International Monetary Fund

[Kyrgyz Republic] and the IMF

Press Release:
IMF Executive Board Completes Second Review Under the Kyrgyz Republic's PRGF Arrangement and Approves US$1.86 million Disbursement
May 12, 2006

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Kyrgyz Republic: Letter of Intent, Memorandum of Economic Policies, and Technical Memorandum of Understanding

April 12, 2006

The following item is a Letter of Intent of the government of Kyrgyz Republic, which describes the policies that Kyrgyz Republic intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Kyrgyz Republic, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.

Bishkek, Kyrgyz Republic

April 12, 2006

Mr. Rodrigo de Rato
Managing Director
International Monetary Fund
700 19th Street, N.W.
Washington, D.C. 20431

Dear Mr. de Rato:

In February 2005, the IMF Executive Board endorsed the Kyrgyz Republic's three-year economic program, and approved a new Poverty Reduction and Growth Facility (PRGF) arrangement in support of that program. The first review was concluded in October 2005.

1. On behalf of the government of the Kyrgyz Republic, we hereby transmit the attached Memorandum of Economic Policies (MEP), which includes the program understandings reached by the government with the IMF, describes in detail the implementation of the program to date, and sets out the objectives and policies that the government intends to pursue in 2006. The MEP is consistent with the implementation and ongoing update of the National Poverty Reduction Strategy (NPRS). The government intends to make the contents of this letter and those of the attached MEP and its Technical Memorandum of Understanding (TMU), as well as the staff report on the second review under the PRGF arrangement, available to the public, and authorizes the staff to arrange for them to be posted on the IMF website after completion of the review by the Board.

2. Quantitative performance criteria and indicative targets, as well as structural benchmarks and structural performance criteria through end-2006 under the arrangement are set out in Tables 1, 2 and 3 of the MEP. The third review under the arrangement is expected to be completed on or after August 15, 2006 and the fourth review on or after February 15, 2007. As noted in Table 1, we have observed all the performance criteria for end-December 2005 and accordingly request disbursement of the SDR 1.27 million tranche available upon Board completion of the second review.

3. The government of the Kyrgyz Republic will provide the Fund with such information as the Fund may request in connection with the progress made in implementing the economic policies and achieving the objectives of the program. The government believes that the policies and measures set forth in the MEP are adequate to achieve the objectives of the

program, but will take further measures to that end if deemed necessary. During the implementation of the current arrangement, the Kyrgyz Republic will consult with the Managing Director on the adoption of any measures that may be appropriate, at the initiative of the government or whenever the Managing Director requests such a consultation.

Very truly yours,

/s/	/s/
Felix Kulov Prime Minister Kyrgyz Republic	Marat Alapaiev Acting Chairman National Bank of the Kyrgyz Republic

Memorandum of Economic Policies for the Kyrgyz Republic

I. Introduction

1. The government's economic program for 2005–08, supported by the Poverty Reduction and Growth Facility (PRGF) arrangement approved by the IMF Executive Board in February 2005, aims to achieve sustained and rapid economic and social development in a low-inflation environment. This Memorandum of Economic Policies (MEP) reviews progress to date in program implementation, describes our policies through end-2006, and outlines the thrust of our economic strategy for the remainder of the program period.

II. Recent Economic Developments and Performance

2. The government succeeded in maintaining macroeconomic discipline and adhering to the PRGF-supported program in 2005, despite the inevitable dislocations created by the collapse of the previous government and several supply shocks. All end-year performance criteria were observed, in some cases with ample margins, and all end-September and end-December structural benchmarks were also met (Tables 1 and 2). End-period inflation (4.9 percent) remained subdued, albeit slightly higher than projected, owing in part to crop shortfalls and rising world oil prices. Economic activity, however, was weaker than expected, as real GDP contracted by 0.6 percent as a result of a decline in gold production, a shortfall in agricultural output, and sluggish activity in other sectors, buffeted by the political developments and uncertainties in the investment outlook. Output growth excluding gold amounted to 1.4 percent.

3. Overall, fiscal results were somewhat better than expected in 2005, thanks in part to buoyant tax receipts, especially from import, income and payroll taxes, sparked by the incipient efforts to combat evasion. The general government primary deficit excluding grants (2.8 percent of GDP) was lower than programmed, despite a faster-than-expected increase in government spending—especially on goods and services. Public wages were increased by an average of 15 percent during the year, with higher increases for teachers, mid-level health care providers, and staff of cultural and law enforcement agencies. Pension benefits were raised by an average of nearly 10 percent, with higher increases for poor pensioners.

4. The quasi-fiscal deficit of the energy sector declined as expected from som 8.2 billion (8.7 percent of GDP) in 2004 to som 7.6 billion (7.6 percent) in 2005, owing in part to an increase in utility bill collections.

5. The external current account deficit widened to 8.1 percent of GDP in 2005, from 3.4 percent in 2004, as buoyant workers' remittances (partially reflecting rising incomes in host countries, especially Russia and Kazakhstan) were offset by a sharp increase in the trade deficit owing to a rising fuel import bill and a drop in gold exports (a break in the import series reflecting a broader coverage of shuttle trade may also have played a part). Thanks to a

stronger capital account, however, the buildup in foreign reserves was faster than expected, and at the end of the year, gross official foreign reserves amounted to over $600 million, equivalent to 4½ months of projected 2006 imports of goods and services.

III. Program Objectives and Economic Policies for 2006

6. The government regards 2006 as an important window to firm up the economic strategy for its five-year term and add momentum to structural reforms, while seeking to garner broad domestic and international support. The overarching goals are to secure a rapid and sustained improvement in living standards in the coming years in a low-inflation environment, thereby paving the way to meet the 2015 Millennium Development Goals in the social sphere. To foster private sector-led growth, the government will seek to remove structural bottlenecks, decisively combat corruption, and further strengthen the legal and regulatory framework, while minimizing its direct intervention in the economy.

7. Against this backdrop, the IMF-supported economic program for 2006 aims at keeping inflation subdued (despite a further projected rise in international fuel prices and public utility tariff hikes); achieving real GDP growth of 5 percent (although output could grow faster if the rapid rebound that we anticipate in business confidence and investment materializes); and achieving a modest further buildup in gross foreign reserves. The external current account deficit would decline slightly to 6.8 percent of GDP and would be fully financed by prospective financial assistance from the IMF and other donors, and by foreign direct investment and private capital inflows.

8. To achieve these objectives, we have designed a macroeconomic program characterized by continued fiscal prudence, a tightening of the monetary stance accompanied by greater exchange and interest rate flexibility, and concerted actions to further reduce the quasi-fiscal deficit of the energy sector (Table 1). In addition, we will intensify structural reforms to strengthen the financial system and fiscal management, as well as to enhance growth prospects and alleviate poverty (Table 3). We have also strengthened economic policy coordination, especially by establishing an economic policy council (the "Coordination Council for Macroeconomic and Investment Policies"), chaired by the prime minister and comprising the key economic ministers, as well as the governor of the NBKR. The council will meet at least once a month and will report to the President as needed.

A. Fiscal Policy

9. Fiscal discipline has become firmly entrenched in our country over the past several years and will be maintained during the program period to underpin low inflation and debt sustainability. While the need to improve social services and infrastructure is pressing, we will carefully prioritize public outlays and strengthen expenditure controls. We will also intensify the tax effort by curbing evasion, while streamlining the tax structure as well as tax and customs administration. For 2006, general government tax receipts are conservatively targeted at 19¼ percent of GDP, while general government outlays (excluding net lending) would be capped at 27½ percent of GDP and the primary fiscal deficit (excluding grants)

limited to 3.3 percent. In particular, the government will secure parliamentary approval for raising outlays on emergency preparedness by som 300 million from the level currently authorized in the 2006 budget (the bulk of which will be covered by a one-time $5 million drawdown in the proceeds from an earlier sale of Centerra shares—in addition to the annual $16 million drawdown envisaged in the program); these resources will be used to import essential disaster relief equipment, without affecting aggregate domestic demand. The government's overall cash deficit will be entirely covered from external sources. In step with the internal resource mobilization effort, we count on a scaling up of external aid in the wake of a consultative group meeting that we plan to convey in Bishkek later this year. Further, the Kyrgyz Republic is seeking external debt relief under the Highly Indebted Poor Country (HIPC) Initiative and, eventually, under the Multilateral Debt Relief Initiative (MDRI) to enhance external viability and create additional fiscal space for priority spending.

10. To foster job creation, we have lowered the payroll tax by 2 percentage points, to 29 percent, on January 1, 2006, as a first step towards lowering that rate to 25 percent in the medium term. The revenue loss to the Social Fund is expected to be offset by adhering to the agreed pace of pension increases in the period ahead and further strengthening payroll tax collection efforts. Moreover, we have just secured parliamentary approval of a tax reform that will be broadly revenue-neutral, featuring cuts in the corporate and personal income tax rates and increases in the rates of the motor vehicle taxes and liquor excises; an increase in the land tax rates is expected to be approved by end-April 2006. A new draft tax code, which aims to modernize tax administration and encourage compliance, while curbing tax evasion and fraud, was sent to parliament in late March 2006. Enabling property tax regulations are expected to be approved by end-April 2006, further broadening the tax base and making room for a reduction and eventual elimination of the distorting road and emergency taxes. We intend to create the conditions to eventually reintroduce a VAT on farm output, which has been suspended for the time being. Moreover, we will eliminate outstanding VAT refund arrears by end-September 2006, while committing to no longer incurring new arrears.

11. As part of the ongoing civil service reform, we have reduced the number of ministries and other state bodies, and we intend to further reduce civilian central government employment (which is currently estimated at 25,000 persons) on average by about 10 percent over the next two years, with due regard to accommodating new positions required in some sectors as part of the modernization of the public administration. In this context, we will introduce performance-based competitive salaries for key personnel from 2006, and will raise the government wage bill by 10 percent in May 2006, with higher increases for the social sector. While continuing to deepen the civil service reform, we will keep the wage bill broadly constant relative to GDP over the medium term.

12. The 2006 budget features an average increase in pensions of 10 percent, with an increase in the base pension in January and an additional increase in May. The government recognizes that reductions in the retirement age would be inconsistent with the sustainability of the pension system and is therefore committed to maintaining the existing policy on retirement ages. The government will formulate a strategy for a comprehensive reform of the pension system, with assistance from the World Bank, by spring 2007, and seek a

broad-based internal consensus to implement that strategy. Meanwhile, if Social Fund revenue exceeds expectations during 2006, we will attach priority to clearing the backlog of Social Fund obligations incurred through 2000 to the employment and medical insurance funds (about som 120 million), as well as to ensure that pension payments are made by the end of each month in the two lagging "oblasts" (costing about som 130 million), without, however, exceeding the programmed drawdown in Social Fund deposits in the banking system. The scope for using any excess Social Fund revenues (over and above the amount needed to regularize the problems just mentioned) will be assessed at the time of the discussions for the third review under the PRGF arrangement in summer 2006. However, the Social Fund will not make any unprogrammed drawdown in its deposits to finance pension increases beyond those already programmed in 2006.

13. We are drafting (with donor assistance) an action plan of public financial management reform, which will refocus reform efforts on basic issues, such as the implementation of the annual budget as approved without political interference. Meanwhile, improvements in the budgetary process will build upon continued issuance of the rolling three-year Medium-Term Fiscal Framework, as well as preparation of a Medium-Term Budgetary Framework (MTBF), which will be published in May 2006. The MTBF should facilitate medium-term policy formulation and coordination among ministries, operationalize the poverty reduction strategy, and lay a more solid foundation for annual budget preparation. Efforts will be made to integrate sectoral approaches into an overall strategy linked with annual budgets. Further, coverage of the MTBF will be broadened to include social benefit payments currently channeled through the Social Fund, as well as extra-budgetary operations. Government spending will be increasingly focused on reducing poverty and supporting private sector development, and a more precise classification of poverty-related spending will accordingly be included in the MTBF.

14. The PRGF-supported program is closely aligned with the National Poverty Reduction Strategy (NPRS), which the current government has endorsed and is updating in consultation with stakeholders. The 2006 budget increases social spending to 15 percent of GDP, from 14½ percent last year. It also includes a 0.7 percent of GDP employment and housing package and a 0.2 percent of GDP contingent social safety net to be activated when the phased increase in power tariffs comes into effect in April 2006. Further, government efforts to scale up foreign aid (including through the upcoming consultative group meeting) and to seek external debt relief should help create additional fiscal space for spending on priority social sectors and infrastructure. During the discussions for the third review under the PRGF arrangement, the scope for topping-up priority spending will be reviewed in light of the overall macroeconomic situation, and tax revenue performance in particular. The government will henceforth introduce more formal and transparent procedures for supplementary budget appropriations, instead of seeking ex post ratification of higher outlays.

B. Monetary and Financial Sector Policies and Reforms

15. The monetary program for 2006 targets end-period inflation at 5.7 percent. It is premised on further remonetization of the economy and is consistent with broad money

growth of 17 percent and reserve money growth of 14.5 percent. To keep liquidity growth in check, the NBKR will enhance its menu of monetary control instruments and allow for greater flexibility in the pricing of these instruments. In addition, the NBKR will maintain the managed exchange rate float system, while tailoring foreign exchange intervention to securing a comfortable reserve buildup and smoothing fluctuations.

16. To improve the functioning of the securities market and provide alternative investment opportunities, the volume of government securities available to banks will be further increased. As part of the ongoing phased redemption of government bonds, around som 180 million of bonds currently held by the NBKR will be redeemed by end-April 2006. In addition, to improve the structure of the central bank balance sheet, the government will cancel som 500 million of its bond debt against a similar amount of government deposits at the central bank before end-2006. The ministry of economy and finance and the NBKR will work to simplify the nomenclature of debt instruments.

17. The central bank continues to implement technical advice from the IMF and other donor agencies. In particular, the NBKR is strengthening the banking sector by increasing its capital base and stepping up supervision. In this vein, the central bank has introduced a phased increase in the minimum own-funds requirement for banks to som 60 million in January 2006 and som 100 million by end-2007. To enhance supervision, the NBKR will improve its ability to stress-test banks and establish the supervisory framework to assess market, operational, country and transfer risks. Further, the NBKR will encourage the banking sector to strengthen the effectiveness of the credit information agency during 2006 (with help from the EBRD) in order to improve risk management. The government will clarify the supervisory role of the newly-established Agency for Financial Surveillance and Reporting to avoid an overlap of responsibilities with those of the NBKR that are clearly established in its charter. Parliamentary approval of legislation already sent to parliament to enhance the NBKR's legal independence and ensure legal protection for its employees in performing official duties will be treated as a structural benchmark under the program. In this connection, any tax privileges extended to the NBKR will be specified in the Tax and Customs Codes according to international best practice. Parliament is also expected to pass as soon as feasible the pending legislation to combat money laundering and the financing of terrorism, as well as to approve the corresponding amendments to the Criminal Code and other relevant legislation.

18. The government and the NBKR will continue to implement their strategy of fostering microfinance development. As envisaged under the PRGF-supported program, we remain committed to bringing the Kyrgyz Agricultural Finance Corporation (KAFC), which has been extending micro loans to farmers with World Bank financing, to the point of sale by end-2006. KAFC will remain as a nonbank microfinance institution until privatization and will not be involved in housing finance. A banking license will, however, be part of the privatization deal. To develop mortgage lending and foster the corresponding savings mobilization, the government will formulate an action plan with World Bank assistance by end-May 2006 to strengthen the legal framework for mortgage lending and collateral recovery. In addition, it will propose amendments to the Civil Code aimed at attracting

deposits with longer maturities. Moreover, the government will refrain from establishing a state mortgage bank, since its strategy is to encourage the private sector to take the lead in this area.

19. The NBKR has completed the action plan to introduce a deposit insurance scheme for small depositors by late 2008. This plan will be discussed with the Financial Sector Assessment Program mission scheduled for spring 2006. Attention will also be paid to further measures to improve the payments system, develop microfinance, and improve conditions for effective use of collateral. The current action plan to foster financial intermediation by banks envisages (a) a transition to government wage payments through commercial banks; (b) increased tax and customs duty collections through banks; and (c) a gradual transition to utility bill payments through banks.

C. Other Structural Reforms

20. Besides the measures described above to bolster fiscal management and the financial sector, the government's reform agenda focuses on strengthening the physical and financial viability of the energy sector and addressing the nexus of governance and business climate issues. Actions in these areas will continue to be supported by the IMF, other IFIs, and bilateral donors.

Energy sector reforms

21. The government is working closely with the World Bank and other stakeholders to reduce the sizable quasi-fiscal deficit of the energy sector, while striving to provide steady and reliable energy supplies. In particular, a comprehensive action plan will be formulated in the context of an energy sector summit to be hosted by the government in Bishkek this spring, including steps to bolster bill collections; reduce technical losses and theft; gradually streamline and increase energy tariffs; and increase private sector participation in the system through management contracts, concessions or outright privatizations. The actions described above should lower the sector's QFD (an indicative target under the program) by about som 1.1 billion, to som 6.5 billion (5.9 percent of GDP) in 2006. Meanwhile, the government has decided to unify the electricity tariff for all households at som 0.62 per kWh effective April 15, 2006, at that time activating the social safety net included in the budget. The government will subsequently raise the unified tariff significantly by end-April 2007. Meanwhile, sufficient budgetary resources have been allocated to budgetary organizations for utility consumption, with strict cut-off orders if consumption exceeds allocated resources. A significant further decline in the quasi-fiscal deficit is envisaged in the coming years, especially as tariffs continue to be adjusted periodically to reach cost-recovery levels by 2010.

Governance and business climate issues

22. Promoting good governance and improving the business climate are key to improve the productivity and accountability of public spending and to spur private investment. Besides deepening the civil service reform, as noted above, the government will further

strengthen the institutions tasked with fighting corruption, in accordance with its stated internal and international commitments (including the *Istanbul Anti-Corruption Action Plan,* to which the Kyrgyz Republic subscribed together with several other countries of the former Soviet Union). In particular, bribing and other corrupt practices will be firmly stamped out in tax, law enforcement, and government procurement bodies, and greater transparency in public operations will be introduced to minimize rent-seeking opportunities. The government will fully disclose the income and asset declarations of all officials legally required to make these declarations, and enforce existing civil service regulations requiring competitive and transparent appointments. Further, it will no longer allow arbitrary appointments outside due process in the civil service.

23. At the same time, the government will continue to simplify licensing procedures, streamline regulatory bodies, improve the autonomy and efficacy of the judiciary, and strengthen property rights. In particular, and under a recently negotiated technical assistance project from the World Bank, the government will strictly enforce the laws on technical regulations and on inspections, such that the number of inspections of enterprises is significantly reduced. In addition, the government will take the appropriate legal steps by end-June 2006 to transfer all Centerra shares previously owned by KyrgyzAltyn to the State Property Fund. Furthermore, while the new labor code introduced in 2004 has significantly eased labor market restrictions, the government plans to consolidate the responsibility for domestic labor market policies under the ministry of labor and social protection, and it has tasked that Ministry to propose additional measures by end-2006 to enhance labor market flexibility.

D. Program Monitoring

24. The program will continue to be monitored through semi-annual reviews. Completion of the third review under the PRGF arrangement, scheduled for fall 2006, will require observance of the quantitative and structural performance criteria for end-June 2006 as shown in Tables 1 and 3. For that purpose, we have revised some of the targets for that test date and established quantitative performance criteria and indicative targets for end-December 2006, as well as semi-annual indicative targets for reserve money and the quasi-fiscal deficit of the electricity sector. We have also established structural benchmarks for end-September and end-December 2006 (Table 3). Quantitative performance criteria, program adjustors, data sources, and reporting requirements are defined in the attached Technical Memorandum of Understanding.

Table 1. Kyrgyz Republic: Quantitative Program Targets for 2005–06 1/

(In millions of soms, unless otherwise indicated; eop)

	2005					
	March	June	September		December	
	Benchmarks	PCs	Benchmarks		PCs	
	Actual	Actual	Prog.	Actual	Prog.	Actual
I. **Performance criteria**						
1. Floor on net international reserves of the NBKR in convertible currencies (eop stock, in millions of U.S. dollars)	322	326	340	357	362	416
2. Ceiling on net domestic assets of the NBKR (eop stock)	-1,583	-1,486	-1,289	-1,647	-1,477	-1,943
3. Ceiling on cumulative primary deficit (excluding grants) of the general government	726	881	2,398	1,781	3,143	2,809
4. Cumulative floor on state government tax collections in cash	3,529	7,440	10,970	11,545	15,853	16,361
5. Ceiling on the stock of central government budget arrears	0	0	0	0	0	0
6. Ceiling on the stock of Social Fund pension arrears	0	0	0	0	0	0
7. Cumulative floor on payroll collections in cash of the Social Fund	1,198	2,386	3,228	3,597	4,461	4,912
8. Ceiling on the stock of Social Fund arrears to the Medical Insurance Fund	0	0	0	0	0	0
9. Ceiling on contracting or guaranteeing by the state government, NBKR or any other agency acting on behalf of the state government, of new nonconcessional external debt with maturity of less than one year (continuous, in millions of U.S. dollars)	0	0	0	0	0	0
10. Ceiling on contracting or guaranteeing by the state government, NBKR or any other agency acting on behalf of the state government, of new nonconcessional external debt with maturity of one year or more (millions of U.S. dollars)	0	0	0	0	0	0
11. Ceiling on accumulation of new external payment arrears (continuous, in millions of U.S. dollars)	0	0	0	0	0	0
II. **Indicative targets**						
1. Ceiling on reserve money (eop stock)	12,603	12,765	12,894	13,885	13,624	15,466
2. Ceiling on the cumulative quasi-fiscal deficit of the electricity sector (in millions of som)	...	4,564	...	...	7,850	7,609
3. Ceiling on contracting or guaranteeing by the state government or NBKR of new concessional external debt (in millions of U.S. dollars) 2/	(as specified in paragraph 30 of the TMU)					

Table 1 (concluded). Kyrgyz Republic: Quantitative Program Targets for 2005–06 1/

(In millions of soms, unless otherwise indicated; eop)

	2006						
	March Benchmarks	June PCs		September Benchmarks		December PCs	
	EBS/05/145	EBS/05/145	Rev. Prog.	EBS/05/145	Rev. Prog.	EBS/05/145	Rev. Prog.
I. **Performance criteria**							
1. Floor on net international reserves of the NBKR in convertible currencies (eop stock, in millions of U.S. dollars)	367	361	412	380	413	393	457
2. Ceiling on net domestic assets of the NBKR (eop stock)	-1,566	-1,200	-1,752	-1,258	-1,413	-1,397	-1,469
3. Ceiling on cumulative primary deficit (excluding grants) of the general government	1,099	1,377	1,377	2,619	2,541	3,234	3,701
4. Cumulative floor on state government tax collections in cash	3,599	7,933	7,933	12,462	12,512	17,580	17,650
5. Ceiling on the stock of central government budget arrears	0	0	0	0	0	0	0
6. Ceiling on the stock of Social Fund pension arrears	0	0	0	0	0	0	0
7. Cumulative floor on payroll collections in cash of the Social Fund	1,100	2,292	2,292	3,292	3,430	4,675	4,823
8. Ceiling on the stock of Social Fund arrears to the Medical Insurance Fund	0	0	0	0	0	0	0
9. Ceiling on contracting or guaranteeing by the state government, NBKR or any other agency acting on behalf of the state government, of new nonconcessional external debt with maturity of less than one year (continuous, in millions of U.S. dollars)	0	0	0	0	0	0	0
10. Ceiling on contracting or guaranteeing by the state government, NBKR or any other agency acting on behalf of the state government, of new nonconcessional external debt with maturity of one year or more (millions of U.S. dollars)	0	0	0	0	0	0	0
11. Ceiling on accumulation of new external payment arrears (continuous, in millions of U.S. dollars)	0	0	0	0	0	0	0
II. **Indicative targets**							
1. Ceiling on reserve money (eop stock)	13,750	13,850	15,549	14,596	15,905	15,000	17,708
2. Ceiling on the cumulative quasi-fiscal deficit of the electricity sector (in millions of som)	...	3,910	3,745	...	...	7,110	6,509
3. Ceiling on contracting or guaranteeing by the state government or NBKR of new concessional external debt (in millions of U.S. dollars) 2/			(as specified in paragraph 30 of the TMU)				

Sources: Kyrgyz authorities; and Fund staff estimates and projections.

1/ Definitions are provided in the Technical Memorandum of Understanding (TMU).
2/ New concessional loans during the year.

Table 2. Kyrgyz Republic: Structural Conditionality
September–December 2005

Structural benchmarks for end-September 2005

- Submit to parliament amendments to the civil code to provide for legal independence of the NBKR. The ministry of justice will revise the NBKR's institutional legal status accordingly. [**Observed**]

- Submit to parliament amendments to the central bank Law as specified in paragraph 27 of the original Memorandum of Economic Policies. [**Observed**]

Structural benchmarks for end-December 2005

- Enforce the decision to increase the minimum own funds requirement for banks from som 30 million to som 60 million. [**Observed**]

- Prepare a payments system action plan, as specified in paragraph 44 of the Revised Memorandum of Economic Policies. [**Observed**]

Table 3. Kyrgyz Republic: Structural Conditionality
March–December 2006

Structural benchmarks for end-March 2006

- Prepare, in close cooperation with the Fund staff, an action plan for the State Tax Inspectorate to streamline its operations, retrench redundant personnel, and introduce a merit-based pay system.

Structural benchmarks and performance criteria (*) for end-June 2006[1]

- Develop a supervisory framework for market, country, and transfer risk as recommended by the September 2004 technical assistance mission of the IMF's Monetary and Financial Systems Department.
- Establish an independent audit committee to oversee the external and internal audit functions of the NBKR as recommended by the Safeguards Assessment Report conducted by Finance Department in 2005.
- The government will take the appropriate legal steps (accompanied by enabling regulations) to transfer the Centerra shares currently owned by KyrgyzAltyn JSC to the State Property Fund.*

Structural benchmarks for end-September 2006

- Prepare an action plan to reduce the energy sector's quasi-fiscal deficit in close cooperation with World Bank staff, addressing problems of transmission and distribution losses, payment indiscipline, and tariff adjustment.
- Expand the operation of the Large Taxpayers Unit to cover at least 60 percent of tax revenues.

Structural benchmarks for end-December 2006

- Conduct an independent review of the NBKR's internal audit function. The review could be performed by the internal audit department of another central bank, and should include a review of the capacity of the NBKR's internal audit division, as recommended by the Safeguards Assessment Report conducted by Finance Department in 2005.
- Bring KAFC to the point of sale and issue a privatization tender for the company.
- Submit to IMF staff a report prepared by the Ministry of Labor and Social Protection recommending measures to improve labor market flexibility.
- Secure approval of legislation that has been already sent to parliament to enhance the NBKR's legal independence and ensure legal protection of its employees in performing official duties.

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[1] Actions labeled with an asterisk will be treated as structural performance criteria.

Technical Memorandum of Understanding

1. The Kyrgyz Republic's performance during the period January 1, 2005–December 31, 2007 under the three-year PRGF-supported program will be assessed by the IMF on the basis of the observance of quantitative performance criteria and structural benchmarks. This memorandum and its attached tables define the quantitative performance criteria and indicative targets under the poverty reduction and growth facility (PRGF) arrangement.[1] This update reflects the changes made to the program as defined in the Memorandum of Economic Policies (MEP).

2. The program exchange rate of the Kyrgyz som to the U.S. dollar is set at som 42 = $1. The program cross exchange rates and program gold price referred to in the MEP or this Technical Memorandum of Understanding (TMU) for 2006 are provided in Table 11.

I. Quantitative Performance Criteria

3. The quantitative targets (i.e., quantitative benchmarks for end-September 2006, and quantitative performance criteria for end-June and end-December 2006) presented in Table 1 of the MEP are defined below.

Floor on net international reserves of the National Bank of the Kyrgyz Republic (NBKR) in convertible currency

4. The program contains a floor on the stock of net international reserves of the NBKR in convertible currencies. This floor will be calculated as the difference between total gross international reserves and total international reserve liabilities of the NBKR in convertible currencies.

5. Total gross international reserves of the NBKR shall be defined as the NBKR holdings of monetary gold, holdings of SDRs, any reserve position in the IMF, and any holdings of convertible currencies in cash or with foreign banks, and debt instruments (including accrued interest). Amounts pledged as collateral or in swaps or otherwise blocked, capital subscriptions in foreign financial institutions, and illiquid assets of the NBKR are excluded. Also excluded are net forward positions, defined as the difference between the face value of foreign currency denominated NBKR off-balance sheet claims on nonresidents and foreign currency obligations to both residents and nonresidents. In addition, net claims on other Commonwealth of Independent States (CIS) countries are excluded from the floor. For program monitoring purposes, gross international reserves shall be valued at program exchange rates and gold prices.

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[1] Central government and republican government are synonymous in this memorandum. State government comprises central and local governments. General government comprises the state government and the Social Fund.

6. Total international reserve liabilities of the NBKR in convertible currencies shall be defined as outstanding liabilities to the IMF and other convertible currency liabilities to nonresidents with an original maturity of up to and including one year. For program monitoring purposes, total international reserve liabilities shall be valued at the program exchange rates. Thus calculated, the stock of net international reserves in convertible currencies amounted to $416 million as of December 31, 2005.

7. The program floors on the NIR of the NBKR in convertible currencies are reported in Table 1 below.

Table 1. Floors on NIR of the NBKR in Convertible Currencies 1/

(In millions of U.S. dollars)

March 31, 2006 (benchmark)	367
June 30, 2006 (performance criterion)	412
September 30, 2006 (benchmark)	413
December 31, 2006 (performance criterion)	457

1/ End-of-period stocks.

8. The floor on net international reserves of the NBKR will be adjusted: (a) upward/downward by 100 percent for any excess/shortfall in net foreign financing defined in paragraph 9 below; (b) upward by 30 percent for any nonprogrammed cash grants; and (c) upward/downward by 100 percent for any excess/shortfall in cash privatization receipts in foreign exchange. Valued at the program exchange rate, the program cash privatization receipts are equivalent to $5 million in the fourth quarter of 2006. The total adjustment in respect of adjustors (a) and (c) is to be limited to $25 million, valued at the program exchange rate.

9. 'Net foreign financing and cash grants' is defined as balance of payment support loans, plus cash grants to the state government budget, plus any changes in the balance of unused PIP funds held at the NBKR minus amortization (excluding repayments to the Fund) and interest payments on external debt made by the ministry of finance and NBKR. This definition applies to the adjustors to both the NIR and the NDA. The program cumulative net foreign financing is given in Table 2. The balance of unused PIP funds was equivalent to $0.03 million as of December 31, 2005.

Table 2. Projected Net Foreign Financing and Cash Grants 1/

(In millions of U.S. dollars)

March 31, 2006	0.8
June 30, 2006	3.9
September 30, 2006	1.6
December 31, 2006	18.4

1/ Cumulative from the beginning of the calendar year.

Ceiling on the net domestic assets of the NBKR

10. Net domestic assets of the NBKR are defined as reserve money of the NBKR (defined below), minus the NBKR's net foreign assets,[2] minus the medium- and long-term NBKR obligations (MLT), minus the counterpart of the loan by the Eximbank of Turkey, minus the counterpart of the EBRD and IDA enterprise loans (Equation 1).

(1) NDA=RM–NFA–MLT–Turkish Loan–EBRD-IDA Enterprise Loan

11. Thus defined, the NBKR's net domestic assets consist of: (a) gross credit to the general government from the NBKR, minus deposits of the general government with the NBKR, minus the counterpart of the loan by the Eximbank of Turkey; (b) gross credit to domestic banks by the NBKR, minus the counterpart of the EBRD and IDA enterprise loans; and (c) all other net assets of the NBKR (other items net). Thus defined, the stock of the NBKR's net domestic assets amounted to som -1,943 million on December 31, 2005.

12. The program ceilings on the NDA of the NBKR are reported in Table 3 below.

Table 3. Ceilings on the NDA of the NBKR 1/

(In millions of soms)

March 31, 2006 (benchmark)	-1566
June 30, 2006 (performance criterion)	-1,752
September 30, 2006 (benchmark)	-1,413
December 31, 2006 (performance criteria	-1,469

1/ End-of-period stocks.

[2] The NBKR's net foreign assets consist of net international reserves, as defined in this TMU, plus other foreign assets, plus the net claims on other CIS countries.

13. The ceiling on net domestic assets of the NBKR will be adjusted:
(a) downward/upward by 100 percent of the excess/shortfall in net foreign financing of the state government budget; (b) downward by 30 percent for any nonprogrammed cash grants; and (c) downward/upward by 100 percent of the excess/shortfall of cash privatization receipts. The total adjustment for shortfalls in adjustors (a) and (c) is to be limited to $25 million, valued at the program exchange rate.

Ceiling on the cumulative primary fiscal deficit of the general government

14. The general government primary fiscal deficit excluding grants is defined as the sum of: (a) the change in the stock of net claims of the domestic banking system and nonfinancial institutions—including state-owned enterprises and public companies—and households on the general government; (b) the change in the stock of net claims of the foreign banking system and nonfinancial institutions and households on the general government; (c) net privatization receipts; (d) net foreign loans disbursed to the state government for budgetary support; and (e) net foreign loans disbursed to the general government for project financing. From this total, foreign grants received by the general government and accrued interest on the general government are deducted. The fiscal balance will be measured at the program exchange rates, unless foreign currency-denominated assets or liabilities are converted into domestic currency upon receipt or accrual. The ceiling of the cumulative general government fiscal deficit will be adjusted upward by the full amount of any excess in program foreign grants.

15. The change in the stock of net claims of the domestic and foreign banking systems on the general government is defined as the change in the stock of claims of these banking systems on the general government, less the change in the stock of all deposits of the general government with these banking systems. The claims of these banking systems on the general government include: (a) bank loans to general government; (b) securities or bills issued by the general government held by banks with the exception of those issued in relation with bank rescue operations; and (c) overdrafts on the current accounts of the general government with banks.

16. The program ceilings on the cumulative primary deficit (excluding grants) of the general government are reported in Table 4 below.

Table 4. Ceilings on the Primary Deficit (excluding grants) of the General Government 1/

(In millions of soms)

March 31, 2006 (benchmark)	1,099
June 30, 2006 (performance criterion)	1,377
September 30, 2006 (benchmark)	2,541
December 31, 2006 (performance criteria)	3,701

1/ Cumulative beginning from the beginning of the calendar year.

Cumulative floor on state government tax collections in cash

17. Tax collections in cash correspond to the line "IV. Tax Receipts" in the Treasury Report and comprise the following categories: 1.0 tax on income and profits; 2.0 taxes on goods and services; 3.0 specific taxes on services; 4.0 taxes on property; and 5.0 taxes on international trade. Cumulative tax collections in cash include collections of tax arrears but exclude tax offsets.

18. The program floors for the cumulative state government cash tax collection are reported in Table 5 below.

Table 5. Floors on State Government Cash Tax Collections 1/

(In millions of soms)

March 31, 2006 (benchmark)	3,599
June 30, 2006 (performance criterion)	7,933
September 30, 2006 (benchmark)	12,512
December 31, 2006 (performance criterion)	17,650

1/ Cumulative from the beginning of the calendar year.

Ceiling on the stock of central government budget arrears

19. For the purposes of the program, central government budget arrears are defined as an overdue payment obligation of the republican budget arising since the start of the three-year program period (January 1, 2005) and related to: (a) wages; (b) Social Fund payroll contributions; (c) mandatory transfers to the Social Fund; (d) categorical grants; (e) payments of electricity bills; and (f) allowances to poor families. A payment is defined to be overdue if it remains unpaid after its due date for (c) and (d); for 30 days after its due date for (a) and (b); for 60 days after its due date for (e); and for 40 days after its due date for (f). The program ceilings on the stock of central government budget arrears are zero at each test date.

Ceiling on the stock of Social Fund pension arrears

20. A pension payment by the Social Fund is defined as overdue if it has come due since the start of the three-year program period (January 1, 2005) and remains unpaid for 30 days or more after its due date. The program ceilings on the stock of Social Fund pension arrears are zero at each test date. No new pension arrears will be accumulated.

Floor on the Social Fund payroll tax collections in cash

21. Payroll tax collections in cash correspond to the total cash contributions collected by the Social Fund from both employers and employees for a given period.

22. The program floors for the Social Fund tax collections in cash are reported in Table 6 below.

Table 6. Floor on Social Fund Cash Payroll Tax Collections 1/

(In millions of soms)

March 31, 2006 (benchmark)	1,100
June 30, 2006 (performance criterion)	2,292
September 30, 2006 (benchmark)	3,430
December 31, 2006 (performance criterion)	4,823

1/ Cumulative from the beginning of the calendar year.

Ceiling on the stock of Social Fund arrears to the medical insurance fund

23. Social Fund arrears to the Medical Insurance Fund are defined as overdue transfer obligations of the former to the latter as defined by law and refer to arrears incurred starting January 1, 2005. A transfer is defined to be overdue if the value date of any transfer obligation is more than five business days after the due date. The program ceilings on the stock of Social Fund pension arrears to the Medical Insurance Fund are zero at each test date.

Ceilings on contracting or guaranteeing of new external debt by the state government of the Kyrgyz Republic or the NBKR or any other agency acting on behalf of the state government

24. In connection with the contracting or guaranteeing of external debt by the state government of the Kyrgyz Republic, the NBKR, or any other agency acting on behalf of the state government of the Kyrgyz Republic, "debt" is understood to have the meaning set out in point 9 of the Guidelines on Performance Criteria with respect to External Debt in Fund arrangements (Decision No. 12274-00/85, dated August 24, 2000).[3]

[3] Debt is understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debt can take a number of forms, the primary ones being as follows: (a) loans, i.e., advances of money

(continued)

25. External debt ceilings apply to (a) the contracting or guaranteeing of short term external debt (i.e. external debt with an original maturity of less than one year, except normal import-related credits and NBKR reserve liabilities); and (b) contracting or guaranteeing of **nonconcessional** medium- and long-term external debt (i.e., external debt with an original maturity of one year or more). Disbursements by the Fund from the PRGF Trust are excluded from the ceilings on external debt. Also excluded from these external debt ceilings is the contracting or guaranteeing of new external debt that constitutes a rescheduling or refinancing of existing external debt at terms more favorable to the debtor. The limit on the contracting or guaranteeing of short-term external debt is zero on a continuous basis throughout the period of the arrangement. The limit on the contracting or guaranteeing of medium- and long-term nonconcessional external debt is zero as specified in Table 2 of the MEP.

Ceiling on new external payments arrears

26. For the purposes of the program, external payments arrears will consist of all debt-service obligations (i.e., payments of principal or interest) arising in respect of any debt contracted or guaranteed or assumed by the state government of the Kyrgyz Republic, or the NBKR, or any agency acting on behalf of the state government of the Kyrgyz Republic since the Kyrgyz Republic's independence, including, without limitations, unpaid penalties, interest charges or judicially awarded damages associated with these arrears owed by the state government of the Kyrgyz Republic, or the NBKR, or any agency acting on behalf of the state government of the Kyrgyz Republic, on imports received subsequent to independence. The ceiling on new external payments arrears shall apply on a continuous basis throughout the period of the arrangement.

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to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements); (b) suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until some time after the date on which the goods are delivered or services are provided; and (c) leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair or maintenance of the property.
Under the above definition of debt, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

II. Indicative Targets

Ceiling on reserve money

27. For the purposes of the program, reserve money consists of currency issued by the NBKR and balances on commercial banks' correspondent accounts with the NBKR. The indicative program limits are reported in Table 7 below.

Table 7. Ceilings on Reserve Money 1/

(In millions of soms)

March 31, 2006	13,750
June 30, 2006	15,549
September 30, 2006	15,905
December 31, 2006	17,708

1/ End-of-period stocks.

Ceiling on the quasi-fiscal deficit of the electricity sector

28. The quasi-fiscal deficit (QFD) of the electricity sector is defined as cost of production minus cash revenues:

(1) $QFD=Q*MC - R$;

(2) $Q = 1/(1-\ell)*(\sum Ci)$;

(3) $R = (\sum Ci) * T * Ccash$,

where:

Q is the domestic supply (generation plus import minus export) minus normative losses;

MC is the marginal cost of production required for efficient supply of Q;

R is the total cash revenue;

$\sum Ci$ is the sum of consumption by all end-users (households, industry, agriculture, budgetary institutions, and other);

ℓ is the annual average loss rate of excessive (i.e., above normative) technical and commercial losses in percent of Q;

T is the annual weighted average of posted (or nominal) tariffs for end-users; and

Ccash is the ratio of annual average cash collections to total billing to end-users.

29. For the purposes of the program, the marginal cost of production is equal to U.S. cents 2.3 per kilowatt hour, and normative losses (including own use) are defined as 15 percent of domestic supply. Total billing of end-users is defined as consumption times the posted nominal tariff. The cash collection component is the amount of bills paid in cash to the energy companies, and excludes any form of cash-to-cash settlements, off-sets, barters, or other noncash payments. The indicative ceiling on the quasi-fiscal deficit in the electricity sector is as follows (Table 8).

Table 8. Ceiling on Quasi-Fiscal Deficit in the Electricity Sector 1/

(In millions of soms)

June 30, 2006	3,745
December 31, 2006	6,509

1/ Cumulative from the beginning of the calendar year.

Ceiling on contracting or guaranteeing of concessional external debt

30. The annual ceiling on the contracting or guaranteeing of new concessional external debt by the state government of the Kyrgyz Republic or the NBKR or any other agency working on behalf of the state government is set by the U.S. dollar nominal sum of project loan agreements yet to be signed and agreed, plus balance of payments support loans required to fill the external financing gap, as programmed. Pursuant to monitoring this indicative target ceiling, the ministry of finance will provide quarterly information on the total nominal U.S. dollar value of: (a) new project and program loans signed and agreed during the previous three-month period; and (b) new project and program loans planned, but yet to be signed and agreed, during the previous three-month period. The annual indicative ceilings on the contracting or guaranteeing of new medium- and long-term concessional external loans for 2006 are specified in Table 9.

Table 9. Annual Indicative Ceiling on Contracting and Guaranteeing of New Concessional Loans in 2006 1/

(In millions of U.S. dollars)

With disbursements beginning in:	
2006	25
2007	73

1/ New concessional loans signed in 2006, excluding contingency amounts.

These ceilings are nominal debt lumped by the year in which their disbursements commenced. For 2006, the limit implies contracting loans of which $25 million will start disbursing in 2006 and $73 million in 2007.

31. For program purposes, a debt is considered concessional if the grant element is at least 45 percent, calculated by using currency-specific discount rates based on the Commercial Interest Reference Rates (CIRRs) published by the OECD. The average of the CIRRs over the last 10 years will be used for debts with maturity of at least 15 years and the average CIRR of the preceding six months will be used for shorter maturities.

III. Reporting Requirements Under the Program

32. The government and the NBKR will provide the Fund with the necessary economic and financial statistical data to monitor economic developments and the quantitative targets. In particular, the government and the NBKR will provide the following specific information:[4]

The balance sheet of the NBKR

33. The NBKR will provide to the Fund its balance sheet on a daily basis. The information provided will clearly identify the following items in the definitions specified above: the gross foreign assets and liabilities of the NBKR, decomposed by currency and instrument for the assets and by currency and creditor for the liabilities; the net foreign assets of the NBKR; the net international reserves of the NBKR; medium- and long-term liabilities; the net domestic assets of the NBKR; net credit from the NBKR to the general government; net credit from the NBKR to commercial banks; the balance of unused PIP funds held in the NBKR; other items net; and reserve money. The balance sheet will be provided valued at the actual exchange rate as well as according to the valuation applied under the program, as specified in Section I. The above information will be provided to the IMF Resident Representative and/or transmitted by e-mail to the Fund.

Monetary survey

34. Monthly banking system data, in the form of a monetary survey, will be reported to the Fund by the NBKR within 14 days of the end of the month. The information provided will clearly identify the following items: net foreign assets and net domestic assets of the banking system, medium- and long-term liabilities, net credit from the banking system to the general government, financing provided to the rest of the economy, other items net, and broad money. The monetary survey will be provided valued at the actual exchange rate as well as according to the valuation applied under the program, as specified in Section I.

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[4]Any correction or revisions to the data previously reported should be clearly indicated and documented as to the reasons for revision.

35. The NBKR will provide monthly data to the Fund within seven days after the end of the month on the amount of holdings of treasury bills, GKOs, state obligations, state bonds, and other securities issued by the state government, differentiated by the following categories of holders: the NBKR, resident banks, resident nonbanks, and nonresidents. The information will be provided in both the book (nominal) value and the actual value, where applicable.

International reserves and key financial indicators

36. The NBKR will provide detailed monthly data within 14 days from the end of the month on the composition of both its gross and net international reserves in convertible currencies and holdings of monetary gold. These data will be provided at two alternative sets of the exchange rates and the gold price: first, at those used to derive the NFA position in the NBKR accounts; second, at those specified in the program (Section I). In addition, weekly reports should be sent to the Fund on (a) exchange rates (including the official and interbank exchange rates), foreign exchange interbank market turnover, and the volume of NBKR foreign exchange sales and purchases in the interbank market and with other parties, on a daily basis; and (b) treasury bill yields and the amount of treasury bill sales and redemptions on a weekly basis every Monday. On the 25th day of the month following the reference month, the NBKR will provide indicators of financial soundness of the banking system, including the ratios of regulatory capital to risk-weighted assets, nonperforming loans to total loans, and return on equity, as well as data on bank deposit and lending rates by maturity.

Banking system data

37. The NBKR will provide detailed bank-by-bank data within 14 days of the end of the month on commercial banks' compliance with: (a) prudential requirements as well as any penalties, sanctions and other administrative actions imposed on banks; and (b) reserve requirements on a weekly basis.

External debt

38. The ministry of finance, together with the NBKR, will provide monthly information on the disbursements, principal and interest payment—both actual and falling due; on contracting and guaranteeing of medium- and long-term external loans by the state government and the NBKR; and any stock of outstanding arrears on external debt service payments within 21 days of the end of each month. In addition, the ministry of finance will also report the total amount of outstanding government guarantees and external arrears on a monthly basis. While the NBKR will provide the debt service payment data on private debt, the ministry of finance will provide data on debt service on public and publicly guaranteed loans.

Budgetary and extra budgetary data

39. In addition to the monthly treasury report, the ministry of finance and the Social Fund will report monthly on all their recorded expenditure arrears, in particular on those defined

above in this TMU. This information will be provided to the Fund staff within 26 days from the end of each reference month. The ministry of finance will also provide monthly reports on the disbursements and use under the public investment program and budgetary grants with a one-month time lag.

40. The State Energy Agency, in consultation with the ministry of finance and the World Bank, will submit to Fund staff each March and September their semi-annual report on the electricity sector QFD according to the format specified in Table 10 below.

Balance of payments data

41. The NBKR will provide current account and capital account data, including data on foreign trade, services, official and private transfers, foreign investment, and disbursements of public and private loans, on a quarterly basis, with at most a two-month lag. The NBKR will also provide monthly foreign trade data with a two-month lag.

Other general economic information

42. The National Statistics Committee will notify the Fund of the monthly Consumer Price Index by category by the 5th business day of the following month, and convey quarterly GDP estimates within two months of the end of each quarter.

Table 10. Kyrgyz Republic: Electricity Quasi-Fiscal Deficit

	Period
Production (GWh) 1/	
Losses (GWh)	
Loss Rate (in percent) 2/	
Consumption (GWh)	
Tariff ($ct/kWh) 3/	
Cash Collection Rate (in percent)	
Effective Tariff ($ct/kWh) 4/	
cash effective rate	
total effective rate	
Cost Recovery Tariff ($ct/kWh) 5/	
Quasi-Fiscal Deficit	
in percent of GDP	
in $ millions	
in millions of soms	

1/ Generation plus imports minus exports minus normative losses.
2/ Excess technical and commercial losses as percent of production.
3/ Average posted tariff, calculated as quotient of total bill and consumption volume.
4/ Nominal tariff times cash collection rate
5/ Marginal costs, derived from marginal incremental capital cost.

Table 11. Program Cross Exchange Rates

	Currency Names	National Currency/US$	US$/National Currency
SDR		0.6712	1.4899
GBP	UK pound sterling	0.5481	1.8243
DKK	Danish krone	5.8893	0.1698
EUR	Euro	0.7920	1.2625
INR	Indian rupee	45.6184	0.0219
CAD	Canadian dollar	1.2444	0.8036
CNY	Chinese yuan	8.2765	0.1208
KRW	South Korean won	1,697.3875	0.0006
NOK	Norwegian krone	6.5116	0.1536
TRL	Turkish lira	1,480,190.1408	0.0000
SEK	Swedish krona	7.2007	0.1389
CHF	Swiss franc	1.2185	0.8207
JPY	Japanese yen	107.5896	0.0093
AZM	Azerbaijani manat	4,905.0092	0.0002
AMD	Armenian dram	507.0856	0.0020
BYR	Belarusian rubel	2,171.0169	0.0005
KZT	Kazakh tenge	132.4847	0.0075
LVL	Latvian lats	0.5380	1.8587
LTL	Lithuanian litas	2.7422	0.3647
MDL	Moldavian lei	12.3694	0.0808
RUR	Russian ruble	29.1158	0.0343
TJS	Tajik somoni	3.0229	0.3308
UZS	Uzbek sum	1,043.1117	0.0010
UAH	Ukrainian hryvnia	5.3065	0.1884
EEK	Estonian kroon	12.3927	0.0807
AUD	Australian dollar	1.3556	0.7377
	Gold ($/troy ounce)		426.2000