

IMF COMMITTEE ON BALANCE OF PAYMENTS STATISTICS
BALANCE OF PAYMENTS TECHNICAL EXPERT GROUP (BOPTTEG)

ISSUES PAPER (BOPTTEG) # 1

TERMS OF REFERENCE

Prepared by IMF Statistics Department

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BALANCE OF PAYMENTS TECHNICAL EXPERT GROUP (BOPTEG)

Terms of Reference

1. Mandate and operation of the BOPTEG

1.1 *Mandate*

The establishment of the Balance of Payments Technical Expert Group (BOPTEG) was endorsed by the IMF Committee on Balance of Payments Statistics (the Committee) at its meeting in December 2003. The main objective of the BOPTEG is to advise the Committee in the process of revising the fifth edition of the IMF's *Balance of Payments Manual (BPM5)* by providing recommendations for review and approval on issues affecting the methodology of balance of payments and international investment position. The BOPTEG will take into account the specialized topics to be covered by other technical groups. While avoiding duplication of work done by other groups, within the framework as a whole, BOPTEG will address issues of coherence arising from the proposals of these groups. The BOPTEG will also provide advice on the draft chapters of the new manual.

The work will be undertaken within the context of the accounting principles of the *System of National Accounts, 1993 (1993 SNA, including its 2008 Update)*. The BOPTEG will also consider the work of the Inter-Secretariat Working Group on National Accounts (ISWGNA) on the revision of the *1993 SNA* and decisions made by the Committee on the revision of *BPM5*.

Members will have an initial term to February 2005.

1.2 *Operational framework*

- (a) The primary means of communication will be electronic but BOPTEG will hold occasional meetings¹.
- (b) Membership of the BOPTEG: The membership of the BOPTEG includes representatives from selected IMF member countries and international organizations.
- (c) The IMF chairs the BOPTEG.
- (d) The IMF provides the secretariat.
- (e) The working language of the BOPTEG is English only, without any translation of documents or interpretation at meetings.

¹ It is initially proposed that there will be a meeting of the BOPTEG approximately each June and December during the period June 2004 through June 2007. The first meeting is scheduled to be held June 22-24, 2004 in Washington D.C.

2. Revision of international standards for balance of payments and international investment position

2.1 Scope

The BOPTEG will provide (i) by December 2005, recommendations to the Committee on each of the issues for the revision of *BPM5* that will have implications for the update of *1993 SNA*; and (ii) by June 2007, recommendations to the Committee on other *BPM5* issues and suggestions on the draft chapters of the new manual. Decisions on the acceptance of BOPTEG recommendations reside with the Committee.

2.2 Timetable

The BOPTEG will be operational between March 2004 through June 2007.

2.3 Working methods

- (a) Electronic communication will be the main vehicle to disseminate documentation and to collect comments on topics to be included in the revision of *BPM5*. It will operate according to the timetable established by the BOPTEG Secretariat.
- (b) The BOPTEG will submit reports, at the times determined by its Chairman, to the Committee. These will include progress reports, summaries of conclusions, and outcome papers on the issues considered. These reports will cover issues where:
 - (i) The BOPTEG has reached a consensus view on the recommendation; or
 - (ii) The BOPTEG has been unable to reach a consensus view, and thus is unable to make a recommendation, in which case, the report will set out the arguments for and against particular approaches.
- (c) *List of topics*: The BOPTEG will use the list of topics established by the Committee in December 2003 [BOPCOM-03/40C to be found on the IMF website: <http://www.imf.org/external/pubs/ft/bop/2003/03-40C.pdf>. The BOPTEG will also consider, as appropriate, issues raised by its members and other technical groups², as well as by countries' comments on the *Annotated Outline* (due in mid-July 2004). In considering additional issues, the BOPTEG will bear in mind their relevance to the updating of the *BPM5*.

² Technical groups: Direct Investment Technical Expert Group (BOPTEG), the Currency Union Technical Expert Group (CUTEG), the United Nations Technical Sub-Group on the Movement of Natural Persons – Mode 4 (UNTSGMNP), the Inter-agency Task Force on Statistics of International Trade in Services (TFSITS), the Inter-agency Task Force on Finance Statistics, the Advisory Expert Group on National Accounts, and other groups that may be identified in the future.

- (d) Priorities: The BOPTEG will establish a list of priorities based on the topics identified by the Committee. However, the BOPTEG will also take into account the requirements and the timetables of other technical groups which may bear relevance to the issues to be addressed by the BOPTEG. The Secretariat will co-ordinate with these groups.
- (e) Consultation: The BOPTEG will establish transparent procedures to ensure a wide consultation within the international community before formulating final recommendations. The BOPTEG will ensure that, where appropriate, the participants of the Committee and the members of other technical groups (see footnote 2) are kept informed on a timely basis of its work. To achieve efficient communication, the BOPTEG will make use of electronic tools as much as possible within the limits of available resources. The BOPTEG will liaise with the Advisory Expert Group on National Accounts.
- (f) “Issues papers”: To ensure efficient discussions and for a consistent and a complete coverage of the review items, the basic documentation will be in the form of “issues paper” on each item/concept. These papers will be presented according to a standard format as described in Annex 1. “Issues papers” will be prepared by Committee members, BOPTEG members, and other international agencies. Additional documentation will be accepted by BOPTEG members as a complement to the “issues papers”, as appropriate. Papers for discussion by the BOPTEG are to be submitted to the BOPTEG Secretariat no later than four weeks prior to the relevant meeting. Once the papers for each meeting have been received by the Secretariat, they will be made available electronically in batches. Issues papers will also be sent to the participants of the Committee and to other technical expert groups and task forces with an identified interest in the issue.
- (g) “Outcome papers”: The outcome papers, setting out the results of BOPTEG’s deliberations and recommendations, will be presented to the Committee according to a standard format (see Annex 2).

ANNEX 1: STANDARD FRAMEWORK FOR ISSUES PAPERS (MAXIMUM OF 4 PAGES)

- (1) Title/name of the topic to be addressed
- (2) Current international standards for the treatment of the issue, including specific references to the volumes and paragraph or page numbers
- (3) Concerns/shortcomings of the current treatment, if any (on practical as well as methodological grounds)³
- (4) Possible alternative treatments
- (5) Questions/points for discussion (not more than ½ page).
- (6) Supplementary information (only if it raises important points) should be allowed by referencing other documentation on issues such as:
 - The extent of application of the current recommendation
 - Country comments on the Annotated Outline
- (7) Annex of the most relevant documents (suggested maximum of no more than 6)

³ Arguments (in particular for points 3 and 4) could incorporate concrete examples, if possible and relevant. When such examples are available in other documentation, only a reference should be inserted.

ANNEX 2:STANDARD FRAMEWORK FOR OUTCOME PAPERS

- (1) Title/name of the topic
- (2) Issues
- (3) Recommendation: either
 - (a) *recommendation to revise*: describe the proposed revision and its rationale; or
 - (b) *recommendation not to revise*: provide arguments in support of the recommendation not to revise; or
 - (c) *no recommendation or resolution*: where BOPTEG cannot reach consensus, provide arguments for and against particular approaches
- (4) Rejected alternatives, setting out reasons for rejection
- (5) Questions, if any, for the Committee

Suggested length of outcome papers to be no more than 4 pages, but additional documentation may be provided as an annex, as appropriate.