CASH COORDINATION COMMITTEES IN HUNGARY

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Hungarian State Treasury

CASH COORDINATION COMMITTEES IN HUNGARY

LIQUIDITY MANAGEMENT OF THE BUDGET IS DONE IN CO-OPERATION BETWEEN THE HUNGARIAN STATE TREASURY AND ÁKK, THE DEBT AGENCY, ACCORDING TO THE ACT ON PUBLIC FINANCES OF 2003

- The Minister responsible for public finances (now the Minister for National Economy, previously the Minister of Finance) is responsible for this function and supervises the two institutions
- Hungarian State Treasury makes cash forecast - has good information about budget execution and other net financing needs
- Only ÁKK acts in the money and government securities markets, therefore actual cash management transactions are best done by ÁKK
- CCCs have a role to co-ordinate between cash forecast and cash management

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CASH COORDINATION COMMITTEES IN HUNGARY I

LIQUIDITY COMMITTEE

- High level committee chaired by the State Secretary (responsible for Public Finance) of the Ministry for National Economy established by the Act on Public Finances
- Members are Deputy State Secretary, President and Deputy Presidents of the State Treasury, Heads of Budget, Tax and Macroeconomic Departments of the Ministry
- The representative of the Debt Agency is permanent invitee (deputy CEO)
- Monthly meetings in the Ministry
- Discuss budget deficit and cash forecast, macroeconomic developments, evaluates capital market trends, may initiate special cash management operations (borrowing from SOEs, cash rationing), may advise cash management operations.

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CASH COORDINATION COMMITTEES IN HUNGARY II

COMMITTEE ON TSA AND DEFICIT DEVELOPMENT

- Informal expert level committee between the Debt Agency, the Ministry for National Economy and the Hungarian State Treasury
- Members are representatives of the Debt Agency, the State Treasury responsible for cash forecast, and the Ministry responsible for the budget and EU related transactions
- Monthly or biweekly meetings by VC
- Discuss budget deficit and cash forecast, can evaluate capital market demand, can discuss cash management operations (no official agenda).

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LIQUIDITY COMMITTEE AGENDA

AGENDA AND MEASURES AGREED

- **The evaluation of the cash-flow and ESA based budget deficit forecast** – Discussed and future measures identified
- **The evaluation of the budgetary transactions with the European Union** – Discussed and information required for next meeting identified
- **The development and forecast of the most important macroeconomic variables** - Discussed
- **Overview of recent developments in the government securities market and the development of the retail debt program** –briefing given by the Debt Agency

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THANK YOU FOR YOUR ATTENTION

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