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CONFIDENTIAL

June 29, 2020

**Statement by Mr. Kaya, Mr. Benk, Mr. Just, and Mr. Harvan on The Central Bank
Transparency Code - Staff Proposal
(Preliminary)
Executive Board Meeting
July 2, 2020**

We thank staff for the proposal of the Central Bank Transparency Code (CBT) and efforts to reflect the views of the Executive Board and the external stakeholders. Transparency across the five pillars can enhance accountability and effectiveness of policies, balancing the need for confidentiality and consideration of country specific circumstances. A robust communication strategy should complement institutional transparency to help anchor stakeholder expectations. We broadly support the proposal and add the following comments.

We stress the **voluntary nature** of the CBT and welcome the revised compromise **labeling** which avoids normative language. Wording of the CBT, in particular in paragraphs 5 and 12 of the introduction, should avoid suggesting a legally relevant or even binding nature of the document. We underscore that Fund communication, including in the press release, should be cautious in order to avoid giving the impression that full compliance with the current CBT will also deliver superior policy outcomes under all circumstances. We support the use of CBT in the context of capacity building activities and in surveillance conditional on the request by the authorities.

Application of **staff judgement** in the CBT assessment should ensure evenhandedness and comparability. In this context, the voluntary pilot assessments can provide useful information before a guidance note is prepared and we encourage staff to brief the Board on the completed pilots once a draft guidance note and template are available.

We welcome the revisions of the draft highlighting the role of the **legal framework** in shaping the discretion available for a central bank as well as provisions recognizing the impact of membership in a currency union. As a general point, the Code should be focused on assessing the outcomes of central bank actions given the legal provisions of transparency rules. The legal and regulatory framework could be usefully stressed throughout the document in particular in paragraphs 7 and 10 of the introduction. It is important that the CBT, both in its formulation and concrete application, recognizes the specificities of the legal

frameworks applying to central banks that are part of currency unions. In the context of currency unions, the publication of voting behavior can have important tradeoffs and the CBT should avoid being overly prescriptive.

A broader definition of qualified **confidentiality reasons** in paragraph 10a of the introduction might be considered and also refer to “sensitive information”. In order to cover the whole spectrum of confidentiality reasons set by the different legal frameworks, this would also cover inter alia monetary policy considerations, third party business secrets or international financial, monetary or economic relations as well as internal AML/CFT regulations and controls.