The International Monetary Fund (IMF) Oversight Role in Preventing Financial Crises, Governments

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**ABSTRACT**

General multilateral surveillance, such as monitoring other matters, is rooted in the understanding of the differences between communities. The international community of sovereign states, characterized by economic, financial, legal and political diversity and the gradual development of networks that form tends to be fairly open on economic exchange. The globalization of trade in recent years due to the unprecedented expansion of free market economy, has grown substantially, eventually the military is considered risky because in this system, every constituent chains of reactions, there is the possibility that if the control speed and avoid the dire consequences of the crisis is serious. Since the measures necessary for clear rules exist to monitor and control the institutions necessary for the roots of problems and immediate intervention is recommended for non-proliferation and reducing the scope of the crisis. The main hypothesis of the study is that the issues in the context of multilateral surveillance of international public finance arise. In terms of the substantive issues that arise in the inner surface of the Financial Supervisory pretty close. Main research question is whether the issues in the context of multilateral surveillance of international public finance arise. In terms of substantive issues at the domestic level of financial supervision are close? Descriptive and analytical method based on credible sources and documents. And referring to authoritative sources, including books, articles will be written by foreign and domestic.

**INTRODUCTION**

IMF established an important step in the efforts of countries to establish international cooperation on monetary matters, and, no doubt, the most important thing is that so far the country has come to run the International Monetary. Because in the years before the First World War, there was greater international cooperation in monetary affairs would rely on market forces to establish a special organization internationally. Fund further deal with issues of international payments its task is to establish a regular system rather chaotic monetary situation in the years before the war.

**IMF targets:**

In summary, the primary purpose of the fund raising contribution rates, prevent poverty, contribute to economic growth and the labor market at an international level and creating fiscal incentives for countries that are seeking undercarriage pay. But the first article of the Statute of the International Monetary Fund, details of its objectives can be summarized in the following sentences. International monetary cooperation through a permanent institution for consultation and collaboration tool for the global financial troubles provides. In other words, with IMF technical and administrative instruments and equipment required for consultation and cooperation on the Member States will have money, and with the problems of this method will help. Facilitating the development and adjustment of international trade and cooperation in order to promote and maintain employment and real income and revenue resources for all members of the essential aim of policies of the economy. It was originally meant to facilitate and expand international business is a song. The main goals of the economic policy of the fund raising employment and real income and productivity benefits of developing member countries are to help. Strengthening stability in the foreign exchange market, and maintain an integrated system of exchange among members as well as to avoid improper competition in the global market due to the devaluation of the currency. This is through providing assistance to stabilize the currency rate of exchange in the...
correct order to avoid competition between Member States and the declining value of the local currency. Be achieved. 4) help establish a multilateral system of payments in the areas of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.

5) Users temporary access to Fund resources necessary to facilitate compliance with the security aspects of the balances of payments imbalance is corrected. Types of IMF surveillance Holder is as follows:

1 - State supervision. Once a year, by the International Monetary is its member countries on ways to advice. The advice on exchange rate policy, fiscal and monetary strategies; growing balance of payments, foreign debt, the effect of the policy on foreign assets, how to apply strategies and government policies in the international arena as well, are focused on understanding the potential damage. Because the money markets have become more integrated mode, the supervision of the International Monetary Fund on capital account and issues focused on banking and finance sector. Issues such as the independence of central banks, regulatory, tax, corporate governance, transparency and accountability in policy-making and how their needs are also important issues with regard to financial crisis in the developing countries the main focus of IMF surveillance form, in order thereby to create programs for its member countries to realize economic markets. - Global monitoring. How global governance board two Haynazz report its Global Financial Stability Report and World Economic clay and constant debate on the world economy and market development plans. Reported the first as a comprehensive analysis of the global financial markets have become more integrated mode, monitoring the Fund on capital account and tax issues related to the banking sector and is focused. - Regional monitoring. In addition to advising funds to countries, regional strategies that are set are examined. For example, a fund with regional economic organizations such as the League of Europe, the Central Bank of Europe, the West African Economic and Monetary Union, the West African Economic and Monetary Council, the Central African Economic and Monetary Council and the East Caribbean Currency Union debate consider deals as well as in discussions of finance ministers, central bankers and other officials, major industrial countries, the Center for Asia Pacific economic Cooperation countries like Morocco, which are dependent on Europe Union, will participate. IMF and World Bank to help countries to build a strong military to combat money laundering and financing terrorism work. This will be done through collaboration. Certain countries, particularly low-income countries to establish laws and regulations to combat terrorism financing they need. Therefore Polo World Bank, IMF, in order to technical needs of countries is cooperating.

Join the IMF:

Every country has IMF membership application. Firstly request will be reviewed by the Fund's Executive Board. Following review proposals submitted to the Executive Board with a report entitled The Management Board will decide to join. The proposals related to the amount and manner of payment of allowances and other conditions of membership is. Membership by the Board decided to accept the actors, the applicant is required to consider legal action of their own domestic law of that country.

Administrative support to the fund, even if a country is not at risk of crisis, it is still possible that the imbalance in the world, exposing the entire country is at fault. The International Monetary Fund as the voice of the international community has an important role in introducing their helm, plays. For example, during the years 4-2003, IMF Americas, Europe and Japan called for global cooperation in the balance's Fund appealed to the United States of America steps to reduce financial and economic problems on its external payments stop and the Europe Union and Japan wanted to make structural reforms to help growth and prosperity. Inspections conducted inspections of industrialized countries and monitoring are included in the global capital markets should continue to be strengthened. The International Monetary Fund has also introduced other measures will be Takmr crisis, including measures will be as follows:

1 - In 1999, the International Monetary Fund and the World Bank FSAP brought into existence by the way, countries to discuss financial and monetary help. FSAP reports to help countries to identify your strengths and weaknesses in the financial system and provide appropriate responses to them, likewise, the International Monetary Fund international efforts to combat money laundering and terrorism financing offers.

2 - IMF norms and standards relating to economic cooperation application have improved. If a country is not at risk of crisis, it is still possible that the creation of the world and not exposing the entire country may be the culprit. IMF tried to help countries facing crises to be in the top Bbrndv of creating and expressing alarm system and also introduces the risk marker is used.

4 - IMF analysis of the power and strength of the country's debt is to enable countries to assess their internal and external debt in the future does not have the amount of your income and expenditure balances create unreasonable.

5 - The International Monetary Fund has made great efforts to promote the rule of statecraft and governance requirements of active and capable of creating critical. Certain fields on the IMF stresses include: improving efficiency and accountability of the public sector and monetary system, also, IMF relative to the level of accountability and transparency in their work plans. - IMF tried to help countries facing crises to be in the top Bbrndv of creating and expressing alarm system and also introduces the risk marker is used.
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5 - The International Monetary Fund has made great efforts to promote the role of statecraft and governance requirements of active and capable of creating critical. Certain fields on the IMF stresses include: improving efficiency and accountability of the public sector and monetary system, also, IMF relative to the level of accountability and transparency in their work plans. IMF successful in accomplishing their goals are not achieved, because the assumption was that the economy normally established early in the settlement of the balance of the temporary imbalance in the incidence of the guidance’s Fund of the balance will and the only the basic factors causing the imbalance is exceptional bedrooms resort to control them will fix, but after the war most countries were fundamental imbalance. The scarcity of dollars in the early years after the war has caused difficulties for many countries. Inevitably the foreign exchange restrictions and controls on currency and receipts and payments powers. Hyperinflation lot as well prices and the main obstacle to a stable economic relations with other countries outside the box once to establish a multilateral monetary system based on fixed rate, was with the financial strength. OFC limit Moreover, unlike the 1930s, the fertilizer major cause of economic instability in foreign countries than they did in the period of inflation was the main internal and external economic imbalances and countries, to prevent weakening of the fantastic Paul himself was forced to control the exchange rate. during this period an active role in solving problems and Monetary Fund balance of payments of member countries no less than the value of the resources used to solve problems, but the situation was reversed and the Suez Canal from that date onwards Fund to assist countries with balance of payments equilibrium major industrialized countries of the West were particularly among the two countries, England and Massachusetts that the money they are part of the play an active role the international reserves. Suez crisis coincided with the end of the dollar shortage. Even after 1958 has been a persistent balance of payments deficit Massachusetts and this led eventually to the dollar shortage problem is frequently a dollar.

Western European countries in 1958, the first commercial item and then take control of the capital items being taken out of their pay and thus the ability to convert money in industrialized countries in the West was conquered, and one of the objectives of the funds took the deficit implement sustained than payments Massachusetts and convertibility of currencies, including the vast new problems and short-term investments in order to profit -seeking transactions between the financial centers of the world are brought to the West. rapid transfer of capital short-term balance of payments deficit in 1960 led to the intensification of Massachusetts and British pressure and dollar Lear and resources to the IMF.

Fund to address the above problems and meet the needs of member countries by increasing the quota of members and receive a credit of about $ 6 billion of the world's ten major industrial countries to increase their resources. The right to withdraw approval for the project is expected to fund a more important role in the international monetary and take on financial system. As a result, the Fund for the period after the Second World War, partly helped monetary stability and development of international exchanges.

And further promoted the influence of money and help transform the balance of payments deficit moderated by Member States to meet the monetary authorities of the Member States and of the misunderstanding is not rare. Fund to help developing countries as compared to industrialized countries is so much lower and is not suitable for their needs. If you know the member's quota is based assistance fund, while the total quota for all quota as third world country, not Massachusetts. As a result of the $ 17 billion fund established on June 1968 of $ 8 billion that has been removed in favor of England and Massachusetts. Regulatory policies of the IMF.

Since World War II as one of the most important parts of the economic development globally. The importance of this issue for developing countries in the last 25 years has been enormous, and also the countries of the socialist system to a market economy in transition systems are very attracted interest. Organizations were crucial to the process of tax reform in recent decades, including governmental and non-governmental organizations and international institutions. Among which the International Monetary Fund (IMF) and World Bank, and marked a major role in tax reform projects in developing countries and countries in transition to play. In other words, as the leader of the International Monetary Fund structural adjustment programs and activities related to professional discourse in relation to methods of taxation, especially in African countries, plays an important role. Activities related to the International Monetary Fund IMF is summarized in the following cases:

1 - collect, evaluate and disseminate information and tax systems of Member States
2 - analysis and publication of tax policy
3 - determine macro-economic objectives, including objectives related to deficit spending and tax revenues
4 - Providing loans
5 - Provide training and technical assistance regarding legislation and tax policy

IMF role in tax reform in an academic context and making plays in the international tax rules. And activities related to technical and financial assistance direct role in financial reform projects in various states of their will own. Two important issues related to the IMF's activities in relation to tax reforms in developing countries in mind.
1 - tax reform as a condition for countries that are stated above in relation to any financial assistance. These conditions are based on LOI-letter of intent will be reviewed.

2 - International Monetary Fund play an important role in the reform of tax law countries, where they provide technical assistance and training, plays. Although educational assistance to any country that respects the confidentiality of the general fund procedures in these cases are generally specialized journals and important data that will be available to readers of their reports.

Views of researchers on IMF reform the tax code as a tool for economic efficiency focus, and as a way to increase income taxes are considered. In this regard, the issue of economic justice is concerned and tries to manage macroeconomic policy in developing countries, the attention. In this regard, the issue of economic justice is concerned and tries. The macro-management policies in developing countries have been concerned authorities to be enforced and thereby establish appropriate relations between different countries. Content provisions in relation to the taxation proposals

Conditions set forth in the regulations imposed by the Fund solely based on LOI will be reviewed and the data are collected by the World Bank IMF experts. Richard took the view, fiscal policy in developing countries plays a major role in the economic development of the country since the early 1980s. Cash started work on structural issues the tax laws of different countries. To target specific international focus and goal of the course is to provide tax incentives for saving, private investment and activity in a free market economy and to focus on free trade. Hence, the fund presented a package of proposals for tax reform, which contains the following goals and focused on the following topics:

1 - Getting to the 20% VAT tax as an alternative to traditional
2 - lower taxes as a percentage of personal income that is tailored to different types of investment and economic activity.
3 - Simplification and gradual reduction and eventual elimination of tariffs on imports and exports, eventually establishing tax funds as the ultimate cause of the universe is receiving considerable attention. With reference to the LOI data as an important indicator of the economic reforms of the International Monetary Fund is subject to tax. However, the results suggest that there is a high index of LOI in one country is not necessarily the implementation of further reforms in that country. The table below shows the tax reform in different countries

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<thead>
<tr>
<th>Table A: ratio of taxes to GDP in the world.</th>
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<tr>
<td>Iceland</td>
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<td>37/7</td>
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<td>18/5</td>
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Conclusions:

Historical experience suggests several general taxes profound impact on communities and even revolutionary changes are, yet they also enable analysis. This is still true today, as general taxes assessed systems in the world, especially the approach adopted principles of public and private finance explains the root of some of the developments taking shape. Because of those changes, increased attention to the reform of evaluation and monitoring of the management of public property which is to integrate the political process is Logic Management. Thus, control of the government and especially the development of a new concept of democracy. In terms of changes and developments in the multilateral surveillance of fiscal and monetary policies (in the form are inseparable interdependent) is key to understanding the changes that have been incurred by national and international political systems. Despite such observations suggest that general taxes, the main axis of the office complex societies and the rules that must be developed to suit the large and important point on this issue, because the aim of preventing crises as a result of heterogeneity and the political systems, an imbalance economic, financial and international level. Feature of this system should therefore consider changing global military, under the influence of liberalization, the field of self-development activities to bring. This requires understanding the difference systems and applying appropriate techniques for each one of them without
regard to political new world that is taking shape is not perfect. Currently, the main problem of creating unity and a new relationship between tax professionals and politicians, especially in the case of the introduction of new forms of multilateral surveillance of public policy which taxes are applied in different countries, is provided. Thus, the monitoring process, due solely to the prevention of risks arising from financial and economic policies of general taxes, but the taxes beyond the reorganization of public policy and governance reforms are also considered. Multilateral surveillance of public taxes, as well as monitoring other matters, is rooted in the understanding of different communities. Agencies and institutions to monitor and analyze the idea of creating a budget or monetary policies of countries to identify problems that may develop as time goes on other systems. Who first brought the issue of free trade among countries in the last decade of state will follow this issue closely. International community of sovereign states, characterized by economic, financial, legal and political diversity and the gradual development of

The network tends to be relatively open to trade. This particular measures taken by governments to monitor the policies are applied. The basic function they evaluate the results of these policies may be risky actions of other states on the one hand and Sue and recommended practices and guidelines to prevent these hazards, the monitor is considered one of the classic style. There are several international institutions on economic and financial issues of multilateral surveillance exercise, but only few of them are monitoring the policies pursued in the framework of the general taxes. And a short time budgeting policies have been monitoring the issues of public taxes. Conversely, monetary and foreign exchange policies are being considered. For example, we can mention the case of countries that have ratified the Statute of the International Monetary Fund. Under Article IV of the Constitution, the Fund is required to control developments in the international monetary system, and ensures the proper functioning of the system. To accomplish this task, the annual fund counseling in the fields of politics, economy and society treats the member countries. For example, during the years 2000 1999, 127 has done consulting. This advice mainly on foreign policy, monetary and budgetary focus in these countries is intended to show the weaknesses and sectors of their economy is doing. This kind of observation that “mutual monitoring” is known to be applied in the context of reports that are published every year in spring and autumn. And “World Economic Outlook» (World Economic) exhibit. The fund, projections and estimates for the next two years compiling the report (eg growth rate). In addition to their positions against government economic policies and to show the strengths and weaknesses of their proposals in this area gives. IMF also procedural regulations for the area. For example, in the case of countries that have applied to the Euro currency, there are some reports about problems in the elderly population has created large tax increases or bond. Free Trade Zones and Economic and Monetary Union of West Africa, with eight members, a functional framework is similar to the Europe Union, regional funds are also monitored. In summary, the primary purpose of the fund raising contribution rates, prevent poverty, contribute to economic growth and the labor market at an international level and creating fiscal incentives for countries that are seeking undercarriage pay, are. Followings objectives they but limited to: 1) The international financial cooperation through a permanent institution of the necessary tools for consultation and collaboration on international monetary problems provides To facilitate the development and adjustment of international trade and cooperation in order to promote and maintain employment and real income and sources of income for all members as well as basic objective of economic policies. Strengthening stability in the foreign exchange market, and maintain an integrated system of exchange among members as well as to avoid improper competition in the global market due to the devaluation of the currency. To help establish a multilateral system of payments in the areas of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade. Member temporary access to Fund resources necessary to facilitate compliance with the security aspects of the reform of pay levels uncoordinated 0.6) build trust in the members necessary to balance foreign payments will be helping to limit members of monetary exchange in their business that they do not engage in international trading losses. Accordingly, the Fund will provide a package of proposals for tax reform, which contains the following goals and focused on the following topics: 1 - Getting to the 20% VAT tax as an alternative to traditional

2 - lower taxes as a percentage of personal income that is tailored to different types of investment and economic activity. 3 - Simplification and gradual reduction and eventual elimination of tariffs on imports and exports, eventually establishing tax funds as the ultimate cause of the universe is receiving considerable attention.

The main objective of the establishment of the fund tax reform in different countries, rising income countries. This goal is aimed at reducing the budget deficit and total debt that the government is concerned. The Fund aims to increase the income by the World Bank has been criticized by some experts and they believed that it would be refused due to the implementation of tax reforms in countries. They believed that the purpose of the fund contributes to the increase in government financial strength, and some states of the abuse will be, and finally the manufacturer of the pressure. Finally concluded that the objective of the fund is to be adjusted in each country, the ratio of taxes to GDP (per capita income) increased. Therefore, the Fund decided to consider the following ratios: The recipe states that in 1998, a significant increase of the tax rate, the tax rate to GDP ratio is set at 10 % and the average increase in tax rates between 10 and 20 percent of any increase in tax imposed and
ultimately to the countries that the tax rate is 20% higher than the GDP does not exist. Currently, the ratio between tax rates and GDP in OECD countries is higher than 30% and these countries are not subject to the tax rate increase. Although the IMF is an important objective of long-term breeding programs to accommodate fiscal deficits in the short term to implement. But reports that are prepared by different countries. The Fund aims to increase the income by the World Bank has been criticized by some experts and they believed that it would be refused due to the implementation of tax reforms in countries. They believed that the purpose of the fund contributes to the increase in government financial strength, and some states of the abuse will be, and finally the manufacturer of the pressure. Finally concluded that the objective of the fund is to be adjusted in each country. the ratio of taxes to GDP (per capita income) increased. Therefore, the Fund decided to consider the following ratios: The recipe states that in 1998, a significant increase of the tax rate, the tax rate to GDP ratio is set at 10% and the average increase in tax rates between 10 and 20 percent of any increase in tax imposed and ultimately to the countries that the tax rate is 20% higher than the GDP does not exist. Currently, the ratio between tax rates and GDP in OECD countries is higher than 30% and these countries are not subject to the tax rate increase. The Fund offers ways for reform include the following:

1 - voluntary taxpayer
2 - Self-Assessment
3 - educate taxpayers regarding their duties
4 - identification of problems related to file and pay their
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It must be said that the reform program, the Fund generally will focus on improving the efficiency of the administrative system, and some criteria to consider the fairness of the administrative procedures, and tries. Politically they can accept. In this regard, the Fund will consider the education and voluntary.

The second important strategy in the Tax Reform Fund to provide technical assistance in the countries concerned. History of aid goes back to 1945. The technical assistance from the Fund or through specialist companies are offering specialized training. Technical assistance in the form of training and transfer of technical knowledge among them also apply. The most important topics in the form of technical assistance funds and tax policy issues such as administrative matters are concerned, the following objectives are set.

1 - Strengthen the operational capacity of member countries in terms of human resources and administrative structure
2 - help member countries in designing appropriate remedial programs
   Provide technical assistance based on the following methods are applied.
   1 - short programs (missions) = the training team for a few days to a few weeks to come into force.
   2 - programs = long that lasts more than 6 months.

Many believe that the amendments made in relation to the tax affairs after World War II led to the economic benefits to be spread fairly equitably among developing countries. It is said the issue of economic fairness and equity gains until the 1980s as the most important goal of the IMF.

But then gradually reducing costs and saving and investing saving becomes more important and eventually establishing a tax on consumer goods set lower taxes on investment and lower tariffs appointment was more important to find. It must be said that in the first days of July 1385, the VAT Law was promulgated by the President to run Oct. law enforcement VAT formally implemented. The law of value added tax VAT rate is one and a half percent of the total rate of complications, including a five percent value added tax, value added tax at the rate of three percent would be the lowest in the world. Existing data can be seen that the rate of value added tax in some countries there are also about 25%. Interestingly, some poor countries such as Ethiopia, Uganda, Benin, Burkina Faso, Tanzania and despite a weak economy and widespread economic shortcomings, Implementing VAT have successfully completed and already high rates of tax is based on income economies., If the VAT tax system and desired to be established and effectively. In addition to raising revenue from direct taxes, economic goals - social comments income tax system also efficiently be achieved. Although the direct effects of these systems provide significant income increases government revenue as a source of stability and flexibility, expanding the tax base, the failure of the tax incentives for investment production as well as the implementation of the basis of told his helped to clarify and facilitate trade and economic activities will be applied to other types of taxes. But it must not be forgotten that the implementation and deployment of such a system is necessary to fully assess its economic impact, and be prepared to predict. Otherwise the inflationary effects of the application of the VAT cannot be resisted.
REFERENCES

[16] Kosovo signed the Articles of Agreement of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (the World Bank) on behalf of Kosovo at the State Department in Washington.