

***BPM7* Chapter 14. Capital Account:  
Annotated Outline**



# **BPM7 Chapter 14. Capital Account: Annotated Outline<sup>1</sup>**

(Update to *BPM6* Chapter 13)

*Changes from BPM6 highlighted yellow*

*As in the Balance of Payments and International Investment Position Manual, sixth edition (BPM6) Chapter 13, this chapter will provide an overview of the capital account and its main components. The structure will be maintained from the BPM6 chapter. The chapter will have separate sections on concepts and coverage (Section I), acquisitions and disposals of nonproduced, nonfinancial assets (Section II), and capital transfers (Section III). See the Schematic Overview for details.*

*In addition to the highlighted updates/additions below, further changes may be made to improve the consistency of the language with other macroeconomic statistics manuals (e.g., System of National Accounts 2025) as appropriate.*

## **I. Concepts and Coverage**

- This section—which discusses the coverage and recording of capital account transactions—will be maintained as in *BPM6* with changes in Table 13.1 to reflect the inclusion of crypto assets without a corresponding liability, the exclusion of marketing assets, and the inclusion of goodwill under Acquisitions (DR.)/disposals (CR.) of nonproduced nonfinancial assets.

## **II. Acquisitions and Disposals and Nonproduced, Nonfinancial Assets**

This section—which describes each type of nonproduced, nonfinancial asset and how they are recorded in the balance of payments—will be maintained as in *BPM6* with the following important changes.

**A. Natural Resources** – no significant changes

**B. Contracts, Leases, and Licenses**

- Discussion on the use of natural resources and permits to undertake specific activities will be expanded/clarified, drawing from the 2008 SNA and any relevant decision coming from the WSTT GNs.
- As per GN DZ.10, non-fungible tokens (NFTs) that convey limited commercial rights would be recorded under contracts, leases, and licenses.
- Pending the outcomes of GN WS.7, emission permits will now be treated as financial assets, with taxes on production recorded at the time of surrender of the permits. For international emission trading schemes, this means there can be cross-border transactions in taxes on production, which will be recorded as primary income. Therefore, the current paragraph in *BPM6* (13.14) describing possible capital account transactions related to emission permits will be removed.

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<sup>1</sup> Prepared by Kristy Howell and Patrick Quill (BPM editors) and cleared by Carlos Sánchez-Muñoz (BPM Project Manager).

- Pending the outcome of the discussions of GN AI.2 on the treatment of rent and based on options in GN DZ.6 for recording payments for observable phenomena, other than as rent, the right to access data may be included as a nonproduced nonfinancial asset.

#### **C. Marketing Assets (and Goodwill)**

- Following the decision of the joint AEG/BOPCOM meeting in March 2023, marketing assets will be treated as produced assets and recorded in the current account. This section will refer only to Goodwill and Table 13.1 adjusted accordingly.

#### **D. Crypto Assets Without a Corresponding Liability**

- Following the decision of the joint AEG/BOPCOM meeting in March 2023, crypto assets without a corresponding liability will be treated as a new separate category of nonproduced nonfinancial asset in a new section. Table 13.1 will be adjusted accordingly.

### **III. Capital Transfers**

This section—which describes each type of capital transfer and how they are recorded in the balance of payments—will be maintained as in *BPM6* with the following important changes, and with a small reordering of the categories (to better align with SNA).

**A. Debt Forgiveness** – no significant changes

**B. Nonlife Insurance Claims**

- Stemming from the outcomes of the AEG (7/2012) decision, the discussion of non-life insurance-related transfers will refer to the expanded guidance (first introduced in Chapter 13, Secondary Income Account) on how a major catastrophic event should be defined for purposes of determining if the transfers are current or capital.

**C. Capital Taxes** – no significant changes

**D. Investment Grants** – no significant changes

**E. One-off Guarantees and Other Debt Assumption** – no significant changes

**F. Other Capital Transfers**

- Per GN C.8, the current paragraph in *BPM6* (13.29) will indicate that major compensation payments should be recorded as capital transfers (rather than current transfers) if they are intended to recover losses incurred over a multi-year period or to replace an asset (referring also to where will be first discussed in Chapter 13).
- Based on the decision in GN B.8, a new paragraph will be added to indicate that nonrefundable contributions to government (or their nominated agency) under citizen-by-investment (CBI) programs may be classified as a current or capital transfer depending on the specific nature of the program. It will cross-reference where these contributions are first introduced in Chapter 13.
- Per GN F.15 and the related Issue Note, paragraph 13.33 on the transfer element to concessional lending will be revised to clarify that no transfer elements of concessional lending should be recorded in the capital account, but supplementary information on the transfer element of such lending could be provided.

## Schematic Overview

I	<p>Concepts and Coverage</p> <ul style="list-style-type: none"> <li>Definition</li> <li>Components</li> <li>Relationship to SNA</li> <li>Time of Recording</li> <li>Gross Recording</li> </ul> <p><i>Table 14.1 Overview of the Capital Account</i></p>
II	<p>Acquisitions and Disposals of Nonproduced, Nonfinancial Assets</p> <ul style="list-style-type: none"> <li>Natural Resources</li> <li>Contracts, Leases, and Licenses</li> <li>Goodwill</li> <li><b>Crypto Assets Without a Corresponding Liability</b></li> </ul>
III	<p>Capital Transfers</p> <ul style="list-style-type: none"> <li>Debt Forgiveness</li> <li>Nonlife Insurance Claims</li> <li><b>Capital Taxes</b></li> <li>Investment Grants</li> <li>One-Off Guarantees and Other Debt Assumption</li> <li>Other Capital Transfers</li> </ul>

### References

- GNs AI.2, B.8, C.8, DZ.6, DZ.10, F.15, F.18, G.9, WS.7, and WS.9. These guidance notes are posted at [Update of the sixth edition of the Balance of Payments and International Investment Position Manual \(BPM6\) \(imf.org\)](#) or at [List of Guidance Notes for the 2008 SNA Update \(unstats.un.org\)](#).
- Document 2.6.3 of [AEG 7/2012](#) meeting decisions on life insurance and major catastrophic events
- [BOPCOM 22/07 - Issue Note](#) on treatment of concessional lending

### Key Stakeholders Consulted

- System of National Account and Balance of Payments Manual editors
- IMF Statistics Department Financial Institutions Division and Government Finance Division