



## Thirty-Second Meeting of the IMF Committee on Balance of Payments Statistics

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BOPCOM—19/05  
For discussion

### Implementation Plan for Launching Data Collection Template on Special Purpose Entities



## **Implementation Plan for Launching Data Collection Template on Special Purpose Entities<sup>1</sup>**

*Following endorsement by the IMF Committee on Balance of Payments Statistics (the Committee) in October 2018 of the proposals developed by the Task Force on Special Purpose Entities (TFSPE), and as requested by the Committee, this paper presents an implementation plan for launching an international data collection and dissemination on SPEs. The implementation plan targets the release of annual data with a timeliness of 12 months and the first release around end-2021 for reference year 2020, with around 30–35 economies expected to report in the initial round.*

### **I. INTRODUCTION**

1. **The use and activities of special purpose entities (SPEs) have grown in importance in recent years, to an extent that usually distort, if not obscure, the interpretation of cross-border statistics.** Since SPE activities are indistinguishably recorded in most macroeconomic statistics, users face severe difficulties in disentangling the complex cross-border interlinkages associated with them, which would allow to better understand external vulnerabilities.
  
2. **In October 2018, the Committee discussed and endorsed the recommendations put forward by the Task Force on SPEs (TFSPE) in its final report.**<sup>2</sup> The TFSPE has recommended (i) an internationally agreed definition of SPEs in the context of external sector statistics (ESS); (ii) a decision tree and a typology of SPEs, to support the practical implementation of the proposed definition; and (iii) launching an international data collection on SPEs using the proposed template covering selected balance of payments (BOP) and international investment position (IIP) components (Annex 1).
  
3. **To support the TFSPE recommendation on collecting separately identified cross-border statistics for SPEs, the Committee requested that the Statistics Department (STA) develop a timebound implementation plan.** This paper proposes an implementation plan targeting the release of annual SPE data for the reference year 2020 around end-2021 and reports on the status of preparations for launching the data collection.

### **II. OVERVIEW OF MODALITIES**

4. **The implementation strategy covers the following three elements: (i) design, (ii) implementation, and (iii) data collection, processing, and dissemination.** The

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<sup>2</sup> See <https://www.imf.org/external/pubs/ft/bop/2018/pdf/18-03.pdf>.

proposed approach is based on the previous experiences of launching new data collection initiatives such as, for instance, the Coordinated Direct Investment Survey (CDIS) launched in 2009. The main elements of the work program over the next two years for organizing the data collection include (see Table 1):

- *Design Phase:* Specify STA’s data collection and dissemination modalities, following internal consultation, in collaboration with all the relevant parties. The data reporting to the IMF is expected to be undertaken within the current reporting system in place for members as well as non-IMF members (see paragraph 6). STA will also consult other international/regional organizations, compilers from relevant economies (especially in regions with prominent offshore jurisdictions), and TFSPE members to gather necessary information (detailed in Table 1) for completing the design phase.
- *Implementation Phase:* (i) Build the necessary infrastructure within STA for data collection, processing, and dissemination; (ii) based on experience of economies collecting cross-border statistics on SPEs, assist other economies to implement a collection framework; (iii) STA to develop a practical implementation/operational guideline for compilers, which shall include the definition, decision tree, typology, collection strategies and techniques; and (iv) STA to undertake an outreach program—technical assistance (TA) and regional workshops.
- *Collection, Processing and Dissemination Phase:* STA to collect and construct the database on SPEs along with the associated metadata. The database and metadata will be released on the IMF’s public website. This shall also include the communication strategy to inform users at large of the availability of this new database.

### III. ORGANIZATIONAL ARRANGEMENTS FOR THE IMPLEMENTATION PLAN

5. **The implementation plan for collecting SPE data is built around the above three pillars.** The implementation process, however, is expected to be gradual, dynamic and flexible, which can be adjusted should circumstances require.

6. **STA has already developed internally a detailed implementation plan focused on technical aspects of the data collection such as the development of the collection infrastructure and related production and dissemination environments.** Currently, BOP and IIP statistics are collected from economies on a voluntary basis either using an Excel-based template or the Statistical Data and Metadata eXchange<sup>3</sup> (SDMX) via the Integrated Collection System. The same collection process is foreseen for the annual SPE data, with the necessary arrangements to be put in place for using the SPE-specific template. Following the initial annual collection, harmonization of the timeline will be sought for the

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<sup>3</sup> See [https://www.imf.org/external/pubs/ft/bop/2014/pdf/BPM6\\_A7F.pdf](https://www.imf.org/external/pubs/ft/bop/2014/pdf/BPM6_A7F.pdf).

SPE data collection with that of the annual IMF publication *Balance of Payments Statistics Yearbook*.

7. **The updated version (v1.12, published in July 2019) of the SDMX Global [Data Structure Definitions](#) (DSD) for the BOP and IIP already includes the sector dimension for SPEs.** At this stage, no further change is anticipated in the DSD. However, should the need arise in the medium term, discussion will be initiated with the global SDMX ownership group.

8. **For the initial data collection round, it is expected that about 30–35 economies<sup>4</sup> would be reporting.** The objective is to have as many jurisdictions as possible reporting, focusing efforts on the prominent SPE hosts. This would already be a large leap forward in the availability of separate data on SPE-related cross-border flows and positions.

9. **To leverage resources and knowledge, and fully engage interested parties, the IMF will work with and consult relevant organizations and authorities that actively support or have an interest in collecting SPE-related cross-border statistics.** For instance, the ECB has already launched a similar data collection with the European Union members using a very similar data collection template. Efforts between both institutions should aim to make the reporting templates as compatible as possible in order to minimize efforts. Besides the ECB, the IMF will consult with Eurostat, OECD, UNCTAD, and other relevant regional organizations in Latin America, the Caribbean, and Asia, as well as will be in touch with country compilers.

10. **The experience of the TFSPE members from SPE-host economies, that are already collecting SPEs cross-border statistics will be tapped.** The objective is to build on the existing knowledge and experience of countries already collecting this information to assist other economies in putting in place a collection system or in training compilers.

11. **It is expected that many possible reporters will be seeking TA, particularly those who do not currently collect cross-border data on SPEs.** To ensure broader participation, STA will conduct both regional workshops in regions with prominent offshore jurisdictions and targeted TA. Capacity development will be provided to support economies that are not currently collecting cross-border statistics on SPEs to enhance their level of preparedness for the data collection exercise. When organizing regional workshops, representatives of the regulatory or supervisory bodies of SPEs from the jurisdictions will be invited to raise awareness of the importance of collecting statistics from these entities.

12. **The workshops/seminars will focus on regions where STA assistance is most needed, such as the Asia Pacific and Western Hemisphere.** Their focus will be on

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<sup>4</sup> Results from the IMF survey on SPEs, which was conducted by the TFSPE in 2018, showed approximately two dozen reporters currently collecting SPE related cross-border statistics.

(i) assisting the authorities in collecting and reporting separately identifiable cross-border data on SPEs; (ii) the need to improve the policy relevance of cross-border statistics; and (iii) improving institutional collaboration, wherever needed, to undertake this data collection. Participating economies confronted with collecting these data for the first time will be encouraged to prepare a detailed implementation plan to involve both respondents and authorities in the planning stage.

13. **To further assist compilers in transmitting the importance of this exercise to their respondents, STA is contemplating to prepare a one-page flyer.** The flyer shall set out the purpose of collecting separately identified SPEs cross-border statistics, which, in no way, compromises the confidentiality of the entities or jurisdictions but rather undertakes to provide comprehensive and useful data to policy makers.

14. **To accompany the data, reporters will also be requested to include brief metadata describing the main characteristics of the reported SPE data that would allow users to form a view of the data quality.** A communication plan will be considered to inform users in advance of this new data series availability.

#### **IV. THE PROPOSED IMPLEMENTATION PLAN AND TIMELINE**

15. **This section sets out the implementation plan for the SPE data collection and its preliminary timeline.** Once endorsed, the Committee will be kept informed about the outcomes of the major elements of the work program at subsequent meetings.

**Table 1. IMF STA's SPE Data Collection Implementation Plan**

<b>Action</b>	<b>Deadline</b>	<b>Comments</b>
<i>Design Phase</i>		
<b>I. Data and Metadata</b>		
Develop an internal plan for setting up data and metadata collection, processing, and dissemination modalities	end-September 2019	[Completed]
Identify dimensions and attributes of the current SDMX Global Data Structure Definition (DSD) to start collection of SPE data	end-October 2019	
Complete and sign off the modalities of data and metadata collection, processing, and dissemination	end-June 2020	
Review classification of SPE in the Global DSD and propose recommendations for changes	end-June 2020	If needed
<b>II. Consultation with Regional Organizations, National Compilers, and TFSPE Members</b>		
Reach out to national compilers to (i) share the proposed data collection template (ii) find out if information is available to complete full or partial details on SPEs, and (iii) gather any guidelines available at national level	end-December 2019 end-June 2020 end-June 2020	
Consult with selected members of the former TFSPE to gather (i) practices used to build a compendium to share with and assist other countries to put in place an appropriate compilation framework (ii) details of current collection and compilation framework in place for resident SPEs (iii) challenges faced in implementing the definition	end-July 2019 end-July 2019 end-December 2019	Completed Completed
Consult with ECB on its SPE data collection and on possible arrangements for sourcing the data for euro-area economies	end-June 2020	In progress
<i>Implementation Phase</i>		
<b>I. Build the Necessary Infrastructure for Data Collection, Processing, and Dissemination</b>		
Develop the collection infrastructure based on the agreed requirements	end-September 2020	
Develop the production environment and outputs	end-December 2020	
Develop the dissemination environment and modalities	end-December 2020	
<b>II. Develop a Practical Implementation/Operational Guideline for Compilers</b>		
Consolidate information obtained and analyze the current practices	end-February 2020	
Prepare the first draft of the guideline	end-April 2020	
Share with relevant organizations, authorities, and members of the former TFSPE for comments	end-June 2020	
Finalize the implementation/operational guideline	end-September 2020	
<b>III. Outreach</b>		
Prepare and conduct regional workshops (Asia and	April–December 2020	

Action	Deadline	Comments
Pacific, and Western Hemisphere)		
Incorporate the implementation of the SPE data reporting in the TA program for relevant economies, including specific missions	May 2020–April 2021	Will continue
Enlist support of relevant regional organizations	Ongoing	
<i>Collection, Processing, and Dissemination Phase</i>		
Identify all SPE-host economies for data reporting	end-September 2020	
Official letters to identified economies inviting to report annual SPE data	end-November 2020	
SPE data templates to be downloadable from ICS	end-December 2020	
Data reporting via ICS and data pulling using SDMX	March-December 2021	
Data processing	March 2021–January 2022	
Data validation and follow-up with reporters	March 2021–January 2022	
Dissemination of data internally and externally	End-January 2022	
Communicate to the users to inform about the availability of the new database on SPEs	January–February 2022	

## V. FEEDBACK ON THE SPE DEFINITION AND NEXT STEPS

16. **The SPE definition, in the context of ESS, has been assessed by some countries considering the SPE structures resident in their economies.** The assessment results of European Union countries have all highlighted the challenges that compilers may encounter in practice.<sup>5</sup> This has confirmed the need to come up with an operational guideline. The guideline will accompany the definition, decision tree, and typology, and is expected to assist compilers in identifying SPEs.

17. **Identifying also nonresident SPEs in cross-border statistics may be important in some economies.** The concern for nonresident SPEs is prominent for countries such as Brazil, Russia, the United States (US), and the UK. The US Bureau of Analysis has recently attempted to use data collected on US multinational enterprises (MNEs), their foreign affiliates, and US affiliates of foreign MNEs to understand the prevalence of SPEs and their use of pass-through equity in US direct investment (DI) statistics. The US paper (Ryan 2019) focused primarily on nonresident SPEs as those SPEs likely play a much larger role in DI relationships.

18. **The US efforts to map investment in foreign SPEs is interesting and very useful.** The results by location clearly show the importance of SPEs jurisdictions—small Caribbean

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<sup>5</sup> During a thematic meeting of the ECB Working Group on External Statistics that took place in July 2019 as well as in papers presented by Ireland, Luxembourg and the United Kingdom (UK) at the 2019 World Statistics Congress.



economies or UK islands—for the US. This approach and results will be useful during the regional workshops to raise awareness of the importance of cross-border statistics on SPEs.

19. **Given the economic interest and policy needs of those economies whose residents are incorporating nonresident SPEs, data collection on nonresident SPEs is encouraged, if possible.** The TFSPE, while giving priority to initiating international data collection only for resident SPEs at this stage, did recognize the benefits and the rationale of collecting separate data on nonresident SPEs established by the residents of an economy. However, international data collection on nonresident SPEs by STA will be considered at a later stage, once resident SPE data collection is more widespread.

***Questions for the Committee:***

1. *Does the Committee endorse or have any views on the proposed SPE data collection implementation plan, including its timeline (Table 1)?*
2. *What are the Committee's views on the proposal to develop a practical implementation/operational guideline to assist compilers in identifying SPEs?*

## References

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5. IMF Committee on Balance of Payments Statistics (BOPCOM). 2018. "Final Report of the Task Force on Special Purpose Entities." BOPCOM Paper 18/03. Washington, D.C., October. <https://www.imf.org/external/pubs/ft/bop/2018/pdf/18-03.pdf>.

**ANNEX 1. PROPOSED TEMPLATE FOR RESIDENT SPE DATA COLLECTION**

**Resident Special Purpose Entities: Cross Border Flows and Positions Template**

Minimum  
Encouraged

**Annual Reporting**

	Balance of Payments		International Investment	
	Flows during the current year 20XX		Positions as at end of current year 20XX	
	Net Acquisition of Assets	Net Incurrence of Liabilities	Assets	Liabilities
<b>I. Selected Financial Account Components</b>	<b>Total to be drawn from BOP</b>		<b>Total to be drawn from IIP</b>	
<b>Direct Investment as reported in BOP and IIP</b>				
<b>1 Direct Investment related to SPEs</b>				
1.1 Equity and investment fund shares				
1.1.1 Equity other than reinvestment of earnings				
Direct investor in direct investment enterprises				
Direct investment enterprises in direct investor (reverse investment)				
Between fellow enterprises				
<i>if ultimate controlling parent is resident</i>				
<i>if ultimate controlling parent is nonresident</i>				
<i>if ultimate controlling parent is unknown</i>				
1.1.2 Reinvestment of earnings				
1.2 Debt instruments				
Direct investor in direct investment enterprises				
Direct investment enterprises in direct investor (reverse investment)				
Between fellow enterprises				
<i>if ultimate controlling parent is resident</i>				
<i>if ultimate controlling parent is nonresident</i>				
<i>if ultimate controlling parent is unknown</i>				

	Balance of Payments		International Investment	
	Flows during the current year 20XX		Positions as at end of current year 20XX	
<b>I. Selected Financial Account Components</b>	<b>Net Acquisition of Assets</b>	<b>Net Incurrence of Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Portfolio Investment as reported in BOP and IIP</b>	<b>Total to be drawn from BOP</b>		<b>Total to be drawn from IIP</b>	
<b>2 Portfolio investment related to SPEs</b>				
2.1 Equity and investment fund shares				
2.2 Debt securities				
<i>Short-term</i>				
<i>Long-term</i>				
<b>Other Investment as reported in BOP and IIP</b>	<b>Total to be drawn from BOP</b>		<b>Total to be drawn from IIP</b>	
<b>3 Other investment related to SPEs</b>				
<i>Short-term</i>				
<i>Long-term</i>				
<b>Financial Derivatives as reported in BOP and IIP</b>	<b>Total to be drawn from BOP</b>		<b>Total to be drawn from IIP</b>	
<b>4 Financial derivatives related to SPEs</b>				
<b>II. Selected Capital Account Components</b>	<b>Credit</b>	<b>Debit</b>		
<b>Gross acquisitions (Dr)/disposals (Cr) of nonproduced nonfinancial assets as reported in BOP</b>	<b>Total to be drawn from BOP</b>			
<b>5 Gross acquisitions (Dr)/disposals (Cr) of nonproduced nonfinancial assets related to SPEs</b>				
<b>III. Selected Current Account Components</b>	<b>Credit</b>	<b>Debit</b>		
<b>6 Net exports of goods under merchanting by resident SPEs</b>				
<b>7 Selected services</b>				
7.1 Transport				
7.2 Financial services				
7.3 Charges for the use of intellectual property				
7.4 Other business services				
7.5 Other services				
<b>Investment income as reported in BOP</b>	<b>Total to be drawn from BOP</b>			
<b>8 Investment income related to SPEs</b>				

	Balance of Payments		International Investment	
	Flows during the current year 20XX		Positions as at end of current year 20XX	
	Net Acquisition of Assets	Net Incurrence of Liabilities	Assets	Liabilities
<b>I. Selected Financial Account Components</b>				
<b>Direct investment income as reported in BOP</b>	<b>Total to be drawn from BOP</b>			
<b>8.1 Direct investment income related to SPEs</b>				
8.1.1 Dividends				
8.1.1.1 Direct investor in direct investment enterprises				
8.1.1.2 Direct investment enterprises in direct investor (reverse investment)				
8.1.1.3 Between fellow enterprises				
8.1.2 Reinvested earnings				
8.1.3 Interest related to SPEs				
8.1.3.1 Direct investor in direct investment enterprises				
8.1.3.2 Direct investment enterprises in direct investor (reverse investment)				
8.1.3.3 Between fellow enterprises				
<b>Portfolio investment income as reported in BOP</b>	<b>Total to be drawn from BOP</b>			
<b>8.2 Portfolio investment income related to SPEs</b>				
8.2.1 Dividends				
8.2.2 Reinvested earnings				
8.2.3 Interest				
<b>Other investment as reported in BOP</b>	<b>Total to be drawn from BOP</b>			
<b>8.3 Other investment related to SPEs</b>				
8.3.1 Interest				