

Annual Report
on
Exchange Arrangements
and Exchange Restrictions
2017



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Preface

The *Annual Report on Exchange Arrangements and Exchange Restrictions* has been published by the IMF since 1950. It draws on information available to the IMF from a number of sources, including that provided in the course of official staff visits to member countries, and has been prepared in close consultation with national authorities.

This project was coordinated in the Monetary and Capital Markets Department by a staff team directed by Gaston Gelos and comprising Chikako Baba, Ricardo Cervantes, Salim M. Darbar, Aditya Gaiha, Annamaria Kokenyne, Jorge Lugo, Thorvardur Tjoervi Olafsson, Svetlana Popova, and Yi Xue. It draws on the specialized contribution of that department (for specific countries), with assistance from staff members of the IMF's five area departments, together with staff of other departments. The report was edited and produced by Linda Griffin Kean, Hyoun (Josh) Park, and Lucy Scott Morales of the Communications Department.

Abbreviations

ACU	Asian Clearing Union (Bangladesh, Bhutan, India, Islamic Republic of Iran, Myanmar, Nepal, Pakistan, Sri Lanka)
AD	Authorized dealer
AFTA	ASEAN Free Trade Area (see ASEAN, below)
AGOA	African Growth and Opportunity Act (United States)
AMU	Asian monetary unit
ASEAN	Association of Southeast Asian Nations (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand)
BCEAO	Central Bank of West African States (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo)
BEAC	Bank of Central African States (Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon)
CACM	Central American Common Market (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua)
CAFTA	Central American Free Trade Agreement
CAP	Common agricultural policy (of the EU)
CARICOM	Caribbean Community and Common Market (Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago); The Bahamas is also a member of CARICOM, but it does not participate in the Common Market
CB	Central bank
CEFTA	Central European Free Trade Area (Bulgaria, Hungary, Poland, Romania, Slovak Republic, Slovenia)
CEMAC	Central African Economic and Monetary Community (members of the BEAC)
CEPGL	Economic Community of the Great Lakes Countries (Burundi, Democratic Republic of the Congo, Rwanda)
CET	Common external tariff
CFA	Communauté financière d'Afrique (administered by the BCEAO) and Coopération financière en Afrique centrale (administered by the BEAC)
CIMA Code	Chartered Institute of Management Accountants Code of Ethics for Professional Accountants
CIS	Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan)
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMA	Common Monetary Area (a single exchange control territory comprising Lesotho, Namibia, South Africa, and Swaziland)
CMEA	Council for Mutual Economic Assistance (dissolved; formerly Bulgaria, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Romania, U.S.S.R., Vietnam)

Note: This list does not include acronyms of purely national institutions mentioned in the country chapters.

COMESA	Common Market for Eastern and Southern Africa (Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe)
EAC	East African Community
EBRD	European Bank for Reconstruction and Development
EC	European Council (Council of the European Union)
ECB	European Central Bank
ECCB	Eastern Caribbean Central Bank (Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines)
ECCU	Eastern Caribbean Currency Union
ECOWAS	Economic Community of West African States (Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo)
ECSC	European Coal and Steel Community
EEA	European Economic Area
EFSF	European Financial Stability Facility
EFSM	European Financial Stability Mechanism
EFTA	European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland)
EIB	European Investment Bank
EMU	European Economic and Monetary Union (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain)
EPZ	Export processing zone
ERM	Exchange rate mechanism (of the European monetary system)
EU	European Union (formerly European Community); Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom)
FATF	Financial Action Task Force on Money Laundering (of the OECD)
FDI	Foreign direct investment
FEC	Foreign exchange certificate
FSU	Former Soviet Union
G7	Group of Seven advanced economies (Canada, France, Germany, Italy, Japan, United Kingdom, United States)
GAFTA	Greater Arab Free Trade Agreement
GCC	Gulf Cooperation Council (Cooperation Council for the Arab States of the Gulf; Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates)
GSP	Generalized System of Preferences
IBRD	International Bank for Reconstruction and Development (World Bank)
IMF	International Monetary Fund
LAIA	Latin American Integration Association (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela)
LC	Letter of credit
LIBID	London interbank bid rate
LIBOR	London interbank offered rate

MCP	Multiple currency practice
MERCOSUR	Southern Cone Common Market (Argentina, Brazil, Paraguay, Uruguay)
MFN	Most favored nation
MOF	Ministry of finance
NAFTA	North American Free Trade Agreement
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines)
OGL	Open general license
OTC	Over the counter
PACER	Pacific Agreement on Closer Economic Relations (of the Pacific Islands Forum; Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)
PICTA	Pacific Island Countries Trade Agreement (of the Pacific Islands Forum); Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)
RCPSFM	Regional Council on Public Savings and Financial Markets (an institution of WAEMU countries that is involved in issuance and marketing of securities authorization)
RIFF	Regional Integration Facilitation Forum (formerly Cross-Border Initiative); Burundi, Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe)
SACU	Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, Swaziland)
SADC	Southern Africa Development Community (Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe)
SDR	Special drawing right
UCITS	Undertakings for the Collective Investment of Transferable Securities
UDEAC	Central African Customs and Economic Union (Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon)
UN	United Nations
UNSC	UN Security Council
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union (formerly WAMU; members of the BCEAO)
WAMA	West African Monetary Agency (formerly WACH)
WAMZ	West African Monetary Zone
W-ERM II	Exchange rate mechanism (of the WAMZ)
WTO	World Trade Organization

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Overview

This is the 68th issue of the *Annual Report on Exchange Arrangements and Exchange Restrictions* (AREAER), which provides a yearly description of the foreign exchange arrangements, exchange and trade systems, and capital controls of all IMF member countries.¹ The AREAER reports on restrictions in effect under Article XIV, Section 2, of the IMF's Articles of Agreement in accordance with Section 3 of Article XIV, which mandates annual reporting on such restrictions.² It also provides information relating to paragraph 25 of the 2012 Integrated Surveillance Decision, which restates the obligation of each member country under the IMF's Articles of Agreement to notify the IMF of the exchange arrangement it intends to apply and any changes in that arrangement.³

The AREAER also provides a description of global exchange and trade systems. It covers restrictions on current international payments and transfers and multiple currency practices (MCPs) maintained under Article XIV of the IMF's Articles of Agreement as well as those subject to the IMF's jurisdiction in accordance with Article VIII, Sections 2(a) and 3.⁴ The report also provides information on the operation of foreign exchange markets, controls on international trade, controls on capital transactions, and measures implemented in the financial sector, including prudential measures. In addition, the AREAER reports on exchange measures imposed by member countries solely for national and/or international security reasons, including those reported to the IMF in accordance with relevant decisions by the IMF Executive Board.⁵

Furthermore, the AREAER provides information on exchange rate arrangements of member countries: the de jure arrangements as described by the countries and the de facto arrangements, which are classified into 10 categories (Table 1). This classification is based on the information available on members' de facto arrangements, as analyzed by the IMF staff, which may differ from countries' officially announced (de jure) arrangements. The methodology and the characteristics of the categories are described in the compilation guide included in this report.

Table 1. Classification of Exchange Rate Arrangements

Type	Categories				
Hard pegs	Exchange arrangement with no separate legal tender	Currency board arrangement			
Soft pegs	Conventional pegged arrangement	Pegged exchange rate within horizontal bands	Stabilized arrangement	Crawling peg	Crawl-like arrangement
Floating regimes (market-determined rates)	Floating	Free floating			
Residual	Other managed arrangement				

Note: This methodology became effective February 2, 2009, and reflects an attempt to provide greater consistency and objectivity of exchange rate classifications across countries and to improve the transparency of the IMF's bilateral and multilateral surveillance in this area.

¹ In addition to the 189 IMF member countries, the report includes information on Hong Kong SAR (China) as well as Aruba and Curaçao and Sint Maarten (both in the Kingdom of the Netherlands).

² The IMF's Articles of Agreement are available at www.imf.org/external/pubs/ft/aa/index.htm.

³ www.imf.org/external/np/sec/pn/2012/pn1289.htm.

⁴ The information on restrictions and MCPs consists of verbatim quotes from each country's most recent published IMF staff report as of December 31, 2016. In cases in which the information is drawn from IMF staff reports that have not been made public, the quotes have been included with the express consent of the member country. In the absence of such consent, the relevant information is reported as "not publicly available." Any changes to these restrictions and MCPs implemented after the relevant IMF report has been issued will be reflected in the subsequent issue of the AREAER that covers the year during which the IMF staff report with information on such changes is issued.

⁵ The information on exchange measures imposed for security reasons is based solely on information provided by country authorities.

Several tools help navigate and interpret the findings of this report. A single table compares the characteristics of the exchange and trade systems of all IMF member countries: Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in IMF Member Countries. The Country Table Matrix lists the categories of data reported for each country, and the Compilation Guide includes definitions and explanations used to report the data.

Starting with the 2017 publication, the AREAER has undergone two updates. First, section III.E.3, “Inflation-targeting framework,” under section III.E, “Monetary policy framework,” has been expanded to include five additional subcategories to better capture the characteristics of such systems (see Country Table Matrix). Each of the five subcategories has additional subcategories. Second, the format of the yearly changes table that appears at the end of each country chapter was updated. Starting with the 2017 publication the yearly changes table shows the change under each subcategory as listed in the country table. Hence, the yearly changes table has been aligned with the main country table where a regulatory change may appear in more than one subcategory of a section. This will allow readers to have more accurate information about the subcategory in which a change occurred from the updated yearly changes table. Previously, a regulatory change that appeared in more than one subcategory of a section was reported only once under the section heading in the yearly changes table at the end of the country table. Therefore, in the following description of the trend in changes to regulation undertaken in the current reporting period (based on the yearly changes for each country), the number of changes in most cases cannot be directly compared with the number of changes reported in the previous reporting period. This update in recording changes in the database is most likely to affect sections with several first and second tier subcategories (for example, sections IX and XI). In addition, two separate tables were previously presented at the end of the country chapter, one for each year covered in the reporting period, but these have been combined into one table.

The AREAER is available online and on DVD. The overview and the detailed information for each of the 189 member countries and the three territories⁶ for each year are included on the DVD and in the AREAER Online database. In addition, AREAER Online contains data published in previous issues of the AREAER and is searchable by year, country, and category of measure and allows cross-country comparisons for time series.⁷

In general, the AREAER includes a description of exchange and trade systems as of December 31, 2016. However, any changes made to member countries’ exchange rate arrangements before April 30, 2017, are reflected in the report, as are some other developments through August 31, 2017.⁸

Overall Developments

During January 1, 2016–August 31, 2017, the liberalization of foreign exchange transactions continued against a backdrop of modest growth and volatile capital flows to emerging market economies, a decline in oil and commodity prices, and geopolitical tension. Some key events during the reporting period had a global impact, notably the US elections and the United Kingdom’s decision to leave the European Union. During this period, US and global interest rates rose, which led to tighter financial conditions for emerging markets.

While emerging market economies generally experienced reduced capital inflows, national policies influenced the cross-country distribution of these flows. Global economic activity slowed in 2016 relative to 2015 but gained momentum during late 2016 and early 2017. The strength of the recovery remained mixed, particularly as commodity exporters continued to adjust to the sharp slowdown in foreign earnings. The decline in net capital inflows to emerging market economies was particularly steep during the last quarter of 2016, reflecting

⁶ Aruba, Curaçao and Sint Maarten (both in the Kingdom of the Netherlands), and Hong Kong SAR (China).

⁷ For further information on these resources, see www.imf.org/external/publications/index.htm, www.imfbookstore.org, or www.elibrary.imf.org.

⁸ The date of the latest reported development is indicated for each country in the country chapters on the DVD and in the AREAER Online database as the position date. The exchange rate classification for all countries reflects the status as of April 30, 2017, regardless of the position date.

reduced portfolio inflows and a modest pickup in outflows. This trend reversed somewhat in early 2017. Changing expectations about China contributed to shaping the dynamics of aggregate capital flows to emerging market economies, with China continuing to experience a decline in reserves in 2016.

The 2017 AREAER documents the following major trends and significant developments:

- Changes in de facto exchange rate arrangements during the reporting period indicate a shift toward less flexible or more clearly defined exchange rate regimes, reflecting a more stable economic environment relative to the previous reporting period. The use of the residual category (other managed arrangement) decreased slightly as countries were able to resume previous, more tightly managed exchange rate arrangements.
- Continuing the earlier trend, the number of countries that directly target inflation increased. However, the share of member countries using the exchange rate as the main monetary policy target remained unchanged relative to the previous reporting period.
- There was a move toward less exchange rate flexibility and increased intervention by some members, with the aim of increasing foreign exchange accumulation or resuming more tightly managed exchange rate arrangements.
- The modernization of foreign exchange market structures continued as markets developed and market-based arrangements spread. The reported number of countries with a functioning interbank and forward foreign exchange market increased. Fewer countries are classified as having dual and multiple exchange rate structures because several member countries took action to reduce the deviation between official and other exchange rates.
- The number of IMF member countries accepting the obligations of Article VIII, Sections 2(a), 3, and 4 increased by 2, to 171 in 2016, when Nauru and Tuvalu accepted Article VIII obligations. Eighteen IMF members make use of the transitional arrangement under Article XIV. Of these 18 members, 3 maintain no restrictions but have not yet decided to accept the obligations under Article VIII.
- The previous trend toward liberalization of payments for invisible transactions and current transfers continued. The regulatory framework was also eased for imports and import payments, as well as for export proceeds and proceeds from current invisibles and current transfers.
- IMF members continued to liberalize capital transactions amid lackluster global growth and reduced but volatile capital flows to emerging markets. Measures eased both inflows and outflows, with easing of outflows dominating primarily as countries that introduced outflow controls during recent crisis episodes removed them as the economy recovered. Portfolio investments were liberalized despite a decline in inflows and continued portfolio outflows from emerging markets. Tightening measures aimed mostly to manage volatile capital flows or balance of payments pressure.
- Developments in the financial sector indicate sustained progress in implementing the global regulatory reform agenda and continued liberalization of controls on capital flows. Financial sector regulatory frameworks were adjusted to align them with new international standards and to consolidate developments in prudential and institutional arrangements. The general trend toward more capital account openness is reflected in developments in the financial sector as well, particularly with regard to capital outflows. Reserve requirements continued to be used extensively to implement monetary policy and financial stability objectives and as policy responses to capital flow volatility.

The remainder of this overview highlights the major developments covered in the individual country chapters that are part of this report.

Developments in Exchange Arrangements

This section documents major changes and trends in the following related areas: exchange rate arrangements, intervention, monetary anchors, and the operation and structure of foreign exchange markets. It also reports on significant developments with respect to exchange taxes, exchange rate structures, and national currencies.

There are five tables within this section. Table 2 summarizes the detailed descriptions in the country chapters by reporting each IMF member country's monetary policy framework as indicated by country officials and the classification of their de facto exchange rate arrangements. Table 3 breaks down countries' de facto exchange rate arrangements for 2009–17. Table 4 highlights changes in the reclassification of the de facto exchange rate arrangements between May 1, 2016, and April 30, 2017. Table 5 outlines IMF member countries' monetary policy frameworks and exchange rate anchors for 2009–17, and Table 6 reports the foreign exchange market structure among the membership for 2014–17.

Exchange Rate Arrangements⁹

The distribution of de facto exchange rate arrangements continued to shift during this reporting period to less flexible or more clearly defined exchange rate regimes, reflecting a more stable economic environment relative to previous years. Generally, countries with flexible exchange rates were able to stabilize their currencies, and most central banks of countries with less flexible exchange rate arrangements were able to maintain their soft peg arrangements despite depreciation pressure on their currencies against the US dollar.

- *Soft pegs*—The more stable economic environment may have contributed to the increase in the number of countries in this category since April 2016. The number of countries with soft pegs has increased to about the same level as in 2012, with most of the changes in stabilized and crawl-like arrangements (Table 3). Countries with soft pegs are the single largest exchange rate arrangement category, 6.3 percentage points larger than that of floating arrangements and accounting for 42.2 percent of all members.
 - *Conventional pegs*—The number of countries in this category decreased by 1, to 43. Venezuela was reclassified to “other managed” from a conventional peg arrangement beginning in March 2016. The conventional peg arrangement holds the largest share among soft pegs, with 53 percent.
 - *Stabilized arrangements*—The number of countries with stabilized arrangements increased by 6, to 24. Ten countries were added, four from “other managed” (Angola, China, Pakistan, Tajikistan), four from “floating” (Kenya, Malawi, Serbia, Tanzania), and two from a crawl-like arrangement (Croatia, Papua New Guinea). Four countries left the group: two to “crawl-like” (Burundi, Costa Rica) and two to “other managed” (Democratic Republic of the Congo, Suriname). Two countries were reclassified twice during this reporting period, reverting to a stabilized arrangement (Nigeria,¹⁰ Trinidad and Tobago¹¹). The category stabilized arrangement remained the second largest among the soft pegs, with 30 percent.
 - *Crawl-like arrangements*—The number of countries with crawl-like arrangements remained at 10. Three countries exited this classification: two moved to a stabilized arrangement (Croatia, Papua New Guinea), and one met the criteria for a floating arrangement (Tunisia). Three countries were added: two were reclassified from a stabilized arrangement (Burundi, Costa Rica) and one from “other managed” (Rwanda). Countries adopting stabilized and crawl-like arrangements often flexibly adjust the way they manage their exchange rate in response to external events, including differences in inflation across countries, capital flow pressure, and new trends in world trade. As a result, they are often reclassified to “other soft pegs” or the residual category, “other managed.”
 - *Pegged exchange rates within horizontal bands*—Only Tonga maintains this arrangement. Two additional countries have de jure pegged exchange rates within horizontal bands, but one has a de facto stabilized arrangement (Maldives) and the other a de facto other managed arrangement (Syria).
- *Other managed arrangements*—The number of other managed arrangements dropped from 20 to 18 between May 1, 2016, and April 30, 2017. This exchange rate arrangement is characteristic of periods during which volatile foreign exchange market conditions hinder the use of more clearly defined exchange rate arrangements. The percentage of countries in this category rebounded since reaching its lowest point in 2015 on the back of improving global financial conditions. Eight countries

⁹ This section summarizes developments between May 1, 2016, and April 30, 2017.

¹⁰ Nigeria was reclassified twice—to “other managed” in June 2016 and back to “stabilized” in August 2016.

¹¹ Trinidad and Tobago was reclassified retroactively to a crawl-like from a stabilized arrangement in December 2015 and reclassified back to a stabilized arrangement in July 2016. The first change is reflected as of January 1, 2016, corresponding to the first day of the period covered in this year's AREAER.

abandoned this category: four were reclassified to a stabilized arrangement (Angola, China,¹² Pakistan, Tajikistan), one to a crawl-like arrangement (Rwanda), and two to floating (Egypt, Malaysia). Five countries were added, two from a stabilized arrangement (Democratic Republic of the Congo, Suriname), one from floating (Sierra Leone), one from a conventional peg arrangement (Venezuela), and one from a no separate legal tender arrangement (Zimbabwe).

- *Hard pegs (no separate legal tender and currency boards)*—The number of countries in this category dropped by one when Zimbabwe introduced its own legal tender. On October 31, 2016, an amendment of the Reserve Bank of Zimbabwe Act authorized the bank to issue bond notes and bond coins, at parity with the US dollar, to improve domestic liquidity. The act states that bond notes and coins issued by the central bank are exchangeable at par with any currency prescribed as legal tender in Zimbabwe and are legal tender in all transactions in Zimbabwe. Accordingly, the de facto exchange rate arrangement was reclassified to “other managed” from an arrangement with no separate legal tender, decreasing the number of countries in the latter category by 1, to 13. Changes in this category are rare, as countries with such arrangements tend to maintain their exchange rate policies unless there are large structural changes in their economies that result in an exit.
- *Floating arrangement*—The number of countries classified as floating dropped by 2, to 38, with eight changes in the composition of the group. Of the eight countries, three entered (Egypt, Malaysia, Tunisia) and five countries abandoned the floating category; four were reclassified to a stabilized arrangement (Kenya, Malawi, Serbia, Tanzania); and one was classified as “other managed” (Sierra Leone).
- *Free floating*—The number of countries with free-floating arrangements remained at 31.

Table 2. De Facto Classification of Exchange Rate Arrangements and Monetary Policy Frameworks, April 30, 2017

The classification system is based on the members’ actual, de facto arrangements as identified by IMF staff, which may differ from their officially announced, de jure arrangements. The system classifies exchange rate arrangements primarily on the basis of the degree to which the exchange rate is determined by the market—rather than by official action, with market-determined rates being on the whole more flexible. The system distinguishes among four major categories: hard pegs (such as exchange arrangements with no separate legal tender and currency board arrangements) soft pegs (including conventional pegged arrangements, pegged exchange rates within horizontal bands, crawling pegs, stabilized arrangements, and crawl-like arrangements) floating regimes (such as floating and free floating) and a residual category, other managed. This table presents members’ exchange rate arrangements against alternative monetary policy frameworks to highlight the role of the exchange rate in broad economic policy and illustrate that different exchange rate regimes can be consistent with similar monetary frameworks. The monetary policy frameworks are as follows:

Exchange rate anchor

The monetary authority buys or sells foreign exchange to maintain the exchange rate at its predetermined level or within a range. The exchange rate thus serves as the nominal anchor or intermediate target of monetary policy. These frameworks are associated with exchange rate arrangements with no separate legal tender, currency board arrangements, pegs

(or stabilized arrangements) with or without bands, crawling pegs (or crawl-like arrangements), and other managed arrangements.

Monetary aggregate target

The monetary authority uses its instruments to achieve a target growth rate for a monetary aggregate, such as reserve money, M1, or M2, and the targeted aggregate becomes the nominal anchor or intermediate target of monetary policy.

Inflation-targeting framework

This involves the public announcement of numerical targets for inflation, with an institutional commitment by the monetary authority to achieve these targets, typically over a medium-term horizon. Additional key features normally include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for achieving its inflation objectives. Monetary policy decisions are often guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.

Other

The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy. This category is also used when no relevant information on the country is available.

¹² China was reclassified retroactively to a crawl-like from other managed arrangement in November 2015 and reclassified again to a stabilized arrangement beginning in August 2016. The first change is reflected as of January 1, 2016, corresponding to the first day of the period covered in this year’s AREAER.

Table 2 (continued)

Exchange rate arrangement (number of countries)	Monetary Policy Framework								
	Exchange rate anchor				Monetary aggregate target (24)	Inflation-targeting framework (40)	Other ¹ (46)		
	US dollar (39)		Euro (25)					Composite (9)	Other (9)
No separate legal tender (13)	Ecuador El Salvador Marshall Islands Micronesia	Palau Panama Timor-Leste	Kosovo Montenegro	San Marino		Kiribati Nauru ² Tuvalu			
Currency board (11)	Djibouti Hong Kong SAR ECCU Antigua and Barbuda Dominica Grenada	St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines	Bosnia and Herzegovina Bulgaria			Brunei Darussalam			
Conventional peg (43)	Aruba The Bahamas Bahrain Barbados Belize Curaçao and Sint Maarten Eritrea	Iraq Jordan Oman Qatar Saudi Arabia Turkmenistan United Arab Emirates	Cabo Verde Comoros Denmark ³ São Tomé and Príncipe WAEMU Benin Burkina Faso Côte d'Ivoire Guinea Bissau Mali Niger Senegal Togo	CEMAC Cameroon Central African Rep. Chad Rep. of Congo Equatorial Guinea Gabon	Fiji Kuwait Morocco ⁴ Libya	Bhutan Lesotho Namibia Nepal Swaziland		Solomon Islands ⁵ Samoa ⁵	
Stabilized arrangement (24)	Angola (04/16) Guyana Lebanon	Maldives Trinidad and Tobago ^{9,10} (12/15)	Croatia (4/16) FYR Macedonia		Singapore Vietnam ⁶		Bangladesh ⁶ Bolivia ⁶ China ^{5,9,10} (11/15) Malawi ⁶ (08/16) Nigeria ⁶ (03/15) Papua New Guinea ⁶ (05/16) Tajikistan ⁶ (02/16) Tanzania ⁶ (01/16) Yemen ⁶	Czech Rep. ⁷ Serbia ⁷ (01/16)	Kenya ^{6,8,9} (11/15) Lao P.D.R. ⁶ (01/15) Pakistan ^{6,9} (03/15) Sudan ⁶
Crawling peg (3)	Honduras Nicaragua				Botswana				
Crawl-like arrangement (10)					Iran ⁶	Burundi ⁶ (06/16) Ethiopia ⁶ Rwanda ^{6,9} (03/15) Uzbekistan ⁶	Dominican Republic ⁶	Costa Rica ^{6,8} (4/16) Jamaica ^{6,8} Mauritania ^{6,9} Sri Lanka ^{6,8}	
Pegged exchange rate within horizontal bands (1)								Tonga ⁵	

Table 2 (continued)

Exchange rate arrangement (number of countries)	Monetary Policy Framework						
	Exchange rate anchor				Monetary aggregate target (24)	Inflation-targeting framework (40)	Other ¹ (46)
	US dollar (39)	Euro (25)	Composite (9)	Other (9)			
Other managed arrangement (18)	Cambodia Liberia Zimbabwe (10/16)		Syria		Algeria Belarus Democratic Rep. of the Congo ⁶ (6/16) The Gambia Guinea Sierra Leone ⁹ (10/15) Suriname (03/16) Myanmar		Azerbaijan Haiti Kyrgyz Rep. South Sudan Vanuatu Venezuela (03/16)
Floating (38)					Afghanistan Madagascar Seychelles	Albania Argentina Armenia Brazil Colombia Georgia Ghana Guatemala Hungary Iceland India Indonesia Israel Kazakhstan Korea Moldova New Zealand Paraguay Peru Philippines Romania South Africa Thailand Turkey Uganda Ukraine Uruguay	Egypt (11/16) Malaysia (09/16) Mauritius Mongolia ⁸ Mozambique ⁸ Switzerland Tunisia ⁸ (05/16) Zambia
Free floating (31)						Australia Canada Chile Japan Mexico Norway Poland Russia Sweden United Kingdom	Somalia ¹¹ United States EMU Austria Belgium Cyprus Estonia Finland France Germany Greece Ireland Italy Latvia Lithuania

Table 2 (concluded)

Exchange rate arrangement (number of countries)	Monetary Policy Framework						
	Exchange rate anchor				Monetary aggregate target (24)	Inflation-targeting framework (40)	Other ¹ (46)
	US dollar (39)	Euro (25)	Composite (9)	Other (9)			
							Luxembourg Malta The Netherlands Portugal Slovak Rep. Slovenia Spain

Source: IMF staff.

Note: If the member country's de facto exchange rate arrangement has been reclassified during the reporting period, the date of change is indicated in parentheses. CEMAC = Central African Economic and Monetary Community; ECCU = Eastern Caribbean Currency Union; EMU = European Economic and Monetary Union; WAEMU = West African Economic and Monetary Union.

¹ Includes countries that have no explicitly stated nominal anchor, but rather monitor various indicators in conducting monetary policy.

² Nauru became a member of the IMF on April 12, 2016.

³ The member participates in the European Exchange Rate Mechanism (ERM II).

⁴ Within the framework of an exchange rate fixed to a currency composite, the Bank Al-Maghrib adopted a monetary policy framework in 2006 based on various inflation indicators, with the overnight interest rate as its operational target to pursue its main objective of price stability.

⁵ The country maintains a de facto exchange rate anchor to a composite.

⁶ The country maintains a de facto exchange rate anchor to the US dollar.

⁷ The country maintains a de facto exchange rate anchor to the euro.

⁸ The central bank has taken preliminary steps toward inflation targeting.

⁹ The exchange rate arrangement or monetary policy framework was reclassified retroactively, overriding a previously published classification.

¹⁰ The exchange rate arrangement was reclassified twice during this reporting period.

¹¹ Currently the Central Bank of Somalia does not have a monetary policy framework.

Table 3. Exchange Rate Arrangements, 2009–17

(Percent of IMF members as of April 30)¹

Exchange Rate Arrangement	2009 ²	2010 ³	2011 ⁴	2012 ⁴	2013	2014	2015	2016 ⁵	2017 ⁵
Hard peg	12.2	13.2	13.2	13.2	13.1	13.1	12.6	13.0	12.5
No separate legal tender	5.3	6.3	6.8	6.8	6.8	6.8	6.8	7.3	6.8
Currency board	6.9	6.9	6.3	6.3	6.3	6.3	5.8	5.7	5.7
Soft peg	34.6	39.7	43.2	39.5	42.9	43.5	47.1	39.6	42.2
Conventional peg	22.3	23.3	22.6	22.6	23.6	23.0	23.0	22.9	22.4
Stabilized arrangement	6.9	12.7	12.1	8.4	9.9	11.0	11.5	9.4	12.5
Crawling peg	2.7	1.6	1.6	1.6	1.0	1.0	1.6	1.6	1.6
Crawl-like arrangement	0.5	1.1	6.3	6.3	7.9	7.9	10.5	5.2	5.2
Pegged exchange rate within horizontal bands	2.1	1.1	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Floating	42.0	36.0	34.7	34.7	34.0	34.0	35.1	37.0	39.5
Floating	24.5	20.1	18.9	18.4	18.3	18.8	19.4	20.8	19.8
Free floating	17.6	15.9	15.8	16.3	15.7	15.2	15.7	16.1	16.1
Residual									
Other managed arrangement	11.2	11.1	8.9	12.6	9.9	9.4	5.2	10.4	9.4

Source: AREAER database.

¹ Includes 189 member countries and three territories: Aruba, Curaçao and Sint Maarten (both in the Kingdom of the Netherlands), and Hong Kong SAR (China).

² As published in the 2009 AREAER; does not include Kosovo, Tuvalu, and South Sudan, which became IMF members on June 29, 2009; June 24, 2010; and April 18, 2012, respectively.

³ As published in the 2010 AREAER; does not include Tuvalu and South Sudan, which became IMF members on June 24, 2010, and April 18, 2012, respectively.

⁴ As published in the 2011 and 2012 AREAERs; does not include South Sudan, which became an IMF member on April 18, 2012.

⁵ Includes Nauru, which became an IMF member on April 12, 2016.

Table 4. Changes and Resulting Reclassifications of Exchange Rate Arrangements, May 1, 2016–April 30, 2017

Country	De Jure Arrangement	De Facto Arrangement		Effective Date of Reclassification
		Previous Arrangement ¹	Current (2017 AREAER)	
Angola	Floating	Other managed	Stabilized	April 15, 2016
Burundi	Floating	Stabilized	Crawl-like	June 22, 2016
China ²	Managed floating	Other managed	Crawl-like	November 11, 2015
China ³	Managed floating		Stabilized	August 24, 2016
Congo, Democratic Republic of the	Floating	Stabilized	Other managed	June 21, 2016
Costa Rica	Managed floating	Stabilized	Crawl-like	April 26, 2016
Croatia	Managed floating	Crawl-like	Stabilized	April 14, 2016
Egypt	Floating	Other managed	Floating	November 3, 2016
Kenya ²	Free floating	Floating	Stabilized	November 4, 2015
Malawi	Floating	Floating	Stabilized	August 3, 2016
Malaysia	Managed floating	Other managed	Floating	September 26, 2016
Nigeria	Other managed	Stabilized	Other managed	June 21, 2016
Nigeria ³	Other managed		Stabilized	August 26, 2016
Pakistan ²	Floating	Other managed	Stabilized	March 4, 2015
Papua New Guinea	Floating	Crawl-like	Stabilized	May 18, 2016
Rwanda ²	Floating	Other managed	Crawl-like	March 4, 2015
Serbia	Floating	Floating	Stabilized	January 28, 2016
Sierra Leone ²	Floating	Floating	Other managed	August 10, 2015
Suriname	Floating	Stabilized	Other managed	March 30, 2016
Tajikistan	Managed floating	Other managed	Stabilized	February 1, 2016
Tanzania	Free floating	Floating	Stabilized	January 8, 2016
Trinidad and Tobago ²	Floating	Stabilized	Crawl-like	December 21, 2015
Trinidad and Tobago ³			Stabilized	July 19, 2016
Tunisia	Floating	Crawl-like	floating	May 12, 2016
Venezuela	Conventional peg	Conventional peg	Other managed	March 7, 2016
Zimbabwe	No separate legal tender	No separate legal tender	Other managed	October 31, 2016

Source: AREAER database.

¹ This column refers to the arrangements as reported in the 2016 AREAER, except when a reclassification took place during January 1–April 30, 2016, in which case it refers to the arrangement preceding such a reclassification.

² The exchange rate arrangement was reclassified retroactively, overriding a previously published classification for the entire reporting period or part of the period.

³ Cells in the column “Previous Arrangement” are blank if there was a subsequent reclassification during the reporting period.

Monetary Anchors¹³

The exchange rate remained the anchor for monetary policy for fewer than half of member countries—42.7 percent (Table 5). There were two changes in announced monetary anchors compared with four in the previous reporting period: one country (Venezuela) left the group of countries anchored to the US dollar (39), and one country (Angola) anchored to the US dollar. There were no changes in other groups of members anchored to the euro (25), to a composite (9), or to another single currency (9) (see Table 2).

¹³ Monetary anchors are defined as the main intermediate target the authorities pursue to achieve their policy goals (which, overwhelmingly, is price stability). The inventory of monetary anchors is based mainly on members’ declarations in the context of the yearly AREAER update or Article IV consultations and may differ from the anchor implemented in practice as a result of the characteristics of the de facto exchange rate arrangement.

Table 5. Monetary Policy Frameworks and Exchange Rate Anchors, 2009–17*(Percent of IMF members as of April 30)¹*

	US Dollar	Euro	Composite	Other Currency	Monetary Aggregate	Inflation Targeting	Other ²
2009 ³	28.7	14.4	7.4	4.3	13.3	15.4	16.5
2010 ⁴	26.5	14.8	7.9	3.7	13.2	16.4	17.5
2011 ⁵	25.3	14.2	7.4	4.2	15.3	16.3	17.4
2012 ⁵	22.6	14.2	6.8	4.2	15.3	16.8	20.0
2013	23.0	14.1	6.8	4.2	13.6	17.8	20.4
2014	22.5	13.6	6.3	4.2	13.1	17.8	22.5
2015	22.0	13.1	6.3	4.2	13.1	18.8	22.5
2016 ⁶	20.3	13.0	4.7	4.7	12.5	19.8	25.0
2017	20.3	13.0	4.7	4.7	12.5	20.8	24.0

Source: AREAER database.

¹ Includes 189 member countries and three territories: Aruba, Curaçao and Sint Maarten (both in the Kingdom of the Netherlands), and Hong Kong SAR (China).² Includes countries that have no explicitly stated nominal anchor but instead monitor various indicators in conducting monetary policy.³ Does not include Kosovo, Tuvalu, and South Sudan, which became IMF members on June 29, 2009; June 24, 2010; and April 18, 2012, respectively.⁴ Does not include Tuvalu and South Sudan, which became IMF members on June 24, 2010, and April 18, 2012, respectively.⁵ Does not include South Sudan, which became an IMF member on April 18, 2012.⁶ Includes Nauru, which became an IMF member on April 12, 2016.

Fifty-four member countries have an officially announced fixed exchange rate policy—either a currency board or a conventional peg—which implies the use of the exchange rate as the unique monetary anchor, with two exceptions. Although the official (*de jure*) exchange rate regime of Samoa and the Solomon Islands is a peg against a basket of currencies, the monetary policy framework was reported to comprise a mix of anchors, including the exchange rate. Among the 69 countries with *de facto* floating exchange rate arrangements—floating or free floating—the monetary anchor varies among monetary aggregates (3), inflation targeting (37), and other (29), including the 19 European Economic and Monetary Union [EMU] countries). Twenty-one countries implementing soft pegs and other managed arrangements target monetary aggregates. Countries with either stabilized or crawl-like arrangements (24) report reliance on a variety of monetary frameworks, including monetary aggregates and inflation-targeting frameworks. Other managed arrangements are split between exchange rate anchors (4), monetary aggregate targets (8), and other monetary policy frameworks (6).

- The share of IMF members with the exchange rate as the main policy target remained unchanged at 42.7 percent. Countries with hard pegs and soft pegs make up 96.2 percent of this group. Three currency unions—the Central African Economic and Monetary Community (CEMAC), Eastern Caribbean Currency Union (ECCU), and West African Economic and Monetary Union (WAEMU)—have exchange rate anchors for their respective common currency. Exchange rate anchors are by far the first choice of small, open economies.
- Although the US dollar maintained its position as the dominant exchange rate anchor, the share of countries using it as an exchange rate anchor has been steadily decreasing, from 33 percent in 2008 to 20.3 percent in 2017. From April 2016 to April 2017, one country abandoned the anchor to the US dollar and reported a change in the monetary policy framework to “other” (Venezuela) in the context of adopting a more flexible exchange rate arrangement. Countries that continue to anchor to the dollar also include those with moderate trade relations with the United States.
- The share or composition of countries using an exchange rate anchor to the euro remained unchanged at 13.0 percent. Countries whose currencies are anchored to the euro generally have historical ties with European countries, for example, the Communauté Financière d’Afrique (CFA) franc area countries; are part of the European Union (EU); or have strong trade relations with western Europe, including central and eastern European countries—for example, Bulgaria, the former Yugoslav Republic of Macedonia, Montenegro, and San Marino.

- Nine countries anchor their exchange rate to a currency composite. Three track the special drawing right (SDR) as the sole currency basket or as a component of a broader reference basket (Botswana, Libya, Syria). Morocco tracks a euro and US dollar basket, and the remaining five countries do not disclose the composition of their reference currency baskets (Fiji, Islamic Republic of Iran, Kuwait, Singapore, Vietnam).
- Nine countries maintain an exchange rate anchor to another single currency. Three of these countries (Kiribati, Nauru, Tuvalu) use the Australian dollar as their legal tender, and one (Brunei Darussalam) has a currency board arrangement with the Singapore dollar. The remaining five have conventional pegged arrangements: three (Lesotho, Namibia, Swaziland) with the South African rand and two (Bhutan, Nepal) with the Indian rupee. Half the countries in this group are landlocked, bordering either partially or exclusively the country whose currency they use as their exchange rate anchor. The anchor currency is typically freely usable in the country and is often legal tender.

Most IMF member countries, representing the overwhelming share of global output, are split among monetary aggregate targeting, inflation targeting, and “other” (which includes monetary policy not committed to a specific target).

- The number of countries targeting a monetary aggregate remained unchanged at 24, compared with the previous reporting period. However, there were two changes: one country switched from monetary aggregate targeting to “other monetary framework” (Mozambique), and one adopted a monetary aggregate target (Papua New Guinea—previously “other monetary framework”). This category does not include any country with a free-floating exchange rate arrangement. In fact, monetary aggregates are often the choice of economies with less-developed financial markets and managed exchange rates. The objective of the arrangement is to influence consumer prices and, eventually, asset prices through the control of monetary aggregates. Reserve money is often used as the operational target to control credit growth through the credit multiplier.
- The number of countries that directly target inflation increased by 2, to 40. Argentina formally adopted an inflation-targeting regime in September 2016 (previously classified as other monetary framework). Ukraine also described its monetary policy framework as inflation targeting during this reporting period. The countries in this group are mostly middle income but include some advanced economies as well. Of these, 37 have either floating or free-floating exchange rate arrangements, a policy framework that requires considerable monetary policy credibility to make up for the loss of transparent intermediate targets.¹⁴ A few countries refer to their monetary framework as “inflation targeting lite,” suggesting that they also consider indicators other than inflation. Costa Rica, Jamaica, Kenya, Mongolia, Mozambique, Sri Lanka, and Tunisia have taken preliminary steps toward a transition to an inflation-targeting framework. The central bank is responsible for setting the inflation target in 19 of the 40 countries in this category, and in 16 countries the central bank and the government jointly set the targets. More than half of the countries (24) have a target with a tolerance band, with only one country targeting core inflation. Most of the countries are in line with the inflation-targeting regime’s commitments to transparency and accountability, 34 and 37 countries, respectively.
- The “other monetary policy framework” category diminished by 2, to 46. The number of countries that are not committed to a specific target (the “other” column in Table 2) was affected by six changes during the reporting period. Two countries (Mozambique, Venezuela) reported the use of a multiple-indicator approach to monetary policy, and four countries left this group (Angola, Argentina, Papua New Guinea, Ukraine); of these, two switched to inflation targeting (Argentina, Ukraine), one anchored to the US dollar (Angola), and one targeted a monetary aggregate (Papua New Guinea). This category includes many of the largest economies, such as the euro area and the United States, where the monetary authorities have sufficient credibility to implement monetary policy without a specific monetary anchor. It is also used as a residual classification for countries for which no relevant information is available and for those with alternative monetary policy frameworks not categorized in this report.

¹⁴ Inflation targeting aims to address the problem of exchange rates and monetary aggregates that do not have a stable relationship with prices, making intermediate targets less suitable for inflation control.

Foreign Exchange Interventions

The IMF staff regularly assesses whether the frequency of foreign exchange intervention is consistent with de facto free-floating arrangements or determines whether a classification as a soft peg is appropriate (see the Compilation Guide).¹⁵ These assessments draw on information that is publicly available, information reported to the IMF by member countries, market reports, and other sources, including information obtained during official staff visits to member countries.

Intervention Purpose

As discussed in the IMF's April 2017 *World Economic Outlook*, since the summer of 2016, global financial conditions have been improving modestly for emerging market and developing economies, but commodity exporters continue to struggle. In 2016 some countries saw their currencies depreciate substantially—most notably the Democratic Republic of the Congo, Egypt, Mozambique, Nigeria, Sierra Leone, Suriname, and Venezuela, and to a lesser extent, Angola, Argentina, Haiti, Guinea, Mexico, Mongolia, and Turkey. Among these countries, a few saw their currencies reverse direction with modest appreciation until April 2017 (Argentina, Egypt, Guinea, Mexico, Mozambique, Mongolia). As a consequence of improved exchange rate dynamics, there was a move toward less exchange rate flexibility and increased intervention in some members, with the aim of increasing foreign exchange reserve accumulation or resuming tightly managed exchange rate arrangements.

Intervention Techniques

IMF members typically conduct foreign exchange interventions in the spot foreign exchange market, either by directly contacting market participants (all or only a selection—for example, market makers) or through foreign exchange auctions (for more information on auctions see the foreign exchange markets section of this report). However, foreign exchange interventions are occasionally also conducted in the forward or options markets or through verbal interventions.

Preannounced programs of future purchases and/or sales of foreign exchange typically are counted as one intervention in the foreign exchange market, with the assumption that the market prices the new information on the announcement day of the program. In February 2017, Russia's Ministry of Finance implemented a new mechanism of foreign exchange purchases and sales to enhance the stability and predictability of local economic conditions and to reduce the impact of price volatility in the global energy market on Russia's economy and public finances. Intervention volume depends on the amount of oil and gas revenue in the federal budget. As long as the actual Urals price exceeds US\$40 a barrel, the Ministry of Finance purchases foreign exchange equal to the amount of additional oil and gas revenue. If actual prices drop below this level, the Ministry of Finance sells foreign exchange equal to the amount of the resulting shortfall of oil and gas revenue. The cumulative (from the beginning of operations) foreign exchange sales volumes should not exceed the cumulative purchase volumes. The size of these operations is announced at the beginning of every month, and purchases are evenly distributed within the month. The foreign exchange purchase program is preannounced, predictable, involves small daily amounts, and is not triggered by an exchange rate level.

An increasing number of countries are using derivatives as an alternative instrument to intervene in the foreign exchange market. In February 2017, Mexico's Foreign Exchange Commission announced a new foreign exchange hedging program. The Central Bank of Mexico may offer up to US\$20 billion in nondeliverable forwards with maturity of up to 12 months and settled in pesos. A first auction of US\$1 billion was completed March 6, 2017. Similarly, the Central Bank of Colombia can intervene in the foreign exchange market through auction sales of put or call options at market rates and through spot sales of foreign exchange under foreign exchange swap contracts, at rates set by the bank through auctions or over the counter. The Bank of Korea can also intervene in the market with its funds and funds from the Foreign Exchange Equalization Fund when it is deemed necessary for the stability of the market. The Central Bank of Sudan participates in the market through swaps under a rule-based mechanism that triggers intervention if the exchange rate exceeds a

¹⁵ Preannounced programs of purchases and/or sales of foreign exchange typically do not qualify as interventions because the design of these programs minimizes the impact on the exchange rate. Very small, retail-type transactions are also disregarded.

band of ± 4 percent around the previous day's closing rate. The Central Reserve Bank of Peru may intervene through dollar-indexed bonds, foreign exchange swaps, and repurchase agreements. Other countries, including Albania, New Zealand, the Philippines, and Russia, have also reported the use of foreign exchange swaps as an indirect intervention channel.

Official Exchange Rates

The vast majority (167) of IMF member countries report that they publish official exchange rates. This includes not only countries that have officially determined and/or enforced exchange rates; by definition, it also refers to any reference or indicative exchange rate that is computed and/or published by the central bank (see the Compilation Guide). The calculation of these exchange rates is often based on market exchange rates, such as those used in interbank market transactions or in a combination of interbank and bank-client transactions in a specified observation period. The published exchange rate is used as a guide for market participants in their foreign exchange transactions, for accounting and customs valuation purposes, in exchange transactions with the government, and sometimes mandatorily in specific exchange transactions.

During the 2016–17 reporting period, several countries adopted new methods for calculating their official exchange rates (Azerbaijan, Belarus, China, Colombia, Costa Rica, Guinea, India, Kazakhstan, Sierra Leone, Suriname, Ukraine, Venezuela). Countries from all income levels and various geographic regions are represented among the 25 members that report no official or reference exchange rates; about half (12) are countries with no separate legal tender, 3 are soft pegs, 8 are floating or free floating, and 2 have the residual de facto exchange rate arrangement. Among the countries that do not compute an official exchange rate, some, including Japan, Peru, and Singapore, publish the market-determined rates on their monetary authority's website to promote information transparency.

Foreign Exchange Markets

The development of foreign exchange markets continued during 2016 and through June 2017, as countries responded to the challenges in domestic and international markets. Changes in the structure and operation of members' foreign exchange markets are summarized in Table 6. There were 91 changes on the foreign exchange markets reported by member countries, of which easing measures (39) were almost twice those of tightening ones (20).

Table 6. Foreign Exchange Market Structure, 2014–17

(Number of IMF members as of April 30)¹

	2014	2015	2016	2017
Spot exchange market	188	189	189	189
Operated by the central bank	118	118	119	118
Foreign exchange standing facility	75	74	72	71
Allocation	27	27	27	27
Auction	32	35	38	38
Fixing	6	6	5	5
Interbank market	161	162	170	171
Over the counter	127	132	137	138
Brokerage	50	50	51	51
Market making	75	74	73	72
Forward exchange market	127	131	139	140

Source: AREAER database.

¹ Includes 189 member countries and three territories: Aruba, Curaçao and Sint Maarten (both in the Kingdom of the Netherlands), and Hong Kong SAR (China).

Foreign Exchange Standing Facility, Allocations, Auctions, and Fixing

The number of countries with some type of official central bank facility in the spot foreign exchange market decreased by 1, with Vietnam leaving the group (118). Central banks may provide access to foreign exchange to market participants through a standing facility, allocation to certain market participants, or purchase and sale of foreign exchange through auctions or fixing sessions.

- *Foreign exchange standing facilities*—Almost two-thirds of members with foreign exchange markets fully or partially operated by the central bank reported maintaining a foreign exchange standing facility (71), an overall reduction of 1 (Vietnam) that continues a downward trend that started in 2011. Such facilities allow market participants to buy foreign exchange from or sell it to the central bank at predetermined exchange rates and are usually instrumental in maintaining a hard or soft peg arrangement. The credibility of such arrangements depends to a large extent on the availability of foreign exchange reserves backing the facility. The countries with foreign exchange standing facilities include all of those with currency boards (11); conventional pegs (43); crawling pegs, with the exception of Honduras (2); or a pegged exchange rate within horizontal bands (1). The Central Bank of the Republic of Turkey, which has a floating arrangement, accepted foreign exchange deposits as collateral against the banks' open market operations transactions in Turkish lira at individual bank limits of US\$5.0 billion and €1.8 billion at interest rates of 0.65 percent and 0.03 percent, respectively, for two-week and one-month maturities in June 2016. As the program expanded, in July 2016, the individual bank limits were removed. Later in the year the individual bank deposit limits were scaled down to US\$20 billion and €7.2 billion without any change in the interest. In March 2017, the Central Bank of the Republic Turkey increased the interest rates to 1 percent for US dollar deposits while lowering the rate for euro deposits to zero. Russia, with a free-floating arrangement, continues to maintain a standing facility in the form of overnight foreign exchange swaps involving the sale of US dollars for rubles. The remaining 12 countries with foreign exchange standing facilities fall equally into stabilized arrangements (6) and other managed arrangements (6).
- *Foreign exchange auctions*—There was no change in the number and composition of countries holding official foreign exchange auctions (38). In a significant majority of those countries (30), foreign exchange auctions are the only mechanism operated by central banks. More than half of the countries in this category are floaters: 17 have exchange rate regimes classified as floating and 2 as free floating (Mexico, Russia). Among the rest of the countries, one has a crawling peg (Honduras), seven have a stabilized arrangement, and eleven are classified as de facto "other managed."

Auctions are also used to influence exchange rate volatility, rather than solely to manage foreign reserves. For instance, the Foreign Exchange Commission of Mexico suspended all rule-based and regular auctions in February 2016, but left open the possibility of discretionary intervention if required for preservation of value of the Mexican peso in line with the country's macroeconomic fundamentals. A year later, the commission announced a new foreign exchange hedging program under which the Central Bank of Mexico may offer nondeliverable forwards up to US\$20 billion with maturities of up to 12 months and settled in pesos. Colombia further reduced the rate of depreciation of the Colombian peso–US dollar spot exchange that triggers an options auction to 3 percent from its moving 20-day average. This move aims to mitigate the impact of overreaction of the exchange rate on inflation expectations and to preserve liquidity in the foreign exchange market. The options auction mechanism was first triggered on May 20, 2016, and eliminated seven days later as the central bank's concerns regarding liquidity in the foreign exchange market diminished. In October 2016, the Central Bank of Azerbaijan conducted two-way auctions, which allowed banks to make orders in both directions: buying or selling foreign currency. The number of the auction sessions, duration of each session, and other parameters of the auction were determined by the auction committee in advance. The reference rate of the first session was the official exchange rate of the day, and the rate in the subsequent sessions could be adjusted up or down based on relative demand in the previous session. In January 2017, the Central Bank of Azerbaijan introduced a one-way, multiple-price, and competitive auction format, which allows banks to submit up to three different bids without any price restriction.

The Central Bank of the Republic of Turkey began offering US dollars via foreign exchange deposits against Turkish lira deposit auctions in order to enhance Turkish lira flexibility and instrument diversity and strengthen foreign exchange liquidity management. As modernization of the foreign exchange market continued, Belarus allowed business entities to purchase and sell foreign exchange in the electronic trading system operating in the Belarusian Currency and Stock Exchange based on the two-way auction principle,

which allows potential buyers and sellers to simultaneously submit their bids and offers on a continuous basis. Previously, only foreign exchange transactions by Belarusian banks and nonbank lending institutions were permitted in this electronic trading system, and business entities could perform foreign exchange transactions only in the over-the-counter foreign exchange market.

To ensure a convergence of the official exchange rate to the market rate, Suriname began conducting weekly liquidity-providing auctions in February 2016, which led to the change of de jure exchange rate arrangement to floating. The auctions ended in May 2016 when foreign exchange bureaus were allowed to freely determine exchange rates. The Central Bank of the Republic of Guinea reported the introduction of a competitive auction mechanism to reflect market demand for foreign currency, which replaced the allocation system under which the central bank distributed foreign exchange to banks for the payment of a predetermined list of imports at a noncompetitive rate. Because of low stocks of foreign exchange reserves compared with the target level, the Bank of Sierra Leone reduced the maximum bid amount and temporarily suspended the wholesale auction between February and May 2016. In May 2017, the bank suspended the auction again and limited interventions in the foreign exchange market in an effort to build up reserves. The Central Bank of Iceland held an auction in June 2016 for offshore króna owners as a unique way of reducing legacy offshore króna holdings before liberalizing capital controls on households and businesses.

- *Foreign exchange allocation systems*—The number and composition of countries with allocation systems remained the same (27). Most of the countries (20) with allocation systems also have other central bank operation mechanisms in place. Foreign exchange allocation is often used to provide foreign exchange for strategic imports, such as oil or food, when foreign exchange reserves are scarce. During the reporting period, Bangladesh established a revolving Green Transformation Fund of US\$200 million that was to be allocated to banks that provide credit for capital imports in the export-oriented textile and leather sectors.
- *Fixing sessions*—This arrangement is more characteristic at an early stage of market development, when these sessions help establish a market-clearing exchange rate in a shallow market with less-experienced market participants. The number and composition of countries holding such sessions remained at five, of which only Mauritania conducts fixing sessions on a regular basis to allocate foreign exchange to the banks and to determine the exchange rate based on supply and demand. Serbia retains the option of using fixing sessions when necessary to stabilize the foreign exchange market, but this option hasn't been exercised since 2009. The Islamic Republic of Iran and Syria indicate that they hold fixing sessions, the extent and regularity of which are unknown. Mozambique's central bank channels foreign exchange into the market by holding selling sessions with authorized banks via its software platform.

Interbank and Retail Foreign Exchange Markets

The number of countries that reported having an interbank market increased by 1, to 171, with Honduras joining the group. The main types of interbank markets in these countries include over-the-counter markets, brokerage arrangements, and market-making arrangements. Thirty-four members allow operation of all three types of systems. Of the 165 countries with a functioning interbank market, about four-fifths operate over the counter: 71 of these operate exclusively over the counter, 72 employ a market-making arrangement, and 51 allow for intermediation by brokers. Six members reported an inactive interbank market.

- *Over-the-counter operations*—These account for most interbank markets (138) because in a number of economies, particularly those that are small, market participants cannot undertake the commitment of being a market maker. Over-the-counter foreign exchange markets operate in developed economies as well, where the market is sufficiently liquid to operate without the support of specific arrangements or institutions. Uganda joined the group during the reporting period.
- *Brokerage arrangements and market-making agreements*—There was no change in the group of countries that reported using brokers. Seventy-two members reported using market-making agreements in the interbank market, a decrease of one from the previous reporting period. This form of market arrangement is used both in developed economies and developing economies and across all types of exchange rate arrangements. In Tunisia, market makers' required spread of 30 pips between their buying and selling rates was lowered to 15 pips for a minimum amount of €0.5 million (or US\$0.5 million) and a maximum amount of €3 million (or US\$3 million). Argentina cancelled the rules on exchange brokers and the related licenses.

Most member countries report a framework for the operation of foreign exchange bureaus, with the majority imposing some type of licensing requirement. However, several changes affected their operation in the reporting period. The Central Bank of Nigeria suspended cash sales to bureaux de change in January 2016 and resumed it six months later. During the suspension period, the market existed, but foreign exchange had to be obtained from autonomous sources instead of the interbank market. In August 2016, approved international money transfer operators in Nigeria were directed to sell foreign exchange sourced from remittances to bureaux de change. The Kyrgyz Republic required credit unions, specialized financial and lending institutions, and microcredit companies and agencies to obtain an additional license to purchase or sell foreign currency in their own name. The Royal Monetary Authority of Bhutan reported the opening of a foreign exchange counter at one of its branch offices to facilitate the exchange of Bhutanese ngultrum for Indian rupees, and Sierra Leone allowed foreign exchange bureaus to undertake inward money transfer transactions.

Most members refrain from restricting exchange rate spreads and commissions in the interbank market. Among those that maintain such restrictions, several countries relaxed them during the reporting period. The National Bank of Tajikistan eliminated the requirement that the selling rate of lending institutions not exceed 1.5 percent of the official Tajik somoni–US dollar exchange rate. Similarly, Kazakhstan eased constraints on the exchange rate by raising the ceiling on exchange bureaus' margin between the buying and selling rates for cash transactions from 2 tenge to 6 tenge for the US dollar and from 3 tenge to 7 tenge for the euro. Further on the easing side, Egypt removed the limits on the bid-ask spreads in the spot markets. Ukraine abolished the provision that prevented banks, nonbank financial institutions, and exchange bureaus from changing the exchange rate in the course of a business day and from setting different exchange rates for different subdivisions. On the tightening side, Bolivia incrementally increased the service charges for outward financial system transfers through the Central Bank of Bolivia from 1 percent to 1.6 percent in February 2016, and to 2 percent in March 2017. Transfers through the central bank for exports and remittances—and operations through the financial system for the diplomatic corps, cooperation agencies, and international organizations, as well as remittances of US\$1,000 or less, which were previously exempt—became subject to the service charges. However, during the same period, Bolivia lowered the service charges on inward transfers from 0.6 percentage point to zero. Guinea imposed a daily limit of US\$100,000 on the transactions conducted through licensed exchange bureaus for retail transactions. In an effort to reduce the use of foreign currency cash in the country, Lao P.D.R. required commercial banks and exchange bureaus to credit the money from selling foreign currency to individuals or entities for international transactions directly to clients' accounts at commercial banks. The money may not be withdrawn in cash or transferred to another individual's or entity's account for use within the country, and it must be used only for overseas settlement purposes. The sale of foreign currency in cash is allowed only at border checkpoints such as airports and border crossings and only for payments and use in foreign countries. The central bank of Suriname required *cambios* to sell all purchased euros to commercial banks only.

There were several other developments. The one-year freeze imposed by Croatia that set the kuna–Swiss franc exchange rate at HRK 6.39 per Swiss franc (the rate before the Swiss National Bank abandoned its minimum Swiss franc–euro rate) expired on January 27, 2016. This rate applied to repayment of Swiss franc loans and kuna loans with a Swiss franc currency clause initiated while the minimum Swiss franc–euro rate was in place. Moldova allowed currency exchange operations to be performed by individuals via currency exchange machines installed by foreign exchange entities. The Central Bank of Nigeria established a window to provide liquidity to investors and exporters, with the purpose of reducing the gap between the official and bureau de change market rates and boosting foreign exchange market liquidity. In addition, the central bank announced that it may intervene in order to ensure that foreign exchange of up to US\$20,000.00 a customer a quarter is accessible to small and medium enterprises to pay for eligible imports. Ukraine permitted banks to exchange one foreign currency for another without restriction on the classification group in the interbank market of Ukraine and in the international foreign exchange markets. In addition, Ukraine increased the daily net foreign exchange purchase limit in the interbank and retail markets (excluding cash market) for banks' own position to 0.5 percent from 0.1 percent of banks' regulatory capital for TOM, TOD, and spot transactions.

Other Measures

Most of the changes in other measures during the reporting period refer to forward and swap operations, exchange rate structure, and taxes on foreign exchange transactions.

- Forward and swap operations*—Several easing and tightening measures with respect to forward transactions were reported by members during the reporting period. On the easing side, Tunisia allowed authorized intermediaries to enter into forward contracts for convertible dinars with residents and nonresidents, with maturity based on the underlying transactions (effectively eliminating the previous limit of 12 months), and allowed the provision of forward cover with a maximum term of 12 months for financial operations involving the repatriation or transfer of capital or income. In Ukraine, several new procedures on forward transactions were established during the reporting period. In November 2016, banks were permitted to enter into certain derivatives transactions on stock exchanges. Several months later, as Ukraine progressed with implementing foreign exchange reforms, banks and bank customers engaged in foreign trade were allowed to perform forward transactions without restriction on the currency classification group, maturity, or type of transaction hedged. Previously, these transactions were allowed only if both currencies in the forward transaction were from the first group of the classifier (mostly convertible currencies), with a maximum forward transaction maturity of up to 365 days. Korea increased the limits on banks' foreign exchange derivatives contracts to 40 percent from 30 percent of bank capital for domestic banks and to 200 percent from 150 percent for branches of foreign banks. On the tightening side, Iceland announced that forward contracts and swaps involving krónur between residents and nonresidents can be used only for hedging purposes. Lebanon prohibited commercial banks and financial institutions from conducting transactions in financial instruments for their clients' account unless executed through specialized banks or brokerage firms. Paraguay tightened the limits on financial institutions' net long or short forward positions for nonresidents, which cannot exceed 10 percent of capital or the daily average of total market volume. On the other hand, the limits for residents remained the same, which may not exceed the smaller of twice the average volume of banking operations by banks over the previous three months or 80 percent of effective net worth in the previous month, converted to dollars.
- Exchange rate structure*—There were several changes in the number of countries maintaining a dual or multiple exchange rate structure. Currently, 21 countries are classified as having more than one exchange rate, of which 11 are dual and 10 multiple. This is mainly a result of specific exchange rates applied for certain transactions or actual or potential deviations of more than 2 percent between official and other exchange rates. In this reporting period, Sierra Leone was reclassified from a multiple to a unitary exchange rate as the Bank of Sierra Leone took action that effectively reduced the spread between the official and commercial bank rates to within 2 percent. In Suriname, auctions were terminated, and commercial banks and foreign exchange bureaus were allowed to freely determine exchange rates. This move eliminated the official rate and the multiple currency practices that originated from (1) the spread of more than 2 percent between the buying and selling rates in the official market for government transactions and (2) a possible spread of more than 2 percent between these official rates for government transactions and those in commercial markets. In contrast, Guinea replaced the previous foreign exchange allocation system with a competitive foreign exchange auction and allowed banks to purchase and sell foreign exchange with their customers at freely negotiated rates. However, as the official exchange rate does not reflect the prevailing market exchange rate, its exchange rate structure was reclassified from dual to multiple, because the official exchange rate may differ from the market rate by more than 2 percent.
- Taxes and subsidies on foreign exchange transactions*—Overall, 35 emerging market and developing economies (the same as the previous year) taxed foreign exchange transactions. On the tightening side, Tonga imposed a levy of 0.5 cent from the spread on each pa'anga of every purchase and sale of foreign currency. However, the tax applies only if the spread is more than 0.5 cent. Bolivia progressed as planned with the increase of the financial transaction tax to 0.20 percent in 2016, then to 0.25 percent in 2017. It will eventually reach 0.30 percent in 2018. Belize increased the stamp duty to 1.75 percent from 1.25 percent on all conversions from Belize dollars to foreign currency worth more than BZ\$100, except in cases exempt according to instructions from the minister of finance. In contrast to the broad use of foreign exchange taxes, only three countries employ foreign exchange subsidies, including Georgia, which began such subsidization in 2017. The government of Georgia introduced a two-month loan conversion program, a government-subsidized, one-time voluntary conversion of the US dollar-denominated bank loans of individuals taken out before January 2015 to lari. As a result, about 25 percent of total eligible borrowers have converted their loans and used the subsidy. In the Islamic Republic of Iran, the official rate, which is significantly more appreciated than the market exchange rate, is used for imports of priority goods and services. In Venezuela, items associated with imports of essential goods and services, remittances to students and retirees, special health-related cases, sports, and other items are settled at a specific exchange rate. In March 2016, Venezuela changed the specified selling exchange rate from Bs 6.3 per US dollar to Bs 10 per US dollar for imports of food

and health sector products; payments for pensions, retirement, partial disability, incapacity, and survivors; sports; culture; scientific research; and face-to-face academic activities abroad.

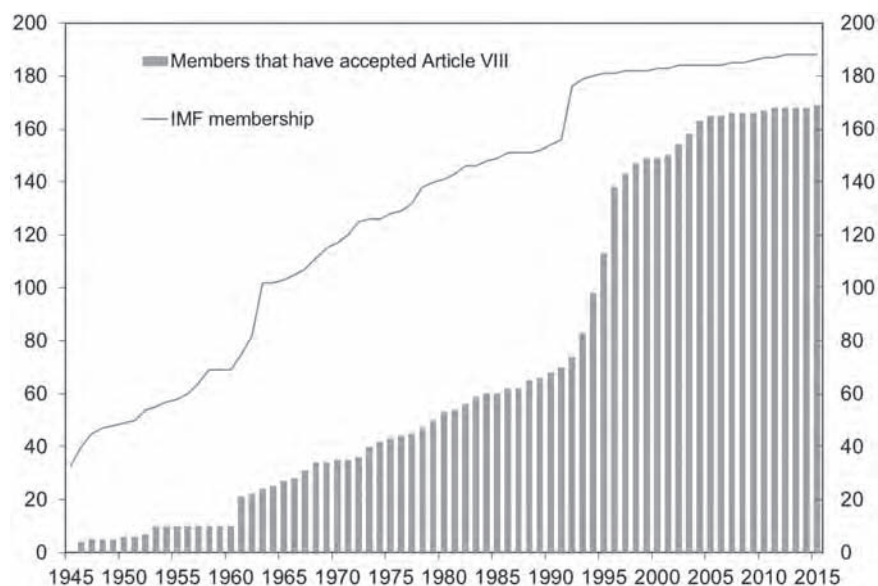
Member Countries' Obligations and Status under Articles VIII and XIV

This section provides an overview of the status of IMF members' acceptance of the obligations of Article VIII, Sections 2(a), 3, and 4, of the IMF's Articles of Agreement and of the use of the transitional arrangements of Article XIV. It also describes recent developments in restrictive exchange measures—namely, exchange restrictions and MCPs subject to IMF jurisdiction under Articles VIII and XIV and measures imposed by members solely for national and/or international security reasons. This section refers to changes in restrictive exchange measures in 2016 and to members' positions as reported in the latest IMF staff reports as of December 31, 2016.

The number of countries that have accepted Article VIII status increased by two in 2016 (Figure 1). In accepting the obligations of Article VIII, Section 2(a), 3, and 4, members agree not to impose restrictions on the making of payments and transfers for current international transactions or engage in discriminatory currency arrangements or MCPs, except with IMF approval. Nauru and Tuvalu accepted Article VIII obligations on April 12, 2016, and on October 7, 2016, respectively, increasing the number of Article VIII members to 171. Both countries are relatively new members of the IMF; Nauru accepted Article VIII at the time it joined the IMF, while Tuvalu did six years after joining. On the other hand, there has not been much progress in accepting Article VIII among countries that have availed themselves of the transitional provisions of Article XIV for many years, with the notable exception of Albania in 2015. The share of Article VIII members increased in the first half of the decade (2000–10) and has remained flat at about 90 percent of total members in recent years.

Many members with Article XIV status continue to maintain restrictions subject to IMF jurisdiction under Article VIII.¹⁶ Among the 18 members with Article XIV status, 3 countries do not maintain restrictions but have not yet decided to accept the obligations under Article VIII. Four countries maintain both original or adapted Article XIV exchange measures and Article VIII restrictions. The remaining countries maintain exchange measures under Article VIII only.

Figure 1. IMF Members That Have Accepted the Obligations of Article VIII, Sections 2(a), 3, and 4, 1945–2016¹



Source: AREAER database.

¹ as of December 31, 2016.

¹⁶ The member countries that make use of the transitional arrangements under Article XIV are Afghanistan, Angola, Bhutan, Bosnia and Herzegovina, Burundi, Eritrea, Ethiopia, Iraq, Kosovo, Liberia, Maldives, Myanmar, Nigeria, São Tomé and Príncipe, Somalia, South Sudan, Syria, and Turkmenistan.

Restrictive Exchange Measures

Exchange restrictions and multiple currency practices¹⁷

The composition of countries maintaining restrictive exchange measures has changed considerably, while the overall number of countries with such measures has remained largely unchanged (Table 7).¹⁸ Four Article VIII members removed previously identified restrictive measures and now maintain an exchange system free of exchange restrictions and MCPs. In particular, Belarus fully eliminated the exchange restrictions and MCPs identified in 2013. As part of macroeconomic and foreign exchange market reforms, Argentina removed the restrictive exchange regime put in place in 2011. Sierra Leone modified auction rules and eliminated an MCP that had been in place since 2009. Suriname removed two MCPs related to the official exchange rate for government transactions in its transition to a floating exchange rate system. On the other hand, four Article VIII members (Egypt, Honduras, Lesotho, Trinidad and Tobago) and one Article XIV member (Nigeria) whose exchange systems were previously free of restrictions were found to maintain restrictive exchange measures in 2016.¹⁹ Since Albania became an Article VIII member with a remaining exchange restriction, the number of Article VIII members that maintain restrictive exchange measures increased from 34 to 35 in 2016, whereas the number for Article XIV members remained at 15.

The overall number of restrictive exchange measures continued to drop in 2016 among Article VIII members, while the number increased among Article XIV members. Sixteen restrictive measures (6 exchange restrictions and 10 MCPs) were eliminated; 18 new measures (8 exchange restrictions and 10 MCPs) were introduced or newly identified in 2016. Article VIII members account for 10 of the 18 new measures (3 exchange restrictions and 7 MCPs) and 13 of the 16 removals (3 exchange restrictions and 10 MCPs). In addition to the countries mentioned in the previous paragraph that fully removed restrictive measures, Albania, Armenia, Myanmar, and Ukraine eliminated some restrictive measures, although some restrictions remain. Multiple restrictive measures were introduced by Angola (2 exchange restrictions and 1 MCP), Nigeria (3 exchange restrictions and 1 MCP), Trinidad and Tobago (1 exchange restriction and 2 MCPs), and Papua New Guinea (1 exchange restriction and 2 MCPs).

As a result, Article XIV members continued to maintain significantly more restrictions or MCPs than Article VIII countries. The average number of measures increased from 4.1 to 4.3 for Article XIV countries, while the average number dropped from 1.9 to 1.8 for Article VIII countries. The overall average number of measures remained at 2.6 a member country in 2016.

Most newly identified exchange restrictions emerged with foreign exchange shortages and apply to a wide range of transactions. In Angola, Nigeria, and Papua New Guinea, new exchange restrictions arose from rationing and prioritization. Undue delays in access to foreign exchange in Trinidad and Tobago also gave rise to an exchange restriction. Nigeria was found to have two more exchange restrictions arising from the prohibition against access to foreign exchange to pay for selected imports and absolute limits on the amount of foreign exchange for travel abroad. A tax in Angola on transfers under contracts for foreign technical assistance or management services also gave rise to an exchange restriction. In Lesotho, an exchange restriction arose from a discretionary approval for allowances for resident individuals. Compared with the newly identified exchange restrictions, exchange restrictions that were eliminated affect payments and transfers only under specific circumstances. Albania and Ukraine eliminated previously identified exchange restrictions arising from mandatory tax clearance certificates. These certificates had to show evidence of payment of all taxes, even those unrelated to the transaction in question, in order to make a payment or transfer for current account transactions. Albania also removed a similar requirement for customs clearance documents. Belarus eliminated two previously identified exchange restrictions related to a requirement for a central bank permit for certain import payments. Finally, Myanmar removed an exchange restriction related to limits on the remittance abroad of net salaries.

Similarly, many newly identified MCPs in 2016 were in countries that suffered foreign exchange shortages. They were typically the result of large actual spreads between effective exchange rates regulated by the authorities and other exchange rates. In Nigeria, a large spread was found between the commercial bank rate set by

¹⁷ This section reflects developments included in IMF staff reports issued before December 31, 2016.

¹⁸ The AREAER does not indicate whether the Executive Board of the IMF has approved such measures.

¹⁹ Some measures were in place for a number of years and were only recently identified as restrictions or MCPs.

the central bank and the rates in foreign exchange bureaus and the parallel market. In Papua New Guinea, an MCP arose from the spread between the central bank foreign exchange allocation rates and the rates used by authorized dealers in their client transactions. An MCP was identified in Trinidad and Tobago related to the potential for large deviations between the central bank intervention rate, which also anchors authorized dealers' selling rates, and the dealers' buying rates. In addition, the potential spread between the rate for government transactions and the prevailing market exchange rates amounted to MCPs in Maldives and Papua New Guinea, and the potential spread between the official exchange rate and the auction rate gave rise to MCPs in Angola and Honduras. MCPs were also found as a result of the official multiple-price auctions in Egypt and Honduras. Many previously identified MCPs were eliminated in other countries in 2016. These include MCPs arising from a surrender requirement on export proceeds in Argentina; the use of an agreed accounting exchange rate to settle some budgetary transactions in Armenia; a potential deviation exceeding 2 percent between segmented markets in Belarus; the use of the official exchange rate for certain transactions in Belarus, Suriname, and Ukraine; the official multiple-price auction in Sierra Leone and Ukraine; and the spread between buying and selling rates in the official markets in Suriname.

Table 8 provides descriptions of restrictive exchange measures as indicated in the latest IMF staff reports as of December 31, 2016. Excluded from Table 8 are member countries that have not consented to publication of such measures described in unpublished IMF staff reports.

Table 7. Exchange Restrictions and Multiple Currency Practices, January 1–December 31, 2016

	Member Under								
	Article VIX Status			Article VIII Status			Total		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Total number of restrictions and multiple currency practices maintained by members¹	70	61	65	64	66	64	134	127	129
Restrictions on payments for imports	7	9	9	7	6	3	14	15	12
Advance import deposit and margin requirements				1	1	1	1	1	1
Restrictions on advance payments	1	2	1	2	2	1	3	4	2
Requirement to balance imports with export earnings	1	1	1				1	1	1
Restrictive rules on the issuance of import permits	1	1	1				1	1	1
Tax clearance requirements	2	2	2		1		2	3	2
Other	2	3	4	4	2	1	6	5	5
Restrictions on payments for invisibles	21	15	15	7	4	4	28	19	20
Education	1	1	1				1	1	1
Medical services	1	1	1				1	1	1
Travel services	3	3	4				3	3	4
Income on investment	10	8	7	6	4	4	16	12	11
Tax clearance requirement	4	4	3	2	1	1	6	5	4
Interest on deposits and bonds	1	1	1	2	2	2	3	3	3
Profits and dividends	3	2	2	2	1	1	5	3	3
Foreign exchange balancing for profit remittances	1	1	1				1	1	1
Clearance of debts to government to remit profits	1						1		
Other	6	2	2	1			7	2	3
Restrictions on amortization on external loans	2	2	2	3	3	3	5	5	5
Restrictions on unrequited transfers	4	4	3	2	1	1	6	5	4
Wages and salaries	1	1		1	1	1	2	2	1
Clearance of debt to government to remit wages	1	1	1				1	1	1
Family remittances				1			1		
Other	2	2	2				2	2	2

Table 7 (concluded)

	Member Under								
	Article VIII Status			Article VIII Status			Total		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Nonresident accounts	2	2	2	2	2	2	4	4	4
Transferability of frozen or blocked deposits	1	1	1	2	2	2	3	3	3
Limits on usage of foreign currency accounts	1	1	1				1	1	1
Restrictions arising from bilateral or regional payment, barter, or clearing arrangements: unsettled debit balances	3	3	2	4	4	5	7	7	7
Restrictions with general applicability	12	10	12	15	16	19	27	26	31
Administered allocations, rationing, and undue delay	5	5	7	7	7	9	12	12	16
Payments above a threshold	1			1	1	1	1	1	1
Tax clearance certificates					1	1	1	1	1
Exchange taxes	1	1	1	4	3	3	5	4	4
Surrender export earnings to have access to foreign exchange	0	0	0	1	1	1	1	1	1
Other	5	4	4	2	3	4	7	7	8
Multiple currency practices	19	16	19	24	30	27	43	46	46
Exchange taxes	5	3	3	1	1	1	5	4	4
Exchange subsidies					2	2	1	2	2
Multiple-price auctions	3	2	2	2	3	3	5	5	5
Differentials between official, commercial, and parallel rates	9	9	12	18	21	18	27	30	30
Margin requirements	1	1	1	1	1	1	1	1	1
Non-interest-bearing blocked accounts							1	1	1
Non-interest-bearing advance import deposits									
Exchange rate guarantees	1	1	1	1	1	1	2	2	2
Memorandum items:									
Average number of restrictions per member	4.7	4.1	4.3	2.1	1.9	1.8	2.9	2.6	2.6
Number of countries with restrictions	15	15	15	31	34	35	46	49	50

Sources: AREAER database; and IMF staff reports.

¹ Includes 189 members and 3 territories: Aruba, Curaçao and Sint Maarten (both in the Kingdom of the Netherlands), and Hong Kong SAR (China).

Exchange measures maintained for security reasons

Some member countries maintain measures imposed solely for national and/or international security reasons, which could give rise to exchange restrictions under IMF jurisdiction. These restrictions, like others, require prior IMF approval under Article VIII, Section 2(a). However, because the IMF does not provide a suitable forum for discussion of the political and military considerations leading to measures of this kind, it established a special procedure for such measures to be reported and approved.²⁰ In total, 32 members notified the IMF of measures introduced solely for security reasons during 2016, while 6 members did so during January–May 2017. The number of countries notifying the IMF of such measures remained constant in recent years with 33 in 2014 and 37 in 2015. For the most part, notification was from advanced economies. In general, the restrictions involved take the form of financial sanctions to combat the financing of terrorism or financial sanctions against certain governments, entities, and individuals in accordance with United Nations Security Council resolutions or EU regulations.

²⁰ See Decision No. 144-(52/51) in International Monetary Fund, *Selected Decisions and Selected Documents of the International Monetary Fund*, Issue 3, Washington, 2012.

Table 8. Exchange Restrictions and/or Multiple Currency Practices by Country, as of December 31, 2016

Country ¹	Exchange Restrictions and/or Multiple Currency Practices ²
Albania	The IMF staff report for the 2016 Article IV Consultation with Albania states that, as of June 9, 2016, Albania maintains an unapproved exchange restriction in the form of outstanding debit balances on inoperative bilateral payment agreements. These were in place before Albania became an IMF member in 1991, and relate primarily to debt in nonconvertible and formerly nonconvertible currencies. On February 21, 2015, the authorities removed two exchange restrictions and accepted the obligations of Article VIII, Sections 2(a), 3, and 4. (Country Report No. 16/142)
Angola	The IMF staff report for the 2016 Article IV Consultation states that, as of December 29, 2016, Angola continues to maintain restrictions on the making of payments and transfers for current international transactions under the transitional arrangements of Article XIV, Section 2. The measures maintained pursuant to Article XIV are: (i) limits on the availability of foreign exchange for invisible transactions, such as travel, medical or educational allowances; and (ii) limits on unrequited transfers to foreign-based individuals and institutions. In addition, Angola maintains three exchange restrictions subject to Fund jurisdiction under Article VIII, Section 2(a) resulting from (i) the discriminatory application of the 0.015 percent stamp tax on foreign exchange operations; (ii) the operation of the priority list for access to US dollars at the official exchange rate; and (iii) a special tax of 10% on transfers to non-residents under contracts for foreign technical assistance or management services. Angola also maintains three multiple currency practices that are subject to approval under Article VIII, Section 3 arising from the lack of a mechanism to prevent potential spreads in excess of 2 percent emerging (i) between successful bids within the BNA's foreign exchange auction; and (ii) for transactions that take place at the reference rate in place and the rate at which transactions take place in the foreign exchange auction on that day, and (iii) the discriminatory application of the 0.015 stamp tax on foreign exchange operations. (Country Report No. 17/39)
Armenia	The IMF staff report on the Fourth Review under the Extended Arrangement and Request for Modification of Performance Criteria states that, as of November 21, 2016, Armenia maintains one multiple currency practice which arises from a 2007 agreement between the Ministry of Finance and the Central Bank of Armenia to settle some budgetary transactions at an agreed accounting exchange rate throughout the fiscal year. (Country Report No. 16/380)
Aruba	The IMF staff report for the 2015 Article IV Consultation discussions with the Kingdom of the Netherlands—Aruba states that, as of March 27, 2015, Aruba maintained a foreign exchange restriction arising from the foreign exchange tax on payments by residents to nonresidents (1.3 percent of the transaction value). (Country Report No. 15/116)
Bangladesh	The IMF staff report for the 2015 Article IV consultation with Bangladesh states that, as of January 6, 2016, Bangladesh maintained an unapproved exchange restriction on the convertibility and transferability of proceeds of current international transactions in non-resident taka accounts. Since the last Article IV consultation the authorities have relaxed the restriction by allowing certain debits to balances in such accounts for outward remittances, but they do not have a specific timetable for the complete removal of the restriction. (Country Report No. 16/27)
Bhutan	The IMF staff report for the 2016 Article IV Consultation with Bhutan states that, as of June 9, 2016, Bhutan continues to avail itself of transitional arrangements under Article XIV, Section 2, pursuant to which it maintains exchange restrictions in connection with: (1) the availability of foreign exchange for travel, except for medical travel abroad by Bhutanese citizens, invisibles, and private transfers; (2) foreign exchange balancing requirement on remittances of income in convertible currencies or other foreign currencies from foreign direct investment (FDI); and (3) the availability of foreign exchange for importers who are not able to provide the identity of the seller. Bhutan also maintains exchange restrictions subject to IMF approval under Article VIII, Section 2(a) in connection with: (1) the FX foreign exchange balancing requirements for imports of capital goods (for projects involving FDI) and primary raw materials (for certain industrial projects); (2) banning residents who do not comply with the requirement to repatriate export proceeds from accessing foreign exchange for unrelated imports; (3) requiring FDI businesses to pay for their establishment and operational expenses from their own convertible currency resources; (4) requiring Bhutanese companies to pay the interest on and amortization of external loans from their own convertible currency resources; (5) restricting the availability of Indian rupees (INR) for making payments and transfers to India in the following current international transactions: personal and business travel and study-abroad living arrangement, family, advance payments for imports from India, and to recruit Indian workers; and (6) banning the access to Indian rupees for unrelated current international transactions for those who contravene Royal Monetary Authority's (RMA's) 2012 guidelines on Indian rupee transactions. On September 1, 2014, the RMA reintroduced housing and vehicle loans (after temporary suspension of access to Indian rupees to finance imports of personal vehicles and housing construction materials in March 2012). In response to the rupee shortage, Bhutan introduced regulatory measures that gave rise to new exchange restrictions subject to IMF approval under Article VIII, Section 2(a). Subsequently, as the situation stabilized, the restrictions on INR access for certain imports were removed in 2014. (Country Report No. 16/206)
Bosnia and Herzegovina	The IMF staff report for the 2015 Article IV Consultation with Bosnia and Herzegovina states that, as of October 9, 2015, Bosnia and Herzegovina maintained restrictions on the transferability of balances and interest accrued on frozen foreign currency deposits, subject to IMF jurisdiction under Article VIII. (Country Report No. 15/298)

Table 8 (continued)

Country¹	Exchange Restrictions and/or Multiple Currency Practices²
Brazil	The IMF staff report for the 2016 Article IV Consultation with Brazil states that, as of October 17, 2016, the tax on financial transactions (Imposto sobre Operações Financeiras, [IOF]) of 6.38 percent on exchange transactions carried out by credit card, debit card, and traveler's checks (including cash withdrawals) companies in order to fulfill their payment obligations for purchases of goods and services abroad by their customers gives rise to MCPs subject to IMF jurisdiction under Article VIII, Sections 2(a) and 3. (Country Report No. 16/348)
Burundi	The IMF staff report for the 2014 Article IV Consultation, Fifth Review under the Three-Year Arrangement under the Extended Credit Facility states that, as of July 29, 2014, Burundi maintained one MCP that is inconsistent with Article VIII, Section 2(a): the exchange rate used for government transactions differs at times by more than 2 percent from market exchange rates. (Country Report No. 14/293)
Colombia	The IMF staff report for the 2016 Article IV Consultation with Colombia states that, as of April 19, 2016, Colombia maintained an exchange restriction subject to IMF approval under Article VIII arising from the special regime for the hydrocarbon sector. (Country Report No. 16/129)
Democratic Republic of the Congo	The IMF staff report for the 2015 Article IV Consultation with the Democratic Republic of the Congo (DRC) states that, as of August 17, 2015, the DRC maintained measures that give rise to one exchange rate restriction and one MCP subject to IMF approval. The exchange restriction involves an outstanding net debt position against other contracting members under the inoperative regional payments agreement with the Economic Community of the Great Lakes Countries. The MCP relates to a fixed exchange rate set quarterly applying to transactions through a bilateral payments agreement with Zimbabwe. (Country Report No. 15/280)
Egypt	The IMF staff report on the Request for Extended Arrangement under the Extended Fund Facility for Egypt states that as of November 7, 2016, Egypt maintained an MCP arising from the multiple-price auction system established by the Central Bank of Egypt, as the exchange rates for spot transactions in an auction may differ by more than 2 percent. (Country Report No. 17/17)
Ethiopia	The IMF staff report for the 2016 Article IV Consultation with Ethiopia states that, as of August 30, 2016, Ethiopia maintained four restrictions on payments and transfers for current international transactions, which relate to: (1) the tax certification requirement for repatriation of dividend and other investment income, (2) restrictions on repayment of legal external loans and suppliers of foreign partners credits, (3) rules for issuance of import permits by commercial banks, and (4) the requirement to provide a clearance certificate from the NBE to obtain import permits. These restrictions are inconsistent with Article VIII, Section 2(a), of the IMF's Articles of Agreement and remain unapproved. In addition, In February 2016, the authorities introduced a regulation providing for the prioritization of foreign exchange for certain import items and payments. Staff are in the process of assessing this and other measures introduced by the authorities with respect to their implications to Ethiopia's obligations under Article VIII, Section 2(a) and 3. (Country Report No. 16/322)
Fiji	The IMF staff report for the 2015 Article IV Consultation with Fiji states that, as of January 21, 2016, Fiji maintained exchange restrictions subject to Article VIII arising from the Fiji Revenue and Customs Authority tax certification requirements on the transfer abroad of profits and dividends, on the proceeds of airline ticket sales, and on the making of external debt and maintenance payments, and from limits on large payments (for example, oil imports and dividends repatriation of foreign banks). (Country Report No. 16/54)
Gabon	The IMF staff report for the 2015 Article IV Consultation with Gabon states that, as of February 8, 2016, Gabon maintained a tax on wire transfers, including for the making of payments and transfers for current international transactions, which gives rise to an exchange restriction subject to IMF approval under Article VIII, Section 2(a), of the Articles. The authorities have exempted certain transactions from the tax; however, the tax continues to apply to other transfers subject to IMF jurisdiction. (Country Report No. 16/86)
Ghana	The IMF staff report for the Request for a Three-Year Arrangement Under the Extended Credit Facility by Ghana states that, as of March 23, 2015, Ghana maintained one exchange restriction and an MCP subject to IMF approval. The exchange restriction arises from the limitation/prohibition on purchasing and transferring foreign exchange for advance payment for import transactions by importers who have not submitted to the commercial bank customs entry forms for any past foreign exchange transactions related to imports, and which are unrelated to the underlying transaction. An MCP arises because the Bank of Ghana requires the use of its internal rate (i.e., the previous day's weighted average interbank exchange rate) for government transactions and the surrender of cocoa and gold foreign exchange proceeds without having a mechanism in place to ensure that, at the time of the transaction, this exchange rate does not differ from the rate prevailing in the market rate (that is, the interbank exchange rate) and the rates used by banks in their transactions with their customers by more than 2 percent. (Country Report No. 15/103)
Guinea	The IMF staff report for the Eighth and Final Review under the Extended Credit Facility Arrangement Assurances Review, and Requests for Extension of the Current Arrangement-Staff Report with Guinea states that, as of October 14, 2016, the system includes an MCP as the value of the official rate lags the weighted average commercial bank rate on which it is based by one day. (Country Report No. 16/365)

Table 8 (continued)

Country¹	Exchange Restrictions and/or Multiple Currency Practices²
Honduras	The IMF staff report for the 2016 Article IV Consultation with Honduras states that, as of October 14, 2016, Honduras maintained two multiple currency practices subject to the IMF's approval under Article VIII, Section 3. The two multiple currency practices arise from the absence of a mechanism to prevent the potential deviation of more than 2 percent at any given time among effective exchange rates for spot exchange transactions: (1) between successful bids within the foreign exchange auction and (2) between the official exchange rate (TCR) of the day and the exchange rates at which foreign exchange is sold at the auction on that day. (Country Report No. 16/362)
Iceland	The IMF staff report for the 2016 Article IV Consultation with Iceland states that as of June 6, 2016, Iceland maintained exchange restrictions arising from limitations imposed on the conversion and transfer of (1) interest on bonds whose transfer the foreign exchange rules apportion depending on the period of the holding, (2) amortized principal on bonds, and (3) the indexed portion of principal on bonds. (Country Report No. 16/179)
India	The IMF staff report for the 2016 Article IV Consultation with India states that, as of February 11, 2016, India maintained the following restrictions on the making of payments and transfers for current international transactions, which are subject to IMF approval under Article VIII, Section 2(a): (1) restrictions related to the non-transferability of balances under the India-Russia debt agreement, (2) restrictions arising from unsettled balances under inoperative bilateral payments arrangements with two eastern European countries, and (3) a restriction on the transfer of amortization payments on loans by nonresident relatives. (Country Report No. 16/75)
Iran	The IMF staff report for the 2015 Article IV Consultation with the Islamic Republic of Iran states that, as of November 19, 2015, Iran maintained multiple currency practices and an exchange restriction subject to Fund jurisdiction under Article VIII, Sections 2(a) and 3: (1) a multiple currency practice, which also gives rise to an exchange restriction, arising from the establishment of an official exchange rate for use in some exchange transactions, which in practice differs by more than 2 percent from the rate used by foreign exchange bureaus; (2) a multiple currency practice arising from the budget subsidies for foreign exchange purchases in connection with payments of certain letters of credit opened prior to March 21, 2002, under the previous multiple exchange rate system; and (3) a multiple currency practice arising from the differences of more than two percent between the current official rate and the preferential rates for certain imports for which foreign exchange payment commitments were made through letters of credits or bank drafts prior to July 24, 2012. (Country Report No. 15/349)
Iraq	The IMF staff report for the First Review of The Three-Year Stand-By Arrangement and Financing Assurances Review with Iraq states that as of November 22, 2016, Iraq continues to avail itself of the transitional arrangements under Article XIV, Section 2 but no longer maintains any exchange restrictions or multiple currency practices subject to Article XIV, Section 2, and currently maintains two exchange restrictions and one multiple currency practice (MCP) subject to IMF approval under Article VIII, Sections 2(a) and 3. The exchange restrictions arise from (1) the requirement to pay all obligations and debts to the government before proceeds of investments of investors, and salaries and other compensation of non-Iraqi employees may be transferred out of Iraq, and (2) an Iraqi balance owed to Jordan under an inoperative bilateral payments agreement. The MCP arises from the official action to limit the purchase of foreign exchange, with no mechanism to ensure that exchange rates in the official auction and in the market do not deviate from each other by more than 2 percent. (Country Report No. 16/379)
Kyrgyz Republic	The IMF staff report for the Third Review under the Three-Year Arrangement under the Extended Credit Facility, and Request for Modification of Performance Criteria states that the Kyrgyz Republic maintained a multiple currency practice (MCP), which predates the arrangement, arising from the use of the official exchange rate for government transactions. The official rate may differ by more than 2 percent from market rates because it is based on the average transaction weighted rate of the preceding day. In practice, the official and market rates have never differed by more than 2 percent. (Country Report No. 17/143)
Lesotho	The IMF Staff Report for the 2015 Article IV Consultation states that as of January 14, 2016, Lesotho maintains one exchange restriction arising from single discretionary allowances of M 1 million per an individual per calendar year for residents over 18, and of M 200,000 on the same basis for residents under 18. The availability of foreign exchange beyond these limits is subject to a discretionary approval on a case-by-case basis. (Country Report No. 16/33)
Maldives	The IMF staff report for the 2016 Article IV consultation with Maldives states that, as of April 7, 2016, Maldives maintained an exchange restriction subject to IMF approval under Article VIII, Section 2(a), of the IMF's Articles of Agreement, arising from a shortage of foreign exchange at the official rate which leads to the Maldives Monetary Authority (MMA) rationing its supply of foreign exchange to commercial banks. This results in a channeling of foreign exchange transactions for current international transactions to the parallel market where transactions take place at an exchange rate that deviates by more than 2 percent from the official exchange rate. The greater-than-2 percent exchange rate spread give rise to a multiple currency practice subject to IMF approval under Article VIII, Section 3, and also to exchange restrictions, given the additional cost involved for obtaining foreign exchange. The extent of rationing has been eased over the past two years by increasing the amounts provided to commercial banks and adjusting amounts in line with seasonal patterns. The official exchange rate used by the MMA for government transactions is calculated based on the mid-point of the weighted average of the buying and selling rates of foreign exchange transactions conducted by commercial banks one day earlier.

Table 8 (continued)

Country ¹	Exchange Restrictions and/or Multiple Currency Practices ²
	The lack of a mechanism to prevent the spread between this official exchange rate used by the MMA for government transactions and the prevailing market exchange rate from deviating by more than 2 percent gives rise to a multiple currency practice subject to IMF approval under Article VIII, Section 3. (Country Report No. 16/135)
Mauritania	The IMF staff report for the 2016 Article IV Consultation with Mauritania states that, as of April 12, 2016, Mauritania maintains one exchange restriction subject to IMF approval under Article VIII of the Fund's IMF's Articles of Agreement. The exchange restriction arises from the insufficient foreign exchange availability at the fixing sessions (auctions) organized by the Central Bank of Mauritania for those transactions which are required to be submitted to the auctions. (Country Report No. 16/115)
Mongolia	The IMF staff report for the 2015 Article IV Consultation with Mongolia states that, as of March 20, 2015, Mongolia maintained two MCPs subject to IMF jurisdiction. First, the modalities of the multi-price auction system give rise to an MCP since there is no mechanism in place which ensures that exchange rates of accepted bids at the multi-price auction do not deviate by more than 2 percent. In addition, Mongolia has an official exchange rate (reference rate) that is mandatorily used for government transactions (as opposed to the commercial market rate). Therefore, by way of official action, the authorities have created market segmentation. While Order #699 of the Bank of Mongolia (BOM) issued December 3, 2010, sets forth that the reference rate is determined based on the weighted average of market rates used from 4:00 p.m. of the previous day to 4:00 p.m. of the current day, the IMF staff is of the view that this order does not eliminate the market segmentation and multiplicity of effective rates arising from it. Accordingly, in the absence of a mechanism to ensure that the commercial rates and the reference rate do not deviate by more than 2 percent, the way the reference rate is used in government transactions gives rise to an MCP. (Country Report No. 15/109)
Montenegro	The IMF staff report for the 2015 Article IV Consultation with the Republic of Montenegro states that, as of February 8, 2016, Montenegro maintained an exchange system free of restrictions on the making of payments and transfers for current international transactions, except with respect to pre-1992 blocked foreign currency savings accounts. (Country Report No. 16/79)
Myanmar	The IMF staff report for the 2016 Article IV consultation with Myanmar states that, as of August 14, 2015, Myanmar continues to avail itself of transitional arrangements under Article XIV, although it has eliminated all Article XIV restrictions. Myanmar still maintained an exchange restriction and a multiple currency practice (MCP) subject to IMF approval under Article VIII. The exchange restriction subject to IMF jurisdiction arises from the requirement of tax certification for authorizing transfers of net investment income abroad. The MCP arises from the two-way, multi-price foreign currency auction in the absence of a mechanism for maintaining winning bids within 2 percent of each other, and the authorities have sought a further IMF approval of the retention of this MCP. (Country Report No. 17/30)
Nepal	The IMF staff report for the 2015 Article IV Consultation with Nepal states that Nepal maintained an exchange restriction subject to IMF approval under Article VIII, arising due to a 75 percent limit on the conversion and transfer to foreign currency of salaries of nonresidents from countries where convertible currency is in circulation. (Country Report No. 15/317)
Nigeria	The IMF staff report for the 2016 Article IV consultation with Nigeria states that as of March 18, 2016, Nigeria maintained the following exchange restrictions and MCP subject to IMF approval under Article VIII, Sections 2(a) and 3, of the IMF's Articles of Agreement: (1) an exchange restriction arising from the prohibition to access foreign exchange at the Nigerian foreign exchange markets for the payment of imports of 40 categories of items; (2) an exchange restriction arising from the rationing of foreign exchange and its allocation based on the Central Bank of Nigeria's (CBN) determination of priority categories of transactions; and (3) an MCP arising from the large spread between the rate set by the CBN for commercial banks and the rates in the Bureau de Change (BDC) and parallel market. In addition, existing limits on the amounts of foreign exchange available when traveling abroad, which cannot be exceeded even upon verification of the bona fide nature of the transaction, also give rise to an exchange restriction under Article VIII. Nigeria continues to avail itself of the transitional arrangements of Article XIV, although it no longer maintains any restrictions under this provision. (Country Report No. SM/16/101)
Papua New Guinea	The IMF Staff Report for the 2016 Article IV Consultation with Papua New Guinea states that as of November 11, 2016, Papua New Guinea maintained the following exchange restrictions subject to IMF approval under Article VIII, Section 2(a), of the IMF's Articles of Agreement arising from: (1) the requirement to obtain a tax clearance certificate evidencing the payment of all taxes prior to making payments or transfers for certain current international transactions; and (2) the rationing of foreign exchange and its allocation by Bank of Papua New Guinea (BPNG) to certain priority items, which results in undue delays and arrears in current international payments. Papua New Guinea also maintains the following multiple currency practices (MCPs) subject to IMF approval under Article VIII, Section 3: (1) an MCP arising from the spread of more than 2 percent between the rates set by BPNG for its foreign exchange allocations to authorized foreign exchange dealers (AFEDs), and the rates used by AFEDs in transactions with their clients and (2) an MCP arising from the potential spread deviation of more than 2 percent between the rates set by BPNG for its foreign exchange transactions with the government and embassies, and the rates used by AFEDs in transactions with their clients. (Country Report No. SM/16/318).

Table 8 (continued)

Country¹	Exchange Restrictions and/or Multiple Currency Practices²
São Tomé and Príncipe	The IMF staff report for the 2016 Article IV Consultation with São Tomé and Príncipe states that, as of November 15, 2016, São Tomé and Príncipe does not maintain restrictions under Article XIV. However, it maintains one measure subject to IMF approval under Article VIII: an exchange restriction arising from Article 3(i) and Article 10.1(b) of the Investment Code (Law No. 7/2008) regarding limitations on the transferability of net income from investment. The restriction results from the requirement that taxes and other obligations to the government have to be paid/ fulfilled as a condition for transfer, to the extent the requirement includes the payment of taxes and the fulfillment of obligations unrelated to the net income to be transferred. (Country Report No. 16/174)
Serbia	The IMF staff report on the 2014 Article IV Consultation with Serbia states that, as of February 9, 2015, Serbia maintained a system free of restrictions on current international payments and transfers, except with respect to blocked pre-1991 foreign currency savings accounts. (Country Report No. 15/50)
Somalia	The IMF staff report for the 2015 Article IV Consultation with Somalia states that, as of July 8, 2015, staff continue to assess the jurisdictional implications of the existing exchange regime. Somalia still avails itself of the transitional arrangements of Article XIV, however it no longer maintains restrictions under Article XIV. At the time of Somalia's 1989 Article IV consultation, Somalia maintained the following measures subject to IMF approval under Article VIII: (1) a multiple currency practice and exchange restriction arising from the imposition of a 10 percent levy on all applications for purchases of foreign exchange under the commodity import program, (2) a multiple currency practice arising from different exchange rates applicable to official transactions and to transactions in external accounts and to import/export accounts, and (3) an exchange restriction evidenced by some external payments arrears. (Country Report No. 15/208)
South Sudan	The IMF staff report on the 2014 Article IV Consultation with South Sudan states that, as of December 2, 2014, South Sudan maintained a number of exchange restrictions and MCPs under the transitional arrangements of Article XIV. The exchange restrictions under Article XIV arise from (1) limiting the availability of foreign exchange through the rationing and further earmarking of foreign exchange by the central bank (CB), (2) imposing absolute ceilings on the availability of foreign exchange for certain invisible transactions (travel, remittances for living expenses of students and families residing abroad, transfers of salaries by foreign workers), (3) the extra burden caused by channeling foreign exchange transactions to the parallel market, and (4) requiring a tax clearance certificate for access to foreign exchange for priority imports. The MCPs maintained under Article XIV arise from (1) the spread of more than 2 percent between the official exchange rate (buying and selling exchange rates of the CB) and the exchange rate at which commercial banks sell foreign currency within the limits set by the CB, and (2) the spread of more than 2 percent between the parallel market exchange rate on the one hand and that of the official exchange rate and the exchange rate in the formal commercial market on the other hand. In addition to the measures maintained under Article XIV, South Sudan maintains one MCP subject to the IMF's jurisdiction under Article VIII. The MCP arises from the exchange rate guarantee arrangements maintained by the Bank of South Sudan (BSS) with one commercial bank. This arrangement was introduced after South Sudan joined the IMF and therefore is not covered under transitional arrangements of Article XIV. The arrangement supports the system of foreign exchange allocations to priority imports. (Country Report No. 14/345)
Sudan	The IMF staff report for the 2016 Article IV consultation with Sudan states that, as of July 27, 2016, Sudan maintains the following measures subject to IMF jurisdiction under Article VIII, Sections 2 (a) and 3: (1) an exchange restriction arising from the government's limitations on the availability of foreign exchange and the allocation of foreign exchange to certain priority items; (2) a multiple currency practice and exchange restriction arising from the establishment of an official exchange rate (the CBOS rate) for use in all government exchange transactions, which in practice differs by more than 2 percent from the rate used by commercial banks; (3) a multiple currency practice and exchange restriction arising from large spreads between the CBOS rate and the parallel market exchange rate due to the CBOS' limitation on the availability of foreign exchange, which channels current international transactions to the parallel market; and (4) an exchange restriction and a multiple currency practice arising from the imposition by the government of a cash margin requirement for most imports. (IMF Country Report No. 16/324)
Swaziland	The IMF 2015 Article IV Consultation states that, as of November 24, 2015, Swaziland maintained an exchange restriction subject to IMF approval under Article VIII arising from a 50 percent limit on the provision for advance payments for the import of capital goods in excess of 10 million emalangi. (Country Report No. 15/353)
Syria	The IMF staff report for the 2009 Article IV Consultation with Syria states that, as of February 12, 2010, Syria continued to maintain, under Article XIV, restrictions on payments and transfers for current international transactions, including administrative allocation of foreign exchange. Syria also maintained exchange measures that are subject to IMF approval under Article VIII: (1) prohibition against purchases by private parties of foreign exchange from the banking system for some current international transactions, (2) an MCP resulting from divergences of more than 2 percent between the official exchange rate and officially recognized market exchange rates, (3) a non-interest-bearing advance import deposit requirement of 75 percent–100 percent for public sector imports and (4) an exchange restriction arising from the net debt under inoperative bilateral payments arrangements with the Islamic Republic of Iran and Sri Lanka. (Country Report No. 10/86)

Table 8 (concluded)

Country ¹	Exchange Restrictions and/or Multiple Currency Practices ²
Trinidad and Tobago	The IMF staff report for the 2016 Article IV Consultation with Trinidad and Tobago states that, as of May 6, 2016, Trinidad and Tobago maintained an exchange restriction and two multiple currency practices subject to the IMF's approval under Article VIII, Section 2(a) and Section 3. The exchange restriction arises from the authorities' restriction of the exchange rate (i.e., by restricting the maximum market buying and selling rates, and prohibiting foreign exchange transactions beyond the maximum rates), while not providing enough foreign exchange (i.e., through the Central Bank of Trinidad and Tobago's [CBTT's] foreign exchange interventions) to meet all demands for current transactions at that rate. The CBTT also limits sales of its foreign exchange intervention funds to meeting only "trade-related" demand, which do not include non-trade transactions that are, however, current international transactions as defined under Article XXX(d) of the IMF's Articles of Agreement, and encourages authorized dealers to similarly prioritize sales of foreign exchange obtained from other sources. These actions result in undue delays in access to foreign exchange to make payments or transfers for current international transactions and external payment arrears. The two multiple currency practices arise from the absence of a mechanism to prevent the potential deviation of more than 2 percent at any given time among several effective exchange rates regulated by the authorities, for spot exchange transactions; namely: a. the potential 2 percent deviation between: (1) on the one hand, the CBTT's intervention rate and the authorized dealers' sell rates (the maximum of which is anchored on the intervention rate plus fixed margins) and (2) on the other hand, the authorized dealers' buy rates (the maximum of which is limited at the previous day's mid-rate). b. The potential 2 percent deviation between: (1) on the one hand, the buy and sell rates for foreign exchange transactions between the CBTT and the government and (2), on the other hand, the authorized dealers' sell rates. (Country Report No. 16/204)
Tunisia	The IMF staff report for the 2015 Article IV Consultation, Sixth Review under the Stand-By Arrangement, and Request for Rephasing with Tunisia states that as of September 17, 2015, Tunisia maintained a multiple currency practice resulting from honoring exchange rate guarantees extended prior to August 1988 to development banks, which will automatically expire after maturity of existing commitments (total loans covered by these guarantees amount to about \$20 million). (Country Report No. 15/285)
Ukraine	The IMF staff report on the Second Review under the Extended Fund Facility and Requests for Waivers of Non-Observance of Performance Criteria, Rephasing of Access and Financing Assurances Review states that as of September 2, 2016, while several of the previously identified exchange restrictions and multiple currency practices (MCPs) had been removed, Ukraine continued to maintain exchange restrictions and MCPs. These are subject to IMF approval, respectively, under Article VIII, Section 2(a) and 3. The exchange restrictions that remain arise from: (1) absolute limits on the availability of foreign exchange for certain non-trade current international transactions and (2) a partial ban on the transfer abroad of dividends received by nonresident investors from foreign investments in Ukraine. The MCPs arise from (1) the use of multiple-price foreign exchange auctions conducted by the National Bank of Ukraine (NBU) without a mechanism to prevent a spread deviation of more than 2 percent between the auction and market exchange rates and (2) the requirement to transfer any gains from the purchase of foreign exchange to the state budget if it is unused and resold. The previously identified exchange restriction arising from the requirement to provide a tax clearance certificate before obtaining authorization for import payments was eliminated on September 8, 2015, and the MCPs arising from: (1) a potential spread of more than 2 percent in the exchange rates at which the NBU sells foreign exchange to successful auction bidders and (2) the use of the official exchange rate for exchange transactions with some state-owned enterprises were eliminated effective July 1, and June 2, 2016, respectively. (Country Report No. 16/319)
Zambia	The IMF staff report for the 2015 Article IV consultation with Zambia states that as of May 5, 2015, Zambia continued to maintain an exchange restriction, which is subject to IMF approval under Article VIII, arising from limitations imposed by the government on access to foreign exchange for the making of payments and transfers for current international transactions, which is evidenced by the existence of external payments arrears accumulated prior to October 4, 1985. On January 31, 2014, the Zambian authorities repealed the regulation on foreign exchange transactions (Statutory Instrument 55 of 2013) to remove the two exchange restrictions identified in the 2013 Article IV staff report. On March 21, 2014, the authorities repealed Statutory Instrument 55 of 2013 in full. (Country Report No. 15/152)
Zimbabwe	The IMF staff report for the 2016 Article IV Consultation with Zimbabwe states that, as of April 18, 2016, Zimbabwe maintained an exchange restriction subject to IMF jurisdiction arising from unsettled balances under an inoperative bilateral payments agreement with Malaysia. (Country Report No. 16/109)

Source: IMF staff reports.

¹ Includes 189 members and three territories: Aruba, Curaçao and Sint Maarten (both in the Kingdom of the Netherlands), and Hong Kong SAR (China).

² The measures described in this table are quoted from IMF staff reports issued as of December 31, 2016, and may have changed subsequently to the date when they were reported. The table does not include countries maintaining exchange restrictions or multiple currency practices whose IMF staff reports are unpublished unless the authorities have consented to publication.

Regulatory Framework for Foreign Exchange Transactions

This section surveys the measures reported by members with respect to the regulatory framework for foreign exchange transactions from January 2016 through August 2017. The measures are divided into five major categories: trade related, current invisible transactions and transfers, account transactions, capital controls, and provisions specific to commercial banks and institutional investors.

Trade-Related Measures

Members reported significantly fewer restrictive than easing trade-related measures from January 2016 to August 2017. The total number of changes in exchange and trade controls on imports and exports amounted to 159, of which 101 were easing, 34 tightening, and 24 neutral. Changes in trade-related measures were introduced by 47 countries, of which 26 liberalized trade-related measures for imports and 19 liberalized trade-related measures for exports. Further, 18 countries tightened trade-related measures.

Imports and import payments

Thirty-four countries reported 97 measures related to imports and import payments, of which easing measures were more than three times as prevalent (62) as tightening measures (20), along with 15 neutral changes. Nearly half of the measures taken in this category comprised changes in financing and documentation requirements, while the rest of the measures are related to trade regulations, such as changes in quotas, tariffs, and imports licensing.

A number of countries (25) from all regions of the world eased measures on imports and import payments, including Argentina, Australia, Bangladesh, Belarus, Bolivia, Brunei Darussalam, Denmark, Egypt, Fiji, Greece, Honduras, Italy, Kosovo, Nepal, the Netherlands, New Zealand, Nigeria, Norway, Philippines, Portugal, Senegal, Slovak Republic, Slovenia, Ukraine, and the United States. Tightening measures were implemented in fewer countries (13), including Argentina, Belarus, Belgium, Brunei Darussalam, Denmark, Italy, Korea, Libya, Malaysia, Mauritania, Pakistan, Portugal, and Sri Lanka.

A significant number of liberalization measures in this category were introduced by Ukraine (14) and Greece (13), following successful macroeconomic stabilization and in the context of gradual easing of controls on purchases of foreign currency for imports and on import payments implemented earlier to fend off a crisis. For example, measures implemented by Ukraine gradually eased and finally eliminated the requirement that legal entities use their own funds before purchasing foreign exchange from authorized dealers and reduced the number of days during which hryvnias had to be kept in a separate account before they could be used for purchases of foreign currency. Other measures gradually raised the limit above which advance payment for imports requires a letter of credit. The time for central bank verification of advance payments made before delivery under import contracts was reduced from four to three days. The verification procedure was subsequently changed to an ex post system; the period for imports of goods paid in advance was progressively extended; and surcharges for imported goods were eliminated. Liberalization measures implemented in Greece affected both cash withdrawals and import payments. These measures, among others, changed the weekly deposit withdrawal limit to biweekly, with no limit on cash withdrawals of amounts deposited after July 26, 2016; raised the amount of cash that may be withdrawn from amounts transferred from abroad after the mentioned date; and relaxed the weekly limits for banks with respect to their total transfers abroad. In addition, a number of limits previously introduced in relation to making transfers subject to different conditions or documentation requirements were raised.

In other countries, several trade-related liberalization measures relaxed rules related to advance payments for imports (Argentina, Fiji) and to minimum cash margin requirements (Egypt), eased documentation requirements for release of foreign currency for imports (Argentina, Nigeria, Philippines), reduced and eventually eliminated the maximum amount of foreign currency each importer could access during a certain period (Argentina), and eased the limits related to some methods of payment for imports (Nepal). Some countries reduced taxes/duties or tariffs (Australia, Brunei Darussalam, New Zealand, Senegal) extended the zero percent tariff on some imports (Bolivia), removed licensing requirements for some

imports (Belarus, Denmark, Italy, Slovak Republic), and eliminated restrictions or increased import quotas on certain items imported from some countries (Honduras, the Netherlands, Slovak Republic, Slovenia). Several members, including Norway, Portugal, and the United States relaxed trade sanctions against some countries, such as Côte d'Ivoire, Myanmar, and Sudan. Kosovo's preferential trade agreement with the European Union was extended by the EU Stabilization and Association Agreement, which went into effect.

The tightening measures taken by 13 members comprised introduction of or increasing the cash margin requirement for letters of credit opened for imports (Libya, Pakistan); imposing a domiciliation requirement (Mauritania); establishing licensing requirements for certain imports (Belgium, Denmark, Italy, Portugal), including as a temporary measure (Belarus); requiring a statement indicating compliance with established disclosure requirements (Argentina); imposing import controls on certain items (Sri Lanka); and imposing or raising import taxes and duty (Brunei Darussalam, Korea, Malaysia). As a security measure, Portugal introduced an embargo on some imports from Libya.

Exports and export proceeds

Twenty-eight countries reported 62 measures, of which 39 eased conditions for export transactions and export proceeds, 14 were tightening measures, and 9 were neutral.

The 19 countries that implemented easing measures on exports and export proceeds were Algeria, Argentina, Australia, Bangladesh, Belarus, Bolivia, El Salvador, Iceland, Korea, Kosovo, Kyrgyz Republic, Madagascar, Moldova, Myanmar, Nigeria, Pakistan, Portugal, Sri Lanka, and Ukraine. Of the 39 liberalization steps, 20 measures comprised those that relaxed the repatriation and surrender requirements. For example, Algeria, Sri Lanka, and Ukraine increased the amount of time for repatriation, while Iceland and Korea removed the repatriation requirement for export proceeds. The surrender requirement was eased in Belarus, Madagascar, and Ukraine through a reduction in the share of export proceeds required for surrender. Argentina removed the requirement to surrender the export proceeds of certain goods to the central bank and eliminated or extended the deadlines to surrender proceeds to authorized dealers.

Other easing measures were designed to relax some financing (Pakistan) and domiciliation (Madagascar) requirements, ease payment mechanisms for receipt of some export proceeds (Bangladesh), and simplify some reporting or procedural requirements (Argentina, El Salvador, Nigeria). Various export-related taxes were eliminated or reduced in Argentina, Kyrgyz Republic, and Myanmar, while Pakistan extended the exemption from export taxes computer software and IT-related services. Bolivia expanded the quota for certain exports, and Belarus terminated temporary licensing requirements for certain goods. Some restrictions on exports to the Islamic Republic of Iran and Côte d'Ivoire were suspended or eliminated in Australia and Portugal. In addition, the preferential trade regime with the European Union became applicable to Moldova based on the Deep and Comprehensive Free Trade Agreement. In addition, Kosovo's preferential trade agreement with the European Union was extended by the EU Stabilization and Association Agreement, which went into effect.

The tightening measures implemented by 10 members enhanced repatriation and surrender requirements (Ghana, Malaysia, Sri Lanka, Uzbekistan); strengthened documentary (Madagascar) and domiciliation requirements for exports of goods (Mauritania); introduced licensing for exports of certain goods, including as a temporary measure (Belarus, Portugal); introduced a quota on exports of some products (Maldives); and imposed, as a security measure, an embargo on certain exports (Portugal).

Current Invisible Transactions and Current Transfers

This section discusses exchange controls on invisible transactions and transfers that are included in the current account of the balance of payments. This category includes income from investment (for example, profits, dividends, and interest); payments for travel, education, medical expenses, and subscription and membership fees; unrequited transfers (for example, remittance of nonresidents' salaries and wages), and payments related to services. The section also covers the repatriation and surrender requirements for proceeds from current invisibles and current transfers.

From January 2016 to August 2017 members reported predominantly easing measures in this category; restrictive measures reached only about 15 percent. The total number of changes in current invisible transactions and current transfers amounted to 137, of which 110 were easing, 20 tightening, and 7 neutral. These changes were introduced by 26 countries. Among these, 8 countries liberalized measures related to proceeds, 15 liberalized measures related to payments under this category, and 8 implemented tightening measures.

Payment for current invisibles and current transfers

Of the 119 measures related to payments for current invisibles and current transfers reported by 21 countries, 95 were easing, 18 tightening, and 6 neutral. While 15 members contributed by easing measures, the liberalization trend was led by 3 countries (63 easing measures)—Greece, Iceland, and Ukraine—that moved forward with multiple easing measures. A number of other countries, including Argentina, Bangladesh, China, Comoros, Egypt, Fiji, India, Lesotho, Pakistan, Philippines, Sri Lanka, and Tonga, supported the liberalization path. Tightening measures were implemented in only a few countries, including Argentina, Honduras, Iceland, Iraq, Libya, Philippines, and Tajikistan.

Most of the liberalization steps (32) were taken by Ukraine in the context of gradual liberalization of controls introduced earlier. As an important step, the ban on purchases and transfers of foreign currency to repatriate foreign investors' dividends abroad was relaxed, and purchases of foreign currency and transfer abroad of foreign investors' funds obtained through certain transactions related to their investments were allowed under specified conditions. Other easing measures included progressively raising the limit on individuals' daily foreign currency cash purchases, reducing the number of days during which hryvnias must be kept in a separate account before they may be used for purchases of foreign currency, and gradually easing and subsequently eliminating the requirement that legal entities use their own funds for payments before purchasing foreign exchange from authorized dealers. In addition, Ukraine removed limits on certain non-trade-related current international transfers in foreign exchange by individuals and gradually raised the limit on withdrawals of foreign exchange cash from foreign currency accounts in Ukraine and abroad for travel and personal payments, as well as through the use of payment cards.

Many of the easing measures were implemented in Greece (15) and in Iceland (16). Liberalization measures by Greece comprised easing and eventually eliminating restrictions on early repayment of loans; removing the ban on early termination of deposits; relaxing weekly limits on banks' transfers abroad on their own behalf and on behalf of their customers; raising various limits previously imposed on bank customers' transfers (including abroad) subject to various conditions or documentation requirements; and changing the weekly deposit withdrawal limit to biweekly, with no limit on cash withdrawals of amounts deposited after July 26, 2016, and raising the amount of cash that may be withdrawn from amounts transferred from abroad after that date. Easing measures implemented by Iceland were designed, among other reasons, to gradually relax and finally remove restrictions on purchases of foreign currency, including for travel and personal purposes; ease rules on convertibility and transferability of funds for current invisible transactions (for example, dividends, interest, and nonresidents' wages); allow moderate amortization of external loans; and eliminate banks' verification requirement based on supporting documents. For investment-related payments, central bank verification is no longer required. In addition, with regard to offshore króna-denominated assets that are generally subject to special restrictions, Iceland relaxed the rules. These assets are now convertible and transferable for some current invisible payments, and the amount individuals may withdraw if specified conditions are met was increased.

In other countries, liberalization of current transactions comprised a number of measures, including relaxation or elimination of various limits, easing of documentation and approval requirements, and expanding rights to make payments. For example, Argentina eased access to the foreign exchange market with regard to trade-related payments and eliminated central bank approval for processing of certain payments made through debit and credit cards. Bangladesh increased limits for some current payments and transfers, allowed the release of foreign exchange to resident Bangladeshis for transfer abroad of publication fees, and relaxed the documentation requirement for the release of foreign exchange to resident Bangladeshis traveling in certain countries. Egypt removed limits on foreign currency transfers abroad for travel, personal payments, and "other payments." India permitted settlement of trade transactions in additional currencies, simplified the documentation requirement for personal payments, and eliminated the documentation requirement

for foreign workers' wages. The Philippines eased the documentation requirements for nontrade current payments and transfers. Sri Lanka permitted certain foreign currency account holders to make all outward remittances. Tonga increased limits for gifts without supporting documents and central bank approval. Other countries that implemented easing measures in most cases increased the limits for certain current payments and transfers.

Tightening measures were reported by seven members. For example, procedural requirements were enhanced in Argentina by requiring submission of a statement indicating the purpose of the transaction and compliance with the prescribed disclosure requirements. In Iraq and Libya, tightening measures were designed to reduce the amount of foreign currency customers may buy for certain current payments and transfers. Honduras tightened anti-money laundering requirements for cash and noncash transactions. Iceland segregated offshore domestic currency assets and restricted their use to certain types of transactions. The Philippines limited the amount foreign exchange dealers and money changers were allowed to sell; exemptions or higher limits may be granted by the central bank if justified by the business model of the dealer or money changer. It also restricted the amounts dealer and money changers may make in cash transactions; amounts exceeding the limit must be via check or credit to a deposit accounts. In Tajikistan, certain foreign currency transfers of individuals were allowed to be paid in domestic currency only.

Proceeds from current invisibles and current transfers

Ten countries, including Argentina, Bangladesh, Belarus, Iceland, Korea, Liberia, Madagascar, Tajikistan, Ukraine, and Venezuela, reported a limited number of changes (18) in this category. Of these measures, 15 were easing, 2 tightening, and 1 neutral. Liberalization measures mainly included steps toward easing the repatriation requirement (including through extension of the repatriation period and elimination of repatriation for certain proceeds) and toward reducing or eliminating the surrender requirement on proceeds from exports of services. The tightening measures imposed the requirement to pay, fully or partially, certain inbound transfers in the recipient's domestic currency.

Account Transactions

From January 2016 to August 2017, changes in regulations for resident and nonresident accounts were introduced by 26 countries, of which 16 liberalized regulations for resident accounts and 8 for nonresident accounts. Further, 6 countries tightened regulations for resident and nonresident accounts. The changes in regulations for resident and nonresident accounts were predominantly in the direction of liberalization. Thus, members reported 139 changes in this category, of which 117 were easing, 9 tightening, and 13 neutral. As in some other categories, the liberalization trend for resident and nonresident accounts was driven by Greece, Iceland, and Ukraine.

Resident accounts

Of the 75 measures on resident accounts reported by 21 countries, 63 were easing, 5 tightening measures, and 7 neutral. Forty-two liberalization measures were taken by Greece, Iceland, and Ukraine.

Greece implemented 17 easing measures, including, among others, elimination of the ban on early termination of time and other deposits; raising the weekly limits for the banking system with respect to transfers abroad on their own behalf and on behalf of their customers; changing the weekly deposit withdrawal limit to biweekly, with no limit on cash withdrawals of amounts deposited after July 26, 2016; and raising the amount of cash that may be withdrawn from amounts transferred from abroad after that date. In addition, various limits previously imposed on bank customers' transfers (including abroad) that are subject to various conditions or documentation requirements were raised. With regard to the accounts in domestic and foreign currency held abroad, Greece removed control on deposits abroad if they form part of the technical reserves of insurance companies.

Ukraine continued on its path of liberalization, implementing 15 measures in response to improving foreign exchange market conditions. For example, Ukraine progressively eased and finally eliminated the requirement that legal entities use available balances from their foreign exchange accounts before purchasing foreign

exchange from authorized dealers; gradually increased the daily limit on cash withdrawals from foreign currency accounts in the country and abroad; and raised and finally eliminated the limit on domestic currency cash withdrawals from accounts within Ukraine. In addition, regulations on resident individuals' international foreign currency transfers were relaxed, including the removal of limits on such non-trade-related current transfers, and the licensing requirement for transferring and depositing abroad of funds originating from outside Ukraine.

Iceland progressively relaxed and finally eliminated restrictions on withdrawal of foreign currency cash from residents' domestic foreign exchange accounts and eased rules governing transfers abroad for some financial transactions. It also gradually eased and eventually lifted the requirement that residents repatriate to Iceland foreign currency acquired abroad. With regard to domestic currency accounts, restrictions on convertibility of funds were removed and transfer of capital in domestic currency is no longer restricted, except for offshore króna-denominated assets subject to special restrictions. At the same time, Iceland increased the amount that may be withdrawn by individuals from offshore króna-denominated accounts under specified conditions.

Several other countries, including Argentina, Egypt, Fiji, Germany, Hungary, Latvia, Moldova, Nigeria, Philippines, Poland, Sri Lanka, Sweden, and Tunisia, also moved forward with liberalization of resident accounts. For example, Argentina allowed conversion of domestic currency funds deposited in Argentina to foreign currency without any limit. Egypt gradually eased regulations related to foreign currency cash deposits and withdrawals for certain categories of importers and eliminated limits on foreign currency transfers abroad by residents. Fiji allowed a family or business entity to invest abroad and open foreign currency accounts for investments up to a set yearly limit. Moldova liberalized certain rules related to residents opening accounts with financial institutions abroad. Nigeria eliminated the ban on depositing cash in foreign exchange accounts held domestically. Poland increased the limits for investment by pension funds in foreign currency-denominated assets, including deposits abroad. Sri Lanka allowed certain foreign currency account holders to use funds in such accounts for investments in Sri Lanka permitted in foreign currency, remittances outside Sri Lanka, withdrawal of foreign currency up to the set limit, and disbursements in domestic currency in Sri Lanka. In some EU countries, the easing measures related to resident accounts were induced by the implementation of the Solvency II EU Directive.

A few countries, including Burundi, Iceland, Moldova, Tajikistan, and Ukraine, tightened the norms for resident accounts. For example, in Burundi all foreign exchange accounts of state institutions and projects, as well as those in commercial banks of nongovernmental organizations receiving external support, were closed in order to channel transactions through the central bank. Iceland segregated offshore króna assets, restricting their use to specified transactions. Moldova prohibited budgetary authorities/institutions from opening bank accounts for transactions through such accounts. Ukraine temporarily prohibited resident individuals from making cash transfers on accounts abroad based on the central bank's individual licenses, unless the license had been issued before September 15, 2016.

Nonresident accounts

Of the 64 measures on nonresident accounts reported by 13 countries, 54 were easing, 4 tightening, and 6 neutral. Belgium, Fiji, Germany, Greece, Iceland, Sri Lanka, Ukraine, and the United States were some of the countries that liberalized regulations on nonresident accounts. Forty-four easing measures were implemented only by Greece, Iceland, and Ukraine.

Greece implemented 16 easing measures related to nonresident domestic currency accounts, including, among others, broadening the range of transactions for which nonresidents may open new bank accounts in domestic currency and elimination of the ban on early termination of time and other deposits. In addition, as mentioned earlier, the weekly deposit withdrawal limit was changed to biweekly, with no limit on cash withdrawals of amounts deposited after July 26, 2016; the amount of cash that may be withdrawn from amounts transferred from abroad after that date and the weekly limits for the banking system with respect to transfers abroad were raised. The limits previously imposed on bank customers' transfers, including abroad, that are subject to various conditions or documentation requirements were also relaxed.

Improved foreign exchange market conditions facilitated the liberalization measures (11) in Ukraine. The country relaxed the ban on purchases and transfers of foreign currency to repatriate foreign investors' dividends abroad. The requirement for legal entities to use available balances from their foreign exchange accounts before purchasing foreign exchange from authorized dealers was gradually eased and finally eliminated. The country also progressively increased the limit on cash withdrawals from foreign currency accounts and raised and finally removed the limit on domestic currency cash withdrawals from accounts in Ukraine. In addition, Ukraine removed the limits on individuals' non-trade-related current international foreign currency transfers.

Iceland implemented 17 easing measures on nonresident account transactions. Liberalization related to nonresident foreign currency accounts comprised removal of limits for living expenses abroad; allowing transfers within the set limits for gifts and grants, real estate purchases abroad (subject to prior confirmation by the central bank), and related confirmation fees for such purchases; and permitting nonresidents to transfer funds for prepayment and retirement of loans and investments in various financial instruments and claims in foreign currency, up to a limit, which was progressively increased. Finally, restrictions on cross-border transfers through nonresidents' foreign currency accounts were lifted. With regard to nonresidents' domestic currency accounts, transfers for gifts and grants to residents were allowed within the set limit; restrictions on convertibility of funds were eliminated, and transfers of capital in domestic currency are no longer restricted, except for offshore króna-denominated assets subject to special restrictions. At the same time, Iceland relaxed certain transactions with such offshore króna-denominated assets, including increasing the amount individuals may withdraw from offshore króna-denominated accounts if specified conditions are met.

Among the other countries that followed the liberalization trend, Belgium, Germany, and the United States removed security restrictions on nonresident accounts with respect to the Islamic Republic of Iran, Liberia, Sudan, and Zimbabwe. Fiji raised the monthly amount that authorized dealers were allowed to deposit in nonresident domestic currency accounts as reimbursement of expenses, living allowances, fees, and bonds. Sri Lanka allowed certain foreign currency account holders to use funds in such accounts for investments in Sri Lanka permitted in foreign currency, for remittances outside Sri Lanka, for withdrawal of foreign currency up to the set limit, and for disbursements in domestic currency in Sri Lanka. Nonresident foreign currency holders in Sri Lanka also became eligible for electronic funds transfer cards, and visa fees were allowed to be remitted through diplomatic domestic currency accounts of foreign embassies.

Tightening measures on nonresident accounts were implemented by three countries (Iceland, Tajikistan, United States). For example, Iceland segregated offshore króna assets and restricted their use to specified transactions. The United States blocked the property of the government of the Democratic People's Republic of Korea and the Workers' Party of Korea, and prohibited certain transactions with respect to the Democratic People's Republic of Korea.

Capital Controls

The overall trend toward the liberalization of capital transactions continued amid lackluster global growth, with advanced economies continuing to grow more slowly than emerging market economies. There was a moderate slowdown in global growth in 2016 compared with 2015 as growth in both advanced and emerging market and developing economies slowed. Performance in the second half of 2016 was somewhat better than in the first half, especially in advanced economies, but performance across emerging market and developing economies was mixed during the same period. Growth in China was boosted by policy support, but activity in fuel and commodity exporters remained weak in general and was held back in some by geopolitical tension. Capital flows to emerging markets in early 2016 continued to decline from the second half of 2015, before recovering in the middle of 2016, in part on the expectation that advanced economies would maintain accommodative monetary policy for somewhat longer, the firming of commodity prices, and stabilization in key emerging markets. However, following the US elections there was an uptick in capital outflows, particularly in portfolio flows, which since reversed in 2017. These economies have responded differently to volatile capital flows depending on their circumstances. Responses have included greater

exchange rate flexibility where feasible, policies to stimulate the economy, easing monetary policy when the authorities could do so because of lower inflation as a result of lower oil prices, and allowing official reserves to fall when faced with outflows.

As mentioned earlier, because of the revised approach in presenting the changes, the total number of measures taken by IMF members cannot be directly compared with those in the previous period. Nevertheless, the trend of easing measures predominating for both inflows and outflows continued. From January 2016 through August 2017, IMF members reported a total of 500 measures.²¹ Of the total, 402 measures (about 80 percent) were directed toward easing capital flows, 57 (about 11 percent) were tightening measures, and 41 (8 percent) are considered neutral. For the previous reporting period the numbers were similar: easing 79 percent, tightening 13 percent, and neutral 9 percent.

The measures included in this section are also considered to be capital flow management measures (CFMs) as defined by the IMF's institutional view on the liberalization and management of capital flows.²² In addition to capital controls included in this section, prudential-type measures discussed in the next section may also be CFMs if they were designed to limit capital flows. However, the AREAER does not use this terminology because classifying a measure as a CFM requires substantial background information and considerable judgment, which is beyond the scope of the analysis conducted in compiling the AREAER database.

Repatriation and surrender requirements

A few countries adjusted repatriation and surrender requirements with respect to capital transactions. The bulk of the measures involved easing outflows. Ukraine gradually lowered the surrender requirement from 75 percent to 50 percent for capital transactions and made some exceptions to strict repatriation and surrender requirements imposed earlier, under a challenging geopolitical and balance of payments situation that led to a volatile foreign exchange market. For instance, nonresidents' transfers related to participation in state property privatization auction and public procurement tender participation were exempt from the general surrender requirement. In addition, transfers related to grants from international financial institutions and to projects between Ukraine and the European Union were also exempt from the surrender requirement. Korea ended repatriation requirements related to capital transactions by removing a remaining repatriation requirement for sums over a specified limit. Sri Lanka permitted the use of funds in foreign exchange earners' accounts for investment abroad. Iceland relaxed repatriation requirements for a number of transactions (for example, related to real estate abroad) and then abolished all requirements. Argentina took several steps to ease outflows as it liberalized its exchange rate and foreign exchange regime. In particular, it eliminated the requirement to

²¹ The total number of measures includes a relatively large number of changes reported by Argentina, Iceland, and Ukraine. Iceland and Ukraine initially imposed wide-ranging restrictions to deal with an economic crisis. These restrictions constrained capital transactions across many categories. With the economy gaining strength, Iceland removed almost all restrictions on cross-border transactions, except those affecting offshore króna accounts. A similar situation was reported by Ukraine, where the authorities have gradually eased broad controls as conditions improved—by broadening exceptions, increasing limits, and easing administrative procedures. Argentina, after several years of restrictive practices, liberalized its foreign exchange market starting in December 2015, which has affected transactions across many categories, resulting in the reporting of a high number of easing measures. The AREAER records the imposition of these restrictions and their step-by-step removal across many categories of transactions, thereby showing a large number of measures taken by these countries.

²² CFMs encompass a broad spectrum of measures. For the purposes of the IMF's institutional view, the term “capital flow management measures” refers to measures designed to limit capital flows. CFMs comprise residency-based CFMs, which encompass a variety of measures (including taxes and regulations) affecting cross-border financial activity that discriminate on the basis of residency—also generally referred to as capital controls—and other CFMs, which do not discriminate on the basis of residency but are nonetheless designed to limit capital flows. These other CFMs typically include measures, such as some prudential measures, that differentiate transactions on the basis of currency, as well as other measures that typically apply to the nonfinancial sector. The concept of capital controls in the AREAER is quite similar to that of the CFM: it encompasses regulations that limit capital flows and includes various measures that regulate the conclusion or execution of transactions and transfers and the holding of assets at home by nonresidents and abroad by residents. See International Monetary Fund, “The Liberalization and Management of Capital Flows: An Institutional View,” Washington, DC, 2012.

repatriate new foreign financial borrowing and sell the funds in the domestic foreign exchange market and eliminated the required holding period (previously foreign borrowing could not be repaid before 120 days). Facing balance of payments pressure, The Gambia introduced a compulsory surrender requirement for commercial banks, which it later rescinded.

Controls on capital and money market instruments

A total of 235 measures to adjust controls on capital and money market instruments were taken during the reporting period. The new approach in presenting changes mentioned earlier is likely to affect this section the most. For instance, the total number of measures in the previous reporting period was 120, compared with 235 in the current reporting period. Measures to ease (193) as opposed to tighten (22) controls on capital and money market instruments were aimed at easing outflows more than inflows, as during the previous period. This, in part, reflects the trend toward liberalization of emerging markets' domestic financial and corporate sectors as both individuals and institutions were allowed to invest overseas under more liberalized conditions despite reduced net capital inflows to, and large outflows from, nonresidents' portfolio investments in emerging market economies.

The largest number of measures eased conditions for outflows (131), dominated by Argentina, which, in the context of large-scale macroeconomic adjustment, introduced sweeping reforms resulting in a flexible exchange rate regime accompanied by a host of measures to ease access to the foreign exchange market. Iceland and Ukraine had the next-largest number of measures that eased conditions for outflows. Argentina made it easier for nonresidents to access the local foreign exchange market and repatriate their income from investments or proceeds from the sale of their investments and eliminated the monthly limit on transfers abroad. The minimum holding period of nonresidents' portfolio investments was reduced to zero from 120 days. The monthly limit on residents' (individual and legal entities) access to the local foreign exchange market for portfolio investments abroad was gradually increased and then removed. Against a backdrop of strong economic performance, Iceland removed almost all capital controls imposed to deal with its banking crisis in 2008. It gradually lifted the permissible ceiling on residents' portfolio investments abroad before eliminating it. In addition, nonresidents were permitted to issue instruments in local currency, and krónur proceeds of cross-currency settlement of sales or issuances of securities no longer have to be deposited in a króna-denominated account. However, some króna-denominated assets remain subject to special restrictions. Ukraine took steps to ease some of the restrictions imposed previously to counter capital flight as macroeconomic stabilization took hold and economic conditions became more favorable. It relaxed the ban on dividend repatriation by permitting transfers related to dividends earned during 2014–16. It also permitted foreign investors to repatriate proceeds from, for example, sales of securities or corporate rights under certain conditions. In addition, the limit for transferring foreign currency abroad by resident legal entities based on an individual license was increased and changed to an annual from a monthly limit. Belarus put in place detailed procedures that would permit nonresidents to issue securities in the domestic market. China eased conditions for qualified foreign institutional investors to remit invested principal by reducing the holding (lockup) period from one year to three months (for shares and collective investment schemes). The principal may, however, be remitted in stages and batches. Investors, excluding those in open-end funds, could now transfer realized profits after obtaining clearance from a certified public accountant and the necessary tax certificate instead of approval from the government. China also took steps to ease both inflow and outflow of capital in part to further internationalize the use of the renminbi. For example, residents—initially in the four free trade zones and later in the rest of the country—were permitted, without approval but subject to the limit determined by their capital or net assets, to engage in domestic and foreign currency cross-border financing. China also eliminated the overall limit but retained the daily limit for the Shanghai-Hong Kong SAR and Shenzhen-Hong Kong SAR Stock Connect, which permits mainland investors to invest in Hong Kong SAR stock markets and vice versa. Continuing the liberalization of capital transactions, Fiji increased the limit on individuals' investment overseas and the associated limit on foreign currency accounts at commercial banks to facilitate such investment. Greece increased the amount depositors may transfer abroad each month without documentation, and Jamaica relaxed the limit on domestic institutional investors' investment in foreign assets. Moldova took several steps to ease outflows in line with its obligations under the Association Agreement with the European Union. For example, it permitted regulated entities, including banks and other residents, to purchase

foreign financial instruments up to a limit without approval from the central bank. The Philippines allowed residents to purchase foreign exchange from local foreign exchange dealers without central bank approval for investment in foreign currency-denominated instruments issued onshore by nonresidents up to an annual limit. Saudi Arabia permitted joint-stock companies whose majority ownership resides in a member state of the Gulf Cooperation Council to list on the NOMU parallel market. Sri Lanka permitted the use of funds in several types of foreign currency accounts for investment abroad. Tonga delegated authorization of outward transfers up to a limit to authorized dealers; central bank approval is required above the limit. To facilitate payments such as dividends and the local issuance of dong-denominated securities by nonresidents, Vietnam permitted accounts denominated in dong for nonresident organizations. Several countries eased limits on insurance companies' foreign asset holdings with the adoption of the Solvency II Directive (Austria, Belgium, Hungary, Lithuania, Poland, Sweden).

Only a handful of countries tightened measures on outflows. The majority of these were undertaken by Bolivia, which lowered the limits on certain types of transactions banks could undertake abroad and reduced the share of foreign assets that a closed-end investment fund could hold. Lebanon barred financial institutions from conducting any transactions involving bearer shares. Saudi Arabia tightened listing rules for nonresident issuers. Tajikistan tightened documentation requirements and began to enforce reporting requirements on residents' portfolio investment abroad.

Measures to ease inflows (47) included increased access to domestic securities markets, easing conditions for foreign borrowing, and greater equity participation by foreigners. Angola permitted nonresidents to purchase securities with maturity longer than one year. Argentina continued to liberalize its foreign exchange market that was initiated in late 2015 as part of a general shift to a more market-based economy. For instance, it eased conditions for foreign borrowing and nonresident investments by eliminating the holding period and allowed access to the domestic foreign exchange market for servicing new debt under certain conditions. China eased nonresidents' access to interbank market transactions (such as bond cashing, repos, loans, and forwards; interest rate swaps; and forward rate agreements). It permitted foreign financial institutions (commercial banks, insurance companies, securities companies, fund management and other asset management companies, pension funds, charitable funds, endowment funds, and other medium- and long-term institutional investors approved by the People's Bank of China) and foreign central banks or monetary authorities, international financial organizations, and sovereign wealth funds to participate in the Chinese interbank market. As a first step, Iceland raised the limit on nonresidents' portfolio investment in foreign-currency-denominated assets that could be carried out with only a notification requirement and later removed all limits on portfolio investments except on transactions related to offshore króna assets. Saudi Arabia, in part to deepen its capital markets, relaxed some restrictions on qualified foreign financial institutions, such as decreasing the required minimum limit on assets managed by the financial institution, and expanded the categories of investors. Vietnam allowed residents to open accounts in foreign currency at local credit institutions to facilitate issuance of securities abroad. Zimbabwe increased the limit on foreign portfolio investment for securities listed on the local stock exchange for individuals and companies. Jordan eased ownership limitations for non-Jordanians in certain sectors and removed the minimum investment requirement. However, at the same time it reduced the maximum participation limit in certain sectors in order to retain domestic control. The only other country to tighten controls on inflows was Iceland, where a reserve requirement was imposed on certain debt inflows with the reserve amount subject to a holding period of 12 months to fend off carry trade.

Controls on derivatives and other instruments

Most of the measures were toward easing, and only three countries tightened regulations. The overall trend was in the same direction as in the previous reporting period, with easing measures dominating. However, the percentage of easing measures dropped to about 72 percent compared with about 80 percent.

Overall, Iceland took the most measures in this area, both tightening and easing. It restricted the use of offshore króna assets for derivative contracts while allowing derivative transactions for the purpose of hedging against foreign exchange risk to be conducted by resident financial institutions. Greece permitted depositors to transfer limited amounts abroad without documentation. Hong Kong SAR increased the excess position limits above which participants trading in Hang Seng Index and Hang Seng China

Enterprises Index futures and options contracts could exceed the statutory limits. Jamaica increased collective investment funds' allowable proportion of foreign assets. Korea raised the limits on banks' foreign exchange derivatives contracts for domestic banks and for foreign bank branches. Continuing with the gradual opening of its capital account, Moldova eased conditions for banks trading in derivatives and permitted other regulated entities to participate in derivative operations. It also allowed nonregulated entities to engage in derivative transactions up to a limit. South Africa allowed the Johannesburg Stock Exchange to list Zambian-referenced grain derivatives contracts in US dollars to nonresidents and qualifying South African and Common Monetary Area corporate entities for an additional two years. Tonga delegated authorization of outward transfers for financial derivatives up to a limit to authorized dealers; central bank approval is required for transactions above the limit. Ukraine allowed banks to conduct derivatives transactions whose core asset is a foreign currency or exchange rate on the stock exchange, which it had earlier prohibited as part of wide-ranging restrictions imposed following the balance of payments crisis in early 2015. In addition, Ukraine further eased the purchase and transfer of foreign currency abroad by resident legal entities based on an individual license for derivatives contracts by increasing the limit and converting it to an annual limit from a monthly limit. Insurance companies are no longer barred from derivatives markets following implementation of Solvency II in Austria, Belgium, Finland, Lithuania, Poland, and Sweden.

In addition to Iceland, mentioned above, Paraguay tightened the limit on banks' and financial companies' net forward positions vis-à-vis nonresidents based on their net worth in the preceding month, and Tajikistan tightened the documentation requirement on residents' transactions involving derivative securities.

Controls on credit operations

Controls on cross-border lending were mostly eased, a pattern similar to that during the previous reporting period. However, about 63 percent of measures were aimed at relaxing conditions during this reporting period compared with about 82 percent in the previous period.

Argentina and Iceland accounted for roughly a third of all outflow easing measures. Argentina first increased then eliminated the limit on the amount of foreign currency residents can purchase to transfer abroad without central bank approval. The holding period for credit from residents to nonresidents was eliminated (previously funds could be transferred abroad only after a minimum holding period). Bangladesh removed the approval requirement for guarantees in foreign currency to service providers in Saudi Arabia related to pilgrimages. Fiji increased banks' loan repayment limit. Iceland removed all limits on lending in domestic currency to nonresidents, allowed loans in domestic and foreign currency to be repaid in either currency, and permitted cross-border issuance of guarantees. The Kyrgyz Republic government decided to provide guarantees for external lending in certain cases. Moldova removed the approval requirement for financial leasing, credits granted by banks, and guarantees and loans below a certain limit. Tajikistan tightened documentation requirements for both obtaining and granting credits. Ukraine increased the permitted maturity of commercial credits. With the adoption of Solvency II, most insurance companies from Austria, Belgium, Finland, Hungary, Poland, Slovenia, and Sweden could extend credit abroad.

Argentina and Iceland also accounted for the bulk of inflow easing measures. Argentina eased inflows by relaxing the conditions for prepayment of debt contracted before December 17, 2015, but kept the condition that such prepayment must rely on new foreign borrowing. In addition, for repayment and servicing of loans contracted on or after that date, access to the local foreign exchange market was eased. Argentina also eliminated the holding period on credit to residents from nonresidents. China allowed resident financial institutions to engage in foreign currency cross-border financing and to encourage further internationalization of the renminbi also in domestic currency, within specified limits without approval (first in a pilot set of institutions registered in the four free trade zones and then nationwide). Iceland gradually eased and then abolished limitations on prepayment and retirement of loans in foreign currency and permitted borrowing from nonresidents. Sri Lanka introduced a new external commercial borrowing scheme that allowed nonfinancial firms to borrow from abroad without any specified limit, based on their financial position and ability to repay. Zimbabwe increased the amount residents may borrow from abroad without approval.

The small number of tightening measures were mostly balanced between outflows and inflows. Barbados requires prior approval for all transfers related to loans and credits. Iceland tightened conditions on lending in foreign currency to nonresidents to prevent the funds being invested directly or indirectly in domestic-currency-denominated assets and/or deposits. Lebanon prohibited banks from lending to credit counters and, in turn, credit counters' loans to individual borrowers or groups were capped. To mitigate risks arising from firms' external debt exposure, Indonesia tightened conditions permitting corporate borrowing from abroad and increased the portion that must be hedged through domestic banks.

Controls on direct investment

The liberalization trend continued, with about 80 percent of the 30 measures directed at easing conditions, similar to about 81 percent during the previous reporting period. The numbers of easing inflow and outflow measures were almost equal.

Inflow easing measures included those that raised automatic threshold levels, broadened the permissible sectors, and increased the level of equity participation in certain sectors. Australia introduced an annual indexing system for the thresholds, Canada increased the limit above which investors are subject to screening for investors from World Trade Organization members, and New Zealand raised the threshold for automatically permitted Australian private and government investments. Iceland eased restrictions on inward direct investment. Jordan removed the minimum capital requirement and opened certain sectors to foreign direct investment. The Philippines relaxed the conditions for registration of foreign direct investment.

About a third of outflow easing measures are attributed to Argentina. For instance, it allowed resident individuals, private sector legal entities established in Argentina who are not authorized dealers, trusts and other estates established in Argentina, and local governments to buy foreign exchange for direct investment abroad without prior approval of the central bank, up to a limit, which was later abolished. Fiji increased the limit residents may invest abroad. Iceland removed all restrictions on outward direct investment. India allowed resident individuals to set up and acquire joint ventures and wholly owned subsidiaries abroad within the limit of the liberalized remittance scheme, subject to conditions, including that the investment may be only in equity of the joint venture or subsidiary and that no multilayered structure is incorporated or acquired. Sri Lanka permitted funds in various resident and nonresident foreign currency accounts to be used for outward direct investment. Tonga permitted outward transfers for direct investment below a certain limit above which approval is required. Ukraine increased the annual limit on foreign exchange resident legal entities may purchase to transfer for outward investment based on an individual license.

Only a handful of countries took measures to tighten flows. Barbados required approval for overseas investments. Russia imposed limits on banks' subsidiaries abroad. Tajikistan tightened the documentation requirement for outward direct investment. Jordan reduced the share of non-Jordanian investment in certain sectors to ensure domestic control.

Conditions for the repatriation abroad of income and capital from foreign direct investment were eased in a handful of countries. Nonresident investors in Argentina do not need approval for access to the domestic foreign exchange market to repatriate their direct investment, regardless of whether the funds have been brought into the country, unless the recipient country is considered uncooperative in fiscal matters. It also removed the limit on the amount of nonresidents' purchases of foreign currency banknotes from the local foreign exchange market that could be credited to a local account—for example, for the repatriation of invested capital. Iceland liberalized the transfer of proceeds from investment except for transactions related to offshore króna accounts. Ukraine eased the ban on transfers of dividends by permitting transfers for dividends accrued during 2014–16. Under certain conditions it permitted the purchase or transfer of foreign exchange for the purpose of returning abroad funds obtained by foreign investors from transactions entailing the sale of securities, corporate rights, funds obtained as a result of reduction of the authorized capital of legal entities, and foreign investors' withdrawal from companies.

Controls on real estate transactions

Measures to ease restrictions dominated, accounting for about 84 percent of the total (about 91 percent in the previous period), with the majority leaning toward outflow easing, similar to the previous reporting period.

Slightly over half of the outflow easing measures are accounted for by Argentina and the countries that adopted the Solvency II supervisory regime for insurance companies. Argentina eased restrictions on the purchase and transfer of foreign exchange, including for investment in real estate abroad. It first increased then abolished the limit on the amount of foreign currency residents could purchase to transfer abroad without central bank approval. For most insurance companies in Austria, Finland, Hungary, Lithuania, Poland, Slovenia, and Sweden, restrictions were eased with regard to their investments, including in real estate, with the implementation of the Solvency II supervisory regime. Other countries also liberalized outflows. Iceland gradually eased restrictions on residents' purchases of foreign exchange for real estate abroad—initially it permitted one real estate purchase subject to confirmation by the central bank and eventually removed all restrictions for such transactions. It also permitted nonresidents to sell real estate locally as long as payment was done through a deposit account at a domestic financial institution. Sri Lanka liberalized the use of foreign exchange in various types of resident and nonresident foreign currency accounts to include investment in real estate abroad. Tonga delegated authorized dealers to transfer a limited amount of funds abroad from the sale of real estate by nonresidents. Ukraine increased the limit permitted for purchases and transfers of foreign currency by resident legal entities, including for real estate investment abroad based on an individual foreign currency license, and changed it to an annual from a monthly limit.

A few countries eased conditions for inflows. Australia put in place a system to annually adjust the threshold for automatic investment in real estate. Iceland further eased conditions for nonresident investment in real estate by allowing nonresidents to purchase real estate without restriction from an account held by the purchaser with a domestic financial institution. Turkey introduced a golden visa program to allow foreigners to acquire citizenship by purchasing real estate worth at least US\$1 million. Only one country tightened conditions on outflows and one on inflows affecting real estate transactions. Tajikistan tightened documentation requirements, including for outflows related to real estate. To slow capital inflows into the property sector, Hong Kong SAR introduced the New Residential Stamp Duty, which raised the ad valorem stamp duty for all residential property transactions to 15 percent (except for Hong Kong permanent residents acting on their own behalf who do not own any other residential property in Hong Kong SAR at the time of purchase).

Controls on personal transactions

Measures to ease capital flows overwhelmingly outnumbered those taken to tighten them. The share of easing measures was about 92 percent compared with 83 percent in the previous period. Over two-thirds of the measures were by Argentina, Iceland, and Ukraine in this category, with the most by Iceland. The bulk of the easing measures related to outflows. Argentina liberalized outflows by permitting residents to purchase foreign exchange for capital transfers, first up to a limit and then with no limit, without approval, including for transfers for immigrants' settlement of debts abroad. Argentina also eliminated the minimum holding period for such debts. Fiji increased the amount residents may transfer abroad. Greece increased the monthly limit depositors could transfer abroad without documentation. Iceland gradually eased controls on transfers abroad by increasing the limit and then eliminating it, including on transfers related to personal loans, gifts, settlement of debts by immigrants, and transfers abroad by emigrants. Lesotho allowed residents to make transfers to residents temporarily abroad, up to a limit. Moldova increased the limit on loans and gifts by residents to nonresidents. Tonga permitted authorized dealers to approve, up to a limit, loan payments abroad by immigrants and transfers by emigrants. It also allowed authorized dealers to make transfers up to a limit for gifts by residents to nonresidents. Ukraine eased restrictions on outflows by gradually increasing the daily foreign currency cash purchase limit for individuals. It removed the limit on non-trade-related current transfers and increased the limit for purchases and transfers of foreign currency, including for personal transfers abroad based on an individual foreign currency license. Argentina and Iceland also eased inflows: Argentina relaxed conditions on foreign borrowing by eliminating the minimum holding period. Along with the measures to ease outflows mentioned above, Iceland eased and then eliminated limits on inflows, including on loans and gifts from nonresidents. Only two countries took tightening measures affecting both inflows and outflows. Both tightened documentation requirements: Honduras for cash transactions and Tajikistan for residents' loans to and from nonresidents.

Provisions Specific to Commercial Banks and Institutional Investors

This section reviews developments in provisions specific to commercial banks and institutional investors, with a focus on prudential measures that are in the nature of capital controls. This category covers some monetary and prudential measures in addition to foreign exchange controls. It includes, among other categories of financial institution transactions, borrowing abroad, lending to nonresidents, purchases of locally issued securities denominated in foreign exchange, and regulations pertaining to banks' and institutional investors' investments. These provisions may be similar or identical to the measures described in the respective categories of controls on accounts, capital and money market instruments, credit operations, and direct investment if the same regulations apply to commercial banks and institutional investors as to other residents. In such cases, the measure also appears in the relevant category in the sections capital controls and resident and nonresident accounts.

Reported measures in the financial sector indicate member countries' efforts to bolster the regulatory framework of commercial banks, other credit institutions, and institutional investors. The number of reported measures (308) introduced from January 2016 to August 2017 decreased by 9 percent compared with the previous reporting period. This reflects a marked decline in measures related to commercial banks (close to 23 percent), while the measures related to institutional investors increased significantly (about 34 percent). It may indicate that the implementation of the post-crisis global financial sector reform agenda has come a long way, in particular in the banking sector.

As in the previous reporting period, the majority of the reported measures were prudential measures (193). However, their share declined from about 74 percent to about 63 percent between the two reporting periods.²³ There were 119 reported changes in capital controls compared with 80 in the previous reporting period. Most of the capital controls affect institutional investors (63 percent), a somewhat higher share than in the previous reporting period.

Changes in capital controls overwhelmingly eased regulatory constraints (of the 119 measures, 96 are easing), as in the previous reporting period. Most of the reported changes in capital controls eased outflows (64), 21 measures were aimed at both inflows and outflows, and only 11 measures eased inflows. Of the 19 tightening measures, 12 tightened outflows, 5 tightened inflows, and 2 were aimed at tightening both types of flows.

As in the previous reporting period, prudential measures were more balanced than capital controls with regard to their easing or tightening effects; 80 had a tightening effect, 63 had an easing effect, and 46 were neutral. A summary of the changes in this category is presented in Table 9.

Table 9. Provisions Specific to the Financial Sector, January 1, 2016–August 31, 2017

	Provisions Specific to Commercial Banks and Other Credit Institutions				Provisions Specific to Institutional Investors				Total
	Easing	Tightening	Neutral	Total	Easing	Tightening	Neutral	Total	
Capital Controls	32	12	0	44	64	7	4	75	119
Prudential Measures	52	74	23	149	11	6	23	40	189
Total	84	86	23	193	75	13	27	115	308

Source: AREAER database

²³ Comparison with the previous reporting period should be interpreted with some caution. As mentioned earlier, the number of changes in the current reporting period may not always be directly comparable to the previous reporting period because of the update in recording changes in the database under each subcategory rather than in the main category. However, this update is likely to have only a small, if any, impact on the tabulation of changes for the subsection "Commercial banks and other credit institutions" and may have a small effect on the comparison for the subsection "Institutional investors."

Commercial banks and other credit institutions

Measures easing capital controls are divided evenly into measures easing capital inflows (11) and outflows (11), while 10 measures eased both types of flows.

- *Controls on capital inflows*—Some of these measures eased conditions for external borrowing while others reduced reserve requirements on deposits of nonresidents. For example, India allowed banks to issue rupee-denominated bonds overseas in the form of perpetual debt instruments for specific purposes. Vietnam replaced the need for approval with a registration requirement for banks' medium- to long-term external borrowing. Zimbabwe and Nigeria eased quantitative constraints on banks' external borrowing, while Azerbaijan reduced the reserve requirement on deposits of nonresidents and international financial institutions to zero.
- *Controls on capital outflows*—Iceland removed restrictions on banks' foreign investments in foreign financial instruments in three steps. Ukraine eased restrictions on banks' operations, including the further relaxation on opening correspondent accounts abroad and easing restrictions on their daily foreign exchange purchases. Argentina eased restrictions on prepayment of foreign debt, and Moldova removed the need for approval on local banks' lending to nonresidents.

As in the previous reporting period, relatively few (12) measures tightened capital controls. Similar to the case of easing measures, tightening measures are equally aimed at outflows (5) and inflows (5), with two measures tightening both types of flows. Oman tightened restrictions on banks' overall exposures to nonresidents. Uruguay raised reserve requirements on foreign currency liabilities to nonresidents on two occasions. Paraguay tightened the limit on banks' and financial companies' net forward positions vis-à-vis nonresidents based on their net worth in the preceding month.

The 149 reported prudential measures indicate continued strengthening of the prudential framework of banks' operations to advance the global financial sector reform agenda. There were more tightening (74) than easing measures (52). As in the previous reporting period, there were a number of neutral measures (23).

Some of the measures that eased banks' prudential frameworks are as follows:

- Several measures affected reserve requirements, which remain important tools used to achieve monetary policy and financial stability objectives and in some cases respond to capital flow volatility. Reserve requirements were reduced in Belarus (domestic currency liabilities only), Benin, Burkina Faso, Côte d'Ivoire, Malaysia, Mali, Niger, Peru, Romania (foreign currency liabilities only), Senegal, Serbia, Togo, and Turkey.
- Iceland removed restrictions on purchases of locally issued securities denominated in foreign currency, except using funds falling under the scope of króna-denominated assets subject to special restrictions. Moldova eased restrictions on foreign banks' rights to establish branches within the country.
- Argentina, Bangladesh, and Bolivia raised limits on banks' net open foreign exchange positions, and Korea increased the limit on banks' foreign exchange derivative positions.

Seventy-four measures tightened prudential frameworks. The measures aimed to bolster banks' resilience to liquidity, exchange rate, and other shocks and adapted domestic regulations to international standards.

- Several countries introduced or continued phasing in liquidity coverage ratio—for example, Korea, Philippines, Russia, Serbia, Singapore, Turkey, and Uruguay. This ratio is part of the Basel III regulatory framework for banks and aims to address banks' vulnerability to liquidity risk.
- A number of countries introduced or tightened measures to address foreign-exchange-related risks. Kazakhstan and Poland banned mortgage lending in foreign exchange to unhedged borrowers to address foreign exchange-related credit risk. The Kyrgyz Republic increased loan loss provisioning requirements on loans to borrowers who are at least partly unhedged, while Latvia raised capital requirements on banks with extensive foreign exchange lending to unhedged borrowers. Korea, Russia, Turkey, and Uruguay introduced the liquidity coverage ratio for significant foreign exchange currencies to address foreign exchange liquidity risks, while Hungary moved up the phase-in of a foreign exchange funding adequacy ratio and complemented it with the introduction of a foreign exchange coverage ratio.

- Argentina, the Democratic Republic of the Congo, and Uruguay raised reserve requirements on banks' domestic and foreign currency liabilities, while Belarus introduced differentiated reserve requirements on domestic and foreign currency liabilities to reduce dollarization, which entailed an increase in the reserve requirement rate on foreign currency funding. Russia raised reserve requirements on banks' foreign exchange liabilities, except those held by individuals. China extended the reserve requirement applicable on domestic banks to yuan deposits held in mainland by offshore banks.
- Bolivia tightened banks' right to invest abroad, while Russia tightened restrictions on banks' right to have subsidiaries abroad.

Neutral measures were mostly related to the implementation of a new regulatory frameworks on banks' operations and to changes in the institutional framework of bank supervision. Afghanistan and Serbia amended the classification of bank balance sheet assets and liabilities. Moldova required banks to report on compliance with the third principle of the liquidity regulation, establishing liquidity requirements for different debt maturity bands.

Institutional investors

The number of measures related to institutional investors (115) continued to increase since the previous reporting period (by 29). This reflects a marked increase in changes affecting capital controls (75 compared with 43 in the previous period), while the number of changes in prudential measures (40) declined somewhat (43). The changes easing conditions on the operations of institutional investors (75) during January 2016 to August 2017 significantly exceeded those tightening constraints (13). This was also the case in the previous reporting period and, as was the case then, this mainly reflects the relatively large number of measures easing capital flows, particularly outflows.

With respect to capital controls, 64 of the 75 reported changes relaxed constraints, with 18 measures being part of liberalization of capital flows in Iceland. Of the 64 easing measures, 11 measures relaxed controls on both inflows and outflows, and an overwhelming majority (53 out of the 64) eased constraints on capital outflows. Jamaica eased restrictions on collective investment funds' investments in foreign assets, and Moldova eliminated the approval requirement for insurance companies' investments in financial instruments abroad. Iceland removed restrictions on investment in securities issued by nonresidents, except with the use of funds that fall under the scope of króna-denominated assets subject to special restrictions. Peru eased restrictions on private pension funds' investments in foreign securities. As in the previous reporting period, a large number of easing measures on capital outflows reflects the implementation of the Solvency II Directive for insurance entities in the European Union, including Austria, Belgium, Croatia, Czech Republic, Estonia, Hungary, Poland, and Romania.

The seven measures that tightened capital controls on the operations of institutional investors all affected outflows. Brazil restricted insurers' investment in securities issued by nonresidents to fixed-term deposits and certificates of deposit issued or unconditionally guaranteed by financial institutions and Brazilian depository receipts. Brazilian private equity funds' investments abroad are also restricted to 20 percent of their net worth, except if the funds target professional investors. Bolivia tightened restrictions on closed-end investment funds' investment abroad. Turkey required pension funds with at least 80 percent of their portfolio investments in foreign money and capital market instruments to include the term "foreign" in their name and set a 50 percent cap on the share of foreign assets in pension funds' investments without using the term in their name.

Eleven measures eased the prudential framework for operations by institutional investors. Some measures allowed for more flexibility in institutional investors' portfolio management (Belarus, Lithuania, Malta, Moldova, Poland, Romania, and South Africa). For example, Indonesia eased restrictions on insurance companies' investments in bonds of a single issuer, and India increased the limit on open pension funds' investments in foreign currency-denominated assets. Moldova eliminated the need for an approval by the National Bank of Moldova for insurance companies' purchases of foreign financial instruments. Poland raised the limit on open pension funds' investments in foreign currency-denominated assets.

Six measures tightened the prudential rules for institutional investors' operations to safeguard financial stability. Indonesia tightened restrictions on insurance companies' investment abroad in mutual funds, and Latvia introduced capital requirements on investment firms that extend foreign currency loans to unhedged retail

borrowers if such loans exceed 10 percent of their loan portfolio. Italy tightened restriction on Italian credit funds, which have been permitted to originate loans since 2015, banning them to lend to retail consumers and subjecting their lending activity to rules on transparency. Italy also limited EU Alternative Investment Funds (AIF) to a maximum of 10% of total loans lent to each name; the same as Italian AIF.

A majority of the reported prudential measures specific to institutional investors were recorded as neutral (23 out of 40). These changes mainly reflect institutional or procedural changes and cannot be linked directly to easing or tightening constraints on institutional investors' operations. For example, Moldova adjusted the thresholds for notification to the National Commission for Financial Markets if there is an increase or decrease in an insurance company's capital as a result of acquisition. The Czech Republic eliminated the second pillar retirement plan, which existed only for a short time. Greece introduced Solvency II into law, which allows for more freedom to invest abroad, but it has not been realized due to existing capital controls which restrict the operations of insurance companies.

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Status under IMF Articles of Agreement

Article VIII	The member country has accepted the obligations of Article VIII, Sections 2, 3, and 4 of the IMF's Articles of Agreement.
Article XIV	The member country continues to avail itself of the transitional arrangements of Article XIV, Section 2.

Exchange Measures

Restrictions and/or multiple currency practices	Exchange restrictions and multiple currency practices (MCPs) maintained by a member country under Article VIII, Sections 2, 3, and 4, or under Article XIV, Section 2, of the IMF's Articles of Agreement, as specified in the latest IMF staff reports issued as of December 31, 2016. Information on exchange restrictions and MCPs or on the nonexistence of exchange restrictions and MCPs for countries with unpublished IMF staff reports are published only with the consent of the authorities. If no consent has been received, the AREAER indicates that "Information is not publicly available." Hence, "Information is not publicly available" does not necessarily imply that the country maintains exchange restrictions or MCPs. It indicates only that the country's relevant IMF staff report has not been published and that the authorities have not consented to the publication of the information on the existence of exchange restrictions and MCPs. Because the relevant IMF staff report may refer to years before the reporting period for this volume of the AREAER; therefore, more recent changes in the exchange system may not be included here. Changes in the category "Restrictions and/or multiple currency practices" are reflected in the edition of the AREAER that covers the calendar year during which the IMF staff report including information on such changes is issued. Changes in these measures which give rise to exchange restrictions or MCPs and that affect other categories of the country tables are reported under the relevant categories in the AREAER, in accordance with the normal reporting periods.
Exchange measures imposed for security reasons	Exchange measures on payments and transfers in connection with international transactions imposed by member countries for reasons of national or international security.
In accordance with IMF Executive Board Decision No. 144-(52/51)	Security restrictions on current international payments and transfers on the basis of IMF Executive Board Decision No. 144-(52/51), which establishes the obligation of members to notify the IMF before imposing such restrictions, or, if circumstances preclude advance notification, as promptly as possible.
Other security restrictions	Other restrictions imposed for security reasons (e.g., in accordance with UN or EU regulations) but not reported to the IMF under Board Decision 144-(52/51).
References to legal instruments and hyperlinks	Specific references to the underlying legal materials and hyperlinks to the legal texts. This information is reported in a separate column at category level.

Exchange Arrangement

Currency	The official legal tender of the country.
Other legal tender	The existence of another currency that is officially allowed to be used in the country.
Exchange rate structure	If there is one exchange rate, the system is called unitary. If there is more than one exchange rate that may be used simultaneously for different purposes and/or by different entities, and if these exchange rates give rise to MCPs or differing rates for current and capital transactions, the system is called dual or multiple. Different effective exchange rates resulting from exchange taxes or subsidies, excessive exchange rate spreads between buying and selling rates, bilateral payments agreements, and broken cross rates are not included in this category. Changes in measures within this category are reported in

accordance with the normal reporting periods. Reclassification in cases related to changes in MCPs occurs in the edition of the AREAER, that covers the calendar year during which the IMF staff report that includes information on such changes is issued.

Classification

Describes and classifies the de jure and the de facto exchange rate arrangements.

De jure

The description and effective dates of the de jure exchange rate arrangements are provided by the authorities. By Article IV, Section 2(a) of the Fund's Articles of Agreement and Paragraph 16 of the 2007 Surveillance Decision No. 13919-(07/51), each member is required to notify the Fund of the exchange arrangements it intends to apply and to notify the Fund promptly of any changes in its exchange arrangements. Country authorities are also requested to identify, whenever possible, which of the existing categories of exchange rate arrangements below most closely corresponds to the de jure arrangement in effect. Country authorities may also wish to briefly describe their official exchange rate policy. The description includes officially announced or estimated parameters of the exchange arrangement (for example, parity, bands, weights, rate of crawl, and other indicators used to manage the exchange rate). It also provides information on the computation of the exchange rate.

De facto

IMF staff classifies the de facto exchange rate arrangements according to the categories below. The name and the definition of the categories describing the de facto exchange rate arrangements have been modified in accordance with the revised classification methodology, as of February 1, 2009. Where the description of the de jure arrangement can be empirically confirmed by the IMF staff over at least the previous six months, the exchange rate arrangement will be classified in the same way on a de facto basis.

Because the de facto methodology for classification of exchange rate regimes is based on a backward-looking approach that relies on past exchange rate movement and historical data, some countries are reclassified retroactively to a date when the behavior of the exchange rates changed and matched the criteria for reclassification to the appropriate category. For these countries, if the retroactive date of reclassification is prior to the period covered in this report, then the effective date of change to be entered in the country chapter and the changes section is deemed to be the first day of the year in which the decision of reclassification took place.

No separate legal tender

Classification as an *exchange rate arrangement with no separate legal tender* involves the confirmation of the country authorities' de jure exchange rate arrangement. The currency of another country circulates as the sole legal tender (formal dollarization).

Adopting such an arrangement implies the complete surrender by the monetary authorities of control over domestic monetary policy.

Exchange arrangements of countries that belong to a monetary or currency union in which the same legal tender is shared by the members of the union are classified under the arrangement governing the joint currency. This classification is based on the behavior of the common currency, whereas the previous classification was based on the lack of a separate legal tender. The classification thus reflects only a definitional change and is not based on a judgment that there has been a substantive change in the exchange arrangement or in other policies of the currency union or its members.

Currency board

Classification as a *currency board* involves the confirmation of the country authorities' de jure exchange rate arrangement. A currency board arrangement is a monetary arrangement based on an explicit legislative commitment to exchange domestic currency for a specified foreign currency at a fixed exchange rate, combined with restrictions on the issuing authority to ensure the fulfillment of its legal obligation. This implies that domestic currency is usually fully backed by foreign assets, eliminating traditional central bank functions such as monetary control and lender-of-last-resort and leaving

	<p>little scope for discretionary monetary policy. Some flexibility may still be afforded, depending on the strictness of the banking rules of the currency board arrangement.</p>
Conventional peg	<p>Classification as a <i>conventional peg</i> involves the confirmation of the country authorities' de jure exchange rate arrangement. For this category the country formally (de jure) pegs its currency at a fixed rate to another currency or basket of currencies, where the basket is formed, for example, from the currencies of major trading or financial partners and weights reflect the geographic distribution of trade, services, or capital flows. The anchor currency or basket weights are public or notified to the IMF. The country authorities stand ready to maintain the fixed parity through direct intervention (that is, via sale or purchase of foreign exchange in the market) or indirect intervention (for example, via exchange rate related use of interest rate policy, imposition of foreign exchange regulations, exercise of moral suasion that constrains foreign exchange activity, or intervention by other public institutions). There is no commitment to irrevocably keep the parity, but the formal arrangement must be confirmed empirically: the exchange rate may fluctuate within narrow margins of less than ± 1 percent around a central rate or the maximum and minimum value of the spot market exchange rate must remain within a narrow margin of 2 percent for at least six months.</p>
Stabilized arrangement	<p>Classification as a <i>stabilized arrangement</i> entails a spot market exchange rate that remains within a margin of 2 percent for six months or more (with the exception of a specified number of outliers or step adjustments) and is not floating. The required margin of stability can be met either with respect to a single currency or a basket of currencies, where the anchor currency or the basket is ascertained or confirmed using statistical techniques. Classification as a stabilized arrangement requires that the statistical criteria are met and that the exchange rate remains stable as a result of official action (including structural market rigidities). The classification does not imply a policy commitment on the part of the country authorities.</p>
Crawling peg	<p>Classification as a <i>crawling peg</i> involves the confirmation of the country authorities' de jure exchange rate arrangement. The currency is adjusted in small amounts at a fixed rate or in response to changes in selected quantitative indicators, such as past inflation differentials vis-à-vis major trading partners or differentials between the inflation target and expected inflation in major trading partners. The rate of crawl can be set to generate inflation-adjusted changes in the exchange rate (backward looking) or set at a predetermined fixed rate and/or below the projected inflation differentials (forward looking). The rules and parameters of the arrangement are public or notified to the IMF.</p>
Crawl-like arrangement	<p>For classification as a <i>crawl-like arrangement</i>, the exchange rate must remain within a narrow margin of 2 percent relative to a statistically identified trend for six months or more (with the exception of a specified number of outliers) and the exchange rate arrangement cannot be considered as floating. Normally, a minimum rate of change greater than allowed under a stabilized (peg-like) arrangement is required. However, an arrangement will be considered crawl-like with an annualized rate of change of at least 1 percent, provided that the exchange rate appreciates or depreciates in a sufficiently monotonic and continuous manner.</p>
Pegged exchange rate within horizontal bands	<p>Classification as a <i>pegged exchange rate within horizontal bands</i> involves the confirmation of the country authorities' de jure exchange rate arrangement. The value of the currency is maintained within certain margins of fluctuation of at least ± 1 percent around a fixed central rate, or the margin between the maximum and minimum value of the exchange rate exceeds 2 percent. It includes arrangements of countries in the ERM of the European Monetary System (EMS), which was replaced with the ERM II on January 1, 1999, for those countries with margins of fluctuation wider than ± 1 percent. The central rate and width of the band are public or notified to the IMF.</p>
Other managed arrangement	<p>This category is a residual and is used when the exchange rate arrangement does not meet the criteria for any of the other categories. Arrangements characterized by frequent shifts in policies may fall into this category.</p>

Floating	A <i>floating</i> exchange rate is largely market determined, without an ascertainable or predictable path for the rate. In particular, an exchange rate that satisfies the statistical criteria for a stabilized or a crawl-like arrangement will be classified as such unless it is clear that the stability of the exchange rate is not the result of official actions. Foreign exchange market intervention may be either direct or indirect, and such intervention serves to moderate the rate of change and prevent undue fluctuations in the exchange rate, but policies targeting a specific level of the exchange rate are incompatible with floating. Indicators for managing the rate are broadly judgmental (for example, balance of payments position, international reserves, parallel market developments). Floating arrangements may exhibit more or less exchange rate volatility, depending on the size of the shocks affecting the economy.
Free floating	A floating exchange rate can be classified as <i>free floating</i> if intervention occurs only exceptionally and aims to address disorderly market conditions and if the authorities have provided information or data confirming that intervention has been limited to at most three instances in the previous six months, each lasting no more than three business days. If the information or data required are not available to the IMF staff, the arrangement will be classified as floating. Detailed data on intervention or official foreign exchange transactions will not be requested routinely from member countries, but only when other information available to IMF staff is insufficient to resolve uncertainties about the appropriate classification.
Official exchange rate	Provides information on the computation of the exchange rate and the use of the official exchange rate (accounting, customs valuation purposes, foreign exchange transactions with the government).
Monetary policy framework	The category includes a brief description of the monetary policy framework in effect according to the following subcategories:
Exchange rate anchor	The monetary authority buys or sell foreign exchange to maintain the exchange rate at its predetermined level or within a range. The exchange rate thus serves as the nominal anchor or intermediate target of monetary policy. These frameworks are associated with exchange rate arrangements with no separate legal tender, currency board arrangements, pegs (or stabilized arrangements) with or without bands, crawling pegs (or crawl-like arrangements), and other managed arrangements.
<i>US dollar</i>	The US dollar is the nominal anchor or the only legal tender.
<i>Euro</i>	The euro is the nominal anchor or the only legal tender.
<i>Composite</i>	A currency composite consisting of two or more currencies is the nominal anchor.
<i>Other</i>	A currency other than the US dollar and the euro is the nominal anchor or the only legal tender.
Monetary aggregate target	The intermediate target of monetary policy is a monetary aggregate such as M0, M1, or M2, although the country may also set targets for inflation. The central bank may use a quantity (central bank reserves or base money) or price variable (policy rate) as operational target.
Inflation-targeting framework	This involves the public announcement of numerical targets for inflation, with an institutional commitment by the monetary authority to achieve these targets, typically over a medium-term horizon. Additional key features normally include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for achieving its inflation objectives. Monetary policy decisions are often guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.
<i>Target setting body</i>	The official body or organizational unit responsible for setting and/or adjusting the inflation targets.
<i>Inflation target</i>	The numerical targets for inflation which have been publicly announced by the central bank. Inflation targets are generally expressed as (1) a point target, (2) targets with plus

	minus a certain numerical limit, and (3) as a band or range. The target measure is defined in terms of end-year inflation or as average annual inflation. CPI and core CPI are based on national definitions, which may vary from country to country. Target horizon is the term in years of inflation targets as publicly announced by the central bank.
<i>Operating target (policy rate)</i>	Policy rate is used as the operating target of the monetary policy to achieve the inflation target. Interest rate targets are generally expressed as (1) a point target, (2) targets with plus-minus a certain numerical limit, and (3) as a band or range.
<i>Accountability</i>	Accountability framework that requires the central bank to explain its conduct of monetary policy in the pursuit of achieving its inflation target. For example, the governor or representatives of the central bank are required to appear before Parliament or one of its committees to explain actions and views on monetary policy and economic developments. It may also require reporting inflation targets through <i>open letters</i> on monetary policy. Usually written by the governor on behalf of the Monetary Policy Committee to the government in the event that inflation misses the inflation target by a pre-specified amount.
<i>Transparency</i>	The manner and level of detail how monetary policy decisions are communicated to the public. Institutional transparency is gauged by the communication vehicles employed by the central bank, including the release of inflation reports and the frequency and detail of these reports, the announcement of changes in the stance of monetary policy via press release, reviews of inflation performance and changes in monetary policy, the publication of inflation forecasting models, and the use of media and other public presentations.
Other monetary framework	The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy. This category is also used when no relevant information on the country is available.
Exchange tax	Foreign exchange transactions are subject to a special tax. Bank commissions charged on foreign exchange transactions are not included in this category; rather, they are listed under the exchange arrangement classification.
Exchange subsidy	Foreign exchange transactions are subsidized by using separate, nonmarket exchange rates.
Foreign exchange market	The existence of a foreign exchange market.
Spot exchange market	Institutional setting of the foreign exchange market for spot transactions and market participants. Existence and significance of the parallel market.
<i>Operated by the central bank</i>	<p>The role of the central bank in providing access to foreign exchange to market participants through a foreign exchange standing facility, allocation of foreign exchange to authorized dealers, or other legal and private persons, and the management of buy or sell auctions or fixing sessions. Price determination and frequency of central bank operations.</p> <p>A foreign exchange standing facility allows market participants to buy foreign exchange from or sell it to the central bank at predetermined exchange rates at their own initiative and is usually instrumental in maintaining a hard or soft peg arrangement. The credibility of the facility depends to a large extent on the availability of foreign exchange reserves to back the facility.</p> <p>Allocation involves redistribution of foreign exchange inflows by the central bank to market participants for specific international transactions or in specific amounts (rationing). Foreign exchange allocation is often used to provide foreign exchange for strategic imports such as oil or food when foreign exchange reserves are scarce. In an allocation system, companies and individuals often transact directly with the central bank, and commercial banks may buy foreign exchange only for their clients' underlying international transactions. Purchases of foreign exchange for the banks' own books typically are not permitted.</p> <p>Auctions are organized by the central bank, usually for market participants to buy and/or sell foreign exchange. They can take the form of multiple-price auctions (all successful bidders pay the price they offer) or single-price auctions (all successful bidders pay the same price, which is the market-clearing/cut-off price). The authorities may exercise discretion in accepting or rejecting offers, and sometimes a floor</p>

price is determined in advance, below which offers are not accepted. The frequency of auctions depends mainly on the amount or availability of foreign exchange to be auctioned and on the role the auction plays in the foreign exchange market.

Fixing sessions are often organized by the central bank at the early stage of market development to establish a market-clearing exchange rate. The central bank monitors the market closely and often actively participates in price formation by selling or buying during the session to achieve a certain exchange rate target. The price determined at the fixing session is often used for foreign exchange transactions outside the session and/or for accounting and valuation purposes.

<i>Interbank market</i>	The organization and operation of the interbank market or interventions. Existence of brokerage, over-the-counter, and market-making arrangements.
Forward exchange market	The existence of a forward exchange market and the institutional arrangement and market participants.
<i>Official cover of forward operations</i>	An official entity (the central bank or the government) assumes the exchange risk of certain foreign exchange transactions.

Arrangements for Payments and Receipts

Prescription of currency requirements	The official requirements affecting the selection of currency and the method of settlement for transactions with other countries. When a country has payments agreements with other countries, the terms of these agreements often lead to a prescription of currency for specified categories of payments to, and receipts from, the countries concerned. This category includes information on the use of domestic currency in transactions between residents and nonresidents, both domestically and abroad; it also indicates any restrictions on the use of foreign currency among residents.
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Payments arrangements

Bilateral payments arrangements	Two countries have an agreement to prescribe specific rules for payments to each other, including cases in which private parties are also obligated to use specific currencies. These agreements can be either operative or inoperative.
Regional arrangements	More than two parties participate in a payments agreement.
Clearing agreements	The official bodies of two or more countries agree to offset with some regularity the balances that arise from payments to each other as a result of the exchange of goods, services, or—less often—capital.
Barter agreements and open accounts	The official bodies of two or more countries agree to offset exports of goods and services to one country with imports of goods and services from the same country, without payment.

Administration of control	The authorities' division of responsibility for monitoring policy, administering exchange controls, and determining the extent of delegation of powers to outside agencies (banks are often authorized to effect foreign exchange transactions).
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Payments arrears	Official or private residents of a member country default on their payments or transfers in foreign exchange to nonresidents. This category includes only the situation in which domestic currency is available for residents to settle their debts but they are unable to obtain foreign exchange—for example, because of the presence of an officially announced or unofficial queuing system, it does not cover nonpayment by private parties owing to bankruptcy.
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Controls on trade in gold (coins and/or bullion)	Separate rules for trading in gold domestically and with foreign countries.
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Controls on exports and imports of banknotes	Regulations governing the physical movement of means of payment between countries. Where information is available, the category distinguishes between separate limits for the (1) export and import of banknotes by travelers and (2) export and import of banknotes by banks and other authorized financial institutions.
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Resident Accounts

Indicates whether resident accounts that are maintained in the national currency or in foreign currency, locally or abroad, are allowed and describes how they are treated and the facilities and limitations attached to such accounts. When there is more than one type of resident account, the nature and operation of the various types of accounts are also described; for example, whether residents are allowed to open foreign exchange accounts with or without approval from the exchange control authority, whether these accounts may be held domestically or abroad, and whether the balances on accounts held by residents in domestic currency may be converted into foreign currency.

Nonresident Accounts

Indicates whether local nonresident accounts maintained in the national currency or in foreign currency are allowed and describes how they are treated and the facilities and limitations attached to such accounts. When there is more than one type of nonresident account, the nature and operation of the various types of accounts are described.

Blocked accounts Accounts of nonresidents, usually in domestic currency. Regulations prohibit or limit the conversion and/or transfer of the balances of such accounts.

Imports and Import Payments

Describes the nature and extent of exchange and trade restrictions on imports.

Foreign exchange budget Information on the existence of a foreign exchange plan, that is, prior allocation of a certain amount of foreign exchange, usually on an annual basis, for the importation of specific types of goods and/or services. In some cases, also covers differentiations among individual importers.

Financing requirements for imports Information on specific import-financing regulations limiting the rights of residents to enter into private contracts in which the financing options differ from those in the official regulations.

Documentation requirements for release of foreign exchange for imports

Domiciliation requirements The obligation to domicile the transactions with a specified (usually domestic) financial institution.

Preshipment inspection Most often a compulsory government measure aimed at establishing the veracity of the import contract in terms of volume, quality, and price.

Letters of credit Parties are obligated to use letters of credit (LCs) as a form of payment for their imports.

Import licenses used as exchange licenses Import licenses are used not for trade purposes but instead to restrict the availability of foreign exchange for legitimate trade.

Import licenses and other nontariff measures

Positive list A list of goods that may be imported.

Negative list A list of goods that may not be imported.

Open general licenses Indicates arrangements whereby certain imports or other international transactions are exempt from the restrictive application of licensing requirements.

Licenses with quotas Refers to situations in which a license for the importation of a certain good is granted, but a specific limit is imposed on the amount to be imported.

Other nontariff measures	May include prohibitions on imports of certain goods from all countries or of all goods from a certain country. Several other nontariff measures are used by countries (for example, phyto-sanitary examinations, setting of standards), but these are not covered fully in the report.
Import taxes and/or tariffs	A brief description of the import tax and tariff system, including taxes levied on the foreign exchange made available for imports.
Taxes collected through the exchange system	Indicates if any taxes apply to the exchange side of an import transaction.
State import monopoly	Private parties are not allowed to engage in the importation of certain products, or they are limited in their activity.

Exports and Export Proceeds

	Describes restrictions on the use of export proceeds, as well as regulations on exports.
Repatriation requirements	The obligation of exporters to repatriate export proceeds.
Surrender requirements	
<i>Surrender to the central bank</i>	Regulations requiring the recipient of repatriated export proceeds to sell, sometimes at a specified exchange rate, any foreign exchange proceeds in return for local currency to the central bank.
<i>Surrender to authorized dealers</i>	Regulations requiring the recipient of repatriated export proceeds to sell, sometimes at a specified exchange rate, any foreign exchange proceeds in return for local currency to commercial banks or exchange dealers authorized for this purpose or on a foreign exchange market.
Financing requirements	Information on specific export-financing regulations limiting the rights of residents to enter into private contracts in which the financing options differ from those in the official regulations.
Documentation requirements	The same categories as in the case of imports are used.
Export licenses	Restrictions on the right of residents to export goods. These restrictions may take the form of quotas (where a certain quantity of shipment abroad is allowed) or the absence of quotas (where the licenses are issued at the discretion of the foreign trade control authority).
Export taxes	A brief description of the export tax system, including any taxes that are levied on foreign exchange earned by exporters.

Payments for Invisible Transactions and Current Transfers

	Describes the procedures for effecting payments abroad in connection with current transactions in invisibles, with reference to prior approval requirements, the existence of quantitative and indicative limits, and/or bona fide tests. Detailed information on the most common categories of transactions is provided only when regulations differ for the various categories. Indicative limits establish maximum amounts up to which the purchase of foreign exchange is allowed upon declaration of the nature of the transaction, mainly for statistical purposes. Amounts above those limits are granted if the bona fide nature of the transaction is established by the presentation of appropriate documentation. Bona fide tests also may be applied to transactions for which quantitative limits have not been established.
Trade-related payments	Includes freight and insurance (including possible regulations on non-trade-related insurance payments and transfers), unloading and storage costs, administrative expenses, commissions, and customs duties and fees.
Investment-related payments	Includes profits and dividends, interest payments (including interest on debentures, mortgages, etc.), amortization of loans or depreciation of foreign direct investments, and payments and transfers of rent.

Payments for travel	Includes international travel for business, tourism, etc.
Personal payments	Includes medical expenditures abroad, study expenses abroad, pensions (including regulations on payments and transfers of pensions by both state and private pension providers on behalf of nonresidents, as well as the transfer of pensions due to residents living abroad), and family maintenance and alimony (including regulations on payments and transfers abroad of family maintenance and alimony by residents).
Foreign workers' wages	Transfer abroad of earnings by nonresidents working in the country.
Credit card use abroad	Use of credit and debit cards to pay for invisible transactions.
Other payments	Includes subscription and membership fees, authors' royalties, consulting and legal fees, etc.

Proceeds from Invisible Transactions and Current Transfers

Describes regulations governing exchange receipts derived from transactions in invisibles—including descriptions of any limitations on their conversion into domestic currency—and the use of those receipts.

Repatriation requirements

The definitions of repatriation and surrender requirements are similar to those applied to export proceeds.

Surrender requirements

Surrender to the central bank

Surrender to authorized dealers

Restrictions on use of funds

Refers mainly to the limitations imposed on the use of receipts previously deposited in certain types of bank accounts.

Capital Transactions

Describes regulations influencing both inward and outward capital flows. The concept of controls on capital transactions is interpreted broadly. Thus, controls on capital transactions include prohibitions; need for prior approval, authorization, and notification; dual and multiple exchange rates; discriminatory taxes; and reserve requirements or interest penalties imposed by the authorities that regulate the conclusion or execution of transactions or transfers; or the holding of assets at home by nonresidents and abroad by residents. The coverage of the regulations applies to receipts as well as to payments and to actions initiated by nonresidents and residents. In addition, because of the close association with capital transactions, information is also provided on local financial operations conducted in foreign currency, describing specific regulations in force that limit residents' and nonresidents' issuing of securities denominated in foreign currency or, generally, limitations on contract agreements expressed in foreign exchange.

Repatriation requirements

The definitions of repatriation and surrender requirements are similar to those applied to export proceeds.

Surrender requirements

Surrender to the central bank

Surrender to authorized dealers

Controls on capital and money market instruments	Refers to public offerings or private placements on primary markets or their listing on secondary markets.
On capital market securities	Refers to shares and other securities of a participating nature and to bonds and other securities with an original maturity of more than one year.
<i>Shares or other securities of a participating nature</i>	Includes transactions involving shares and other securities of a participating nature if they are not effected for the purpose of acquiring a lasting economic interest in the management of the enterprise concerned. Investments for the purpose of acquiring a lasting economic interest are addressed under foreign direct investments.
<i>Bonds or other debt securities</i>	Refers to bonds and other securities with an original maturity of more than one year. The term “other securities” includes notes and debentures.
On money market instruments	Refers to securities with an original maturity of one year or less and includes short-term instruments such as certificates of deposit and bills of exchange. The category also includes treasury bills and other short-term government paper, bankers’ acceptances, commercial papers, interbank deposits, and repurchase agreements.
On collective investment securities	Includes share certificates and registry entries or other evidence of investor interest in an institution for collective investment such as mutual funds, and unit and investment trusts.
Controls on derivatives and other instruments	Refers to operations in other negotiable instruments and nonsecured claims not covered under the above subsections. These may include operations in rights, warrants; financial options and futures, secondary market operations in other financial claims (including sovereign loans, mortgage loans, commercial credits, negotiable instruments originating as loans, receivables, and discounted bills of trade), forward operations (including those in foreign exchange) swaps of bonds and other debt securities, credits and loans, and other swaps (for example, interest rate, debt/equity, equity/debt, foreign currency, as well as swaps of any of the instruments listed above). Also included are controls on operations in foreign exchange without any other underlying transaction (for example, spot or forward trading on the foreign exchange markets, forward cover operations, etc.).
Controls on credit operations	
Commercial credits	Covers operations directly linked with international trade transactions or with the rendering of international services.
Financial credits	Includes credits other than commercial credits granted by all residents, including banks, to nonresidents or vice versa.
Guarantees, sureties, and financial backup facilities	Includes guarantees, sureties, and financial backup facilities provided by residents to nonresidents and vice versa. Also includes securities pledged for payment or performance of a contract—such as warrants, performance bonds, and standby letters of credit—and financial backup facilities that are credit facilities used as a guarantee for independent financial operations.
Controls on direct investment	Refers to investments for the purpose of establishing lasting economic relations both abroad by residents and domestically by nonresidents. These investments are essentially for the purpose of producing goods and services, in particular, investments that allow investor participation in the management of the enterprise. The category includes the creation or extension of a wholly owned enterprise, subsidiary, or branch and the acquisition of full or partial ownership of a new or existing enterprise that results in effective influence over the operations of the enterprise.
Controls on liquidation of direct investment	Refers to the transfer of principal, including the initial capital and capital gains, of a foreign direct investment as defined above.

Controls on real estate transactions	Refers to the acquisition of real estate not associated with direct investment, including, for example, investments of a purely financial nature in real estate or the acquisition of real estate for personal use.
Controls on personal capital transactions	Covers transfers initiated on behalf of private persons and intended to benefit other private persons. Includes transactions involving property to which the promise of a return to the owner with payments of interest is attached (for example, loans or settlements of debt in their country of origin by immigrants), and transfers effected free of charge to the beneficiary (for example, gifts and endowments, loans, inheritances and legacies, or emigrants' assets).

Provisions Specific to the Financial Sector

Provisions specific to commercial banks and other credit institutions	Describes regulations specific to these institutions, such as monetary, prudential, and foreign exchange controls. Inclusion of an entry in this category does not necessarily signify that the aim of the measure is to control the flow of capital. Some of these items (for example, borrowing abroad, lending to nonresidents, purchase of locally issued securities denominated in foreign exchange, investment regulations) may be repetitions of the entries under respective categories of controls on capital and money market instruments, credit operations, or direct investments when the same regulations apply to commercial banks as well as to other residents.
Open foreign exchange position limits	Describes regulations on certain commercial bank balance sheet items (including capital) and on limits covering commercial banks' positions in foreign currencies (including gold).
Provisions specific to institutional investors	Describes controls specific to institutions, such as insurance companies, pension funds, investment firms (including brokers, dealers, or advisory firms), and other securities firms (including collective investment funds). Incorporates measures that impose limitations on the composition of the institutional investors' foreign or foreign currency assets (reserves, accounts) and liabilities (for example, investments in equity capital of institutional investors or borrowing from nonresidents) and/or that differentiate between residents and nonresidents. Examples of such controls are restrictions on investments because of rules regarding the technical, mathematical, security, or mandatory reserves; solvency margins; premium reserve stocks; or guarantee funds of nonbank financial institutions. Inclusion of an entry in this category does not necessarily signify that the aim of the measure is to control the flow of capital.
Insurance companies	
Pension funds	
Investment firms and collective investment funds.	

Listing conventions used in the report are as follows:

- When it is unclear whether a particular category or measure exists—because pertinent information is not available at the time of publication—the category is displayed with the notation “n.a.”
- If a measure is known to exist but specific information on it is not available, the category is displayed with the notation “yes.”
- If no measure exists on any item within a category, the category is displayed with the notation “no.”
- If members have provided the IMF staff with information indicating that a category or an item is not regulated, these are marked by “n.r.”
- When relevant documents have not been published and the authorities have not consented to the publication of the information as included in the IMF staff report, the text reads “Information is not publicly available.”

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

International Financial Statistics (IFS) code: 512 914 612 614 311 213 911 193 122 912 313 419 513 316

	Total number of Member Countries with these features	Alghanistan	Albania	Algeria	Angola	Antigua and Barbuda	Argentina	Armenia	Australia	Austria	Azerbaijan	The Bahamas	Bahrain	Bangladesh	Barbados
Status Under IMF Articles of Agreement															
Article VIII	171		•	•		•	•	•	•	•	•	•	•	•	•
Article XIV	18	•			•										
Exchange Rate Arrangements															
No separate legal tender	13														
Currency board	10					◊									
Conventional peg	41											◊	◊		◊
Stabilized arrangement	24				◊									◊	
Crawling peg	3														
Crawl-like arrangement	10														
Pegged exchange rate within horizontal bands	1														
Other managed arrangement	18			*							*				
Floating	38	•	•				•	•							
Free floating	31								•	⊕					
Exchange rate structure															
Dual exchange rates	11							•				•			
Multiple exchange rates	10				•										
Arrangements for Payments and Receipts															
Bilateral payments arrangements	62	•		•	•		•	•			•		•	•	•
Payments arrears	21				•	•									
Controls on payments for invisible transactions and current transfers															
	97			•	•	•	•				•	•		•	•
Proceeds from exports and/or invisible transactions															
Repatriation requirements	84		•	•	•	-	•				•	•		•	•
Surrender requirements	61			•	•		•					•		•	•
Capital Transactions															
On capital market securities	155		•	•	•	•	•	•	•	•	•	•	•	•	•
On money market instruments	124	•	•	•	•		•			•		•		•	•
On collective investment securities	126		•	•	•		•	•	•	•	•	•		•	•
Controls on derivatives and other instruments	104		•	•	■		•	•		•	•	•	•	•	•
Commercial credits	88			•	•							•		•	•
Financial credits	115			•	•	•	•			•		•		•	•
Guarantees, sureties, and financial backup facilities	77			•	•		•					•		•	•
Controls on direct investment	153			•	•		•		•	•	•	•	•	•	•
Controls on liquidation of direct investment	38			•			•							•	•
Controls on real estate transactions	145	•	•	•	■	•	•	•	•	•		•	•	•	•
Controls on personal capital transactions	97			•	•	-	•		•		•	•		•	•
Provisions specific to:															
Commercial banks and other credit institutions	174	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Institutional investors	151		•	•	•	-	•	•	•	•	•	•		•	•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	913	124	339	638	514	218	963	616	223	516	918	748	618	624	522	622	156
	Belarus	Belgium	Belize	Benin	Bhutan	Bolivia	Bosnia and Herzegovina	Botswana	Brazil	Brunei Darussalam	Bulgaria	Burkina Faso	Burundi	Cabo Verde	Cambodia	Cameroon	Canada
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•		•		•	•	•	•	•		•	•	•	•
Article XIV					•		•						•				
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board							▲			+	▲						
Conventional peg			◊	▲	+							▲		▲		▲	
Stabilized arrangement						◊											
Crawling peg								*									
Crawl-like arrangement													◊				
Pegged exchange rate within horizontal bands																	
Other managed arrangement	*															◊	
Floating									•								
Free floating		⊕															•
Exchange rate structure																	
Dual exchange rates													•				
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	•		•	•	•			•	•		•	•	•	•	•		
Payments arrears												-		•	•		
Controls on payments for invisible transactions and current transfers	•		•	•	•	•	•		•	•		•	•	•		•	
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	•		•	•	•		•					•	•	•		•	
Surrender requirements	•		•	•	•				•			•		•		•	
Capital Transactions																	
On capital market securities	•	•	•	•	•	•	•	•	•		•	•	•		•	•	•
On money market instruments	•	•	•	•	•	•	•	•	•			•	•	•		•	
On collective investment securities	•	•	•	•	•	•	•	•	•			•	•			•	
Controls on derivatives and other instruments	•	•	•	•	•				•			•	•	-			
Commercial credits	•		•	•	•	•		•	•			•	•	•		•	
Financial credits	•	•	•	•	•	•	•		•			•	•	•	•	•	
Guarantees, sureties, and financial backup facilities	•		•	•	•							•		•			
Controls on direct investment	•	•	•	•	•		•		•	•		•	•	•	•	•	•
Controls on liquidation of direct investment			•		•											•	
Controls on real estate transactions	•		•	•	•		•		•	•	•	•	•	•	•	•	
Controls on personal capital transactions	•		•	•	•		•			•		•	•	•		•	
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Institutional investors	•	•	•	•	•	•	•	•	•	•	•	•	•	-	•	•	•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	626	628	228	924	233	632	636	634	238	662	960	423	935	128	611	321	243
	Central African Republic	Chad	Chile	China	Colombia	Comoros	Congo, Dem. Rep. of	Congo, Republic of	Costa Rica	Côte d'Ivoire	Croatia	Cyprus	Czech Republic	Denmark	Djibouti	Dominica	Dominican Republic
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Article XIV																	
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board															◊	◊	
Conventional peg	▲	▲				▲		▲		▲			❖				
Stabilized arrangement				*							▲		▲				
Crawling peg																	
Crawl-like arrangement									◊								◊
Pegged exchange rate within horizontal bands																	
Other managed arrangement							•										
Floating					•												
Free floating			•									⊕					
Exchange rate structure																	
Dual exchange rates																	
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements							•				•						•
Payments arrears						•				•					•	•	
Controls on payments for invisible transactions and current transfers	•	•		•		•	•	•		•							
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	•	•		•	•	•	•	•		•						•	
Surrender requirements	•	•				•		•		•						•	
Capital Transactions																	
On capital market securities	•	•	•	•	•	•	•	•		•	•		•		•	•	•
On money market instruments	•	•	•	•	•		•	•		•	•		•				•
On collective investment securities	•	•	•	•	•		•	•		•	•		•		•	•	•
Controls on derivatives and other instruments	■	■	•	•	•	■	•	■		•	•		•			-	•
Commercial credits	•	•		•	•	•	•	•		•					•	•	
Financial credits	•	•		•	•		•	•	•	•			•		•	•	
Guarantees, sureties, and financial backup facilities	■	■	•	•		•	•	■		•					•	•	•
Controls on direct investment	•	•	•	•	•	•	•	•		•		•	•	•	•	•	•
Controls on liquidation of direct investment	•	•		•	•	•	•	•									
Controls on real estate transactions	•	•	•	•			•	•		•	•	•	•			•	
Controls on personal capital transactions	•	•		•	•	•	•	•	•	•						•	
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Institutional investors	•	•	•	•	•	-		•	•	•	•	•	•	•	•	•	•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	248	469	253	642	643	939	644	819	172	132	646	648	915	134	652	174	328
	Ecuador	Egypt	El Salvador	Equatorial Guinea	Eritrea	Estonia	Ethiopia	Fiji	Finland	France	Gabon	Gambia, The	Georgia	Germany	Ghana	Greece	Grenada
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•		•		•	•	•	•	•	•	•	•	•	•
Article XIV					•		•										
Exchange Rate Arrangements																	
No separate legal tender	◊		◊														
Currency board																	◊
Conventional peg				▲	◊			*			▲						
Stabilized arrangement																	
Crawling peg																	
Crawl-like arrangement							◊										
Pegged exchange rate within horizontal bands																	
Other managed arrangement												◊					
Floating		◊											•		•		
Free floating						⊕			⊕	⊕				⊕		⊕	
Exchange rate structure																	
Dual exchange rates					•										•		
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	•	•				•									•		
Payments arrears					•	•											
Controls on payments for invisible transactions and current transfers		•		•	•		•	•		•	•				•	•	•
Proceeds from exports and/or invisible transactions																	
Repatriation requirements		•		•	•		•	•			•				•		•
Surrender requirements				•	•		•	•			•				•		•
Capital Transactions																	
On capital market securities	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•
On money market instruments	•	•	•	•	•		•	•	•	•	•			•	•	•	•
On collective investment securities	•	•	•	•	—		•	•	•	•	•			•	•	•	•
Controls on derivatives and other instruments	•	•	•	■	—		•	•	•		■			•	•	•	•
Commercial credits	•			•	•		•	•			•						•
Financial credits	•			•	•		•	•	•		•	•		•		•	•
Guarantees, sureties, and financial backup facilities	•			■	—		•	•			■					•	
Controls on direct investment		•	•	•	•	•	•	•	•	•	•		•	•	•	•	•
Controls on liquidation of direct investment				•			•	•			•					•	•
Controls on real estate transactions			•	•		•	•	•	•		•			•	•	•	•
Controls on personal capital transactions				•	•	•	•	•			•					•	•
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Institutional investors	•	•	•	•	—	•	•	•	•	•	•	•	•	•	•	•	

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	258	656	654	336	263	268	944	176	534	536	429	433	178	436	136	343	158
	Guatemala	Guinea	Guinea-Bissau	Guyana	Haiti	Honduras	Hungary	Iceland	India	Indonesia	Iran	Iraq	Ireland	Israel	Italy	Jamaica	Japan
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•
Article XIV												•					
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board																	
Conventional peg			▲									◊					
Stabilized arrangement				◊													
Crawling peg						◊											
Crawl-like arrangement											◊					◊	
Pegged exchange rate within horizontal bands																	
Other managed arrangement		◊			◊												
Floating	◊						•	•	•	•				•			
Free floating													⊕		⊕		•
Exchange rate structure																	
Dual exchange rates											•						
Multiple exchange rates		•										•					
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	•	•		•		•			•			•					
Payments arrears		•		•													
Controls on payments for invisible transactions and current transfers		•	•			•		•	•		•	•					•
Proceeds from exports and/or invisible transactions																	
Repatriation requirements		•	•			•			•	•							
Surrender requirements			•			•			•								
Capital Transactions																	
On capital market securities	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•
On money market instruments		•	•		•	•	•		•	•	•	•				•	
On collective investment securities		•	•		•	•	•		•	•	•	•			•	•	
Controls on derivatives and other instruments		•	•		•			•	•	•	•	•				•	
Commercial credits		•	•	•		•			•	•	•					•	
Financial credits		•	•	•		•	•	•	•	•	•	•				•	
Guarantees, sureties, and financial backup facilities		•	•	•		•			•	•	•					•	
Controls on direct investment	•	•	•			•	•	•	•	•	•	•	•	•	•	•	•
Controls on liquidation of direct investment								•	•			•					
Controls on real estate transactions		•	•			•	•	•	•	•	•	•	•	•			
Controls on personal capital transactions		•	•					•	•		•	•				•	
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Institutional investors	•	-	•	-		•	•	•	•	•	-			•	•	•	

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	439	916	664	826	542	967	443	917	544	941	446	666	668	672	946	137	962
	Jordan	Kazakhstan	Kenya	Kiribati	Korea	Kosovo	Kuwait	Kyrgyz Republic	Lao P. D. R.	Latvia	Lebanon	Lesotho	Liberia	Libya	Lithuania	Luxembourg	Macedonia, FYR
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•	•		•	•	•	•	•	•		•	•	•	•
Article XIV							•						•				
Exchange Rate Arrangements																	
No separate legal tender				+		▲											
Currency board																	
Conventional peg	◇						*					+		○			
Stabilized arrangement			◇						◇		◇						▲
Crawling peg																	
Crawl-like arrangement																	
Pegged exchange rate within horizontal bands																	
Other managed arrangement								•					◇				
Floating		◇			•												
Free floating										⊕					⊕	⊕	
Exchange rate structure																	
Dual exchange rates								•									
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	•							•	•					•			•
Payments arrears								•	-								
Controls on payments for invisible transactions and current transfers		•							•		•	•		•			•
Proceeds from exports and/or invisible transactions																	
Repatriation requirements		•		■					•		•	•		•			
Surrender requirements									•		•	•	•				
Capital Transactions																	
On capital market securities	•	•	•	•	•	•	•	•	•		•	•		•		•	•
On money market instruments		•	•	•			•	•	•		•	•		•		•	•
On collective investment securities		•	•	•			•	•	•		•	•		•		•	•
Controls on derivatives and other instruments		•	•	•	•		•	•	•		•	•		■		•	•
Commercial credits		•		•			•	•	•		•	•		•			
Financial credits		•		•			•	•	•		•	•		•		•	
Guarantees, sureties, and financial backup facilities				•				•			•			•			
Controls on direct investment	•	•	•	•	•		•	•	•	•	•	•		•	•	•	•
Controls on liquidation of direct investment				■										•			
Controls on real estate transactions	•		•	•			•	•	•	•	•	•		•	•	•	•
Controls on personal capital transactions		•		■					•		•	•		•			•
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	■	•	•	•	•	•	•	•	•	•	•	•		•
Institutional investors	•	•	•	-	•	•	■	•	•	•	•	•	•	•	•	•	•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	674	676	548	556	678	181	867	682	684	273	868	921	948	943	686	688	518
	Madagascar	Malawi	Malaysia	Maldives	Mali	Malta	Marshall Islands	Mauritania	Mauritius	Mexico	Micronesia	Moldova	Mongolia	Montenegro	Morocco	Mozambique	Myanmar
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	
Article XIV				•													•
Exchange Rate Arrangements																	
No separate legal tender							◊				◊		▲				
Currency board																	
Conventional peg					▲										*		
Stabilized arrangement		◊		◊													
Crawling peg																	
Crawl-like arrangement								◊									
Pegged exchange rate within horizontal bands																	
Other managed arrangement																	•
Floating	•		•						•			•	•			•	
Free floating						⊕				•							
Exchange rate structure																	
Dual exchange rates				•													
Multiple exchange rates													•				•
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	•		•									•	•				
Payments arrears																	•
Controls on payments for invisible transactions and current transfers	•	•			•			•				•		•	•	•	•
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	•	•	•		•			•				•			•	•	•
Surrender requirements	•		•		•										•	•	
Capital Transactions																	
On capital market securities	•	•	•	•	•	•	-	•	•	•	•	•	•	•	•	•	•
On money market instruments	•	•	•		•		-	•	•	•	■	•		•	•	•	•
On collective investment securities	•	•	•		•		-	■	•	•		•	•		•	•	•
Controls on derivatives and other instruments	•	•	•	■	•		-	■		•		•	•		•	•	
Commercial credits	•	•	•		•		-				■	•			•	•	•
Financial credits	•	•	•		•		-	•		•	■	•			•	•	•
Guarantees, sureties, and financial backup facilities	•	•	•		•		-	•		•	■	•			•	•	•
Controls on direct investment	•	•	•	•	•		•	•	•	•	•	•			•	•	•
Controls on liquidation of direct investment							-									•	•
Controls on real estate transactions	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Controls on personal capital transactions	•	•	•	•	•		-	•		•	■	•	•		•	•	•
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	•	•	•	-	•	•	•	•	•	•		•	•	•
Institutional investors	•		•	•	•	•	•	-	•	•	-	•		•	•	•	•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	728	836	558	138	196	278	692	694	142	449	564	565	283	853	288	293	566
	Namibia	Nauru	Nepal	Netherlands	New Zealand	Nicaragua	Niger	Nigeria	Norway	Oman	Pakistan	Palau	Panama	Papua New Guinea	Paraguay	Peru	Philippines
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•
Article XIV								•									
Exchange Rate Arrangements																	
No separate legal tender		+										◊	◊				
Currency board																	
Conventional peg	+		+				▲			◊							
Stabilized arrangement								•			◊			◊			
Crawling peg						◊											
Crawl-like arrangement																	
Pegged exchange rate within horizontal bands																	
Other managed arrangement																	
Floating					•										•	•	•
Free floating				⊕					•								
Exchange rate structure																	
Dual exchange rates																	
Multiple exchange rates								•									
Arrangements for Payments and Receipts																	
Bilateral payments arrangements		-												•	•	•	
Payments arrears		-				•											
Controls on payments for invisible transactions and current transfers	•		•				•	•			•	•		•	•		•
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	•	-	•				•	•			•			•			
Surrender requirements	•	-	•				•	•			•			•			
Capital Transactions																	
On capital market securities	•	-	•		•		•	•	•	•	•				•		•
On money market instruments	•	-	•				•	•			•				•		•
On collective investment securities	•	-	•				•				•						•
Controls on derivatives and other instruments	•	-	•				•		•	•	•				•		•
Commercial credits	•	-	•			•	•	•			•						•
Financial credits	•	-	•			•	•				•				•		•
Guarantees, sureties, and financial backup facilities	•	-	•				•				•			•	•		•
Controls on direct investment	•	•	•	•	•	•	•		•	•	•	•					•
Controls on liquidation of direct investment		-	•														
Controls on real estate transactions	•	•	•		•		•		•	•	•	•			•		•
Controls on personal capital transactions	•	-	•			•	•	•	•		•						•
Provisions specific to:																	
Commercial banks and other credit institutions	•	-	•	•		•	•	•	•	•	•			•	•	•	•
Institutional investors	•	-	•		•	•	•	•	•	•	•	•		•	•	•	•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	964	182	453	968	922	714	862	135	716	456	722	942	718	724	576	936	961
	Poland	Portugal	Qatar	Romania	Russian Federation	Rwanda	Samoa	San Marino	São Tomé and Príncipe	Saudi Arabia	Senegal	Serbia	Seychelles	Sierra Leone	Singapore	Slovak Republic	Slovenia
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•
Article XIV									•								
Exchange Rate Arrangements																	
No separate legal tender								▲									
Currency board																	
Conventional peg			◊				*		▲	◊	▲						
Stabilized arrangement											▲				*		
Crawling peg																	
Crawl-like arrangement						◊											
Pegged exchange rate within horizontal bands																	
Other managed arrangement														•			
Floating				•									•				
Free floating	•	⊕			•											⊕	⊕
Exchange rate structure																	
Dual exchange rates																	
Multiple exchange rates																	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	•		•	•	•				•								•
Payments arrears									•			•					
Controls on payments for invisible transactions and current transfers						•	•				•	•		•		•	
Proceeds from exports and/or invisible transactions																	
Repatriation requirements					•		•		•		•	•		•			
Surrender requirements							•		•		•						
Capital Transactions																	
On capital market securities	•	•	•		•		•	•		•	•	•		•		•	•
On money market instruments	•	•			•		•	•		•	•	•		•			•
On collective investment securities	•	•			•		•	•		•	•	•		•		•	•
Controls on derivatives and other instruments	•		•					•	-	•	•	•		•			•
Commercial credits	•							•	-	•	•			•			
Financial credits	•						•	•	-	•	•	•		•	•		•
Guarantees, sureties, and financial backup facilities									-	•	•	•		•			
Controls on direct investment	•	•	•		•		•	•	•	•	•	•		•		•	•
Controls on liquidation of direct investment							•							•			
Controls on real estate transactions	•	•	•		•		•	•	■	•	•	•	•	•	•	•	•
Controls on personal capital transactions			•		•		•	•	•		•	•		•			
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Institutional investors	•	•	•	•			•	•	■	•	•	•		•	•	•	•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	813	726	199	733	184	524	361	362	364	732	366	734	144	146	463	923	738
	Solomon Islands	Somalia	South Africa	South Sudan	Spain	Sri Lanka	St. Kitts and Nevis	St. Lucia	St. Vincent and the Grenadines	Sudan	Suriname	Swaziland	Sweden	Switzerland	Syria	Tajikistan	Tanzania
Status Under IMF Articles of Agreement																	
Article VIII	•		•		•	•	•	•	•	•	•	•	•	•		•	•
Article XIV		•		•											•		
Exchange Rate Arrangements																	
No separate legal tender																	
Currency board							◊	◊	◊								
Conventional peg	◊											+					
Stabilized arrangement										◊						◊	◊
Crawling peg																	
Crawl-like arrangement						◊											
Pegged exchange rate within horizontal bands																	
Other managed arrangement				◊							•				○		
Floating			•											•			
Free floating		•			⊕								•				
Exchange rate structure																	
Dual exchange rates				•											•	•	
Multiple exchange rates										•							
Arrangements for Payments and Receipts																	
Bilateral payments arrangements				-						•					•		•
Payments arrears				-													•
Controls on payments for invisible transactions and current transfers	•		•	•		•	•	•	•	•	•	•			•	•	•
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	•		•	-		•	•		•	•	•	•			•	•	•
Surrender requirements	•		•	-			•		•	•		•			•		
Capital Transactions																	
On capital market securities	•		•	-	•	•	•	•	•	•	•	•	•	•	•	•	•
On money market instruments	•		•	-	•	•	•	•	•	•	•	•	•	•	•	•	•
On collective investment securities	•		•	-	•	•	•	•	■	•	•	•	•	•	•	•	•
Controls on derivatives and other instruments	•		•	-	•	•	•	•		■	•	•	•	•	•	•	•
Commercial credits			•	-		•	•	•			•	•		•	•	•	
Financial credits	•		•	-	•	•	•	•	•		•	•	•	•	•	•	•
Guarantees, sureties, and financial backup facilities	•		•	-		•	•	•	•		•	•			•		•
Controls on direct investment	•		•	-	•	•	•	•	•		•	•	•	•	•	•	•
Controls on liquidation of direct investment	•			-		•		-			•						
Controls on real estate transactions	•		•	-	•	•	•	•	•		•	•	•	•	•	•	•
Controls on personal capital transactions	•		•	-		•	•	•	•	•	•				•	•	•
Provisions specific to:																	
Commercial banks and other credit institutions	•		•	-	•	•	•	•	•	•	•	•	•		•	•	•
Institutional investors	•		•	-	•	•	•	•	•	•	•	•	•	•	-		•

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	578	537	742	866	369	744	186	925	869	746	926	466	112	111	298	927	846
	Thailand	Timor-Leste	Togo	Tonga	Trinidad and Tobago	Tunisia	Turkey	Turkmenistan	Tuvalu	Uganda	Ukraine	United Arab Emirates	United Kingdom	United States	Uruguay	Uzbekistan	Vanuatu
Status Under IMF Articles of Agreement																	
Article VIII	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•
Article XIV								•									
Exchange Rate Arrangements																	
No separate legal tender		◊							+								
Currency board																	
Conventional peg			▲					◊				◊					
Stabilized arrangement					◊												
Crawling peg																	
Crawl-like arrangement																◊	
Pegged exchange rate within horizontal bands				*													
Other managed arrangement																	•
Floating	•					*	•			•	•				•		
Free floating													•	•			
Exchange rate structure																	
Dual exchange rates																	
Multiple exchange rates											•					•	
Arrangements for Payments and Receipts																	
Bilateral payments arrangements	•						•	•		•	•				•		■
Payments arrears									-	•							■
Controls on payments for invisible transactions and current transfers	•		•	•		•	•	•	-		•					•	
Proceeds from exports and/or invisible transactions																	
Repatriation requirements	•		•			•		•	-		•					•	■
Surrender requirements			•			•		•	-		•					•	■
Capital Transactions																	
On capital market securities	•		•	•	•	•	•	•	-		•	•	•	•		•	■
On money market instruments	•		•	•	•	•	•	•	-		•		•	•		•	■
On collective investment securities	•		•	•	•	•	•	•	-		•	•	•	•		•	■
Controls on derivatives and other instruments	•		•	•	•	•	•		-		•		•		•	•	■
Commercial credits			•	•		•	•	•	-		•					•	■
Financial credits	•		•	•		•	•	•	-		•					•	■
Guarantees, sureties, and financial backup facilities	•		•	•		•	•	•	-		•		•			•	■
Controls on direct investment	•		•	•	•	•	•	•	-		•	•	•	•		•	■
Controls on liquidation of direct investment				•				•	-		•					•	■
Controls on real estate transactions	•	•	•	•	•	•	•	•	-	•	•	•	•	•		•	■
Controls on personal capital transactions	•		•	•		•		•	-		•					•	
Provisions specific to:																	
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•	-	•	•	•	•		•	•	•
Institutional investors	•		•		•	•	•	•	-		•	•	•	•	•	•	■

Summary Features of Exchange Arrangements and Regulatory Frameworks for Current and Capital Transactions in Member Countries
(As of date shown on first country page)

	299	582	474	754	698	314	354	532
	Venezuela	Vietnam	Yemen	Zambia	Zimbabwe	Aruba	Curaçao and Sint Maarten	Hong Kong SAR
Status Under IMF Articles of Agreement								
Article VIII	•	•	•	•	•	•	•	•
Article XIV								
Exchange Rate Arrangements								
No separate legal tender								
Currency board								◊
Conventional peg						◊	◊	
Stabilized arrangement		◊	◊					
Crawling peg								
Crawl-like arrangement								
Pegged exchange rate within horizontal bands								
Other managed arrangement	◊				•			
Floating				•				
Free floating								
Exchange rate structure								
Dual exchange rates								
Multiple exchange rates	•							
Arrangements for Payments and Receipts								
Bilateral payments arrangements		•			•			
Payments arrears			•	•				
Controls on payments for invisible transactions and current transfers	•					•	•	
Proceeds from exports and/or invisible transactions								
Repatriation requirements	•	•			•	•		
Surrender requirements	•					•		
Capital Transactions								
On capital market securities	•	•			•	•	•	
On money market instruments	•	•			•	•	•	
On collective investment securities	•	•			•	•	•	
Controls on derivatives and other instruments	•	•			•	•	•	•
Commercial credits	•	•			•	•	•	
Financial credits	•	•	•		•	•	•	
Guarantees, sureties, and financial backup facilities	•	•			•	•	•	
Controls on direct investment	•	•	•		•	•	•	
Controls on liquidation of direct investment	•				•	•	•	
Controls on real estate transactions	•	•			•	•	•	
Controls on personal capital transactions	•	•			•	•	•	
Provisions specific to:								
Commercial banks and other credit institutions	•	•	•	•	•	•	•	•
Institutional investors	•	•	•		•	•	•	•

Key

- Indicates that the specified practice is a feature of the exchange system.
- Indicates that data were not available at the time of publication.
- Indicates that the specified practice is not regulated.
- ⊕ Indicates that the country participates in the euro area.
- ❖ Indicates that the country participates in the European Exchange Rate Mechanism (ERM II).
- ◊ Indicates that flexibility is limited vis-à-vis the US dollar.
- ▲ Indicates that flexibility is limited vis-à-vis the euro.
- ⊕ Indicates that flexibility is limited vis-à-vis another single currency.
- Indicates that flexibility is limited vis-à-vis the SDR.
- * Indicates that flexibility is limited vis-à-vis another basket of currencies.

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Country Table Matrix

(Position as of "DATE")

I. Status under IMF Articles of Agreement

A. Date of membership

1. Article VIII
2. Article XIV

II. Exchange Measures

A. Restrictions and/or multiple currency practices

B. Exchange measures imposed for security reasons

1. In accordance with IMF Executive Board Decision No. 144-(52/51)
2. Other security restrictions

III. Exchange Arrangement

A. Currency

1. Other legal tender

B. Exchange rate structure

1. Unitary
2. Dual
3. Multiple

C. Classification

1. No separate legal tender
2. Currency board
3. Conventional peg
4. Stabilized arrangement
5. Crawling peg
6. Crawl-like arrangement
7. Pegged exchange rate within horizontal bands
8. Other managed arrangement
9. Floating
10. Free floating

D. Official exchange rate

E. Monetary policy framework

1. Exchange rate anchor
 - a. *US dollar*
 - b. *Euro*
 - c. *Composite*
 - d. *Other*
2. Monetary aggregate target

3. Inflation-targeting framework

a. Target setting body

1. Government
2. Central Bank
 - i. Monetary Policy Committee
 - ii. Central Bank Board
 - iii. Other
3. Government and Central Bank

b. Inflation target

1. Target number
 - i. Point target
 - ii. Target with tolerance band
 - iii. Band/Range
2. Target measure
 - i. CPI
 - ii. Core inflation
3. Target horizon

c. Operating target (policy rate)

1. Policy rate
2. Target corridor band
3. Other

d. Accountability

1. Open letter
2. Parliamentary hearings
3. Other

e. Transparency

1. Publication of votes
2. Publication of minutes
3. Publication of inflation forecasts

4. Other monetary framework

F. Exchange tax

G. Exchange subsidy

H. Foreign exchange market

1. Spot exchange market

a. Operated by the central bank

1. Foreign exchange standing facility
2. Allocation
3. Auction
4. Fixing

b. Interbank market

1. Over the counter
2. Brokerage
3. Market making

2. Forward exchange market
 - a. Official cover of forward operations*

IV. Arrangements for Payments and Receipts

A. Prescription of currency requirements

1. Controls on the use of domestic currency
 - a. For current transactions and payments*
 - b. For capital transactions*
 1. Transactions in capital and money market instruments
 2. Transactions in derivatives and other instruments
 3. Credit operations
2. Use of foreign exchange among residents

B. Payments arrangements

1. Bilateral payments arrangements
 - a. Operative*
 - b. Inoperative*
2. Regional arrangements
3. Clearing agreements
4. Barter agreements and open accounts

C. Administration of control

D. Payments arrears

1. Official
2. Private

E. Controls on trade in gold (coins and/or bullion)

1. On domestic ownership and/or trade
2. On external trade

F. Controls on exports and imports of banknotes

1. On exports
 - a. Domestic currency*
 - b. Foreign currency*
2. On imports
 - a. Domestic currency*
 - b. Foreign currency*

V. Resident Accounts

A. Foreign exchange accounts permitted

1. Held domestically
 - a. Approval required*
2. Held abroad
 - a. Approval required*

B. Accounts in domestic currency held abroad

C. Accounts in domestic currency convertible into foreign currency

VI. Nonresident Accounts

A. Foreign exchange accounts permitted

1. Approval required

B. Domestic currency accounts

1. Convertible into foreign currency
2. Approval required

C. Blocked accounts

VII. Imports and Import Payments

A. Foreign exchange budget

B. Financing requirements for imports

1. Minimum financing requirements
2. Advance payment requirements
3. Advance import deposits

C. Documentation requirements for release of foreign exchange for imports

1. Domiciliation requirements
2. Preshipment inspection
3. Letters of credit
4. Import licenses used as exchange licenses
5. Other

D. Import licenses and other nontariff measures

1. Positive list
2. Negative list
3. Open general licenses
4. Licenses with quotas
5. Other nontariff measures

E. Import taxes and/or tariffs

1. Taxes collected through the exchange system

F. State import monopoly

VIII. Exports and Export Proceeds

A. Repatriation requirements

1. Surrender requirements
 - a. Surrender to the central bank
 - b. Surrender to authorized dealers

B. Financing requirements

C. Documentation requirements

1. Letters of credit
2. Guarantees
3. Domiciliation

4. Preshipment inspection
5. Other

D. Export licenses

1. Without quotas
2. With quotas

E. Export taxes

1. Collected through the exchange system
2. Other export taxes

**IX. Payments for Invisible Transactions
and Current Transfers**

A. Controls on these transfers

1. Trade-related payments
 - a. Prior approval*
 - b. Quantitative limits*
 - c. Indicative limits/bona fide test*
2. Investment-related payments
 - a. Prior approval*
 - b. Quantitative limits*
 - c. Indicative limits/bona fide test*
3. Payments for travel
 - a. Prior approval*
 - b. Quantitative limits*
 - c. Indicative limits/bona fide test*
4. Personal payments
 - a. Prior approval*
 - b. Quantitative limits*
 - c. Indicative limits/bona fide test*
5. Foreign workers' wages
 - a. Prior approval*
 - b. Quantitative limits*
 - c. Indicative limits/bona fide test*
6. Credit card use abroad
 - a. Prior approval*
 - b. Quantitative limits*
 - c. Indicative limits/bona fide test*
7. Other payments
 - a. Prior approval*
 - b. Quantitative limits*
 - c. Indicative limits/bona fide test*

X. Proceeds from Invisible Transactions and Current Transfers

A. Repatriation requirements

1. Surrender requirements
 - a. Surrender to the central bank*
 - b. Surrender to authorized dealers*

B. Restrictions on use of funds

XI. Capital Transactions

A. Controls on capital transactions

1. Repatriation requirements
 - a. Surrender requirements*
 1. Surrender to the central bank
 2. Surrender to authorized dealers
2. Controls on capital and money market instruments
 - a. On capital market securities*
 1. Shares or other securities of a participating nature
 - i. Purchase locally by nonresidents
 - ii. Sale or issue locally by nonresidents
 - iii. Purchase abroad by residents
 - iv. Sale or issue abroad by residents
 2. Bonds or other debt securities
 - i. Purchase locally by nonresidents
 - ii. Sale or issue locally by nonresidents
 - iii. Purchase abroad by residents
 - iv. Sale or issue abroad by residents
 - b. On money market instruments*
 1. Purchase locally by nonresidents
 2. Sale or issue locally by nonresidents
 3. Purchase abroad by residents
 4. Sale or issue abroad by residents
 - c. On collective investment securities*
 1. Purchase locally by nonresidents
 2. Sale or issue locally by nonresidents
 3. Purchase abroad by residents
 4. Sale or issue abroad by residents
3. Controls on derivatives and other instruments
 - a. Purchase locally by nonresidents*
 - b. Sale or issue locally by nonresidents*
 - c. Purchase abroad by residents*
 - d. Sale or issue abroad by residents*

4. Controls on credit operations
 - a. Commercial credits*
 1. By residents to nonresidents
 2. To residents from nonresidents
 - b. Financial credits*
 1. By residents to nonresidents
 2. To residents from nonresidents
 - c. Guarantees, sureties, and financial backup facilities*
 1. By residents to nonresidents
 2. To residents from nonresidents
5. Controls on direct investment
 - a. Outward direct investment*
 - b. Inward direct investment*
6. Controls on liquidation of direct investment
7. Controls on real estate transactions
 - a. Purchase abroad by residents*
 - b. Purchase locally by nonresidents*
 - c. Sale locally by nonresidents*
8. Controls on personal capital transactions
 - a. Loans*
 1. By residents to nonresidents
 2. To residents from nonresidents
 - b. Gifts, endowments, inheritances, and legacies*
 1. By residents to nonresidents
 2. To residents from nonresidents
 - c. Settlement of debts abroad by immigrants*
 - d. Transfer of assets*
 1. Transfer abroad by emigrants
 2. Transfer into the country by immigrants
 - e. Transfer of gambling and prize earnings*

XII. Provisions Specific to the Financial Sector

A. Provisions specific to commercial banks and other credit institutions

1. Borrowing abroad
2. Maintenance of accounts abroad
3. Lending to nonresidents (financial or commercial credits)
4. Lending locally in foreign exchange
5. Purchase of locally issued securities denominated in foreign exchange
6. Differential treatment of deposit accounts in foreign exchange
 - a. Reserve requirements*
 - b. Liquid asset requirements*
 - c. Interest rate controls*
 - d. Credit controls*

7. Differential treatment of deposit accounts held by nonresidents
 - a. Reserve requirements*
 - b. Liquid asset requirements*
 - c. Interest rate controls*
 - d. Credit controls*
8. Investment regulations
 - a. Abroad by banks*
 - b. In banks by nonresidents*
9. Open foreign exchange position limits
 - a. On resident assets and liabilities*
 - b. On nonresident assets and liabilities*

B. Provisions specific to institutional investors

1. Insurance companies
 - a. Limits (max.) on securities issued by nonresidents*
 - b. Limits (max.) on investment portfolio held abroad*
 - c. Limits (min.) on investment portfolio held locally*
 - d. Currency-matching regulations on assets/liabilities composition*
2. Pension funds
 - a. Limits (max.) on securities issued by nonresidents*
 - b. Limits (max.) on investment portfolio held abroad*
 - c. Limits (min.) on investment portfolio held locally*
 - d. Currency-matching regulations on assets/liabilities composition*
3. Investment firms and collective investment funds
 - a. Limits (max.) on securities issued by nonresidents*
 - b. Limits (max.) on investment portfolio held abroad*
 - c. Limits (min.) on investment portfolio held locally*
 - d. Currency-matching regulations on assets/liabilities composition*

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