

DIRECT INVESTMENT TECHNICAL EXPERT GROUP

OUTCOME PAPERS #6 AND #19

August 6, 2004

(1) Topic: **Bringing together all direct investment-related issues (transactions in goods and services, income, financial flows, stocks between affiliates) as an appendix to the balance of payments manual**

(2) Issues – See DITEG Issues papers #6 and #19

(3) Recommendations

(i) The group agreed that the new balance of payments manual should include an appendix setting out possible presentations on all transactions (including goods and services) and positions between affiliates.

(ii) DITEG recognized that transactions and positions between affiliated financial SPEs are excluded from direct investment under existing international standards. The treatment of SPEs raises similar conceptual and practical questions for the core accounts and supplemental presentations.

(iii) The group agreed that such presentations should be considered satellite accounts (and so, would not be part of the standard reporting requirements), and may vary from country to country, depending on the emphasis that individual countries may wish to place on particular aspects of these relationships.

(4) Rejected alternatives

None

(5) Questions for the Committee and the WIIS

(i) Do the Committee and the WIIS agree that the new manual should include an appendix, setting out possible alternative presentations of transactions between entities in direct investment relationships? See 3(i) above.

(ii) Do the Committee and the WIIS agree that any such presentation of data should be considered to represent a satellite account, and that it not be a standard reporting requirement? See 3(ii) above.