

BPTT Fifth Meeting (January 24, 2024)— Summary of Discussions

INTRODUCTION

1. The fifth meeting of the Balance of Payments Task Team (BPTT) was conducted virtually on January 24, 2024. Mr. Carlos Sánchez-Muñoz, Assistant Director of the IMF Statistics Department and Chief of the Balance of Payments Division, chaired the meeting. The Chair welcomed the two new members to the BPTT—Ms. Robert Leisch, Eurostat, and David Bailey, IMF Statistics Department. He thanked the members for their continued support in reviewing the draft chapters of *BPM7*. Further, he noted that for increasing transparency and accountability in the preparation of draft chapters, the reports on how the comments of BPTT members were addressed have been prepared by the editors and shared for information of the members.

TOPICS PRESENTED AND SUMMARY DISCUSSIONS

2. The Secretariat and IMF staff made three presentations covering (i) *BPM7* drafting: Review process, timetable, and updates from the October 2023 BOPCOM meeting; (ii) treatment of negative equity positions—updates on consultation process and the next steps; and (iii) treatment of emission permits—updates on consultation process, workshop, and the next steps.

3. Overall, members appreciated the updates on the *BPM7* drafting and clarifications on the review process. One member requested developing a dashboard for the members to better track the status of the drafting of *BPM7* Chapters. The Secretariat agreed to consider ways of better informing the members which could include more frequently circulating updated timelines highlighting the status of main milestones for different chapters.

4. Regarding the new task team on global asymmetries (TT-GA), there was a suggestion from one of the members to launch the work of this TT after the *BPM7* drafting process, considering the resource constraints. The Chair acknowledged the constraints and indicated that the work of this TT may not pose much burden during this year as the initial focus will be on coming up with a plan by building on the work that has already been done.

5. Regarding the review of draft *BPM7* chapters by BPTT, the Chair clarified that the members are expected to comment on most important issues that they think should be considered before the chapter goes for global consultation. While they are not expected to provide detailed comments considering the limited amount of time assigned for the review, their comments would be most welcome and appreciated if they are able to do so.

6. Regarding the Issue Note on the treatment of negative equity, one member suggested discussing it at the next AEG/BOPCOM meeting instead of circulating it for written consultation as it will help in reaching a common understanding considering the implications for both external sector statistics and national accounts. The topic was discussed in October 2023 separately by AEG and BOPCOM and the outcome was different conclusions. Further, the member also suggested covering in detail in the Issue Note how the numbers would square, for both assets and liabilities, and considering different combinations of shareholders composition (of cross-border – FDI and non-FDI – and domestic – public and private – participations). The Chair clarified that the inclusion of this topic in the next AEG/BOPCOM meeting agenda will be decided in consultation with the UNSD.

7. On the treatment of emission permits, members appreciated the updates on the outcomes of the workshop, global consultation, and the proposed way forward. Regarding the proposal from Eurostat (GFS) on the treatment in the EU context (a multicounty scheme) presented at the workshop, the ECB representative (given the absence of Eurostat's participants) clarified that Eurostat's (GFS) proposal was presented as a possible option but had not been pre-discussed or endorsed by either ECB's or Eurostat's BOP and NA representatives. There was a suggestion for circulating the updated Note for GFSAC review given the GFS implications. The Chair noted that considering the hard deadline for finalizing the recommendations on this issue, the note would be circulated to the IMF GFS team for possible feedback.

ACTIONS

- Secretariat will regularly inform the BPTT/BOPCOM members on the status of the drafting of *BPM7* chapters/annexes.
- BPM editors will prepare the document on the key changes from *BPM6* by the end-February.

ATTENDEES

IMF: Carlos Sánchez-Muñoz (Chair), Venkat Josyula and Evrim Bese Goksu (Secretariat), Kristy Howell, Jannick Damgaard, Sagé de Clerck, David Bailey, Niamh Sheridan, Cyril Rebillard, Jennifer Ribarsky

Olga Monteiro (ECB), Annabelle Mourougane (OECD), Herman Smith (UN), Fernando Rocha (Brazil), Eric Boulay (Canada), Hu Hong (China), Ursula Schipper (Germany), Fabienne Fortanier (Netherlands), Paul Farello (USA)