

Methodological Notes to International Reserves of the Russian Federation

General provisions

The 6th Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) sets the underlying conceptual and methodological framework for the compilation of data on international reserves. The main data templates are elaborated in accordance with the IMF's International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (2012).

The **international reserves (reserve assets) of the Russian Federation** are highly liquid external assets that are readily available to the Russian monetary authorities: the Bank of Russia and the Government of the Russian Federation.

The international reserves include those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing). Reserve assets must be foreign currency assets and assets that actually exist. Furthermore, international reserves may include assets related to SDR holdings and monetary gold.

Structure and overview of separate components

The international reserves consist of monetary gold, special drawing rights (SDR) holdings, reserve position in the IMF, and other reserve assets. The item **other reserve assets** includes foreign currency in cash; balances in nostro accounts; deposits with the initial maturity of up to 1 year in the Bank for International Settlements (BIS) and nonresident deposit-taking corporations; debt securities issued by nonresidents; loans extended arising from a reverse repo, and other financial claims on nonresidents with the initial maturity of up to 1 year.

Securities provided to counterparties under securities lending transactions are recorded in the international reserves, whereas securities that serve as collateral under repurchase agreements are excluded therefrom. Securities received

as collateral under reverse repos or under securities lending agreements (received in exchange for other securities) are not included in the international reserves.

The parts of the resources on accounts of the Reserve Fund and of the National Wealth Fund of the Russian Federation, which are deposited by the Government of the Russian Federation with the Bank of Russia, denominated in foreign currency and invested by the Bank of Russia in foreign financial assets, are included in the international reserves of the Russian Federation.

Foreign currency claims of the Bank of Russia and the Government of the Russian Federation on residents are not accounted for as a part of the international reserves of the Russian Federation.

Special drawing rights (SDRs) are international reserve assets created by the IMF to supplement its' members official reserves. SDRs are allocated to members according to their quotas and kept on the accounts maintained for each member country in the Fund's SDR Department.

Reserve position in the IMF is the sum of the reserve tranche position (representing foreign exchange component of the quota of the Russian Federation in the Fund) and the country's claims on the IMF arising from lending under the New Arrangements to Borrow.

Monetary gold is defined as standard gold bars and coins with a purity of at least 995/1,000 held by the Bank of Russia and the Government of the Russian Federation. It comprises gold in vault, en route and in allocated accounts, including that which is held abroad. The item *monetary gold* includes unallocated gold accounts with nonresidents.

Transactions are recorded as of the value date with interest accrued. For corresponding reporting dates reserve assets are evaluated at current market prices. Values are converted to the US dollars on the base of official exchange rates of foreign currencies to the Russian ruble and gold reference prices set by the Bank of Russia and effective on the reporting date.

Data Templates

The statistical data on the international reserves of the Russian Federation are compiled and disseminated in several templates pursuing different analytical goals.

International Reserves of the Russian Federation reflect the general dynamics of reserve assets and their main components as of the end of each month.

International Investment Position on International Reserves of the Russian Federation enables users to assess links between the stocks of reserve assets as of certain dates and flows of these assets within the reporting period as well as to estimate the influence of revaluations and other changes.

Data Template on International Reserves and Foreign Currency Liquidity of the Russian Federation implies a complex framework for the dissemination of data on foreign currency resources of the Russian official authorities as of the base date, describes the future and potential financial inflows and outflows of foreign currency within one year period.

Changes in the Methodology of Statistical Reporting of International Reserves of the Russian Federation

Date	Change Description
since 31.07.1998	Gold deposited in unallocated gold accounts is included in foreign exchange reserves.
since 31.08.1999	An adjustment to gross international reserves is introduced to reduce the amount of foreign currency reserves by the sum of the Bank of Russia's assets held in nonresident banks, in whose equity the Bank of Russia has a stake, and by the amount equivalent to the balances of foreign exchange held on correspondent accounts of resident banks with the Bank of

Russia, exclusive of the funds provided to Vnesheconombank for public external debt service and repayment.

after 30.06.2002	Foreign currency reserves are decreased by exclusion of the amount of funds received by the Bank of Russia under repurchase agreements (since 30.09.2002 – by exclusion of the amount of securities provided as collateral under repo agreements).
since 31.12.2005	Monetary gold is valued at current reference prices set by the Bank of Russia (until 31.12.2005 the valuation was produced at the price of 300 US dollars per fine troy ounce).
since 31.12.2007	<ul style="list-style-type: none">• Securities are recorded at market values (until 31.12.2007 – at amortized values).• The adjustment introduced effective 31.08.1999 is abolished.• The exclusion from foreign currency reserves of securities transferred to nonresidents under interrelated repos is discontinued, and simultaneously the Bank of Russia stops recording in reserve assets the claims on nonresidents under interrelated reverse repos.
since 31.12.2009	Gold coins with a purity of at least 995/1,000 are included in monetary gold.
after 30.09.2016	<ul style="list-style-type: none">• Due to the inclusion of the Chinese renminbi in the SDR basket transactions and assets as of the reporting date in the Renminbi are accounted for as a part of the international reserves of the Russian Federation.• The adjustment valid since 31.07.1998 is annulled. Gold in unallocated gold accounts is included in monetary gold.• Within the general framework of the implementation of the best practices for the international classification of the components of reserve assets the revaluation of monetary

gold caused by the changes in the dollar equivalent of the current reference prices set by the Bank of Russia is recorded in the column “Other price changes”, not in the column “Exchange rate changes” as previously (the historical data are reconciled in accordance with the current conceptual and methodological framework).
