

***BPM7* Chapter 2. Overview of the Integrated  
Framework: Annotated Outline**



# **BPM7 Chapter 2. Overview of the Integrated Framework: Annotated Outline<sup>1</sup>**

(Update to *BPM6* Chapter 2)

*Changes from BPM6 highlighted in yellow*

## **I. Introduction**

- As in *BPM6* Chapter 2, this chapter will focus on presenting an overview of the integrated framework of international accounts and brief details on its components. The overall structure will be mostly maintained from the *BPM6* chapter. The chapter will have separate sections on Introduction (Section I), structure of the international accounts (Section II), and metadata, dissemination standards, data quality, and time series (Section III). See the Schematic Overview for details.
- In addition to the highlighted updates/additions below, further changes may be made to improve the consistency of the language with other macroeconomic statistics manuals (e.g., *2025 SNA*) as appropriate.

## **II. Structure of the **International** Accounts<sup>2</sup>**

### **A. Overall Framework**

- The scope of this sub-section will be maintained as in *BPM6* with the following changes.
- After explaining that the international accounts summarize the economic relationship between residents of that economy and nonresidents, **it will be mentioned that international accounts framework is composed of three major intertwined elements: (i) the balance of payments; (ii) the international investment position (IIP); and (iii) the accumulation accounts—which explain changes in the IIP between two points in time with transactions from the balance of payments' financial account and other changes in financial assets and liabilities accounts (revaluations, and other changes in volume). This will also ensure consistency with the terminology of “accumulation accounts” in SNA (GN B.4).**
- **Further, it will be indicated in Figure 2.1 that in the case of international accounts accumulation accounts include the financial account and the other changes in financial assets and liabilities accounts only.**
- **Paragraph 2.7 regarding the reference on Annex 2.1 will be deleted (as Annex 2.1 is moved to Chapter 20 Communicating and Disseminating Economic Statistics).**

### **B. Balance of Payments**

- The scope of this sub-section (including Box 2.1 on double-entry accounting) will be mostly maintained as in *BPM6* with the following minor changes. **The balances on capital account and**

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<sup>1</sup> Prepared by Venkat Josyula (BPM editor) and cleared by Carlos Sánchez-Muñoz (BPM Project Manager).

<sup>2</sup> There were suggestions to use the term “external accounts” instead of “international accounts” in line with the external sector statistics. This suggestion will be considered at the drafting stage of *BPM7*.

financial accounts will be explicitly defined in updated paragraphs 2.16 and 2.17, respectively consistent with Table 2.1. References of relevant *BPM7* chapters will be updated.

### C. Accumulation Accounts

- This sub-section will have the following changes.
- In the SNA framework, accumulation accounts are those that record flows that effect the entries in the balance sheets at the start and end of the accounting period. There are four accumulation accounts—the capital account, the financial account, the other change in the volume of assets account, and the revaluation account (paragraph 1.20, 2008 SNA).
- For international accounts, accumulation accounts explain the changes between opening and closing IIP (external balance sheet) and comprise the balance of payments' financial account and other changes in financial assets and liabilities accounts. References of relevant *BPM7* chapters will be updated.

### D. International Investment Position

- As in *BPM6*, definition of IIP and its description as a subset of national balance sheet will be maintained (paragraphs 2.8 and 2.9).
- Further, concept of integrated IIP as in *BPM6* (i.e., concerning stock-flow reconciliation) will be introduced noting that it will be the centerpiece of *BPM7*.
- Discussion in paragraph 2.11 to be maintained with no changes.
- A shorter version of the integrated IIP from *BPM7* Table 7.1 will be included to highlight the importance of this presentation in *BPM7* from the very beginning—to include only assets and liabilities by functional categories.

**Table 2.1 Integrated International Investment Position Statement<sup>3</sup>**

| Table: Integrated International Investment Position Statement                                     |   |                              |                            |                         |                   |
|---|---|------------------------------|----------------------------|-------------------------|-------------------|
| Beginning of period IIP   | Accumulation accounts                     |                              |                            |                         | End of period IIP |
|   | Transactions from BOP's financial account | Revaluations                 |                            | Other changes in volume |                   |
|   |   | due to exchange rate changes | due to other price changes |                         |                   |
| Standard components listed in Appendix 9  |   |                              |                            |                         |                   |
| * Encouraged items<br>Note: This table will be adjusted depending on changes resulting from FITT. |   |                              |                            |                         |                   |

<sup>3</sup> The term “statement” is not used uniformly in the BPM. Sometimes it refers to both, BOP and IIP, sometimes only to the IIP, and sometimes only to the integrated IIP. Therefore, its usage will be examined further at the drafting stage to ensure uniformity in the updated BPM.

E. **Integrated Recording of Positions and Transactions** – no significant changes

F. **Net Errors and Omissions**<sup>4</sup> – no significant changes

G. **Linkages within the International Accounts** – no significant changes

H. **Linkages and Consistency with Other Macroeconomic Datasets**

- A sub-section on External Debt Statistics (EDS) will be added to highlight the links between IIP and EDS (including the discussion on valuation of debt securities from GN F.8).

I. **Numerical Example—Table 2.2 (consistent with data in Annex 2.1)**<sup>5</sup>

- It will be maintained as in *BPM6* with the following change. Table on IIP will be structured consistent with Table 2.1.

### III. Metadata, Dissemination Standards, Data Quality, and Time Series

- This section will have same structure as in *BPM6*, but with the following minor changes.
  - Discussion on seasonal adjustment in updated paragraph 2.41 will refer to *Quarterly National Accounts Manual, 2017 Edition (Chapter 7 Seasonal Adjustment)*
  - Box 2.2 on Data Quality Assessment Framework (DQAF) will be based on 2012 version of DQAF for Balance of Payments and International Investment Position (e.g., item 1.1 professionalism will be known as institutional integrity following 2012 DQAF).
  - Reference to discussion on the Framework for Measuring Alignment with Economic Accounting Standards, Section VII, Chapter 20 will be provided (Chapter 20 provides reference DQAF presented in this section).

#### Annex 2.1. Overview of Integrated Economic Accounts<sup>6</sup>

##### Table 2.3 Overview of Integrated Economic Accounts

- It will be based on 2025 SNA tables on sequence of accounts and no significant changes are expected.

##### Table 2.4 Links between Instrument and Functional Categories

**Table 2.4a. Balance of Payments Financial Account by Instrument**

**Table 2.4b. Integrated IIP by Instrument**

**Table 2.4c. Conversion of Data from Instrument Split to Functional Categories**

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<sup>4</sup> The use of this term in the updated manual is subject to the decision on change in terminology proposed in GN CM.2.

<sup>5</sup> Annex 2.1, *BPM6* (Satellite Accounts and Other Supplementary Presentations) will be dropped from this chapter in *BPM7*. It will be included in new *BPM7* Chapter 20 Communicating and Disseminating Economic Statistics.

<sup>6</sup> Updates to categories/data presented in these tables may occur based on the treatment of crypto assets without corresponding liability (GN F.18) and any other updates.

## Schematic Overview

|           |  |
|-----------|--|
| I         | Introduction   |
| II        | <p>Structure of the Accounts</p> <ul style="list-style-type: none"> <li>Overall framework</li> <li>Balance of Payments<sup>7</sup></li> <li>Accumulation Accounts</li> <li>International Investment Position</li> <li><b>Table 2.1 Integrated International Investment Position Statement</b></li> <li>Integrated Recording of Positions and Transactions</li> <li>Net Errors and Omissions</li> <li>Linkages within the International Accounts</li> <li>Linkages and Consistency with Other <b>Macroeconomic</b> Datasets</li> <li>Numerical Example</li> <li>Table 2.2 Overview of International Accounts</li> <li>Box 2.1 Double-entry Basis of Balance of Payments Statistics</li> </ul> |
| III       | <p>Metadata, Dissemination Standards, Data Quality, and Time Series</p> <ul style="list-style-type: none"> <li>Metadata, Dissemination Standards, and Data Quality</li> <li>Time Series</li> <li>Box 2.2 Data Quality Assessment Framework</li> </ul>  |
| Annex 2.1 | <p>Overview of Integrated Economic Accounts</p> <ul style="list-style-type: none"> <li><b>Table 2.3</b> Overview of Integrated Economic Accounts (from 2025 SNA)</li> <li><b>Table 2.4</b> Links between Instrument and Functional Categories</li> </ul>   |

### References

- GNs B.4, F.8, and F.18. These guidance notes are posted at [Update of the sixth edition of the Balance of Payments and International Investment Position Manual \(BPM6\) \(imf.org\)](#) or at [List of Guidance Notes for the 2008 SNA Update \(unstats.un.org\)](#).
- 2012 version of DQAF for Balance of Payments and International Investment Position
- *Quarterly National Accounts Manual, 2017 Edition*

### Key Stakeholders Consulted

- System of National Accounts and Balance of Payments Manual editors
- IMF Statistics Department Financial Institutions Division and Government Finance Division

<sup>7</sup> Ordering of the subsections is slightly revised from *BPM6* (i.e., balance of payments, accumulation accounts, and IIP instead of presenting IIP first) to be consistent with the presentation of related topics in Chapter 2, *2008 SNA*.