



## Twenty-Eighth Meeting of the IMF Committee on Balance of Payments Statistics

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BOPCOM—15/16

### Process and Timeline for Updating *BPM6*



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*The sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) includes a research agenda that remained under discussion at the time of its release in 2009. Several other statistical issues have since emerged as cross border interactions continuously evolve in the global economy. To maintain the relevance of the international accounts, there is need to start discussions on updating BPM6 with 2025 as the possible target year for releasing the updated manual, considering that the previous balance of payments manuals were released at 16-year intervals. This paper discusses a possible process and timeline for the BPM6 update.*

### I. INTRODUCTION

1. It seems an appropriate time to start discussions on the process and timeline for updating *BPM6*. The process of updating international statistical standards, such as *BPM6*, is a complex process and takes a long time (about 5-7 years). The global financial landscape and the benefits and risks associated with them continue to change since the release of *BPM6*. The evolving real and financial interconnectedness are reshaping data needs for analytical and policy purposes. Increased focus is being placed on balance sheet analysis, particularly for understanding maturity and currency mismatches and counterparty exposures. Financial innovations have raised issues related to understanding complex financial products and arrangements. The integrated nature of macroeconomic and financial statistics requires collaboration across its various domains; and calls for careful planning and coordination.
2. The Medium-Term Program of the IMF Committee on Balance of Payments Statistics approved at its 27th meeting in October 2014 (see BOPCOM-14/29) stated that the Committee would be invited to consider a timetable for updating *BPM6* considering that the previous several balance of payments manuals were released at 16-year intervals (*BPM6* in 2009, *BPM5* in 1993, *BPM4* in 1977, and *BPM3* in 1961). If an updated manual is to be targeted for release in 2025, initial work—such as on a broad timetable for the project and a list of research issues for review—might start in a few years.
3. At the 2014 meeting, the Committee also agreed that it would be useful to keep a compendium of work that would need to be undertaken as part of the process of updating of the *BPM6* (see BOPCOM-14/30 Summary of the Outcomes of the Committee’s Discussions).

### II. UPDATE OF *BPM6*: WHAT MIGHT BE DONE

4. In planning the update of *BPM6*, a stock take of approaches and phases undertaken during the updating of *BPM5* as well as of lessons learned should be made. The main phases

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in updating the *BPM5* included gathering the Committee's agreement on a compendium of work that needed to be carried out as part of the updating process; developing a timetable for producing new manual; drafting the annotated outline of the new edition of the manual, in consultation with a range of groups and organizations; establishing technical expert groups (TEGs) to advance research on particular methodological matters; consulting with decision-making and advisory bodies for other domains of macroeconomic statistics, particularly with national accounts statistics; and drafting the updated manual in consultation with the Committee, TEGs, and external sector statistics correspondents/compilers in IMF member countries.

5. The successful updating of *BPM5* suggests that similar approaches and phases could be applied to the update of *BPM6*. Targeting 2025 for the release of the updated manual, a timetable is proposed that includes main phases to be followed during the updating process. Also, in planning the update of *BPM6*, it is important to consider that the *BPM6* framework is part of the broader macroeconomic statistics framework, and the update would need to proceed in parallel with the international statistical community's work on updating the *System of National Accounts*.

#### **A Timetable for Updating *BPM6***

<b>Activity</b>	<b>Consultation with</b>	<b>Timeframe</b>
Agree on a process for updating the existing manual. Start discussion on evolving issues.	Committee	2016
Approve a compendium of work that would need to be carried out as part of the updating process. A decision would need to be made on the scope and nature of the update, for example whether a substantial change is needed or updates for few issues would be sufficient.	Committee	2017
Produce the draft annotated outline for the new manual.	Within IMF (STA and other IMF departments); Committee; ISWGNA; Task Forces: Finance Statistics; Foreign Trade Statistics; Statistics of International Trade in Services; and other inter-agency groups	2018
Agree on the annotated outline.	At the Committee meeting	2018
Annotated outline made available for worldwide comments.	Parties consulted above and compilers' feedback to be invited	End-2018

<b>Activity</b>	<b>Consultation with</b>	<b>Timeframe</b>
Convene technical expert groups (TEGs) or reactivate/ revamp existing TEGs (e.g., Reserves Technical Expert Group-RESTEG), with a balanced regional representation, to advance research on particular methodological matters.		2019
Produce papers on issues; hold discussions to resolve problems and reach agreements; and produce the draft text of the new manual.	Parties indicated for annotated outline; technical review group	2019-2020
Complete first draft of the manual, and provide to relevant parties for review/comment.	Parties indicated for annotated outline; technical review group	2021
Discuss comments and agree on changes required to the draft and prepare the document describing changes to be incorporated.	Technical review group	2021
Discuss and endorse proposed changes to the draft.	Committee	2021
Worldwide review of complete draft of the manual.	Parties indicated for annotated outline; national compilers, data users, and public	2022
Discuss written comments and decide on how these should be incorporated into the manual.	Technical review group	2022
Conduct regional outreach seminars.		2022
Near-final draft manual to all parties for review.	Within IMF; Committee	2023
Discuss and agree final text.	Committee	2024
Final draft, subject only to editing, made available on the website.		2024
Prepare hardcopy publication; prepare translations.		2025

***Questions for the Committee:***

1. Do Committee members agree that it is time to start discussing the process of updating BPM6?

2. *Do Committee members agree with the proposed timetable and process for updating BPM6?*
  
3. *Do members have any views on the extent and scope of the update that could guide the drafting of a paper for discussion in 2017?*