

**Twenty-Sixth Meeting of the  
IMF Committee on Balance of Payments Statistics  
Muscat, Oman  
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***Progress on BPM6 Compilation Guide***

**Prepared by the Statistics Department  
International Monetary Fund**



## I. INTRODUCTION

1. At its 2012 annual meeting,<sup>1</sup> the IMF Committee on Balance of Payments Statistics (Committee) was updated on progress in preparing the *BPM6 Compilation Guide (BPM6 CG)* (see BOPCOM-12/05). In particular, the Committee was informed of progress since the 2011 Committee meeting in drafting remaining chapters and appendices. Furthermore, the Committee was briefed on comments received during the public comment periods, and on the timetable for the completing the publication. In addition, the Committee was asked to support the inclusion of a new appendix related to SDMX coding.<sup>2</sup>

2. This paper updates the Committee on progress in preparing the *BPM6 CG* since the 2012 annual meeting and identifies remaining steps. Importantly, a Complete Draft of the *BPM6 CG* was posted on the dedicated IMF website (<http://www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm>) in July 2013, and the Pre-publication Draft is expected to be posted in December 2013. The *BPM6 CG* consists of 17 chapters and eight appendices (see attachment).

## II. PROGRESS ON THE *BPM6 CG*

3. The *BPM6 CG* is a companion document to the *Balance of Payments and International Investment Position Manual (BPM6)*. It updates the compilation guide based on *BPM5* to reflect the methodological changes introduced in *BPM6*. At the time of the Committee meeting in January 2013, only one chapter (Chapter 10—Financial Account) and one appendix (Appendix 7—Balance of Payments Coding System) remained open for comments; also, Appendix 3 (FISIM) was not yet drafted. Since that meeting, the work focused on: (i) reviewing internal comments received and amending chapters and appendices accordingly; (ii) collecting case studies from outside contributors; (iii) drafting new inputs to the existing chapters and appendices based on public comments received; (iv) drafting the missing parts of the *BPM6 CG* (Appendix 3 (FISIM) and List of Acronyms); (v) internally reviewing the Complete Draft guide for integrity, consistency, and coverage; (vi) hiring an external expert to review the Complete Draft; and (vii) working with the IMF's Communications Department in editing the document and in preparing a Pre-publication Draft.

4. The chapters and appendices of the *BPM6 CG* were posted for public comments on an ongoing basis during 2012–2013, as the chapters and appendices became available. Extensive comments were submitted by compilers from Australia, United States, United Kingdom, Japan, Hong Kong, Germany, and Indonesia. Also, several international organizations commented on topics related to their areas of activity. For example, the Task Force on Statistics of International

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<sup>1</sup> In anticipation of the arrival of Hurricane Sandy, the 2012 annual meeting of the Committee was postponed from October 2012 to January 2013.

<sup>2</sup> The Committee supported the inclusion of Appendix 7, Balance of Payments Coding System.

Trade in Services (TFSITS) provided comments on services, the European Central Bank (ECB) provided comments on primary income, the World Trade Organization (WTO) provided comments on international merchandise trade statistics, the Organisation of Economic Co-operation and Development (OECD) commented on official development assistance statistics, and the Bank for International Settlements (BIS) commented on international banking statistics. The preceding references are illustrative—in some cases, the international organizations provided comments on other topics as well.

5. Some examples of comments received were requests to clarify how to compile data on goods for processing; how to split the value of land from the value of structures when they are bought or sold together; how to account for code-sharing in transport services; how to gross up sample data to universe levels; how to develop a business register; how to account for e-commerce in international accounts; and how to develop a sample frame for manufacturing services.

6. Drawing from the internal and external comments received, the draft chapters and appendices of the *BPM6 CG* were revised to provide additional guidance and clarifications on many topics, including the change in balance of payments sign convention from *BPM5* to *BPM6* (Chapter 8; also, see BOPCOM–13/13); “other” changes in financial assets and liabilities account (Chapter 9); ways to account for production sharing arrangements and direct investment (Chapter 10); the valuation and recording of employee stock options (Chapter 10); e-commerce (Chapters 11 and 12); deriving transactions related to insurance (Appendix 2); and the gross assets/liabilities presentation compiled from data reported on foreign direct investment surveys (Appendix 4). Also, Appendix 8 was supplemented with a number of model survey forms for collecting data that facilitate compilation of data according to *BPM6* (e.g., net exports of goods under merchanting; manufacturing services; construction services; current transfers, grants, and technical assistance; and holdings of and transactions in financial derivatives).

7. The *BPM6 CG* includes case studies that elaborate upon general compilation issues or specific topics within the *BPM6* framework. Case studies were developed pertaining to: (i) conducting a private capital flows survey in Anglophone Africa (prepared by the team covering the balance of payments statistics module within the IMF–United Kingdom Department for International Development (DFID) project on enhanced data dissemination initiatives);<sup>3</sup> (ii) using the Centralized Securities Database in the European system of central banks in compiling balance of payments and international investment position (IIP) statistics (ECB contribution); (iii) implementing the *BPM6* methodology on insurance, pension schemes, and standardized

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<sup>3</sup> The Enhanced Data Dissemination Initiative (EDDI) is a five-year project (2010–2015) to improve macroeconomic statistics in African countries. It is being implemented by the IMF and financed by DFID. The external sector module of EDDI is focused on assisting six countries in establishing direct reporting of cross-border financial flows and stocks as a reliable data source and to use these new data for producing IIP and related balance of payments statistics.

guarantee schemes (contributed by the Oesterreichische Nationalbank); and (iv) compiling data on special purpose entities in Mauritius (input from the Bank of Mauritius).

8. To allow the maximum amount of time feasible for international task forces, the International Statistics Task Force Working Group on National Accounts (ISWGNA), and others to examine this topic, Appendix 3 of the *BPM6 CG*, on the treatment of FISIM, was the final chapter or appendix to be drafted (May 2013). It notes that there is no internationally agreed method for identifying the reference interest rate(s) needed for calculating FISIM, and that the treatment described in the appendix is a possible treatment that compilers may wish to apply. The appendix also provides a web address where updated information on the compilation of FISIM will be posted. The appendix was included in the Complete Draft of the *BPM6 CG* that is posted on the dedicated IMF website.

9. In May 2013 (prior to finalizing the Complete Draft of the *BPM6 CG*), an external expert was hired for the purpose of reviewing all draft chapters and appendices. His task was to suggest editorial and substantive improvements to the text, as well as assuring that the *BPM6 CG* did not unintentionally introduce methodological changes. He also was asked to propose deletions of duplicated material and to ensure the overall consistency of the document. In addition, the expert was asked to note if there were any significant areas identified in Appendix 8 of *BPM6* (“Changes From *BPM5*”) that were overlooked in the *BPM6 CG* (no such areas were identified). In addition to the expert’s review, the draft also benefitted from in-house review by STA.

10. Attention was given to harmonizing the terms, definitions, and compilation advice in the *BPM6 CG* with the *Compilers Guide for the Manual on Statistics of International Trade in Services (2010)* (*Services CG*). The TFSITS agreed that the *Services CG*, which is devoted solely to services statistics, will complement (expand upon) sections of the *BPM6 CG* pertaining to services.<sup>4</sup>

11. The Complete Draft of the *BPM6 CG* was posted on the IMF’s website in early July 2013. A pre-publication draft is currently being prepared by the IMF’s Communications Department.

### III. PROMOTING USE OF THE *BPM6 CG*

12. The draft *BPM6 CG* was quickly embraced by compilers as soon as chapters and appendices were posted on the IMF external website for public comments. Also, IMF staff and experts often have referred to sections of the draft *BPM6 CG* during technical assistance missions and training in external sector statistics, and when answering queries from compilers

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<sup>4</sup> The *BPM6 CG* provides guidance on data sources and compilation techniques for all balance of payments and IIP accounts, while the *Services CG* provides detailed advice on data sources and compilation techniques solely for services statistics.

and users. A number of national compilers have made use of the model survey forms (Appendix 8 of the *BPM6 CG*). These practical applications of the draft have had a beneficial impact on the content of the publication, due to the useful feedback received from staff, experts, and compilers on the coverage and clarity of the material. Starting in 2014, the full *BPM6 CG* will be promoted at balance of payments and IIP statistics courses at IMF Headquarters and regional training centers.

#### **IV. WAY FORWARD**

The key remaining step in finalizing the *BPM6 CG* is to prepare and post the Pre-publication Draft on the IMF external website. This work is targeted to be completed at end–December 2013. Afterwards, printed copies will be prepared in English, and translations into five additional languages (Arabic, Chinese, French, Russian, and Spanish) will begin.

*Questions for the Committee:*

- 1. Do members of the Committee have general comments on the BPM6 CG?*
- 2. Do Committee members have any comments on the work that has been completed since the prior Committee meeting, in January 2013, or on the planned work ahead?*
- 3. Do members of the Committee have suggestions regarding activities that should be undertaken for promoting the BPM6 CG?*

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