the last twenty years, transparency now permeates many activities of the Fund, and country information is extensively published. Nevertheless, there is a tension between transparency and candor. Among other effects, greater openness by the Fund may lead to increased sensitivity to public exposure on the part of countries, reducing their willingness to share non-mandatory data.

54. **The Fund’s *Transparency Policy*, a set of established publications procedures, applies to those documents for which the Executive Board is the primary audience.** The latter, especially country and multi-country documents (see below), contain comprehensive and detailed country data and statistics—including historical data as well as estimates and projections. The general aim of the policy is to enhance transparency while explicitly recognizing members’ right to decide on publication of documents that pertain to member countries, consistent with the need for the Fund to safeguard confidential information, and the Fund’s ability concerning publication of its views with respect to a member.⁴⁰ Publication

³⁸ See IMF (2015b).

³⁹ Decision No. 13564-(05/85), October 5, 2005, as amended by Decision Nos. 13814-(06/98), November 15, 2006, (...), 14497-(09/126), December 17, 2009, effective March 17, 2010, and amended again on June 28, 2013, Decision No. 15420-(13/61).

⁴⁰ The Transparency Policy cannot prevent the Fund from exerting its power, under Article XII, Section 8 of the Articles of Agreement, to publish a document made to a member country, provided that (i) a 70 percent of the voting power agrees, and (ii) the situation in that member “tend(s) to produce a serious disequilibrium in the international balance of payments of members.”

of Board documents is governed by the Transparency Policy and publication of country documents is voluntary in that the Fund may not publish these documents without the members' consent.

55. **Approved in January 2001, Decision No. 12405 is the origin of the Fund's Transparency Policy.** Under its most recent version—amended in June 2013—the Transparency Policy distinguishes three types of documents, whose publication rules are different:

- (i) ***Country documents:*** These are reports on individual countries (and currency unions), i.e., reports prepared for surveillance, use of Fund resources, the Policy Support Instrument (PSI), and, in some instances, technical assistance. In general terms, publication of country documents follows a “voluntary but presumed” regime, which has three main implications:
- The decision to publish a country document ultimately lies with the member concerned;
 - Members are encouraged to agree to the publication of such documents by the Fund. Indeed, the Managing Director will generally not recommend approval by the Executive Board of (i) arrangements under the PRGT or their reviews, (ii) HIPC decisions, (iii) PSI requests or reviews, and (iv) the use of the Fund's general resources, unless the country consents to the publication of the associated reports;
 - The consent of the member is normally obtained on a “non-objection” basis; meaning that documents will be published after the Board's consideration, unless the member country expresses some kind of concern or requests more time to make a decision on publication.
- (ii) ***Fund policy documents:*** This category refers to staff reports on general policy issues, including surveillance, use of Fund resources, technical assistance, and internal administrative matters. The Executive Board is to decide on the publication of these documents, but publication is presumed in most cases.
- (iii) ***Multi-country documents:*** This category of documents includes:
- Multilateral policy issues documents, which address global multilateral economic issues. The publication regime of Fund policy documents, as described above, is applicable to them.
 - Country background pages, which include non-integrated analyses of individual countries and individual country data. The publication rules of these reports, or their sections dealing with an individual country, resemble those for country

documents, since decision to publish rests with the concerned country on a non-objection basis. If one or more of the members concerned objects, the Managing Director may decide to (i) publish the country background pages without the information on the objecting member, or (ii) recommend to the Executive Board not to publish the country background pages or the associated multi-country document.

- Cluster documents, where issues that affect a group of countries are analyzed and each individual country analysis is integrated into the broader analysis. Consent of each and every member country included in the cluster, on a non-objection basis, is requested for publication.

56. **The *Transparency Policy* also provides the rules for deletions and corrections in these documents** (Decision No. 13564 (05/85); IMF, 2013b), often a fundamental piece of the clearance process for countries to agree to their publication:

- ***Country documents***; deletions from this kind of document are restricted to non-public information that, in the judgment of the Managing Director, (i) is highly market sensitive, so that its disclosure may create a disruptive market reaction in the short term, or (ii) if made public, may seriously hamper the country's policy intentions. As a rule, information regarding conditionality may not be deleted. Deletions may be requested by the member concerned or by other members if the text to be deleted refers to them. If serious disagreements emerge, the matter may be referred to the Executive Board. Corrections should be limited to data or typographical errors, factual mistakes, mischaracterization of the country's views, and evident ambiguity.
- ***Fund policy and multi-country documents***; prior to publication, the Managing Director may make the necessary factual corrections or deletions to the report, except for the staff's proposals, which shall not be modified. Only the *WEO*, the *GFSR*, and the *FM* may be modified by staff prior to publication.

57. **Finally, as part of efforts to promote openness and transparency, the Fund applies an *Open Archives Policy*,**⁴¹ by which documents in the Fund's archives are made publicly available, once specific time periods lapse—e.g. three or five years for Executive Board documents—and subject to certain exemptions.

⁴¹ See Decision No. 14498-(09/126), adopted 12/17/09 and effective 03/17/10, as amended.

IV. CONCLUSIONS

- The legal framework of the IMF states the minimum data to be furnished by members and provides the Fund with a comprehensive power to request data from countries, subject to certain limitations.
- The minimum legal requirements regarding data provision have evolved over time to meet the needs of the institution and its stakeholders; on many occasions changes have been made in response to problems evidenced by crises. This adaptation has materialized, not in amendments of the Articles of Agreement, but in Board-approved decisions and through the development of voluntary mechanisms.
- Mandatory provision of information accounts for only a fraction of all the data supplied by members to the IMF, especially in the context of surveillance. Most data are shared cooperatively on a voluntary basis.
- While serious misreporting cases are not numerous, they have been a recurrent problem over the years and may have grave implications in terms of credibility and trust. The Fund's approach to addressing misreporting incidents has also evolved over time, tightening the procedures when its own resources are at stake and linking the intensity of its reaction to the severity and duration of the misreporting.
- The conduct of the Fund's operations is not the only reason why members furnish the institution with large amounts of data. They also do it to populate the data dissemination tools designed and run by the Fund. Importantly, however, the accuracy of the information disseminated by the Fund through these mechanisms remains the sole responsibility of the supplying countries.
- The Fund promotes and supports the quality of countries' data provision in a variety of ways. It also evaluates the adequacy for surveillance purposes of the data provided. As an incentive for the adoption of corrective measures, where needed, these evaluations are typically made public.
- The Fund is under very limited obligation to publish the documents it produces. The decision to publish country documents—which include large amounts of data and statistics—ultimately lies with the concerned members on a case-by-case basis. However, publication is subject to the IMF's demanding transparency policy, which presumes the publication of all documents under the purview of the Executive Board. This increases public exposure, which, in turn, may have an impact on countries' willingness to share non-mandatory data.

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ANNEX 1. MISREPORTING PROCEDURAL FRAMEWORK

1. When it appears to the Managing Director that a member is not providing the information required, the Managing Director, seeking the cooperation of the member's Executive Director, will call upon the authorities to do so. If there is no satisfactory reaction by authorities, the Managing Director will inform the member of his intention to make a report to the Executive Board under Rule K-11 for breach of obligation, and will provide a period for the fulfillment of the obligations.
2. After expiration of the period, if the member's response is not satisfactory, the Managing Director shall make such report, which will (i) identify the nature of the breach, (ii) include the member's response, if any, to the Managing Director's notification, and (iii) may include recommendations on remedial actions to be taken by the member.
3. Within ninety days from the issuance of the report the Executive Board will consider the possible breach of obligations. In doing so, the Executive Board may request additional clarifications from the authorities or from the staff, specifying a deadline.
4. If the member is found in breach of its obligations, the Executive Board may call upon the member to adopt remedial actions within a specified period, in general, no longer than ninety days. The decision of the Executive Board may include the intention of the Managing Director to recommend the issuance of a declaration of censure if actions are not adopted before the deadline. Once the period has expired, and in the absence of a satisfactory reaction by the member, the Managing Director will report to the Executive Board, and may recommend the latter to decide on whether to (i) extend the period, (ii) call upon the member to take additional actions, or (iii) issue a declaration of censure.
5. Before a declaration of censure, the Executive Board may issue a statement of concern to the member, providing it with a period to respond. If a declaration of censure is needed, it will identify the breach of obligation under Article VIII, Section 5 and the remedial actions not taken by the member. It may also identify a new deadline for the missing actions and/or new actions. It will note that failure to implement the actions called for in the declaration may result in the issuance of a complaint for ineligibility under Article XXVI (a). The Managing Director will report to the Executive Board on the status of the required actions at the end of the specified period.
6. If the breach persists, the Managing Director may issue a complaint to the Executive Board and recommend declaring the member ineligible to use the general resources of the Fund. Such decision by the Executive Board will note that the member's persistence in its failure to fulfill its obligations following the declaration of

ineligibility may result in the issuance of a complaint for the suspension of the member's voting and related rights.

7. If the situation persists for six months after the declaration of ineligibility, the Managing Director may issue a complaint and recommend that the Fund suspend the member's voting and related rights. Such decision by the Executive Board will note that the member's persistence in its failure to fulfill its obligations following the declaration of suspension of voting and related rights may result in the issuance of a complaint for compulsory withdrawal.
8. Six months after the suspension of voting rights, if the breach persists, the Managing Director may initiate the proceedings for compulsory withdrawal from the Fund.

ANNEX 2. AN ABBREVIATED HISTORY OF THE *IFS*

As can be seen in Table A2.1 below, the *IFS* has changed substantially since its inception. In line with the Fund's evolution, it has grown larger and much more complex. For example, the maximum number of time series per country was 37 in 1948, while in 2014 that figure had risen to 640 in the printed version and to 1,818 in the electronic one—reaching a total of 119,429 for all members in the *IFS* database. Over the same period, the number of countries for which information is published went from 57 to 194. The current *IFS* also differs from its original conception. In 1946, the intention was for the Fund to publish only the economic data needed for the institution's operations, and this was viewed as providing a valuable public service;¹ thus, the *IFS* was born as useful by-product of the Fund's main responsibilities. However, today's *IFS* has grown well beyond this limited approach and now includes a very comprehensive list of variables that goes far beyond what staff use for the Fund's day-to-day operations.

¹ “The Fund should restrict its efforts to the preparation, presentation and possibly collection only of that part of economic data bearing directly on Fund problems (...). The rest should be left to other agencies.” “A published monthly or quarterly Fund bulletin containing statistics of material bearing directly on the problems of the Fund.” (IMF, 1946)

Table A2.1. Summary* of IFS Evolution

Year	1948	1950	1960	1970	1980	1990	2000	2010	2014
Number of countries	57	62	66	103	123	145	171	191	194
Number of series per country**	37	46	117	137	160	190	241	319	670
Countries**	Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Rep., Ecuador, Egypt, El Salvador, Finland, France, Greece, Guatemala, Honduras, Hungary, Iceland, India, Iran, Iraq, Ireland, Italy, Luxemburg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Palestine, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Syria and Lebanon, Turkey, Union of the South Africa, UK, US, Uruguay, Venezuela, Yugoslavia	Bulgaria, Ceylon, Ethiopia, Germany, Indonesia, Israel, Japan, Pakistan, Romania, (Palestine), Southern Rhodesia, Thailand	Afghanistan, Belgium-Luxembourg, Burma, China (Taiwan), Equatorial Africa, Czechoslovakia, Ghana, Haiti, Hungary, Jordan, Korea, Lebanon, Luxemburg, Malaya, Poland, Southern Rhodesia, Syria and Lebanon, Vietnam	Burundi, Cameroon, Central African Rep., Chad, China Republic of.-(Taiwan), Congo (Brazza), Congo, Dem. Rep., Cyprus, Cuba, Dahomey, Egypt, Gabon, Guyana, Indonesia, Ivory Coast, Jamaica, Kenya, Kuwait, Libyan Arab Republic, Malagasy Rep., Malawi, Malaysia, Mali, Malta, Mauritania, Malaya, Morocco, Nepal, Niger, Nigeria, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Trinidad & Tobago, Tunisia, Uganda, United Arab Rep., Upper Volta, West Africa, Zambia	Algeria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium-Luxembourg, Benin, Botswana, Republic of China, Congo, Dem. Rep., Dahomey, Egypt, Equatorial Africa, Fiji, Gambia, Grenada, Indonesia, Liberia, Luxemburg, Mauritius, Netherlands, Antilles, Oman, Papua New Guinea, Qatar, Singapore, Sri Lanka, Suriname, Vietnam, West Africa, Western Samoa, Yemen Arab Rep., Zaire	Antigua & Barbuda, Aruba, Belize, Burkina Faso, Burma, Ceylon, Comoros, Djibouti, Dominica, Equatorial Guinea, Hungary, Lesotho, Maldives, Myanmar, Poland, Romania, St. Lucia, St. Vincent, Seychelles, Solomon Islands, Swaziland, Upper Volta, Vanuatu, Yemen People's Dem. Rep. of, Zimbabwe	Afghanistan, Albania, Angola, Armenia, Azerbaijan, Belarus, Bhutan, Bulgaria, Cambodia, Cape Verde, China, P.R. Hong Kong, Congo Dem. Rep., Croatia, Czech Republic, Estonia, Euro Area, Guinea, Guinea-Bissau, Kazakhstan, Kyrgyz Republic, Lao People's Dem. Rep., Latvia, Lithuania, Macedonia FYR, Moldova, Mongolia, Mozambique, Namibia, Russia, St. Kitts & Nevis, Samoa, Sao Tome & Principe, Slovak Republic, Slovenia, Somalia, Tonga, Ukraine, Western Samoa, Yemen Arab Rep., Yemen People's Dem. Rep. of, Yemen Rep. of, Yugoslavia	Afghanistan, Anguilla, Bosnia & Herzegovina, Brunei Darussalam, CEMAC, China PR, Macao, ECCU, Eritrea, Georgia, Kosovo, Micronesia, Montenegro, Montserrat, San Marino, Serbia Rep. of, Tajikistan, Timor-Leste, Yemen Rep. of	Curaçao, Curaçao and St. Marteen, Netherlands Antilles, St. Marteen, South Sudan
Sectors covered per country	Exchange Rates, Gold and Foreign Holdings, Assets of the Central Bank, Assets of Other Banks, Currency and Deposits, Money and Capital Market, Prices, Foreign Trade, Production, Employment	Gold and Foreign Holdings, Assets, Foreign Transactions, Government Finance, National Income	Gold and Foreign Assets Exchange, Monetary Survey, Monetary Authorities, Commercial Banks, Life Insurance, Interest	International Liquidity, Gold and Foreign Exchange, Other Financial Institutions, Life Insurance, Currency and Deposits, Balance of Payments, Money and Capital Market,	Wages	Deposit Money Banks, Other Banking Institutions, Commercial Banks, Financial Survey, Central Bank, Assets of Other Banks,	Fund Position, Banking institutions, Banking Survey, Money (National Definitions), Treasury Securities by Holders, International Investment Position	SRF sections: Central Bank, Other Depository Corporations, Depository Corporations (Nat'l Residency), Depository Corporations (EA-wide Residency), Other Financial Corporations, Financial Corporations, Monetary Aggregates	

Table A2.1. Summary* of *IFS* Evolution

Year	1948	1950	1960	1970	1980	1990	2000	2010	2014
World Tables content	Exchange Rates (per USD and per Pound Sterling), Gold and Foreign Exchange, World Gold Production, Government Dollars Bonds in New York, World Trade (Exports & Imports)	Exchange Rates (per USD and per Pound Sterling), Government and Other Dollars Bonds in New York, London, Zurich, Amsterdam, Stockholm, World Trade, Prices in Terms of USD, Prices of Major Commodities in USD	Money Supply, Area and Commodity Distributions of Trade, Interest Rates, Prices of Major Commodities in USD, Prices expressed in USD	International Liquidity, Reserve Position in the Fund, Use of Fund Credit, Reserves, Gold Production, Changes in the Money Supply and Consumer Prices, Prices-Indexes expressed in USD	Fund Accounts, All Drawings, Repayments by Repurchase, Currencies Drawn, Repurchase by Currency of Repurchase, Credit Tranches Outstanding, Holding of SDRs, Total reserves minus Gold, Exports, Imports, Export Unit Values, Import Unit Values	Exchange Rates Arrangements, International Reserves, International Banking, Interest Rates, Real Effective Exchange Rate Indices, Money, Consumer Prices, Industrial Production	Article VII Acceptances, International Banking	Article VII Acceptances, Financing Components: Outstanding Obligations to the Fund, Purchases, Repurchases, Loan Disbursements, Repayments of Loans, Total Credit & Loans Outstanding, Use of Fund Credit, Total Reserves minus Gold, SDR Holdings, Reserve Position in the Fund, Foreign Exchange, Gold, Total Reserves, Broad Money, International Interest Rates	Financing Components: Outstanding Obligations to the Fund, Purchases, Repurchases, Loan Disbursements, Repayments of Loans, GDP Volume Measures, GDP Deflators

* After 1948 only additions and removals (struck through) to each one of the components are reported.

** Not only country information is reported; *IFS* also includes data for economic regions or combinations of countries.

