

Guatemala

International Reserves and Foreign Currency Liquidity

0. Prerequisites

0.1 0.1 Legal Environment

0.1.1 Responsibility for collecting, processing, and disseminating statistics

Bank of Guatemala

The terms and conditions as the Bank of Guatemala (BG) collects, compiles and disseminates official statistics are stipulated in the Organic Law of 1945, last amended in 2002.

Article 60 of the law stipulates that the president BG appear before Congress twice a year, in January and July, to present a documented report. The first report should focus on the results of the previous year and the objectives and policies provided for the current fiscal year, and the second on the progress made in the implementation of monetary, exchange rate policy and credit policy for fiscal year.

Article 62 stipulates that the BG should publish a report on the most relevant aspects of the national economy, at least annually. Monetary program, the evaluation of monetary policy, exchange and credit policies, and others considered; Furthermore key macroeconomic statistics in monetary, exchange and credit matters, and balance of payments, and the report on the activities of the BG will spread necessary by the board monetary authorities (JM), which determine the appropriate frequency and timing.

There is no law authorizing the BG to obtain statistical information.

0.2 0.2 Resources

0.2.1. Staff, facilities, computing resources, and financing.

Section of Balance of Payments Statistics (SEBP) is responsible for the collection, processing and dissemination of Reserve Assets and Liquidity Sheet. This section is composed of four professionals, including the Head and Deputy Head and two analyst compilers of Reserve Assets and Liquidity Sheet in full.

The technical capacity of staff is adequate, whose academic degree is a bachelor, master or at least three years approved degree in economics or matters related thereto. The BG provides an internal postgraduate course in Economics and this Master provides guidelines to continue a graduate degree abroad.

Periodic training is received, by the IMF, the Center for Latin American Economics and Latin American Monetary Studies (CLAMS), the Central American Monetary Council (CAMC), and the Economic Commission for Latin America and the Caribbean (ECLAC), on issues related to the economic sphere, balance of payments and international investment position.

The work area and equipment are adequate to perform the required tasks.

1. Integrity

1.1 Professionalism

1.1.1. Impartiality of Statistics

As an autonomous entity, the BG is an impartial and professional organization and ensures that its personnel receive ongoing training in different areas of activity.

The data collection unit consists of professionals whose areas of expertise reflect the work they do.

1.1.2. Selection of sources, methodology, and modes of dissemination

The data sources are selected according to the objectives of the particular needs of the Reserve Assets and International Liquidity Sheet, while attempting to meet the need of statistical data and the measurement of thereof.

1.1.3. Commenting on erroneous interpretation and misuse of statistics

If an error occurs, the BG makes clarifications deemed necessary through press conferences, press releases, and other media.

1.2 Transparency

1.2.1. Disclosure of terms and conditions for statistical collection, processing, and dissemination

All publications of the Bank of Guatemala are fully identified so the users know where to get additional information.

In the case of the Reserve Assets and International Liquidity Sheet, information is obtained from the Balance Sheets of the Bank of Guatemala.

1.2.2. Internal governmental access to statistics prior to release

Bank of Guatemala does not give any national authority access to the statistics before their release.

1.2.3. Attribution of statistical products

No comment, for any authority external to the BG, is added to the data at the time of publication.

1.2.4. Advance notice of major changes in methodology, source data, and statistical techniques

The methodologies used for the production of statistics are made public.

2. Methodology

2.1 Concepts and definitions

The BG is responsible for the development and dissemination of Reserve Assets and International Liquidity Sheet of Bank of Guatemala on a monthly basis, and in millions of U.S. dollars. This information is prepared by the Section of Balance of Payments Statistics, which is part of the Department of Macroeconomic Statistics, in accordance with the methodology described in the sixth edition of the IMF Balance of Payments (BPM6).

BG's mandate to collect, compile and disseminate macroeconomic statistics is established in the Organic Law of the BG. Indeed, Article 62 of the Act provides that the BG must publish, at least quarterly, a report on the most relevant aspects of the Guatemalan economy. In addition, dissemination of key macroeconomic statistics in the Monetary, Exchange, Credit and Balance of Payments are guaranteed. In addition, the BG must report their annual activities, its monetary program, an evaluation of monetary, exchange and credit policies, and other money matters deemed necessary by the Monetary Board (JM), which determine the frequency and timing adequate.

The development and statement of international reserves and the return of liquidity aims to:

1) Provide the disclosure of reserves and short-term obligations in foreign currency full and timely manner.

2) Provide a coherent framework for assessing the liquidity of the countries in foreign currency (in a single framework integrates the concepts of international reserves and foreign currency liquidity).

3) To facilitate the comparison of data from different countries.

4) Include information that contemplates the future (one year horizon).

Reserve assets are defined as external assets that are readily available and under the control of monetary authorities to meet the financing needs of the balance of payments, to intervene in currency markets to influence the exchange rate and related purposes (such as maintaining confidence in the currency and economy and serve as a basis for foreign borrowing). Reserve assets must be foreign currency assets and actually being made. Potential assets are excluded. The concept of reserve assets is based on the condition of "effective control" and "availability" of assets by the monetary authorities.

Reserve assets must be available in the most unconditional form. A reserve asset is liquid in the sense that an asset may be bought, sold and liquidated in exchange for foreign currency (cash) at a minimum cost of money and time, without which the value of the asset is unduly affected. This concept encompasses non-marketable assets, such as deposits, and negotiable, such as titles for which buyers and sellers are willing to negotiate. The ability to raise funds by using the asset as collateral is not enough to consider it as a reserve asset. Some deposits and loans may be liquid and be included in reserve assets, but not necessarily negotiable.

To reserve assets that are readily available to the authorities, so that they can use in case of need for financing balance of payments and other purposes related to adverse circumstances, reserve assets should generally be of high quality.

Reserve assets are classified as follows:

1. Reserve assets comprise monetary gold, SDR holdings, reserve position in the IMF, currency and deposits, securities (including debt and equity), financial derivatives and other rights over assets (loans and other financial instruments).
2. Monetary gold, SDR holdings and reserve position in the IMF are considered assets because they are freely available to the monetary authorities unconditionally. In many cases, currency and deposits, securities and other assets are also freely available and therefore eligible to be considered as reserve assets.
3. Monetary gold is gold to which the monetary authorities (or other entities subject to the effective control of the monetary authorities) have title and kept as a reserve asset. Includes gold bullion (including gold coins, ingots and bars with a purity of 995/1.000 and gold bullion held in allocated gold accounts, regardless of the location of the account) and unallocated gold accounts against nonresidents that give the right to require delivery of gold. The gold bars are usually traded on organized or

through bilateral agreements between central banks markets. For gold accounts can be regarded as must be readily available to the monetary authorities.

4. The allocated and unallocated gold accounts should be distinguished from the accounts that are linked to gold (indexed to gold accounts) but which do not grant the right to obtain gold. The latter are classified as cash and deposits and are included in reserve assets if they meet the criteria for reservations.
5. Liabilities in unallocated gold accounts of entities resident monetary authorities against nonresidents should be classified as other investment, currency and deposits. Holdings of SDRs are reserve assets created by the IMF and are equivalent in most respects to the cash balances in convertible currencies.
6. Reserve position in the IMF is the sum of: a) the "reserve tranche", ie, the amount of foreign currency (including SDRs) that a member country can draw on the IMF with a notice period very short , and b) all indebtedness of the IMF (under a loan agreement) in the General Resources Account that is readily available to the member, including loans from the IMF reporting countries under the General Arrangements to Obtain Borrow (GAB) and the New Arrangements to Borrow (NAB).
7. While members should file a financing need of the balance of payments to make a purchase in the reserve tranche (reduced position), the IMF does not question any purchase request in the reserve tranche countries. The convertible currencies from shopping in the reserve tranche may be available within days.
8. Deposits refer to those available to the Hearing may also include fixed-term deposits that are redeemable on demand or with a very short notice without much affecting the value of the deposit. Deposits included in reserve assets are those held in foreign central banks, BIS, other non-resident companies and deposit- deposit arrangements with the IMF trust accounts that are immediately usable to satisfy a need for funding the balance of payments. Since short- term loans made by the monetary authorities to other central banks, BIS and other deposit-taking corporations are very similar to deposits, in practice it is difficult to differentiate between these two. Therefore, by convention and in accordance with the treatment of interbank exposures deposits are declared as reserve assets should include foreign currency loans short term redeemable on demand and monetary authorities granted by these scavenging non-resident companies deposits . The short-term loans in foreign currency that are available to view without much affecting the value of the asset and the monetary authorities granted by companies to non-resident non -termination of deposits , loans and long-term accounts fiduciary IMF are unconditionally repayable financing needs to meet balance of payments can be considered as reserve assets ("other claims on assets ") . But other long-term loans to non-residents of the monetary authorities, which are not immediately available to meet the financing needs of the balance of payments, are not reserve assets.
9. Titles include equity and marketable securities and liquid debt and long-term securities (such as Treasury bonds to 30 years in the United States). In principle,

unregistered securities traded (ie securities not quoted on the stock) are excluded, unless the securities are liquid.

10. Financial derivatives are recorded as reserve assets only if they are related to the management of reserve assets, they are an integral part of the valuation of such assets they and are subject to the effective control of the monetary authorities. Since correspond to asset management, these transactions and positions are recorded in net (assets minus liabilities) at market prices.
11. Other claims include loans granted to non-taking corporations of nonresident deposits, long-term loans to a trust account of the IMF which are unconditionally repayable financing needs to meet balance of payments, loans generated by operations repo (unless classified as deposits) and other financial assets not included above but which are foreign currency assets that are readily available (such as shares or units of mutual funds).

The Settlement Asset Reserve of Bank of Guatemala shows the difference between the Asset Reserves according to the Monetary and Financial Statistics Manual and those registered as BPM6. For Guatemala, the difference corresponds to the contribution to the Central American Monetary Stabilization Fund (FOCEM). The information comes from the International Monetary Reserves and the Balance of Bank of Guatemala.

The return of liquidity, is divided into four components:

- 1) Official reserve assets and other foreign currency assets: This information corresponds to assets classified in terms of their availability. The information comes from the balance of the Bank of Guatemala and information on the movement of gold.
- 2) Net expense Predetermined short-term foreign currency: This information includes the amortization of principal and interest payments on foreign debt, use of SDR's, bonds and Eurobonds. This information is carried in three periods of time: Up to one month, more than a month to three months, and, more than three months and up to one year.
- 3) Net expense contingent short-term foreign currency assets (nominal value). The information relates to the reserve requirements on foreign currency financial system in the Central Bank and Bonds issued in foreign currency. The information is obtained from the Bank of Guatemala Balance.

Informative entries: This information is relevant to define the conformation of the SDR basket, especially in non-dollar currencies. For Guatemala, are relevant in: Euros, Canadian Dollars, Pounds Sterling, Yen and Swiss Franc. The information is obtained from the Bank of Guatemala Balance.

2.2. Scope

2.2.1. Scope of Data.

The scope of the data is for the country. The information included in the Reserve Assets and International Liquidity Sheet shows resources and outputs in foreign currency of monetary authorities and the central government, between residents and nonresidents. This information is readily available and is under the control of the Bank of Guatemala, to offset funding needs of the Balance of Payments.

2.2.2. Exceptions to the coverage.

None.

2.2.3. Non registered activity.

None.

2.3. Classification / sectorization

The classification of transactions, the Reserve Assets Reconciliation and Liquidity Sheet fits to BPM6 recommendations.

2.4. Basis for recording

2.4.1. Valuation.

The Reserve Assets and International Liquidity Sheet are presented in U.S. dollars. Gold is valued at market prices. Depreciation and interest payments are valued at accrued base price. Financial instruments are generally traded on a regular basis and they are valued at their nominal value, where the latter is recommended that be valued at market prices.

The effective date of the transaction is considered the last business day of the month of publication. The exchange rate at the date of transaction is used according to the latest day of reckoning. Disbursements and debt service payments are converted to local currency using the exchange rates prevailing at the time of the transaction.

3. Accuracy and reliability

3.1. Source data

3.1.1 Source data collection programs

The collection of information is based on the balance of the Bank of Guatemala and External Public Debt information from the Ministry of Finance, which consistent with the classification and Detailed Manual of the Reserve Assets and International Liquidity Sheet.

3.1.2 Source data definitions, scope, classifications, valuation, and time of recording

The BG has introduced significant changes in the balance of payments and International Invest Position (IIP), the methodologies of source data and statistical techniques, the application of BPM6 and within the development of the Reserve Assets Reconciliation and Liquidity Sheet.

As of August 2008, with the implementation of BPM5, the development of the Reserve Asset Reconciliation and Liquidity sheet began. As part of the supplementary information of the balance of payments and International Invest Position, surveys follow methods that provide manuals and international best practices.

The information of the external public debt is obtained from MINFIN through a database that BG has access. Section of Balance of Payments Statistics uses this information to compile data from the external public debt; this information is recorded cash basis. Currently the Section of Public Credit of MINFIN records all information of the external public debt through the (DMFAS). This information complements the data obtained from the Balance Sheet of the Bank of Guatemala, the main sources of the movement of the Reserve Assets and International Liquidity.

3.1.3. Timeliness of data source

The terms of collecting and processing data are adequate to meet timeliness and periodicity of dissemination. Previous month information is published on the last business day of the month.

Since August 2008, Guatemala has published details of the Reserve Assets Settlement and of Liquidity Sheet monthly.

The information is on the last business day of the month and the previous month's information is compiled.

3.2. Evaluation of source data

3.2.1. Source data

Balance Sheet data from the Bank of Guatemala are reliable, and which are governed by international standards, as well as the respective accounting manuals, ensuring timely information.

The external debt database System Debt Management and Financial Analysis System (DMFAS) applied at MINFIN regularly evaluated according to criteria established by the institution.

3.4. Evaluation and validation of intermediate data and statistical outputs

3.4.1. Validation of intermediate results

Personnel involved in the compilation of balance of payments and specifically the Reserve Asset Reserves Reconciliation and International Liquidity Sheet, monitors movements that may occur, to assess the effects of variations between publications.

3.5. Review studies

3.5.1. Review studies and analysis

The magnitude of the revisions of the final data is evaluated.

4. Serviceability

4.1. Periodicity and timeliness.

4.1.1. Periodicity

The BG publishes monthly data of Reserve Assets and International Liquidity Sheet with one month lag of the reference month.

4.1.2 Timeliness

The BG disseminates Reserve Assets and International Liquidity Sheet on the last business day of the month.

4.2. Consistency

4.2.1. Internal Consistency

Consistency checks are performed to validate the information reflecting the reserve assets, according to the Manual of Monetary and Financial Statistics and according to the Balance of Payments Manual. Version (BPM6).

4.2.2. Temporal consistency

Consistent time series are available for an appropriate period of time. In BG's website, is published from August 2008 monthly information of Reserve Assets Reconciliation and Liquidity Sheet.

4.2.3. Intersectional Consistency and between Domains

In the Reserve Assets Reconciliation and International Liquidity Sheet, the data reported in the balance of payments are consistent with the monetary statistics (in particular, the reserve assets of the BG). The balance of payments components of external debt are consistent with the debt balances for the Ministry of Public Finance.

4.3. Policy and Procedures Review

4.3.1. Dissemination of review studies and analyzes

The reviews are conducted prior to publication of the Reserve Assets and International Liquidity Sheet.

5. Accessibility

5.1 Data Access

5.1.1. Statistical Presentation

Access to the Reserve Assets and International Liquidity Sheet data is provided through the BG website. The BG disseminates statistics of the Reserve Assets and International Liquidity based on an annual calendar published.

5.1.2. Bulletin or electronic data online

The Reserve Assets and International Liquidity Sheet is published on the website of BG.

All users can view information on:

<http://www.banguat.gob.gt/>

The Reserve Assets and International Liquidity Sheet, since August 2008 onwards, is broken down by year and by month on:

<http://www.banguat.gob.gt/es/page/planilla-de-activos-de-reserva-y-liquidez-en-moneda-extranjera>

5.1.4. Dissemination on request

Statistics not routinely disseminated can be made available to users through application via the BG's website. Applications received are forwarded to the relevant departments Address for approval. No specific reference is made in the publications of BG on the availability of unpublished sub-aggregates, and the terms and conditions under which they are made available.

5.2. Access to metadata

5.2.1. Dissemination of documentation on concepts, scope, classifications, databases, log sources and statistical techniques.

The methodology is not published. An official document metadata that includes concepts, scope, classification, basis for recording data sources and statistical techniques is available on the website of the Central Bank.

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