

IV. Financial Statements of the Administered Accounts





Report of Independent Auditors

To the Board of Governors of the International Monetary Fund

We have audited the accompanying financial statements of each of the accounts of the International Monetary Fund indicated in the table below (collectively referred to as the “Administered Accounts”), which comprise the statements of financial position as of April 30, 2021 and 2020, and the related statements of comprehensive income and changes in resources and of cash flows for the periods indicated in the table below.

Administered Accounts	
<i>Technical Assistance and Special Purpose Accounts</i>	
Supplementary Financing Facility Subsidy Account (SFF Subsidy) (1)	Administered Account People’s Bank of China (People’s Bank of China) (1)
Somalia Administered Account (Somalia) (2)	Administered Account–Japan (Japan) (1)
Administered Account – Switzerland (Switzerland) (1)	Framework Administered Account for Selected Fund Activities (Framework - SFA) (1)
<i>Interim Holdings of Resources Accounts</i>	
Framework Interim Account (Framework Interim) (2)	Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities (Voluntary Contributions) (1)
(1) Statements of comprehensive income and changes in resources and of cash flows for the years ended April 30, 2021 and 2020	
(2) Statements of comprehensive income and changes in resources and of cash flows for the year ended April 30, 2021 and for the period from December 18, 2019 (date of inception) to April 30, 2020.	

We are independent of the Administered Accounts in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States of America and with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants*. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Administered Accounts’ ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Administered Accounts or to cease operations or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Administered Accounts' financial reporting process.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance but is not a guarantee that an audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We design audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

In making those risk assessments, we consider internal control relevant to the Administered Accounts' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Administered Accounts' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation, structure, and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

As part of an audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Administered Accounts' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Administered Accounts to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the Administered Accounts indicated in the table above as of April 30, 2021 and 2020, and the results of each of their operations and each of their cash flows for the periods indicated in the table above in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matter

Our audit was conducted for the purpose of forming an opinion on each of the Administered Accounts' financial statements taken as a whole. The supplemental schedules appearing on pages 120 to 126 are presented for purposes of additional analysis and are not a required part of the respective Administered Accounts' financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the respective Administered Accounts' financial statements. The information has been subjected to the auditing procedures applied in the audit of the respective Administered Accounts' financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the respective Administered Accounts' financial statements or to the respective Administered Accounts' financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. We also subjected the information to the applicable procedures required by International Standards on Auditing. In our opinion, the information is fairly stated, in all material respects, in relation to the respective Administered Accounts' financial statements taken as a whole.

PricewaterhouseCoopers LLP

Arlington, Virginia
June 30, 2021

Statements of Financial Position at April 30, 2021, and 2020

Note	Technical Assistance and Special Purpose Accounts						Interim Holdings of Resources Accounts	
	SFF Subsidy		People's Bank of China		Somalia		Framework Interim	
	2021	2020	2021	2020	2021	2020	2021	2020
<i>(in thousands of SDRs)</i>								
Assets								
Cash and cash equivalents	930	928	7,901	6,328	224,883	152,331	186,676	193,986
Interest receivable and other assets	—	1	417	369	25	6	27	114
Investments	5	—	169,818	171,194	—	—	—	—
Total assets	930	929	178,136	177,891	224,908	152,337	186,703	194,100
Liabilities								
Interest payable and other liabilities	—	—	149	150	—	—	—	—
Borrowings	6	—	170,000	170,000	—	—	—	—
Total liabilities	—	—	170,149	170,150	—	—	—	—
Resources	930	929	7,987	7,741	224,908	152,337	186,703	194,100
Total liabilities and resources	930	929	178,136	177,891	224,908	152,337	186,703	194,100

	Technical Assistance and Special Purpose Accounts						Interim Holdings of Resources Accounts	
	Japan		Framework—SFA		Switzerland		Voluntary Contributions ¹	
	2021	2020	2021	2020	2021	2020	2021	2020
<i>(in thousands of US dollars)</i>								
Assets								
Cash and cash equivalents	279,039	39,059	425,848	378,228	—	—	—	—
Interest receivable and other assets	—	—	—	—	4	4	—	—
Total assets	279,039	39,059	425,848	378,228	4	4	—	—
Liabilities								
Interest payable and other liabilities	—	—	23,171	20,070	4	4	—	—
Total liabilities	—	—	23,171	20,070	4	4	—	—
Resources	279,039	39,059	402,677	358,158	—	—	—	—
Total liabilities and resources	279,039	39,059	425,848	378,228	4	4	—	—

¹ Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities (Voluntary Contributions) does not have any balances at April 30, 2021, and 2020. The accompanying notes are an integral part of these financial statements.
The financial statements were signed by the Managing Director and the Director of Finance on June 30, 2021.

Kristalina Georgieva /s/
Managing Director

Bernard Lauwers /s/
Director, Finance Department

Statements of Comprehensive Income and Changes in Resources for the Financial Years Ended April 30, 2021, and 2020

	Note	Technical Assistance and Special Purpose Accounts					Interim Holdings of Resources Accounts		
		SFF Subsidy		People's Bank of China		Somalia	Framework Interim		
							From inception ¹ to April 30, 2020	From inception ¹ to April 30, 2020	
		2021	2020	2021	2020	2021			2021
(in thousands of SDRs)									
Resources, beginning of year		929	922	7,741	2,872	152,337	—	194,100	—
Interest and net investment income	5	1	7	416	5,039	131	6	141	11
Contributions		—	—	—	—	73,130	153,491	152,455	194,249
Interest expense on borrowings		—	—	(170)	(170)	—	—	—	—
Operating expenses	7	—	—	—	—	(10)	(49)	(484)	—
Operational income		1	7	246	4,869	73,251	153,448	152,112	194,260
Transfers	8	—	—	—	—	(680)	(1,111)	(159,509)	(160)
Other comprehensive income		—	—	—	—	—	—	—	—
Total comprehensive income/(loss)/changes in resources		1	7	246	4,869	72,571	152,337	(7,397)	194,100
Resources, end of year		930	929	7,987	7,741	224,908	152,337	186,703	194,100

	Note	Technical Assistance and Special Purpose Accounts						Interim Holdings of Resources Accounts	
		Japan		Framework—SFA		Switzerland		Voluntary Contributions ²	
		2021	2020	2021	2020	2021	2020	2021	2020
		(in thousands of US dollars)							
Resources, beginning of year		39,059	136,725	358,158	344,222	—	—	—	—
Interest and net investment income	5	—	2,334	36	6,701	—	—	—	—
Contributions		249,680	—	171,163	188,492	3,178	5,093	—	—
Other income		—	—	—	—	20	20	—	—
Operating expenses	7	—	—	(126,680)	(181,257)	(20)	(20)	—	—
Operational income		249,680	2,334	44,519	13,936	3,178	5,093	—	—
Transfers	8	(9,700)	(100,000)	—	—	(3,178)	(5,093)	—	—
Other comprehensive income		—	—	—	—	—	—	—	—
Total comprehensive income/ (loss)/changes in resources		239,980	(97,666)	44,519	13,936	—	—	—	—
Resources, end of year		279,039	39,059	402,677	358,158	—	—	—	—

¹ The account was established on December 18, 2019.

² There was no activity in the Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities (Voluntary Contributions) during the years ended April 30, 2021, and 2020.

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows for the Financial Years Ended April 30, 2021, and 2020

	Technical Assistance and Special Purpose Accounts						Interim Holdings of Resources Accounts	
	SFF Subsidy		People's Bank of China		Somalia		Framework Interim	
	2021	2020	2021	2020	2021	From inception ¹ to April 30, 2020	2021	From inception ¹ to April 30, 2020
(in thousands of SDRs)								
Cash flows from operating activities								
Total comprehensive income/(loss)	1	7	246	4,869	72,571	152,337	(7,397)	194,100
Adjustments to reconcile total comprehensive income/(loss) to cash generated by operations								
Interest income	(1)	(7)	(1,589)	(1,753)	(131)	(6)	(141)	(11)
Interest expense	—	—	170	170	—	—	—	—
Change in other liabilities	—	—	(1)	2	—	—	—	—
Change in other assets	—	—	—	—	—	—	—	(103)
Realized (gains)/losses	—	—	(1,389)	(2,959)	—	—	—	—
Unrealized (gains)/losses	—	—	2,733	(159)	—	—	—	—
Interest received	2	9	1,541	1,880	112	—	228	—
Interest paid	—	—	(170)	(170)	—	—	—	—
Net cash provided by/(used in) operating activities	2	9	1,541	1,880	72,552	152,331	(7,310)	193,986
Cash flows from investing activities								
Acquisition of investments	—	—	(23,434)	(18,158)	—	—	—	—
Disposition of investments	—	—	23,466	16,230	—	—	—	—
Net cash provided by investment activities	—	—	32	(1,928)	—	—	—	—
Net cash provided by financing activities	—	—	—	—	—	—	—	—
Net increase/(decrease) in cash and cash equivalents	2	9	1,573	(48)	72,552	152,331	(7,310)	193,986
Cash and cash equivalents, beginning of year	928	919	6,328	6,376	152,331	—	193,986	—
Cash and cash equivalents, end of year	930	928	7,901	6,328	224,883	152,331	186,676	193,986

¹ The account was established on December 18, 2019.

Statements of Cash Flows for the Financial Years Ended April 30, 2021, and 2020

(continued)

	Technical Assistance and Special Purpose Accounts						Interim Holdings of Resources Accounts	
	Japan		Framework—SFA		Switzerland		Voluntary Contributions ¹	
	2021	2020	2021	2020	2021	2020	2021	2020
<i>(in thousands of US dollars)</i>								
Cash flows from operating activities								
Total comprehensive income/(loss)	239,980	(97,666)	44,519	13,936	—	—	—	—
Adjustments to reconcile total comprehensive income/(loss) to cash generated by operations								
Interest income	—	(2,334)	(36)	(6,701)	—	—	—	—
Change in other liabilities	—	—	3,101	(14,809)	—	—	—	—
Interest received	—	2,334	36	6,701	—	—	—	—
Net cash provided by/(used in) operating activities	239,980	(97,666)	47,620	(873)	—	—	—	—
Net cash provided by investment activities	—	—	—	—	—	—	—	—
Net cash provided by financing activities	—	—	—	—	—	—	—	—
Net increase/(decrease) in cash and cash equivalents	239,980	(97,666)	47,620	(873)	—	—	—	—
Cash and cash equivalents, beginning of year	39,059	136,725	378,228	379,101	—	—	—	—
Cash and cash equivalents, end of year	279,039	39,059	425,848	378,228	—	—	—	—

¹ There was no cash movement in Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities (Voluntary Contributions) during the years ended April 30, 2021, and 2020.

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements for the Financial Years Ended April 30, 2021, and 2020

1. Nature of operations

At the request of members, the International Monetary Fund (IMF) has established special-purpose accounts (the Administered Accounts) to administer resources contributed for financial and technical services consistent with the purposes of the IMF. The instruments establishing the Administered Accounts provide the terms and conditions, as agreed with the IMF and contributing members, under which the resources may be used. The assets and liabilities of each account and each subaccount are separate from the assets and liabilities of all other accounts of, or administered by, the IMF. The assets of each account and each subaccount are not to be used to discharge liabilities or to cover losses incurred in the administration of other accounts.

1.1 Technical Assistance and Special Purpose Accounts

1.1.1 Supplementary Financing Facility Subsidy Account (SFF Subsidy)

The account was established in December 1980 to assist low-income member countries to meet the costs of using resources made available through the IMF's Supplementary Financing Facility and under the policy on exceptional access. All repurchases under these policies were due on or before January 31, 1991, and the final subsidy payments were approved in July 1991. One member (Sudan), overdue in the payment of charges to the General Department of the IMF at April 30, 2021, remains eligible to receive previously approved subsidy payments of SDR 0.9 million. Accordingly, the account remains in operation and has retained amounts for payment to Sudan once Sudan's overdue charges are settled.

On June 29, 2021, Sudan settled its overdue charges in the General Department, and the account was terminated.

1.1.2 Administered Account People's Bank of China (People's Bank of China)

The account was established in June 2012 to administer and invest resources provided by the People's Bank of China to support the IMF's technical assistance and training programs. During the financial year ended April 30, 2018, the instrument governing the account was amended to extend the termination date of the account to October 1, 2022. The account will be terminated upon completion of operations, or at such earlier time by the IMF in consultation with the People's Bank of China. Once the obligation to repay the outstanding deposit has been discharged and the final

payment of interest has been made, any surplus remaining in the account will be transferred to the People's Bank of China.

1.1.3 Somalia Administered Account (Somalia)

The account was established in December 2019 to facilitate fundraising for, and delivery of, debt relief to Somalia in respect of obligations owed to the IMF. The resources of the account consist of contributions by donors and are to be used in the context of delivering Heavily Indebted Poor Countries (HIPC) Initiative debt relief, as well as to provide additional debt relief to Somalia beyond-HIPC assistance once Somalia reaches the HIPC completion point. The account shall remain in effect for as long as is necessary to conduct the business of the account. Any balances remaining in the account on the date of its termination and after the discharge of all obligations of the account shall be transferred to the PRG-HIPC Trust for use in accordance with the provisions of the PRG-HIPC Trust Instrument provided that, at the request of any contributor, the contributor's pro rata share of any such resources remaining in the account, or any portion of such share, shall be returned to the contributor.

1.1.4 Administered Account—Japan (Japan)

The account was established in March 1989 to administer resources provided by Japan—and, under a subsequent amendment, by other countries with Japan's concurrence—that are to be used to assist certain members with overdue obligations to the IMF. The resources of the account are to be disbursed in amounts specified by Japan and to members designated by Japan. Effective March 5, 2008, the instrument governing the account was amended to allow the provision of assistance to these members in the context of an internationally agreed comprehensive package that integrates arrears clearance and subsequent debt relief. Effective April 9, 2020, the instrument governing the account was further amended to enable Japan to support a broader range of Fund activities, including contributing to debt relief under the Catastrophe Containment and Relief (CCR) Trust. The account can be terminated by the IMF or at the request of Japan at any time. Upon termination of the account, any remaining resources in the account are to be returned to Japan.

1.1.5 Framework Administered Account for Selected Fund Activities (Framework—SFA)

The account was established in March 2009 to administer externally contributed resources that are to be used to finance selected IMF activities, including the full range of IMF technical assistance activities provided to recipients.

The financing of selected Fund activities is implemented through the establishment and operation of subaccounts within the Framework—SFA. At April 30, 2021, there were 47 subaccounts; one new subaccount was established during each of the financial years ended April 30, 2021, and 2020; three subaccounts were terminated during the financial year ended April 30, 2021 (none during the financial year ended April 30, 2020). Disbursements are made from the respective subaccounts under the Framework—SFA to the General Resources Account to reimburse the IMF for costs incurred in connection with activities financed by the respective subaccounts. Framework—SFA resources are to be used in accordance with terms and conditions established by the IMF, with the concurrence of contributors. Resources in Framework—SFA subaccounts may be transferred to other subaccounts if the terms and conditions of the subaccounts so provide.

The Framework—SFA may be terminated by the IMF at any time with the concurrence of all contributors and the Managing Director. A subaccount may also be terminated at the request of the contributor to the subaccount or, in the case of a subaccount comprising resources from more than one contributor, by all the contributors participating in the subaccount at the time of termination. Contributors may cease participation in a subaccount at any time without termination of the subaccount. The disposition of any balances, net of liabilities and commitments under the activities financed, is governed by the conditions agreed between the IMF and the contributor(s). Absent such agreement, the balances are returned to the contributor(s) upon withdrawal from or termination of the subaccount.

1.1.6 Administered Account—Switzerland (Switzerland)

The account was established in February 2017 to facilitate the settlement of payments under the bilateral financing agreement between the Swiss National Bank (SNB) and the National Bank of Ukraine (NBU). The account will be terminated upon agreement between the SNB and the IMF, following consultations between the SNB and the NBU.

1.2 Interim Holdings of Resources Accounts

1.2.1 Framework Interim Account (Framework Interim)

The account was established in December 2019 to receive and hold any resources of participants, pending instructions of each participant as to the disposition of its share of such resources. The establishment of a Framework Interim Account, with subaccounts for specific initiatives, aims to reduce costs and streamline the administration of such resources. Resources for each subaccount are to be administered separately within the Framework Interim Account. One subaccount (see Schedule 1) was established during the financial year ended April 30, 2021 (five subaccounts were established during the financial year

ended April 30, 2020). The account (and any subaccount) can be terminated by the IMF at any time. At termination any remaining balances will be repaid in full to participants.

On May 10, 2021, a new subaccount (Sudan Interim Subaccount) was established under the Framework Interim Account. On June 29, 2021, the Sudan Interim Subaccount received SDR 211 million related to the distribution of the SCA-1 resources and the refund of deferred charges adjustments following Sudan's arrears clearance in the General Department. The resources are held in this account, pending instructions of each participant as to the disposition of its share of such resources.

1.2.2 Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities (Voluntary Contributions)

The account was established in April 2010 to receive and hold externally contributed resources for an interim period until such time as they can be transferred to other Trusts or accounts administered by the IMF. The resources deposited into the Interim Holdings Account will ultimately fund activities for which understandings or modalities to use those resources are not yet finalized. The account may be terminated by the IMF at any time, and uncommitted resources in the account at the time of termination are to be returned to the contributors. There were no balances in this account at April 30, 2021, and 2020, and no transactions for the financial years then ended.

2. Basis of preparation and measurement

The financial statements of the Administered Accounts are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value through profit or loss.

2.1 Unit of account

2.1.1 Japan, Framework—SFA, Switzerland, and Voluntary Contributions

The functional and reporting currency of these accounts is the US dollar. All transactions and operations of these accounts, including the transfers to and from these accounts and interest payments, are denominated in US dollars. Contributions denominated in other currencies are converted into US dollars upon receipt of the funds.

2.1.2 SFF Subsidy, People's Bank of China, Somalia, and Framework Interim

The financial statements for these accounts are presented in SDRs in accordance with the terms of these accounts. The SDR is the IMF's unit of account. Its value is determined daily

by the IMF by summing specific amounts of the basket currencies in US dollar equivalents on the basis of market exchange rates. Contributions denominated in other currencies are converted into the component currencies in the SDR basket upon receipt of the funds.

The IMF generally reviews the composition of the SDR valuation basket at five-year intervals.

The specific amounts of the currencies in the SDR basket, effective October 1, 2016, were as follows:

SDR basket currency	Amount
Chinese renminbi	1.0174
Euro	0.38671
Japanese yen	11.900
Pound sterling	0.085946
US dollar	0.58252

At April 30, 2021, one SDR was equal to US\$1.43599 (US\$1.36640 at April 30, 2020). The current SDR valuation basket was originally scheduled to expire by end-September 2021. However, the Board has approved a decision to extend this current basket's effectiveness to end-July 2022.

2.2 SDR interest rate

The SDR interest rate is used to calculate interest income on resources held in SDRs.

The SDR interest rate is determined weekly by reference to a weighted average of yields or rates on short-term instruments in the money markets of the members whose currencies are included in the SDR valuation basket:

SDR basket currency	Yield or rate
Chinese renminbi	Three-month benchmark yield for China Treasury bonds as published by the China Central Depository and Clearing Co., Ltd.
Euro	Three-month spot rate for euro area central government bonds with a minimum rating of AA published by the European Central Bank
Japanese yen	Three-month Treasury discount bills
Pound sterling	Three-month Treasury bills
US dollar	Three-month Treasury bills

The SDR interest rate is subject to a floor of 0.050 percent and is rounded to three decimal places. The average SDR interest rate was 0.077 percent per annum and 0.765 percent per annum for the financial years ended April 30, 2021, and 2020, respectively.

2.3 Use of estimates and judgement

The preparation of financial statements requires management to make judgements, estimates, and

assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant estimates and judgements used in applying accounting policies include fair value measurement of financial instruments (see Note 3.7).

3. Summary of significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other highly liquid short-term investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Investments

Investments held in the People's Bank of China account are managed in accordance with the Administered Accounts' risk management and investment strategy, and their performance is evaluated on a fair value basis. As a result, these securities are classified at fair value through profit or loss (FVPL) in accordance with their business model. Funds pending suitable investment in accordance with the investment strategy are kept in fixed-term deposits, which are measured at amortized cost. The valuation techniques to determine fair value are described in Note 5.

3.2.1 Recognition

Investments are initially recognized on the trade date at which an account becomes a party to the contractual provisions of the instrument.

3.2.2 Derecognition

Investments are derecognized on the trade date when the contractual rights to the cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the investment are transferred.

3.2.3 Interest and investment income

Interest and investment income comprises interest income on cash and cash equivalents and investments, realized gains and losses, and unrealized gains and losses, including currency valuation differences arising from exchange rate movements against the functional currency. Interest income

is recognized on an accrual basis under the effective interest method.

3.3 Borrowings

Borrowings are initially recognized at fair value of the amount drawn and are subsequently measured at amortized cost using the effective interest method.

3.4 Contributions

Contributions are recognized in the financial statements after the achievement of specified conditions and are subject to the bilateral agreements stipulating how the resources are to be used.

3.5 Operating expenses

Operating expenses consist of reimbursements to the IMF for program and administrative costs incurred on behalf of technical assistance activities for selected accounts, as agreed between the IMF and contributing members to the Administered Accounts.

3.6 Foreign currency translation

Transactions in currencies other than the reporting currency are recorded at the rate of exchange on the date of the transaction. Assets and liabilities denominated in other currencies are reported using the exchange rate on the date of the financial statements. Exchange differences arising from the settlement of transactions at rates different from those on the date of the transactions are included in the determination of total comprehensive income.

3.7 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market.

A three-level fair value hierarchy is used to determine fair value under which financial instruments are categorized based on the priority of the inputs to the valuation technique. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When the inputs used to measure the fair value of an asset or liability fall within different levels of the fair value hierarchy, the level within which the fair value measurement is categorized is based on the lowest-level input that is significant to the fair value measurement of the instrument in its entirety. Thus, a Level 3 fair value measurement may include inputs that are both observable and unobservable.

4. Financial risk management

In administering contributed resources and funding financial and technical services, the Administered Accounts have exposure to credit, liquidity, and market risks.

4.1 Credit risk

Credit risk on investment activities represents the potential loss that the Administered Accounts may incur if obligors and counterparties default on their contractual obligations. Credit risk is minimized by holding resources at the Bank for International Settlements (BIS), an international financial institution that provides financial services to central banks and other international financial institutions.

4.2 Liquidity risk

Liquidity risk is the risk of nonavailability of resources to meet financing needs and obligations. Liquidity risk is monitored to ensure that upcoming payments or transfers can be met from the Administered Accounts' cash and highly liquid investments. For the People's Bank of China account, the principal resources are invested with the objective to generate income to support the agreed technical assistance and training activities while preserving the principal in nominal terms. The maturity of the investments matches the repayment of the principal to the People's Bank of China due in October 2022.

4.3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes interest rate risk and exchange rate risk.

4.3.1 Interest rate risk

Interest rate risk is the risk that fair value or future net cash flows will fluctuate because of changes in market interest rates. The resources in the People's Bank of China account are invested in Bank for International Settlements fixed-term deposits, which are measured at amortized cost, and medium-term instruments (MTIs), which are subject to mark-to-market interest rate risk.

4.3.2 Exchange rate risk

Exchange rate risk is the risk that the entity's financial position and cash flows will be affected by fluctuations in prevailing foreign currency exchange rates. Exchange rate risk is managed, to the extent possible, by holding all financial assets and liabilities in the functional currency of each account or, in the case of accounts whose unit of account is the SDR, in the constituent currencies included in the SDR valuation basket. The exchange rate risk on investments held by the People's Bank of China account is managed by investing in MTIs and fixed-term deposits denominated in the constituent currencies included in the SDR's valuation basket with the relative amount of each currency matching its weight in the SDR basket. In addition, the currency composition of the account is adjusted periodically to align with the SDR basket; therefore, exchange rate risk is minimal.

4.3.3 Value at Risk

Exposures to market risk are measured using value at risk (VaR). The VaR estimates reported below represent the maximum potential loss in value of the assets over the next year due to adverse market movements, with a 95 percent confidence level. There is a 1 in 20 chance that annual losses on investment assets are equal to or exceed the reported VaR. Losses in a single year could exceed the reported VaR by a significant amount.

The VaR model is based on historical simulations and monthly overlapping risk factor returns for each individual instrument in the portfolios to produce plausible future scenarios based on these simulations. In each simulation scenario, risk factor data on the valuation date is shocked according to past observations and each instrument is repriced, resulting in a hypothetical distribution of returns. There is no standard methodology for estimating VaR, and the modeling of the market risk characteristics of the investments involves many assumptions and some limited proxy or substitutes. Different assumptions or methodologies would produce significantly different VaR estimates.

The VaR was SDR 382 thousand at April 30, 2021 (SDR 1,416 thousand at April 30, 2020).

5. Investments

The investments of the People's Bank of China account comprised the following:

	April 30, 2021	April 30, 2020
	<i>(in thousands of SDRs)</i>	
Fixed-term deposits	18,885	18,353
Fixed-income securities (BIS medium-term instruments)	150,933	152,841
Total	169,818	171,194

The fixed-term deposits held at April 30, 2021, and 2020, mature in financial year 2022 and 2021, respectively. Fixed-income securities held at April 30, 2021, and 2020, mature in financial years 2022 and 2023.

BIS MTIs are not traded in an active market; consequently, their fair value is determined based on a compilation of significant observable market information such as recently executed trades in securities of the issuer or comparable issuers and yield curves. The investments are categorized as Level 2 based on the fair value hierarchy.

Investment income for the Administered Accounts consisted of interest income only, except for the People's Bank of China account, whose investment income comprised the following:

	2021	2020
	<i>(in thousands of SDRs)</i>	
Investment income/(loss) on FVPL investments	(357)	3,885
Interest income on investments at amortized cost	773	1,154
Total	416	5,039

6. Borrowings

The People's Bank of China account was funded by an SDR 170,000 thousand loan from the People's Bank of China on July 2, 2012. Upon its initial maturity on July 2, 2017, the loan was renewed for another five years. The interest on the loan is one-tenth of 1 percent per annum, payable annually, but only if the net investment earnings on the corresponding investment exceed that amount per annum.

7. Operating expenses

The expenses of conducting the activities of the Administered Accounts are paid by the General Department of the IMF, and the terms of some accounts provide for the partial

reimbursements to the General Department of the IMF for the expenses of conducting the activities of such accounts.

Switzerland account reimbursements amounted to US\$20 thousand for each of the financial years ended April 30, 2021, and 2020.

Framework—SFA account reimbursements amounted to US\$126,680 thousand and US\$181,257, thousand for the financial years ended April 30, 2021, and 2020, respectively.

Operating expenses for the Somalia administered account, related to conversion costs on contributions received, amounted to SDR 10 thousand for the financial year ended April 30, 2021 (SDR 49 thousand for the financial year ended April 30, 2020).

Operating expenses for the Framework Interim account, related to conversion costs on contributions received, amounted to SDR 484 thousand for the financial year ended April 30, 2021 (zero for the financial year ended April 30, 2020).

8. Transfers

Transfers of resources from administered accounts during the financial years ended April 30, 2021, and 2020, were as follows:

Transfer from	Transfer to	2021	2020
<i>(in thousands of US dollars)</i>			
Japan	CCR Trust	—	100,000
Japan	Framework—SFA	9,700	—
Switzerland ¹	Swiss National Bank	3,178	5,093
<i>(in thousands of SDRs)</i>			
Somalia	PRG-HIPC Trust	680	1,111
Framework Interim Account	Somalia	9,484	160
Framework Interim Account	CCR Trust	140,638	—
Framework Interim Account	PRGT-HIPC	2,157	—
Framework Interim Account	Return to SDR holdings	7,230	—

¹ The Switzerland account transfers consist of the payments made by the National Bank of Ukraine under the bilateral financing agreement.

Supplemental Schedules

SCHEDULE 1: Interim Holding of Resources Administered Accounts—Balances, Contributions, Net Income, and Transfers for the Financial Year Ended April 30, 2021

Member/participant	Beginning balance	Contributions/ transfers in	Net Income / (loss)	Transfers out	Ending balance
<i>(in thousands of SDRs)</i>					
Framework Interim					
Post-SCA-2 Subaccount					
Dominican Republic	1,225	—	1	—	1,226
Jordan	1,391	—	1	—	1,392
Vanuatu	59	—	**	—	59
Venezuela, República Bolivariana de	36,438	—	27	—	36,465
Total Post-SCA-2 Subaccount	39,113	—	29	—	39,142
SCA-1/Deferred Charges Subaccount					
Brazil	35,909	—	28	—	35,937
Total SCA-1/Deferred Charges Subaccount	35,909	—	28	—	35,937
Windfall Gold Sales Profits Subaccount					
Brazil	12,865	—	9	—	12,874
Costa Rica	497	—	**	—	497
Grenada	34	—	1	—	35
Lebanon	806	—	1	—	807
Venezuela, República Bolivariana de	8,047	—	7	—	8,054
Total Windfall Gold Sales Profits Subaccount	22,249	—	18	—	22,267
Remaining Windfall Gold Sales Profits Subaccount					
Brazil	32,136	—	25	—	32,161
Costa Rica	1,241	—	1	—	1,242
Equatorial Guinea, Republic of	396	—	**	—	396
Ghana	2,789	—	2	—	2,791
Lebanon	2,014	—	1	—	2,015
Papua New Guinea	995	—	1	—	996
Total Remaining Windfall Gold Sales Profits Subaccount	39,571	—	30	—	39,601
Somalia Interim Subaccount					
Argentina	11,880	—	8	—	11,888
Armenia, Republic of	71	—	**	—	71
Belgium	2,362	—	2	—	2,364
Bolivia	209	—	**	—	209
Bosnia and Herzegovina	191	—	**	—	191
Brazil	5,623	—	4	—	5,627
Comoros, Union of the	**	—	—	—	**
Congo, Republic of	35	—	**	(35)	—
Costa Rica	129	—	**	—	129
Czech Republic	740	—	**	(740)	—
Djibouti	6	—	—	—	6
Ecuador	355	—	1	—	356
Estonia, Republic of	54	—	**	(54)	—
Gabon	213	—	**	—	213
Honduras	129	—	**	—	129
Indonesia	7,445	—	3	(7,448)	—

IV. Administered Accounts

SCHEDULE 1: Interim Holding of Resources Administered Accounts—Balances, Contributions, Net Income, and Transfers for the Financial Year Ended April 30, 2021

Member/participant	Beginning balance	Contributions/ transfers in	Net Income / (loss)	Transfers out	Ending balance
<i>(in thousands of SDRs)</i>					
Korea, Republic of	4,433	—	3	(4,436)	—
Mauritania, Islamic Republic of	47	—	**	—	47
Montenegro	4	—	—	—	4
Niger	68	—	—	(68)	—
Paraguay	62	—	**	—	62
Philippines	2,944	—	3	—	2,947
Portugal	1,634	—	1	(1,635)	—
Russian Federation	10,398	—	8	—	10,406
Senegal	124	—	**	(124)	—
Singapore	681	—	1	—	682
Slovak Republic	508	—	**	(508)	—
Slovenia, Republic of	169	—	**	—	169
Sweden	1,596	—	**	(1,596)	—
Switzerland	1,907	—	1	—	1,908
Tanzania, United Republic of	70	—	**	(70)	—
Thailand	1,987	—	—	(1,987)	—
Uruguay	1,014	—	—	—	1,014
Vietnam	170	—	**	(170)	—
Total Somalia Interim Subaccount	57,258	—	35	(18,871)	38,422
European Union Subaccount					
European Commission	—	152,455	(483)	(140,638)	11,334
Total European Union Subaccount	—	152,455	(483)	(140,638)	11,334
Total Framework Interim	194,100	152,455	(343)	(159,509)	186,703

** Less than SDR 500.

SCHEDULE 2: Selected Technical Assistance and Special Purpose Administered Accounts—Cumulative Contributions and Disbursements Through the Years Ended April 30, 2021, and 2020

Account	2021		2020	
	Net cumulative contributions ¹	Cumulative disbursements ²	Net cumulative contributions ¹	Cumulative disbursements ²
<i>(in millions of US dollars)</i>				
Japan	384.9	192.1	135.2	182.4
Framework—SFA³	1,933.6	1,551.6	1,762.4	1,424.9
Africa Regional Technical Assistance Center South (AFRITAC South) Subaccount	99.7	87.3	96.1	81.1
Africa Regional Technical Assistance Center West 2 Subaccount	61.9	45.6	58.2	41.3
Africa Training Institute Subaccount	35.7	29.6	30.7	26.2
African Development Bank (AfDB) Subaccount for Selected Fund Activities	—	—	—	—
Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Subaccount	62.9	55.1	54.0	52.4
Belgium Subaccount for Selected Fund Activities	10.4	10.1	10.4	10.1
Caribbean Regional Technical Assistance Center (CARTAC) Subaccount for Selected Fund Activities	104.8	86.1	94.8	80.4
Catch-All Subaccount for the Administration of Selected Smaller-Scale Capacity Building Activities	15.4	13.6	16.0	12.7
Caucasus, Central Asia, and Mongolia (CCAM) Regional Capacity Development Center Subaccount ⁴	13.9	0.4	—	—
Central Africa Regional Technical Assistance Center (AFRITAC Central) Subaccount	64.8	59.1	57.1	54.6
Central America, Panama, and the Dominican Republic Technical Assistance Center (CAPTAC-DR) Subaccount	76.3	65.3	70.9	61.6
COVID-19 Crisis Capacity Development Initiative Subaccount ⁵	9.6	—	—	—
Data for Decisions (D4D) Fund Subaccount	25.8	9.5	17.1	6.0
Denmark Subaccount for Selected Fund Activities	4.9	4.3	4.9	4.1
East Africa Regional Technical Assistance Center (AFRITAC East) Subaccount	93.5	87.2	88.4	82.6
European Commission Subaccount for Selected Fund Activities	68.1	59.3	64.4	53.9
European Investment Bank Subaccount for Selected Fund Activities	1.0	0.7	1.2	0.7
Externally Financed Appointee Subaccount	20.7	14.9	18.7	12.1
Financial Access Survey Subaccount ⁶	2.6	2.6	2.6	2.6
Financial Sector Stability Fund Subaccount	27.3	10.6	24.0	8.0
Germany Subaccount for Selected Fund Activities	3.4	2.0	1.6	0.5
Government of Australia Subaccount	1.3	1.2	1.3	1.1
Government of Canada Subaccount for Selected Fund Activities	58.0	50.3	59.9	48.1
IMF-Middle East Center for Economics and Finance Subaccount for Selected Fund Activities	51.1	47.2	51.1	43.6
Islamic Development Bank Subaccount	0.5	**	0.5	**
Japan Subaccount for Selected Fund Activities	358.4	278.8	317.0	259.8
Kingdom of the Netherlands–Netherlands Subaccount for Selected Fund Activities	16.1	14.1	16.1	13.5
Korea Subaccount	8.5	0.5	9.6	0.5
Kuwait Subaccount for Selected Fund Activities	2.8	2.8	2.8	2.8
Liberia Macro-Fiscal Subaccount for Selected Fund Activities ⁶	3.7	3.7	3.7	3.7
Libyan Subaccount for Selected Fund Activities	2.5	1.5	2.5	1.5
Managing Natural Resource Wealth Topical Trust Fund Subaccount	49.1	38.5	46.0	35.5

Account	2021		2020	
	Net cumulative contributions ¹	Cumulative disbursements ²	Net cumulative contributions ¹	Cumulative disbursements ²
<i>(in millions of US dollars)</i>				
Mauritius Subaccount for Selected Fund Activities	**	—	**	—
Middle East Regional Technical Assistance Center (METAC) Subaccount	41.1	35.2	37.7	32.3
Norway Subaccount for Selected Fund Activities	11.8	10.4	10.4	9.7
Pacific Financial Technical Assistance Center (PFTAC) Subaccount	62.3	50.3	57.4	46.3
People's Republic of China Subaccount	25.5	12.4	30.1	10.2
Republic of South Sudan Macroeconomic Capacity Building Subaccount ⁶	8.5	8.5	8.7	8.5
Somalia Trust Fund for Capacity Development in Macroeconomic Policies and Statistics Subaccount	11.0	9.2	9.7	8.8
South Asia Regional Training and Technical Assistance Center Subaccount	60.0	43.4	57.9	36.1
Sweden Subaccount for Selected Fund Activities	1.0	0.3	0.3	0.3
Switzerland Subaccount for Selected Fund Activities	48.4	39.2	48.4	37.0
Tax Administration Diagnostic Assessment Tool Subaccount	14.7	12.9	12.6	10.8
Tax Policy and Administration Topical Trust Fund Subaccount	99.6	78.4	88.5	68.0
The Southeastern Europe Multi-Donor Subaccount	14.1	9.3	6.9	5.7
United Arab Emirates Subaccount	0.4	0.3	0.4	0.3
United Kingdom Department for International Development Subaccount for Selected Fund Activities	58.7	57.2	58.5	54.3
United States Subaccount for Selected Fund Activities	6.6	6.6	6.6	6.6
West Africa Regional Technical Assistance Center (AFRITAC West) Subaccount	78.0	65.7	73.9	61.6
World Bank Subaccount for Selected Fund Activities	37.2	30.4	32.8	27.4

Components may not sum exactly to totals because of rounding.

¹ Net of refunds of contributions to donors, mainly due to termination of projects financed by resources in the Administered Accounts and transfers between subaccounts.

² Disbursements are made to transfer resources in accordance with donors' instructions or reimburse the IMF for the costs incurred in connection with activities financed by the respective subaccounts. Resources used for disbursements consist of contributions and net income earned on them.

³ Information is provided for subaccounts active during the financial years ended April 30, 2021 and 2020.

⁴ Subaccount was established in January 2020.

⁵ Subaccount was established in December 2020.

⁶ Subaccount was terminated in April 2021.

** Less than US\$50,000.

SCHEDULE 3: Somalia Administered Account—Cumulative Contributions at April 30, 2021

Contributor	Cumulative contributions at April 30, 2021		
	SCA-1 balances and proceeds of deferred charges adjustments	Grant contributions	Total contributions
	<i>(in millions of SDRs)</i>		
Albania	0.04	—	0.04
Angola	0.05	—	0.05
Antigua and Barbuda	**	—	**
Australia	1.31	—	1.31
Azerbaijan, Republic of	0.16	—	0.16
Bahamas, The	0.01	—	0.01
Bangladesh	0.70	—	0.70
Belize	0.02	—	0.02
Benin	**	—	**
Botswana	0.07	—	0.07
Bulgaria	1.48	—	1.48
Burkina Faso	0.02	—	0.02
Burundi	0.01	—	0.01
Cabo Verde	**	—	**
Canada	2.70	—	2.70
Central African Republic	0.03	—	0.03
Chad	0.01	—	0.01
China, People's Republic of	4.29	3.71	8.00
Congo, Republic of	—	0.03	0.03
Côte d'Ivoire	0.57	—	0.57
Cyprus	0.11	—	0.11
Czech Republic	—	0.74	0.74
Denmark	—	4.16	4.16
Dominica	0.01	—	0.01
Egypt, Arab Republic of	0.67	—	0.67
Equatorial Guinea, Republic of	0.01	—	0.01
Estonia, Republic of	—	0.05	0.05
Ethiopia, The Federal Democratic Republic of	0.04	—	0.04
Finland	0.91	2.50	3.41
France	6.65	6.08	12.73
Gambia, The	0.01	—	0.01
Georgia	0.11	—	0.11
Germany	—	24.67	24.67
Ghana	0.38	—	0.38
Greece	1.62	—	1.62
Grenada	**	—	**
Guinea	0.03	—	0.03
Guinea-Bissau	**	—	**
Haiti	0.06	—	0.06
Hungary	2.20	—	2.20
Iceland	0.09	—	0.09
India	3.46	—	3.46
Indonesia	—	2.37	2.37

Contributor	Cumulative contributions at April 30, 2021		
	SCA-1 balances and proceeds of deferred charges adjustments	Grant contributions	Total contributions
	<i>(in millions of SDRs)</i>		
Iran, Islamic Republic of	0.04	—	0.04
Ireland	1.24	—	1.24
Italy	5.73	2.49	8.22
Jamaica	0.20	—	0.20
Japan	13.02	—	13.02
Kazakhstan, Republic of	0.30	—	0.30
Korea	—	4.43	4.43
Kosovo, Republic of	0.01	—	0.01
Latvia, Republic of	0.15	—	0.15
Liberia	0.74	—	0.74
Lithuania, Republic of	0.21	—	0.21
Luxembourg	0.13	—	0.13
Malaysia	1.16	—	1.16
Maldives	0.01	—	0.01
Mali	0.06	—	0.06
Malta	0.13	0.04	0.17
Mauritius	0.05	—	0.05
Morocco	0.69	—	0.69
Mozambique, Republic of	**	—	**
Nicaragua	0.02	—	0.02
Niger	—	0.07	0.07
Nigeria	0.01	—	0.01
North Macedonia, Republic of	0.10	—	0.10
Norway	—	2.11	2.11
Oman	—	0.16	0.16
Pakistan	2.36	—	2.36
Panama	0.19	—	0.19
Qatar	0.14	18.34	18.48
Rwanda	0.02	—	0.02
St. Kitts and Nevis	**	—	**
St. Vincent and the Grenadines	**	—	**
São Tomé and Príncipe, Democratic Republic of	**	—	**
Saudi Arabia	3.61	—	3.61
Senegal	—	0.12	0.12
Serbia, Republic of	0.68	—	0.68
Somalia	0.36	—	0.36
South Africa	0.51	—	0.51
South Sudan, Republic of	**	—	**
Spain	—	3.46	3.46
Sri Lanka	0.65	—	0.65
Suriname	**	—	**
Sweden	—	3.20	3.20
Tanzania, United Republic of	—	0.07	0.07
Togo	0.04	—	0.04
Tunisia	0.71	—	0.71
Turkey	—	2.36	2.36
Uganda	0.08	—	0.08

Contributor	Cumulative contributions at April 30, 2021		
	SCA-1 balances and proceeds of deferred charges adjustments	Grant contributions	Total contributions
	<i>(in millions of SDRs)</i>		
Ukraine	3.18	—	3.18
United Kingdom	5.00	36.34	41.34
United States	32.17	—	32.17
Uzbekistan, Republic of	0.13	—	0.13
Zimbabwe	0.28	—	0.28
Total members	101.94	117.50	219.44
European Commission	—	7.18	7.18
Total nonmembers	—	7.18	7.18
Total	101.94	124.68	226.62

** Less than SDR 5,000.



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**"POLICYMAKERS
MUST TAKE THE
RIGHT ACTIONS NOW
BY GIVING EVERYONE
A FAIR SHOT—NOT
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ARMS, BUT ALSO
IN PEOPLE'S LIVES
AND IN VULNERABLE
ECONOMIES."**

– KRISTALINA GEORGIEVA
IMF MANAGING DIRECTOR

