

# Financial and Payments Systems Task Team: Terms of Reference

## I. MANDATE AND OPERATIONS

### 1.1 Mandate

The Financial and Payments Systems Task Team (FITT)<sup>1</sup> is one of the Task Teams (TTs) established jointly by the IMF's Committee on Balance of Payments Statistics (the Committee) and the Intersecretariat Working Group on National Accounts (ISWGNA) in the process of revising the IMF's *Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*) and the *System of National Accounts 2008 (SNA 2008)*. FITT will deal primarily with issues arising from evolution of financial and payment systems. FITT will seek input from national data compiling authorities, relevant international organizations, and IMF Departments. To ensure overall consistency and no duplication of work, FITT will also work closely with the Balance of Payments Task Team (BPTT) and the Advisory Expert Group on National Accounts (AEG) which are responsible for sending FITT's Guidance Notes to the Committee and to the ISWGNA for final endorsement.

The *BPM6* update process has a five-year timeline—split into two phases<sup>2</sup>—ending in March 2025. FITT's mandate spans mostly during Phase I of the update process, which is from March 2020 to March 2022. Within that time frame, FITT is expected to undertake thorough research on issues drawn from the Committee's and the ISWGNA's research agendas, discuss and reach conclusions, and present proposals for endorsement by the Committee and the ISWGNA. Key issues to be addressed by FITT are presented in the Compendium of Issues adjoining this terms of reference. FITT may also be consulted throughout Phase II on an as-needed basis, should any significant issues arise during the worldwide consultation process.

### 1.2 Operational Framework

**Composition:** the IMF and the ECB co-chair FITT. The IMF also provides secretariat to FITT. FITT will comprise representatives from selected IMF member countries and international organizations, including national accounts experts and representatives from IMF Departments. The composition takes account of both the depth of expertise required to address the issues identified as well as a geographical balance, to portray countries' views across varying degrees of statistical capacity. Members of FITT work on a voluntary basis,

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<sup>1</sup> The membership of FITT is presented in Annex I.

<sup>2</sup> The update process encompasses Phase I—research on issues appropriate for the subject of each TT, discussions and conclusions, and Phase II—drafting of the *BPM7*.

with the capability of making enough commitment of time, and no remuneration is provided by the IMF.

**Communication:** the working language of FITT is English, without any translation of documents or interpretation at meetings and videoconferences. FITT will work primarily through electronic means, including video conferences, while the co-chairs may call one or more physical meetings as necessary, for instance to finalize the recommendations to be submitted to the Committee.<sup>3</sup> The IMF will facilitate electronic communication between FITT members by organizing videoconferences and using appropriate technologies for document flow and management. To promote wide consultation on—and dissemination of—its work, an IMF-hosted dedicated FITT webpage will post all FITT materials, namely these terms of reference, the list of issues to be covered, as well as the agreed recommendations on each issue. The FITT Secretariat will be responsible for managing the webpage content.

## II. GUIDANCE NOTES, WORKING PROCEDURES, AND REPORTING

In addition to the list of topics identified in the Compendium of Issues, FITT may consider, as appropriate, other financial and payment systems issues raised by its members or other TTs, which can be relevant for the Balance of Payments Manual (BPM) update. Research issues labeled as high priority should be the core of the work of the group. It is intended that after **June 2022** no new issues<sup>4</sup> will be considered for inclusion in the new manual. This cutoff date is necessary to accommodate the broad process of review and consultation that will take place before the manual is finalized by the end of 2024.

### 2.1 Guidance Notes

To foster focused and efficient discussions and for a consistent and complete coverage of the review items, FITT’s key documentation will be in the form of a “Guidance Note” for each item/concept. Guidance Notes should comprise two sections—the first detailing the issue, and the second explaining the recommendations—presented according to a standard format as described in Annex II. Additional background documentation may also be considered/attached.

Guidance Notes will be discussed by written consultations or videoconferencing. Once a conclusion is reached, the recommendations will be summarized in the second section of the Guidance Note and sent to the AEG and BPTT for initial review. The draft Guidance Note is then made publicly available for wider consultation—including with national compilers, such that they can test the practicality of the proposals.

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<sup>3</sup> If a meeting is called, consistent with the rules of the Committee, the IMF would cover the costs of international travel and accommodation for attendance, except for FITT members from the top 20 percent of the World Bank’s list of “high income countries”.

<sup>4</sup> Remaining issues will be placed on a research agenda following procedures established by the Committee.

The revised Guidance Note will undergo a second-round review by the AEG and BPTT<sup>5</sup> only if there are significant changes to the draft version before being presented to the Committee and the ISWGNA for endorsement.

The key working procedures and review processes for Guidance Notes are outlined in Figure 1 and detailed in Table 1.

## **2.2 Working Procedures**

FITT will strive to take decisions by consensus. If decisions cannot be taken by full consensus, minority dissenting opinions will be properly documented in the Guidance Notes (for instance, via footnotes). Decisions on the acceptance of FITT recommendations reside with the Committee for the *BPM6* Update and with the ISWGNA for the *SNA* update.

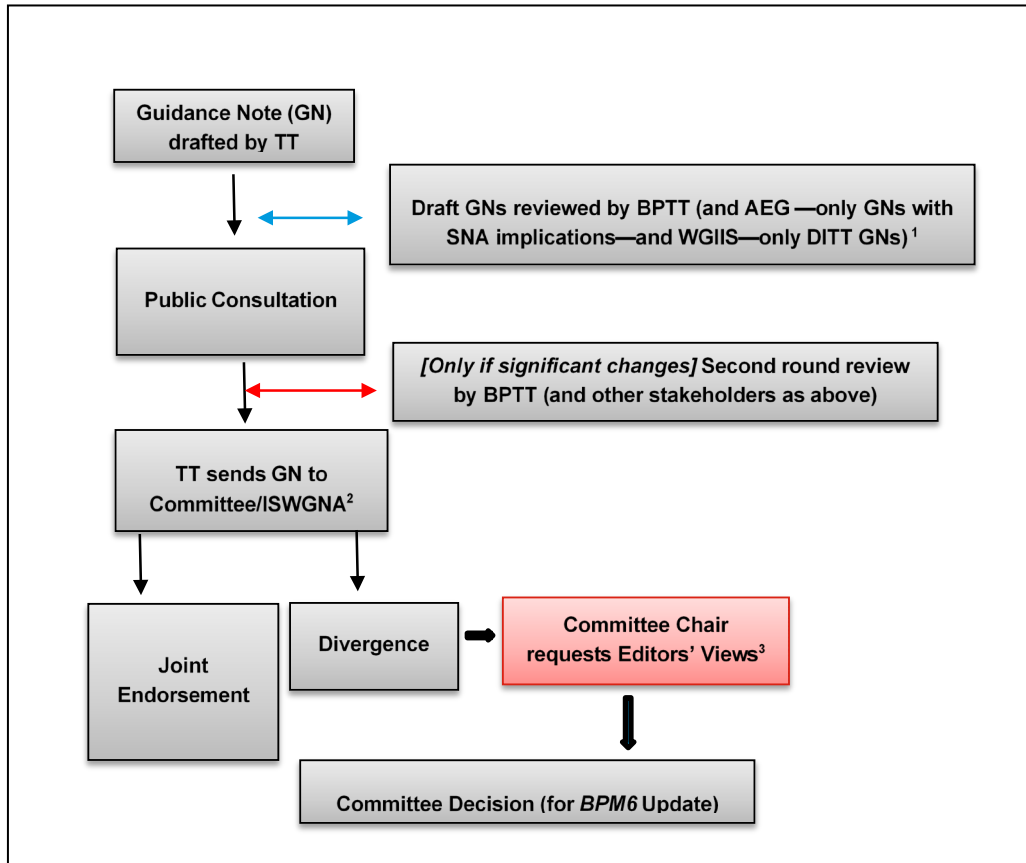
## **2.3 Reporting**

While submission of the Guidance Notes to the AEG and BPTT may take place as soon as any recommendations are ready, through its co-chairs, FITT will submit periodic reports to the Committee and the ISWGNA. Key among these are progress reports to the Committee's annual meeting (usually in October) and to the United Nations Statistics Commission (usually in March), which will include both the outcomes and recommendations on the issues considered through the Guidance Notes.

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<sup>5</sup> BPTT plays an oversight role for other BPM TTs and a coordinating role with the Joint TTs (and the SNA Task Teams). It reviews the draft Guidance Notes primarily for overall consistency by ensuring the proposals have considered related proposals/discussions of other TTs including SNA TTs.

**Figure 1. Life Cycle/Governance of TT Guidance Notes**



1. In its oversight/coordinating role, BPTT reviews primarily for overall consistency of the proposals. First review by AEG of GNs required only for those of: (i) joint groups (FITT, IETT, IFTT, IPTT); and (ii) GNs of BPTT, CATT and DITT if issue impacts SNA.
2. BPTT and other BPM TTs send to ISWGNA only those GNs that impact the SNA, while joint TTs send their GNs to both the Committee and the ISWGNA.
3. For GN of Joint TTs, Chairs of both the Committee and the ISWGNA make the request. The Committee may also utilize this option if it has reservations about the TT's proposals.

**Table 1. Approval Process for Guidance Notes by Task Team**

BPTT Guidance Note		Other TT Guidance Note		Joint TT Guidance Note
Both sections of Guidance Note (GN) are drafted and discussed and agreed by TT				
Draft GN is sent to AEG if GN topic impacts the SNA.		Draft GN is sent to BPTT (and to AEG if GN topic impacts the SNA).		Draft GN is sent to AEG and BPTT (and to WGIIS for GNs produced by DITT).
GN is posted for public comment				
TT finalizes GN taking account of public comments. If changes are significant, the following second round review step below applies.				
Revised GN is sent to BPTT and AEG if GN topic impacts the SNA (and to WGIIS for GNs produced by DITT).				Revised GN is sent to AEG and BPTT (to WGIIS for GNs produced by DITT)
Sent to Committee (and to ISWGNA if it impacts the SNA).		BPTT transmits to Committee (and AEG sends to ISWGNA if it impacts the SNA).		BPTT and AEG send to Committee and ISWGNA, respectively.
Committee/ISWGNA agrees	Divergence of views	Committee/ISWGNA agrees	Divergence of views	Endorsement of Joint TT recommendations reside with the Committee and the ISWGNA (using their respective procedures). 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.
	Committee's Chair requests SNA/BPM Update editors' views.		Committee's Chair requests SNA/BPM Update editors' views.	
<b>Final endorsement of recommendations on the <i>BPM6</i> Update resides with the Committee;</b> and should take account any new perspectives/considerations raised in the editors' views. Should the Committee have reservations about the TT'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.				<b>Final endorsement of recommendations on the <i>BPM6</i> Update resides with the Committee;</b> and should, in the absence of agreement with the ISWGNA, carefully consider retaining the status quo (i.e., no change) and placing the issue on a future research agenda.
If decision is to change/update the guidance in <i>BPM7</i> , this is reflected in the annotated outline and issue is closed.				

**ANNEX I. FINANCIAL AND PAYMENTS SYSTEMS TASK TEAM (FITT)**

**Co-Chairs:** Mr. Artak Harutyunyan (IMF STA) and Mr. Celestino Girón (ECB)

**Secretariat:** Mr. Joji Ishikawa and Mr. Kenneth Egesa (IMF STA)

**Members (26):**

Armenia	Mr. Mher Barseghyan
Indonesia	Ms. Pujiastuti Abassuni
Italy	Mr. Gabriele Semeraro
Japan	Ms. Masako Kominami
Portugal	Ms. Paula Menezes
Serbia	Ms. Maja Gavrilovic
Switzerland	Mr. Simon Bösenberg
South Africa	Mr. Barend De Beer
Uganda	Mr. Emmanuel Ssemambo
United Kingdom	Mr. Perry Francis
United States	Ms. Ruth Judson
BIS	Mr. Patrick McGuire
ECCB	Ms. Prunela Charles-Williams
Eurostat	Mr. Enrico Infante
	Mr. Phillippe de Rougemont
FSB	Ms. Esti Kemp
OECD	Mr. Jorrit Zwijnenburg
UNSD	Mr. Benson Sim (SNA nominee)
IMF	Ms. Evrim Bese-Goksu (STA Balance of Payments)
	Mr. Antonio Galicia-Escotto (STA Balance of Payments)
	Mr. Renato Perez (STA Balance of Payments)
	Mr. Marshall Reinsdorf (STA National Accounts)
	Ms. Shirono Kazuko (STA Financial Institutions)
	Mr. Jose Carlos Moreno (STA Financial Institutions)
	Ms. Nabila Akhazzan (STA Government Finance)
	Mr. John Kiff (MCM)

## ANNEX II. STANDARD FRAMEWORK OF GUIDANCE NOTES

### Title/name of the topic to be addressed

#### SECTION I: THE ISSUE

##### **Background** (not exceeding two pages)

- A clear statement of the issue (problem statement); and a quantitative size of the issue if known
- Current international standards for the treatment of the issue, including specific references to the manuals and paragraph or page numbers
- Concerns/shortcomings of the current treatment, if any (on practical as well as methodological grounds)

##### **Issues for Discussion** (not exceeding two pages, excluding annexes)

- Possible alternative treatments/options (clearly distinguishing between those which would require a change in the core framework/concepts from those which would be developed outside the framework)
- Questions/points for discussion

##### **Supplementary Information (in annexes)**

- Including references to other documentation

#### SECTION II: OUTCOMES (not exceeding two pages)

- Recommendation: either
  - (a) to revise: describe the proposed revision, rationale, and practical feasibility; or
  - (b) not to revise: provide arguments in support of the position
- Rejected alternatives, setting out reasons for rejection
- Identify changes required to the current statistical standards
- If relevant, identify in an annex all chapters/paragraphs in the current statistical standards which would need to be updated (with suggested text) to introduce/retain/ensure consistency across statistical domains