



EASTERN CARIBBEAN CURRENCY UNION

January 10, 2020

STAFF REPORT FOR THE 2019 DISCUSSION ON COMMON
POLICIES OF MEMBER COUNTRIES—INFORMATIONAL
ANNEX

Prepared By

Western Hemisphere Department
(In consultation with other departments)

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RELATIONS WITH THE FUND

(As of November 30, 2019)

1. **Membership Status:** Not Applicable
2. **Exchange Arrangement:** The Eastern Caribbean Currency Union (ECCU) comprises six Fund members: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; and two territories of the United Kingdom, Anguilla and Montserrat. The eight ECCU members have a common currency, monetary policy, and exchange system. The common currency, the Eastern Caribbean (EC) dollar, has been pegged to the U.S. dollar at the rate of EC\$2.70 per U.S. dollar since July 1976. The common central bank, the Eastern Caribbean Central Bank (ECCB), has operated like a quasi-currency board, maintaining foreign exchange backing of its currency and demand liabilities of close to 100 percent.
3. **Safeguards assessment.** The 2016 updated safeguards assessment found that the ECCB continues to maintain a governance framework that provides for independent oversight. Transparency in financial reporting has been maintained and the external audit mechanism is sound. As recommended by the assessment, the ECCB has restructured the internal audit and risk management functions to align them with leading international practices. In accordance with the Safeguards Policy which requires regional central banks to be assessed every four years, the ECCB will be subject to an update assessment in 2020.

CARTAC: CAPACITY BUILDING IN THE ECCU

(As of November 30, 2019)

Highlights of CARTAC's technical assistance (TA) and training to the ECCU countries in the various core areas are provided below.

1. **In the area of tax administration, VAT implementation in ECCU countries is largely complete.**¹ The tax program for the ECCU member countries continues to focus on: (i) organizational restructuring to include strengthening and establishing a large taxpayer operation, (ii) strategic management frameworks (SMF); (iii) capacity building in core functions (taxpayer service, audit, collections enforcement, data analysis and risk management), (iv) building of a robust program management (headquarters) function, (v) modernizing tax legislation, and (vi) strengthening IT systems.
2. **Implementation of management of taxpayers through segmentation and the**

¹ Dominica (March 2006), Antigua and Barbuda (January 2007), St. Vincent and the Grenadines (May 2007), Grenada (February 2010), St. Kitts and Nevis (November 2010), St. Lucia (October 2012). In Anguilla in 2012, CARTAC provided support with its preparations for the introduction of a Goods and Services Tax in 2014. The government is considering a broad-based GST/VAT, possibly to be implemented in two phases – Limited VAT in 2021 and full VAT in 2023/4.

establishment of Large and Medium Taxpayers Units (LMTUs)/programs and Design, Planning and Monitoring Units (DPMUs) are progressing well in Antigua and Barbuda, Dominica, St. Lucia, St. Kitts and Nevis, Grenada, and St. Vincent and the Grenadines.

3. There is also progress in implementing new or modernized legislation. St. Kitts and Nevis secured legislation that mandates the filing of VAT and CIT tax returns. Anguilla now has a modern Inland Revenue Department Act, which provides the legal framework for the functioning of the Comptroller's office and sets forth the Comptroller's powers to collect tax. St. Vincent and the Grenadines are in the process of strengthening its legal framework with the implementation (possibly before the end of 2019) of a new Tax Administration Act.

4. Countries are strengthening their legislative framework to meet international standards and effectively administer taxes. Support was provided to Dominica, St. Vincent and the Grenadines. Anguilla, Antigua and Barbuda, Montserrat, St. Lucia, St. Kitts and Nevis have either strengthened their legislation and/or taken steps to address the issue of harmful taxation.

5. The standardized regional data analytics and cross-matching program has made significant progress. Given significant capacity gaps in the region, this project aims to build analytical skills in the planning, monitoring and program design and audit units to improve data matching, and data mining to strengthen the quality of compliance management programs. St. Kitts and Nevis, Dominica, St. Lucia, and Grenada, St. Vincent and the Grenadines have benefited from the program. The program was introduced to Antigua and Barbuda's audit unit. The delivery modality is now targeting a core nucleus of staff to achieve a higher level of competence to allow for institutional specialization in this area aligned with the program management agenda. The previous high-level sensitization program has strengthened participants' skills in Excel, improved identification of errors and issues to be addressed to improve data quality, sharpened the identification of risks in core functional areas of registration, on-time filing and payments, and the accuracy of taxpayer reporting based on the results of data cross-matching, analysis of VAT financial data, and introduction of industry benchmarking. The data analytics program is now focusing on the analysis of data to improve the development of core functional programs and decision-making process.

6. Progress on the implementation of the standardized regional approach to risk-based compliance improvement has so far been limited. This is due to the insufficient data quality and limitations in the capacity of administrations to use and analyze internal and external data. St. Kitts and Nevis, Dominica, St. Lucia, Grenada and St. Vincent and the Grenadines benefited from TA to develop a risk-based compliance management framework. Work in this area continues as administrations become more competent in the use of available data to better inform the risk management process.

7. Performance management has been strengthened through building capacity/mentoring of officers in the planning and monitoring units in St. Lucia, Antigua and Barbuda, St. Kitts and Nevis, and St. Vincent and the Grenadines.

8. Strengthening information technology systems for business delivery is essential to support sustainable reforms. The tax administration information technology (IT) system used in the ECCU countries, is receiving regional peer-to-peer support. Drawing on regional skills, IT

enhancement support was provided to St. Lucia, Grenada, and St. Vincent and the Grenadines with enhancements to SIGTAS. In Montserrat, the property tax system was enhanced, facilitating timely production of notices of assessments and a system to administer CIT was recently implemented. St. Lucia and St. Vincent and the Grenadines benefitted from TA in strengthening IT operational, security procedures, and business continuity plans.

9. Some countries are taking steps to acquire new IT systems. St. Kitts and Nevis, St. Lucia, Grenada, St. Vincent and the Grenadines are seeking to replace their tax information systems. Anguilla commenced the implementation of a new system and Antigua and Barbuda is in the process of upgrading it. Antigua and Barbuda, St. Lucia, St. Vincent and the Grenadines benefited from a study-tour of Tax administration Jamaica (TAJ)—to get an understanding of TAJ’s IT support, systems and process used in identifying and implementing its new tax information system.

10. In supporting regional integration, all ECCU member countries benefited from three regional workshops in FY2018/19: (a) International Survey of Revenue Administration (ISORA) sensitization sessions led by FAD - the event outlined the most recent developments regarding the platform and access to review the data outcomes from the last round of survey data; (b) Effectively Managing Audit Programs – which sought to strengthen regional audit management capacity, ensuring that audits and other verification programs are effectively managed; and (c) an inter-regional seminar between CARTAC and PFTAC – all ECCU countries participated in this first event of this kind. Important inter- and intra-regional technical and operational issues were discussed, and regional and country presentations made show-casing issues and solutions for tax administration and policy matters. In addition, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines are participating in a FAD-led initiative to establish a “Regional Tax Audit Team (RTAT)”. Phase II of the program is underway; four workshops have been conducted. The third and fourth training sessions focused on auditing the financial sector. Following the training, the program will shift into implementation mode where actual audits will commence in multiple jurisdictions related to a selected sector (potentially, the financial sector).

11. Core tax administration functions have been strengthened. Dominica received support in enhancing taxpayer service delivery. Dominica, St. Vincent and Grenadines, and St. Lucia received training in audit techniques – building analytical skills and auditing of taxpayers who do not keep adequate books and records.

12. TA has been provided to strengthen resilience to extreme weather events. In June 2019 a joint regional seminar was held in the regional customs training center in the Dominican Republic on *Disaster Preparedness for Tax and Customs*. All ECCU customs and tax administrations participated in the seminar. During the weeklong event, held with the assistance of UNCTAD and the Caribbean Disaster and Emergency Management Agency (CDEMA), participants learned about best practices in disaster preparedness and business continuity planning and shared experiences of tax and customs survival and recovery during hurricanes Irma and Maria.

13. Customs administration focuses on: strengthening risk management and managerial skills to help ensure (i) leadership, management and governance; (ii) trade facilitation, and (iii) compliance. Regional initiatives include continued support to CARICOM in the harmonization of customs procedures.

14. Risk Management is the cornerstone of an effective, modern customs administration.

It enables customs, by gathering and analyzing information from a variety of sources, to make sound decisions about interventions in the cargo clearance process. TA has been provided to Grenada, Anguilla, Dominica and St. Kitts and Nevis, St. Vincent and the Grenadines, and Anguilla, and in each territory a framework has been prepared to identify, categorize, and prioritize risks and to propose treatment techniques to address those risks. This has been further developed in these administrations to identify, monitor, and facilitate traders' compliance.

15. TA, including advice, mentoring and training on post clearance audit (PCA), was delivered to St. Vincent and the Grenadines and Dominica. Approximately 20 officers received training, and as a result of this assistance, customs in these member countries acquired the capacity to initiate significant PCA programs, and to strengthen both compliance and trade facilitation. Together with risk management, PCA has been an area where CARTAC has provided significant TA since FY14 – to Antigua and Barbuda, Dominica, and St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

16. TA has been provided to Grenada to strengthen training capacity. Significant TA has been provided to develop training modules in core customs skills for new and recent entrants to customs and to prepare a cadre of trainers. This will improve the quality and consistency of service for importers.

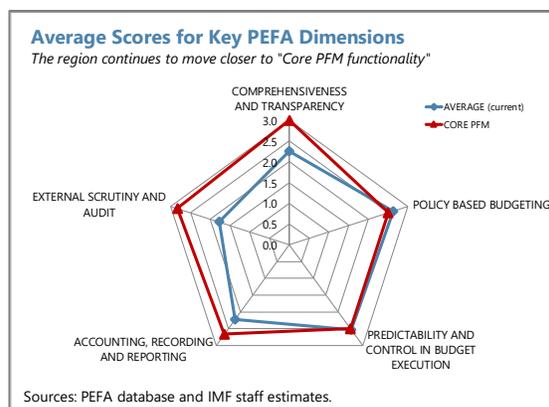
17. TA has been provided to Anguilla to prepare for the implementation of the Interim Goods Tax (IGT). TA has been provided to prepare a detailed prioritized action plan for the customs aspects of the new tax. In collaboration with FAD TP, TA has been provided to help extract customs data to assist in revenue modelling of the new tax.

18. CARTAC has been reviewing the post hurricane PFM Response in Dominica and Anguilla and will also be reviewing the same for Antigua and Barbuda later in the year with the intention of assisting those countries to increase their resilience to the effects of climate change. The results of the individual reviews will be aggregated to produce a Caribbean report to help improve hurricane preparedness for the region.

19. PEFA assessments that were completed in Grenada and Dominica in 2016 and in St Lucia in 2017 will add to this information base. As a follow-up to each PEFA assessment, CARTAC has worked closely with the assessed countries to develop PFM Action Plans in order to improve those weaknesses highlighted in the PEFA assessments. CARTAC is conducting a PEFA Assessment of Anguilla as of late-2019.

20. Implementation of a modernized and more consistent PFM legal framework in the ECCU is progressing. Antigua and Barbuda (delivered from the IMF Headquarters with European Union funding), St. Lucia (delivered under the Financial Management in the Caribbean program), Anguilla, and Dominica have finalized draft legislation for legislative consideration. In September a FAD-led TA mission to Dominica on the establishment of a Vulnerability, Risk and Resilience Fund (VRRF) to mitigate financial shocks from severe weather events. CARTAC provided amendments to

their Draft PFM Legislation governing the creation, operation and management of the VRRF Fund. Montserrat and St. Vincent and the Grenadines also have prepared initial PFM drafts that are under review. Grenada passed revisions to its new PFM legislation and has adopted revised regulations (FMC) and a Fiscal Responsibility Act.² St Lucia had tabled a new PFM Act which was not passed in time during the last session. Given that most ECCB Countries still have their legislation in draft form, it will be important to accelerate their submission to the respective Parliaments.



21. Anguilla, Montserrat, and St. Vincent and the Grenadines received diagnostic assessments and training in the implementation of the CARTAC SOE/SB ownership manual (bringing to seven the number of countries implementing the manual). The countries undergoing this reform were brought together in a small workshop to share experiences and better practices in implementing the CARTAC reform – Grenada gave a presentation on achievements to date and shared reporting templates and other material to aid the reform effort in the region.

22. Regional budget preparation reform has been strengthened, with new countries adopting the strategic budgeting reform agenda. St. Lucia's budgets were prepared according to the strategic budget reform methodology and presented in the revised program budgeting format, including non-financial performance information. Budget preparation reform was further sustained through the development of comprehensive budget manuals. New manuals were developed for St. Lucia and St. Vincent and the Grenadines; bringing to nine the number of CARTAC countries with comprehensive budget preparation manuals. The budget manuals include a gender budgeting perspective. Montserrat has engaged the services of a private consultant to assist them with developing a medium-term fiscal framework and budget as well as programme budgeting.

23. Compliance with International Public Sector Accounting Standards (IPSAS) has made significant progress. The annual IPSAS cash basis workshop was repeated this year to evaluate compliance with the new exposure draft. As a result, Anguilla and St. Kitts and Nevis were self-assessed as fully compliant, but work remains to be done to improve the notes to cash basis financials, to provide a more comprehensive view as countries move to modified cash (as a step prior to accrual basis). Mission to Dominica and Grenada to review their Treasury Functions and to improve their IPSAS cash management also took place. A mission to assist Anguilla with reforming the COA took place in January 2019 and provided assistance with transition to GFS2014.

24. CARTAC's technical assistance to the ECCU countries in the area of macroeconomic and financial programming analysis continued in 2019. During 2019 four country missions were conducted in Anguilla, Antigua and Barbuda, Montserrat, and Saint Lucia. In the case of Anguilla, the focus was on assisting the Ministry of Finance in updating their Medium Term Economic and Fiscal

² FMC – Financial Management in the Caribbean program financed by Canada and executed by the Fiscal Affairs Department (FAD).

Plan (MTEFP) as required by the British Government as a pre-condition for approval of their budget and to draw down a loan from the Caribbean Development Bank for post hurricane rehabilitation. In Antigua and Barbuda, the focus was placed on improving the capacity of the staff in the Ministry of Finance in developing the Medium-term Fiscal Framework. (MTFF). The MTFF is expected to lay the groundwork for the authorities to develop medium term budget frameworks starting with the 2020 budget. In Montserrat, the mission focused on enhancing capacity of the Ministry of Finance and assisting it in updating the MTFF. The Ministry of Finance of Saint Lucia requested training of their staff on the Market Access Debt Sustainability Analysis template (MAC DSA). Training in the use of the template was requested in light of the expected large increase in public debt over the medium term emanating from the reconstruction of the international airport coupled with extensive road works. 15 persons benefited from the training including 2 from ECCB.

25. The training is expected to enhance the capacity of the staff in the Ministry of Finance to adopt a more structured approach to macroeconomic forecasting and updating the MTFF.

This should result in a more systematic approach to budgeting and policy making. In addition to the country level technical assistance, three regional workshops were conducted for the representatives from ECCU countries. The first, a Macroeconomic Diagnostics course, was conducted in Barbados in July and attended by 21 participants, of which 6 were from the ECCU. A debt sustainability analysis course was customized for the ECCU countries and held in September 2019 in St. Kitts and Nevis. 27 persons participated in the course, of which 9 came from the ECCB. It is expected that the country economists at ECCB will work closely with their respective countries in regularly updating the DSA templates for the countries. A Fiscal Sustainability course was also conducted in Jamaica in October, including for 3 persons from the ECCU.

26. CARTAC's TA in the area of financial stability comprises: (i) stress-testing various aspects of the financial system; (ii) preparing financial soundness indicators (FSIs) for deposit-taking institutions and financial stability and health indicators (FSHIs) for the non- deposit taking segments of the financial sector; (iii) developing macro-prudential and systemic risk indicators (MPIs and SRIs respectively) to bolster overall financial sector risk management and, (iv) assisting the ECCB in preparing the financial stability report for the ECCU member territories.

27. During FY18, CARTAC provided ECCB with TA on upgrading its financial stability function, specifically in relation to developing MPIs and SRIs, and developing a macroprudential institutional and surveillance framework to cover the ECCU region. The recommended macroprudential institutional and surveillance framework was endorsed by the ECCB Board of Directors. A proposal based on the CARTAC TA is being finalized for presentation to the ECCU Monetary Council to formalize the ECCU's financial stability institutional framework. The ECCB also prepared and published on its website the inaugural Financial Stability Report, which assessed systemic risks and vulnerabilities in the ECCU region and featured the MPIs and SRIs provided by CARTAC TA.

28. A comprehensive list of financial health and soundness indicators with accompanying methodologies was developed for the insurance sector regulators in the ECCU region. Follow up TA on developing stress-testing frameworks for ECCU insurance regulators were provided to Antigua and Barbuda, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines and to FSU staff in the ECCB in FY19. Further to the training and action plan provided by CARTAC, Antigua and Barbuda

and St. Vincent and the Grenadines have developed Reinsurance Guidelines for feedback from their respective industries. A similar stress testing TA program will be provided in December 2019 for the remaining insurance sector regulators in the ECCU region.

29. A set of FHSIs with accompanying methodologies were developed for credit union sector regulators in Anguilla, Antigua and Barbuda, Dominica, St. Kitts and Nevis and for FSU staff in ECCB. A similar stress testing TA program will be provided for St. Lucia in October 2019.

30. Dominica received CARTAC TA on credit union stress testing which has already led positive outcomes. A 'bottom-up' stress testing program has been implemented by the Regulator through the issue of Stress Test Guidelines to the credit union sector. Dominica's Financial Services Unit has since established an annual credit union sector meeting to review and discuss results from yearly sector-wide stress testing exercises. Reporting forms were amended in line with CARTAC TA recommendations to allow for reporting on loan and deposit concentrations to facilitate the prescribed stress testing exercises.

31. CARTAC provided training to help ECCB implement the correspondent banking relationships (CBRs) monitoring toolkit (developed in the Monetary and Capital Markets Department) to enhance systemic risk surveillance of ECCU's cross-border payment flows. The CBRs toolkit was used for analysis of payments data collected from 84 percent of ECCU respondent banks covering the period 2014 to 2017. It is expected that the ECCB will routinely update the data set for continued application in the toolkit to guide their strategy for minimizing the risk of CBR withdrawals.

32. In financial sector supervision, CARTAC reviewed and provided feedback on the ECCB's draft Basel II/III implementation plan for the Eastern Caribbean Currency Union (ECCU) and assisted with the development of time-bounded action plans and milestones to achieve Basel II/III implementation objectives. The ECCB has established a Basel II/III implementation team and had commenced consultation with institutions that will be subject to Basel II/III reporting. The ECCB has submitted a third iteration of their Basel II/III implementation roadmap to CARTAC. Implementation of Pillar 1, assuming no further revision to their implementation timetable is possible by the end of FY21. It is highly unlikely that Pillar 2 will be implemented by the end of FY 22. Pillar 2 implementation requires at least 12 to 18 months. The authorities have expressed preference for either a Resident Advisor or Peripatetic Advisor for Basel II/III implementation.

33. Training and TA on the implementation of risk-based supervision was provided across bank and non-bank financial institutions in member countries. During FY 18, CARTAC provided TA to the following countries: Grenada - Risk-Focused Examination of Retail Lending at Credit Unions; St. Vincent and the Grenadines, and Grenada - Review of Reinsurance Treaties, and Actuarial Reports of Insurance Companies; Dominica - Supervisory intervention plan for Credit Union and insurance sectors; and Antigua and Barbuda – guidelines on bottom-up stress testing for credit unions. CARTAC also provided follow-up TA to facilitate improvements in processes and practices for conducting onsite and offsite supervision in a risk-based supervisory environment in St. Vincent and the Grenadines, Grenada, Antigua and Barbuda, and Anguilla.

34. In March 2019, CARTAC conducted a 2.5-day (March 4-6, 2019) workshop on the implementation and application of Risk-based Supervision (RBS) across Foreign Bank

Branches (FBBs) in the ECCU. Key implementation challenges in applying RBS across FBBs were addressed, including the importance of communicating supervisory expectations to FBBs regarding the role and responsibilities of Branch Country Managers. The workshop was attended by 24 staff members from the Bank Supervision Department of the ECCB.

35. In July 2019, CARTAC provided follow-up RBS methodology related training and TA to senior managers responsible for the supervision of Credit Unions and Insurance companies across the member territories of the ECCU. The workshop was attended by 31 senior supervisors from national regulatory agencies in the ECCU with responsibility for the supervision of credit unions, insurance companies, and other non-bank financial institutions. The workshop also had representation from the Eastern Caribbean Central Bank (ECCB). Following the Regional workshop in July, the Financial Services Regulatory Authority (FSRA) of St Lucia requested follow-up TA to implement RBS. The FSRA has developed draft action plans to transition to RBS and implement a risk-based solvency regime for insurance companies. The upcoming mission in late October 2019 will focus on RBS implementation.

36. In FY18, CARTAC provided TA to facilitate review of the draft legislation on Securities and Investment Funds. Both legislations will replace the current Securities Act and the legislation governing collective investment schemes enacted in the ECCU member territories in 2001. The draft Bill was submitted to the IOSCO for preliminary assessment of the ECSRC eligibility for membership. The draft Bill has since been finalized for public consultation.

37. In FY18, CARTAC provided TA to address deficiencies in the ECCU's Uniform Insurance and Pension Bill. This would be a step towards the establishment of a Single Market for Insurance and Pension (SIPM). Recommendations resulting from the review have been finalized, and in process of being incorporated into the Uniform Bill with a view to establish a uniform Insurance and Pension legislation in the ECCU that are aligned with international regulatory and market conduct standards.

38. Continued efforts at capacity building through regional workshops in FY18, FY19, and FY20. CARTAC facilitated both bank and non-bank supervisors from member countries of the ECCU to attend several regional workshops. These workshops focused on strengthening regulatory and supervisory oversight across both the bank and the non-bank sectors (pension, insurance, securities, and credit unions), systemic risk surveillance, implementation of IFRS 9 and IFRS 17, risk-based capital framework for insurance companies, consolidated supervision, digital currencies, and FinTech. In September 2019, CARTAC facilitated both bank and non-bank supervisors from the ECCB and member countries of the ECCU to attend regional workshop on Consolidated Risk-based Supervision of Banking Groups and Financial Conglomerates in Kingston, Jamaica.

39. TA was provided to Dominica on developing supervisory intervention plans for the credit union and insurance. The Financial Stability and Financial Sector Supervision programs fielded a joint mission to Dominica in early 2018 to assess the resilience of some financial institutions in the aftermath of hurricane Maria of 2017.

40. During 2017-18 the CARTAC program on economic and financial statistics concentrated on improving external sector, national accounts, and price statistics in the ECCU countries. Good progress is being made by Grenada, St. Kitts and Nevis, and St. Vincent and the Grenadines in expanding the range and improving the quality of their *annual national accounts*,

including developing supply and use tables (SUT). The SUT for St. Lucia has been finalized and work commenced to compile rebased GDP estimates. A comprehensive review of the national accounts concepts, data sources, compilation, and dissemination methods was conducted for Grenada, and 5-year action plan to rebase the GDP and expand the national accounts prepared.

- Increased efforts are being made by countries to develop or improve *quarterly national accounts* estimates. Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines have commenced disseminating quarterly GDP by economic activity (QGDP-P) estimates.
- Progress is also being made by countries to improve price statistics. Assistance was provided to build institutional capacity, improve the CPI compilation methodology, review the Household Budget Survey (HBS)/Survey of Living Conditions (SLC) household consumption expenditure data, and update the CPI expenditure weights for St. Vincent and the Grenadines.
- A regional training workshop was conducted during September 30-October 4, 2019 to strengthen the technical capacity of price statisticians from ECCU countries and the ECCB to review HBS/SLC household consumption expenditure data, aggregate and quality adjust the data to produce updated expenditure weights for the CPI basket, improve the CPI methodology, and compile rebased CPI series.

41. CARTAC is continuing to coordinate its activities with other TA providers in the region, including the Project for the Regional Advancement of Statistics in the Caribbean (PRASC) being delivered by Statistics Canada on improving data sources and compiling national accounts and price statistics and the assistance provided by the ECCB in reviewing the annual national accounts of the ECCU member states.

42. Supported by CARTAC, since 2017 the ECCB and ECCU's NSOs have jointly been disseminating enhanced annual balance of payments and international investment position (IIP) statistics for each ECCU member country and the ECCU region following the BPM6 guidelines. Data for 2014 onwards are available on the ECCB's website and re-disseminated in the IMF's *Balance of Payments Statistics Yearbook (BOPSY)* and *International Financial Statistics (IFS)*. CARTAC continues assisting ECCU member's countries in strengthening the compilation framework of the ESS and dissemination of statistics mainly through enhancing the coverage, methodology, and the quality of prioritized balance of payments components with the incorporation of a wider variety of data sources to supplement business surveys. NSOs of most of ECCU's member countries have access to relevant tax information available at the country's inland revenue department. Supported by CARTAC, increased number of NSOs and/or the tourism authorities conduct sound visitor expenditure surveys (VES).³ Recent CARTAC missions to the ECCB and the NSOs are assisting in developing suitable backcasting techniques to address significant breaks in the balance of payments for years prior 2014. In coordination with the debt management offices of the ministries

³ Antigua and Barbuda, Dominica, Grenada, St Lucia and St Vincent and The Grenadines conduct VES on an ongoing basis and results are incorporated in their balance of payments. St Kitts and Nevis conducted a VES in 2016 and its indicators are updated every year to compile visitor expenditure estimates in the balance of payments. It is noteworthy that tourism expenditure compiled in travel services exports was largely underestimated in the former balance of payments statistics of most ECCU member countries, given the lack of up-to-date indicators from VESs.

of finances, the ECCB has also posted aggregated data on outstanding central government and public sector external debt on its website. CARTAC is also supporting the ECCB and the NSOs to compile public and private external debt in line with international standards.