

**BALANCE OF PAYMENTS TECHNICAL EXPERT GROUP (BOPTTEG)**

**OUTCOME PAPER (BOPTTEG) # 6**

**JUNE 2004**

(1) Topic: **Multiterritory Enterprises**

(2) Issues – see BOPTTEG Issues Paper #6A and Background Paper #6

(3) Recommendations:

(i) Multiterritory enterprises are single enterprises that have substantial operations in two or more territories but for which branches are not able to be identified. (Note: International organizations are not treated in the same way.) In the case of multiterritory enterprises, the group agreed with the general principles in *BPM5*, but generalized to all kinds of activities (rather than limited to mobile transport enterprises), and to consider other possible factors for splitting (e.g. some operational factors such as shipping tonnage, rather than just equity shares). The group also concluded that the complexities of practical implementation should be acknowledged in the new manual.

(ii) In the case of joint sovereignty zones, the group agreed that these were a previously omitted case which should be referred to in the new manual. The group considered that guidance and examples should be provided, but the manual should allow flexibility in implementation.

(iii) For both multiterritory zones and joint sovereignty zones, the group agreed that the manual should indicate the need for collaboration between the compilers of the territories concerned. The implications for other economies when compiling partner data should also be noted in the new manual.

(4) Rejected Alternatives:

The group refrained from discussing regional central bank issues, considering them the area of CUTTEG.

(5) Questions for the Committee:

*(i) Does the Committee agree with the conclusions on multiterritory enterprises? See 3(i) above.*

*(ii) Does the Committee agree with the conclusions on joint sovereignty zones? See 3(ii) above.*

*(iii) Does the Committee agree with the proposals for collaboration and dealing with partner reporting issues? See 3(iii) above.*