



Joint Fortieth Meeting of the  
IMF Committee on Balance of Payments Statistics  
and Twenty-Second Meeting of the Advisory  
Expert Group on National Accounts

Inter-secretariat  
Working Group on  
National Accounts

Remote Meeting  
March 27–29, 2023

BOPCOM VM1—23/07  
SNA/M1.23/07  
For discussion

## Summary of Discussions



## SUMMARY OF DISCUSSIONS

### INTRODUCTION

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1. The fortieth meeting of the IMF Committee on Balance of Payments Statistics (Committee) and the twenty-second meeting of the Advisory Expert Group (AEG) on National Accounts was jointly held virtually during March 27–29, 2023. This summary of discussions includes the action points agreed by the Committee and the AEG during the meeting.

2. In his opening remarks, Mr. Albert Kroese, Chief Statistician, Data Officer, and Director of the Statistics Department (IMF), and Chair of the Committee welcomed the AEG and Committee members to the virtual meeting. He conveyed appreciation to the BPM and SNA update teams for the ongoing collaboration and alluded that it helps in preparing consistent manuals. He noted that some important and complex papers are listed for discussion and thanked all the contributors for preparing them. Mr. Paul Schreyer, Chief Statistician and Director of the Statistics and Data Directorate (OECD), and Chair of the Intersecretariat Working Group on National Accounts (ISWGNA), echoed the views conveyed by Mr. Kroese. He expressed confidence that the close collaboration between the national accounts and balance of payments communities will ensure an effective and timely completion of the update process of the manuals in a same collaborative spirit.

### PRELIMINARY

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3. Members took note that there are significant synergies between the update process and the new Data Gaps Initiative (DGI). The ISWGNA and the IMF will seek ways to formalize the cooperation with the DGI. Cross consultations with the DGI task teams in well justified cases may be considered. The committee and AEG will be kept informed on the developments and involved in the decisions, when applicable.

### THE RECORDING OF FUNGIBLE CRYPTO ASSETS IN MACROECONOMIC STATISTICS (F.18): ISSUE NOTE

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#### TOPICS PRESENTED FOR DISCUSSION

4. The treatment of crypto assets without a corresponding liability (either designed to act as a general medium of exchange (CAWLM) or as a medium of exchange within a platform only (CAWLP)) was discussed at the March and October 2022 joint AEG/Committee meetings. However, no consensus was reached on their treatment.

5. As agreed in the October meeting, a user consultation was undertaken during January 31–March 10, 2023. For this purpose, the SNA/BPM editorial teams prepared a background note and questionnaire in consultation with the drafting team of GN F.18 and the AEG/Committee. A summary of the user consultation is provided below:

- National accounts and balance of payments contacts in all countries were asked to notify relevant users in their countries of the user consultation questionnaire and invite them to complete it. It

should be noted that a number of national statistics compilers also participated in the consultation.

- One hundred eighty-four total responses, of which 155 complete responses—40 selected users and 115 others. 88 countries and 7 international organizations responded.
- Many participants considered the issue being complex as indicated by the relatively high number of non-completion and “undecided” responses.
- Of the 127 respondents who expressed an opinion, 61 percent preferred treating non-liability crypto assets as non-financial assets and 39 percent preferred treating them as financial assets.
- Of the 73 respondents who provided a view on the non-financial asset option, 43 (58 percent) considered that they should be classified as non-produced assets.
- Of the 26 respondents who provided a view on the financial asset option, 22 (85 percent) considered that they should be classified as external assets.

6. Taking into consideration the outcomes of the user consultation (i.e., the majority of respondents favored treating non-liability crypto assets as non-financial assets of which the majority favored non-produced non-financial assets), the BPM/SNA editorial teams proposed to the Committee and AEG to make a decision to treat non-liability crypto assets as non-produced non-financial assets (within a separate category). It was proposed to reconsider this decision if there are significant (market, regulatory, and/or accounting) changes that justify a revision either before or after the release of the manuals in 2025. The editorial teams also suggested retaining the issue of the treatment of non-liability crypto assets in the SNA and BPM research agendas.

7. Further, the editorial teams proposed developing a program for compiling estimates for crypto assets on priority to help in checking the appropriateness of the proposed treatment. Such program should also include developing practical guidance for compilers.

## SUMMARY OF DISCUSSIONS

8. Given the outcome of the user consultation and the present knowledge, the majority of the Committee and the AEG members supported the proposal to treat non-liability crypto assets as non-produced non-financial assets, within a separate category. Further, they agreed that this recommendation could be revisited if there are significant market, regulatory, and/or accounting changes, either before or after the release of the manuals in 2025. Given the fast-changing landscape of crypto assets, members agreed that this issue be retained in the SNA and BPM research agendas. There was a strong consensus on the need for developing practical guidance on data collection and data sharing to help in the compilation of crypto assets transactions/positions.

9. Members made several additional important suggestions which include:

- Provide additional guidance to cover issues such as (a) the identification of non-liability crypto assets and the treatment of borderline cases (including cases where redemption rights exist only for selected holders); (b) the specific category for recording non-liability crypto assets under non-produced non-financial assets/the balance of payments capital account; (c) the specific service category under which to record validation and mining services (also in view of the Central

Product Classification (CPC) update); (d) the recording of returns, taxes, holding gains/losses associated with these assets; (e) the recording of entries related to crypto assets, including those for the mining activity and backed non-liability crypto assets, in national accounts, etc.

- Future monitoring related to crypto assets should also include whether some governments accumulate significant holdings of non-liability crypto assets and the analytical difficulties this may entail.
- As the term “unbacked crypto assets” used in the Issue Note does not exactly correspond with crypto assets without corresponding liability, update the Issue Note to change the term to that of the [Background Note](#) for user consultation (i.e., non-liability crypto assets).

### **Actions**

- Given the present knowledge, the SNA and BPM editorial teams to incorporate the recommended treatment of non-liability crypto assets (i.e., crypto assets designed to act as a general medium of exchange without corresponding liability (CAWLM) and crypto assets that only act as a medium of exchange within a platform or network without a corresponding liability (CAWLP)) as non-produced non-financial assets—within a separate category—in the *2025 SNA* and *BPM7*.
- The national accounts and balance of payments communities to monitor developments relating to non-liability crypto assets and review the recommendation in case there are significant market, regulatory, and/or accounting changes that may justify a revision either before or after the release of the manuals in 2025.
- The issue of the treatment of non-liability crypto assets to be retained in the SNA and BPM research agendas.
- Develop communication on the recommended treatment and guidance on the identification of non-liability crypto assets, the treatment of borderline cases, and the recording of flows/stocks related to non-liability crypto assets in national accounts and external sector statistics to users and producers of these statistics.
- The Committee and AEG members recommended the development of practical guidance on data sharing to facilitate, among others, the compilation of crypto assets flows/stocks in national accounts and external sector statistics and observed that such guidance can leverage on the recommendations in the [Guide to Sharing Economic Data in Official Statistics](#).
- Align the terminology in the Issue Note (on non-liability crypto assets) to that of the Background Note as used for the user consultation.

## **MEASUREMENT OF CLOUD COMPUTING IN NATIONAL ACCOUNTS (DZ.8)**

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### TOPICS PRESENTED FOR DISCUSSION

10. The revised version of the guidance note incorporates feedback from the 47 respondents who replied to the global consultation between December 13, 2022, and January 20, 2023. The most important change is the movement of the phrase “that allows charging on a pay-per-use basis” from the

definition of cloud computing to the discussion of the definition just below. The comments revealed that this part of the proposed definition was unclear. The discussion of the definition contains the additional elaboration needed to ensure clarity.

11. Other changes to the note concern:

- In response to a comment, a clarifying example was added.
- A related comment said that guidelines on the measurement of intra-multinational enterprise (MNE) cross-border flows were not discussed in any depth. The guidelines will depend on the level of detail of the data that is feasible to collect from cloud computing MNEs, which still needs to be determined via experiments on compiling the international transactions of cloud computing MNEs. A discussion of the data collection questions was added.
- The classification of the services and fixed capital assets of cloud computing and hosting/co-location enterprises as part of existing industry and product aggregates was clarified, and a discussion of the need to develop additional detailed classifications to allow further decomposition of these aggregates was added. Several comments requested clarifications in these areas.
- Risk-bearing as an SNA criterion for determination of the economic ownership of leased IT assets, and the fact that business accounting is more flexible than the SNA and in its treatment of financial leases were both mentioned in response to comments.
- The treatment of long-term software licenses and subscriptions as fixed assets was clarified, and the practical advantages including annual licenses in this treatment were emphasized in response to requests for further clarification and comment on practical feasibility.

## SUMMARY OF DISCUSSIONS

12. Committee and AEG members welcomed the outcomes of the global consultation and endorsed the recommendations in the revised guidance note. They observed the need to develop appropriate data sharing and exchange arrangements to facilitate the compilation of cloud computing statistics and recommended that the texts on cloud computing in the *2025 SNA* and *BPM7* should be carefully worded to emphasize that the practical criterion to classify annual software licenses as gross fixed capital formation should be specific to such licenses only.

### **Actions**

- The Committee and AEG members endorsed the recommendations in the Guidance Note and emphasized that the practical criterion to classify annual software licenses as gross fixed capital formation should be specific to such licenses only.
- The Guidance Note to be updated to incorporate the comments from members.
- The Committee and AEG members recommended the development of practical guidance on the recording of flows (including the cross-border flows) associated with cloud computing and that, like for the previous topic, such guidance should also include practical guidance on data sharing, which can leverage on the recommendations in the [Guide to Sharing Economic Data in Official Statistics](#).

## THE BORDERLINE BETWEEN TAXES, SALES OF SERVICE, AND OTHER GOVERNMENT REVENUE BOUNDARY ISSUES (WS.14)

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### TOPICS PRESENTED FOR DISCUSSION

13. This Guidance Note, containing an overview of the outcome of the global consultation which ran between February 14, 2023, and March 17, 2023, received feedback from 70 respondents, and was submitted to the AEG and the Committee for endorsement.

14. The guidance note has four distinct sections as follows:

Section I: Mandatory License Payments

Section II: Rent & Permits to Use Natural Resources

Section III: Decision Tree for Government Receipts

Section IV: Rearrangement of Transactions Through Government

15. The global consultation questions were similarly directed at these four topic areas. The recommendations of three of the sections (Sections II, III, and IV) received broad support, but the global consultation was inconclusive with respect to the recommendation in Section I.

### SUMMARY OF DISCUSSIONS

16. Committee and AEG members welcomed and endorsed the outcomes of the global consultation for Sections II, III, and IV, but noted that the endorsement for the recommendation in Section II should be provisional and may need to be reviewed, depending on the outcome of related guidance notes—on the treatment of rent (AI.2) and the topic of the split-asset approach in relation to WS.6 (accounting for the economic ownership and depletion of natural resources) and others. Moreover, it was agreed that the tree provided in Appendix I of the Guidance Note would serve as a basis for the one to be included in the manuals and that the provision of guidance for the rearrangement of transactions through government (Section IV) will refer only to the cases put forward in the note.

17. As for Section I, they suggested adopting Option 3 (record as taxes all compulsory payments for licenses issues as part of a mandatory process) as the default option, and at the same time to develop Option 2 (provide further clarifications on the current conceptual guidance to distinguish between taxes and services) and only make the distinction in practice in justified cases.

### **Actions**

- On payments to government for licenses to perform activities or to own or use goods/assets, the Committee and AEG members recommended Option 3 (record as taxes all compulsory payments for licenses issues as part of a mandatory process) as the default option, and to develop Option 2 (provide further clarifications on the current conceptual guidance) and only treat such payments as the provision of services in justified cases. They further recommended the development of practical guidance on exceptions justifying the distinction between taxes and services to ensure consistency and comparability across countries.

- On payments related to the use or extraction of natural resources, the Committee and AEG members provisionally supported Option 2A (expand rent guidance) and Option 2B (expand guidance on permits to use natural resource). This decision is subject to consistency with the final decisions on the treatment of rent (Guidance Note AI.2) and the split-asset approach in relation to guidance note WS.6 (accounting for the economic ownership and depletion of natural resources) and other guidance developed by the Wellbeing and Sustainability Task Team. The drafting team should also incorporate a numerical example on Option 2B to the guidance note before it is finalized.
- On the proposed decision tree to guide classification of payments to government, the Committee and AEG members supported the recommendation to introduce in the manuals a decision tree along the lines described in paragraph 19 of the “Overview of Outcome of the Global Consultation on WS.14”. While the decision tree will provide guidance in most cases, there may be a need for flexibility in certain cases.
- On the re-routing of transactions through government accounts, the Committee and AEG members supported the recommendation of the Guidance Note to develop and introduce in the manual new guidance covering the scenarios identified in the Guidance Note. Any other scenarios that are controversial should be cleared via written consultation.
- The authors of the Guidance Note to revise it to incorporate the above decisions and circulate it to the Committee and AEG for endorsement via written procedure.

## **PAYMENTS FOR NON-PRODUCED KNOWLEDGE-BASED CAPITAL (MARKETING ASSETS) (G.9)**

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### TOPICS PRESENTED FOR DISCUSSION

18. The Globalization Task Team (GZTT) undertook a two-stage testing strategy to determine if marketing assets could be treated as produced assets. First, the GZTT organized a workshop during June 2022 with a dedicated group of countries and international organizations and reviewed the existing literature and discussed the scope of what should be treated as marketing assets and identify potential data sources. In the second stage, a global consultation on the feasibility of proposed recommendations was conducted during October 2022–January 2023 and received feedback from 54 respondents.

19. Based on the results of testing, the authors of the guidance note recommend including marketing assets within the production boundary and treating them as produced assets in the *2025 SNA* and *BPM7*. This would entail major changes in the SNA as it would expand the production and produced asset boundaries.

20. While international transactions related to marketing assets are already included under trade in services, outright sales are currently included in the capital account of the balance of payments (as non-produced non-financial asset transactions). The change implies moving these sales from the capital account to the goods and services accounts. Moreover, in national accounts the change implies moving outright sales from acquisition less disposals of non-produced non-financial assets to gross capital formation and moving expenditures for marketing assets on own account from intermediate consumption to capital formation. It was noted that further efforts should continue to assist countries in developing experimental estimates to help establish “best practices” and assessing the impact of the estimates in the SNA and BPM.



21. If the status quo is maintained, there still needs to be an agreement on where to record the various transactions related to marketing assets in the updated SNA and BPM.

## SUMMARY OF DISCUSSIONS

22. Committee and AEG members discussed the outcomes of the testing exercise and the following issues regarding whether:

- Marketing assets should be included in the production boundary and be treated as produced assets in the *2025 SNA* and *BPM7*.
- All advertising and marketing expenditure should be considered as investment.
- Investment in marketing assets should be limited to market entities only or include governments and nonprofit institutions serving households (NPISHs).
- Practical guidance to help countries implement the recommendation of treating marketing assets as produced should be developed.

23. They agreed that marketing assets should be included in the production boundary and be treated as produced assets in the *2025 SNA* and *BPM7* and that conceptual and practical guidance to address the points discussed and implement this recommendation should be developed.

### **Actions**

- The Committee and the AEG agreed to treat marketing assets as produced non-financial assets.
- The authors of the guidance note to revise the guidance note to incorporate comments made, such as (i) criteria for splitting advertising and marketing expenditure between gross fixed capital formation and intermediate consumption; (ii) investment in marketing assets can be undertaken by corporations, general government, and non-profit institutions serving households; and (iii) clarifying when own account marketing output should be considered as own account gross fixed capital formation. In addition, possible implications of reclassifying transactions in marketing assets—as produced non-financial assets—on the balance of payments and national accounts should be further clarified in the revised guidance note.
- The authors of the guidance note to circulate the revised guidance note to the Committee and AEG for endorsement via written procedure.

## VALUATION PRINCIPLES AND METHODOLOGIES (AI.1)

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### TOPICS PRESENTED FOR DISCUSSION

24. The guidance note does not propose any methodological changes. Instead, the main objective of the guidance note is to provide a more holistic view on the valuation of transactions and positions, including the main conceptual foundations, in order to arrive at more precise guidance in the *2025 SNA/BPM7*.

## SUMMARY OF DISCUSSIONS

25. Committee and AEG members noted that the guidance note should not be circulated for global consultation, as it does not propose any conceptual changes but mainly provides further clarifications. However, it would be good to share it with compilers and a selected group of users for information. They welcomed the distinction between the principles and methodologies for valuing transactions and stocks/positions. They also preferred the use of the term “exchange value” to “market prices” when valuing transactions and underlined that the use of the term “transaction prices” should not be used to avoid confusion. Clarity on how exchange values are affected by discounts and progress payments should be provided. In addition, concise comparisons of the SNA/BPM valuations methods with those in business and public sector accounting standards should be made.

### **Actions**

- The AEG and Committee to provide, via written procedure, specific comments and suggestions, preferably in the form of tracked changes, including on hierarchies of preferred valuation methods and additional arguments for using the term “exchange value” in preference to “market price”, etc.
- The SNA and BPM manuals will contain concise comparisons with business and public sector accounting standards.
- The ISWGNA and Committee secretariats to circulate the revised version of the guidance note to the national accounts and balance of payments communities, and to selected users of macroeconomic statistics for information.
- The Committee and AEG members agreed that global consultation is not required for this guidance note for the time being.

## TERMINOLOGY AND BRANDING (CM.2)

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### TOPICS PRESENTED FOR DISCUSSION.

26. The Guidance Note reviewed the current macroeconomic accounting terminology, proposed simpler alternative terms, and clarified definitions or descriptions for more consistent and accurate use in the communication with users to better convey the meaning and interpretation of the concepts and methods.

27. The authors specified that the goal of the Guidance Note was not to change the concepts or definitions currently used but to express them in a consistent and non-technical, easier to understand way to help users.

28. The Guidance Note finally proposed a single and harmonized common Glossary of Macroeconomic Statistics covering the economic accounting statistical standards with primary focus on System of National Accounts and Balance of Payment but also on other related economic statistics domains such as Government Finance Statistics, System of Environmental Economic Accounting, and Monetary and Financial Statistics.

## SUMMARY OF DISCUSSIONS

29. Committee and AEG members supported the development of alternative terms to communicate better with users. They, however, found that some proposed changes of terms might be confusing to users. These include the change of “Balance of Payments” to “Balance of International Transactions and Investment Positions”, using the term “Interest receivable on loans less interest payable on deposits” to describe financial intermediation services indirectly measured instead of “Financial service on loans and deposits”, and the replacement of the terms “Credits/Debits” in the relevant balance of payments accounts.

### **Actions**

- The authors of the guidance note to revise the guidance note to incorporate comments made, including dropping the recommendation to change the term “Balance of Payments” to “Balance of International Transactions and Investment Positions”, using the term “Financial service on loans and deposits” instead of “Interest receivable on loans less interest payable on deposits” to describe financial intermediation services indirectly measured. The authors will also review the recommendation to replace the terms “Credits/Debits” in the relevant balance of payments accounts.
- The authors of the guidance note to circulate the revised guidance note along with a consultation questionnaire to the Committee and AEG for approval by written procedure prior to launching of a global user consultation.

### ***CM.5 Common Glossary of Macroeconomic Statistics – Progress Report***

#### **For information.**

Took note of the progress report and congratulated the team for the important work.