

**EXECUTIVE  
BOARD  
MEETING**

SM/21/4  
Supplement 1

January 21, 2021

To: Members of the Executive Board

From: The Secretary

Subject: **Russian Federation—Staff Report for the 2020 Article IV Consultation—  
Informational Annex**

Board Action:	Executive Directors' <b>consideration</b> (Formal)
Tentative Board Date:	<b>Wednesday, February 3, 2021</b>
Publication:	Yes*
Questions:	Mr. Miniane, EUR (ext. 38791) Mr. Saxegaard, EUR Mr. Arena, EUR (ext. 36735) Ms. Kyobe, EUR (ext. 36679) Ms. Shi, EUR (ext. 37438)
Document Transmittal in the Absence of an Objection and in accordance with Board policy:	After Board Consideration—Asian Infrastructure Investment Bank, European Bank for Reconstruction and Development, Organisation for Economic Cooperation and Development, United Nations Development Programme, World Trade Organization

**\*Unless an objection from the authorities is received prior to the conclusion of the Board's consideration, the document will be published.**





# RUSSIAN FEDERATION

## STAFF REPORT FOR THE 2020 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

January 19, 2021

Prepared By

The European Department (In Consultation with Other  
Departments).

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# FUND RELATIONS<sup>1</sup>

(As of November 30, 2020)

**Membership Status:** Joined June 1, 1992; Article VIII.

<b>General Resources Account</b>	<b>SDR Million</b>	<b>Percent Quota</b>
Quota	12,903.70	100.00
Fund holdings of currency	9,499.03	73.61
Reserve Position	3,417.44	26.48
Lending to the Fund		
New Arrangements to Borrow	200.62	

<b>SDR Department</b>	<b>SDR Million</b>	<b>Percent Allocation</b>
Net cumulative allocation	5,671.80	100.00
Holdings	4,856.91	85.63

**Outstanding Purchases and Loans:** None

## Latest Financial Arrangements

<b>Type</b>	<b>Approval Date</b>	<b>Expiration Date</b>	<b>Amount Approved (SDR million)</b>	<b>Amount Drawn (SDR million)</b>
Stand-by	07/28/99	12/27/00	3,300.00	471.43
EFF	03/26/96	03/26/99	13,206.57	5,779.71
of which SRF	07/20/98	03/26/99	3,992.47	675.02
Stand-by	04/11/95	03/26/96	4,313.10	4,313.10

## Projected Obligations to Fund

(SDR Million; based on existing use of resources and present holdings of SDRs):

### Forthcoming

	2021	2022	2023	2024
Principal				
Charges/Interest	1.12	1.13	1.13	1.14
Total	1.12	1.13	1.13	1.14

<sup>1</sup> <https://www.imf.org/en/Countries/RUS>

**Exchange Arrangements:** The *de jure* and *de facto* exchange rate arrangements are free floating. Under this arrangement, the exchange rate of the ruble is determined by market factors. The CBR may intervene in the domestic foreign exchange market in the event of threats to financial stability. The Russian Federation accepted the obligations of Article VIII, Sections 2, 3, and 4 of the IMF Articles of Agreement with effect from June 1, 1996, and maintains an exchange system free of restrictions on the making of payments and transfers for current international transactions.

**Article IV Consultation:** Russia is on the standard 12-month consultation cycle. The last consultation was concluded on July 12, 2019.

**FSAP Participation, FTE and ROSCs:** Russia participated in the Financial Sector Assessment Program during 2016, and the FSSA report was discussed by the Board in July 2016 at the time of the 2016 Article IV discussion. An FSAP financial stability assessment took place during April 2011, and the FSSA report was discussed by the Board in September 2011, at the time of 2011 Article IV Consultation. An FSAP update took place in the fall of 2007, and the FSSA report was discussed by the Board in August 2008, at the time of the 2008 Article IV discussion.

IMF's Fiscal Transparency Evaluation (FTE) was undertaken in October 2013 and published in May 2014. It assessed the Russian government's fiscal reporting, forecasting, and risk management practices against the IMF's revised Fiscal Transparency Code. An FTE update was undertaken in May 2019, at the time of the 2019 Article IV Consultation.

**Resident Representative:** Mrs. Annette Kyobe, Resident Representative since September 2019.

## RELATIONS WITH OTHER FINANCIAL INSTITUTIONS

**World Bank**

<http://www.worldbank.org/en/country/russia>

## STATISTICAL ISSUES

(As of December 1, 2020)

<b>I. Assessment of Data Adequacy for Surveillance</b>
<p><b>General:</b> Data provision is broadly adequate for surveillance.</p>
<p><b>National Accounts:</b> Data are broadly adequate for surveillance, though there are often significant revisions to early quarterly GDP estimates. The methodology for seasonally adjusting quarterly GDP data could be explained better. Real GDP data rebased to 2016 prices are available from 2011. In April 2016, Rosstat released GDP estimates compiled according to the 2008 SNA. Estimates before 2011 are not revised and not comparable with data for later periods. The main changes introduced in the revised series include improvements in the estimation of the imputed rental services of owner-occupied dwellings and the use of the market value of assets to estimate consumption of fixed capital. The Central Bank of Russia compiles quarterly sectoral financial accounts and financial balance sheets, as well as from-whom-to-whom tables of selected instruments. Starting April 2020 the Central Bank of Russia started releasing sectoral-level data on incoming financial flows on a weekly basis.</p>
<p><b>Price Statistics:</b> Monthly CPI and PPI, both compiled using the Two-Stage (Modified) Laspeyres (Dec. previous year =100), cover all regions of the Russian Federation. The weights reflect expenditures in the 24 months ending in the most recent September. Aggregate price indices are compiled for each good and service item for all the regions and the Russian Federation as a whole. Detailed data on total annual sales by economic activity, which are used to develop weights for the PPI, are published on the Rosstat website. Further efforts to improve the treatment of seasonal items and a new household budget survey—which has been under consideration for some time—could significantly strengthen data quality.</p>
<p><b>Government Finance Statistics:</b> The authorities compile a comprehensive set of the general government accounts based on the <i>Government Finance Statistics Manual 2014 (GFSM 2014)</i> on an annual basis. These data comprise the statement of sources and uses of cash as well as the accrual-based government operations (revenue, expenditure and transactions in assets and liabilities), complete balance sheet (including non-financial assets), holding gains and losses and other changes in the volume of assets and liabilities, and outlays by functions of government (COFOG). A monthly statement of sources and uses of cash based on <i>GFSM 2014</i> is also compiled for the whole general government sector. In addition, the authorities have recently started reporting quarterly accrual-based general government operation statement as well as a financial balance sheet.</p>
<p><b>Monetary and Financial Statistics:</b> Russia reports monetary data to STA using the standardized report forms (SRFs), broadly following the methodology of the <i>Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG)</i>. While data for the central bank and other depository corporations are reported on a monthly basis, data for the other financial corporations are reported on a quarterly basis. Russia also reports data on some key series and indicators of the IMF's Financial Access Survey (FAS), including the two indicators (commercial bank branches per 100,000 adults and ATMs per 100,000 adults) adopted by the UN to monitor Target 8.10 of the Sustainable Development Goals (SDGs).</p>

**External sector statistics:** Balance of payments data are broadly adequate for surveillance, and significant improvements have been made to enhance data quality. Starting from 2012, the balance of payments is compiled according to the framework of the *Fund's Balance of Payments and International Investment Position Manual*, sixth edition (BPM6) and the Central Bank of Russia has revised historical data (going back to 1994:Q1 for BOP, and to 2004:Q1 for IIP), consistent with BPM6. It has also been reported supplementary data (currency breakdown and derivatives) covering the period 2015:Q4 to 2020:Q2. Partial data from a variety of sources are supplemented by the use of statistical techniques, estimates and adjustments to improve data coverage. In particular, the Central Bank of Russia makes adjustments to merchandise import data published by the Federal Customs Service to account for "shuttle trade," smuggling, and undervaluation. Statistical techniques are also used to estimate transactions and positions of foreign-owned enterprises with production sharing agreements as well as the volume of households' investments in real estate abroad and cash in hand and deposits holdings, and these techniques are continuously being improved. At the same time, Russian compilers are working to reconcile their data with those of partner countries. Improvements have been made in the coverage and quality of surveys on direct investment, and the Central Bank of Russia is participating in the Fund's annual Coordinated Direct Investment Survey (CDIS) and Coordinated Portfolio Investment Survey (CPIS). Furthermore, the Central Bank of Russia published further data which facilitate the analysis of relatively complex flows such as gross capital flow data for the private sector including geographical and currency breakdown.

**Financial sector surveillance:** The financial soundness indicators (FSIs) reported by Russia to STA includes all 12 core FSIs, and 8 of the 13 encouraged FSIs for deposit takers on a quarterly basis. Russia also reports 7 of the 15 encouraged FSIs for other sectors including 2 FSIs for households and 3 FSIs for real estate markets.. The FSIs are reported on a quarterly basis for posting on the IMF's FSI website with a lag of one quarter or more.

## II. Data Standards and Quality

Russia is an SDDS subscriber since 2005.  
Russia plans to revamp the SDDS National Summary Data Page to disseminate data also in machine-readable format (SDMX).

Data ROSC was published in 2011.

**Russian Federation: Table of Common Indicators Required for Surveillance**  
(As of December 1, 2020)

	Date of latest observation	Date received	Frequency of Data <sup>7</sup>	Frequency of Reporting <sup>7</sup>	Frequency of Publication <sup>7</sup>	Memo Items: <sup>8</sup>	
						Data Quality – Methodological soundness <sup>9</sup>	Data Quality – Accuracy and reliability <sup>10</sup>
Exchange Rates	December 2020	12/01/2020	D	D	D		
International Reserve Assets and Reserve Liabilities of the Monetary Authorities <sup>1</sup>	October 2020	11/20/2020	M	M	M		
Reserve/Base Money	November 2020	11/27/2020	W	W	W	O, O, LO, LO	O, O, O, O, O
Broad Money	October 2020	11/06/2020	M	M	M	O,O,LO,LO	O,O,O,O,O
Central Bank Balance Sheet	September 2020	11/03/2020	M	M	M	O,O,LO,LO	O,O,O,O,O
Consolidated Balance Sheet of the Banking System	October 2020	11/30/2020	M	M	M	O,O,LO,LO	O,O,O,O,O
Interest Rates <sup>2</sup>	November 2020	12/01/2020	W	W	W	O,O,LO,LO	O,O,O,O,O
Consumer Price Index	October 2020	11/06/2020	M	M	M		
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> – General Government <sup>4</sup>	September 2020	11/13/2020	M	M	M	O, LO, LNO, O	O, O, O, O, O
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> – Central Government	October 2020	11/13/2020	M	M	M	LO, LNO, LO, O	O, O, LO, O, NA
Stocks of Central Government and Central Government-Guaranteed Debt <sup>5</sup>	October 2020	11/12/2020	M	M	M		
External Current Account Balance	2020:Q2	09/30/2020	Q	Q	Q		
Exports and Imports of Goods and Services	September 2020	11/12/2020	M	M	M	O, O, O,LO	LO, O, O, O, O
GDP/GNP	2020:Q2	09/09/2020	Q	Q	Q		
Gross External Debt	2020:Q3	10/28/2020	Q	Q	Q	O, O, O, O	O, O,LO, O, LO
International Investment Position <sup>6</sup>	2020:Q2	10/02/2020	Q	Q	Q		

<sup>1</sup> Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

<sup>2</sup> Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

<sup>3</sup> Foreign, domestic bank, and domestic nonbank financing.

<sup>4</sup> The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

<sup>5</sup> Including currency and maturity composition.

<sup>6</sup> Includes external gross financial asset and liability positions vis-à-vis nonresidents.

<sup>7</sup> Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).

<sup>8</sup> These columns should only be included for countries for which Data ROSC (or a Substantive Update) has been published.

<sup>9</sup> This reflects the assessment provided in the data ROSC or the Substantive Update (published in February 2011, and based on the findings of the mission that took place during June-July 2010) for the dataset corresponding to the variable in each row. The assessment indicates whether international standards concerning concepts and definitions, scope, classification/sectorization, and basis for recording are fully observed (O); largely observed (LO); largely not observed (LNO); not observed (NO); and not available (NA).

<sup>10</sup> Same as footnote 7, except referring to international standards concerning (respectively) source data, assessment of source data, statistical techniques, assessment and validation of intermediate data and statistical outputs, and revision studies.