



REPUBLIC OF SAN MARINO

STAFF REPORT FOR THE 2022 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

November 1, 2022

Prepared by

European Department

CONTENTS

FUND RELATIONS	2
STATISTICAL ISSUES	4

FUND RELATIONS

(As of September 30, 2022)

Membership Status: Joined September 23, 1992; Article VIII

General Resources Account	SDR Million	Percent of Quota
Quota	49.20	100.00
Fund holdings of currency	49.20	100.00
Reserves tranche position	0.00	0.00

SDR Department	SDR Million	Percent of Allocation
Net cumulative allocation	62.69	100.00
Holdings	48.11	76.74

Outstanding Purchases and Loans

None

Latest Financial Arrangements

None

Projected Obligations to Fund 1/ (SDR Million; based on existing use of resources and present holdings of SDRs)					
	Forthcoming				
	2022	2023	2024	2025	2026
Principal					
Charges/Interest	0.06	0.29	0.29	0.29	0.29
Total	0.06	0.29	0.29	0.29	0.29
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 Arrangements:

Prior to 1999, the currency of San Marino was the Italian lira. Since January 1, 1999, San Marino uses the euro as its official currency. The current classification of San Marino's exchange rate arrangement is an exchange arrangement with no separate legal tender. Foreign exchange transactions are conducted through commercial banks without restriction at rates quoted in Italian markets. There are no taxes or subsidies on purchases or sales of foreign exchange. San Marino has accepted the obligations under Article VIII, Section 2(a), 3, and 4, and maintains an exchange system free of multiple currency practices and restrictions on the making of payments and transfers for current international transactions, except for those maintained solely for the preservation of

national or international security and which have been notified to the Fund pursuant to Executive Board Decision No. 144-(52/51).¹

Latest Article IV Consultation:

San Marino is on a 12-month cycle. The previous Article IV consultation discussions took place during September 13-24, 2021, and the consultation was concluded on November 23, 2021 (IMF Country Report No. [21/249](#)).

FSAP Participation:

A review under the Financial Sector Assessment Program (FSAP) was completed in 2010.

Technical Assistance:

Year	Department/Purpose
1997	STA Multi-sector assistance
2004	STA Monetary and financial statistics
2005	MFD Deposit insurance
2008	STA GDDS metadata development
2009	LEG AML/CFT
2011	STA National accounts statistics
2012	STA Government finance statistics
2012	STA Monetary and Financial Statistics
2013	STA Balance of Payments Statistics
2014	FAD Expenditure Policy
2016	MCM Cassa di Risparmio Bank Restructuring
2018	FAD Foundations for a Value Added Tax
2018	FAD VAT Administrative Readiness Assessment
2018	STA Balance of Payments statistics
2019	LEG Enterprise Restructuring and Individual Over-indebtedness
2019	STA Enhanced General Data Dissemination System (E-GDDS)
2022	STA Monetary and Financial Statistics

Resident Representative: None

¹ EU Regulations are not directly applicable to San Marino due to Article 249 of the Treaty Establishing the European Community, but they may well be applied as a result of the legal relationship between San Marino and the EU, including the Monetary Agreement.

STATISTICAL ISSUES

(As of October 15, 2022)

Assessment of Data Adequacy for Surveillance
<p>General: Data provision is broadly adequate for surveillance, but data gaps exist. Since posting its National Summary Data Page in January 2020, San Marino has maintained a high timeliness of data reporting. Weaknesses in the statistical database remain however, mainly due to resource constraints. National accounts as well as monetary and financial sector data are compiled according to international standards, but some key statistics (in real and fiscal sectors) are available only with delays and, in many cases, are at a lower-than-standard frequency and level of detail. Following technical assistance provided by the IMF Statistics Department, San Marino started compiling balance of payments and international investment position (IIP) in 2018.</p>
<p>National Accounts: National accounts data for 2007 onward have been calculated in accordance with ESA95, and data are compiled annually based on production and expenditure approach, albeit with about 10 months delay. Methodological improvements starting 2015 lead to historical series revision. Employment data are available monthly. An industrial production index based on electricity consumption, launched in 2000, became available monthly in 2009 but it is updated irregularly. A purchasing managers' index has been compiled starting in 2010.</p>
<p>Price Statistics: Consumer prices data are available monthly.</p>
<p>Government Finance Statistics: The authorities have provided data for the central government, state-owned enterprises, and social security fund for 2004–20, and preliminary data for 2021. However, data have not been compiled in accordance with IMF standards. Financing items, such as amortization, are included as expenditures while “financing needs” are included among revenues. The authorities report annually fiscal data in the GFS Yearbook, revenues, expenses and stock of assets and liabilities for the General Government in the format of the GFSM2014, the last year reported is 2019.</p>
<p>Monetary and Financial Statistics: In 2018, the Central Bank of San Marino began using the standardized Report Forms to submit Monetary and Financial Statistics to the Fund for use in surveillance and for dissemination in <i>International Financial Statistics</i>. Data for Other Financial Corporations are not available. There is a need for improving the classification of commercial bank assets/liabilities.</p>
<p>Financial Sector Surveillance: The authorities' reporting of financial soundness indicators (FSIs) has been revised in Sep-2022. Twelve out of seventeen core for deposit takers are disseminated on a quarterly basis. FSIs for other financial corporations, nonfinancial corporations, and households are not reported. The authorities should shift to a timelier provision of quarterly FSI data to the Fund with a time lag of no more than four months.</p>
<p>External Sector Statistics: In 2018, San Marino started compiling balance of payments and IIP. Frequency, coverage and reporting should be improved. Data are reported once a year and with a long lag. In addition, there are several data gaps in the balance of payments, IIP, and external debt components. Going forward, the authorities should sustain efforts to improve the frequency, coverage, and reporting of relevant statistics.</p>

San Marino: Common Indicators Required for Surveillance
(As of Oct. 15, 2022)

	Date of latest observation	Date received	Frequency of Data⁷	Frequency of Reporting⁷	Frequency of Publication⁷
Exchange Rates	Sept 2022	Sep 2022	D	D	D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	May 2022	Aug 2022	M	M	M
Reserve/Base Money	May 2022	Aug 2022	M	M	M
Broad Money	May 2022	Aug 2022	M	M	M
Central Bank Balance Sheet	May 2022	Aug 2022	M	M	M
Consolidated Balance Sheet of the Banking System	May 2022	Aug 2022	M	M	M
Interest Rates ²	Dec 2021	Jun 2022	M	M	M
Consumer Price Index	June 2022	Aug 2022	M	M	M
Revenue, Expenditure, Balance and Composition of Financing ³ —General Government ⁴	2020	Sept 2022	A	A	A
Revenue, Expenditure, Balance and Composition of Financing ³ —Central Government	2021	Sept 2022	A	A	A
Stocks of Central Government and Central Government-Guaranteed Debt ⁵	2021	Jul 2022	A	A	A
External Current Account Balance	2020	May 2022	A	A	A
Exports and Imports of Goods and Services	Jun 2022	Sep 2022	M	M	M
GDP/GNP	2021	Feb 2022	A	A	A
Gross External Debt	2021	Sep 2022	A	A	A
International Investment Position ⁶	2021	Sep 2022	A	A	A

¹ Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

² Deposit and lending rates.

³ Foreign, domestic banks, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.

⁶ Includes external gross financial asset and liability positions vis-à-vis nonresidents.

⁷ Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).