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June 26, 2020

**Statement by Mr. Ronicle and Ms. Andreicut on The Central Bank Transparency Code -
Staff Proposal
(Preliminary)
Executive Board Meeting
July 2, 2020**

We welcome the finalization of the Central Bank Transparency (CBT) Code and thank staff for their efforts. We are grateful for the comprehensive outreach to the Board and member central banks, as well as to the advisory panel, all of which were invaluable for the final document. We think that the successful involvement of external advisors serves as a valuable model for similar future initiatives and policy reviews.

We welcome the revised CBT and remain very supportive of efforts to promote central bank transparency. We agree with staff that the CBT promotes enhanced transparency practices which reflect the evolution of central banks' roles and responsibilities since the Global Financial Crisis. Like staff, we firmly believe that transparency delivers predictability and accountability. Notwithstanding this, we appreciate staff's acknowledgement that, in some areas, a balance needs to be struck between transparency and confidentiality. We judge that the updated Code broadly achieves this. A good example is the disclosure related to emergency liquidity assistance and to certain foreign exchange interventions.

We also thank staff for adjusting the labels used for the different transparency practices, following Board feedback. The original drafting would have given the impression of a transparency ranking, which is not the intent of the Code. This is no longer the case with the more neutral labels of "core", "expanded" and "comprehensive."

We have one outstanding question on the scope of the Code and one remark on a possible omission. First, on scope: we note that the CBT applies only to central banks. However, there are instances where the Code seems to refer also to other bodies. For

example, the glossary definition of “Foreign Exchange Management” refers to actions taken by the central bank “and other public entities intervening on behalf of the monetary authority”. *Would these entities be expected to provide the disclosure under the Code and, if not, would this type of disclosure fall outside the scope of the Code?* In the case of the UK, for example, the overall exchange rate policy is under the control of HM Treasury and not of the Bank of England. As a solution, the preamble to the Code could clarify that in such instances the CBT would not be applicable in light of the statutory and institutional circumstances of a given jurisdiction. Secondly, we wanted to note that the CBT does not mention climate-related financial disclosures. Central banks, including the Bank of England, are making sustained efforts in managing the risk from climate change across their operations. We see merit in covering such disclosures as part of the Code.

Finally, we take note of staff’s intention to carry out voluntary pilot assessments using the CBT. We agree that the CBT could serve as a diagnostic tool in capacity development and that it could also play a role in supporting Fund surveillance. We hope that the Code will be a useful tool for the membership.