



Budgetary Income Stabilization Fund



Full Member

Goal and objectives

In 2000, the Budgetary Income Stabilization Fund was constituted with a risk management purpose in response to the observed oil price decreases that led to unplanned budget cuts in the late 1990s. The objective of the Fund is to lessen the effects on public finances of changes in the level of oil revenues derived from sudden variations in international oil prices.

Sources of funds

The Fund's inflow comes from a special levy on oil revenues and 40 percent of excess revenues, when the observed oil price is higher than the one set in the budget. Also, it has an upper limit defined by the level of oil production platform.

The resources of the Fund are used to compensate for a decrease in estimated income from the levies of the related fiscal year derived from a lower observed oil price, using up to 50 percent of the accumulated resources at the end of the previous the fiscal year for that purpose. The operation of the Fund and the allocation of resources are audited by the Superior Auditor of the Federation, and reports are sent to Congress on a quarterly basis.

Investment policy

The investment policy of the Fund is set by a Technical Committee, which aims at an adequate level of liquidity required for the purpose of the Fund and a reasonable rate of return with a minimum risk level. The Technical Committee is composed of representatives of the Ministry of Finance.

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[Member website](#)