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GRAY/20/2538

CONFIDENTIAL

June 29, 2020

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

We welcome and agree with the staff's proposal on the Central Bank Transparency Code (CBT) as it will be a useful benchmark tool to guide and complement domestic transparency practices under the related legal bases. We thank staff for the engagement with the Board, with our central bank authorities, and for incorporating the views of a select and diverse external advisory panel.

Central bank transparency is important for effective monetary and financial stability policies and a key element of central bank accountability. It has become even more important as central banks are conducting unconventional monetary policy, purchasing corporate and government bonds—when the legislation permits—, among other non-traditional operations, which require scrutiny.

As we conveyed at the March meeting, there are situations in which a central bank might want to reserve specific and sensitive information from public scrutiny, considering the implications on financial stability. We are grateful that the staff's proposal takes into consideration the need to balance transparency and confidentiality, and we take positive note of the role of the advisory panel in this regard. We further echo Mr. Buisse, Mr. Fanizza, Mr. Merk, and Mr. Rashkovan in their Joint Statement on the need to cover a broader spectrum of confidentiality reasons and the preferred language "sensitive information". We also concur with them, and in line with our intervention in March, that the relevant legal frameworks impose limits, as information could be classified or confidential under national legal provisions.

The new labels proposed to categorize the transparency practices are appropriate. Even though they do not preclude the surge of an implicit ranking, it is a welcome improvement to avoid a direct country ordering.

We agree with the proposal to conduct pilot reviews on a voluntary basis and in consultation with the authorities. Discussions of these experiences should be reported to the Board. *In terms of the two-year timing, and given that surveillance activities are yet to be resumed on a gradual and focused basis, could staff elaborate on when it is planning to conduct the pilot reviews and whether it has considered virtual missions?*