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Relations with the International Monetary Fund (IMF)

The International Monetary Fund is an international organization which aims at promoting international monetary cooperation, facilitating the expansion and balanced growth of international trade, as well as promoting exchange rate stability. The Republic of Moldova has accepted the IMF's Articles of Agreement through the Parliament Decision no. 1107 of 28 July 1992 ^[1] and has become the IMF member as of 12 August 1992.

The National Bank of Moldova (NBM), as a fiscal agent of the Republic of Moldova within the IMF is empowered to perform, on behalf of the Republic of Moldova, all operations and transactions authorized under IMF's Articles of Agreement.

Within the IMF, the Republic of Moldova is part of a constituency including Armenia, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Luxemburg, Republic of Macedonia, Montenegro, Netherlands, Romania and Ukraine.

The position of the Republic of Moldova's Governor within the IMF Board of Governors is held by NBM Governor, and the position of Alternate Governor is held by First Deputy Governor of the NBM.

Currently, the Republic of Moldova's quota within the IMF amounts to 172.5 million Special Drawing Rights (SDR), which represents 0.04 percent of the total IMF capital. This quota entered into force on 17 February 2016, after the Republic of Moldova has increased its previous quota of SDR 123.2 million. This increase occurred in the context of two major reforms initiated by the IMF in 2010 – The Fourteenth General Review of Quotas and The Reform of the IMF Executive Board. As a result of implementation of these reforms, the IMF's capital was doubled (from SDR 238.5 billion to SDR 477 billion), the quotas of member countries were adjusted to reflect more accurately their position in the global economy and the IMF Executive Board has become more representative. Our country has expressed its support for these reforms by approving the Law no.109 of 11 May 2012 ^[2] on increasing the Republic of Moldova's amount of the subscription to the International Monetary Fund and the Law no.118 of 24 May 2012 ^[3] on accepting the Amendment of the IMF Articles of Agreement on the Reform of the Executive Board.

As of 30 June 1995 the Republic of Moldova has accepted the obligations under Article VIII of the IMF's Articles of Agreement. By this, the Republic of Moldova has undertaken to refrain from imposing restrictions on the making of payments and transfers for current international transactions or from engaging in discriminatory currency arrangements or multiple currency practices without the IMF's approval.

Since joining the IMF, the Republic of Moldova has benefited from the following agreements with the IMF, aimed at supporting the authorities' economic adjustment programs and namely: Compensatory and Contingency Financing Facility (CCFF), Systemic Transformation Facility (STF), Stand-by arrangements (SBA), Extended Fund Facilities (EFF), and Poverty Reduction and Growth Facilities (PRGF) - from 2009 called Extended Credit Facilities (ECF).

Annually IMF provides the Republic of Moldova with consultations on economic and financial policy in compliance with the provisions of Article IV of the IMF's Articles of Agreement, which governs the relations between the member countries and the IMF.

The NBM is an active participant within the Special Data Dissemination Standard (SDDS), which the NBM joined in May 2006 and by means of which data regarding economic, financial and socio-demographic indicators are periodically made publicly available in order to ensure transparency of the country's macroeconomic policies and performances.

Following the outcome of the financial crisis, the IMF has extended the project on Financial Soundness Indicators (FSI) inviting several countries, including the Republic of Moldova, to participate in this project. The NBM was designated as the institution responsible for compiling information related to FSI and its submission to the IMF. The main objective of the FSI

is to promote macro-prudential analysis and to evaluate the strengths and vulnerabilities of financial systems.

Within the assessment of the degree of compliance with the international standards covered by the IMF, the Republic of Moldova has participated in various programs, including:

- The IMF and World Bank program for the assessment of the financial sector (Financial Sector Assessment Program - FSAP), which was updated in 2007 and in 2014.
- ROSC - Data Module (report on compliance with standards and codes), whereby the IMF experts realized in July 2005 an assessment of the quality of macroeconomic statistics elaborated in Moldova.

The IMF has provided technical assistance to the Republic of Moldova in several areas, including the monetary policy, central bank's governance, monetary reporting system, banking supervision, etc.

Press Releases of the IMF Resident Representative in the Republic of Moldova, IMF Arrangements, reports, as well as other information are available on the IMF website:

- www.imf.org ^[4];
- www.imf.md ^[5].

Tags

FSAP ^[6]

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