

**EXECUTIVE  
BOARD  
MEETING**

SM/22/35  
Supplement 2

February 18, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Review of Data Provision to the Fund for Surveillance Purposes—Proposed Decision**

Board Action: Executive Directors' **consideration** (Formal)

Tentative Board Date: **Monday, March 14, 2022**

Proposed Decision: Pages 1–10

Questions: Mr. Sommer, SPR (ext. 39998)  
Ms. Tumbarello, STA (ext. 34395)  
Ms. Rendak, LEG (ext. 34104)  
Mr. Saito, SPR (ext. 34645)  
Ms. Marchettini, STA (ext. 38397)  
Ms. Ams, LEG (ext. 38053)



## Proposed Decision

The following decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

1. The Fund has reviewed data provision for surveillance purposes and Annex A to Decision No. 13183-(04/10), as amended ("2004 Decision"), pursuant to paragraph 1 of the 2004 Decision.
2. The 2004 Decision is hereby further amended to reflect the changes set forth in the Attachment to this decision.
3. The next review of data provision to the Fund for surveillance purposes and Annex 1 of the 2004 Decision shall take place in five years or more, as needed, following the date of the adoption of this decision.

## Attachment<sup>1</sup>

### Strengthening the Effectiveness of Article VIII, Section 5

1. Pursuant to Article VIII, Section 5, the Fund decides that all members shall provide the information listed in Annex A to this decision, which is necessary for the Fund to discharge its duties effectively. Members shall provide the data specified in ~~Annex A for the periods commencing after December 31, 2004, except as provided in paragraph 1(a). items 1-26 of Annex A for the periods commencing after the dates indicated therein for each data category. Members identified as having systemically important financial sectors, in accordance with Decision No. 1436-(10-92), as amended, as of the date of adoption of this decision, shall further provide the data specified in items 27-31 of Annex A for the periods commencing after the dates indicated therein for each category. Members identified as having systemically important financial sectors after the date of the adoption of this decision shall provide data specified in items 27-30 of Annex A for the periods commencing three years after the date of such identification, and item 31 of Annex A for the periods commencing one year after the date of such identification.~~ Reviews of Annex A shall be conducted together with reviews of data provision to the Fund for surveillance purposes, ~~and the next review of Annex A and data provision to the Fund for surveillance purposes shall take place no later than April 30, 2013.~~<sup>1</sup>.

~~(a) Members shall provide the data specified in paragraph (viii) of Annex A for the periods commencing after December 31, 2008.~~

2. When a member fails to provide information to the Fund as specified in Article VIII, Section 5 or in a decision of the Fund adopted pursuant to that Article including information listed in Annex A (hereinafter information required under Article VIII, Section 5), the procedural framework set forth in paragraphs 5 through 17 below shall apply. Failure to provide information includes both the nonprovision of information and the provision of inaccurate information.

3. A member has an obligation to provide information required under Article VIII, Section 5 to the best of its ability. Therefore, there is no breach of obligation if the member is unable to provide information required under Article VIII, Section 5 or to provide more accurate information than the information it has provided. However, a member that is unable to provide final data is obligated to provide provisional data to the best of its ability until it is in a position to provide the Fund with final data. When assessing a member's ability to provide information, the Fund will give the member the benefit of any doubt.

4. In the context of performance criteria associated with the use of the Fund's general resources, a member may be found in breach of its obligation under Article VIII, Section 5 only if (i) it has reported that a performance criterion was met when in fact it was not, or that a performance criterion was not observed by a particular margin and it is subsequently discovered that the margin

<sup>1</sup> For the information of Directors, Appendix I contains a clean version of the Decision incorporating the amendments proposed herein.

of non-observance was greater than originally reported, and (ii) a purchase was made on the basis of the information provided by the member, or the information was reported to the Executive Board in the context of a review which was subsequently completed or of a decision of the Executive Board to grant a waiver for non-observance of the relevant performance criterion.

### **Procedures Prior to Report by the Managing Director to the Executive Board**

5. Whenever it appears to the Managing Director that a member is not providing information required under Article VIII, Section 5, the Managing Director shall call upon the member to provide the required information; before making a formal representation to the member, the Managing Director shall inform, and enlist the cooperation of, the Executive Director for the member. If the member persists in not providing such information and has not demonstrated to the satisfaction of the Managing Director that it is unable to provide such information, the Managing Director shall notify the member of his intention to make a report to the Executive Board under Rule K-I for breach of obligation unless, within a specified period of not less than a month, such information is provided or the member demonstrates to his satisfaction that it is unable to provide such information.

6. Whenever it appears to the Managing Director that a member has provided inaccurate data on information required under Article VIII, Section 5, the Managing Director shall consult with the member to assess whether the inaccuracy is due to a lack of capacity on the part of the member; provided however, that in de minimis cases, as defined in paragraph 1 of Decision No. 13849, the preliminary communications and consultations with the member may be conducted by the Area Department. If, after the consultation with the member, the Managing Director finds no reason to believe that the inaccuracy is due to a lack of capacity on the part of the member, he shall notify the member of his intention to make a report to the Executive Board for breach of obligation under Rule K-I unless the member demonstrates to his satisfaction within a period of not less than one month that it was unable to provide more accurate information.

7. If the Managing Director concludes that the nonprovision of information or the provision of inaccurate information is due to the member's inability to provide the required information in a timely and accurate fashion, he may so inform the Executive Board. In that case, the Executive Board may decide to apply the provisions of paragraph 10 below.

### **Report by the Managing Director**

8. After the expiration of the period specified in the Managing Director's notification to the member, the Managing Director shall make a report to the Executive Board under Rule K-I for breach of obligation, unless the Managing Director is satisfied that the member's response meets the requirements specified in his notification. The report shall identify the nature of the breach and include the member's response (if any) to the Managing Director's notification, and may recommend the type of remedial actions to be taken by the member.

### **Consideration of the Report**

9. Within 90 days of the issuance of the Managing Director's report, the Executive Board will consider the report with a view to deciding whether the member has breached its obligations. Before reaching a decision, the Executive Board may request from the staff and the authorities additional clarification of the facts respecting the alleged breach of obligation; the Executive Board will specify a deadline for the provision of such clarification.

10. If the Executive Board finds that the member's failure to provide information required under Article VIII, Section 5 is due to its inability to provide the information in a timely and accurate fashion, the Executive Board may call upon the member to strengthen its capacity to provide the required information and ask the Managing Director to report periodically on progress made by the member in that respect. The member may request technical assistance from the Fund.

11. (a) If the Executive Board finds that the member has breached its obligation, the Executive Board may call upon the member to prevent the recurrence of such a breach in the future and to take specific measures to that effect. Such measures may include the implementation of improvements in the member's statistical systems or any other measures deemed appropriate in view of the circumstances.

(b) In addition, if the Executive Board finds that the member is still not providing the required information, the Executive Board will call upon the member to provide such information.

(c) The Executive Board will specify a deadline for taking any remedial actions specified under (a) and (b); in principle, the deadline will not exceed 90 days for actions specified under (b). The decision may note the intention of the Managing Director to recommend the issuance of a declaration of censure if the specified actions are not implemented within the specified period. In order to assist the Executive Board in identifying the appropriate actions to address a breach of obligation under Article VIII, Section 5, the member may, before the Board meeting, provide the Executive Board with a statement specifying the remedial actions it intends to take and a proposed timeframe. The member may also request technical assistance from the Fund.

(d) At the expiration of the period specified by the Executive Board, the Managing Director shall report to the Executive Board on the status of the specified actions. If the member has not taken the specified actions within the specified period, and depending on the circumstances of such failure, the Managing Director may recommend and the Executive Board may decide: (1) to extend the period before further steps under the procedural framework are taken; (2) to call upon the member to take additional remedial actions within a specified timeframe; or (3) to issue a declaration of censure against the member.

### **Declaration of Censure**

12. If a member fails to implement the actions specified by the Executive Board before the established deadline, the Managing Director may recommend and the Executive Board may decide

to issue a declaration of censure. Before the adoption of a declaration of censure, the Executive Board may issue a statement to the member setting out its concerns and giving the member a specified period to respond.

**13.** The declaration of censure will identify the breach of obligation under Article VIII, Section 5 and the specified remedial actions the member has failed to take within the specified timeframe. The declaration may specify a new deadline for the implementation by the member of the specified remedial actions; in addition, the declaration may identify further remedial actions for the member to implement before the specified deadline. It will note that the member's failure to implement any of the actions called for in the declaration within the specified timeframe may result in the issuance of a complaint for ineligibility under Article XXVI(a) and the imposition of this measure. At the expiration of the period specified by the Executive Board, the Managing Director shall report to the Executive Board on the status of the specified actions.

### **Sanctions under Article XXVI**

**14.** Following the adoption of a declaration of censure, if the Executive Board finds that the member has failed to implement any of the actions called for in the declaration within the specified timeframe, the Managing Director may issue a complaint to the Executive Board and recommend that the Executive Board declare the member ineligible to use the general resources of the Fund for its breach of obligation under Article VIII, Section 5. The Executive Board decision declaring the member ineligible to use the general resources of the Fund will note that the member's persistence in its failure to fulfill its obligations under Article VIII, Section 5 following the declaration of ineligibility may result in the issuance of a complaint for the suspension of the member's voting and related rights and in the imposition of this measure.

**15.** If the member persists in its failure to fulfill its obligations under Article VIII, Section 5 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. The Executive Board decision suspending the member's voting and related rights will note that the member's persistence in its failure to fulfill its obligations under Article VIII, Section 5 following the declaration of suspension of voting and related rights may result in the issuance of a complaint for compulsory withdrawal and in the initiation of the proceedings for the compulsory withdrawal of the member from the Fund.

**16.** If the member persists in its failure to fulfill its obligation under Article VIII, Section 5 for six months after the suspension of its voting rights, the Managing Director may initiate proceedings for the compulsory withdrawal of the member from the Fund.

**17.** All the Executive Board decisions arising from a breach of obligation taken under the procedures described above, including a decision to issue the statement of concern referred to in paragraph 12 above, will give rise to a public announcement with prior review of the text by the Executive Board.

- 18.** (a) The following procedures shall apply to cases in which a member provides inaccurate information required under Article VIII, Section 5:
- (i) for the purposes of a performance criterion under an arrangement in the General Resources Account, or
  - (ii) for another purpose in circumstances where the relevant information is reported to the Fund with respect to a performance criterion under an arrangement under a facility of the Poverty Reduction and Growth Trust, a quantitative target under a Policy Coordination Instrument, or an assessment criterion under a Policy Support Instrument, and understandings have been reached between Fund staff and the relevant member that such reporting shall be made not only for the purposes of the relevant arrangement or instrument but for such other purposes as well, and where the deviation from the relevant performance criterion or assessment criterion, as the case may be, is judged to be de minimis as defined in paragraph 1 of Decision No. 13849.
- (b) Whenever the Managing Director considers a deviation described in paragraph 18 (a) to be de minimis in nature:
- (i) the consultations and notifications contemplated in paragraph 6 may be made by a representative of the relevant Area Department, and
  - (ii) the report of the Managing Director contemplated in paragraph 8 shall, wherever possible, be included in a staff report on the relevant member that deals with issues other than the potential breach of Article VIII, Section 5 and, with respect to potential remedial actions for such breach of obligation, shall include a recommendation that no further action be taken by the Fund. In those rare cases in which such a document cannot be issued to the Board promptly after the Managing Director concludes that a breach of obligation under Article VIII, Section 5 has arisen, the Managing Director shall consult Executive Directors and, if deemed appropriate by the Managing Director, a stand-alone report under Rule K-1 will be prepared for consideration by the Executive Board normally on a lapse-of-time basis.
- (c) Whenever the Executive Board, under paragraph 11(a), finds that a breach of obligation under Article VIII, Section 5 has occurred but that the relevant deviation was de minimis in nature as defined in paragraph 1 of Decision No. 13849,
- (i) the Executive Board shall decide that no further action be taken by the Fund with respect to the breach, and
  - (ii) under paragraph 17, the finding of breach of obligation shall not be published by the Fund.

## ANNEX A

The data referred to in paragraph 1 of this decision are the national data on the following matters:<sup>2</sup>

- ~~(i) reserve, or base money;~~
- ~~(ii) broad money;~~
- ~~(iii) interest rates, both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds;~~
- ~~(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<sup>3</sup>; 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;~~
- ~~(v) balance sheet of the central bank;~~
- ~~(vi) external current account balance;~~
- ~~(vii) ——— exports and imports of goods and services;~~
- ~~(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);~~
- ~~(ix) gross domestic product, or gross national product;~~
- ~~(x) consumer price index;~~
- ~~(xi) gross external debt<sup>4</sup>; and consolidated balance sheet of the banking system.~~

	<b><u>Required Information</u></b>	<b><u>For the periods commencing after</u></b>
1	<u>reserve, or base money</u>	<u>December 31, 2004</u>

<sup>2</sup> Table 1A, Table 2, Table 3A, and Table 3B in Chapter 5 of SM/22/35, Supplement 1, provide further information on the applicable definitions for items 4, 11 and 13-31 of Annex A.

<sup>3</sup> The general government consists of the central government (budgetary funds, extrabudgetary funds, and social security funds) and state and local governments.

<sup>4</sup> Gross external debt is the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of principal and/or interest by the debtor at some point(s) in the future and that are owed to nonresidents by residents of an economy. (SM/03/386, Sup. 1, 1/23/04).

<u>2</u>	<u>broad money</u>	<u>December 31, 2004</u>
<u>3</u>	<u>interest rates, both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds</u>	<u>December 31, 2004</u>
<u>4</u>	<u>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 residual maturity composition and the extent to which the debt is held by residents or nonresidents</u>	<u>December 31, 2004</u>
<u>5</u>	<u>balance sheet of the central bank</u>	<u>December 31, 2004</u>
<u>6</u>	<u>external current account balance</u>	<u>December 31, 2004</u>
<u>7</u>	<u>exports and imports of goods and services</u>	<u>December 31, 2004</u>
<u>8</u>	<u>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)</u>	<u>December 31, 2008</u>
<u>9</u>	<u>gross domestic product, or gross national product</u>	<u>December 31, 2004</u>
<u>10</u>	<u>consumer price index</u>	<u>December 31, 2004</u>
<u>11</u>	<u>gross external debt</u>	<u>December 31, 2004</u>
<u>12</u>	<u>consolidated balance sheet of the banking system</u>	<u>December 31, 2004</u>
<u>13</u>	<u>Total stock of general government debt</u>	<u>March 30, 2023</u>
	<u>Decomposition of stock of general government debt by residual maturity, by currency, and the extent to which the debt is held by residents or nonresidents</u>	<u>December 31, 2024</u>
<u>14</u>	<u>Stock of central and general government debt—decomposition by creditor type, by instrument, and by individual and official bilateral creditors<sup>5</sup></u>	<u>December 31, 2024</u>

<sup>5</sup> Only required for members where the share of debt to multilateral and official bilateral creditors is above 20 percent of the total stock of debt at the general government level (excluding guaranteed debt) at the end of the last reported year. If information on the share of debt to multilateral and official bilateral creditors is not available at the general government level, such share shall be calculated at the central government level.

15	<a href="#">Total stock of general government-guaranteed debt</a>	<a href="#">December 31, 2026</a>
16	<a href="#">Total stock of non-financial public corporations debt</a>	<a href="#">December 31, 2024</a>
17	<a href="#">Liquid financial assets of central and general government</a>	<a href="#">December 31, 2024</a>
18	<a href="#">Aggregated profit/loss of non-financial public corporations</a>	<a href="#">December 31, 2024</a>
19	<a href="#">Foreign exchange intervention (FXI) by the central bank (or corresponding monetary authority) (i) in the spot market (net amount), and (ii) undertaken with derivative instruments (net amount)</a>	<a href="#">March 30, 2023</a>
20	<a href="#">FXI by other public sector entities undertaken at the direction of the central bank (or corresponding monetary authority) in the spot market and with derivative instruments (net amount)</a>	<a href="#">March 30, 2023</a>
21	<a href="#">Transactions by the central bank (or corresponding monetary authority) with other central banks (or corresponding monetary authorities) (net amount)</a>	<a href="#">March 30, 2023</a>
22	<a href="#">Banks' Financial Soundness Indicators:</a>	
	<a href="#">Regulatory capital to risk-weighted assets</a>	<a href="#">March 30, 2023</a>
	<a href="#">Tier 1 capital to risk-weighted assets</a>	<a href="#">March 30, 2023</a>
	<a href="#">Nonperforming loans net of provisions to capital</a>	<a href="#">March 30, 2023</a>
	<a href="#">Nonperforming loans to total gross loans</a>	<a href="#">March 30, 2023</a>
	<a href="#">Return on assets</a>	<a href="#">March 30, 2023</a>
	<a href="#">Return on equity</a>	<a href="#">March 30, 2023</a>
	<a href="#">Interest margin to gross income</a>	<a href="#">March 30, 2023</a>
	<a href="#">Noninterest expenses to gross income</a>	<a href="#">March 30, 2023</a>
	<a href="#">Liquid assets to total assets</a>	<a href="#">March 30, 2023</a>
	<a href="#">Liquid assets to short-term liabilities</a>	<a href="#">March 30, 2023</a>
	<a href="#">Net open position in foreign exchange to capital</a>	<a href="#">December 31, 2024</a>
23	<a href="#">Total assets of other depository corporations</a>	<a href="#">March 30, 2023</a>
24	<a href="#">Total credit from other depository corporations</a>	<a href="#">March 30, 2023</a>
25	<a href="#">Sectoral breakdown of credit from other depository corporations</a>	<a href="#">March 30, 2023</a>
26	<a href="#">Currency breakdown (domestic vs. foreign currency) of other depository corporations' total assets and credit indicators (total and sectoral breakdowns)</a>	<a href="#">March 30, 2023</a>

<i>Members with Systemically Important Financial Sectors</i>		
<u>27</u>	<u>Total financial assets of other financial corporations</u>	<u>December 31, 2024</u>
<u>28</u>	<u>Total credit from other financial corporations</u>	<u>December 31, 2024</u>
<u>29</u>	<u>Sectoral breakdown of credit from other financial corporations</u>	<u>December 31, 2024</u>
<u>30</u>	<u>Currency breakdown (domestic vs. foreign currency) of other financial corporations' total financial assets and credit indicators (total and sectoral breakdowns)</u>	<u>December 31, 2024</u>
<u>31</u>	<u>Residential real estate price index</u>	<u>March 30, 2023</u>

## Appendix I

### **STRENGTHENING THE EFFECTIVENESS OF ARTICLE VIII, SECTION 5**

1. Pursuant to Article VIII, Section 5, the Fund decides that all members shall provide the information listed in Annex A to this decision, which is necessary for the Fund to discharge its duties effectively. Members shall provide the data specified in items 1-26 of Annex A for the periods commencing after the dates indicated therein for each data category. Members identified as having systemically important financial sectors, in accordance with Decision No. 1436-(10-92), as amended, as of the date of adoption of this decision, shall further provide the data specified in items 27-31 of Annex A for the periods commencing after the dates indicated therein for each category. Members identified as having systemically important financial sectors after the date of the adoption of this decision shall provide data specified in items 27-30 of Annex A for the periods commencing three years after the date of such identification, and item 31 of Annex A for the periods commencing one year after the date of such identification. Reviews of Annex A shall be conducted together with reviews of data provision to the Fund for surveillance purposes.

2. When a member fails to provide information to the Fund as specified in Article VIII, Section 5 or in a decision of the Fund adopted pursuant to that Article including information listed in Annex A (hereinafter information required under Article VIII, Section 5), the procedural framework set forth in paragraphs 5 through 17 below shall apply. Failure to provide information includes both the nonprovision of information and the provision of inaccurate information.

3. A member has an obligation to provide information required under Article VIII, Section 5 to the best of its ability. Therefore, there is no breach of obligation if the member is unable to provide information required under Article VIII, Section 5 or to provide more accurate information than the information it has provided. However, a member that is unable to provide final data is obligated to provide provisional data to the best of its ability until it is in a position to provide the Fund with final data. When assessing a member's ability to provide information, the Fund will give the member the benefit of any doubt.

4. In the context of performance criteria associated with the use of the Fund's general resources, a member may be found in breach of its obligation under Article VIII, Section 5 only if (i) it has reported that a performance criterion was met when in fact it was not, or that a performance criterion was not observed by a particular margin and it is subsequently discovered that the margin of non-observance was greater than originally reported, and (ii) a purchase was made on the basis of the information provided by the member, or the information was reported to the Executive Board in the context of a review which was subsequently completed or of a decision of the Executive Board to grant a waiver for non-observance of the relevant performance criterion.

### **Procedures Prior to Report by the Managing Director to the Executive Board**

5. Whenever it appears to the Managing Director that a member is not providing information required under Article VIII, Section 5, the Managing Director shall call upon the member to provide

the required information; before making a formal representation to the member, the Managing Director shall inform, and enlist the cooperation of, the Executive Director for the member. If the member persists in not providing such information and has not demonstrated to the satisfaction of the Managing Director that it is unable to provide such information, the Managing Director shall notify the member of his intention to make a report to the Executive Board under Rule K-I for breach of obligation unless, within a specified period of not less than a month, such information is provided or the member demonstrates to his satisfaction that it is unable to provide such information.

6. Whenever it appears to the Managing Director that a member has provided inaccurate data on information required under Article VIII, Section 5, the Managing Director shall consult with the member to assess whether the inaccuracy is due to a lack of capacity on the part of the member; provided however, that in de minimis cases, as defined in paragraph 1 of Decision No. 13849, the preliminary communications and consultations with the member may be conducted by the Area Department. If, after the consultation with the member, the Managing Director finds no reason to believe that the inaccuracy is due to a lack of capacity on the part of the member, he shall notify the member of his intention to make a report to the Executive Board for breach of obligation under Rule K-I unless the member demonstrates to his satisfaction within a period of not less than one month that it was unable to provide more accurate information.

7. If the Managing Director concludes that the nonprovision of information or the provision of inaccurate information is due to the member's inability to provide the required information in a timely and accurate fashion, he may so inform the Executive Board. In that case, the Executive Board may decide to apply the provisions of paragraph 10 below.

### **Report by the Managing Director**

8. After the expiration of the period specified in the Managing Director's notification to the member, the Managing Director shall make a report to the Executive Board under Rule K-I for breach of obligation, unless the Managing Director is satisfied that the member's response meets the requirements specified in his notification. The report shall identify the nature of the breach and include the member's response (if any) to the Managing Director's notification, and may recommend the type of remedial actions to be taken by the member.

### **Consideration of the Report**

9. Within 90 days of the issuance of the Managing Director's report, the Executive Board will consider the report with a view to deciding whether the member has breached its obligations. Before reaching a decision, the Executive Board may request from the staff and the authorities additional clarification of the facts respecting the alleged breach of obligation; the Executive Board will specify a deadline for the provision of such clarification.

10. If the Executive Board finds that the member's failure to provide information required under Article VIII, Section 5 is due to its inability to provide the information in a timely and accurate fashion, the Executive Board may call upon the member to strengthen its capacity to provide the required

information and ask the Managing Director to report periodically on progress made by the member in that respect. The member may request technical assistance from the Fund.

- 11.** (a) If the Executive Board finds that the member has breached its obligation, the Executive Board may call upon the member to prevent the recurrence of such a breach in the future and to take specific measures to that effect. Such measures may include the implementation of improvements in the member's statistical systems or any other measures deemed appropriate in view of the circumstances.
- (b) In addition, if the Executive Board finds that the member is still not providing the required information, the Executive Board will call upon the member to provide such information.
- (c) The Executive Board will specify a deadline for taking any remedial actions specified under (a) and (b); in principle, the deadline will not exceed 90 days for actions specified under (b). The decision may note the intention of the Managing Director to recommend the issuance of a declaration of censure if the specified actions are not implemented within the specified period. In order to assist the Executive Board in identifying the appropriate actions to address a breach of obligation under Article VIII, Section 5, the member may, before the Board meeting, provide the Executive Board with a statement specifying the remedial actions it intends to take and a proposed timeframe. The member may also request technical assistance from the Fund.
- (d) At the expiration of the period specified by the Executive Board, the Managing Director shall report to the Executive Board on the status of the specified actions. If the member has not taken the specified actions within the specified period, and depending on the circumstances of such failure, the Managing Director may recommend and the Executive Board may decide: (1) to extend the period before further steps under the procedural framework are taken; (2) to call upon the member to take additional remedial actions within a specified timeframe; or (3) to issue a declaration of censure against the member.

### **Declaration of Censure**

**12.** If a member fails to implement the actions specified by the Executive Board before the established deadline, the Managing Director may recommend and the Executive Board may decide to issue a declaration of censure. Before the adoption of a declaration of censure, the Executive Board may issue a statement to the member setting out its concerns and giving the member a specified period to respond.

**13.** The declaration of censure will identify the breach of obligation under Article VIII, Section 5 and the specified remedial actions the member has failed to take within the specified timeframe. The declaration may specify a new deadline for the implementation by the member of the specified remedial actions; in addition, the declaration may identify further remedial actions for the member to implement before the specified deadline. It will note that the member's failure to implement any of the actions called for in the declaration within the specified timeframe may result in the issuance

of a complaint for ineligibility under Article XXVI(a) and the imposition of this measure. At the expiration of the period specified by the Executive Board, the Managing Director shall report to the Executive Board on the status of the specified actions.

### **Sanctions under Article XXVI**

**14.** Following the adoption of a declaration of censure, if the Executive Board finds that the member has failed to implement any of the actions called for in the declaration within the specified timeframe, the Managing Director may issue a complaint to the Executive Board and recommend that the Executive Board declare the member ineligible to use the general resources of the Fund for its breach of obligation under Article VIII, Section 5. The Executive Board decision declaring the member ineligible to use the general resources of the Fund will note that the member's persistence in its failure to fulfill its obligations under Article VIII, Section 5 following the declaration of ineligibility may result in the issuance of a complaint for the suspension of the member's voting and related rights and in the imposition of this measure.

**15.** If the member persists in its failure to fulfill its obligations under Article VIII, Section 5 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. The Executive Board decision suspending the member's voting and related rights will note that the member's persistence in its failure to fulfill its obligations under Article VIII, Section 5 following the declaration of suspension of voting and related rights may result in the issuance of a complaint for compulsory withdrawal and in the initiation of the proceedings for the compulsory withdrawal of the member from the Fund.

**16.** If the member persists in its failure to fulfill its obligation under Article VIII, Section 5 for six months after the suspension of its voting rights, the Managing Director may initiate proceedings for the compulsory withdrawal of the member from the Fund.

**17.** All the Executive Board decisions arising from a breach of obligation taken under the procedures described above, including a decision to issue the statement of concern referred to in paragraph 12 above, will give rise to a public announcement with prior review of the text by the Executive Board.

**18.** (a) The following procedures shall apply to cases in which a member provides inaccurate information required under Article VIII, Section 5:

- (i) for the purposes of a performance criterion under an arrangement in the General Resources Account, or
- (ii) for another purpose in circumstances where the relevant information is reported to the Fund with respect to a performance criterion under an arrangement under a facility of the Poverty Reduction and Growth Trust, a quantitative target under a Policy Coordination Instrument, or an assessment criterion under a Policy Support Instrument, and understandings have been reached between Fund staff and the

relevant member that such reporting shall be made not only for the purposes of the relevant arrangement or instrument but for such other purposes as well, and where the deviation from the relevant performance criterion or assessment criterion, as the case may be, is judged to be de minimis as defined in paragraph 1 of Decision No. 13849.

(b) Whenever the Managing Director considers a deviation described in paragraph 18 (a) to be de minimis in nature:

- (i) the consultations and notifications contemplated in paragraph 6 may be made by a representative of the relevant Area Department, and
- (ii) the report of the Managing Director contemplated in paragraph 8 shall, wherever possible, be included in a staff report on the relevant member that deals with issues other than the potential breach of Article VIII, Section 5 and, with respect to potential remedial actions for such breach of obligation, shall include a recommendation that no further action be taken by the Fund. In those rare cases in which such a document cannot be issued to the Board promptly after the Managing Director concludes that a breach of obligation under Article VIII, Section 5 has arisen, the Managing Director shall consult Executive Directors and, if deemed appropriate by the Managing Director, a stand-alone report under Rule K-1 will be prepared for consideration by the Executive Board normally on a lapse-of-time basis.

(c) Whenever the Executive Board, under paragraph 11(a), finds that a breach of obligation under Article VIII, Section 5 has occurred but that the relevant deviation was de minimis in nature as defined in paragraph 1 of Decision No. 13849,

- (i) the Executive Board shall decide that no further action be taken by the Fund with respect to the breach, and
- (ii) under paragraph 17, the finding of breach of obligation shall not be published by the Fund.

## ANNEX A

The data referred to in paragraph 1 of this decision are the national data on the following matters:<sup>1</sup>

	<b>Required Information</b>	<b>For the periods commencing after</b>
1	reserve, or base money	December 31, 2004
2	broad money	December 31, 2004
3	interest rates, both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds	December 31, 2004
4	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 residual maturity composition and the extent to which the debt is held by residents or nonresidents	December 31, 2004
5	balance sheet of the central bank	December 31, 2004
6	external current account balance	December 31, 2004
7	exports and imports of goods and services	December 31, 2004
8	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)	December 31, 2008
9	gross domestic product, or gross national product	December 31, 2004
10	consumer price index	December 31, 2004
11	gross external debt	December 31, 2004
12	consolidated balance sheet of the banking system	December 31, 2004
13	Total stock of general government debt	March 30, 2023

<sup>1</sup> Table 1A, Table 2, Table 3A, and Table 3B in Chapter 5 of SM/22/35, Supplement 1, provide further information on the applicable definitions for items 4, 11 and 13-31 of Annex A.

	Decomposition of stock of general government debt by residual maturity, by currency, and the extent to which the debt is held by residents or nonresidents	December 31, 2024
14	Stock of central and general government debt—decomposition by creditor type, by instrument, and by individual and official bilateral creditors <sup>2</sup>	December 31, 2024
15	Total stock of general government-guaranteed debt	December 31, 2026
16	Total stock of non-financial public corporations debt	December 31, 2024
17	Liquid financial assets of central and general government	December 31, 2024
18	Aggregated profit/loss of non-financial public corporations	December 31, 2024
19	Foreign exchange intervention (FXI) by the central bank (or corresponding monetary authority) (i) in the spot market (net amount), and (ii) undertaken with derivative instruments (net amount)	March 30, 2023
20	FXI by other public sector entities undertaken at the direction of the central bank (or corresponding monetary authority) in the spot market and with derivative instruments (net amount)	March 30, 2023
21	Transactions by the central bank (or corresponding monetary authority) with other central banks (or corresponding monetary authorities) (net amount)	March 30, 2023
22	Banks' Financial Soundness Indicators:	
	Regulatory capital to risk-weighted assets	March 30, 2023
	Tier 1 capital to risk-weighted assets	March 30, 2023
	Nonperforming loans net of provisions to capital	March 30, 2023
	Nonperforming loans to total gross loans	March 30, 2023
	Return on assets	March 30, 2023

<sup>2</sup> Only required for members where the share of debt to multilateral and official bilateral creditors is above 20 percent of the total stock of debt at the general government level (excluding guaranteed debt) at the end of the last reported year. If information on the share of debt to multilateral and official bilateral creditors is not available at the general government level, such share shall be calculated at the central government level.

	Return on equity	March 30, 2023
	Interest margin to gross income	March 30, 2023
	Noninterest expenses to gross income	March 30, 2023
	Liquid assets to total assets	March 30, 2023
	Liquid assets to short-term liabilities	March 30, 2023
	Net open position in foreign exchange to capital	December 31, 2024
23	Total assets of other depository corporations	March 30, 2023
24	Total credit from other depository corporations	March 30, 2023
25	Sectoral breakdown of credit from other depository corporations	March 30, 2023
26	Currency breakdown (domestic vs. foreign currency) of other depository corporations' total assets and credit indicators (total and sectoral breakdowns)	March 30, 2023
<i>Members with Systemically Important Financial Sectors</i>		
27	Total financial assets of other financial corporations	December 31, 2024
28	Total credit from other financial corporations	December 31, 2024
29	Sectoral breakdown of credit from other financial corporations	December 31, 2024
30	Currency breakdown (domestic vs. foreign currency) of other financial corporations' total financial assets and credit indicators (total and sectoral breakdowns)	December 31, 2024
31	Residential real estate price index	March 30, 2023