



## Thirty-Third Meeting of the IMF Committee on Balance of Payments Statistics

March 10, 2020

BOPCOM VM—20/03

### The Forthcoming Update of International Statistical Standards: Organization of the Work Ahead



## **The Forthcoming Update of International Statistical Standards: Organization of the Work Ahead<sup>1</sup>**

1. In its report to the 51<sup>st</sup> United Nations Statistical Commission (UNSC), the Inter-secretariat Working Group on National Accounts (ISWGNA) proposed that the UNSC endorse an update process of the System of National Accounts. The proposal states that work on the update process would start immediately with a target of completing the work by March 2025. The proposal notes that coordination and consistency of the updated SNA and the other international macroeconomic accounting standards should be considered a priority, while considering the respective roles of the various stakeholders.
2. It is expected that the UNSC will officially endorse the ISWGNA proposal. Given the principle of ensuring consistency between the various international statistical manuals, the IMF is proposing that its Committee on Balance of Payments Statistics (Committee) move forward with an update of the *Balance of Payments and International Investment Position Manual, sixth edition (BPM6)* targeting a similar release date. A special video conference of the Committee is scheduled for March 10 to discuss the IMF's proposals on the process and timeline for the *BPM6* update. The Committee intends to share the results of this consultation with the ISWGNA and has invited the IMF ISWGNA TG member to attend the meeting as an observer.
3. Both the Committee and the Advisory Expert Group on National Accounts (AEG) have active research agendas with significant areas of common interest and issues. The IMF proposes that for those substantive issues that could impact the consistency between the BPM and SNA joint groups of experts are formed to examine the issues. The joint groups would report back to both the Committee and the AEG. More specifically, the joint groups would be composed of national accounts and balance of payments experts and discuss individual topics bringing in their unique perspectives on the issue. Their conclusions would be presented for endorsement to both bodies and, once their comments are incorporated, be reflected uniformly in the upcoming revisions of the SNA and the BPM. This joint BPM/SNA groups should also take into consideration the initiatives of the Friends of the Chair group on economic statistics to explore new arrangements aimed at improving coordination, communication, and collaborative responsiveness across the system of economic statistics, reflecting that the most important consideration was having the right links in place between groups to achieve an identified purpose.
4. As a test case, a first joint group has already been formed to handle Intellectual Property Products (IPPs). The joint BPM/SNA Task Force on IPPs will have five Committee members and five members of the AEG globalization subgroup. Additionally, the work the Committee had planned to undertake on Islamic finance has now been subsumed into the

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<sup>1</sup> Prepared by the Real Sector Division, Statistics Department, IMF.

existing UN ESCWA/UNSD Task Force on Islamic Finance, with some Committee members joining the Task Force. Both Task Forces will present their conclusions to both the AEG and the Committee for approval, in line with the proposals that are being made in this note.

5. Most overlapping areas of research between the SNA and BPM fall within the remit of existing AEG subgroups developing guidance notes related to digitalization (e.g., e-commerce, crypto assets, etc.) and globalization. To be as efficient as possible, it would be beneficial to transform these groups into joint BPM/SNA task groups. Likewise, there are also several issues impacting the National Accounts and external sector statistics that are not currently part of the active SNA research agenda where SNA input will be required given its importance to the BPM.

6. In addition to increased collaboration between the SNA and BPM on their respective research agendas, it would be advisable to standardize the language and terminology used throughout the update process. For example, currently what is referred to as a guidance note by the SNA is referred to as discussion notes by the Committee. The Committee refers to Technical Expert Groups and working groups/task force while the SNA community uses various terms such as subgroups, task groups, and working groups. The development of a short note proposing a standard terminology for both groups will not only help the groups better navigate the update process but will bring clarity for the countries and other international organizations.

7. A first cross-walk of the BPM and SNA research agenda indicates the following items as candidates for a joint working group:

<b>SNA Research Item</b>	<b>BPM Research Item</b>	<b>Groups/Task Forces</b>	<b># on STA priority list</b>
Intellectual Property Products	Intellectual Property Products	BPM/SNA Task Force on IPPs	2
Special Purpose Entities (SPEs)	Special Purpose Entities (SPEs)	SNA Task Force on Research Agenda: subgroup globalization (ongoing)  Final Report of the Committee's Task Force on SPEs (BOPCOM 18/03)	1

SNA Research Item	BPM Research Item	Groups/Task Forces	# on STA priority list
Valuation of imports/exports (CIF-FOB adjustment)	Valuation of imports/exports (CIF-FOB adjustment)	SNA Task Force on Research Agenda: subgroup globalization (ongoing)  Committee investigations (BOPCOM 19/15)	3
Treatment of MNEs, intra-MNE flows	Accounting for globalization and activities of MNEs	SNA Task Force on Research Agenda: subgroup globalization (ongoing)  Committee WG-GVCs- more granular information on MNEs in current account statistics	5b
Framework for a satellite account on the digital economy	Digital trade	SNA Task Force on Research Agenda: subgroup digitalization (ongoing)  OECD-WTO-IMF Handbook on Measuring Digital Trade	13
Recording of data in the national accounts.	Digital trade (framework distinguishes “data” as non-monetary flows outside of digital trade)	SNA Task Force on Research Agenda: subgroup digitalization (ongoing)  BPM/SNA Task Force on IPPs	7
Cryptocurrencies	Crypto assets	SNA Task Force on Research Agenda: subgroup digitalization (ongoing)  Committee clarification note <a href="#">Treatment of Crypto Assets in Macroeconomic Statistics</a>	9

<b>SNA Research Item</b>	<b>BPM Research Item</b>	<b>Groups/Task Forces</b>	<b># on STA priority list</b>
Valuation of free assets and free services		SNA Task Force on Research Agenda: subgroup digitalization (ongoing)	11
Measuring the informal economy	Measuring the informal economy in external sector statistics	Final Report of the Task Force on Informal Economy (BOPCOM 19/03) Set up a joint SNA/BPM group	21
Income	Revisiting the concept of income (including reinvested earnings)	Set up a joint SNA/BPM group	27
Islamic Finance	Islamic Finance	UN ESCWA/UNSD Task Force on Islamic Finance	38
Communication	TBD	SNA Task Force on Research Agenda: subgroup communication (ongoing)	

8. It is proposed that joint BPM/SNA groups are formed for these issues. Where work is already on-going, the group will need to integrate this added requirement for collaboration into their overall workplan and timelines.

***Questions for the Committee:***

- (1) Does the Committee agree with the general strategy presented in the paper, namely forming joint SNA/BPM groups for issues of common interest and opening the composition of existing teams to compilers in both domains?*
- (2) Does the Committee agree with the new groups proposed to be formed?*