FOR AGENDA

SM/09/264
Supplement 2

CONFIDENTIAL

October 28, 2009

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Review of the Fund's Transparency Policy—Informational Supplement**

Attached is an informational supplement to the paper on the review of the Fund's transparency policy (SM/09/264, 10/26/09), which is tentatively scheduled for discussion on **Monday, November 16, 2009**.

The staff proposes the publication of this paper, except for Section IV on Inventory of Deletions, after the Executive Board completes its discussion.

Questions may be referred to Mr. Hviding (ext. 34544) and Ms. Aylward (ext. 37807) in SPR.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

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INTERNATIONAL MONETARY FUND

Review of the Fund's Transparency Policy—Informational Supplement

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Approved by Reza Moghadam

October 27, 2009

Contents Page

Tables

I. KEY TRENDS—TABLES

Table 1. Trends in Publication Rates 1/2/

Type of Report	January 2000 - December 2002 Reports discussed	January 2000 - December 2002 Published (%)	January 2003 - December 2005 Reports discussed	January 2003 - December 2005 Published (%)	January 2006 - December 2008 Reports discussed	January 2006 - December 2008 Published (%)	January - December 2008 Reports discussed	January - December 2008 Published (%)
Selected Country Staff Reports	660	58	734	85	699	85	223	83
Article IV, UFR, or Combined	529	56	598	83	547	88	177	88
Stand-alone Article IV	245	59	283	78	303	85	96	84
Article IV combined with UFR, PPM, SMP, EPA, PSI	131	58	96	91	79	90	24	88
Stand-alone UFR	153	48	219	86	165	92	57	95
Stand-alone PPM, SMP, EPA, PSI	12	25	28	89	42	79	14	64
Joint Staff Advisory Note	89	73	92	93	89	75	26	65
HIPC Country Papers	30	77	16	94	22	73	6	67
Selected Issues/Statistical Annexes	249	65	390	77	348	81	105	84
FSSAs	38	55	55	75	59	64	26	62
ROSC modules 3/	301	65	349	81	234	79	69	75
Article IV Public Information Notices (PINs) 4/	376	85	373	94	378	96	119	97
UFR and PSI Chairman's statements	211	99	271	98	252	97	86	99
Authorities' statements 5/	358	44	592	61	560	68	181	72
Country Policy Intention Documents	571	95	588	97	540	91	188	91
LOIs/MEFPs 6/	303	93	277	97	244	93	86	93
TMUs 6/	177	95	210	96	197	95	74	97
PRSPs, I-PRSPs, and related reports	91	99	101	97	99	79	28	68
Policy Papers 7/	38	84	120	86	68	84	33	91

1/ Publication rates refer to documents considered by the Board during a period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009.
2/ Data include documents issued for the information of the Board and documents sent to the Board for consideration on lapse-of-time basis.
3/ Includes initial ROSC assessments and reassessments produced by the IMF, as well as the World Bank and, in the case of AML/CFT ROSCs, by FATF and FATF-style regional bodies (FSRB), issued on a stand-alone basis or in FSSAs. Does not include assessments done under detailed standards assessments.
4/ Publication rate of PINs is expressed as a share of number of relevant Article IV Board discussions.
5/ Does not include authorities' statements that are included in ROSCs. Includes Executive Directors' Statements and "right of reply" documents.
6/ Includes LOIs/MEFPs and TMUs issued in the context of SMPs and PSIs.
7/ Only includes policy papers for which publication is presumed under the Transparency Policy. Data collection started in January 2002.

Table 2. Trends in Publication Rates of Article IV and UFR Staff Reports 1/
(by economic and regional characteristics)

Reports by group	January 2000 - December 2002 Reports discussed	Published (%)	January 2003 - December 2005 Reports discussed	Published (%)	January 2006 - December 2008 Reports discussed	Published (%)	January - December 2008 Reports discussed	Published (%)
Article IV and UFR staff reports	529	56	598	83	547	88	177	88
Advanced economies	73	92	75	100	70	100	21	100
Emerging markets	146	51	150	77	112	84	34	82
Developing countries	310	49	373	83	365	87	122	88
Emerging market and developing countries 2/	456	50	523	81	477	86	156	87
Africa	163	44	167	89	172	92	59	93
Asia	72	44	76	68	71	82	21	81
Central and Eastern Europe	69	84	68	93	52	100	17	100
CIS and Mongolia	34	59	47	91	46	91	16	94
Middle East	30	10	33	52	40	75	12	67
Western Hemisphere	88	49	132	76	96	74	31	74

1/ Publication rates refer to documents considered by the Board during a period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009.
2/ WEO definitions.

Table 3. Trends in Publication Lags 1/ 2/
(by type of reports, and by economic and regional characteristics)

Reports by type and group	January 2000 - December 2002				January 2003 - December 2005				January 2006 - December 2008				January - Dece	
	Number published	Average lag 4/	% with lag > 1 month	% with lag > 2 months	Number published	Average lag 4/	% with lag > 1 month	% with lag > 2 months	Number published	Average lag 4/	% with lag > 1 month	% with lag > 2 months	Number published	Average lag 4/
Article IV and UFR staff reports	294	34	30	12	498	49	41	21	481	42	38	18	156	37
Article IV	145	31	28	9	222	48	33	20	259	38	27	12	81	41
Combined	76	42	38	14	87	57	54	29	71	58	39	21	21	46
UFR	73	34	19	12	189	47	43	18	151	41	42	21	54	29
Advanced economies	67	14	12	0	75	13	7	1	70	14	6	3	21	13
Emerging markets	74	34	30	18	115	59	44	25	94	42	44	21	28	36
Developing countries	153	44	38	14	308	54	48	24	317	48	44	20	107	43
Emerging market and developing countries 3/	227	41	35	15	423	56	47	24	411	47	44	20	135	41
Africa	71	45	41	17	148	54	58	29	158	46	50	18	55	36
Asia	32	41	34	13	52	44	44	19	58	32	22	9	17	33
Central and Eastern Europe	58	24	16	9	63	31	18	10	52	28	19	15	17	20
CIS and Mongolia	20	62	50	25	43	28	28	9	42	32	38	7	15	37
Middle East	3	24	33	0	17	41	53	24	30	30	40	10	8	43
Western Hemisphere	43	46	47	19	100	94	58	36	71	90	69	51	23	78
Selected other documents														
Selected Issues/Statistical Annexes	161	44	45	16	301	46	43	23	281	52	44	21	88	44
Article IV Public Information Notices (PINs) 5/	318	26	23	8	350	33	29	12	361	24	20	6	116	22
UFR and PSI Chairman's statements	209	0	0	0	266	1	0	0	245	2	1	0	85	1
Country Policy Intention Documents 6/	450	11	10	9	470	31	29	17	413	24	20	12	152	22
Policy papers 7/	32	37	19	13	103	78	38	20	57	43	28	18	30	20

1/ Publication rates refer to documents considered by the Board during a period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009.
2/ Country-specific documents are published as soon as the final consent from the member country is received by the Fund, with technical delays typically not exceeding a couple of business days. Policy papers are published after authorization by the Board.
3/ WEO definitions.
4/ Number of calendar days.
5/ Publication rate of PINs is expressed as a share of number of relevant Article IV Board discussions.
6/ Includes LOIs/MEFPs/TMUs issued in the context of SMPs and PSIs.
7/ Only includes policy papers for which publication is presumed.

Table 4. Deletions in Article IV and UFR Staff Reports 1/ 2/
(by economic and regional characteristics)

Reports by group	January 2003 - December 2005				January 2006 - December 2008				January - December 2008			
	With any deletions		With deletions on exch. rate issues	With deletions on fin. sector issues	With any deletions		With deletions on exch. rate issues	With deletions on fin. sector issues	With any deletions		With deletions on exch. rate issues	With deletions on fin. sector issues
	Number published	% of all publ. reports	% of all publ. reports	% of all publ. reports	Number published	% of all publ. reports	% of all publ. reports	% of all publ. reports	Number published	% of all publ. reports	% of all publ. reports	% of all publ. reports
All Article IV and UFR reports	498	14	5	7	481	10	6	4	156	12	7	5
Advanced economies	75	7	4	1	70	13	6	4	21	29	10	14
Emerging markets	115	30	6	18	94	22	14	10	28	25	21	7
Developing countries	308	9	4	4	317	6	4	2	107	6	3	3
Emerging market and developing countries 3/	423	15	5	8	411	10	6	4	135	10	7	4
Africa	148	3	0	1	158	4	1	3	55	6	0	6
Asia	52	14	4	14	58	7	5	2	17	12	12	0
Central and Eastern Europe	63	27	14	13	52	25	23	12	17	29	29	0
CIS and Mongolia	43	7	2	5	42	7	5	2	15	13	13	7
Middle East	17	18	12	0	30	17	10	0	8	0	0	0
Western Hemisphere	100	28	6	13	71	13	3	6	23	4	0	4
Countries with fixed or crawling pegs or bands	193	11	6	4	194	9	6	4	65	11	6	5
Countries with other exchange rate regimes	305	15	4	8	287	11	6	4	91	13	8	6

1/ Publication rates refer to documents considered by the Board during the period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009.
2/ Because a single report can have deletions falling into multiple categories, e.g., exchange rate, financial sector and/or other areas, there is no fixed relationship between the second column and the third and fourth columns under each year.
3/ WEO definitions.

Table 5. First-time Publishers of Article IV/UFR Staff Reports 1/2/

January 1, 2000 to December 31, 2002			January 1, 2003 to December 31, 2005		January 1, 2006 to December 31, 2008	
Albania	Georgia	Nicaragua	Afghanistan, I. S. of	Korea	Bhutan	Namibia
Algeria	Germany	Niger	Angola	Libya	Egypt	Philippines
Argentina	Ghana	Nigeria	Antigua and Barbuda	Micronesia	El Salvador	Qatar
Armenia	Greece	Norway	Central African Republic	Samoa	India	Seychelles
Australia	Grenada	Pakistan	China, P.R. of	Serbia and Montenegro	Lebanon	Syrian Arab Republic
Austria	Guatemala	Palau	Congo, Republic of	Sierra Leone	Maldives	Togo
Azerbaijan	Guinea	Panama	Djibouti	Singapore	Marshall Islands, Rep.	Uzbekistan
Bahamas	Guinea-Bissau	Papua New Guinea	Ecuador	Solomon Islands	Montenegro, Republic of	Yemen, Republic of
Bangladesh	Haiti	Paraguay	Equatorial Guinea	Suriname		
Barbados	Hungary	Peru	Eritrea	Timor Leste		
Belarus	Iceland	Poland	Honduras	Tonga		
Belgium	Iran. I. Rep of	Portugal	Indonesia	United Arab Emirates		
Belize	Ireland	Romania	Iraq	Zambia		
Benin	Israel	Russian Federation	Jordan			
Bolivia	Italy	Rwanda				
Bosnia & Herzegovina	Jamaica	San Marino				
Botswana	Japan	Sao Tome & Principe				
Bulgaria	Kazakhstan	Senegal				
Burkina Faso	Kenya	Slovak Republic				
Burundi	Kiribati	Slovenia				
Cambodia	Kuwait	South Africa				
Cameroon	Kyrgyz Republic	Spain				
Canada	Lao People Dem. Rep.	Sri Lanka				
Cape Verde	Latvia	St. Kitts & Nevis				
Chad	Lesotho	St. Lucia				
Chile	Liberia	St. Vincent and The Grenadines				
Colombia	Lithuania	Sudan				
Comoros	Luxembourg	Swaziland				
Congo, Democratic Republic of th	Macedonia, FYR	Sweden				
Costa Rica	Madagascar	Switzerland				
Cote d'Ivoire	Malawi	Tajikistan				
Croatia	Mali	Tanzania				
Cyprus	Malta	Trinidad & Tobago				
Czech Republic	Mauritania	Tunisia				
Denmark	Mauritius	Turkey				
Dominica	Mexico	Uganda				
Estonia	Moldova	Ukraine				
Ethiopia	Mongolia	United Kingdom				
Fiji	Morocco	United States				
Finland	Mozambique	Uruguay				
France	Nepal	Vanuatu				
Gabon	Netherlands	Vietnam				
Gambia	New Zealand	Zimbabwe				

1/ Publication refers to documents considered by the Board during the period mentioned above, and published within six months after the end of the relevant period; e.g., the publication for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009.
2/ Timor Leste and Montenegro, Republic of joined the Fund in 2004 and 2006, respectively.

Table 6. Members Publishing all Article IV/UFR Staff Reports 1/

January 1, 2000 to December 31, 2008	January 1, 2006 to December 31, 2008	
Afghanistan, I. S. of	Australia	Luxembourg
Algeria	Austria	Macedonia, FYR
Armenia	Bahamas	Madagascar
Austria	Bangladesh	Malawi
Bahamas	Barbados	Malta
Belgium	Belarus	Marshall Islands, Rep.
Bolivia	Belgium	Mauritania
Cambodia	Belize	Mauritius
Canada	Benin	Mexico
Chile	Bhutan	Micronesia
Colombia	Bolivia	Moldova
Congo, Democratic Rep. of the	Bosnia & Herzegovina	Mongolia
Costa Rica	Botswana	Montenegro, Republic of
Croatia	Bulgaria	Morocco
Cyprus	Burkina Faso	Mozambique
Czech Republic	Burundi	Namibia
Denmark	Cambodia	Nepal
Dominica	Cameroon	Netherlands
Estonia	Canada	New Zealand
Finland	Cape Verde	Niger
France	Central African Rep.	Nigeria
Germany	Chad	Norway
Greece	Chile	Pakistan
Grenada	China, P.R. of	Palau
Iceland	Colombia	Papua New Guinea
Iraq	Comoros	Paraguay
Ireland	Congo, Democratic Rep. of the	Philippines
Israel	Congo, Republic of	Poland
Italy	Costa Rica	Portugal
Jamaica	Cote d'Ivoire	Qatar
Japan	Croatia	Romania
Lao, People Dem. Rep.	Cyprus	Russian Federation
Latvia	Czech Republic	Rwanda
Liberia	Denmark	Samoa
Lithuania	Dominica	San Marino
Luxembourg	Egypt	Sao Tome & Principe
Malawi	El Salvador	Senegal
Malta	Equatorial Guinea	Serbia, Republic of
Mauritius	Estonia	Sierra Leone
Montenegro, Republic of	Ethiopia	Singapore
Nepal	Finland	Slovak Republic
Netherlands	France	Slovenia
New Zealand	Gambia	Solomon Islands
Norway	Georgia	South Africa
Pakistan	Germany	Spain
Palau	Greece	St. Kitts & Nevis
Poland	Grenada	St. Lucia
Portugal	Guinea	St. Vincent and The Grenadines
Romania	Guinea-Bissau	Suriname
Russian Federation	Hungary	Swaziland
San Marino	Iceland	Sweden
Sao Tome & Principe	India	Switzerland
Serbia, Republic of	Indonesia	Syrian Arab Republic
Slovenia	Iran. I. Rep of	Tajikistan
Spain	Iraq	Tanzania
St. Lucia	Ireland	Timor Leste
St. Vincent and Grenade	Israel	Tonga
Sweden	Italy	Trinidad & Tobago
Switzerland	Jamaica	Tunisia
Timor Leste	Japan	Turkey
Trinidad & Tobago	Jordan	Uganda
Tunisia	Kazakhstan	Ukraine
United Kingdom	Korea	United Arab Emirates
United States	Kyrgyz Republic	United Kingdom
	Lao People Dem. Rep.	United States
	Latvia	Uruguay
	Lesotho	Uzbekistan
	Liberia	Vanuatu
	Libya	Vietnam
	Lithuania	Zambia

1/ Publication rates refer to documents considered by the Board during a period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009.

Table 7. Members Publishing All Documents 1/2/

January 1, 2000 to December 31, 2002		January 1, 2003 to December 31, 2005		January 1, 2006 to December 31, 2008	
Austria	Sao Tome & Principe	Afghanistan, I. S. of	Lesotho	Albania	Namibia
Cambodia	St. Lucia	Albania	Liberia	Austria	Nigeria
	St. Vincent and The				
Chile	Grenadines	Angola	Lithuania	Belarus	Portugal
Congo, Democratic Rep. of the	Sweden	Austria	Malta	Bhutan	Romania
Costa Rica	Switzerland	Belarus	Mexico	Bolivia	San Marino
Cyprus	Trinidad & Tobago	Benin	Norway	Chile	Serbia, Republic of
Czech Republic	United Kingdom	Botswana	Panama	Cyprus	Spain
Denmark	Zimbabwe	Cambodia	Papua New Guinea	Denmark	Suriname
Dominica		Chile	Romania	Estonia	Swaziland
Estonia		Croatia	Rwanda	Ethiopia	Switzerland
Finland		Cyprus	San Marino	Finland	Tajikistan
Grenada		Denmark	Serbia and Montenegro	Guinea	Timor Leste
Haiti		Equatorial Guinea	Slovak Republic	Guinea-Bissau	Tunisia
Israel		Estonia	Slovenia	Indonesia	United Kingdom
Lao People Dem. Rep.		Finland	Spain	Iran. I. Rep of	
Latvia		Gabon	Suriname	Israel	
Liberia		Gambia	Sweden	Korea	
Lithuania		Ghana	Switzerland	Latvia	
New Zealand		Guinea-Bissau	Trinidad & Tobago	Lesotho	
Nicaragua		Iceland	Tunisia	Luxembourg	
Norway		Iraq	United Arab Emirates	Moldova	
Romania		Lao People Dem. Rep.	United Kingdom	Morocco	
San Marino		Latvia	Vanuatu	Mozambique	

1/ Publication refers to documents considered by the Board during the period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009.
2/ Documents considered here include: Staff Report, PIN, UFR/PSI Chairman's statement, Selected Issues, Statistical Appendix, background documents, Authorities' Statement, and HIPC documents.

January 1, 2000 to December 31 , 2008	January 1, 2006 to December 31, 2008 2/
Bahrain	Argentina
Brazil	Bahrain
Brunei Darussalam	Brazil
Dominican Republic	Brunei Darussalam
Guyana	Dominican Republic
Malaysia	Eritrea
Myanmar	Guatemala
Oman	Guyana
Saudi Arabia	Kiribati
Thailand	Malaysia
Turkmenistan	Myanmar
Venezuela	Oman
	Panama
	Saudi Arabia
	Thailand
	Turkmenistan
	Zimbabwe

1/ Publication refer to documents considered by the Board during the period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009. The following countries did not have any Article IV or UFR discussions during the periods: Somalia (2000-2008); Fiji, Somalia, and Venezuela (2006-2008).
2/ Malaysia and Thailand allowed publication of their Article IV staff reports in 2009.

Table 9. Members Not Publishing Any Documents 1/2/

January 1, 2000 to December 31, 2002	January 1, 2003 to December 31, 2005	January 1, 2006 to December 31, 2008
Bahrain	Myanmar	Eritrea
Brunei Darussalam	Qatar	Kiribati
El Salvador	Seychelles	Myanmar
Eritrea	Turkmenistan	Zimbabwe
Libya	Venezuela	
Maldives		
Micronesia		
Serbia and Montenegro		
Solomon Islands		
Syrian Arab Republic		
Uzbekistan		
Venezuela		

1/ Publication refers to documents considered by the Board during the period mentioned above, and published within six months after the end of the relevant period; e.g., the publication rate for January 1, 2006 - December 31, 2008 refers to documents published by June 30, 2009. The following countries did not have any Article IV or UFR discussions during the periods: Afghanistan, Iraq, Somalia, Timor Leste, and Turkmenistan (2000-2002); Somalia (2003-2005); and Fiji, Somalia, and Venezuela (2006-2008).
2/ Documents considered here include: Staff Report, PIN, UFR/PSI Chairman's statement, Selected Issues, Statistical Appendix, background documents, Authorities' Statement, and HIPC documents.

Table 10. Longest and Shortest Lags for the Publication of Article IV/UFR Staff Reports 1/

Longest Publication Lags 2/			Shortest Publication Lags 2/		
Board date	Country	Days	Board date	Country	Days
09/29/06	Paraguay	615	03/13/06	Burkina Faso	0
11/16/07	Kenya	433	10/20/06	Belize	0
02/04/08	St. Vincent and The Grenadines	428	03/22/06	Israel	1
09/26/07	Grenada	400	02/13/08	Israel	1
06/29/07	Paraguay	354	02/27/06	Belgium	2
06/08/07	Equatorial Guinea	341	03/01/06	United Kingdom	2
01/17/07	St. Vincent and The Grenadines	307	03/20/06	Slovak Republic	2
03/08/06	Lao People Dem. Rep.	244	06/12/06	Spain	2
01/29/07	Senegal	240	05/16/07	Spain	2
10/15/07	Paraguay	239	12/17/07	Bulgaria	2
03/06/06	Sao Tome & Principe	218	02/13/08	Nigeria	2
12/13/06	Botswana	202	04/16/08	Poland	2
09/03/08	Maldives	195	10/01/08	Portugal	2
09/05/07	Singapore	194	04/03/06	Bulgaria	3
05/18/07	Turkey	182	05/01/06	Lithuania	3
01/17/07	Antigua and Barbuda	175	01/22/07	Greece	3
06/28/06	Uruguay	161	06/01/07	Switzerland	3
11/14/07	Lesotho	159	09/10/07	Barbados	3
10/22/08	Uruguay	159	01/19/07	Israel	4
02/04/08	Antigua and Barbuda	157	09/08/08	Korea	4

1/ Publication refers to documents considered by the Board during January 1, 2006 - December 31, 2008, and published by June 30, 2009.
2/ Publication lags refer to calendar days between the Board date and publication date.

II. Survey of Mission Chiefs

A. Survey

1. A survey of mission chiefs was conducted to gather views on the impact of publication on candor and the evenhandedness of implementation of the transparency policy, two areas of keen interest to Executive Directors. One group of questions aimed to gather information on whether and how publication policies impact the way information is presented to the Board and to the public in country reports. A second group of question sought information on whether the transparency policy was applied with a consistent degree of flexibility across different country groups, with a focus on the handling of requests for deletions.

2. The survey was sent to 131 mission chiefs, covering all member countries, and the response rate approached 50 percent. Table 1 provides a breakdown of the respondents by income group and economic size of the countries they cover.

Table 1. Respondents of the Mission Chief Survey

Income group	No.of respondents	Size (GDP U$, ppp)	No.of respondents
ADV	7	>500 billion	3
		100bn-499bn	3
		30bn-199bn	1
EMG	14	>500 billion	1
		100bn-499bn	8
		30bn-199bn	1
		5bn-29bn	2
		<5bn	2
Other	42	100bn-499bn	4
		30bn-199bn	12
		5bn-29bn	15
		<5bn	11
Total	63		

3. **The response rates for each question are shown in percentage of respondents.** The results are presented in two ways: one based on the total number of responses and the other based on the total number of responses excluding "No view/NA" choices. A list of comments from respondents when asked to elaborate their views or answers is provided wherever appropriate.

B. Mission Chief Survey Questionnaire with Survey Results

Thank you very much for your participation in this survey. This survey seeks your views on the Fund's policy on publication ("Transparency Policy") and will remain ***strictly confidential.*** *Please provide answers based on the most recent staff report (stand-alone or combined Article IV or UFR/PSI request or review) that you prepared. If you have led missions to more than one country over the last*

24 months, please fill out a separate questionnaire for each country as long as it relates to the latest staff report issued to the Board concerning this member.

Q1. Please indicate the type of staff report you prepared most recently.

Stand-alone Article IV	55.6
Article IV combined with a request for or review of the Use of Fund Resources (UFR), and/or Policy Support Instrument (PSI)	11.1
Stand-alone UFR or PSI	28.6
Other. Please specify:	4.8

[Check all that apply]

The report was not published.	8.2
The report was published within one month of the Board discussion.	50.8
The report was published but with longer than one-month lag.	32.8
As far as you know, this country has always published its staff reports.	45.9
The report was translated to language(s) other than English (LOE).	23

Q2. Please provide following basic information on your country.

a) Income group

(i) Advanced economies (according to the WEO classification)	11.1
(ii) Emerging economies 1/	22.2
(iii) Others	66.7

b) Size of the economy (GDP in 2008, PPP terms). Please see attached table for your country's GDP in PPP terms.

(i) more than US$ 500 billion	6.3
(ii) US$100 billion – US$499 billion	23.8
(iii) US$30 billion – US$99 billion	22.2
(iv) US$5 billion – US$29 billion	27.0
(v) less than US$5 billion	20.6

The countries include Argentina, Brazil, Bulgaria, Chile, China, Colombia, Czech Republic, Estonia, Hungary, India, Indonesia, Israel, Latvia, Lithuania, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Romania, Russia, Slovak Republic, South Africa, Thailand, Turkey, Ukraine, and Rep. Bolivariana de Venezuela. Saudi Arabia is also included in the group for the purpose of this survey.

Table 1. 2008 GDP in US$ billion, ppp value

Country	GDP	Country	GDP	Country	GDP
Afghanistan, I.R. of	22.02	Gambia, The	2.26	Norway	259.05
Albania	21.63	Georgia	21.70	Oman	67.71
Algeria	241.07	Germany	2,919.50	Pakistan	443.67
Angola	108.29	Ghana	34.10	Panama	38.30
Antigua and Barbuda	1.59	Greece	342.54	Papua New Guinea	12.92
Argentina	570.53	Grenada	1.19	Paraguay	29.34
Armenia	19.30	Guatemala	66.84	Peru	244.69
Australia	799.13	Guinea	10.36	Philippines	319.77
Austria	328.68	Guinea-Bissau	0.85	Poland	669.03
Azerbaijan, Rep. of	77.67	Guyana	3.13	Portugal	236.70
Bahamas, The	8.58	Haiti	11.68	Qatar	95.13
Bahrain, Kingdom of	26.49	Honduras	32.67	Romania	272.88
Bangladesh	227.98	Hungary	199.39	Russia	2,285.21
Barbados	5.30	Iceland	12.55	Rwanda	9.15
Belarus	117.53	India	3,305.43	Samoa	1.10
Belgium	389.90	Indonesia	909.06	São Tomé & Príncipe	0.28
Belize	2.55	Iran, I.R. of	816.84	Saudi Arabia	600.51
Benin	13.05	Ireland	188.57	Senegal	22.06
Bhutan	3.44	Israel	200.91	Serbia, Republic of	80.72
Bolivia	43.45	Italy	1,821.28	Seychelles	1.45
Bosnia & Herzegovina	30.42	Jamaica	21.25	Sierra Leone	4.29
Botswana	27.75	Japan	4,405.20	Singapore	241.12
Brazil	1,975.90	Jordan	30.28	Slovak Republic	120.36
Brunei Darussalam	19.87	Kazakhstan	179.84	Slovenia	58.15
Bulgaria	93.81	Kenya	61.17	Solomon Islands	1.07
Burkina Faso	17.68	Kiribati	0.37	South Africa	495.99
Burundi	3.10	Korea	1,278.94	Spain	1,400.35
Cambodia	28.50	Kuwait	140.95	Sri Lanka	92.17
Cameroon	41.88	Kyrgyz Republic	11.54	St. Kitts and Nevis	0.76
Canada	1,307.10	Lao People's Dem.Rep	13.86	St. Lucia	1.85
Cape Verde	1.75	Latvia	40.42	St. Vincent & Grens.	1.12
Central African Rep.	3.28	Lebanon	45.83	Sudan	89.03
Chad	16.25	Lesotho	3.33	Suriname	4.44
Chile	246.48	Liberia	1.49	Swaziland	5.77
China,P.R.: Mainland	7,890.28	Libya	90.63	Sweden	346.02
China,P.R.:Hong Kong	312.04	Lithuania	63.58	Switzerland	313.17
Colombia	402.46	Luxembourg	39.89	Syrian Arab Republic	92.81
Comoros	0.75	Macedonia, FYR	18.76	Taiwan Prov.of China	738.77
Congo, Dem. Rep. of	21.38	Madagascar	20.11	Tajikistan	12.81
Congo, Republic of	14.76	Malawi	11.61	Tanzania	53.74
Costa Rica	48.92	Malaysia	388.31	Thailand	556.41
Côte d'Ivoire	34.26	Maldives	1.73	Timor-Leste	2.73
Croatia	73.09	Mali	14.53	Togo	5.46
Cyprus	22.55	Malta	9.89	Tonga	0.55
Czech Republic	265.88	Mauritania	6.39	Trinidad and Tobago	25.69
Denmark	209.55	Mauritius	15.28	Tunisia	83.08
Djibouti	1.88	Mexico	1,550.26	Turkey	937.14
Dominica	0.72	Moldova	10.68	Turkmenistan	30.38
Dominican Republic	76.19	Mongolia	9.39	Uganda	36.78
Ecuador	104.67	Montenegro, Rep. of	6.86	Ukraine	349.98
Egypt	443.10	Morocco	138.18	United Arab Emirates	186.16
El Salvador	43.88	Mozambique	18.66	United Kingdom	2,231.47
Equatorial Guinea	21.58	Myanmar	62.51	United States	14,334.03
Eritrea	3.74	Namibia	11.30	Uruguay	40.66
Estonia	27.81	Nepal	31.59	Uzbekistan	70.87
Ethiopia	68.97	Netherlands	675.42	Vanuatu	0.99
Fiji	3.89	New Zealand	115.62	Venezuela, Rep. Bol.	362.77
Finland	194.16	Nicaragua	16.75	Vietnam	240.78
France	2,125.22	Niger	9.51	Yemen, Republic of	55.25
Gabon	21.44	Nigeria	316.66	Zambia	17.39
				Zimbabwe 1/	2.21

Source: WEO
1/ 2007 data.

Q3. To what extent did pressures from the following parties cause the message of the report to be "watered down"? Please use the scale 0 - 4 below to indicate your views.

No view / NA	Not at all	To a little extent	To some extent	To a great extent
0	1	2	3	4

a) Authorities/Executive Directors, because they might otherwise not consent to the publication of report.

	All	Excl. No View / NA
No View / NA	4.8	…
Not at all	77.8	81.7
To a little extent	14.3	15
To some extent	3.2	3.3
To a great extent	0.0	0.0

b) Authorities/Executive Directors, for other reasons.
Please specify the reason(s) and to what extent:

To some extent; to control the message.
To soften criticism for any audience, including ED.
Steered clear of market sensitive phrasings.
None.
Possible adverse market reaction.
Not to create political problems for them.

c) Staff (e.g., front office reviewers) or management

	All	Excl. No View / NA
No View / NA	4.8	…
Not at all	76.2	80.0
To a little extent	15.9	16.7
To some extent	1.6	1.7
To a great extent	1.6	1.7

d) Others. Please specify from whom and to what extent:

None.
Some chairs had a strong view on the country.
Front Office reviewer.

Q4. Separate from pressures from other parties (see Q3 above), did any of the following factors cause you to feel constrained in your capacity to draft a candid staff report? Please use the scale 0-4 below to indicate your views.

No view / NA	Not at all	To a little extent	To some extent	To a great extent
0	1	2	3	4

a) The need to preserve quality relationships with the authorities

	All	Excl. No View / NA
No View / NA	0.0	…
Not at all	50.8	50.8
To a little extent	34.9	34.9
To some extent	9.5	9.5
To a great extent	4.8	4.8

b) Concerns on possibility/continuation of an IMF arrangement

	All	Excl. No View / NA
No View / NA	19.0	…
Not at all	73.0	90.2
To a little extent	4.8	5.9
To some extent	3.2	3.9
To a great extent	0.0	0.0

c) Concerns about risk of leaks

	All	Excl. No View / NA
No View / NA	4.8	…
Not at all	85.7	90.0
To a little extent	6.3	6.7
To some extent	3.2	3.3
To a great extent	0.0	0.0

d) The expectation of publication of the staff report

	All	Excl. No View / NA
No View / NA	1.6	…
Not at all	63.5	64.5
To a little extent	23.8	24.2
To some extent	9.5	9.7
To a great extent	1.6	1.6

e) Other factors. Please specify:

Knowing authorities never publish allowed candid staff report.

Q5. Did the authorities request any corrections/deletions to the report you prepared?

No (Skip to Q7)	64.71
Yes	35.29

Q6. If you answered "yes" on the question above, were the requests approved? Mark one please.

Yes, all the requests were approved (either directly or after consulting with SPR)	15.0
Most of the requests were approved	20.0
Only a few of the requests were approved	55.0
None of the requests were approved	10.0

Q7. Would you agree that you were able to include all important economic information in the staff report?

	All	Excl. No View / NA
No View / NA	1.6	…
Not at all	0.0	0.0
Agree to a little extent	3.2	3.2
Agree to some extent	17.5	17.7
Agree to a great extent	77.8	79.0

Q8. If you answered “Not at all” or “Agree to a little extent” above, please explain why.

Because of the expectation of publication, we omitted some market-sensitive information (e.g. individual bank information).
Some tricky exchange rate issues that could have caused the panic we were trying to avert.
Under current streamlining procedures and word limits, there's a great deal of pertinent economic information that we are not able to include in a staff report.
We are space constraint.

Q9. Would you agree that the rules on deletions and corrections allow for the preparation of a candid staff report.

No view / NA	Not at all	To a little extent	To some extent	To a great extent
0	1	2	3	4

	All	Excl. No View / NA
No View / NA	11.1	…
Not at all	6.3	7.1
Agree to a little extent	11.1	12.5
Agree to some extent	33.3	37.5
Agree to a great extent	38.1	42.9

Q10. Abstracting from the separate risk of leaks, do you think that the rules on deletions and corrections provide adequate protection against the following? Please use the scale 0 - 4 below to indicate your views.

No view / NA	Not at all	To a little extent	To some extent	To a great extent
0	1	2	3	4

a) adverse market reactions

	All	Excl. No View / NA
No View / NA	14.3	…
Not at all	4.8	5.6
To a little extent	12.7	14.8
To some extent	31.7	37.0
To a great extent	36.5	42.6

b) release of information on planned policies that could undermine the authorities' effort to implement their policies

	All	Excl. No View / NA
No View / NA	11.1	…
Not at all	4.8	5.6
To a little extent	14.3	16.7
To some extent	38.1	44.4
To a great extent	31.7	37.0

c) possible misinterpretation of messages and/or information by the general public

	All	Excl. No View / NA
No View / NA	11.1	…
Not at all	12.7	14.3
To a little extent	19.0	21.4
To some extent	44.4	50.0
To a great extent	12.7	14.3

Please indicate your level of agreement with the following statements.

Q11. More flexibility in the rules on corrections (as opposed to current rule limiting corrections to factual errors or mischaracterizations of the authorities' views) would

No view / NA	Not at all	Agree to some extent	Agree to a large extent	Fully agree
0	1	2	3	4

a) reduce the possibility of misinterpretation of information

	All	Excl. No View / NA
No View / NA	15.9	…
Not at all	20.6	24.5
To a little extent	19.0	22.6
To some extent	34.9	41.5
To a great extent	9.5	11.3

b) make your job easier, e.g., by facilitating reasonable agreements with the authorities

	All	Excl. No View / NA
No View / NA	15.9	…
Not at all	27.0	32.1
To a little extent	17.5	20.8
To some extent	31.7	37.7
To a great extent	7.9	9.4

c) make your job more difficult, e.g., by increasing the number of requests for changes and/or making it more difficult to resist unreasonable requests

	All	Excl. No View / NA
No View / NA	11.1	…
Not at all	3.2	3.6
To a little extent	14.3	16.1
To some extent	28.6	32.1
To a great extent	42.9	48.2

d) result in more candid reports

	All	Excl. No View / NA
No View / NA	14.3	…
Not at all	41.3	48.1
To a little extent	22.2	25.9
To some extent	18.5	20.4
To a great extent	4.8	5.6

Q12. To what extent were lags in publication of your staff report the result of followings? Please use the scale 0 - 4 below to indicate your views.

No view / NA	Not at all	To a little extent	To some extent	To a great extent
0	1	2	3	4

a) Communication with the authorities on the rules of corrections/ deletions

	All	Excl. No View / NA
No View / NA	20.6	…
Not at all	61.9	78.0
To a little extent	6.3	8.0
To some extent	11.1	14.0
To a great extent	0.0	0.0

b) The internal process on corrections/deletions

	All	Excl. No View / NA
No View / NA	19.0	…
Not at all	57.1	70.6
To a little extent	12.7	15.7
To some extent	9.5	11.8
To a great extent	1.6	2.0

c) The need for the authorities' explicit consent for publication

	All	Excl. No View / NA
No View / NA	15.9	…
Not at all	33.3	39.6
To a little extent	9.5	11.3
To some extent	19.0	22.6
To a great extent	22.2	26.4

d) The need to translate documents to obtain the authority's sign-off

	All	Excl. No View / NA
No View / NA	28.6	…
Not at all	52.4	73.3
To a little extent	1.6	2.2
To some extent	9.5	13.3
To a great extent	7.9	11.1

e) Other. Please specify.

Consent was delayed until a year after elections.
Need for ED sign-off.
Slow decision-making and inefficient bureaucracy.
Technical and logistical constraints
Admnistrative procedures, and work burden of staff

Q 13. Please use this space to insert additional comments on the Fund's Transparency policy.

There is a conflict between the Fund's role as a confidential advisor to members and the transparency policy. To be an effective confidential advisor to the Board, the staff report to the Board should not be published.
It would work best if we draft our reports without expectation of publication and let the authorities publish if they want.
The Fund is criticized for lack of transparency when, in reality, this usually reflects the authorities' reluctance to publish. Can this be made more transparent?
Overall, the policy works well. But your questionnaire did not cover pressure from chairs other than the one representing the authorities that may lead to language in the report that staff would not otherwise have chosen. In addition, the transparency policy is a major pain for LOE staff report postings. Since the Fund has put cutting costs ahead of ensuring adequate quality of translations, staff spends an endless amount of time on correcting substandard translations.
Publication should be mandatory. This would reduce reputational risk for the Fund and increase evenhandedness. For African countries, the requirement for ED sign-off on publication often leads to lengthy delays. Even if the letter of intent provides explicit consent for publication, Fund procedures still require the ED to sign a consent form. This should be abolished.
It is a misguided initiative that has caused considerable damage to the Fund's relations with many member countries, thereby undermining its effectiveness. This is a policy that should be revoked.
(i) In practice, staff tend to draft staff reports with an eye to minimizing controversy or market reactions when they are published. This does not necessarily mean that the report is not candid--rather it can mean that the language is chosen more carefully so that the report would not be misinterpreted or come across as patronizing or unfair to the authorities. (ii) The policy on corrections and deletions should be left as it is. Staff reports are typically drafted to minimize the need for corrections/deletions. Flexibility would make it very difficult for staff to be candid as the pressure from the authorities to redraft sections they don't like would be immense and mission chiefs would be very vulnerable to such pressure.
The tension between the candor and transparency is difficult to resolve. Because of the specter of publication, there will be always issues covered with euphemisms or not included in reports.

III. Web Survey of External Stakeholders

A. Survey

Staff conducted a short web-based survey of external stakeholders. Surveys were designed for three separate types of stakeholders: (i) CSOs; (ii) financial market participants, and (iii) other groups (such as think tanks, academics, and other stakeholders). The surveys were open for several months on an "IMF Transparency Review and Consultation" page on the external website. Seven questions were the same for all three surveys, while a few additional questions were specific to each stakeholder group. To encourage responses, Fund staff sent e-mail messages, links to the webpage, and the surveys to lists of CSOs, think tanks, and financial market participants maintained by EXR. There was also an option to send comments to an electronic mailbox. A total of 24 responses were received, and several comments sent to the mailbox. The survey questions and results appear below.

B. Web Survey Questionnaire and Results

List of Acronyms for Stakeholder Groups: FMP: Financial Market Participants; CSO: Civil Society Organizations; TT: Think Tanks and Other Organizations

Q1. Please indicate all of the statements about whether you follow specific countries in your work and about IMF reports that are true for you (mark all that apply) (for FMP only):

FMP

Choice	Response Percent	Response Total
I follow specific countries.	77.8	7
I know if the countries that I follow do or do not publish their IMF reports.	77.8	7
For countries that I follow that do publish IMF reports, the reports are useful.	66.7	6
For countries that I follow that do not publish IMF reports, I wish they did publish.	77.8	7
I use IMF global economic and financial information as much or more than I use country-specific information.	66.7	6

Q1. Please indicate the main topics that you follow in your work (mark all that apply) (for CSO only):

CSO

Choice	Response Percent	Response Total
Debt relief	0.0	0
Environment	20.0	1
Finance	20.0	1
International development	60.0	3
Macroeconomics	40.0	2
Politics	0.0	0
Other (please specify)	20.0	1

Q1. Please indicate which of the following best describes your affiliation (for TT only):

TT

Choice	Response Percent	Response Total
Think Tank	22.2	2
Academic	55.6	5
Government employee	11.1	1
Other (please specifty)	11.1	1

Q2. Please indicate the types of IMF information you use frequently (mark all that apply):

	FMP		CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
Information on surveillance, i.e. the regular economic and financial monitoring, assessment, and advising of all IMF member countries	66.7	6	83.3	5	55.6	5
Information on IMF lending and policy recommendations to member countries with IMF-supported programs	66.7	6	66.7	4	66.7	6
Information on the global economy (World Economic Outlook, Regional Economic Outlooks, Global Financial Stability Report, etc)	100.0	9	66.7	4	66.7	6
Information on policy developments at the IMF	44.4	4	66.7	4	44.4	4
IMF data and statistics	88.9	8	50.0	3	44.4	4
Other	22.2	2	0.0	0	11.1	1
I don't use IMF information frequently because:	0.0	0	0.0	0	0.0	0

Q3. Please indicate all of the following that apply concerning how or why you use IMF information (mark all that apply):

	FMP		CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
I use it for the factual information and data on countries.	88.9	8	66.7	4	66.7	6
I use it for the IMF staff 's independent assessment of economic developments and government policies.	66.7	6	16.7	1	33.3	3
I use IMF information for its description of the country authorities' views.	55.6	5	16.7	1	22.2	2
I use IMF information to inform my discussions with others (government officials, clients, private sector entities, donors, opinion-makers, etc.)	66.7	6	33.3	2	22.2	2
IMF policy papers (i.e., non-country papers) impact my organization's business.	33.3	3	33.3	2	0.0	0
Other (please explain):	0.0	0	0.0	0	11.1	1

Q4. The IMF provides information and/or data not otherwise available.

	FMP		CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
Strongly Agree	44.4	4	33.3	2	22.2	2
Agree	44.4	4	66.7	4	44.4	4
Neutral	11.1	1	0.0	0	33.3	3
Disagree	0.0	0	0.0	0	0.0	0
Strongly Disagree	0.0	0	0.0	0	0.0	0

Q5. The IMF is candid about its assessment of an economy, including risks of macroeconomic instability.

	FMP		CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
Strongly Agree	0.0	0	33.3	2	0.0	0
Agree	22.2	2	16.7	1	44.4	4
Neutral	55.6	5	50.0	3	33.3	3
Disagree	22.2	2	0.0	0	22.2	2
Strongly Disagree	0.0	0	0.0	0	0.0	0

Q6. The IMF is candid about its lending operations and policy recommendations to countries with IMF-supported programs.

	FMP		CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
Strongly Agree	0.0	0	40.0	2	0.0	0
Agree	33.3	3	0.0	0	55.6	5
Neutral	55.6	5	20.0	1	33.3	3
Disagree	11.1	1	40.0	2	11.1	1
Strongly Disagree	0.0	0	0.0	0	0.0	0

Q7. How would you rate the information content of IMF reports compared to other sources of information?

	FMP		CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
Much better	44.4	4	33.3	2	33.3	3
Slightly better	33.3	3	16.7	1	33.3	3
About average	22.2	2	16.7	1	22.2	2
Slightly worse	0.0	0	33.3	2	11.1	1
Much worse	0.0	0	0.0	0	0.0	0

Q8. Please indicate any of the following statements that you think are true (mark all that apply):

	FMP		CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
I know (broadly) when to expect publication of IMF reports or information on countries that I am interested in.	55.6	5	33.3	2	22.2	2
The fact that a country that I am interested in does not publish its IMF reports is not a negative factor for the country's reputation.	44.4	4	0.0	0	11.1	1
The fact that a country that I am interested in does not publish its IMF reports does not hamper my work on the country.	33.3	3	0.0	0	11.1	1
I am aware that published IMF country reports may have market-sensitive information deleted from them.	88.9	8	16.7	1	55.6	5
The fact that published IMF country reports may have information deleted from them doesn't greatly concern me.	55.6	5	0.0	0	11.1	1
Published IMF country reports influence the financial markets.	22.2	2	33.3	2	55.6	5
Published IMF country reports influence the policy debate in a given country or region.	77.8	7	33.3	2	44.4	4
Published IMF country reports help citizens hold the government accountable for its actions.	11.1	1	16.7	1	33.3	3
The IMF recently implemented major improvements in its lending policy.	55.6	5	0.0	0	44.4	4
I have noticed increases in IMF transparency in the past five years.	55.6	5	33.3	2	22.2	2
I frequently check the IMF external website (www.imf.org) for the latest information on individual countries.	66.7	6	33.3	2	55.6	5
I frequently check the IMF external website (www.imf.org) for the latest information on the global economy.	66.7	6	33.3	2	66.7	6

Q9. IMF information and reports are released in a timely fashion, without lags that hinder their usefulness (for FMP only).

	FMP	
Choice	**Response Percent**	**Response Total**
Strongly Agree	0.0	0
Agree	0.0	0
Neutral	44.4	4
Disagree	22.2	2
Strongly Disagree	33.3	3

Q9. If you think that the transparency of the IMF could be improved, please indicate any of the following areas that you think would be important (mark all that apply) (for SCO and TT only):

	CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
Reports and other information should be easier to understand.	16.7	1	50.0	4
Reports and other information should be more timely.	33.3	2	50.0	4
Reports and other information should be more frank.	50.0	3	62.5	5
Reports and other information should be easier to access.	66.7	4	0.0	0
Other (please explain):	16.7	1	12.5	1

Q10. How would you rate the IMF in the provision of information to external stakeholders (for CSO and TT only)?

	CSO		TT	
Choice	**Response Percent**	**Response Total**	**Response Percent**	**Response Total**
Very good	16.7	1	22.2	2
Good	0.0	0	22.2	2
Acceptable	33.3	2	44.4	4
Poor	50.0	3	11.1	1
Very poor	0.0	0	0.0	0
Other	0.0	0	…	…

IV. Inventory of Deletions

This section includes a complete list of deletions from January 1, 2005 to July 30, 2009, excluding one deletion memorandum that was classified strictly confidential (Hungary—Deletions, FO/DIS/08/121, 11/14/08)

A. 2005

Kingdom of the Netherlands(FO/DIS/05/72)—Aruba—Deletion—Staff Report for the 2005 Article IV Consultation(SM/05/128, 4/11/05)

Page 20, para. 26, lines 5 and 6:

"26. The authorities are confident that the banking system is sound and well supervised (Table 11). They explained that the successful takeover and subsequent restructuring of a small bank by one of the large commercial banks on commercial terms— a model for future interventions—had significantly improved the overall soundness of the system. ~~There remains only one small commercial bank with weak management that requires close attention~~

~~by the supervisory authorities.~~ Staff welcomed the decisive approach the authorities had taken to deal with problem banks and encouraged them to remain vigilant, especially because of the absence of deposit insurance in Aruba. Staff, however, agreed with the representatives of the Aruba's Bankers Association that this absence encouraged prudent risk management. Noting the persistently high after-tax return on equity in banking, staff encouraged the authorities to seek ways to increase competition."

Uruguay(FO/DIS/05/82)—Deletion—Request for Stand-By Arrangement(EBS/05/78, Sup. 2, 6/6/05)

Page 2, para. 4 and footnote 2:
"4. ~~The situation of the cooperative bank (COFAC) remains fragile. Withdrawals from COFAC have continued since its reopening in mid-March (following agreement with the bank supervisor, SIIF, on a restructuring plan for the bank), but deposits at other institutions have been broadly stable. COFAC itself remains liquid and solvent, but continues to make losses, mainly owing to overstaffing.2 According to the SIIF, COFAC is likely to continue meeting SIIF regulations for some time at the current deposit outflow rate. Nevertheless, the authorities agreed with staff that sustained outflows combined with continuing operating losses raise serious concerns about the future viability of the bank. The authorities are considering (with MFD assistance) various options for dealing with COFAC's problems; they fully shared staff's view that the overarching concerns in resolving the bank should be to prevent a general loss of depositor confidence in the banking system and minimize future fiscal costs.~~"

"2 ~~End-April data show a capital adequacy ratio of 11 percent, liquid assets higher than liabilities maturing within 30 days and equivalent to 85 percent of liabilities maturing within 90 days. However, COFAC's labor cost-to-total assets ratio is some 2½ times that of the private bank average. The bank holds about 3 percent of total banking system deposits.~~"

Confidential: Argentina(FO/DIS/05/89)—Deletion—Staff Report for the 2005 Article IV Consultation (SM/05/193, 6/1/05)

Page 32, para. 50, lines 8–11:
"50. The staff urged the authorities to remain current with all multilaterals, including the European Investment Bank (EIB). In regard to the EIB, in a July 2004 informal meeting, staff informed Executive Directors that Argentina had accumulated arrears with the EIB which therefore caused the nonobservance of a continuous performance criterion on the nonaccumulation of arrears to bilateral and multilateral creditors. On August 30, 2004, at an informal country matters session, staff updated Executive Directors on this issue, indicating that the arrears gave rise to noncomplying purchases under the January 2003 SBA and the September 2003 SBA. ~~On September 17, 2004, the Board discussed "Argentina—Report on~~

~~Noncomplying Purchases and Breach of Obligations under Article VIII, Section 5" (EBS/04/131), but postponed consideration of this issue until the authorities had cleared their arrears to the EIB.~~ On January 24, 2005, at an informal country matters session, staff informed Executive Directors that Argentina had cleared all arrears on principal and past due interest with the EIB in December 2004, but that penalty interest on the cleared arrears still remained a subject of ongoing discussions between the Argentine authorities and the EIB. Given this situation the staff recommended that the Board return to the issue following the outcome of the discussions between the authorities and the EIB. The topic of EIB arrears was raised by Executive Directors at a Board meeting to consider the extension of repurchase expectations on May 18, 2005. They inquired whether a request for a waiver for the noncomplying purchases would be brought to the Board's agenda in the near future. Staff indicated that a paper on this issue would be issued to the Board ahead of the Article IV consultation with Argentina."

Nigeria (FO/DIS/05/91)—Deletions/Modifications—Staff Report for the 2005 Article IV Consultation(SM05/227, 6/27/05) and the supplementary information (SM/05/227, Sup. 1, 7/14/05)

Staff Report (SM/05/227, 6/27/05)
Page 4, last para., line 1 and 2:
"~~Staff welcomes t~~The authorities have requested that the Fund ~~to~~ support the implementation of their reform program under a possible ~~Policy Support Instrument (PSI)~~non-borrowing ~~program~~instrument if it becomes operational. Staff is committed to providing policy advice and helping build capacity in Nigeria."

Page 27, para. 57, line 2:
"57. The authorities have requested that the Fund support the implementation of their reform program under a possible non-borrowing ~~program~~instrument ~~the Policy Support Instrument (PSI)~~ if it becomes operational."

Supplementary Information (SM/05/227, Sup. 1, 7/14/05)
Page 2, para.6:
"6. Paris Club creditors recently agreed in principle to a phased approach in which Nigeria would clear its arrears in full, receive a debt write-off up to Naples terms, and buy back the remainder of its debt. The agreement is conditional on a favorable review of its macroeconomic and structural policies supported by the Fund under ~~the proposed Policy Support Instrument (PSI)~~a possible non-borrowing instrument. Paris Club creditors expressed their readiness to invite Nigeria to negotiate in Paris the elements of the agreement left open—including the overall rate of debt cancellation, the length of the phasing period, and possible trigger clauses~~—as soon as it had concluded a PSI with the Fund~~in the event such an instrument were in place for Nigeria."

Page 2, para. 7:

"7. ~~Pending approval and operationalization of the PSI,~~In the meantime, the authorities have requested a continuation of Fund monitoring of their program under intensified surveillance. In this connection, the authorities have provided their quarterly fiscal and monetary targets designed in consultation with staff, as well as an update of their structural reform matrix (see Appendix VII of SM/04/194), including their assessment (see last column of the matrix) of the status of implementation of their program (see attachment). The quarterly profiles are consistent with the annual targets, reversing the build up in liquidity in the first five months of the year. As to fiscal policy, with the approval of the budget in April 2005, capital spending is projected to pick up consistent with the authorities' overall macroeconomic framework. The matrix has been updated in several areas, including public expenditure management, exchange rate system, local government reform, statistics, and liberalization (NNPC)."

El Salvador—Deletions (FO/DIS/05/92)—Modifications—Staff Report for 2004 Article IV Consultation (SM/05/11, 1/14/05)

Page 1, last bullet, lines 1–3:

"• ~~Financial System Stability Assessment (FSSA) Update and Background Notes (BN). Along with this staff report, an FSSA (SM/04/430) has been issued reflecting the findings and recommendations of the 2004 FSAP update.~~ The BN includes notes on growth, national savings, and the implications of CAFTA."

Page 2, under Boxes, last line:

"3. Summary of Staff Recommendations on Financial Sector Reform~~the 2004 Financial Sector Stability Assessment (FSSA) Update~~ ....19"

Page 4, bullet 7, line 2:

"• Banking reforms. The authorities intend to deepen banking reforms along the lines of staff ~~the 2004 FSSA~~ recommendations, with focus on strengthening prudential norms, supervision, and bank resolution practices."

Page 18, para. 31, footnote 19: deleted

"~~19. See also the accompanying FSSA for a fuller discussion of the situation of the banking system.~~"

Page 18, para. 32, line 2:

"recommendations made by staff ~~of the 2004 FSSA~~."

Page 19, Box 3, title line:

"Box 3. Summary of Staff Recommendations on Financial Sector Reform the 2004 Financial Sector Stability Assessment (FSSA) Update"

Page 19, lines 1 and 2:
"The authorities have stated their intention to address virtually all of the staff recommendations on financial sector reform~~of the 2004 FSSA Update~~."

Page 19, line 3: deleted
"Main findings ~~of the FSSA Update~~"

Page 19, line 15: deleted
"Main recommendations ~~(see also Appendix I of 2004 FSSA Update)~~"

Page 20, first bullet, line 4:
"On the deposit insurance fund, the ~~2004 FSSA~~staff recommended to raise bank premia to increase its reserves over the medium term.[21]"

Page 20, para. 33, line 3:
"Along the lines of staff recommendations~~the 2004 FSSA~~, the authorities intend to further restructure these institutions (reducing costs, raising provisions, cutting nonperforming loans, and tightening lending criteria), although they considered that their privatization would be politically feasible only over the medium term."

Page 20, footnote 21:
"21 The ~~FSSA~~staff recommends to raise the fund's reserves gradually to the equivalent of 5 percent of deposits, from a current level of 1 percent."

Page 23, line 1:
"~~2004 FSSA~~staff. The envisaged strategy to strengthen consolidated supervision, the autonomy of the superintendency of banks, and bank resolution practices is commendable."

Colombia (FO/DIS/05/97)—Deletions—Financial System Stability Assessment(SM/05/124, 4/6/05)

Page 11, para. 21, lines 3–5:
"21. Adjustments to estimate the impact of tightening prudential rules indicate that it would be prudent for some institutions to increase provisioning and capital given current risk exposures. ~~If rules for provisioning for loans and other assets, as well as capital requirements for market risks were tightened immediately, the CAR of the banking sector could drop below the minimum 9 percent requirement~~.[6]"

Pages 11 and 12, footnote 6: deleted. Subsequent footnotes renumbered.

"[6] ~~The adjustments to capital included provisioning for expected losses on loans (based on estimated probability of default and loss-given-default); reduction in value of net foreclosed assets and net accounts receivable; and reduction in value of revalued assets and deferred charges. The adjustment for capital requirement comprised using full volatilities for equities, TES, UVR, and repos as well as no matching between UVR and peso `denominated assets in the estimation of market risk capital requirements.~~"

Page 13, para. 24, last two lines:
"For the aggregate of credit institutions, the CAR would fall from 13.7 to 8.6 percent, ~~with 12 consumer finance companies, 10 private domestic banks and 4 BECHs below 9 percent.~~"

Page 13, para. 25, last two lines:
"In particular, the aggregate CAR level after a steepening of the curve would fall to 6.8 percent ~~with 23 banks under 9 percent~~."

Peru (FO/DIS/05/99)—Deletions—Financial System Stability Assessment (SM/05/174, 5/18/05)

Page 1, first bullet, fifth sentence:
"While banks' vulnerability to market risk appears to be modest, due to stringent prudential regulations, banks are vulnerable to foreign currency induced credit risk. ~~A potential source of systemic risk is the lack of clarity in the status of the maturing government promissory note in the capital of one large private bank and the relatively weak performance of its assets.~~ Substantial progress has been made in strengthening the legal, regulatory, and supervisory framework for banking activity."

Pages 4 and 5, para. 4:
"4. ~~A potential source of systemic risk is the lack of clarity in the status of the maturing government promissory note in the capital of one large private bank and the relatively weak performance of its assets. The mission recommended a prompt and orderly resolution of the government promissory note issued to help reduce systemic risks, as well as putting in place a contingency plan in the event that the bank comes under stress. The mission also recommended addressing the remaining weaknesses of the bank by continuing to streamline its operations. The authorities generally concurred and noted that they expected to reach a satisfactory resolution of the promissory note issue in the near future.~~"

Page 11, para. 29:
"29. ~~A potential source of systemic risk is the lack of clarity in the status of the maturing government promissory note in the capital of one large bank and the relatively weak performance of its assets. The mission recommends a prompt and orderly resolution of the promissory note to help reduce systemic risks in the banking system. The mission also recommends that the authorities prepare a contingency plan in the event that the situation~~

~~cannot be resolved in an orderly manner and the system comes under stress. The SBS should closely monitor the bank to ensure it continues to streamline its operations with the view to further strengthen its financial situation.~~"

Page 21, Table 1, under Section E, first and second bullets:
"~~• Reach a prompt and orderly solution of the pending issue of the government's promissory note to one bank. ST~~
~~• Prepare a contingency plan in the event that the government promissory note issue cannot be resolved in an orderly manner and the bank comes under stress. ST~~
• Limit Government's liabilities arising from actions by public sector banks and make subsidies transparent. ST
• Reassess the risks associated with a large, short foreign exchange positions. ST
• Maintain the current length of borrower's repayment records. ST
• Create incentives for banks to adopt and implement risk management techniques for credit risk. MT
• Extend nation the pilot commercial court project on a nationwide basis. MT"

Pakistan (FO/DIS/05/135)—Deletions/Modifications—Staff Report for the 2005 Article IV Consultation—Draft Public Information Notice (SM/05/372, Sup. 1, 10/18/05)

Page 3:
"was noted that the correction of a ~~minor~~ tax anomaly that ~~exemption~~ had not been previously ~~been~~ discussed between ~~by~~ the authorities and the Fund, had . ~~The~~ result~~ing~~ed in an insignificant deviation from a structural performance criterion but without any ~~had no~~ effect on fiscal outcomes. This ~~exemption~~ does not change the Fund's favorable assessment of policy implementation under the program."

Confidential: Turkey (FO/DIS/05/136)—Deletions—Request for Stand-By Arrangement and Extension of Repurchase Expectations and Assessment of the Risks to the Fund and the Fund's Liquidity Position

Requests for Stand-By Arrangement and Extension of Repurchase Expectations (EBS/05/66, Rev. 1, 4/29/05):

Page 4, para. 1, lines 10 and 11:
"To overcome the worst of the financial crisis, the banking system was strengthened: state banks were re-capitalized, the weakest private banks were intervened, and open foreign exchange positions closed. The 2004 Article IV Consultation (SM/04/235) ~~and associated Selected Issues papers (SM/04/247)~~ discusses this strategy, the results it achieved, and draw lessons for future policy implementation."

Page 6, Box 1, last para., lines 2-8:

"Empirical evidence confirms that Turkey's vulnerability has decreased, but also shows that it remains above the average of emerging markets. ~~While the Fund's DCSD early warning model shows a pronounced decline since 2001 in the probability of a crisis in Turkey (though it has increased recently), it also highlights that its vulnerability remained above the emerging market average. (The DCSD model defines a crisis as a weighted average of depreciation and reserve loss within a two-year horizon. Variables used are overvaluation, current account, reserve losses, export growth and STED/Reserves). Indeed, as in many other early warning models, strong currency appreciation in recent months has in fact increased the crisis-risk, as it raises the probability of a sharp exchange rate correction.~~ Using the safety ratios proposed by Manasse and Roubini (2005), it can be seen that while comfortably meeting several of the thresholds, Turkey remains slightly above some of the important ones, related to external debt (see also Appendix III, Annex B)."

Page 6, Box 1, Figure, Risk of Crisis within 2-year horizon: deleted

Page 14, Box 3, last para., lines 2 and 3:

"Against this background, the growth target of 5 percent seems well attainable, and closer to the economy's potential ~~(see Chapter I of the Background Studies)~~. However, a stronger-than-expected decline in production, e.g. due to an appreciated exchange rate that impairs export growth could possibly put the target at risk."

Page 14, Box 3, Figure, CNBC Consumer confidence index, labels regarding domestic political affairs: deleted

Page 17, para. 10, last two lines:

"In November and December, they raised natural gas prices, and petroleum and motor vehicle excises, while saving much of the 2004 revenue overperformance. As a result of these measures and a moderation of pent-up demand for consumer durables, import growth has been slowing and the current account deficit appears to have peaked ~~(Background Studies, Chapter II)~~."

Page 52, para. 89, line 7:

"89. Despite recent improvements, the environment for doing business in Turkey still compares unfavorably with that of competitors, and more far-reaching reforms are needed. Privatization will be critical in this regard, not only because of its direct impact in creating new opportunities for investment and competition, but also as a signal that Turkey's economy is opening up. Several major asset sales are scheduled for the first year of the new program, and they must not be allowed to fail, as previous efforts have, for want of adequate preparation ~~or political willingness to accept market prices.~~ Plans for further cuts in red tape should be pursued aggressively, and the authorities should examine the possibility of measures (such as regionally differentiated minimum wages) that could help promote employment growth."

Page 77, under first bullet, last para., lines 13-15:
"These vulnerabilities are exacerbated by the composition of Turkey's public debt, half of which consists of floating rate debt and half of which is linked to the exchange rate. ~~An exogenous worsening in the external environment—such as the one experienced in April–May 2004—could therefore quickly translate into an increase in public indebtedness and renewed concerns over fiscal sustainability.~~ This in turn, could further fuel pressures on the capital account. Accordingly, Turkey's financing needs remain very challenging."

Assessment of the Risks to the Fund and the Fund's Liquidity Position (EBS/05/66, Sup. 1, 4/28/05):

Page 7, bullet, lines 5–7:
"• Turkey's large public debt and its short maturity and currency composition. Although the government has gradually lengthened new debt maturities, average maturity remains short, so that rollover risk and vulnerability to exchange rate fluctuations and increases in short-term interest rates remain significant. ~~The rollover risk is accentuated by the rather low deposits held by the government at the central bank which act as a cushion in face of fluctuating market access.~~ The debt sustainability assessment is quite sensitive to various shocks.[10]"

People's Republic of China (FO/DIS/05/138)—Deletions—Staff Report for the 2005 Article IV Consultation (SM/05/261, Rev. 1 8/2/05)

Page 14, para. 21, footnote 8:
[8] ~~The staff presents in the Selected Issues paper an assessment of various alternative approaches used in attempts to establish an "equilibrium" value for China's exchange rate. These approaches differ in methodology, choice of indicators of the underlying determinants of the renminbi's equilibrium rate (given the economy's specific characteristics), and the time period studied. These differences result in a very wide variation in estimates at a particular point in time of the gap between the actual and equilibrium exchange rates—ranging from little to no undervaluation to an undervaluation of around 35 percent or more.~~

Page 21, para. 35, lines 2–4 and lines 6–8:
"35. The staff emphasized that particular attention should be given to activities of the Agricultural Bank (ABC), which has neither been restructured nor recapitalized. ~~The ABC has had the worst credit quality of all four state-owned banks and appears to have done the least so far in terms of operational restructuring.~~ Relatively rapid expansion of the ABC's lending may be creating new problems for itself and for other banks through the impact of its competition in certain segments of the credit market. ~~This rapid expansion may be~~

~~exacerbated by the lack of a reform plan, which could be creating moral hazard in the ABC's lending decisions in anticipation of an eventual public bailout.~~ Given this, the mission stressed the urgency of putting in place a restructuring plan, and the need to monitor very closely the bank's lending behavior. Although the authorities shared the staff's view that a restructuring plan for the ABC was imperative, they also pointed to the significant challenges that could arise given the scale of the bank's operations and the role it plays in the agricultural sector."

Uruguay(FO/DIS/05/141)—Deletions—First Review Under the Stand-By Arrangement and Request for Modification of Performance Criteria (EBS/05/136, 9/15/05)

Page 11, para. 7, bullet 3, last two lines:

"• Fragilities remain in the banking system. Dollarization remains high, and the reserve coverage of dollar deposits and short-term debt is still significantly lower than in other dollarized economies. ~~In addition, the weak financial situations of BHU and COFAC pose near-term risks.~~"

Pages 19 and 20, para. 17, last bullet:

"• ~~COFAC. The authorities pointed out that a change in management and cost-cutting measures had improved the situation of the cooperative, but explained that it was still not clear whether the liquidity situation would allow enough time to turn the situation around. Withdrawals had slowed, and the critical test date would be the release of the next tranche of the reprogrammed deposits in mid-December (with four additional releases pending thereafter). The authorities are monitoring developments closely and are considering various options, including liquidation or a merger with BROU.~~"

Honduras (FO/DIS/05/148)—Deletions/Modficiations—Staff Report for the 2005 Article IV Consultation, Second Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility, Requests for Modification and Waiver of Performance Criteria, and Financing Assurances Review; and Enhanced Initiative for Heavily Indebted Poor Countries—Completion Point Document (EBS/05/43, 3/16/05)

Page 4, third bullet, last two lines:

"• Program implementation has been satisfactory, although an important step in the reform of the teachers' salary structure is being postponed. All quantitative PCs for end-December were met, some with ample margin. The budget approved for 2005 is in line with the program, and the authorities are upgrading monetary operations. Structural reforms have moved forward, including changes to the tax and criminal codes and the creation of tax courts. The issuance of regulations to integrate teachers' supplementary benefits into their salary effective from 2007 (a PC for end-December) has been rephased ~~to 2006, to avoid its becoming a divisive election issue~~."

Page 6, Box 1, fourth bullet, lines 3 and 4:

"• There are risks of renewed pressures and unrest in the run-up to the elections, particularly if oil prices remain high. ~~Teachers are strongly opposed to making the current restrained wage policy permanent, and could use the electoral competition to try to reestablish their benefits. This could encourage other groups (e.g., in the public transportation sector) to renew pressures.~~ The government has reaffirmed its commitment to the program, and is engaging the main political leaders, including the recently elected presidential candidates, to ensure that the program's core elements are protected during the campaign and to promote policy continuity under the next administration.1/ The challenge will be to convince the body politic that continued successful program implementation will be crucial for sustained economic recovery, continued external support, and reaping the benefits of HIPC."

Page 7, para. 4, lines 11 and 12:

"As noted, the authorities in late 2003 started to implement a medium-term program that addresses these issues, in line with Directors' recommendations. In particular, the fiscal position has been strengthened, the financial sector reform program is on track, and the reform of monetary operations has been launched ~~(which would facilitate a gradual move toward a more flexible exchange rate regime).~~ However, as explained below, further efforts are needed to garner consensus for civil service reform and a sustainable medium-term wage policy for teachers.[1]"

Page 17, para. 25, line 2:

"25. The issuance of regulations to integrate teachers' salaries starting in 2007 has been delayed ~~until after the November 2005 presidential elections.~~ With no political support for resolving this issue now, in the run-up to the elections, the authorities stressed that insisting on it at this juncture would polarize the country."

Page 18, lines 1 and 5:

"proposed the ~~following~~ rephasing of this measure~~: (i) the technical work (specification of new salary scales for teachers that will include all benefits and are consistent with the overall wage limits under the present arrangement) will be completed as a prior action for this review and (ii) the permanent integration of teachers' benefits into to the overall salary will be implemented in 2006.~~ Based on these measures and the controls over the wage bill for the program period (2004–06), the authorities requested a waiver for the end-December PC."

Page 20, para. 32, line 2, lines 4 and 5:

"32. The discussions on monetary strategy took place in the context of the medium-term ~~strategy~~ desirability to move toward greater exchange rate flexibility. The exchange rate continues to be the nominal anchor. In line with Fund recommendations, the authorities are strengthening monetary operations and the financial sector, ~~which would allow for greater exchange rate flexibility in the medium term.~~ The staff reiterated its recommendation to eventually move toward greater exchange rate flexibility, to facilitate adjustment to shocks and structural change."

Page 65, para. 2, lines 9–13:
"Nonetheless, we remain fully committed to a sustainable wage system for teachers as agreed under the program. ~~To this effect, we have proposed a rephasing of this measure, including the completion of the necessary technical work (specification of new salary scales for teachers consistent with the wage bill targets under the PRGF arrangement) as a prior action for the second review. Our revised plan is to have the delayed structural measure approved in 2006 and implemented in the 2007 budget.~~"

Page 68, para. 7, lines 6–10:
"Nonetheless, the government remains fully committed to a sustainable wage system for teachers as agreed under the program. ~~To this effect, it will complete the necessary technical work (specification of the new salary scales for teachers in line with the wage bill targets under the PRGF arrangement) as a prior action for the second review of the program. The government's plan is to approve the delayed structural measure in 2006, and implement it in the 2007 budget.~~"

Page 75, lines 8 and 9: deleted

Jordan (FO/DIS/05/158)—Deletion—Staff Report for the 2005 Article IV Consultation and Second Post-Program Monitoring Discussions—Draft Public Information Notice (SUR/05/127, 11/23/05)

Page 5, third para., last sentence:
"Such a shift should be preceded by careful consideration and preparation, including in order to assess the effects of exchange rate movements on inflation and debt levels. Some Directors considered that the peg should be maintained, pointing to various factors that can be expected to help safeguard competitiveness and improve the external position, including the recent pick up in productivity growth, and the benefits to the export sector of the ongoing trade liberalization and other reforms. ~~However, some other Directors observed that Jordan is currently well-placed to introduce greater exchange rate flexibility, as the current comfortable level of external reserves could be used to limit excessive fluctuations in the rate, once the prerequisites have been met.~~"

B. 2006

Iraq (FO/DIS/06/3)—Deletions/Modifications—Request for Stand-By Arrangement (EBS/05/173, 12/8/05)

Page 10, para. 21, line 13:

"Prices for all oil products would be raised again in (quarterly) stages during 2006 ~~(Table 6)~~."

Page 25, Table 6, rows 3–10 for specified fuel prices for March through December 2006: deleted

footnotes 4 and 5: deleted. Subsequent footnotes renumbered

Page 40, para. 20, footnote 1. Subsequent footnotes renumbered:
"Revenues in 2006 are projected to increase to ID 47.5 trillion (including oil export revenues of ID 42.1 trillion projected on the basis of an oil export price of US$46.6 per barrel and oil export volume of 1.7 mbpd). The GoI is also committed to increasing domestic prices of oil derivative products on a quarterly basis during 2006.~~[1]~~"

"~~[1] Table 2 shows the indicative path proposed for oil product prices during 2006.~~"

Page 45, para. 44, lines 11 and 12:
"~~Indicative benchmarks for official prices of petroleum products are shown in Table 2.~~"

Page 47, Table 2: title modified to read "Table 2. Iraq: Prior Action Under the Stand-By Arrangement (SBA)"

last 4 columns for specified fuel prices for March through December 2006: deleted

Iraq (FO/DIS/06/5)—Deletions/Modifications—Request for Stand-By Arrangement (EBS/05/173, 12/8/05)

Page 2, Table 12: title modified to read "Oil Product Prices: Prior Action Under the Stand-By Arrangement (SBA)"

Page 17, footnote 19, lines 1 and 2:
"[19]Each review will focus on progress in adjusting domestic petroleum product prices ~~(in line with the indicative path specified in the MEFP)~~, in addition to overall program implementation. Furthermore, the second review will assess the completion of Ernst and Young's audit of the CBI, and implementation of the law liberalizing private imports of premium gasoline, while the third review will assess progress in drafting a petroleum law."

Page 31, Table 12: title modified to read "Iraq: Oil Product Prices: Prior Action Under the Stand-By Arrangement (SBA)"

columns 1–4: deleted columns for specified fuel prices for March through December 2006
Page 49, under Quantitative Performance Criteria and Indicators, para. 4:
"~~4. The quantitative indicative benchmarks are minimum official prices for domestically sold LPG, regular and premium gasoline, diesel, and kerosene.~~"

Page 52, para. 17:
"~~17.~~ ~~**Official prices for petroleum products**~~ ~~are minimum official prices for the sales of LPG, regular and premium gasoline, diesel, and kerosene in government outlets throughout Iraq.~~"

Antigua and Barbuda (FO/DIS/06/14)—Deletions/Modifications—Staff Report for the 2005 Article IV Consultation (SM/05/419, 12/6/05)

Page 24, Box 5, first para., second sentence:
"The combination of a weak balance sheet and population aging is placing increasing pressure on the viability of the Antigua and Barbuda Social Security Scheme (ABSSS). The ABSSS has started to incur small deficits on a cash basis (0.1 percent of GDP in 2004)—largely due to government arrears on current contributions and interest obligations—and, ~~on current policies, useable reserves are projected to be exhausted by 2012~~ absent reforms to the pension system, the long-term sustainability of the ABSSS needs to be kept under careful review. Existing demographic trends plus the maturing of the pension scheme imply a dramatic increase in the dependency ratio over the coming decades."

Page 27, footnote 11:
"**Strengthening the prudential and regulatory framework for banks would reduce vulnerabilities to adverse shocks**. Stress tests conducted by the staff highlight the impairment of government obligations or increased loan losses as the key risks to bank balance sheets.~~11~~"

"~~11 Two scenarios were considered for three local banks (the fourth local bank is very small and was excluded due to data problems): (i)~~ ~~*nonpayment of 10 percent of government exposures,*~~ ~~in which case one bank with 16 percent of total banking system deposits would become undercapitalized; and (ii)~~ ~~*an increase of 10 percent of total loans in loan losses (the largest cumulative loss during the period 2002–04)*~~~~, in which case two of the three local banks would become undercapitalized, affecting 35 percent of banking system deposits.~~"

Indonesia (FO/DIS/06/18)—Deletions/Modifications—Fourth Post-Program Monitoring Discussions (EBS/06/16, 1/23/06)

Page 11, bullet 1, lines 8–12:
"Developments to date: After a year of high profits in 2004, which helped improve banks' capital positions, banking sector performance deteriorated in 2005, especially at state banks (Table 6). Compromised assets at state banks rose threefold to 15.1 percent at end-September~~, with the bulk of the increase at Bank Mandiri and Bank Negara Indonesia (BNI).7~~"

~~[7] Together these two banks represent about two fifths of the banking sector in terms of total assets.~~

line 16:

"Although over 70 percent of this increase is estimated by BI to reflect tighter non-performing loans (NPL) classification rules, there was some deterioration in the quality of the loan portfolio at these ~~two~~ banks."

Ecuador (FO/DIS/06/19)—Deletions/Modifications—Staff Report for the 2005 Article IV Consultation (SM/06/6, 1/5/06)

Pages 20 and 21, para. 18, lines 2–7:

"**The authorities agreed on the need to tackle these problems but want to proceed cautiously given their political sensitivity.** ~~The officials acknowledged the need for a gradual reduction of fuel subsidies to reduce budgetary pressures and create space for better-targeted social spending and infrastructure investment. They indicated that, as a first step, the government would start working toward the elimination of the cooking gas subsidy (which represents one-fifth of total fuel subsidies of 5¼ percent of GDP) in coming months, once ongoing improvements in social programs (including a universal health insurance initiative) are put in place.~~ The officials acknowledged the need for a gradual reduction of fuel subsidies (which amount to 5¼ percent of GDP) to reduce budgetary pressures and create space for better-targeted social spending and infrastructure investment."

Page 25, para. 27, last two lines:

"**The mission strongly cautioned against the banking system bill currently in Congress.** The mission emphasized that instead of administrative regulations to determine interest rates and credit allocation as envisaged in the bill, a durable reduction in interest rates and expansion of banking sector intermediation would depend on the maintenance of macroeconomic stability, the reduction of economic vulnerabilities, and progress on the reform priorities recommended in the FSAP. The authorities also expressed concern about the bill, and indicated that they were working to correct its shortcomings.~~President Palacio indicated that he was prepared to veto the legislation, if needed.~~"

Page 26, para. 32, lines 10 and 11:

"~~In this context, the authorities are urged to push ahead with their plan to reduce the cooking gas subsidy~~ In this context, the authorities are urged to move quickly to reduce the cooking gas subsidy and prepare for a substantial reduction of all other fuel subsidies while strengthening the social-safety net to protect vulnerable groups."

Uruguay (FO/DIS/06/22)—Deletions/Modifications—Second Review Under the Stand-By Arrangement, Requests for Modification, Waiver of Nonobservance and Applicability of Performance Criteria, and Extension of Repurchase Expectations in the Credit Tranches (EBS/05/202, 12/29/06)

Page 17, para. 22, line 8:

"Should these measures fail to produce the necessary improvements in earnings, various contingency scenarios are being prepared, including injection of capital by new shareholders ~~and possibly liquidation~~."

Page 20, para. 33, last line:

"Staff welcomes the authorities' efforts to set up a contingency plan for COFAC in order to minimize systemic risks ~~and encourages them to develop further operational plans in case of a liquidity crisis~~."

Nicaragua (FO/DIS/06/49)—Deletions/Modifications—Staff Report for the 2005 Article IV Consultation, Seventh, Eighth, and Ninth Reviews Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility, Financing Assurances Review, and Requests for Rephasing, Waiver of Performance Criteria, and Extension of the Arrangement (EBS/05/201, 12/28/05)

Page 21, para. 17, lines 6–13:
"~~The situation is exacerbated by the still weak financial sector, which is highly dollarized and suffers from high exposure to public debt. Moreover,~~ Given that the financial sector is highly dollarized andexposed to public debt, experience has shown that ~~the economy~~ confidence may be adversely affected ~~by deposit and capital flight~~ in the run-up to the elections."

Page 29, line 6:
"Accordingly, the program builds in action by the central bank to absorb liquidity through open market operations[8] ~~in the first semester,~~ consistent with a program objective of significant reserve accumulation in the first half of the year, as well as concerns on inflation and maintaining stability (MEFP ¶7)."

footnote 8, lines 1 and 2:
"8The central bank's options for tightening liquidity to banks are constrained by ~~its weak~~ several factors, including the fact ~~capital position and~~ that most credit is dollar denominated. The mission discussed alternatives including increasing reserve requirements on both cordoba and dollar deposits (the latter could discourage dollarization of the banking system). However, the authorities and the mission were concerned about the distortionary impact of increasing reserve requirements and thus opted on balance to focus on open market operations."

Page 73, line 1:
"In the most extreme stress test ~~of a 30 percent nominal depreciation~~, the external debt ratio would not come back below the 50 percent threshold before 2021."

The following deletions/modifications are requested on the grounds that the premature disclosure of the operational details of these policy intentions would seriously undermine the authorities' ability to implement the policy:

Page 99, para. 10, last two lines:
"Based on the end-October tariff price, which was 0.1353 US$/KWh, tariffs will be further increased up to an average ~~such that the~~ tariff of ~~price is 0.1478 US$/KWh by end-March 2006, and~~ 0.1588 US$/KWh ~~by end-June 2006~~."

text Table, title: for "Electricity Tariffs 2005-2006"
read "Electricity Tariffs 2005"

last two columns, "31-Mar-06 and 30-June-06": deleted

Nicaragua (FO/DIS/06/50)—Modification—Selected Issues (SM/05/432, 12/28/05)

Page 33, para. 14, line 1:
"**Moreover, the financial position of the central bank ~~is relatively weak~~ needs to be strengthened**."

Confidential: Republic of Moldova (FO/DIS/06/54)—Deletions/Modifications—Staff Report for the 2006 Article IV Consultation and Request for a Three-Year Arrangement Under the
Poverty Reduction and Growth Facility (EBS/06/61, 4/21/06)

Page 18, para. 20, line 5:
"~~The program is built on the assumption that prices for natural gas imported by Moldova during 2006 will average \$120/tcm, close to the price of \$110/tcm agreed for the first quarter of 2006.~~ A price of \$110/tcm was agreed upon for the first half of 2006."

Page 37, Table 2: delete the penultimate line.

Page 42, Table 5: delete the numbers for natural gas volumes and prices—rows 3 and 4—for years 2006, 2007, and 2008.

Former Yugoslav Republic of Macedonia (FO/DIS/06/55)—Deletions—First Review Under the Stand-By Arrangement, and Requests for Waiver of Performance Criteria, and Extension of Repurchase Expectations (EBS/06/48, 4/3/06)

Page 19, para. 23, third sentence:
"**The NBRM is trying to address the opaque ownership structure of some banks.** Some small banks are "pocket banks" of enterprises or individuals, with significant governance problems, poor risk management, and continued operating losses. ~~The NBRM has taken corrective measures in four such banks (4 percent of deposits) to limit their activities, improve their liquidity, and reduce major shareholder equity holdings.~~ The NBRM also expressed concern at the ownership of some savings houses (mainly microfinance) by non-profit organizations, which might lack resources in case of capital shortfalls."

Turkey (FO/DIS/06/82)—Deletions/Modifications—First and Second Reviews Under the Stand-By Arrangement, Requests for Waiver of Nonobservnace of Performance Criteria and Rephasing of Purchases (EBS/05/166, 11/28/05)

Highly Market Sensitive Material
Page 7, para. 3, line 4:
"**Despite the appreciation of the lira, export competitiveness has held up reasonably well**. Market estimates suggest that the lira may be ~~as much as 25 percent~~ above its long-run equilibrium value. However, while export profit margins—proxied by the ratio of export prices to U.S. dollar unit labor costs—have recently declined, they remain well above pre-

crisis levels. In most sectors, adverse exchange rate effects have at least in part been offset by continued strong productivity growth and subdued wage dynamics, and there are no indications so far of a generalized decline in Turkish export market shares."

Page 9, para. 7, line 4:
"**Against the backdrop of these generally positive developments, staff considers that the evolving domestic political environment is making reforms more difficult**. With parliamentary elections on the horizon (and speculation that these may be brought forward from late 2007), there is a risk of increased politicization of structural reforms. ~~Moreover, the government's resort to "fast track" voting procedures to pass the banking law last June has hardened parliamentary opposition to program reforms requiring legislative action.~~ This, together with the risk of a diminished sense of urgency resulting from strong capital inflows and the start of EU accession talks, is complicating the task of ensuring timely implementation of structural reforms. Even so, the government remains committed to the Fund-supported program and has kept macroeconomic policies in line with program expectations."

Page 16, para. 19, 2nd sentence:
"19. **Responding to filibustering by the opposition in parliament and calls for more consultation, the authorities requested a delay in the passage of the pension reform law to early 2006** (¶17). ~~They argued that the opposition had taken advantage of perceptions that the IMF was attempting to drive the parliamentary process, using this to bolster their blocking tactics.~~ They also stressed the importance of following a consultative approach, given that this reform will affect a large share of the population. The authorities therefore proposed making approval of the pension law (originally a structural performance criterion for end-June 2005) a performance criterion for the third review. It was understood that implementation of Universal Health Insurance, which results in additional costs to the budget and is covered in the same piece of law, would also be delayed."

Page 18, para. 23, 1st bullet:
"• The **SEE governance law** (end-September structural benchmark, ¶19) <u>needed further consultation with related agencies to build consensus</u>~~had proved controversial because it would reduce the influence of line ministries~~. The authorities were considering <u>ways to meet the program objectives of streamlining the procedures</u> ~~eliminating this controversial element, while retaining other planned improvements, such as the introduction of~~<u>and</u> performance management ~~and external audits of enterprises~~<u>of the SEEs</u>.

para. 24: delete chart on Treasury Cash Deposits at Central Bank

B. Operational Details of Policy Intentions
Page 17, para. 21, 1st bullet, last line:
"• The **CIT reform** would entail a 10 percentage point reduction in the headline rate and the elimination of the investment tax allowance. The net cost of the CIT reform was estimated at 0.4 percent of GNP, absent compensatory measures. The authorities believed this cost could eventually be much lower given increased compliance and economic activity. Nonetheless, they agreed to implement a set of compensating

measures for next year, including ~~higher dividend withholding taxes and~~ specific revenue and expenditure savings."

Euro Area Policies (FO/DIS/06/87)—Deletions (SM/06/228, 7/5/06)

Highly Market Sensitive Material
Page 11, para. 4, last sentence:

"~~As regards bilateral rates, these calculations suggest that, notwithstanding a substantial appreciation since mid-2002 from a medium-term perspective, the euro remains somewhat undervalued against the US dollar and overvalued against other currencies (see table).~~"

text table, last two columns: deleted

Pages 36–37, para. 32, third sentence:
"~~Staff calculations imply that under the current constellation of imbalances an appreciation of the euro against the dollar combined with a depreciation against other key currencies that left the effective rate broadly unchanged would be the preferred path forward.~~"

Page 37, Box 6, para. 1, line 1:
"Staff estimates indicate that from a medium-term perspective~~, while undervalued against the US dollar,~~ the euro's exchange rate is broadly aligned on a multilateral basis. Nonetheless, the area has committed to contributing to an orderly resolution of global imbalances through enhanced structural reform. Progress, however, has been slowed by popular resistance to both labor and services market reforms."

Japan (FO/DIS/06/89)—Deletions—Staff Report for the 2006 Article IV Consultation (SM/06/225, 6/30/06)

Page 27, para. 29, lines 6 and 7:
"Consistent with this scenario—and subject to large margins of statistical uncertainty—estimates by the IMF's Consultative Group on Exchange Rates suggest that the yen could appreciate in real effective terms ~~by around 15–30 percent~~ over the medium term; this would likely take place in the context of multilateral adjustment in partner-country currencies."
Chile (FO/DIS/06/94)—Deletion—Staff Report for the 2006 Article IV Consultation (SM/06/245, 7/11/06)

Page 10, para. 21, third sentence:
"The central bank considered that the policy rate, set at 5 percent since April 2006, remained ~~significantly~~ below the neutral rate. ~~, which they estimated to be in the range of 6.5–7.5 percent. Further rate increases in the policy rate might be needed in coming months, a possibility well understood by market participants.~~

Chile—Deletion—Staff Report for the 2006 Article IV Consultation (SM/06/245, 7/11/06)

Page 10, para. 21, third sentence:
"The central bank considered that the policy rate, set at 5 percent since April 2006, remained ~~significantly~~ below the neutral rate. ~~, which they estimated to be in the range of 6.5–7.5 percent. Further rate increases in the policy rate might be needed in coming months, a possibility well understood by market participants.~~"

Iraq (FO/DIS/06/97)—Deletions—First and Second Reviews Under the Stand-By Arrangement (EBS/06/98, 7/17/06)

Page 9, para. 20:
"~~20.~~ ~~**The CBI will allow the exchange rate to strengthen, as conditions permit.**~~ ~~The amount of dollars sold at the daily auction has gone down over the past couple of months (May and June) to around $40 million per day, compared to closer to $60 million per day during January–April. With the CBI's foreign reserves at a high level and well above the program floor, there would seem to be scope to allow the exchange rate to enhance its contribution as a nominal anchor, especially in circumstances where the equilibrium exchange rate may have moved up. By enhancing the attractiveness of the Iraqi dinar by comparison to the US dollar, this policy might not only combat inflation, but also serve to reduce the desire to hold dollars and help resist dollarization.~~"

Page 40, SMEFP, para. 15:
"15. To help fight inflation the Central Bank of Iraq (CBI) will strengthen monetary ~~and exchange rate~~ policy. The CBI's policy interest rate was raised on July 4 to 10 percent, and CBI lending and deposit rates will be adjusted in line with the policy rate. The policy rate will be adjusted further to 12 percent by mid-July, if inflationary trends warrant further tightening. ~~In addition, the exchange rate will be allowed to gradually appreciate for a period of time and as conditions permit. This should help put some downward pressure on inflation as well as resist the tendency to dollarize.~~"

Indonesia (FO/DIS/06/101)—Deletions/Modifications—Staff Report for the 2006 Article IV Consultation and Fifth Post-Program Monitoring Discussions (EBS/06/90, 7/10/06)

Page 16, under *Financial Sector Vulnerabilities and Policies*,
first para, line 5:
"Background: Since the crisis, Indonesia has made progress toward establishing a strong and competitive private banking sector, although the two largest state banks ~~(Bank Mandiri and BNI)~~ have still weak governance and large nonperforming loans (NPLs)."

Page 17, first bullet, lines 1, 2, and 6:
"• NPLs at ~~Bank Mandiri and BNI~~ <u>the two largest state-owned bank</u>s rose to ~~26.7 percent and 15.3~~<u>an average of over 20</u> percent of assets, respectively, at end-2005. This compares with an average of 3.4 percent for private banks. As a result, lending and profitability at these two banks has declined sharply. On July 5, the authorities released a financial sector package that, among other things, allows state banks to give haircuts on loan principal.6 In addition, governance and internal controls are weak at <u>these banks</u>~~Mandiri and BNI~~, and private shareholders do not have voting rights."

fourth bullet, line 1:
"• The increase in NPLs at the two largest state-owned banks~~Mandiri and BNI~~, if left unresolved, could pose problems, especially as these two banks constitute almost onethird of the banking sector."

sixth bullet, line 1:
"• The seriousness of the NPL problems at the two largest state-owned banks ~~at Bank Mandiri and BNI~~ was recognized. A number of options to resolve these loans will be considered. The privatization of the two major state banks is not politically feasible at this stage. The authorities noted that a third state bank ~~(BRI)~~ had played a useful public policy role by providing microfinance in remote areas."

Former Yugoslav Republic of Macedonia (FO/DIS/06/111)—Deletions/Modifications—Staff Report for the 2006 Article IV Consultation (SM/06/252, 7/14/06)

Highly Market-Sensitive Material
Page 4, last para., last sentence:
"~~While reasons to change the exchange rate regime at present are not compelling, the authorities were open to introducing greater flexibility, if circumstances were to change.~~"

Page 6, Box 1, third para.:
"Exchange rate: ~~Although agreeing in principle on the need for an exit strategy, either towards greater flexibility or a harder peg, the authorities have continued with the "soft peg". Though this has worked well so far, during this consultation the authorities showed openness to greater flexibility.~~ Although agreeing in principle on the need for an exit strategy, either towards greater flexibility or a harder peg, the authorities have continued with the "soft peg", which has worked well so far."

Page 23, first sentence:
"~~The authorities accepted this, and the NBRM agreed to improve its sterilization cost projections to assess the regime's durability and to intensify preparations for possible inflation targeting.~~The NBRM is working on building capacity in order to be able to respond if the prevailing conditions change."

Page 27, Box 5, second para., lines 4 and 5:
"~~Opaque bank ownership structures and governance weaknesses need to be addressed, although the NBRM took corrective measures regarding four weak small banks.~~Opaque bank ownership structures and governance weaknesses need to be addressed, although the NBRM has recently taken corrective measures."

Page 29, para. 40, first sentence:
"40. **~~Although the level of the exchange rate is broadly appropriate, preparations for greater flexibility should continue.~~ Although the level of the exchange rate is broadly appropriate, the NBRM should continue to build capacity in order to be able to respond if the prevailing conditions change."**

Uruguay (FO/DIS/06/116)—Deletions/Modifications—Staff Report for the 2006 Article IV Consultation, Fourth Review Under the Stand-By Arrangement, and Request for Waiver of Nonobservance and Modification of Performance Criteria (EBS/06/79, 6/15/06)

Operational Details of Policy Intentions
Deletion 1: Page 20, para. 18, lines 4–6:
"~~The authorities considered that they were likely to overperform in 2006,~~ The authorities considered that they would meet their fiscal targets in 2006, as they had done in 2005, but also noted that the current targets already imposed considerable constraints."

Deletion 2: Page 21, para. 21, lines 5–8:
"~~They indicated that they were about to launch a swap of the very large obligations falling due in 2011-2015 into longer maturities and are exploring a new international inflation-indexed bond issue to replace a similar bond maturing in October 2006.~~"

Deletion 3: Page 24, para. 34, lines 2–4 and 5:
"~~The authorities noted that while part of the first quarter overperformance may be reversed, they were still likely to achieve a better-than-programmed outturn for the year.~~ On public enterprises performance, ~~they~~ the authorities are committed to continue fully passing through international oil prices to protect revenue targets;"

Hungary (FO/DIS/06/117)—Modifications/Deletions—Staff Report for the 2006 Article IV Consultation and Selected Issues (SM/06/267, 7/25/06), (SM/06/311, 9/18/06)

SM/06/267 (7/25/06) – Staff Report
Highly Market-Sensitive Material
Page 13, Box 1, penultimate sentence:
"~~In the absence of these supporting forces, the forint would have fallen below the central parity by end-March 2006 to Ft 284 per euro, and would have breached Ft 300 per euro by end-June.~~ These supporting forces have kept the forint from depreciating even further."

SM/06/311 (9/18/06) – Selected Issues
Highly Market-Sensitive Material
Page 10, paragraph 14:
"~~Without the support of the regional appreciation, the forint would have already crossed the central parity and hit Ft 285 per euro by end-March 2006, and would have been close to Ft 300 per euro by end-June 2006.~~"

Page 18, paragraph 28:
"The Hungary-specific component of the forint has been particularly weak~~, and, had it not shared in the regional appreciation, the forint would have already breached Ft 300 per euro in June 2006.~~"

Uruguay (FO/DIS/06/118)—Deletions/Modifications—Financial System Stability Assessment (SM/06/187, 6/12/06)

Highly Market-Sensitive Material
Page 15, Box 2, para. on "Sensitivity tests:"
"For a very sharp tilt in the U.S. dollar and peso yield curves to a level similar to the one during the Russian crisis (ranging between 163–881 and 123–861 basis points, respectively), the CAR would fall below the minimum capital requirement ratio in ~~three~~ financial institutions accounting for about 17 percent of banking system assets (Appendix I, Table 5). Under a stress test of credit risk in which the worst classification for each debtor is applied to that debtor in all banks, the provisioning needs of banks would increase.~~, but only one bank representing about 6 percent of the banking system assets would have a CAR declining to below the required level.~~ Finally, an increase of 60 percent in the probability of default would lead to the decline of the capital adequacy ratios of ~~three~~ institutions (accounting for about 13 percent of the banking system assets) to below the required minimum.~~; two of these institutions would be significantly undercapitalized (with a CAR between 0 and 5 percent).~~"

para. on "Adverse macroeconomic events:"
"Under the current account shock of a 10-percent decline in Argentina's GDP, ~~five~~ financial institutions, representing 28 percent of banking system assets, would become undercapitalized ~~(of which one would be severely undercapitalized)~~. Finally, under the sudden stop scenario (a severe monetary tightening in the US leading to a recession in the world economy, large capital outflows, and a sudden drop of 8 percent in Uruguayan GDP) banks representing about 80 percent of the banking system assets would have a CAR below the minimum required. ~~Eight financial institutions would become undercapitalized—of which four would be severely undercapitalized but solvent—and another four institutions would become insolvent.~~"

para. on "Deposit withdrawals:"
"Deposit withdrawals: Bank liquidity was also tested under the same scenarios. ~~While only one financial institution had a 30-day liquidity ratio (as measured by liquid assets to total deposits) lower than 50 percent before any shock, more than nine~~Several financial institutions would experience a decline in the 30 and 90-day liquidity ratios below 50 percent under the current and capital account shock scenarios."

Page 24, para. 49, lines 1–3:
"49. ~~**The authorities should develop a contingency plan for handling banking crisis and other market disturbances.**~~ ~~A comprehensive contingency plan would allow the authorities to identify probable solutions for alternative crisis scenarios,~~**The staff recommended that the authorities develop a comprehensive contingency plan to allow them to identify probable solutions for alternative crisis scenarios,** test these solutions and the effectiveness of the implementation arrangements in place, and identify weaknesses to be addressed."

Uruguay (FO/DIS/06/126)—Deletion—Financial System Stability Assessment (SM/06/187, 6/12/06)

Highly Market-Sensitive Material
Page 15, Box 2, under subheading “Adverse macroeconomic events,” line 4:
The domestic supply shock scenario would lead to a decline in the CAR below the minimum required in ~~two~~ institutions~~,~~ representing six percent of the banking system.”

Confidential: Turkey (FO/DIS/06/121)—Deletions/Modification—Third and Fourth Reviews Under the Stand-By Arrangement, and Request for Waiver of Nonobservance and Applicability of Performance Criteria and Modification of Performance Criteria (EBS/06/99, 7/18/06)

Highly Market-Sensitive Material
Page 15, para. 12:
“Instead the exchange rate should be allowed to adjust—especially given earlier market perceptions that the lira may be overvalued~~—and foreign exchange sales limited to small amounts in illiquid market conditions. If needed to stabilize market expectations, interest rate increases were the preferred and more effective tool~~.”

Page 30-31, Box 3: delete the second page of the box; and modify the title to read “Turkey: Competitiveness”.

Page 33, Box 4: delete last paragraph and last two bullet points.
“~~•~~*Liquidity risk.* Short-term interbank credit lines and non-resident deposits—both of which contracted sharply in the 2001 crisis—are potential sources of vulnerability in the event that investor confidence deteriorates sharply. As of end-April, banks’ borrowings from foreign banks amounted to US$13 billion and non-resident deposits to US$6 billion.
~~• **The recent market turbulence will test the resilience of the system**. To get a sense of its possible impact on bank profitability and solvency, we consider simulations that examine banks’ ability to absorb a large shock.~~
~~•*Most banks would likely withstand sizeable interest rate and exchange rate shocks without having to raise capital*. For example, the combination of a 30 percent depreciation of the lira, 6 percentage point increase in domestic interest rates and 1½ percentage point hike in U.S. interest rates would only require one private and three foreign banks to raise a small amount of additional capital to fulfill their capital adequacy requirements.~~
~~• *Only in the event of a substantial deterioration in loan portfolios would many privately-owned banks face solvency problems*. If the above exchange rate and interest rate shocks are accompanied by a 10 percentage point increase in non-performing (on-balance sheet) loans and a 5 percentage point deterioration in off-balance sheet commitments, the profitability of the overall system would likely decline by three times more than due to exchange rate and interest rate shocks alone (this assumes 100 percent provisioning of nonperforming loans). In this case, 11 private (mostly small) banks and three foreign banks would need to raise additional capital for about YTL 3.6 billion (representing 7 percent of the banking system’s shareholders’ equity). Despite the large impact of such a shock, it should be borne in mind that NPLs typically take many years to adversely affect bank balance sheets.~~”

Operational Details of Policy Intentions

Page 17, para. 16:
"The package comprised measures to contain health costs (without sacrificing the quality of services delivered) and cuts in lowerpriority capital and other spending~~,~~ ~~including on defense~~."

C. 2007

Algeria (FO/DIS/07/7)—Deletions/Modifications—Staff Report for the 2006 Article IV Consultation (SM/06/401, 12/20/06)

Page 4, Executive summary, 5th bullet, last sentence:
"The authorities indicated that they intend to increase Bank of Algeria's policy interest rate to keep it at a positive level in real terms ~~and, if needed, allow a nominal appreciation of the dinar to help prevent inflation from becoming entrenched~~ and to continue their flexible management of the exchange rate."

Page 15, para. 18:
"In this context, they intend to continue their flexible management of the exchange rate~~ and, if needed, allow a nominal appreciation of the dinar to help prevent inflation from becoming entrenched~~."

Page 18, para. 29:
"It is important that BA continue its flexible management of the exchange rate ~~and, if needed, allow a nominal appreciation of the dinar to help avoid inflation becoming entrenched~~."

The Kingdom of Swaziland (FO/DIS/07/23)—Deletions—Staff Report for the 2006 Article IV Consultation (SM/07/21, 1/16/07)

Highly Market-Sensitive Material
Page 3, Executive Summary, second bullet, lines 2–4:
"**• Financial sector vulnerability:** Concentration of lending in a few sectors makes Swaziland's financial system vulnerable. ~~Moreover, the viability of the governmentowned SwaziBank is questionable in light of delays in meeting compliance requirements.~~"

Page 12, para. 13, lines 4–7, and last line:
"~~Staff expressed concern over the viability of the SwaziBank. A recent MCM mission concluded that, despite a 2003 recapitalization, the situation at the SwaziBank continues to be critical, with a significant maturity mismatch and an extremely high loan-to-deposit ratio.~~ The authorities indicated that they have recently intensified onsite supervision~~ of the SwaziBank~~ and that, if necessary, external auditors could be called in."

Uruguay (FO/DIS/07/31)—Deletion/Modification—Fifth and Sixth Reviews Under the Stand-By Arrangement, Requests for Waiver of Nonobservance of Performance Criteria, and Financing Assurances Review (EBS/06/166, 12/8/2006)

Operational Details of Policy Intentions
Page 17, para. 21, lines 1–4:
"21. ***Financing assurances***. The authorities are making good faith efforts to honor in 2007–08 obligations that are due, including overdue obligations that are small and do not pose risks to the program's financing. ~~***Financing assurances***. The authorities are making good faith efforts to reach collaborative agreement with an external private creditor—which had acquired domestically issued public sector obligations—on a restructuring. These arrears are small (under US$3 million), and do not pose risks to the program's financing.~~"

Suriname (FO/DIS/07/32)—Deletions/Modifcations—Staff Report for the 2007 Article IV Consultation (SM/07/87, 3/6/2007)

Highly Market-Sensitive Material
Page 11, para. 16:
"16. **The available information on the adequacy of the current level of the exchange rate points in different directions.** ~~On the one hand, t~~The external sector has strengthened, with reasonable growth in the volume of non-mineral exports since 2003, the emergence of an external current account surplus and gains in net international reserves—all ~~pointing to near-term pressures for a *stronger* currency~~ suggesting scope for a possible strengthening of the currency (Figure 3). At the same time, other factors could lead to pressures in the opposite direction.~~However, the Suriname dollar appears overvalued in PPP terms for a country of Suriname's income level, suggesting scope for a *weaker* currency over the medium term.~~"

Page 12, Figure 3, fourth panel:
"Sources: Central Bank of Suriname; World Economic Outlook; Information Notice System; CIA World Factbook; and Fund staff estimates and projections.
~~1/ The price level in each country is the ratio of nominal GDP in current dollars to nominal GDP in current PPP dollars.~~"

Page 14, para. 23, lines 8 and 9:
"~~While i~~It is difficult to assess the current level of the exchange rate~~, some evidence points towards possible misalignment~~."

Guyana (FO/DIS/07/36)—Deletion—Staff Report for the 2006 Article IV Consultation—Draft Public Information Notice (SM/07/92, 4/18/2007)

Page 3, para. 3, lines 3–6:

"A number of Directors called for measures to strengthen liquidity management and develop the foreign exchange market.~~, to support a gradual move toward greater exchange rate flexibility, while some others viewed the de facto exchange rate peg as an anchor for the economy that should be maintained for the time being.~~"

The Socialist People's Libyan Arab Jamahiriya (FO/DIS/07/38)—Deletions—Staff Report for the 2006 Article IV Consultation (SM/07/116, 4/3/07)

Highly Market-Sensitive Material
Page 3, Executive Summary, para. 4, fourth bullet, lines 3 and 4:
"**• Exchange rate, money and bank restructuring:** the Libyan dinar's peg to the SDR has served Libya well and the rate of the peg has been broadly appropriate. In light of the envisaged fiscal expansion, the CBL should~~: (i)~~ tighten monetary policy, and rely more on market-based monetary management~~; and (ii) be prepared to appreciate the dinar if inflation risks becoming entrenched~~."

Page 13, para. 22, end of line 9:
"Staff stressed that these pressures will increase in 2007 with the envisaged loosening of the fiscal stance~~, and recommended a revaluation of the peg if inflation risks becoming entrenched~~."

Page 16, para. 38, line 2:
"The current exchange rate regime is serving Libya well, and the rate of the Libyan dinar has been broadly appropriate. ~~For 2007, the authorities should be prepared to appreciate the dinar as necessary if inflationary pressures are not contained and risk becoming entrenched.~~"

The Socialist People's Libyan Arab Jamahiriya (FO/DIS/07/39)—Deletion—Staff Report for the 2006 Article IV Consultation—Draft Public Information Notice

Page 3, penultimate para., lines 1 and 2:
"Directors noted that the current exchange rate regime has served Libya well, but ~~cautioned that an appreciation of the dinar could be necessary if inflation risks persist. Directors~~ recommended that Libya's move to greater exchange rate flexibility be gradual, and supported and preceded by a switch to market-based monetary management."

Botswana (FO/DIS/07/42)—Deletions—Staff Report for the 2006 Article IV Consultation ((SM/06/299, Rev. 1, 12/4/06)

Highly Market–Sensitive Material
Page 8, para. 6, last 3 lines:

"~~However, Fund staff estimates using central bank daily data obtained after the mission implyan annual rate of crawl of approximately five percent and a weight on the rand of approximately 65 percent in the June 2005–June 2006 period.~~"

Page 19, para. 31, lines 3 and 4:
"Botswana's crawling peg could provide the basis for a nominal anchor. However, because Botswana's inflation targets are very close to the targets and projected inflation rates of countries represented in the basket, ~~an~~ the annual rate of crawl ~~below the five percent estimated by Fund staff is needed~~needs to be consistent with the authorities' medium-term objective."

Turkey (FO/DIS/07/47)—Deletions—Fifth Review and Inflation Consultation Under the Stand-By Arrangement, Request for Waiver of Nonobservance of Performance Criteria, Modification of Performance Criteria, and Rephasing of Purchases (EBS/06/151, 11/27/2006)

Highly Market-Sensitive Material
Page 10, para. 2, second bullet:
"~~As a result, the degree of lira overvaluation is now estimated at 10–15 percent—though any estimates of misalignment are inherently uncertain (EBS/06/99, Box 3).~~"

Page 12, Box 1, first bullet, lines 2–4 and last 2 lines:
"*Capitalization*. In the wake of the market turmoil, banks experienced losses mainly from having to mark to market fixed-rate government securities held in trading portfolios. ~~Initially, five banks violated the 12 percent capital adequacy threshold (applicable to banks with offshore branches), although no bank fell below the 8 percent general regulatory requirement.~~ As a result, the overall capital adequacy ratio fell from 23.1 percent in April to 20.5 percent in August. ~~As of mid-October, however, four out of the five banks had rebuilt their capital, with only one bank still carrying a ratio marginally below 12 percent.~~"

Page 14, para. 7, lines 3 and 4:
"Weaker fundamentals than in other emerging market countries (a large and widening current account deficit ~~and an overvalued currency~~;"

Page 17, footnote 3:
~~[3] FSAP stress tests indicated that some important banks were vulnerable to large interest rate and credit quality shocks, though the sector as a whole had substantial buffers.~~

Seychelles (FO/DIS/07/55)—Deletion—Selected Issues and Statistical Appendix (SM/07/74, 2/15/07)

Highly Market–Sensitive Material

Page 7, para. 9, last sentence:
"~~The authorities estimate that accumulated and unremitted profits, dividends, and management fees are nearly SR 800 million, nearly 20 percent of GDP.~~"

Switzerland (FO/DIS/07/64)—Deletions—Financial System Stability Assessment—Update (SM/07/142, 5/2/07)

Highly Market-Sensitive Material
Page 2, Table of Contents:
"~~2. Results of the International Scenario's Bottom-Up Stress Tests for the Two Large Banks..13~~"

Page 4, para. 3, lines 3 and 4:
"~~The stress tests have a relatively larger impact on one of the large banks and absorb its excess capital if Basel II requirements are factored in.~~"

Page 12, para. 12, lines 2 and 3:
"~~Some indicative results of the potential effect of the international scenarios are presented in Table 2.~~"

lines 7 and 8:
"The after-stress CAR of the two banks would be lower, however, if Basel II methodology was used to calculate the CARs~~—indeed, the Basel II after-stress CAR for one bank falls to the regulatory minimum.~~"

Page 13, Table 2. Switzerland: Results of the International Scenario's Bottom-Up Stress Tests for the Two Large Banks: deleted

Page 14, Box 1, para. 2:
"~~**The required capital of the large banks will increase under Basel II.** The two banks will adopt the advanced approach under Basel II. Internal estimates by the two banks indicate that their regulatory capital requirements will increase, primarily because of the higher risk weights assigned to the trading portfolios under Basel II. The capital adequacy ratios of the two banks are therefore expected to decrease from 11.9 percent to 11.5 percent for UBS, and from 11.4 percent to 9.8 percent for Credit Suisse. This adjustment will place Credit Suisse close to the supervisory threshold of 9.6 percent (regulatory capital plus 20 percent—see below).~~"

Page 37, para. 55:
"~~**Bottom-up stress test results are broadly in line with those of the top-down stress tests.** The tests show the banks' resiliency to stress presented in the international and domestic scenarios. Overall, the results indicate that while the stress event is expected to have a~~

~~significant effect on the profitability of the two banks (as indicated by the large effect on excess capital), the two banks are expected to remain above the regulatory minimum.27 The after-stress CAR of the two banks would be lower, however, if Basel II requirements were already reflected in their CARs—indeed, one bank's CAR would fall to the regulatory minimum. The results of the sensitivity analyses confirmed the conclusions of the macroeconomic scenario analyses. Liquidity stress tests carried by the two large banks indicate that they are highly liquid and resilient to a liquidity shock.28 It should be noted that the stress tests do not take account of incremental default risk (resulting from a systemic event) in the banks' trading portfolios.~~"

footnote 27:
"~~27 Due to the difficulty of estimating the value of risk-weighted assets (RWA) after the shocks, calculations assume that RWA remain constant after the shocks. Accordingly, the results are only approximate and should be viewed as indicative. It should also be cautioned that it is difficult to compare the effect of the scenarios between the two banks in view of the different models that these banks used in conducting the stress tests.~~"

footnote 28:
"~~28 Derivatives positions in these tests were ignored, as they were assumed to offset each other, and no liquidity constraints were assumed in relation to matched book repo trading.~~"

Switzerland (FO/DIS/07/65)—Deletion—Staff Report for the 2007 Article IV Consultation (SM/07/130, 4/17/07)

Highly Market-Sensitive Material
Page 12, para. 23, lines 2–6:
"~~The two large banks are adequately capitalized (risk-weighted), even though stress tests would push the Basel II CAR for one bank to the Swiss regulated minimum (Switzerland requires a 20 percent premium with minimum CARs of 9.6 percent of risk-weighted assets, reflecting the systemic importance of the large banks).~~"

Slovak Republic (FO/DIS/07/71)—Deletions—Staff Report for the 2007 Article IV Consultation (SM/07/179, 5/18/07)

Highly Market-Sensitive Material
Page 9, para. 18, first sentence:
" **~~The authorities consider the current market rate of the koruna to be overvalued, but in the staff's assessment the rate is not misaligned~~**."

Page 10, first para., last sentence:
"~~As a result, current-account based models (the macroeconomic balance approach and the external sustainability approach) tend to show a very small undervaluation.~~~~[2]~~"

footnote 2:
~~2 See the accompanying Seleced Issues Paper.~~

Slovak Republic (FO/DIS/07/72)—Deletions/Modifications—Selected Issues (SM/07/182, 5/22/07)

Highly Market-Sensitive Material
Pages 1 and 2, Table of Contents:

Page 3, para. 1, second and third sentences

"To ensure a successful experience in the euro area, a major challenge is to enhance the flexibility of fiscal policy. This will require strengthening the medium-term expenditure framework, and increasing the efficiency of the spending. In this context, this paper focuses on the short and mediumterm challenges of the health sector, a key issue in the current policy debates in Slovakia. ~~The main challenges are managing the risks in the process of euro adoption and implementing policies that will sustain strong performance in the monetary union. This paper explores two particular aspects of these challenges: (i) ensuring an appropriate terminal conversion rate, and (ii) addressing the short- and medium-term fiscal challenges of the health sector, a key issue in the current policy debates in Slovakia.~~

para. 2:

~~**Chapter II assesses the competitiveness of the Slovak economy and the appropriateness of the exchange rate level**. A final conversion rate between the Slovak koruna and the euro~~

~~will be set in mid-2008, if Slovakia successfully fulfills the Maastricht criteria. A rapid strengthening of the koruna since October 2006 has created concerns that koruna may have become overvalued. This paper examines a variety of indicators to shed light on this issue. The main conclusions are that Slovakia's competitive position remains adequate and that the current exchange rate is not misaligned to any significant extent.~~

para. 3, first sentence:
"**<u>The plan of the paper is as follows.</u> ~~Chapter III provides an analysis of the fiscal challenges in the health sector and the efficiency of health spending~~**~~.~~"

Pages 4–21, Chapter 11: deleted

Page 22, Chapter III: renumbered to Chapter II
"~~III.~~ <u>II.</u> THE HEALTH SECTOR IN THE SLOVAK REPUBLIC: EFFICIENCY AND REFORM[11]"

Slovak Republic (FO/DIS/07/82)—Modification—Staff Report for the 2007 Article IV Consultation (SM/07/179, 5/18/07)

Highly Market–Sensitive Material
Page 9, para. 18, first line:
"The authorities expressed <u>the view that</u> ~~concern that what they see as~~ an overshooting of the koruna from the equilibrium level was likely to undermine the competitiveness of traditional manufacturing firms as well as small and medium-sized enterprises, where productivity gains were lower."

Thailand (FO/DIS/07/74)—Deletion—Selected Issues Paper (SM/07/50, 2/5/07)

Highly Market-Sensitive Material
Page 49, para. 100, bullet 2, line 3:
"The Financial Institutions Business Act (FIBA) is expected to strengthen the BOT's supervisory powers, including instruments available to address weaknesses in banks ~~(for instance, by allowing the BOT to intervene if a bank's risk-weighted capital falls to 9.5 percent),~~ and coverage of institutions."

Antigua and Barbuda (FO/DIS/07/86)—Deletions/Modifications—Staff Report for the 2006 Article IV Consultation (SM/06/390, 12/07/06)

Highly Market–Sensitive Material
Page 14, para. 16, line 7:
"<u>In designing the debt strategy,</u> ~~If a debt restructuring is used to help close financing requirements,~~"

Operational Details of Policy Intentions
Page 16, para. 21, penultimate line: deleted
"Finally, the ongoing civil service downsizing could help reduce labor shortages. ~~, and the mission supported the authorities' tentative plans for a second, targeted, retrenchment.~~"

Indonesia (FO/DIS/07/94)—Deletion—Staff Report for the 2007 Article IV Consultation (SM/07/223, 6/27/07)

Highly Market-Sensitive Material
Page 18, last bullet, last sentence:
"~~However, some parts of government were more concerned about the impact of the appreciation on the export sector.~~"

Syrian Arab Republic (FO/DIS/07/95)—Deletion—Staff Report for the 2007 Article IV Consultation (SM/07/263, 7/13/07)

Operational Details of Policy Intentions
Page 4, para. 2, lines 2 and 3:
"~~Following his acceptance speech in mid-July, President Al-Assad is expected to nominate a new government.~~"

Japan (FO/DIS/07/98)—Deletion/Modification—Staff Report for the 2007 Article IV Consultation (SM/07/258, 7/12/07)

Highly Market-Sensitive Material
Page 15, para. 14, first bullet, lines 2 and 3:
"Subject to large margins of statistical uncertainty, the estimates by the IMF's Consultative Group on Exchange Rates indicate that the yen is ~~15–30 percent~~ misaligned relative to its longer-term level in real effective terms—partly the result of years of deflation in Japan while prices were growing in its trading partners.[9]"

footnote 9:
"[9]<u>As discussed below in paragraphs 18 and 43, misalignment of the yen relative to its longer-term equilibrium value in real terms does not imply inappropriate policies.</u>
~~[9] The estimated yen undervaluation based on the macroeconomic balance approach is at the lower end of the range above.~~"

Japan (FO/DIS/07/99)—Deletions/Modifications—Selected Issues (SM/07/260, 7/12/07)

Highly Market-Sensitive Material
Page 17, line 2:

"The range of estimated undervaluations is large~~, around 10–50 percent~~."

Table II.1, last column, line 6–13: for "13, 40, 12, 32, 41, 47, 22, n.a"
read "significant"
last line: "Range of Estimates…12–47" deleted

Page 21, para. 10, first bullet, lines 8 and 9:
"For example, using the estimated long-term relationship and NFA values based on the cumulative WEO projection of the current account surplus together with forecast for labor productivity growth indicate a <u>significant </u>undervaluation~~ of 10 to 20 percent~~ in real terms."

Page 26, Annex II.I, first bullet, last two lines:
"The most recent estimate by the IMF consultative Group on Exchange Rate (CGER) indicates a~~n~~ <u>significant </u>undervaluation of the yen in real effective terms ~~of about 30 percent~~."

Page 27, first para., last line:
"For Japan, the saving investment norm is estimated at 1.8 percent of GDP ~~and the latest estimate of undervaluation is 13 percent in real terms~~<u>implying a significant undervaluation in real terms</u>."

first bullet, last two lines:
"In the case of Japan, the benchmark level of NFA is that at end 2005 (about 35¾ percent of GDP)~~ and the estimated undervaluation in real effective terms is 22 percent~~<u>, indicating a significant undervaluation in real terms</u>."

Page 28, first para., last line:
"Put differently, in real terms the yen is estimated to be about 22 percent below its equilibrium value~~, an assessment broadly in line with that of the CGER~~."

Iraq (FO/DIS/07/101)—Deletions/Modifications—Staff Report for the 2007 Article IV Consultation, Fifth Review Under the Stand-By Arrangement, Financing Assurances Review, and Requests For Extension of the Arrangement, Waiver of Applicability, and Waiver of Nonobservance of Performance Criteria (EBS/07/86, 7/18/07)

Information Not in Public Domain
Page 1, first bullet, lines 4–7:
~~The staff team comprised Messrs. De Vrijer (head), Gemayel, Grigorian, Kock (all MCD), and Feridhanusetyawan (PDR). The mission was assisted by Mr. Ibrahim (Resident Representative, based in Amman).~~

Highly Market-Sensitive Information
Page 16, para. 34, lines 6 and 7:

"To this end, they are committed to allow the exchange rate to appreciate ~~by 1 percent per month until end- 2007~~gradually in the coming months, while closely monitoring the effects of this policy and adjusting the pace of appreciation as needed."

Page 50, para. 11, line 3:
"The CBI will continue to allow the exchange rate to appreciate ~~gradually until end-2007~~in the coming months."

Malta (FO/DIS/07/112)—Deletions/Modifications—Staff Report for the 2007 Article IV Consultation (SM/07/257, 7/12/07)

Highly Market-Sensitive Material
Page 1, first para., lines 5 and 6:
"The current account deficit remains elevated amid an overall weak competitive position~~ and an overvaluation of the real exchange rate~~."

Page 8, para. 12, line 5–15:
"The authorities were mindful of the associated risk of a prolonged period of weak growth, but they stressed the difficulty in measuring competitiveness, especially for a small open economy such as Malta's. They viewed the competitiveness gap, if any, to be smaller than considered by the staff and in the process of being corrected by diversification and structural change in the economy. ~~While assessments of real equilibrium exchange rates are subject to wide margins of error, staff estimates based on the Fund's macroeconomic balance approach—indicate overvaluation ranging between 10–15 percent in 2006.3 For its part, the Central Bank of Malta concluded in a recent study that overvaluation, depending on the methodology, was no higher than 6 percent in 2004. However, competitiveness has deteriorated since, given continued appreciation of the real effective exchange rate (REER). The authorities were mindful of the associated risk of prolonged stagnation, but they stressed the difficulty in gauging equilibrium exchange rates, especially for a small open economy such as Malta's. They viewed the degree of overvaluation, if any, lower than the staff estimate and in the process of being corrected by diversification and structural change in the economy.~~"

footnote 3:
"~~[3] Data requirements allow estimates for only one of the Fund's standard methodologies to assess equilibrium exchange rates; for a detailed discussion see the Selected Issues paper on "Malta's Competitiveness Challenge.".~~"

Page 9, Box 1, last para., last line:
"Moreover, market share declines, including for the major exports, point to a possible loss of competitiveness~~depreciation of the equilibrium exchange rate~~."

Page 13, para. 22, lines 2–4:
"NPLs more than halved during 2004–06, but ~~In particular,~~ NPLs net of provisions are highly concentrated in ~~represented 42 percent of capital of the~~ domestically controlled banks ~~in 2006, although this averaged out to 12 percent for the entire banking sector,~~ owing to high levels of provisions of foreign-owned banks."

Page 14, para. 26, lines 4 and 5:
"Large wage increases in the late 1990s, anemic labor productivity, and substantial and sustained adjustment among major trading partners, all contributed to an erosion in international competitiveness ~~and an overvaluation of the real exchange rate~~."

Page 27, Table 5, rows on "Domestically controlled banks"
and "Domestically oriented banks": deleted
row on "Nonperforming loans to gross loans: "6.5, 3.9, 2.8" added in
2004, 2005, 2006 columns, respectively
footnotes 2 and 3: deleted

Page 28, Table 6, columns 2004, 2005, 2006 under
"Domestically-Controlled Banks 1/": deleted
column heading "Banking Sector 2/": deleted
footnotes 1 and 2: deleted

Republic of Korea (FO/DIS/07/119)—Deletion/Modification—Staff Report for the 2006 Article IV Consultation (PIN)

Public Information Notice
Operational Details of Policy Intentions
Page 2, para. 6, line 5:
"They encouraged the authorities to further develop the money market to strengthen the monetary transmission mechanism, which would help limit further recourse to reserve requirements~~, and they supported efforts to refine the inflation targeting framework~~."

Page 3, para. 4, line 6:
"Directors appreciated the authorities' ongoing efforts to address these challenges, ~~but~~ and stressed that comprehensive and timely reforms would ease adjustment."

Turkey (FO/DIS/07/145)—Deletions/Modifications—Financial System Stability Assessment (SM/07/152, 5/4/07)

Highly Market-Sensitive Material
Page 10, para. 2 line 2:

"Public and private balance sheets are exposed to ~~significant~~ exchange rate, interest rate, and roll-over risks."

Page 22, Table 5, last two columns "Number of banks with CAR under 12 percent and 8 percent.": deleted

para. 21, line 3:
"**Scenarios involving a sudden stop of capital inflows, a sudden reversal after a credit boom, or a persistent large increase in oil prices are projected to threaten the profitability ~~and solvency~~ of some important institutions**."

Page 76, para. 178, last two lines:
"Large yield curve increases, either in combination with exchange rate depreciation, or on their own resulted in notable capital impairment ~~sufficient to render the CARs of three or more institutions below the regulatory minimum of 12 percent~~in a few banks."

Page 79, para. 189, penultimate line:
"At a sectoral level, CAR is likely to comfortably exceed the regulatory 12 percent threshold, albeit with ~~important~~certain individual institutions requiring fresh injections of capital."

Page 80, Table 13, last two column "Number of banks with CAR under 12 percent and 8 percent.": deleted

Turkey (FO/DIS/07/147)—Deletions/Modifications—Staff Report for the 2007 Article IV Consultation (SM/07/151, 5/4/07)

A. Highly Market-Sensitive Material
Page 13, para. 10, line 2:
"Evidence on lira misalignment is mixed: some conventional measures suggest overvaluation, but export performance has so far been good. ~~A time-series model linking the real effective exchange rate to measures of Turkey's fundamentals indicates lira overvaluation on the order of 10 percent.~~"

line 4:
"However, such ~~estimates~~ measures may be unreliable for economies undergoing structural changes like Turkey"

last three lines:
"~~(alternative methodologies show overvaluation ranging from 0–25 percent – see Selected Issue Papers, SIP)~~."

text chart, "REER and Equilibrium REER.": deleted

Page 15, footnote 3, first line:
"[3] Stress tests show that, although ~~some important banks are vulnerable~~ there are some vulnerabilities to large interest and credit quality shocks, the sector as a whole has substantial capital buffers."

Page 42, Table 2, row "GNP", columns 2007 and 2008: "444.0" and "463.5" deleted

Page 46, Table 5, last row "Nominal GNP (in US$ billion)": delete data in columns 2007–2012 and "Average 2007–2012"

B. Operational Details of Policy Intentions
Page 37, Box 1, 3rd bullet, last two lines:
"Making these institutions effective has, however, required more time than envisaged~~, with failure to consolidate tax auditing functions being a key reform shortcoming~~."

C. References to Unpublished Internal Documents
Page 15, footnote 2, last line:
"[2] Cross-country evidence indicates that a sustained credit boom could raise the probability of banking distress, especially if combined with large macroeconomic shocks ~~(see SIP)~~."

Arab Republic of Egypt (FO/DIS/07/163)—Deletion—Staff Report for the 2007 Article IV Consultation (SM/07/344, 11/2/07)

Highly Market-Sensitive Material
Page 15, para. 12, first line:
"~~**The authorities plan to slow down further reserve accumulation.**~~"

D. 2008

People's Republic of China (FO/DIS/08/9)—Hong Kong Special Administrative Region—Deletions—Staff Report for the 2007 Article IV Consultation (SM/07/398, 12/26/07)

Highly Market-Sensitive Material
Page 16, lines 28 and 29:
"For example, under the MB approach when the comparator set is extended to a set of 54 advanced and emerging market economies with a dummy for financial centers, the estimated undervaluation is still low, but if the differentiation of financial centers is dropped, the undervaluation increases ~~to 10–12 percent~~."

Page 17, text figure (Macroeconomic Balance Approach): delete data "54-country panel without FC dummy"

text figure (Equilibrium Exchange Rate Approach): delete data "48-country panel without FC dummy"

Kingdom of Swaziland (FO/DIS/08/15)—Deletions/Modifications—Staff Report for the 2007 Article IV Consultation (SM/08/27, 1/23/08)

Highly Market-Sensitive Material
Page 8, para. 8, lines 3 and 4:
"However, ~~the government owned SwaziBank~~ one bank continues to have high nonperforming loans and face difficulties"

Page 10, para. 10, 2nd bullet, lines 1 and 2:
"Continued weaknesses in ~~the government-owned bank~~ one of the banks as well as emerging vulnerabilities from the fast growth of insufficiently regulated nonbank financial institutions pose significant risks to the financial sector; and"

Page 17, para. 22, lines 1, 3, and 5:
"The authorities have taken a number of steps to address bank compliance ~~by the SwaziBank~~, but agreed that unsupervised SCCOs pose significant risks to the financial system. A recent on-site inspection prompted the CBS to require that ~~SwaziBank~~ the problem bank hire a new auditor to undertake a system audit by end-2007 and propose remedial actions. The entire board of directors of the bank has also been replaced. ~~Furthermore, the government owned bank,~~"

footnote 8, line:
"[8] As of end-2006, these ~~insolvent~~ SCCOs hold deposits of about 4 percent of commercial banks' deposits (1 percent of GDP) and involve about 20,000 members or half of the total membership."

Page 21, para. 35, lines 2 and 4:
line 4: for "nonperforming loans," read "nonperforming loans of the one bank,"
"In view of ~~Swazibank's~~ high nonperforming loans of the one bank, staff welcomes the system audit of the bank's accounts and further remedial actions."

Philippines (FO/DIS/08/28)—Deletion—Staff Report for the 2007 Article IV Consultation (SM/08/56, 2/20/08)

Highly Market-Sensitive Material
Page 21, para. 36, lines 3–5:
"~~While the increase in reservesmight be interpreted by some as suggesting that the authorities have made a fundamental change in the exchange regime, t~~There was a compelling case to raise the level of reserves, and staff continue to view the exchange rate as market determined."

Republic of Poland (FO/DIS/08/32)—Deletion—Staff Report for the 2007 Article IV Consultation (SM/08/78, 3/20/08)

Highly Market-Sensitive Material
Page 6, para. 7, footnote 3: market-sensitive information deleted as indicated in the attachment.
"[3] ~~[Although updated CGER~~ This assessment~~s~~ draws on ~~are currently being finalized,~~ preliminary CGER estimates suggest~~ing~~ that the estimated ~~measured overvaluation~~deviations from the equilibrium real exchange rate ~~continues to be~~are within the margin of error of the estimation. ~~Previous CGER assessment placed the estimated overvaluation at 7 percent, 1 percent and 6 percent according to the macroeconomic balance, the equilibrium exchange rate, and the external sustainability approaches respectively; the standard error of these estimates is about 10–15 percentage points.]~~"

Togo (FO/DIS/08/37)—Deletions/Modifications—Request for Three-Year Arrangement Under the Poverty Reduction and Growth Facility (EBS/08/41, 3/31/08)

Highly Market-Sensitive Material
Page 3, para. 2, third bullet:
"Fragile banks, with the highest nonperforming loan ratio in the WAEMU area (reflecting past directed lending) ~~,~~and undercapitalization of several banks~~, and severe liquidity problems in the largest bank, state-owned BTCI~~;"

Page 11, para. 18, lines 1–3:
"18. **Bank restructuring will be critical ~~to mitigate risks to~~for safeguarding macroeconomic stability.** A key priority is~~,~~ ~~the immediate priority is~~ to strengthen Togo's largest bank, state-owned BTCI."

Page 15, second bullet:
"Fragile banks jeopardize macroeconomic stability, with possible spillovers to the region. After ~~the~~ recent crucial governance changes~~ at BTCI~~, continued work to strengthen the banking sector will be critical."

New Zealand (FO/DIS/08/40)—Deletion/Modification—Staff Report for the 2008 Article IV Consultation (SM/08/112, 4/17/08)

Highly Market-Sensitive Material
Page 16, para. 21, lines 2 and 3:
"Banks have contingency plans to deal with potential liquidity difficulties~~, but several banks acknowledged that they had under-priced rollover risk They~~ and are lengthening the maturity of their funding and diversifying the sources.[7]"

Switzerland (FO/DIS/08/48)—Deletions/Modifications—Staff Report for the 2008 Article IV Consultation (SM/08/122, 4/30/08)

Highly Market-Sensitive Material
Page 16, para. 17, line 11:
"A second round of new capital ($15 billion), to be raised in a rights issue following the second round of write-offs, has been underwritten by major U.S. and European investment

banks. ~~While this will restore capital ratios close to levels prevailing before the credit market turmoil, the bank's significant exposure to structured finance positions stands to maintain pressures on earnings, capital and, potentially, liquidity, while market uncertainties persist.~~This will restore capital ratios close to levels prevailing before the credit market turmoil."

Page 27, para. 42, third bullet, line 1:
"Under the equilibrium exchange rate approach, ~~staff and SNB analyses find~~ staff analysis finds undervaluation of about 7 percent."

Mongolia (FO/DIS/08/59)—Deletion/Modification—Staff Report for the 2008 Article IV Consultation (SM/08/136, 5/7/08)

Highly Market-Sensitive Material
Page 11, Box 2, para. 1, lines 4 and 5:
"The results suggest that the togrog may be somewhatundervalued ~~by around 5 percent~~ in relation to the medium term level of its fundamental determinants."

Tonga (FO/DIS/08/67)—Deletion/Modification—Staff Report for the 2008 Article IV Consultation (SM/08/174, 6/18/08)

Highly Market-Sensitive Material
Page 1, 6th bullet, first sentence:
"***Exchange rate:*** Basket peg to the U.S., Australian, and New Zealand dollars and Japanese yen, with monthly adjustment band of ±5 percent."

last sentence:
" ~~The weights for the currencies in the basket are U.S. dollar, 52 percent; New Zealand dollar, 23 percent; Australian dollar, 19 percent; and Japanese yen, 6 percent.~~"

Japan (FO/DIS/08/72)—Deletion/Modification—Staff Report for the 2008 Article IV Consultation (SM/08/204, 6/30/08)

Highly Market-Sensitive Material
Page 18, footnote 7, lines 2–3:
"[7] According to the IMF's Consultative Group on Exchange Rates (CGER), the yen is estimated to be undervalued ~~by 10-25 percent~~ relative to its longer-term value, ~~. The~~ although the range of undervaluation has narrowed somewhat since the last Article IV consultation. ~~when it was estimated to be 15-30 percent.~~"

Turkey (FO/DIS/08/74)—Deletions—Seventh Review and Inflation Consultation Under the Stand-By Arrangement and Request for Waiver of Nonobservance of Performance Criteria (EBS/08/48, 4/28/08)

Highly Market-Sensitive Material
Page 20, para. 12, 1st Bullet, line 4:

"Economic activity is expected to benefit from recoveries in agricultural production and net export volume growth, although the latter hinges on the weaker lira ~~(which, despite recent declines, remains 0–20 percent overvalued according to the latest CGER estimates)~~and at least modest growth among major trading partners."

Page 30, Box 4, 2nd para., line 4:
"~~Staff recommended giving a larger weight to GDP growth (to even more clearly assuage the Court's concerns and provide better incentives to contribute early in one's career) and offsetting the cost with a lower accrual rate, but the authorities felt that their approach was more palatable and would achieve similar savings.~~"

Suriname (FO/DIS/08/76)—Deletions/Modifications—Staff Report for the 2008 Article IV Consultation and Draft Public Information Notice (SM/08/131, 5/2/08)

Highly Market-Sensitive Material
Page 1, third bullet point, third sub-bullet:
"~~Revalue the peg to lower inflationary pressures~~Consider utilizing the flexibility allowed by the *de jure* managed float to deal with inflationary pressures, while moving to a more flexible exchange rate regime over ~~the long term~~time, as institutions and policies strengthen."

Page 1, fourth bullet point, second sentence:
"~~Revaluation is not ruled out as an option but would hurt competitiveness and create expectations for further adjustments.~~"

Page 14, paragraph 14:
"~~**The mission proposed a modest one-time revaluation of the peg to help lower inflation.**~~ The *de jure* managed float has in practice hardened into a *de facto* peg to the U.S. dollar. With the global weakening of the dollar, the nominal effective exchange rate has depreciated, exacerbating inflation pressures. The upward trend in inflation could become entrenched in expectations, which would be a risk for a country with a history of high inflation. Therefore, consideration could be given to utilizing the flexibility allowed by the *de jure* managed float to help deal with these pressures. ~~Given a high pass-through and a very open economy, a small one-time revaluation (5–10 percent) would provide immediate support to required tighter monetary and fiscal policies (see below), which affect inflation with lags. A revaluation may also help reduce dollarization, demonstrating that the exchange rate can move in both directions. The authorities did not see the case for a revaluation at this time, arguing that it would hurt competitiveness in the non-mineral sector, while creating expectations for further adjustments. However, they did not rule out a revaluation if warranted by future developments.~~"

Page 14, paragraph 15, first two sentences:
"~~**That said, a high degree of exchange rate stability is appropriate at this stage**. However, over the long run, a~~As Suriname's financial system develops and institutions and the policy framework strengthen, a more flexible regime would be more appropriate to adjust to shocks."

Page 16, paragraph 17, third sentence:
“It advised an overall surplus of 2–3 percent of GDP~~, with the upper bound needed if the peg is not revalued.~~”

Page 19, paragraph 25, fourth sentence:
“It ~~, and~~ also increases the risk~~s~~ of a high incidence of nonperforming loans.”

Page 19, paragraph 26, first and second sentences, and first word in third sentence:
“**~~A modest revaluation of the exchange rate can contribute to easing inflationary pressures before they become entrenched in expectations.~~** ~~Given the high and rapid pass through of exchange rate changes, a modest one-time revaluation would be an important support to proposed monetary and fiscal action to stem inflation. Moreover, w~~With the real effective rate unchanged since 2005, despite a large improvement in the terms of trade, staff estimates point to a slight undervaluation of the Suriname dollar.”

Page 19, paragraph 27, last two sentences:
“~~These efforts should be supported by a modest revaluation of the Suriname dollar. However, in the absence of a revaluation, a stronger fiscal effort would be needed to lower inflation~~.”

Draft Public Information Notice, Executive Board Assessment Section
fourth paragraph, second sentence:
“A few Directors noted that the exchange rate is somewhat undervalued. ~~However, in light of the staff assessment that the currency is somewhat undervalued, a few Directors saw merit in an appreciation, including a modest one-time revaluation of the Suriname dollar, which would help lower inflation and inflation expectations, and support tighter monetary and fiscal policies.~~”

last paragraph, second sentence:
“Very rapid credit growth risks ~~exacerbating the already high~~ increasing the nonperforming loan rate.~~, especially at state-owned banks.~~”

?? (modifications in text but not listed on FO/DIS) Australia (FO/DIS/08/95)—Deletions/Modification—Staff Report for the 2008 Article IV Consultation (SM/08/265, 8/11/08)

Page 17, para. 19, bullet 2, lines 1 and 2:
“keeping tax~~revenue~~ as a share of GDP, on average, below ~~24.7 percent of GDP (~~the 2007/08 level (currently estimated at 24.7 percent)~~)~~; and”

Page 17, para. 20, 2-4:
“In the near term, the authorities stressed that the latest budget places priority on helping to fight inflation~~ and reprioritizing spending to build capacity~~. The 2008/09 budget slows the pace of growth of Commonwealth government expenditure and forecasts ~~targets~~ an increase in the underlying cash surplus to 1.8 percent of GDP.”

Operational Details of Policy Intentions
Page 18, para. 21, line 4:

"About 3 percent of GDP will be contributed to the funds, depending on the final budget outcomes and ~~.S~~spending from the funds is included in the budget~~ and is expected to be less than 1 percentof total spending by 2010/11~~."

2008 Triennial Surveillance Review (FO/DIS/08/108)—Thematic Findings—Deletions/Modifications (SM/08/287, Sup. 1, 9/2/08)

Modification Aimed at Clarifying Differences Between the Views of the Executive Board and the Staff's Recommendations
Page 100, box, new footnote added
"(iii) providing more context to surveillance information, so that key messages gain resonance and staying power.[1]"

"[1]Some of these recommendations were not endorsed by the Board and will be considered further in the upcoming review of transparency policy."

Deletions of Country-Specific References
Page 30, text relating to Guyana:
"~~In the case of **Guyana,** staff concluded that due to structural shifts and large lumpy projects it was not possible to use long data series to estimate the current account norm or equilibrium exchange rate. Thus, staff estimated a norm based on a reference period of the past when REER was viewed to have been in equilibrium. This was combined with a comparison of bilateral PPP exchange rates for three main competitors of non-traditional exports to conclude that the exchange rate was broadly in line with fundamentals. Meanwhile, the report also contained broader indicators of business environment to highlight the need for continued efforts to enhance competitiveness.~~"

Page 31, bullet relating to Saudi Arabia:
"~~In *Saudi Arabia,* the world's largest petroleum exporter, staff complemented the traditional analysis with several variants of the external sustainability approach relying on annuities that are consistent with the estimated stock of oil wealth. Three different approaches to constructing perpetual annuities—constant share of GDP, constant real value per capita, and constant real value—yielded a significant range in current account norms: while the objective based on maintaining the real value of the annuity yielded undervaluation, both of the two other approaches yielded overvaluation. In the event, the exchange rate was judged to be undervalued, largely reflecting the results from the more traditional approaches.~~"

2008 Triennial Review of Surveillance (FO/DIS/08/109)—Report by an External Consultant—IMF Surveillance in Europe—Progress in Refocusing—Deletion (SM/08/288, 9/2/08)

Deletion of Country-Specific References
Page 18, text on Latvia:
"~~However, no formal Board discussion of Latvia has taken place recently—despite the importance of this case in terms of the macrofinancial issues involved and role (in both directions) of potential effects in the Nordic/Baltic region. This absence of Board consideration of Latvia appears, de facto, a significant gap in surveillance.~~"

Kingdom of Swaziland (FO/DIS/08/112)—Deletion—Staff Report for the 2008 Article IV Consultation (SM/08/313, 10/2/08)

Highly Market-Sensitive Material
Page 14, para. 20, line 1:
"**The financial sector faces some vulnerabilities from weaknesses in ~~the SwaziBank~~ one bank and emerging vulnerabilities from the fast growth of insufficiently regulated SCCOs and the emergence of pyramid schemes.**"

A New Facility for Market Access Countries (FO/DIS/08/118)—The Short-Term Liquidity Facility—Proposed Decisions—Deletions/Modifications (SM/08/324, Sup. 1, 10/27/08)

Market Sensitive Deletions
Page 4, para. 4, seventh bullet:
"(i) allow SLF purchases to "float" against the reserve tranche of members and against purchases under other Fund policies (Paragraph 6); and (ii) address the rate of charge that would apply in the unlikely event that members were to have overdue repurchases under the SLF (Paragraph 8~~);[11]~~).[12]~~and (iii) give the Fund authority to condition the approval of SLF financing on a member's adoption of controls to prevent a large or sustained outflow of capital (Paragraph 10)~~"

Page 12, Proposed Decision, Part I, para. 10:
"~~10. The Fund may make the use of its resources under this Decision conditional upon the adoption by the member of measures under Article VI, Section 1 of the Fund's Articles of Agreement.~~

Modifications
Pages 1–3: Footnote references to internal documents have been removed, in accordance with the transparency policy.
"A New Facility for Market Access Countries—The Short-term Liquidity Facility~~,~~ ~~SM/08/324~~, October ~~24,~~ 2008."
"~~For a more detailed discussion of the majorities required to extend and terminate special facilities, see *Statement by the General Counsel on Completion of the Review of the Contingent Credit Lines and Consideration of Some Possible Alternatives*, BUFF/03/208 (November 24, 2003).~~"
"~~See *The Fund's Liquidity Position – Reviewand Outlook*, EBS/02/177 (October 15, 2002); BUFF/02/179 (11/4/02); and BUFF/02/68 (5/15/02).~~"
"See ~~*The Acting Chair's Summing Up – Safeguards Assessments – Review of Experience*, BUFF/05/73 (April 28, 2005); and~~ *Proposed Reforms to the Exogenous Shocks Facility – Proposed Decision*~~, SM/08/255, Supp 1~~ August ~~18,~~ 2008."

Page 5, para. 8; Page 13, Proposed Decision, Part III; and Page 15, Annex 1, Part II: In accordance with the transparency decision, a footnote has been added to explain that the staff proposal to modify the transparency decision was not endorsed by the Board.

"Two targeted revisions are proposed to the Fund's transparency policy (Decision, Part III).[*]"

"[*] The staff proposal to modify the Fund's Transparency Policy Decision was not endorsed by the Executive Board."

*****STRICTLY CONFIDENTIAL: Hungary (FO/DIS/08/121)- Deletions - Request for Stand-By Arrangement*****

Confidential: Iceland (FO/DIS/08/132)—Deletions—Request for Stand-By Arrangement (EBS/08/124, 11/15/08)

Highly Market-Sensitive Material
Page 51, Table 1, row 4: delete "-500"
Page 58, Table 1, row 4: delete "-500"

Confidential: Iceland (FO/DIS/08/134)—Deletion—Staff Report for the 2008 Article IV Consultation (SM/08/273, 8/20/08)

Highly Market-Sensitive Material
Page 13, para. 12, line 7:
"With banks' funding risks at the core, these vulnerabilities are large and could unwind quickly in the currently turbulent global financial climate~~, exposing the economy to a risk of a financial crisis~~."

Iceland (FO/DIS/08/138)—Deletions and Modifications—Financial Stability System Assessment—Update (SM/08/274, 8/20/08)

Highly Market-Sensitive Material
Page 5, para. 1, line 2:
"In 2004, these banks began a period of ~~explosive~~ expansion, with consolidated assets of the banks expanding from 100 percent of Icelandic GDP in 2004 to almost 900 percent at end-2007."

Page 17, para. 19, line 5:
"In addition, ~~forced collateral sales reflecting problem loans~~ increased sharply in 2008."

Page 18, Figure 5, panel 3: deleted "Forced Collateral Sales of Icelandic Stock Exchange Listed Shares"
redraft: "Collateral Sales Related to Contractual Margin Calls"

Page 20, para. 26, line 3:
"Second, ~~the Icelandic investor base may be too limited to ensure adequate shareholder support for the banks. Third,~~ the large size aggravates concerns about funding and asset quality risks."

Page 25, para. 42, line 6:

"~~The CBI concludes that the three largest banking institutions are relatively resilient and only one would become slightly undercapitalized in the event of the most severe shock.~~"

Ukraine (FO/DIS/08/149)—Deletions—Request for Stand-by Arrangement (EBS/08/114, 11/3/08 and Cor. 3, 12/12/08)

Highly Market-Sensitive Material
Page 9, Box 2, 3rd para., second sentence:

"A drop in real GDP growth of 9 percentage points, a nominal depreciation~~ of the Hrv of 30 percent~~, high interest rates, and a sharp drop in real prices, will result in a sharp increase of bad loans (category 5 loans), which are estimated to rise to 15 percent by end 2009 (in mid-2008, they stood at 1 percent)."

Page 25, Figure 6: bottom-right panel and footnote 3 deleted

Page 9, Box 2, text table, "Table Ukraine: Bank Scenario Analysis.": text table and reference to table in the last list of para. 4 deleted.

"(iii) a large external debt rollover risk for the corporate sector in the amount of $30 bn in 2009~~ (Table)~~."

Turkey (FO/DIS/08/157)—Deletions—Ex Post Assessment of Longer-Term Program Engagement and Ex Post Evaluation of Exceptional Access (SM/08/248, 7/21/08)

Highly Market-Sensitive Material
Page 14, para. 17, lines 9–10:

"The most evident were an overvalued lira~~—by an estimated 0–20 percent, at the time of the last review under the 2005 SBA—~~and a large and rising current account deficit (over 7 percent of GNP in 2007, or 5.7 percent of revised GDP)."

Page 33, para. 55, lines 4, 6–7:

"At that time, these included ~~the exclusive right of Sworn Bank Auditors to examine banks,~~ weaknesses in the BRSA's powers to remove and appoint Board members at intervened banks, insufficient supervisory resources, inadequate coordination of offsite and onsite supervision~~, and the BRSA's governance structure~~."

Page, 20, Box 3: Box 3 deleted

Page 52, Table 4: Table 4 deleted

E. 2009

Republic of Latvia (FO/DIS/09/3)—Deletions—Request for Stand-By Arrangement (EBS/08/155, 12/19/08)

Highly Market-Sensitive Material
Page 11, para. 21, line 1:
"exchange rate overvaluation ~~(estimated by Fund staff at around 30 percent (SM/08/297); confirmed by recent updates), though others put this lower)~~ would need to be addressed through a prolonged process of factor price adjustment (Box 2). This will likely require a recession in the short run, and slow growth for several years to come."

Page 20, para. 50, 1st bullet, line 1:
"**Correcting ~~a large~~ currency misalignment without nominal depreciation is extremely difficult,** as experience from other currency board and fixed exchange rate countries continues to show."

Page 22, para. 55, 1st bullet, lines 3–4:
"(i) a floor on net international reserves of the BoL ~~and also a consultation clause should they fall more than €500 million in a 30 day period (¶20)~~;"

Page 72, para. 20, lines 5–7:
"~~Should net international reserves fall by more than €500 million in any given 30-day period, we will consult with IMF staff.~~"

Iceland (FO/DIS/09/7)—Deletions—Stand-By Arrangement—Review Under the Emergency Financing Mechanism (EBS/08/160, 12/24/08)

Highly Market-Sensitive Material
Page 4, para. 7, first bullet, line 2:
"Overall foreign exchange market interventions have been moderate since October~~, and the Central Bank of Iceland (CBI) has intervened only twice since the foreign exchange market restarted~~."

Page 7, para. 14, lines 8–13:
"~~Total government participation could amount to 12–25 billion króna (¾–1½ percent of GDP). Icebank, which serves the savings bank sector, is a larger problem. It is now negotiating with its foreign creditors while the central bank delays margin calls until end-January (it holds króna 131 billion, or 8¾ percent of GDP, in private sector collateral from repo operations, much of which is of bad quality, thus linking this issue directly to central bank recapitalization).~~"

para. 17, first bullet, line 2:
"~~According to the authorities, the U.K., Dutch, and German authorities have been asking for 200–300 basis point spreads above their cost of funding and a 10-year maturity. The Icelandic authorities have suggested a rate below the funding cost and a longer maturity.~~"

Page 15, table 5, item 4: "Floor on the change in net international reserves of the Central Bank of Iceland": delete: the numbers "-500" and "-500" from the second and third columns (i.e. The "Indicative Targets" for March 2009 and June 2009). These can be replaced, in each instance, with "..."

Former Yugoslav Republic of Macedonia (FO/DIS/09/11)—Deletions—Staff Report for the 2008 Article IV Consultation (SM/08/329, 11/12/08)

Highly Market-Sensitive Material
Page 21, para. 23, line 3:
"The current account deficit is not sustainable at this year's projected level, with estimates suggesting modest overvaluation~~ of around 10 percent (Box 3, Figure 11)—~~although these are subject to considerable uncertainty."

Page 22, Box 3:
"~~• ERER results (relating the exchange rate to fundamentals) suggest overvaluation of around 2–3 percent in the most recent period, reflecting real appreciation beginning in late 2007.~~"
"~~• MBA results show a 3.0 percent of GDP gap between the norm and underlying current account deficit, suggesting overvaluation of 3 to 11 percent, depending on the trade elasticities.~~"
"~~• ESA results suggest 6 to 17 percent overvaluation, depending on trade elasticities and the target net international investment position (the assessment considers the average IIP for other SEE countries and for all transition countries).~~"

Table: table on exchange rate assessments deleted

Former Yugoslav Republic of Macedonia (FO/DIS/09/10)—Deletions/Modifications—Selected Issues (SM/08/330, 11/12/08)

Highly Market-Sensitive Material
Page 20, para. 8, line 3:
"The results are presented below.~~summarized as follows:~~"

Text Table: "FYR Macedonia: Summary of Real Exchange Rate Assessment": deleted.

Page 21, para. 11, lines 3-4:
"This approach indicates that the underlying current account deficit is somewhat above its equilibrium ("CA norm") level, implying ~~that the~~ real exchange rate overvaluation. ~~rate is overvalued by a range of 3 to 11 percent~~. [7]"

Text Figure "Macroeconomic Balance Approach (Current account deficits)", line 3: for "depreciation" read "adjustment".

Text Table "Macroeconomic Balance Approach Summary", lines 5-6: for "Implied REER adjustment (overvaluation)"

read "REER adjustment needed to bring the underlying CA to the level of norm"
Page 22, para. 13, lines 1-3:
"This approach ~~suggests emergence of slight overvaluation of 2 to 3 percent by early 2008~~<u>does not indicate significant misalignment (slight overvaluation in early 2008)</u>."

Page 23, para. 15, line 1:
"The ES approach suggests an overvaluation of the RER ~~in the range of 6 to 17 percent depending on the elasticity used~~."

para. 16, first bullet:
"To reach that level, the real exchange rate would ~~have to depreciate by~~ <u>require</u> 5 to 15.5 percent <u>adjustment</u>, depending on the elasticity used."

Page 24, para. 16, second bullet, line 5:
"Maintaining this benchmark would require a CAD of about 4 percent of GDP, implying that the real exchange rate would ~~have to depreciate by~~ <u>require</u> 6.1 to 18.8 percent <u>adjustment</u>."

third bullet, line 5:
"Stabilizing the benchmark at this level would require a 6 to 17 percent <u>adjustment</u> ~~depreciation~~."

Philippines (FO/DIS/09/12)—Deletion/Modification—Staff Report for the 2008 Article IV Consultation (SM/08/362, 12/24/08)

Highly Market-Sensitive Material
Page 19, para. 28, lines 3 and 4:
"The 2009 deficit target relies on an ambitious revenue target of 15.9 percent of GDP. Staff projects revenues of 14.9 percent of GDP and, thus, <u>in the absence of additional tax efforts or some expenditure restraint, meeting the deficit target would be difficult.</u> ~~If expenditures were fully implemented, the deficit could reach just above 3 percent of GDP.~~"

Iceland (FO/DIS/09/14)—Deletions—Stand-By Arrangement—Review Under the Emergency Financing Mechanism (EBS/08/160, 12/24/08)

Page 4, text chart on Net International Reserves: delete the line labeled "NIR Program Floor"
Page 15, Table 5, Item 4 "Floor on the change in net international reserves of the Central Bank of Iceland" delete the number "-500" from the first column. Replace with "...".

Review of the Adequacy of and Options for Supplementing Fund Resources (FO/DIS/09/19)—Deletions/Modification (EBS/09/7, 1/12/09)

Deletions with Regard to Arrangements under Discussion
Page 12: para. 13, first bullet, **line 2 and associated footnote 11**:
"Discussions are already underway with several countries on possible Fund support,

including under the exceptional access policy~~, with potential commitments on the order of SDR 22 billion~~.~~[11]~~"
"~~[11] This includes an SDR 1.62 billion arrangement involving exceptional access for Belarus (420 percent of quota) scheduled for discussion by the Board on January 12, 2009.~~"

Page 14: Table 3: information on scale of arrangements under discussion, removed.

Modification with Regard to Arrangements under Discussion
Page 13: para. 15, first bullet, line 1:
"Under *Scenario One*, ten members <u>(in addition to members with arrangements under discussion)</u> would face financing gaps not fully covered by available buffers and adjustment measures."

Albania (FO/DIS/09/28)—Deletions—Staff Statement (BUFF/09/17, 1/27/09)

Highly Market-Sensitive Material
Para. 2, line 1:
"~~Larger-than-expected deposit withdrawals and credit expansion have increased financial stability risks.~~ ~~While~~ **<u>Deposit</u> withdrawals started to reverse in late December and deposits have so far recovered by about ½ percentage points of GDP**<u>. However</u>, the loss was somewhat larger than anticipated in the staff report—despite the turnaround, total deposits were down by about 7 percent at end-2008 compared to end-September."

line 19:
"~~Moreover, the implied lower funding base was not offset by a commensurate reduction in credit growth. Instead, banks met most of the outflow by running down their net foreign asset positions.~~ Still, confidence in the domestic currency does not appear to have diminished, as the exchange rate remains relatively stable despite the absence of intervention."

Text table: last column deleted

Republic of Belarus (FO/DIS/09/39)—Deletions—Request for Stand-By Arrangement (EBS/09/1, 1/5/09)

Highly Market-Sensitive Material
Page 56, para. 7, line 6–8:
"~~To this end, we will consult with the Fund regarding the appropriate policy response if our gross international reserves fall below the levels specified in Table 2 at any time during the respective quarter.~~"

Pages 58–59, para. 10, second bullet, line 2–4:
"~~(The stock of such credits amounted to 1.71 trillion rubels on December 1, 2008, and their growth amounted to 574.4 billion rubels in January-November.~~"

Page 64, Table 2, rows 4–6: "IV Consultation Clause on Exchange Rate Policy" deleted

Uruguay (FO/DIS/09/43)—Deletion—Staff Report for the 2008 Article IV Consultation (SM/08/319, 10/9/08)

Page 16, Box 3, para. 3, lines 5–6:
"~~And, while the system has ample liquidity, stress tests indicate that a few banks' liquidity could drop to unsafe levels under severe scenarios.~~"

Confidential: Hungary (FO/DIS/09/50)—Deletions—First Review Under the Stand-By Arrangement and Request for Modification of Performance Criteria (EBS/09/31, 3/12/09)

Highly Market-Sensitive Material
Page 45, para. 24, line 4: delete "(including a buffer relative to program projections)"
"The target for NIR under the program is designed to meet this objective, while allowing room for stabilizing market conditions in a fragile external environment ~~(including a buffer relative to program projections)~~."

Page 45, para. 24, lines 5–6: delete
"~~Reserves loss exceeding €2 billion in any 30-day period will trigger consultation with IMF staff.~~"

Page 48, Table 2: delete the numerical targets for the quantitative performance criterion on cumulative change in net international reserves.

Page 50, table in section A: delete the numerical targets for the floor on the net international reserves of the MNB.

Czech Republic (FO/DIS/09/58)—Deletions and Modifications—Staff Report for the 2008 Article IV Consultation (SM/09/8, 4/9/09)

Highly Market-Sensitive Material
Page 3, para. 1, lines 3–4: for "a possible credit crunch" for "tighter credit conditions"
"Even then, risks remain on the downside, stemming primarily from ~~a possible credit crunch~~ tighter credit conditions that could hold back domestic spending, and a deeper recession in the eurozone than now expected."

para. 4, lines 2–3:
"Liquidity has tightened considerably in interbank markets, and trading in the government bond market ~~remains very thin following a freeze~~ froze temporarily in October."

lines 4–6:
"The country's large presence of foreign banks with significant exposure to emerging Europe has also given rise to ~~questions about their continued ability and willingness to maintain lending to the economy~~ uncertainty about the risk of cutbacks in lending."

Page 9, first bullet, lines 11–12: ", although trading remains very thin, with market

makers reluctant to provide quotes”
“Some liquidity has reportedly returned to the market~~, although trading remains very thin, with market makers reluctant to provide quotes~~.”

Page 14, Box 2, paragraph 2, last sentence:
“~~Staff estimates using systems regressions on pooled data suggest that a withdrawal of all short-term funding from the Czech Republic by foreign banks—which would represent 54 percent decline in outstanding foreign claims within a year—could lead to a drop in annual GDP growth of 2.6 percentage points.[2]~~”

“~~[2] See Mitra, S. and L.L. Ong, “Credit and Growth in the CESE Countries,” IMF Working Paper, forthcoming.~~”

Spain (FO/DIS/09/59)—Deletion—Staff Report for the 2008 Article IV Consultation (SM/09/34, 2/5/09)

Highly Market-Sensitive Material
Page 23, para. 27, footnote 6: second sentence
“[6] The background paper on the financial system describes the staff stress tests on credit risk. ~~The staff wishes to emphasize that its estimates of potential capital needs in the range from 0-6 percent of GDP (to keep all banks at a minimum 8 percent capital adequacy ratio, and depending on the severity of the scenarios) are indicative and based on published data only. They do not take into account possible nonlinearities that may occur as weaker institutions experience stress.~~”

Spain (FO/DIS/09/60)—Deletions/Modifications—Selected Issues (SM/09/40, 2/12/09)

Highly Market-Sensitive Material
Page 53, para. 69, line 1:
“With these assumptions, we can calculate ~~three~~ two potential paths for future NPLs (Figure 18):”

Page 54, para. 69: third bullet
“~~For the third path, we make an attempt to compensate for the equation under-performance in the most recent quarters by adding to our out-of-sample point forecasts two times the standard deviation of the residuals calculated from the in-sample forecast (a 95-percent confidence interval). This suggests, as a downside scenario, that NPLs could reach as high as 14.1 percent.~~”

para. 72, line 1:
“We constructed ~~three~~ two scenarios. In the first, we assumed NPLs to rise to 6.3 percent of loans (the above “July” scenario).”

line 5:
“In the second ~~and third~~ scenario~~s~~, we stressed total NPLs up to 10 ~~and 14.1~~ percent~~,~~. ~~respectively.~~”

line 6:
"Also, in all ~~three~~ two scenarios, we assumed a 50 bp decline in net interest rate margins reckoning that banks are unable to transfer fully to borrowers increasing funding costs.[65]"

Page 55, para. 74, line 3:
"Against this background, we considered ~~three~~ two sets of LGDs (Table 7)."
~~very distressed real estate market and economy in general.~~"

lines 6—8:
"The second set of LGDs assumes some worsening in the recovery rates.~~, while he third set LGDs intentionally portrays a very severe scenario (a cumulative downside scenario), with a~~

Table 7: third column deleted

Page 56, para. 76, bullet 2, line 5:
"The picture tends to deteriorate when we consider larger shocks ~~and/or more severe LGD (Scenario 1—LGD 3;~~ Scenario 2)."

Page 57—58, para. 77:
"~~***• Under a more severe stress test (Scenario 3—LGD 2), the Spanish banking sector would naturally be more challenged***. More than half of the credit institutions in the sample might then need some capital—for a total above one percent of GDP—and one institution would end with a capital adequacy ratio (CAR) below 2 percent. If LGDs turned out to be of the most severe type (LGD3), virtually all the institutions in the sample would require some capital bolstering. In that event, 28 institutions could find themselves with a CAR below 2 percent; 22 of which would end up with negative capital. Total recapitalization in this harshest scenario could rise to 6 percent of GDP.~~"

Table 8 replaced

Confidential: Republic of Latvia (FO/DIS/09/64)—Deletion—Stand-By Arrangement—Interim Review Under the Emergency Financing Mechanism (EBS/09/24, 2/24/09)

Highly Market-Sensitive Material
Page 5, para. 11, lines 7-8:
"~~There is also a risk that a Eurobond (€128 million net outstanding) whose contractual maturity is not until 2011 may have to be repaid early.~~"

Mongolia (FO/DIS/09/66)—Deletions/Modifications—Request for Stand-By Arrangement (EBS/09/36, 3/19/09)

Highly Market-Sensitive Material
Page 4, para. 6, line 7:
"However, while these capital ratios still appear healthy, they may need to be topped up to provide a cushion against a marked worsening of credit quality.~~However, this capital could~~

~~be quickly eroded by a worsening of credit quality. This may arise from both the economic slowdown as well as credit risks from foreign currency lending in the context of a depreciating exchange rate. Banks with a weaker capital base and high levels of foreign currency lending are at particular risk.~~”

Page 11, para. 20, line 5:
“At the same time, the scope of the guarantee will be expanded to current accounts and interbank deposits. ~~in order to boost confidence in the banking system. Nevertheless, the credibility of the guarantee is still compromised by the government’s weak fiscal finances.~~”

Page 16, bullet 3, line 6:
“These effects will be amplified by the impact of a rapidly slowing economy and should they materialize, ~~. It would not be surprising if some banks were to move into conservatorship over the next few months and such events~~ will ~~be~~ need to be handled quickly and carefully.”

Republic of Armenia (FO/DIS/09/71)—Deletions—Request for Stand-By Arrangement (EBS/09/25, 3/3/09)

Highly Market-Sensitive Material
Page 7, Box 1, last three sentences:
“~~The creation of the DGF was a positive step in 2004 but it was not intended for banks under a systemic crisis scenario. Staff suggested that a broadening of the guarantee would be positive in boosting confidence in the banking system and prevent deposit runs. However, the authorities were concerned that announcing a broadening of deposit guarantees might in fact have adverse signaling effects in the short-term although they agreed that, were deposit withdrawals to accelerate, such an announcement could help ensure greater financial sector stability.~~ The creation of the DGF was a positive step in 2004. Staff suggested that a broadening of the guarantee would be positive in boosting confidence in the banking system and preventing deposit runs.”

Page 12, para. 17, last sentence: Delete the text in parenthesis “(including one systemic one)”
“However, several banks ~~(including one systemic one)~~ would fall below the 12 percent CAR minimum, requiring remedial action including recapitalization.”

Page 13, para. 18, third-to-last sentence from the first bullet point at the top of the page:
“~~In the latter case, the Deposit Guarantee Fund (DGF) is likely to need further resources to meet existing commitments to depositors.~~”

Page 48, MEFP, Table 1: Delete the numbers for the performance criterion for Net International Reserves for March, June, September, and December 2009.

Ukraine (FO/DIS/09/77)—Deletions—First Review Under the Stand-By Arrangement, Requests for Waivers of Nonobservance of Performance Criteria, and Rephasing of Purchases Under the Arrangement (EBS/09/62, 4/30/09)

Highly Market-Sensitive Material
1) For each of the deletions listed in this section, the following conditions apply: (i) the information is market relevant in the near term; (ii) if released in this document, this information would create a clear risk of triggering a disruptive market reaction.

Page 12, Text table: Delete from the text table the REER projections for 2009 and 2010

Page 13, Text table: Delete from the text table the "debt falling due" data series

Page 30, Table 1: Delete from the text table the REER projections for 2009 and 2010

2) Other deletions on highly market sensitive grounds. The following deletions are requested because they pertain to commercial information of an individual company that is not in the public domain and that is considered highly market sensitive.

Page 5, Box 1:
First bullet: third line, delete: "($1.5 billion)." In first bullet, also delete the last sentence "Naftogaz agreed to purchase….80 percent of gas contracted."
"It was resolved after Naftogaz repaid its outstanding debt to Gazprom ~~($1.5billion)~~, and a new ten-year gas contract was signed in early February. The contract ends Ukraine's privileged access to Russian gas, sets gas prices according to market rates (except for a one-time 20 percent discount in 2009), and eliminates the non-transparent intermediary company, RusUkrEnergo. ~~Naftogaz agreed to purchase 40 bcm of gas in 2009, and is required to pay for at least 80 percent of gas contracted.~~"

Second bullet:
"~~***•2009 financial plan of Naftogaz.*** The company is expected to have a cash deficit equivalent to 1.8 percent of GDP, reflecting the gap between domestic and imported prices. Including debt repayment in 2009, a financing gap of 3 percent of GDP emerges. The gap is expected to be financed by trade credit from Gazprom, to be repaid over the next 5–10 years. Risks to the company finances include: (i) the trade credit not materializing; (ii) lower collection rates than envisaged; (iii) weaker exchange rate; (iv) lower domestic consumption; and (v) lower transit fees due to lower demand from Europe.~~"

Third bullet, first line: delete: "Naftogaz imported 2.5 bcm of gas in Q1 and is expected to import 10 bcm in Q2."
"~~Naftogaz imported 2.5 bcm of gas in Q1 and is expected to import 10 bcm in Q2.~~"

Republic of Slovenia (FO/DIS/09/80)—Deletions—Selected Issues (SM/09/116, 4/29/09)

Highly Market-Sensitive Material
Page 23, Box 2, para. 4, line 5:
"~~The banks appear to be able to resist moderate shocks to the NPL. In the scenario that the Category E NPLs tripled, implying an overall NPL level of 3–4 percent, very few banks would have a capital shortage. However, if the Category E NPLs rose by 5 percentage points~~

~~and the total NPL ratio reached 6–7 percent, as many as half of the tested banks could need to raise capital.~~"

Page 23, para. 33, line 16:
"~~In the scenario that the Category E NPLs tripled, implying an overall NPL level of 3–4 percent, very few banks would have a capital shortage. However, in the scenario that the Category E NPLs rose by 5 percentage point and the total NPL ratio reached 6–7 percent, half of the banks could need to raise capital.~~"

Switzerland (FO/DIS/09/79)—Deletions—Staff Report for the 2009 Article IV Consultation (SM/09/124, 5/4/09)

Highly Market-Sensitive Material
Page 10, box 1, para. 3, line 3:
"~~In this regard, information from derivative markets can provide an approximation of the size of possible losses facing the public sector. For example, the difference between put option values on equity prices and credit default swap (CDS) spreads reflects the *market's estimate* of government's contingent liabilities.1/ In essence, as a firm approaches default, equity put options should increase in value relative to CDS put options, which increase to a lesser degree based upon the market's view on implicit government guarantees on debt. Preliminary staff analysis assuming a government guarantee on the short-term debt of the five largest Swiss financial institutions suggests balance sheets could be impaired (in the unlikely case of a joint default)—and the government's liabilities could increase—by about SFr 150 billion. A similar estimate can be derived by applying the April GFSR's ratio of potential write-downs to Swiss financial sector assets. While both of these estimates are tentative and surrounded by large margins of error, they help to gauge potential risks to the public purse—and given the knock-on effects discussed above—also add definition to risks to growth.~~"

Footnote 1:
"~~1/ See Chapter III of the April 2009 GFSR for a discussion on modeling financial sector stresses using option prices.~~"

Page 20, para. 30, footnote 7:
"~~[7] Assuming the market demands that tangible common equity (in percent of total assets) reverts back to international levels that existed before the crisis, and bringing forward expected losses, the Swiss banking system would over time require additional equity capital of some Swiss franc 25 to 50 billion (depending on assumptions regarding net retained earnings). This tentative calculation is based on the methodology applied in the April 2009 GFSR.~~"

India (FO/DIS/09/92)—Deletions—Staff Report for the 2008 Article IV Consultation (SM/09/22, 1/23/09)

Highly Market-Sensitive Material
Page 12, para. 9, line 5–7:
"A~~The~~ larges~~t~~ private bank~~, ICICI,~~ suffered a modest deposit run in late September

that was quickly contained after official reassurances that the bank was sound~~, but its CDS spread, albeit declining since November, remains high relative to regional peers~~."

lines 8-10:
"Third quarter results still point to relatively robust profit growth for most banks,~~ though ICICI reported a consolidated loss as a result of write-downs at the bank's U.K. subsidiary, and rising~~ but NPAs are rising."

Page 24, Box 4, first para., line 5:
"The credit ratings of major Indian banks have also been affirmed with only ~~ICICI's U.K.~~ one overseas subsidiary being revised downward to the same level as the parent company and three other small banks downgraded since the global financial crisis began."

first chart: deleted

second chart: deleted

Page 25, Box 4, third para., lines 2-3:
"According to the RBI, India has virtually no exposure to U.S. subprime mortgage assets or ~~and ICICI is the only bank with a nonnegligible exposure~~ to other structured credit products."

sixth para.:
"~~**•ICICI,** which accounts for about 7 percent of the banking system and was the poster child of innovation and India's globFo/al ambitions having pursued a more aggressive business model, has come under significant pressure. Its stock price has fallen 46 percent since end-August and bond yields have spiked to 12-17 percent. According to the RBI, its exposure to global structured credit products is $1.5 billion (about 1.5 percent of assets and 10 percent of capital). It also has wholesale funding vulnerabilities in the off-shore market, with wholesale borrowing accounting for 57 percent of its overseas book. ICICI's contingent liabilities (notional amount) of FX, interest rate, and credit derivatives are large compared to its assets/ equity, creating uncertainty regarding true risks.~~"

The Bahamas (FO/DIS/09/95)—Deletions—Staff Report for the 2009 Article IV Consultation—Supplementary Information (SM/09/140, Sup. 2, 6/3/09)

Highly Market-Sensitive Material
Page 2, paragraph 1, bullet 3:
"Financing. The resulting deficit is 3.9 percent of GDP, financed ~~more than half~~ by the proceeds from BTC privatization~~, with the remainder by~~ and new borrowing."

Ireland (FO/DIS/09/97)—Deletions—Staff Report for the 2009 Article IV Consultation (SM/09/138, 5/21/09 and Cor. 1, 6/12/09)

Highly Market-Sensitive Material
Page 6, para. 9: the text figure entitled "Reduction in cross-border credit resulting from Irish bank losses" is deleted.

Page 15, para. 17: the text table entitled "Ireland: Rollover Needs of Major Banks" is deleted.

Page 24, para. 36, line 6:
"In addition, ~~T~~through their guarantee, the authorities will also support the rollover of banks short-term debt ~~(projected at over €20 billion in each of 2009 and 2010, paragraph 17)~~."

Ireland (FO/DIS/09/97, Supplement 1)—Deletion—Staff Report for the 2009 Article IV Consultation (SM/09/138, 5/21/09 and Cor. 1, 6/12/09)

Premature Disclosure of Policy Intentions
Page 19, paragraph 24, line 5:
"The authorities saw merit in staff's suggestion that NAMAimplementing legislation should encompass a broader range of loan types ~~and allow for additional loan purchases within a year or so~~.[5] ~~However, they clarified that there are no plans at present for a second stage of NAMA.~~"

Confidential: Hungary (FO/DIS/09/108)—Deletions—Second Review Under the Stand-By Arrangement, Request for Waiver of Nonobservance of Performance Criterion, and Request for Modification of Performance Criteria (EBS/09/88, 6/11/09)

Highly Market-Sensitive Material
Page 45, letter of intent, para. 27, lines 5–6:
"~~Reserves loss exceeding €2 billion in any 30-day period will trigger consultation with IMF staff.~~"

Page 47, Table 2: the numerical targets for the quantitative performance criterion on cumulative change in net international reserves deleted.

Page 49, table in section A of the technical memorandum of understanding: the numerical targets for the floor on the net international reserves of the MNB deleted.

Japan (FO/DIS/09/115)—Deletion—Staff Report for the 2009 Article IV Consultation (SM/09/147, 6/17/09)

Highly Market-Sensitive Material
Page 27, para. 28, 1st bullet: chart deleted

Mongolia (FO/DIS/09/120)—Deletions—First Review Under the Stand-By Arrangement (EBS/09/95, 6/17/09)

Highly Market-Sensitive Material
Page 5, para. 16: Delete "Some banks are facing increasing distress and could move into conservatorship in the near future."

"~~Some banks are facing increasing distress and could move into conservatorship in the near future.~~"

Operational Details of Policy Intentions
Page 5, para. 15: Delete "Among the options, staff advocated liquidation or a good bank / bad bank approach."
"~~Among the options, staff advocated liquidation or a good bank / bad bank approach.~~"