



STATISTICS

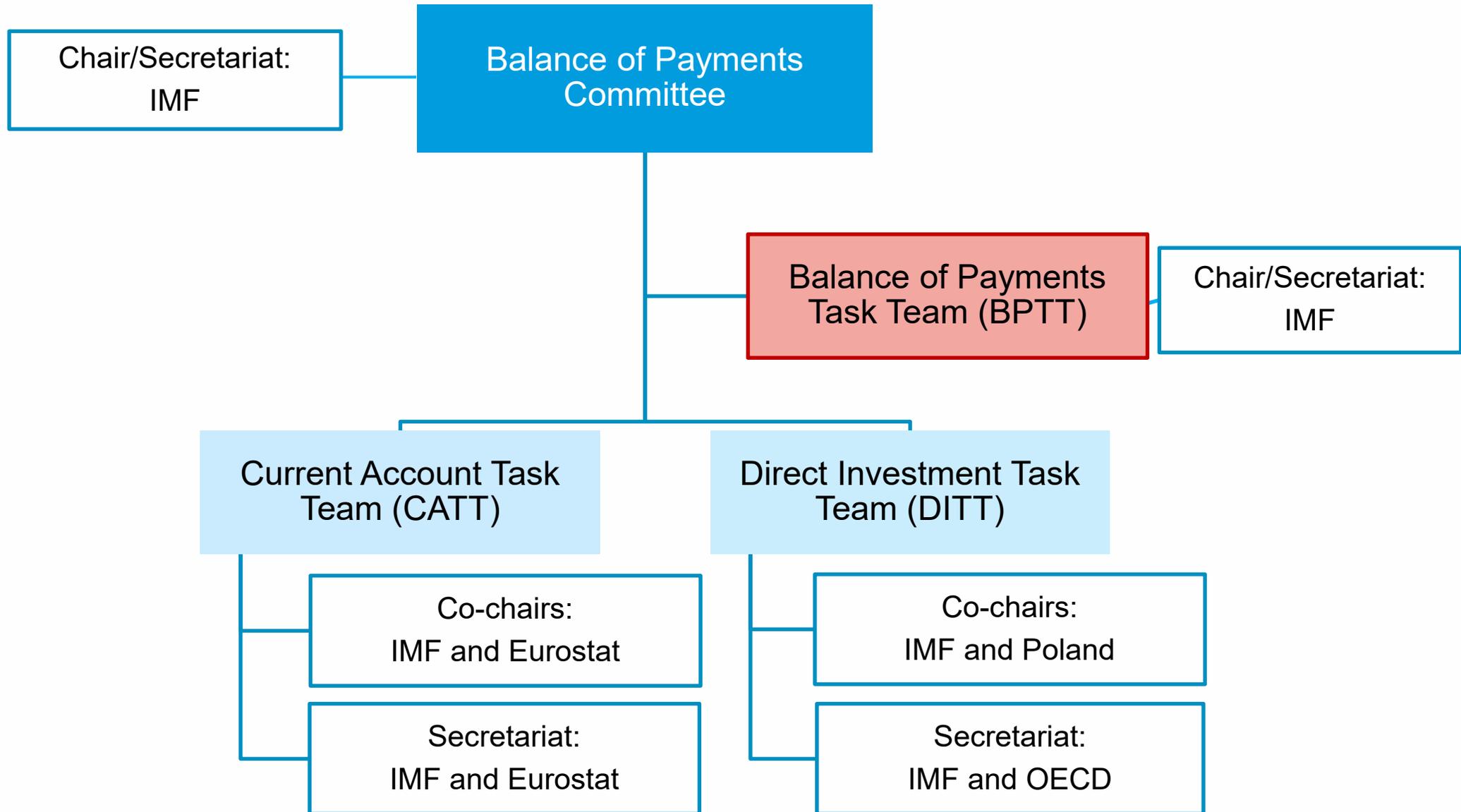
Balance of Payments Task Team (BPTT): Progress and Next Steps

Second (virtual) Meeting
November 20, 2020

Outline

- **Introduction**
- **Summary of Discussions of the BOPCOM meeting and Next steps**
- **BPTT GNs preparation**
- **Review of GNs of other TTS**

BPM-only Task Teams



Clarification on BPTT's role in reviewing other TTs' GNs

- BPTT reviews all GNs produced by all other—both BPM and joint BPM/SNA —TTs

Objectives of 1st BPTT/AEG review:

- **1) Focus only on substantive issues** before the notes go to public consultation
 - especially if strong disagreement with recommendations
- **2) Whether questions** to the Committee (and to the ISWGNA/AEG where relevant) **in the GNs go in the right direction**

Not meant to provide answers to the questions → this will be possible for Committee (and AEG) members during the last review, including also the results of the public consultation

Holistic Approach on Overlapping Issues

- To assess the overall consistency of the proposals, BOPCOM will undertake a **holistic assessment** at the end of the process
- **Priorities** will need to be established if too much is asked of compilers (e.g., number of supplementary presentations, etc.)
- When exactly: by **March 2022** (when the mandate of CATT, DITT, and FITT will expire)

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Summary of Discussions of BOPCOM Meeting (October 26–29, 2020)

- Ten Guidance Notes (GNs) presented for discussion
- Eight GNs were approved: BPTT (1), CATT (2), DITT (3), and FITT (2)
 - C.1 Recording Transactor-Based Components of Services: CATT to reconsider the topic and revise the GN in light of the discussions.
 - C.11 Valuation of Imports and Exports (CIF-FOB Adjustments): GZTT to seek volunteer countries from the SNA and the BPM community to undertake a feasibility test concerning access to the required data.
 - Approved GN will be part of the proposed annotated outline of *BPM7* (with suggested modifications and after a final review of BOPCOM, in some cases)
- Summary of Discussions and papers presented to BOPCOM for discussion (as well as for information) are posted on the [IMF BOPCOM website](#)

BPTT GN B.4: Reconciliation Between Flows and Stocks

- Majority of the Committee members supported the proposal to make the [integrated IIP](#) a [central piece of the BPM7](#) by including it under standard components
- Strong support for the proposal to present the “other changes in volume” with a total and two encouraged “of which” categories—“[Reclassifications](#)” and “[Debt Cancellations and Write-offs](#)”
- Updated BPM6 Compilation Guide to include [practical guidance](#) on integrated IIP compilation
- BPTT to finalize the GN considering the Committee comments, stating the final recommendations—in consultation with the Committee (via written procedure)
- The (updated) GN will be part of the proposed annotated outline of *BPM7*

CATT GNs: C.2 and C.5.1

- C.2 Goods, Services, and investment income Accounts by Enterprise Characteristics
 - Full agreement on the proposal to include enterprise characteristics as part of the annual reporting of the current account, as supplementary items
 - CATT to finalize the GN considering the Committee comments, stating the final recommendations—in consultation with the Committee (via written procedure)
 - The (updated) GN will be part of the proposed annotated outline of *BPM7*
- C.5.1 Statistical Impact of the Change in Treatment of Operating Leases in Business Accounting
 - Strong support to maintain the status quo and not to make any changes to the *BPM6/2008 SNA*
 - CATT to send the revised version to AEG for comments before final posting
 - Decision may be revisited subject to the outcome of the GN C5.2 (Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts)
 - Final GN covering C5.1 and C5.2 will be part of the proposed annotated outline of *BPM7*

DITT GNs: D.6, D.7, and D.9

- **D.2 Ultimate Investing Economy/Ultimate Host economy and Identifying Pass-through Capital**
 - Full agreement with the development of supplemental presentations of DI statistics by ultimate partner economy and identifying pass-through fund
 - DITT in collaboration with GZTT to develop the template for recording the data on UIE, UHE, and pass-through funds
- **D.7 Sectoral Breakdown of Direct Investment**
 - Strong support for the proposal to introduce the sectoral breakdown for DI as standard component in the balance of payments and the IIP
- **D.9 Reconciling BPM-based Direct Investment and AMNE Statistics**
 - Strong support for developing a framework for reconciling DI and AMNE statistics for possible inclusion in the *BPM7* and launching a survey to gather feedback from the compilers
- DITT to finalize the GNs (D.6, D.7, and D.9) considering the Committee comments, stating the final recommendations—in consultation with the Committee (via written procedure)
- The (updated) GNs will be part of the proposed annotated outline of *BPM7*

FITT GNs: F.5 and F.8

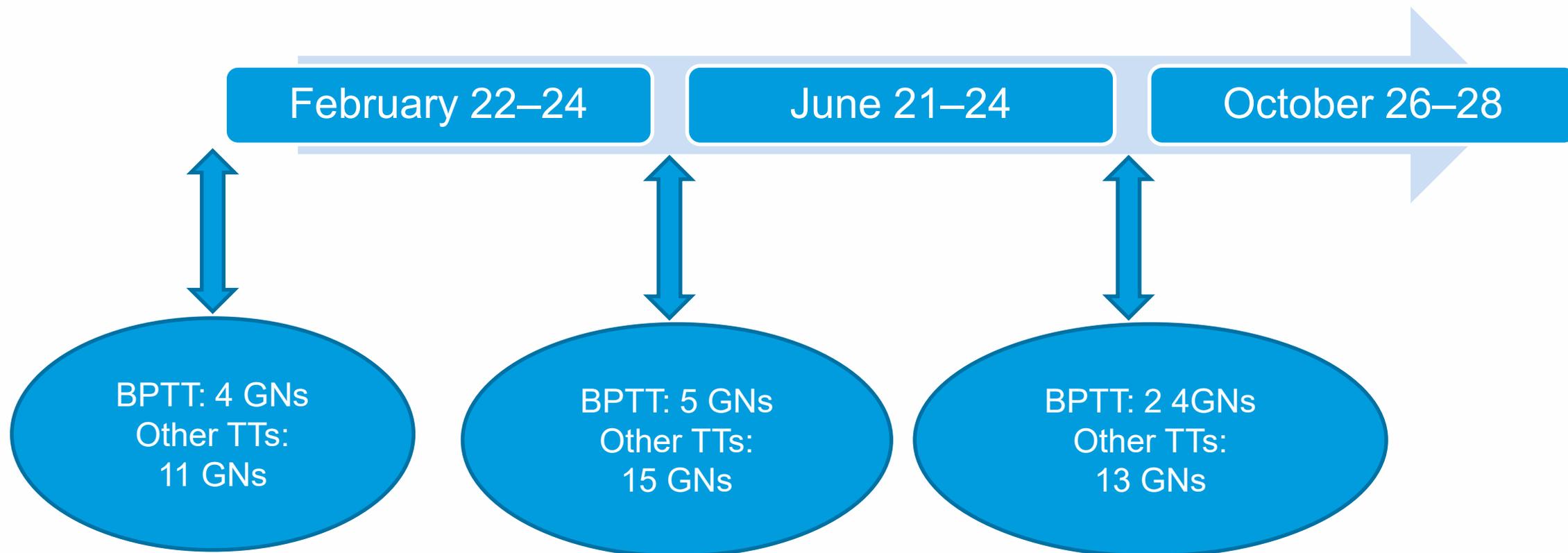
- F.5 Treatment of Credit Default Swaps
 - Committee supported the proposal to maintain the current treatment of CDS as option-type
 - FITT to consider the guidance of the Committee in the context of the work on F.4 Financial Derivatives by Type
- F.8 Valuation of Debt Securities at Both Market and Nominal Value
 - Strong support for strengthening the guidance in *BPM6* and *2008 SNA* for presenting stocks of debt securities
 - Agreed on the need for clarifying the definition of nominal value and strengthening its consistency across macroeconomic statistics manuals
- FITT to finalize the GNs considering the Committee comments, stating the final recommendations
- The (updated) GNs will be part of the proposed annotated outline of *BPM7*

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Timeline for Next Meetings

Three Committee meetings will be in 2021:



Timeline for BPTT's Guidance Notes

	Topic	Task Team	To BPTT for review	To BOPCOM for approval	To AEG for review
February 2021 Meeting					
1.	B.2 Standardized definition of net international reserves/revisit reserves-related liabilities definition	BPTT	By December 20, 2020	By February 15, 2021	
2.	B.3 Treatment of currency unions	BPTT	By December 20, 2020	By February 15, 2021	
3.	B.7 Arrears in IIP	BPTT	By December 20, 2020	By February 15, 2021	
4.	B.9 Treatment of tax amnesty in external sector statistics	BPTT	By December 20, 2020	By February 15, 2021	
June 2021 Meeting					
1.	B.1 Nationality concept	BPTT	By March 15, 2021	By June 4, 2021	Yes
2.	B.5 International account supporting the analysis of welfare	BPTT	By March 15, 2021	By June 4, 2021	
3.	B.8 Recording citizenship by investment programs	BPTT	By March 15, 2021	By June 4, 2021	Yes
4.	B.11 Other economic flows on insurance and pension reserves	BPTT	By March 15, 2021	By June 4, 2021	Yes
5.	B.12 Treatment of illiquid equity in international organizations in the IIP	BPTT	By March 15, 2021	By June 4, 2021	Yes
October 2021 Meeting					
1.	B.6 Sustainable finance	BPTT	By August 10, 2021	By October 11, 2021	Yes
2.	B.10 Auxiliary reconciliation tables	BPTT	By August 10, 2021	By October 11, 2021	

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Timeline for Other TTs' Guidance Notes

	Task Team	Number of GNs	To BPTT for review	To BOPCOM for approval	To AEG for review
February 2021 Meeting					
1.	CATT	2	November 2020	February 2021	1
2.	DITT	7	By November 23, 2020 By December 7, 2020	By February 5, 2021 By February 8, 2021	To AEG: 2 To WGIIS: 5
3.	FITT	2	By November 23, 2020	By February 5, 2021	2
June 2021 Meeting					
1.	CATT	6	February 2021	April 2021	4
2.	DITT	4	By April 7, 2021	By June 4, 2021	To WGIIS: 4
3.	FITT	5	By March 15, 2021	By June 4, 2021	5
October 2021 Meeting					
1.	CATT	1	August 2021	October 2021	
2.	DITT	5	By August 10, 2021 By August 10, 2021	By October 11, 2021 By October 11, 2021	To AEG: 2 To WGIIS: 3
3.	FITT	7	By August 10, 2021	By October 11, 2021	3