



SAMOA

STAFF REPORT FOR THE 2017 ARTICLE IV CONSULTATION —INFORMATIONAL ANNEX

April 13, 2017

Prepared By

The Asia and Pacific Department
(In Consultation with Other Departments)

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FUND RELATIONS

(As of March 31, 2017)

Membership Status

Joined: December 28, 1971; Article VIII

General Resources Account

	SDR Million	Percent Quota
Quota	16.20	100.00
Fund holdings of currency	14.37	88.69
Reserve position in Fund	1.84	11.38

SDR Department

	SDR Million	Percent Allocation
Net cumulative allocation	11.09	100.00
Holdings	9.18	82.75

Outstanding Purchases and Loans

	SDR Million	Percent Quota
RFC Loans	5.80	35.80
ESF RAC loan	3.48	21.48

Latest Financial Arrangements

Type	Approval Date	Expiration Date	Amount Approved (SDR million)	Amount Drawn (SDR million)
Stand-by	7/9/1984	7/8/85	3.38	3.38
Stand-by	6/27/1983	6/26/1984	3.38	3.38

Overdue Obligations and Projected Payments to Fund¹

(SDR million; based on existing use of resources and present holding of SDRs):

	Forthcoming				
	2017	2018	2019	2020	2021
Principal	1.16	1.74	2.32	1.16	1.16
Charges/interest	0.00	0.01	0.01	0.01	0.01
Total	1.16	1.75	2.33	1.17	1.17

¹ When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

Exchange Rate Arrangement

The exchange rate of the tala is pegged to a trade and payments weighted basket of currencies. The pegged rate can be adjusted within a ± 2 percent band. The basket is a composite of the currencies of Samoa's most important trading partners and countries that are major sources of tourism revenue from abroad—New Zealand, Australia, the United States, and Euro countries. The exchange rate regime is free of restrictions and multiple currency practices.

Article IV Consultations

The 2015 Article IV consultation discussions were held during February 23–March 6, 2015. It was concluded by the Executive Board on June 1, 2015 (IMF Country Report No. 15/191). Samoa has been on the 24-month cycle and it is proposed that the next consultation take place on a 12-month cycle.

Technical Assistance from Headquarters

The Pacific Financial Technical Assistance Centre (PFTAC) has provided assistance on budgetary management, tax administration, and financial sector supervision. MCM has provided assistance on monetary policy operations, banking, and insurance supervision and other central banking issues. STA has provided help with government finance statistics and balance of payments statistics, and FAD with tax administration and LEG with central bank law. Following FSAP recommendations, MCM and PFTAC plan to provide assistance on bank supervision and regulations, and STA will provide assistance on monetary and financial statistics.

Safeguards Assessments

An update safeguards assessment of the CBS was completed in June 2014. The assessment found some safeguards elements in place, but concerns over CBS autonomy and governance, audit quality, and staff capacity need to be addressed. The CBS has taken steps to address these, including improving its governance and autonomy through enactment of a new central bank law in 2015. In line with the safeguards policy, the CBS should accelerate efforts to strengthen the quality of the external audit. The CBS should also take further steps to enhance oversight of audit functions.

AML/CFT

Samoa has improved its AML/CFT framework since the 2006 assessment, including through the Money Laundering Prevent Act 2007 and subsequent regulations in 2009. These better align Samoa's framework with the FATF's recommendations under the third round of mutual evaluations. The FATF recommendations were revised for the fourth round in 2012 and, in 2015, Samoa's AML/CFT regime was assessed by the Asia Pacific Group on Money Laundering (APG) under the revised 2012 FATF standard. APG assessors found significant shortcomings in Samoa's AML/CFT regime, rating it low or moderately effective in 10 out of 11 immediate outcomes assessing effectiveness, and non-compliant or partially compliant with more than half of the 40 FATF

recommendations. Hence, the authorities were encouraged to work toward substantial improvements of the AML/CFT framework, both on strategic and operational levels.

Resident Representative

The Regional Resident Representative Office for Pacific Island Countries based in Suva, Fiji was opened on September 13, 2010 and the office covers Fiji, Kiribati, Marshall Islands, Micronesia, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Mr. Tubagus Feridhanusetyawan is the current resident representative.