



# **Recommendations on the Second Phase of the DGI (# 10, 12 and 13)**

**Global Conference on the G-20 Data Gaps Initiative (DGI)  
Washington, D.C. (June 16-17, 2015)**

# International Investment Position (IIP)

*DGI Phase 1 Recommendation 12: increase the number of IIP reporting countries, as well as quarterly reporting of IIP data. BPM6 enhancements to the IIP should be adopted by G-20 economies as soon as possible.*

## Progress and gaps:

- Currently all G-20 economies report IIP data, with 17 on quarterly frequency.
- Seventeen G-20 economies have implemented the *BPM6* standards, of which 13 separately identify nonbank financial institutions (other financial corporations) for some of the financial assets and liabilities.
- Currently, economies do not report the currency composition of financial assets and liabilities.
- Overall, 147 economies report IIP data of which 97 report quarterly data (up from 48 in 2009).

## IIP: DGI Phase 2 Recommendation II.10

- The G-20 economies to provide quarterly IIP data to the IMF, consistent with the *Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*), and including enhancements such as the currency composition and separate identification of nonbank financial institutions, introduced in the *Manual*. IMF to monitor reporting and the consistency of IIP data, and consider separate identification of nonfinancial corporations, in collaboration with the IMF Committee on Balance of Payments Statistics (BOPCOM).

## IIP: DGI Phase 2 Recommendation II.10

Going forward, this recommendation promotes continuity of the DGI Phase 1 by ensuring G-20 economies' reporting of the enhancements to the IIP:

- currency composition of external assets and liabilities;
- separate identification of nonbank financial institutions; and
- remaining maturity.

Recommendation 11.10 also considers the separate identification of nonfinancial corporations (currently grouped with households and nonprofit institutions serving households)→ IMF to propose to BOPCOM for a decision.

## IIP: Rationale for Recommendation II.10

Focuses on strengthening the collection of data for the DGI-1 recommendations where significant progress has been made.

### Why Is It Important?

Supports the analysis of:

- foreign currency exposures related to currency mismatches;
- liquidity risks;
- the role of nonbank financial institutions in financial networks; and
- vulnerabilities in individual sectors, including nonfinancial corporate exposures.

The strengthened data collections would also allow for better integration of the IIP with other macroeconomic datasets, and promote consistency and comparability.

# Coordinated Portfolio Investment Survey (CPIS)

- CPIS is central to analyzing cross-border interconnections in portfolio investment.
- **DGI Phase 1 Recommendation 10:** Currently, 16 G-20 economies provide data on a semi-annual frequency and one on an annual frequency. Two G-20 economies do not participate in the CPIS.
- Fourteen G-20 economies provide the data on sector of holder.
- **DGI Phase 1 Recommendation 11** resulted in enhancements to the frequency, timeliness, and scope of the CPIS. **COMPLETED**

# Coordinated Portfolio Investment Survey (CPIS)

- The results of the June 2014 data collection<sup>1/</sup> were posted on the IMF website in March 2015: <http://cpis.imf.org>

Number of economies reporting the data	Core*	Encouraged Items					
		Sector of Holder	Currency Breakdown	Sector of nonresident Issuer (N)	Cross-Sector classification (N)	Liabilities	Short positions (N)
	<b>61</b>	<b>51</b>	<b>46</b>	<b>21</b>	<b>16</b>	<b>13</b>	<b>3</b>
Of which G20:	<b>16</b>	<b>14</b>	<b>13</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>1</b>

\* To participate in the CPIS, an economy must provide position data of its holding of securities (separately for equity and long- and short-term debt instruments) broken down by the economy of residency of the issuer.

<sup>1/</sup> The enhancements (semi-annual reporting, improved timeliness, and new encouraged categories (N)) were introduced in the June 2013 data collection round.

## CPIS: DGI Phase 2 Recommendation II.12

- G-20 economies to provide, on a semi-annual frequency, data for the IMF CPIS, including the sector of holder and sector of nonresident issuer tables. IMF to monitor the regular reporting and consistency of data, continue to improve the coverage of significant financial centers and to investigate the possibility of quarterly reporting.
- This recommendation is strengthening the collection of data already covered by Phase 1. It intends to promote the dissemination of high frequency CPIS data by all G-20 economies, including on the sector of holder and sector of nonresident issuer.
- G-20 economies are also encouraged to report the other additional tables.

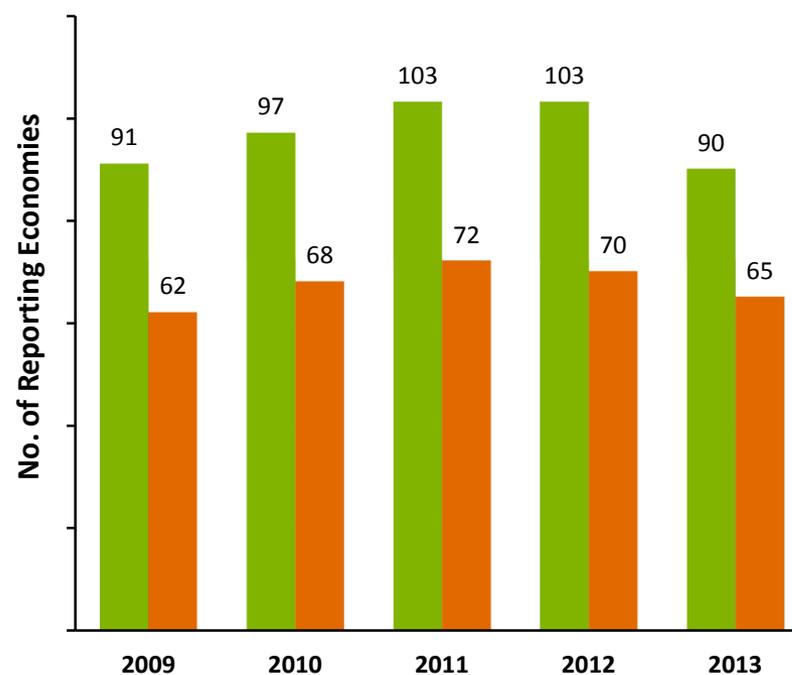
## CPIS: Rationale for Recommendation II.12

- Data important for understanding cross-border sectoral linkages and for assessing vulnerabilities and spillovers.
- Users have suggested that to enhance the usefulness of cross-border portfolio investment data for analytical and policy purposes and improve consistency with IIP, the possibility of quarterly CPIS reporting should be considered. This issue would be placed before the IMF Committee on Balance of Payments Statistics (BOPCOM).

# Coordinated Direct Investment Survey (CDIS) Background

The purpose of the CDIS is to improve:

- the quality of **direct investment position** statistics in the international investment position (IIP), and
- the availability of these statistics by **immediate counterpart economy**.



See CDIS data and metadata at

<http://www.imf.org/external/np/sta/cdis/>

■ Inward (equity and debt)  
■ Outward (equity and debt)

## CDIS: DGI Phase 2 Recommendation 11.13

- This is a **new** recommendation but is based on an existing data collection.
  - G-20 economies to participate in and improve their reporting of the IMF CDIS, both inward and outward direct investment. IMF to monitor the progress by G-20 economies.
- This recommendation intends to ensure that all G-20 economies participate in the CDIS, reporting both inward and outward direct investment. Also, the development of breakdowns by net equity and net debt instruments, and for net debt instruments between assets and liabilities is important.

## CDIS: Rationale for Recommendation II.13

- ❑ Aims to meet user needs for a better understanding of vulnerabilities, interconnections and spillovers associated with direct investment; and
- ❑ Supports the analysis of impact of cross border finance.
  
- **Among the G20 economies, 18 participate in the CDIS (of which one economy has not reported data for 2011-2013).**