



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

Washington, D.C.  
October 18–20, 2022

BOPCOM—22/19  
For discussion

## Summary of Discussions



## SUMMARY OF DISCUSSIONS

### INTRODUCTION

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1. The thirty-ninth meeting of the IMF Committee on Balance of Payments Statistics (the Committee) was held in Washington, D.C., on October 18, 2022. This summary of discussions includes the action points agreed by the Committee during the meeting.<sup>1</sup>
2. In his opening remarks, Mr. Albert Kroese, Chief Statistician, Data Officer, and Director of the Statistics Department (IMF), and new Chair of the Committee, introduced himself to the Committee. The Chair also welcomed Ms. Haruko Kato from the Bank of Japan and Mr. Kaname Yunokawa from Japan's Ministry of Finance to the Committee. Mr. Bedri Zymeri was also representing the World Bank for the first time at the meeting. The Chair lauded the Committee members for their efforts, which have brought Phase I of the *BPM6* update process near to completion. At the same time, work on Phase II of the update process has already begun. This phase will culminate with the preparation of the Committee-endorsed final version of *BPM7* by March 2025.

### HOLISTIC REVIEW OF *BPM6* UPDATE PRIORITIES

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BOPCOM 22/02 – OUTCOMES OF THE HOLISTIC REVIEW SURVEY OF *BPM6* UPDATE PRIORITIES

#### ***Topics Presented for Discussion:***

3. A global survey of compilers and users of external sector statistics was conducted during July–August 2022 as part of the holistic review of the priorities for updating the manual. There was broad participation in the survey, and the responses indicate that there is a solid case for implementing most of the recommended new data breakdowns at reasonable compilation costs.
4. Based on the survey results, this paper proposes to include five out of the six recommended new standard components in *BPM7*. The sixth recommendation, namely including a breakdown of financial derivatives by market risk category as a standard component, received less support in the survey, and the paper therefore proposes to change the breakdown from a standard component to a supplementary item. In addition, the paper proposes to drop six out of 51 supplementary items recommended as the costs are high compared to the benefits. It also proposes to include in *BPM7* all conceptual recommendations that have already been approved by the Committee.
5. As a way forward, the paper proposes that the Committee make a tentative decision on the recommendations that have already been agreed upon on an individual basis to guide the next phase of the *BPM7* drafting process. The decisions on some recommendations could be revisited at a later stage, but only if there is a compelling case (e.g., to ensure consistency with the national accounts). Moreover, as the remaining recommendations are finalized, they would be approved by the Committee on an ad-hoc basis.

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<sup>1</sup> The Committee also met jointly with the Advisory Expert Group (AEG) on National Accounts during October 19–20, 2022. The Summary of Discussions is available [here](#).

## **Summary of Discussions:**

6. Committee members supported the inclusion of the following five recommended new standard components in *BPM7*: (i) split telecommunications, computer, and information services (GN C.6), (ii) split other business services (GN C.6), (iii) add a sectoral breakdown of direct investment (GN D.7), (iv) split nonfinancial corporations, and households and nonprofit institutions serving households (GN F.1), and (v) produce an integrated international investment position statement (GN B.4). They also agreed that the breakdown of financial derivatives by market risk category (GN F.4) should be included as a supplementary item rather than as a standard component.<sup>2</sup>

7. Some members highlighted the relevance for policy purposes of additional details on derivatives and foreign ownership in external sector statistics but agreed that for this review the costs are too high to consider them as mandatory items for all balance of payments compilers worldwide.

8. Committee members discussed the pros and cons of including various supplementary items in *BPM7* and the possibility of prioritizing them. Since the recommended supplementary items reflect the careful considerations of Task Teams, should only be compiled on a voluntary basis, and a phased approach is possible, members mostly focused on the benefits. There seemed to be majority support to include 49 of the 51 recommended supplementary items in *BPM7* and exclude 2: (i) include an “of which: between affiliates” item under financial derivatives (GN D.12) and (ii) reverse transactions by type of (lent/borrowed) assets (GN F.3).

9. Some members expressed concerns about the feasibility to implement those supplementary items with costs higher than the benefits and potential impact for future data use. Members also expressed concerns about whether data quality and confidentiality risks should be considered when deciding about particular supplementary items. In this regard, members stressed the need for practical compilation guidance and assistance to help economies in compiling new items as well as, more broadly, with implementing *BPM7*. Relatedly, Committee members volunteered to provide their own compilers’ experience in successfully implementing new recommendations in both the *BPM7 Compilation Guide* as well as by contributing to the IMF regional outreach seminars planned as part of the Phase II update process.

10. On the recommendations not included in the survey, the relevance of a close collaboration and dialogue with the SNA community towards consistency was emphasized. Even though some recommendations are not yet finalized or do not entail additional data requests (which is why they were not included in the survey), knowing the opinion of the users via another global survey might be very relevant at least for those where taking a final decision by the statistical community proves to be challenging or the implementation may imply significant conceptual changes (e.g., GN F.18 on crypto assets).<sup>3</sup>

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<sup>2</sup> GN F.4 also proposed more complete compilation of the notional value of foreign currency derivatives (Issue 2), by moving existing supplementary tables in *BPM6* (Appendix 9, Tables A9-I-1b and A9-I-2b) to the main text in *BPM7*. This move would emphasize the importance for policy analysis of collecting data on off-balance sheet foreign currency positions, and thus hopefully encourage better reporting. The global survey of compilers and users did not explicitly seek input on this proposal, and some meeting participants cautioned against interpreting the survey results as a lack of support for the changes detailed in Issue 2 of GN F.4.

<sup>3</sup> Although not receiving majority support, a few members also suggested seeking further user consultation on GN D.17 on superdividends.

11. Members also agreed that any prioritization of supplementary items should depend on the specific circumstances of each economy, considering the interest of policymakers and analysts as well as resource costs. Consequently, no “global” prioritization should be spelled out in the manuals. To guide national compilers, members supported the idea of adding text in *BPM7* to explain in detail under which circumstances it would be most relevant to compile certain supplementary items.

**Actions:**

- The IMF to incorporate all changes and recirculate a revised version of the paper to Committee members for final approval via written procedure.
- The Committee to approve the remaining *BPM6* update recommendations on an ad-hoc basis as they are finalized in close collaboration with the AEG, where applicable.

## DRAFT ANNOTATED OUTLINES FOR SELECTED *BPM7* CHAPTERS

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BOPCOM 22/03 – KEY ISSUES IDENTIFIED IN THE WRITTEN CONSULTATION ON THE DRAFT ANNOTATED OUTLINES FOR SELECTED *BPM7* CHAPTERS

**Topics Presented for Discussion:**

12. Before this meeting, the BPM editors, with inputs from SNA editors and other stakeholders, prepared high-level annotated outlines for six priority chapters/annexes—either proposed new chapters or chapters requiring substantial revision: Chapter 5, Classification of Financial Assets and Liabilities; Chapter 6, Functional Categories in International Accounts; Chapter 10, Goods Account; Chapter 11, Services Account; Annex 5, Selected Issues on Cross-Border Trade; and Annex 10, Sustainable Finance in External Sector Statistics: Climate Change Related Indicators. These outlines were shared with Committee members ahead of the meeting for their initial feedback. The results of this initial review were presented to the members, and they were invited to provide additional feedback.

**Summary of Discussions:**

13. Committee members agreed that the draft annotated outlines, reflecting the Committee’s inputs, could go to global consultation. On the content of the chapters, some members noted the importance of ensuring consistency throughout the manual and with the SNA and other manuals (e.g., *External Debt Statistics Guide for Compilers and Users 2013* on debt related issues), while also avoiding overlaps. There were suggestions to clarify the following issues: sale/purchase of IPP services; the use of “external sector statistics”; whether crypto assets (if they were to be deemed as financial assets) would be domestic or foreign assets, i.e., whether holdings by residents should be included in the IIP; and detailed indicators in Annex 10. Further, regarding Annex 10, several members suggested the term “green-labeled bonds” instead of “green bonds,” in order to better reflect that official international standard are still lacking in this area, and that the labels do not reflect the opinion of balance of payments statisticians (but are typically provided by commercial organizations). In addition, it was proposed that the Annex should mention the growing policy interest in statistics on bonds with other labels, including sustainability or ESG-labelled bonds. Regarding the Goods Account chapter, it was suggested that there should be more prominence given to Table 10.2 showing the transition from international merchandise trade statistics to

international trade in goods on a balance of payments basis, to encourage compilers to produce this information of high value to users.

**Actions:**

- The IMF to incorporate the inputs from the Committee and post revised versions of the annotated outlines for global consultation, based on a process to be coordinated with the SNA editorial team.

## **BPM6 UPDATE PHASE II**

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BOPCOM 22/04 – UPDATE ON PLANNING AND PROGRESS TO DATE

**Topics Presented for Information:**

14. The paper presents the proposed next steps and timeline of Phase II of the *BPM6* update process. Phase II involves drafting the annotated outline of *BPM7*, drafting chapters/annexes, conducting outreach through workshops, and publication of *BPM7*.

15. A high-level outline of the structure of *BPM7* has already been prepared, in close coordination with the SNA editorial team and other relevant stakeholders. According to this outline, *BPM7* will include 20 chapters and 13 annexes, of which at least six chapters are to be drafted as common chapters between *BPM7* and the *2025 SNA*. To enhance alignment between the BPM, the SNA, and other macroeconomic statistics manuals, the BPM and SNA editorial teams agreed that the manuals should share common text on core principles for the compilation of macroeconomic statistics that are fundamental to the manuals.

16. Annotated outlines of six BPM chapters/annexes have been prepared for this meeting. In addition, four of the common BPM/SNA chapters will be discussed in the joint Committee and AEG meeting during October 19–20, 2022. Following the meetings, these annotated outlines incorporating the inputs of members will be sent for global consultation. After annotated outlines have been endorsed by the Committee/AEG, the BPM and SNA editorial teams will begin drafting chapters, which will also be subjected to global consultation and review/endorsement by the Committee and the AEG.

17. The last leg of Phase II of the update process will include the preparation of a complete draft of *BPM7* for review by all stakeholders for consistency and readability, regional outreach workshops for receiving further feedback from compilers, and finally the preparation of the final publication version of *BPM7*.

18. The plan presented in the paper will be discussed with the SNA editorial team to further align the consultation process and timeline for the common SNA/BPM chapters. Given that the specifics on the preparation of the digital versions of *BPM7/2025 SNA* are not yet determined, the proposed steps and timeline for drafting the chapters and final draft of *BPM7* may likely undergo some changes. The *BPM7* editorial team will provide further updates to the Committee as Phase II progresses.

19. The paper also presents an overview of the progress made by the BPM task teams and the joint BPM/SNA task teams in preparing the guidance notes (GNs) since their inception in May/June 2020. Of the 60 GNs assigned to the task teams, 39 have been approved/posted on the *BPM6* update webpage.

An additional eleven GNs—of which nine were recently endorsed by the AEG—will be posted following the meeting. The remaining 10 GNs are under different stages of consultation.

***Summary of Discussions:***

20. Committee members thanked the Secretariat for the update on Phase II plans. One member emphasized the importance of careful translation of the manuals, taking into consideration variations of the same language across countries. In this context, the IMF agreed to explore the possibility of translating the common glossary of macroeconomic statistics for use in preparing the draft chapters. Members also noted the importance of outreach workshops to gather further feedback from compilers. Members also highlighted the relevance of consistency within each manual and across the different manuals, with the exact same wording for what is common, avoiding overlaps and duplications and using as much as possible cross-references, which is facilitated by the digital format, minimizing misinterpretations and/or different implementations by the national accounts and balance of payments compilers.

***Actions:***

- The IMF to keep the Committee informed on the developments, based on a process to be coordinated with the SNA editorial team.

**OTHER ISSUES**

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The next in-person meeting of the Committee will be held in Indonesia during October 24–26, 2023.