

INTERNATIONAL MONETARY FUND

Statistics Department

Balance of Payments Task Team: Terms of Reference

I. MANDATE AND OPERATIONS

1.1 Mandate

The Balance of Payments Task Team (BPTT)¹ will advise the IMF's Committee on Balance of Payments Statistics (the Committee) in the process of revising the IMF's *Balance of Payments and International Investment Position Manual, sixth edition (BPM6)*. BPTT will deal with general principles, structural and cross-cutting issues. Besides, it will review and coordinate the specialized topics covered by the other Task Teams (TTs)² as well as liaise and ensure coordination with joint TTs and those TTs working under the aegis of the Advisory Expert Group on National Accounts (AEG), as well as with ongoing work in other statistical domains. In doing this work, BPTT should ensure overall consistency of the proposals before they are presented to the Committee as well as ensure no duplication of work. BPTT will also provide advice to the Committee on the Annotated Outline (AO) to be prepared by STA and thereafter on the draft chapters of the new manual.³ BPTT will consult with and be consulted by the AEG on relevant overlapping matters being treated simultaneously by or of direct interest to both BPTT and the AEG.

The *BPM6* update process has a five-year timeline, ending in March 2025. BPTT would be operational during this time. Key milestones in the *BPM6* update process are presented in Annex III.

1.2 Operational Framework

Composition: the IMF chairs and provides secretariat to BPTT. To keep a manageable composition, BPTT will comprise a limited number of members, mainly Committee members from selected IMF member countries and international organizations, as well as national accounts experts and user representatives from IMF Departments. The composition will take account of both the depth of expertise required to address the issues identified as

¹ The membership of BPTT is presented in Annex I.

² The three other TTs are the Direct Investment (DITT), the Current Account (CATT), and the Financial and Payments Systems (FITT) TTs.

³ The AO will propose a structure, and a brief description of the content (chapter by chapter) of the new manual, will identify the issues that will be addressed, and will indicate how they will be addressed. It will synthesize the recommendations of all related TTs and the three Committee task forces (on Special Purpose Entities, Global Value Chains, and Informal Economy) and draw on guidance notes to flesh out the structure and content of the new manual. The AO will be produced by IMF staff, reviewed by BPTT and the Committee, and will be subject to public consultation. The AO should be agreed by the Committee as it effectively becomes the architectural blueprint for drafting the new manual.

well as a geographical balance. Members of BPTT work on a voluntary basis, and no remuneration is provided by the IMF.

Communication: the working language of BPTT is English, without any translation of documents or interpretation at videoconferences or meetings. BPTT will work primarily through electronic means, including video conferences, while the chair may call one or more physical meetings as necessary.⁴ The IMF will facilitate electronic communication between BPTT members by organizing videoconferences and using appropriate technologies for document flow and management. To promote wide consultation on—and dissemination of—its work, an IMF-hosted dedicated BPTT webpage will post all BPTT materials, namely these terms of reference, the list of issues to be covered, as well as the agreed recommendations on each issue. The BPTT Secretariat will be responsible for managing the webpage content.

II. SCOPE

BPTT will:

- (i) by December 2021, make recommendations to the Committee on issues for the revision of *BPM6*—clearly indicating how the recommendations would impact the BPM—including those specifically identified in its agreed areas of research (see *BPM6* Update: Compendium of Research Issues), as well as those that emerge through the deliberations of other TTs and/or the AEG TTs;
- (ii) during the first quarter of 2022, review the draft AO to be drafted by IMF Staff. The draft AO is to be subject to worldwide public consultation and to be endorsed by the Committee by end-June 2022 to facilitate the formal start of the drafting process of the updated manual (*BPM7*); and
- (iii) thereafter, review and comment the draft chapters of *BPM7* to be prepared by STA before being subject to worldwide public consultation and to be endorsed by the Committee.

III. GUIDANCE NOTES, WORKING PROCEDURES, AND REPORTING

In addition to the list of topics already identified (see Compendium of Issues adjoining this terms of reference), BPTT may consider, as appropriate, other issues raised by its members and by the other TTs relevant for the BPM update. Research issues labeled as high priority should be the core of the work of the group. No new issues will be considered for inclusion in the new manual after **June 2022** (i.e., the deadline for worldwide review of the AO). This

⁴ If a meeting is called, consistent with the rules of the Committee, the IMF would cover the costs of international travel and accommodation for attendance, except members from international organizations and those from countries in the top 20 percent of the World Bank's list of "high income countries".

cutoff date is necessary to accommodate the broad process of review and consultation that will take place before the manual is finalized by the end of 2024.

3.1 Guidance Notes

To foster focused and efficient discussions and for a consistent and complete coverage of the review items, BPTT’s key documentation will be in the form of a “Guidance Note” for each item/concept. Guidance Notes should comprise two sections—the first detailing the issue, and the second explaining the recommendations—presented according to a standard format as described in Annex II. Additional background documentation may also be considered/attached.

Guidance Notes will be discussed by written consultations or videoconferencing. Once a decision is taken, the recommendations will be summarized in the second section of the Guidance Note, to be prepared by the BPTT secretariat. The draft Guidance Note is then made publicly available for wider consultation—including with national compilers, such that they can test the practicality of the proposals.

The final paper will be presented to the Committee for endorsement (after consulting the AEG on those that may impact the SNA).

The key working procedures and review processes for Guidance Notes are outlined in Figure 1 and detailed in Table 1, covering both the BPTT’s own-produced Guidance Notes as well its review role in the Guidance Notes produced by other TTs.

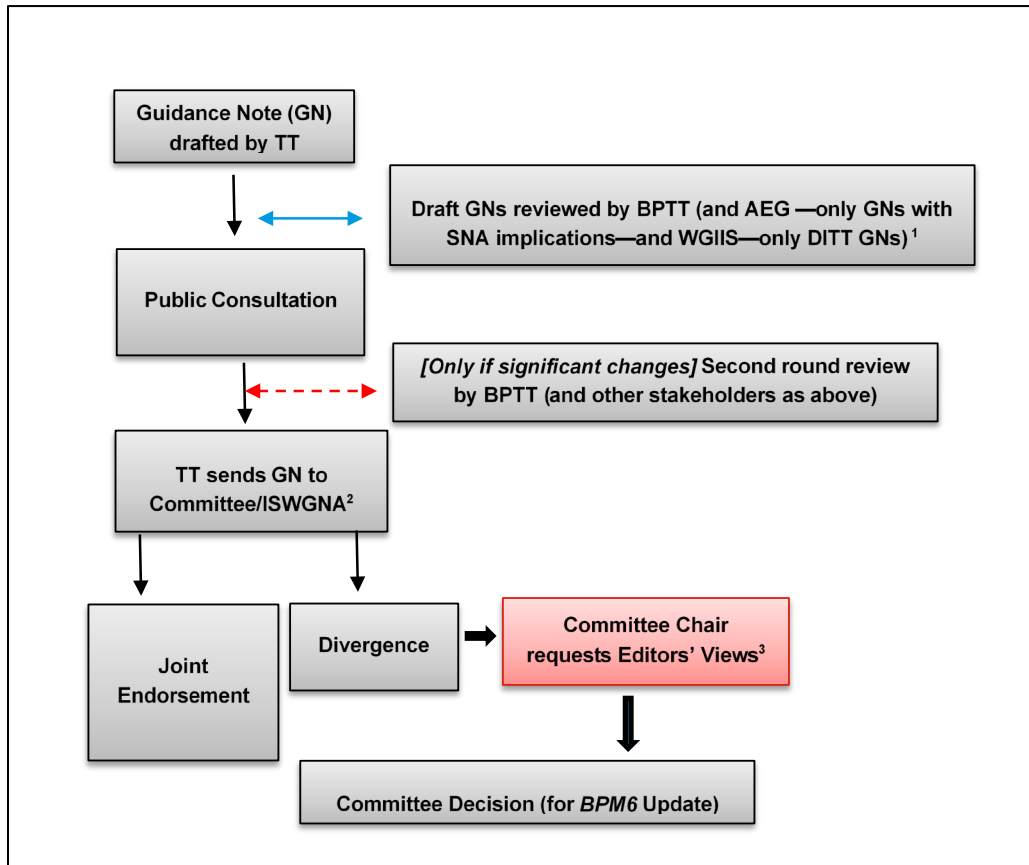
3.2 Working Procedures

BPTT will strive to take decisions by consensus. If decisions cannot be taken by full consensus, minority dissenting opinions will be properly documented in the Guidance Notes (for instance, via footnotes). Decisions on the acceptance of BPTT recommendations reside with the Committee, in close consultation with the Inter-secretariat Working Group on National Accounts (ISWGNA) on those recommendations that impact the SNA.

3.3 Reporting

While submission of the Guidance notes to the Committee may take place as soon as any recommendations are ready, through its Chair, BPTT will submit periodic reports to the Committee and the ISWGNA. Key among these are progress reports to the Committee’s annual meeting (usually in October) and inputs to the ISWGNA’s report to the United Nations Statistics Commission’s March meeting. Reporting to both bodies will include the outcomes/recommendations on the issues considered through the Guidance Notes.

Figure 1. Life Cycle/Governance of TT Guidance Notes



1. In its oversight/coordinating role, BPTT reviews primarily for overall consistency of the proposals. First review by AEG of GNs required only for those of: (i) joint groups (FITT, IETT, IFTT, IPTT); and (ii) GNs of BPTT, CATT and DITT if issue impacts SNA.
2. BPTT and other BPM TTs send to ISWGNA only those GNs that impact the SNA, while joint TTs send their GNs to both the Committee and the ISWGNA.
3. For GN of Joint TTs, Chairs of both the Committee and the ISWGNA make the request. The Committee may also utilize this option if it has reservations about the TT's proposals.

Table 1. Approval Process for Guidance Notes by Task Team

BPTT Guidance Note		Other TT Guidance Note		Joint TT Guidance Note
Both sections of Guidance Note (GN) are drafted and discussed and agreed by TT				
Draft GN is sent to AEG if GN topic impacts the SNA.		Draft GN is sent to BPTT (and to AEG if GN topic impacts the SNA).		Draft GN is sent to AEG and BPTT (and to WGIIS for GNs produced by DITT).
GN is posted for public comment				
TT finalizes GN taking account of public comments. If changes are significant, the following second round review step below applies.				
Revised GN is sent to BPTT and AEG if GN topic impacts the SNA (and to WGIIS for GNs produced by DITT).				Revised GN is sent to AEG and BPTT (to WGIIS for GNs produced by DITT)
Sent to Committee (and to ISWGNA if it impacts the SNA).		BPTT transmits to Committee (and AEG sends to ISWGNA if it impacts the SNA).		BPTT and AEG send to Committee and ISWGNA, respectively.
Committee/ISWGNA agrees	Divergence of views	Committee/ISWGNA agrees	Divergence of views	Endorsement of Joint TT recommendations reside with the Committee and the ISWGNA (using their respective procedures). If divergent views emerge, Committee and ISWGNA Chairs request SNA/BPM editors' views. If the editors' views also diverge, the Committee and the ISWGNA may consider adopting their respective positions, with transparent documentation of the points of departure.
	Committee's Chair requests SNA/BPM Update editors' views.		Committee's Chair requests SNA/BPM Update editors' views.	
Final endorsement of recommendations on the <i>BPM6</i> Update resides with the Committee; and should take account any new perspectives/considerations raised in the editors' views. Should the Committee have reservations about the TT's proposal, it may also seek the editors' views. In this regard, the Committee should also carefully consider retaining the status quo (i.e., no change) and placing the issue on a future research agenda.				Final endorsement of recommendations on the <i>BPM6</i> Update resides with the Committee; and should, in the absence of agreement with the ISWGNA, carefully consider retaining the status quo (i.e., no change) and placing the issue on a future research agenda.
If decision is to change/update the guidance in <i>BPM7</i> , this is reflected in the annotated outline and issue is closed.				

ANNEX I. BALANCE OF PAYMENTS TASK TEAM (BPTT)

Chair:	Mr. Carlos Sánchez-Muñoz (IMF STA)
Secretariat:	Ms. Padma Hurree Gobin ⁵ and Mr. Venkat Josyula (IMF STA)
Members (20):	
Australia	Ms. Amanda Seneviratne
Brazil	Mr. Fernando Rocha
Canada	Mr. Eric Boulay
China	Ms. Hu Hong
Germany	Ms. Ursula Shipper
Netherlands	Ms. Fabienne Fortanier
Russia	Mr. Robert Pupynin
United States	Mr. Paul Farello
Zambia	Mr. Wilson Phiri
ECB	Ms. Olga Monteiro
Eurostat	Mr. Robert Leisch Mr. Phillippe de Rougemont
OECD	Ms. Annabelle Mourougane ⁶
UNSD	Mr. Herman Smith
IMF	Mr. Jannick Damgaard (STA Balance of Payments) ⁷ Ms. Jennifer Ribarsky (STA Real Sector) Mr. Hector Hernandez (STA Government Finance) Mr. Gustavo Adler (STA Western Hemisphere Department) Mr. Cyril Rebillard (IMF Research Department) ⁸ Ms. Niamh Sheridan (IMF Strategy and Policy Review Department) Ms. Sage de Clerk (IMF Fiscal Affairs Department)

⁵ In replacement of Ms. Tamara Razin as from April 2021.

⁶ In replacement of Mr. Nadim Ahmad as from October 2021.

⁷ In replacement of Mr. Marcelo Dinenzon as from August 2021.

⁸ In replacement of Mr. Gustavo Adler for Research Department as from November 2021.

ANNEX II. STANDARD FRAMEWORK OF GUIDANCE NOTES

Title/name of the topic to be addressed

SECTION I: THE ISSUE

Background (not exceeding two pages)

- A clear statement of the issue (problem statement); and a quantitative size of the issue if known
- Current international standards for the treatment of the issue, including specific references to the manuals and paragraph or page numbers
- Concerns/shortcomings of the current treatment, if any (on practical as well as methodological grounds)

Issues for Discussion (not exceeding two pages, excluding annexes)

- Possible alternative treatments/options (clearly distinguishing between those which would require a change in the core framework/concepts from those which would be developed outside the framework)
- Questions/points for discussion

Supplementary Information (in Annexes)

- Including references to other documentation

SECTION II: OUTCOMES (not exceeding two pages)

- Recommendation: either
 - (a) to revise: describe the proposed revision, rationale, and practical feasibility; or
 - (b) not to revise: provide arguments in support of the position
- Rejected alternatives, setting out reasons for rejection
- Identify changes required to the current statistical standards
- If relevant, identify in an annex all chapters/paragraphs in the current statistical standards which would need to be updated (with suggested text) to introduce/retain/ensure consistency across statistical domains

ANNEX III. *BPM6* UPDATE TIMELINE

Activity	Responsible Parties	Timeframe (calendar year)
Agree on the process and timetable for the <i>BPM6</i> Update	The Committee	Q1/2020
<p>Approve the mapping of compendium of issues to be addressed, and the composition of the corresponding TTs earmarked to handle each issue.</p> <p>Agree on a list of common research issues that impact both the national and international accounts and the formation of joint TTs to handle them.</p>	<p>The Committee, in consultation with the ISWGNA/AEG</p> <p>The Committee and the ISWGNA/AEG</p>	Q1–Q2/2020
Review and approve terms of reference for TTs.	Committee, in consultation with the ISWGNA/AEG	Q1–Q2/2020
Convene the TTs, with a balanced regional representation, to advance research on particular methodological matters	The Committee and the ISWGNA/AEG	Q2/2020
Hold discussions to reach agreement on proposed changes to <i>BPM6/SNA</i> ; produce Guidance notes; and seek worldwide feedback (through electronic forums).	TTs; findings cleared by BPTT and submitted to the Committee and the ISWGNA/AEG	Q3/2020– Q4/2021
Draft an annotated outline of the new manual, indicating the changes to be incorporated (including to reflect work completed through channels other than TTs); and provide to relevant parties for comments.	IMF Staff in consultation with the relevant parties including BPTT, the other three TTs, Fund Departments, and the Committee	Q4/2021– Q1/2022
Annotated outline available for worldwide comments.	The Committee Secretariat National compilers, data users, and public	Q2/2022
<p>Discuss comments and agree on changes required to the draft <i>BPM7</i> chapters; and</p> <p>Update and submit for the Committee’s approval with agreed changes.</p>	<p><i>BPM7</i> Drafting Team BPTT</p> <p>The Committee</p>	Q2/2022

Activity	Responsible Parties	Timeframe (calendar year)
Draft the new manual and provide to relevant parties for review/comment.	<i>BPM7</i> Drafting Team	Q2/2022– Q4/2023
Discuss comments and agree on changes required to the initial draft and update the document with agreed changes.	<i>BPM7</i> Drafting Team BPTT The Committee	Q1/2024
Discuss and endorse preliminary draft.	The Committee	Q1/2024
Worldwide review of preliminary draft of the manual.	Relevant parties as for annotated outline; national compilers, data users, and public	Q2/2024– Q3/2024
Conduct regional outreach seminars	IMF Staff (in collaboration with regional organizations)	Q2/2024– Q3/2024
Discuss comments received (written/oral, including from outreach seminars) and decide on how these should be incorporated.	<i>BPM7</i> Drafting Team BPTT The Committee	Q4/2024
Near-final draft manual to all parties for review.	Within IMF, the Committee	Q4/2024
Discuss and agree on final text. Formal approval by the IMF’s Chief Statistician	The Committee IMF	Q1/2025
Final draft, subject only to editing, available for electronic dissemination.	IMF	Q1/2025