



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

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For information

## Overview of the Work of the Balance of Payments Task Team

Prepared by the Balance of Payments Task Team (BPTT)

INTERNATIONAL MONETARY FUND



## Overview of the Work of the Balance of Payments Task Team<sup>1</sup>

*This report presents an overview of the activities and the progress made by the Balance of Payments Task Team (BPTT) since its launch in June 2020. BPTT's current work plan includes the preparation of 12 guidance notes (GNs) primarily focused on general principles of macroeconomic statistics and cross-cutting issues. In addition, the BPTT work plan also includes the review of 41 GNs prepared by other task teams, before the GNs are posted for public consultation. Of the 12 GNs, the preparation of two GNs has been finalized and one has been posted for public consultation and will be discussed in this Committee meeting. The second one has just passed the stage of BPTT review and will be posted for public consultation soon. Further, work on two more GNs is at a relatively advanced stage. During the last three months, the BPTT reviewed nine GNs of other TTs—three from the Current Account Task Team (CATT), four from the Direct Investment Task Team (DITT), and two from the Financial and Payments Systems Task Team (FITT). Based on the plans for the next three/four months, the BPTT is expected to prepare three GNs and review around 11 GNs from other TTs (CATT, DITT, and FITT), prior to the Committee meeting scheduled for February 2021.*

### INTRODUCTION

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- 1. The Balance of Payments Task Team (BPTT) is one of the Task Teams (TTs) established for the review of the international statistical standards.** Following its mandate, BPTT works closely with the IMF Committee on Balance of Payments Statistics (the Committee) in the process of revising the *Balance of Payments and International Investment Position Manual, sixth edition (BPM6)* and deals with general principles, structural and cross-cutting issues. Further, it is responsible for the review and coordination of the specialized topics covered by the other TTs as well as for liaising and ensuring coordination with the joint SNA/BPM TTs and the remaining TTs set up by the Advisory Expert Group on National Accounts (AEG) for the revision of the *System of National Accounts 2008*.
- 2. When reviewing the GNs prepared by the other TTs, BPTT members (and AEG members—where relevant) are requested to focus on substantive issues** (especially in case of strong disagreement with the recommendations of the respective TTs) before the notes go to public consultation. Members are also asked to **review whether the questions for discussion to the Committee** (and to the ISWGNA/AEG where relevant) included in the GNs go in the right direction. The IMF chairs and provides secretariat to BPTT. It has 17 members—nine from IMF member countries and eight from international organizations, including representatives from two IMF user Departments (Research and Strategy, Policy and Review).
- 3. The BPTT was launched in June 2020 and will be operational during the entire period of the BPM6 update process, ending in March 2025.** The BPTT will provide advice to the Committee on the Annotated Outline (AO) to be prepared by the IMF Statistics Department (STA) and thereafter on the draft chapters of the new manual. This is in addition to its mandate on review and coordination of

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<sup>1</sup> Prepared by Venkat Josyula and Tamara Razin (IMF)—BPTT Secretariat, and reviewed by Carlos Sánchez-Muñoz, Chair of the BPTT.

guidance notes (GNs) preparation on all the topics listed in the [Compendium of Research Issues](#), which is expected to be completed by March 2022.

4. **The inaugural meeting of the BPTT was held on June 15, 2020.** In the meeting, the BPTT discussed and agreed on the role of its members, working procedures, review process for the GNs of BPTT/other TTs, research topics assigned to BPTT, and possible teams for the preparation of GNs. Regarding its oversight/coordinating role pertaining to GNs from other TTs, it was clarified that BPTT reviews should primarily focus on the overall consistency of the proposals (see paragraph 2).

#### OVERVIEW OF THE BPTT'S WORK

5. **The BPTT is responsible for the preparation of 12 GNs covering six high priority and six medium priority items.** In addition to these 12 GNs, the list of topics includes five other GNs for which another task team (ATT) is primarily responsible. The BPTT would only work on these topics if the issue is not fully covered from the BPM angle by the TT primarily responsible for the issue. Based on the willingness of the members, a lead author and contributors were identified for drafting the GN on each topic and tentative timelines for their delivery were established (see the **Annex**).

6. **The preparation of two GNs has been finalized.** Currently, one GN (B.4 “Reconciliation Between Flows and Stocks”) has been prepared and posted for public consultation—following BPTT’s review—on the *BPM6* update website. This GN is on the agenda for discussion of the Committee meeting. Another GN (B.9 “Treatment of Tax Amnesty in External Sector Statistics”) has been prepared and reviewed by the BPTT recently and will be posted for public consultation soon. Further, work on two more GNs (B.3 “Treatment of Currency Unions” and B.2 “Standardized Definition of Net International Reserves/Revisit Reserves Related Liabilities Definition”) is at a relatively advanced stage of preparation. Going forward, the preparation of other GNs will be closely aligned with the schedule of the Committee meetings (i.e., February/June/October 2021).

7. **In addition to the preparation of the GNs under its remit, the BPTT has reviewed nine GNs from other TTs in the last three months.** The BPTT largely agreed with the proposals made by the TTs on all the GNs except D.17 “Identifying Super Dividends and the Borderline Between Dividends and Withdrawals of Equity”. Regarding this GN, BPTT suggested to have a wider coordination with other work streams, including the AEG, because of the nature of the discussion and recommendations. Based on the plans of other TTs, around 11 GNs will be received for BPTT review from these TTs (CATT, DITT, and FITT) prior to the Committee meeting scheduled for February 2021.

**Annex. Balance of Payments Task Team (BPTT):**

**Task Assignments for Guidance Notes**

<b>Issue No.</b>	<b>Research Topic</b>	<b>Proposed Team</b>	<b>Tentative Delivery Date</b>
<i>High-Priority Items</i>			
B.1	Nationality concept	Lead: Brazil  Contributors: Netherlands, Zambia UNSD China	June 2021
B.2	Standardized definition of net international reserves/revisit reserves-related liabilities definition	Lead: IMF  Contributors: Germany Brazil	February 2021
B.3	Treatment of currency unions	Lead: IMF  Contributors: BEAC BCEAO ECCB	February 2021
B.4	Reconciliation between flows and stocks	Lead: Germany  Contributors: Canada USA ECB IMF	October 2020
B.5	International accounts supporting the analysis of welfare	Lead: OECD  Contributors: IMF	June 2021
B.6	Sustainable finance	Lead: Netherlands  Contributors: IMF OECD	Stocktaking: October 2020  GN: October 2021

<b>Issue No.</b>	<b>Research Topic</b>	<b>Proposed Team</b>	<b>Tentative Delivery Date</b>
<i>Medium-Priority Items</i>			
B.7	Arrears in IIP	Lead: Russia	February 2021
B.8	Recording citizenship by investment programs	Lead: IMF Contributors: ECCB	June 2021
B.9	Treatment of tax amnesty	Lead: IMF Contributors: OECD	December 2020
B.10	Auxiliary reconciliation tables	Lead: OECD Contributors:	October 2021
B.11	Other economic flows on insurance and pension reserves	Lead: Australia Contributors: OECD	June 2021
B.12	Treatment of illiquid equity in international organizations in the IIP	Lead: ECB Contributors: IMF	June 2021