



STATISTICS

Current Account Task Team (CATT) Inaugural Meeting



June 11, 2020

- ❑ Welcome by Co-Chairs and Tour de Table

- ❑ Overview/CATT Terms of Reference
 - **BPM Update: Timeline and the Task Teams**
 - **CATT's Role**
 - **Working Procedures**
 - **Organization and Communication within CATT**

- ❑ Research Topics Assigned to CATT
 - ❑ **Standard Framework of Guidance Notes**

 - ❑ **List of Topics**

- ❑ Preparation of Guidance Notes
 - ❑ **Life Cycle & Governance of TT Guidance Notes (GNs)**

 - ❑ **Approval Process**

 - ❑ **Broad Timelines**

 - ❑ **Assignment of Topics (Provisional)**

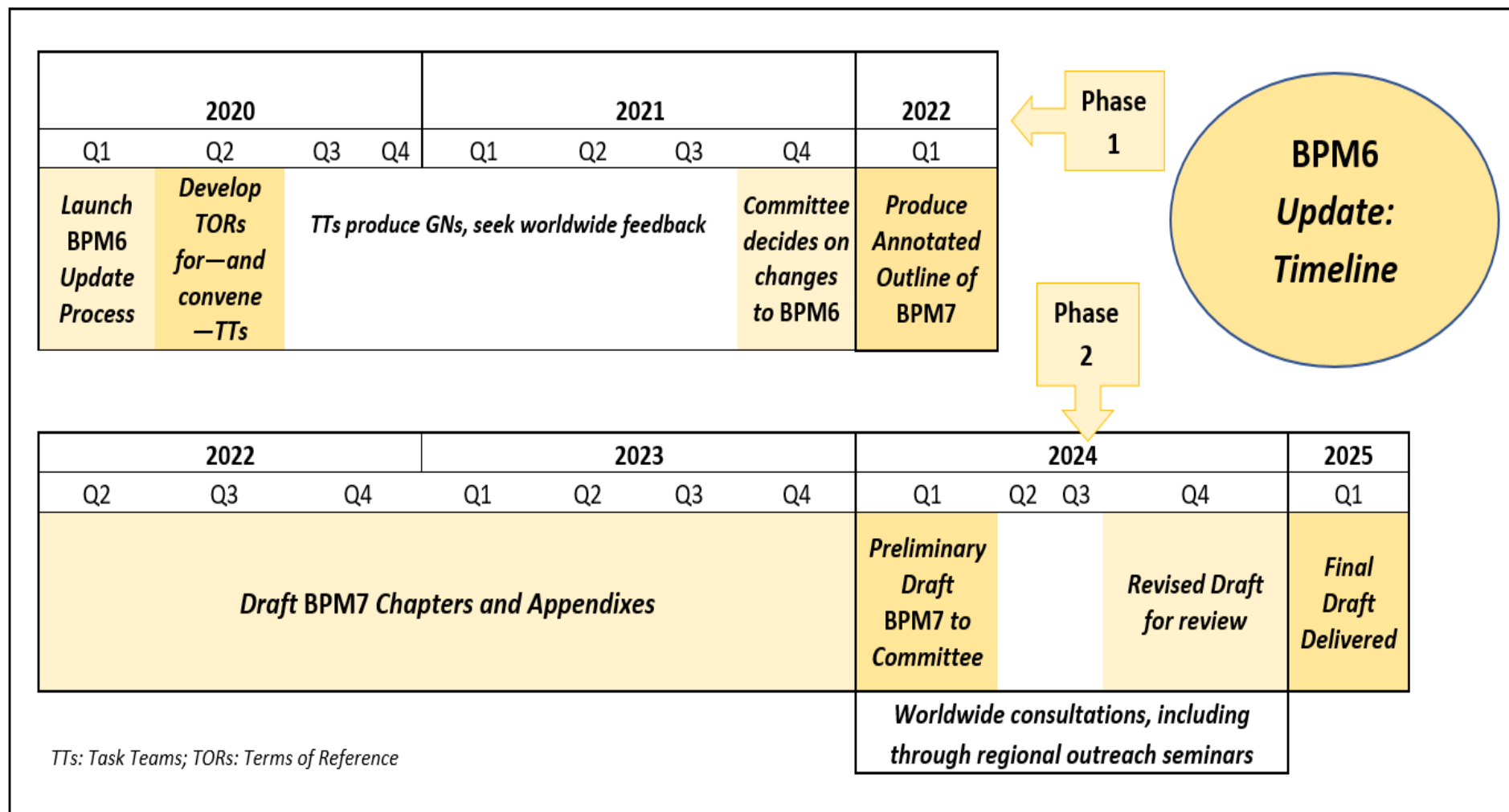
 - ❑ **Key Target Dates**

 - ❑ **Suggested "First Wave" Guidance Notes**

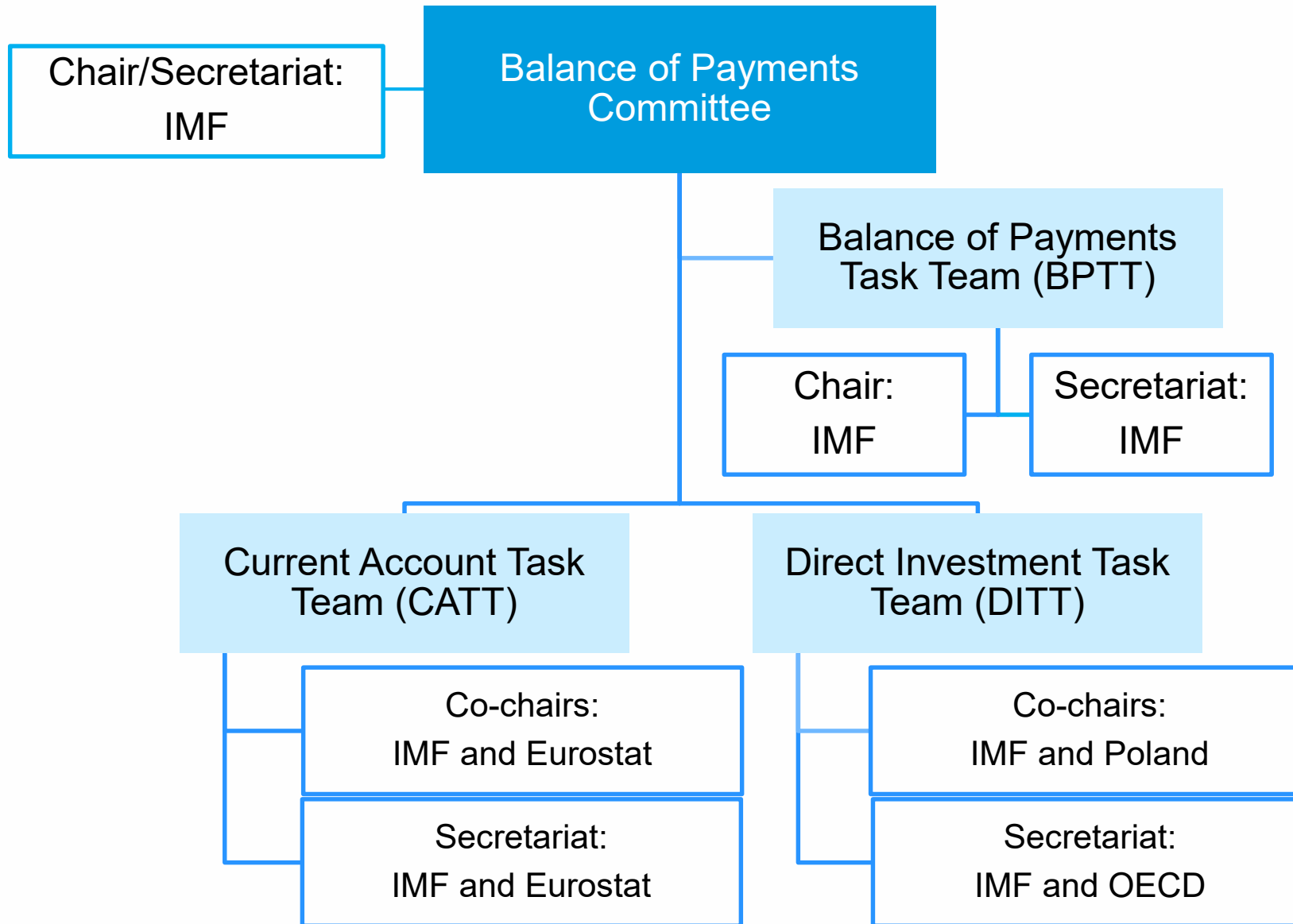
- ❑ Any other business

Overview/CATT Terms of Reference

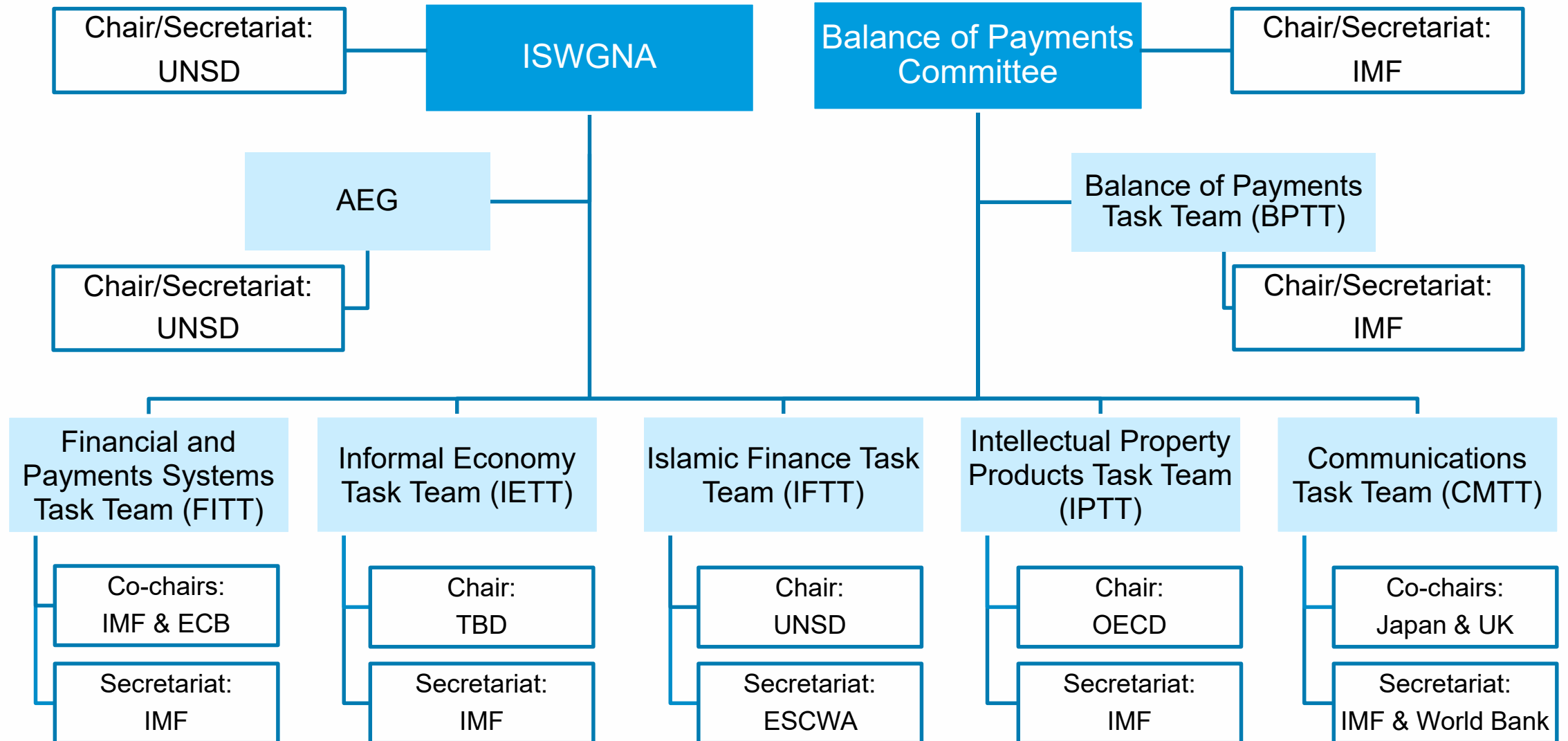
BPM6 Update: Process and Timeline



BPM Task Teams for Updating the *BPM6*



Joint Task Teams for Updating the *BPM6* and the *2008 SNA*



CATT's Role

Provide technical inputs and make recommendations on current account issues within the framework of the revision of BPM6, primarily through the instrument of the Guidance Note.

Its mandate includes addressing the current account issues drawn from the Committee's research agenda and proposing documented solutions for discussion by the Committee. The key issues are presented in the Compendium of Issues adjoined to its terms of reference.

Research issues labeled as high priority should be the core work of the group.

In addition to the list of topics identified in the Compendium of Issues, CATT may consider, as appropriate, other current account methodological issues raised by its members and by the other TTs relevant for the BPM6 update.

The BPM6 update process has a five-year timeline, ending in March 2025. Much like the other topical TTs, CATT will be operational mostly throughout the Phase I of the update process (March 2020–March 2022).

CATT may also be consulted during Phase II (drafting of BPM7 chapters) on an as-needed basis, should any significant issues arise during the worldwide consultation process overseen by BPTT.



Eurostat co-chair



**Membership
representing BP
and SNA
communities/
countries with
varying levels of
statistical
development**



**coordination of
work on cross-
cutting issues
(including with
SNA task teams
on globalization
and
digitalization)**



**review of
guidance notes
by BPTT and
AEG**

A global collaborative initiative

Working Procedures

BPTT has an oversight/coordinating role for the BPM6 update and will undertake first review of CATT's Guidance Notes. CATT will also send the GN to the AEG when the topic is likely to impact the SNA.

Working Procedure:

Primarily through written consultations and virtual meetings

- To **avoid duplication**, CATT will:
 - Take account of current or completed work on topics related to research issues under its purview.
 - Coordinate with other Task Forces or Working Groups on cross-cutting issues.

Reporting:

- Periodic reports to the Committee (to be shared with AEG/ISWGNA).
 - Key report: Committee's annual meeting progress reports: will include both the outcomes and recommendations on the issues considered through the Guidance Notes.
- The Committee will make the final decisions for the BPM6 update.

Organization and Communication within CATT

CATT Launched

Guidance Notes Drafting Teams and Timelines Identified (CATT Work Program)

Guidance Notes Drafted and Reviewed

Public Consultation

Guidance Notes updated

Committee Decision

If change: placed in BPM 7 Annotated Outline

UPDATE OF THE SIXTH EDITION OF THE BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION MANUAL (BPM6)

Compendium of Research Issues

Task Teams (BOPCOM)

Balance of Payments Task Team (BPTT) ▶

Current Account Task Team (CATT) ▶

Direct Investment Task Team (DITT) ▶

Joint Task Teams (BOPCOM/ISWGNA)



Update of the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6)

The IMF Statistics Department has launched the update of the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* targeting to publish an updated version of the Manual (*BPM7*) by March 2025. The *BPM6* update is being coordinated with the update of the *System of National Accounts 2008 (2008 SNA)*, which was officially launched by the United Nations Statistical Commission (UNSC) also with a target release date of March 2025.

See <https://www.imf.org/en/Data/Statistics/BPM>

Key Features:

- **Terms of Reference and CRI**
- **Link for a separate Guidance Note page.**
- **Link to provide feedback on GNs.**
- **Link to a collaboration site (restricted) for comments. CATT members will be provided a login/password for access**

Research Topics Assigned to CATT

Standard Framework of Guidance Notes (GNs)

SECTION 1: THE ISSUE

- **Background (up to two pages)**
 - ▶ What is the issue
 - ▶ Current international standards to treat the issue
 - ▶ Concerns/shortcomings in the current standards
- **Issues for discussion (up to two pages)**
 - ▶ Possible alternatives
 - ▶ Points for discussion

SECTION 2: OUTCOMES (up to two pages)

- **Recommendation**
 - ▶ To revise: proposed revision and its rationale
 - ▶ Not to revise: reasons
- **Rejected alternatives with reasons**
- **Required changes in the current standards**

Current Account Task Team (CATT) Research Topics : **High-priority** items

Issue No.	Research Topic	Links to other TTs
C.1	Recording transactor-based components of services (travel, construction and government goods under services)	
C.2	Goods and services account by (trading) enterprise characteristics	
C.3	International trade classified by currency (including for trade linked to long-term trade credits and advances)	
C.4	Merchanting and factoryless producers; clarifying negative exports in merchanting; Merchanting of services	GZTT/IPTT
C.5.1	Statistical impact of the change in treatment of operating leases in business accounting	IPTT
C.5.2	Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts	

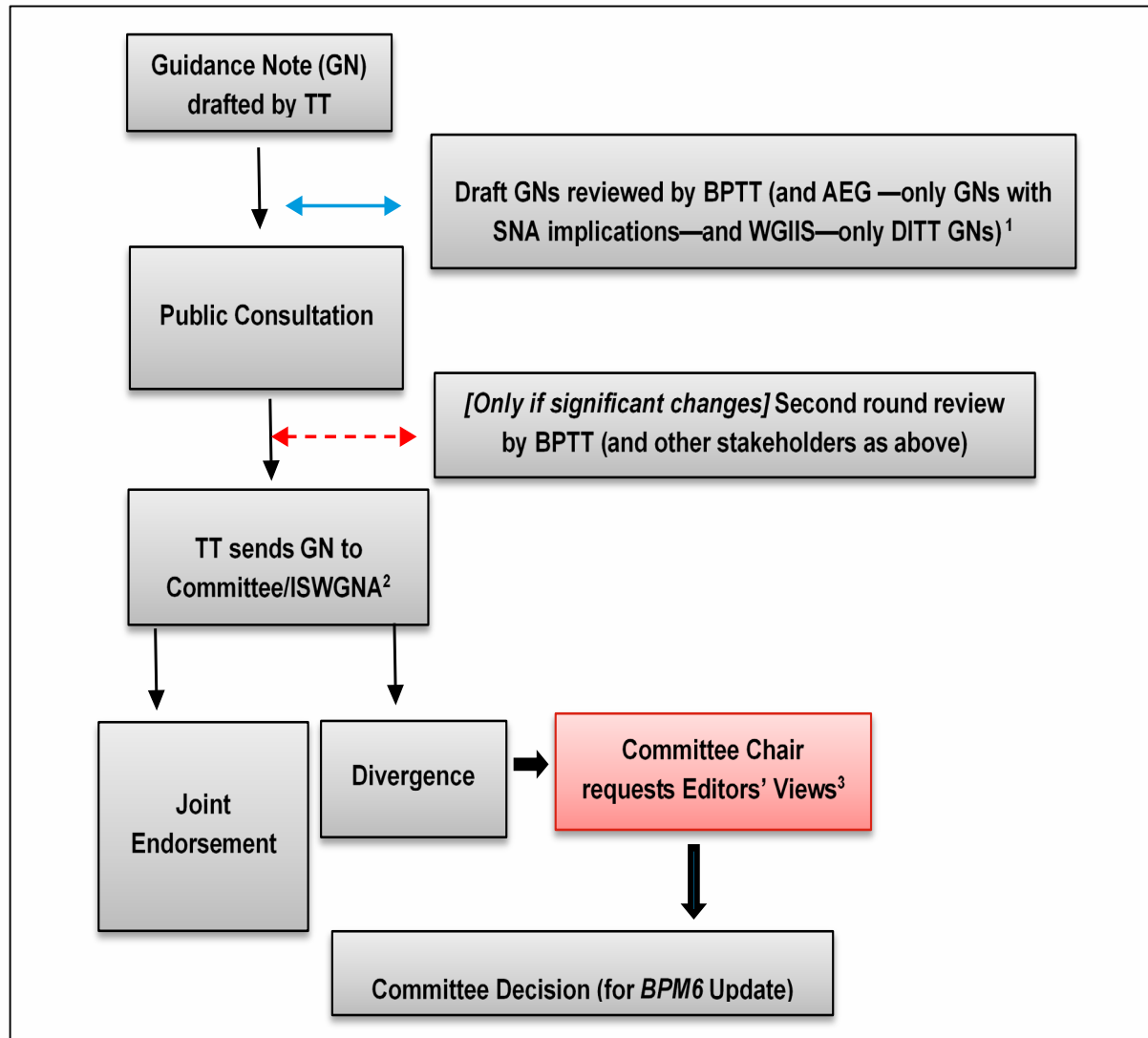
Current account Task Team (CATT) Research Topics : **Medium-priority** items

Issue No.	Research Topic	
C.6	Trade in services classifications	GZTT/DZTT
C.7	Treatment of travel packages, health-related travel, and taxes and fees on passengers' tickets	
C.8	Recording penalties and fines	
C.9	Valuation of trade under long term contracts	
Topics for which another Task Team is leading/responsible		
C.10	FISIM	
C.11	Valuation of imports and exports (CIF-FOB adjustment)	GZTT, TFITS

GZTT=Globalization Task Team; IPTT=Intellectual Property Products Task Team; DZTT= Digitalization Task Team

Preparation of Guidance Notes

Life Cycle & Governance of TT Guidance Notes



1. In its oversight/coordinating role, BPTT reviews the draft GNs to ensure overall consistency of the proposals. Only those GNs that impact SNA, the AEG will be asked to review.
2. After the second round review by BPTT (in case of major changes resulting from public consultation), CATT will send the GN to the Committee.
3. For cross-cutting SNA and BP issues, in case of joint endorsement the Committee proceeds to a decision for the BPM6 Update. If divergent views emerge, Committee and ISWGNA Chairs request SNA/BPM editors' views. If the editors' views also diverge, the Committee and the ISWGNA may consider adopting their respective positions, with transparent documentation of the points of departure.
4. Final endorsement of recommendations on the *BPM6* Update resides with the Committee; and should take account any new perspectives/considerations raised in the editors' views. Should the Committee have reservations about the CATT's proposal, it may also seek the editors' views. In this regard, the Committee should also carefully consider retaining the status quo (i.e., no change) and placing the issue on a future research agenda.

Approval Process for Guidance Notes (GNs)

- **Step 1:** First draft of the GN by authors, including summary of recommendations
- **Step 2:** Review by Co-chairs and Secretariats
- **Step 3:** Consultations within CATT (written or via VC if necessary)
- **Step 4:** Finalize GN based on consultation
- **Step 5:** Submit for review to BPTT (and AEG, as applicable)
- **Step 6:** Incorporate comments and circulate within CATT
- **Step 7:** Release draft GN for wider public consultation
- **Step 8:** Second review by BPTT and AEG **only** if there are significant changes (AEG second review for issues that impact SNA)
- **Step 9:** Presentation to the Committee and to the ISWGNA for endorsement

Broad Timeline for Producing GNs

Timeline	Number of weeks
Drafting of the GN	3*
Consultation within the TT members	2
Draft Finalized	1
Draft GN submitted for review to BPTT (and AEG) by TT Chairs	1
Incorporate comments and circulate within TT	1
Posting for public consultation	4
Incorporation of comments, discussion within TT and finalization by co-chairs	1
If significant changes, only, second round of review to BPTT/AEG/other stakeholders	1
GN final version including recommendations completed and sent to Committee	1
Committee Discussion/Decision*	2
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* *Three week duration for drafting of GNs critical for GNs to be discussed at next Committee Meeting in October 2020. GNs to be discussed at Committee meetings should be sent to Committee at least 2 weeks in advance of meeting date; for written consultations, two weeks timeline suggested.*

Assignment of Topics: High-priority

(Expressions of interest received as of 6/10)

Issue No.	Research Topic	Assigned to:
C.1	Recording transactor-based components of services (travel, construction and government goods under services)	IMF
C.2	Goods and services account by (trading) enterprise characteristics	Germany, Jamaica, Kosovo, Denmark, OECD
C.3	International trade classified by currency (including for trade linked to long-term trade credits and advances)	Brazil ¹ , Kosovo
C.4	Merchanting and factoryless producers; clarifying negative exports in merchanting; Merchanting of services	Germany, Russia, Denmark
C.5.1	Statistical impact of the change in treatment of operating leases in business accounting	Eurostat, Russia
C.5.2	Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts	Eurostat, Russia

Assignment of Topics: Medium-priority

(Expressions of interest received as of 6/10)

Issue No.	Research Topic	Assigned to:
C.6	Trade in services classifications	IMF
C.7	Treatment of travel packages, health-related travel, and taxes and fees on passengers' tickets	Germany, Botswana, IMF
C.8	Recording penalties and fines	Brazil ³
C.9	Valuation of trade under long term contracts	Brazil ²

Key Targets along the Timeline



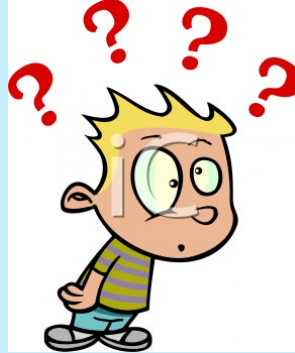
Guidance Notes Production: Proposed 'First Wave' (October 2020)

C.1 Recording transactor-based components of services (travel, construction and government goods under services)

C.2 Goods and services account by (trading) enterprise characteristics

C.5.1 Statistical impact of the change in treatment of operating leases in business accounting





Any other business