

Overview of the Work of the Financial and Payment Systems Task Team

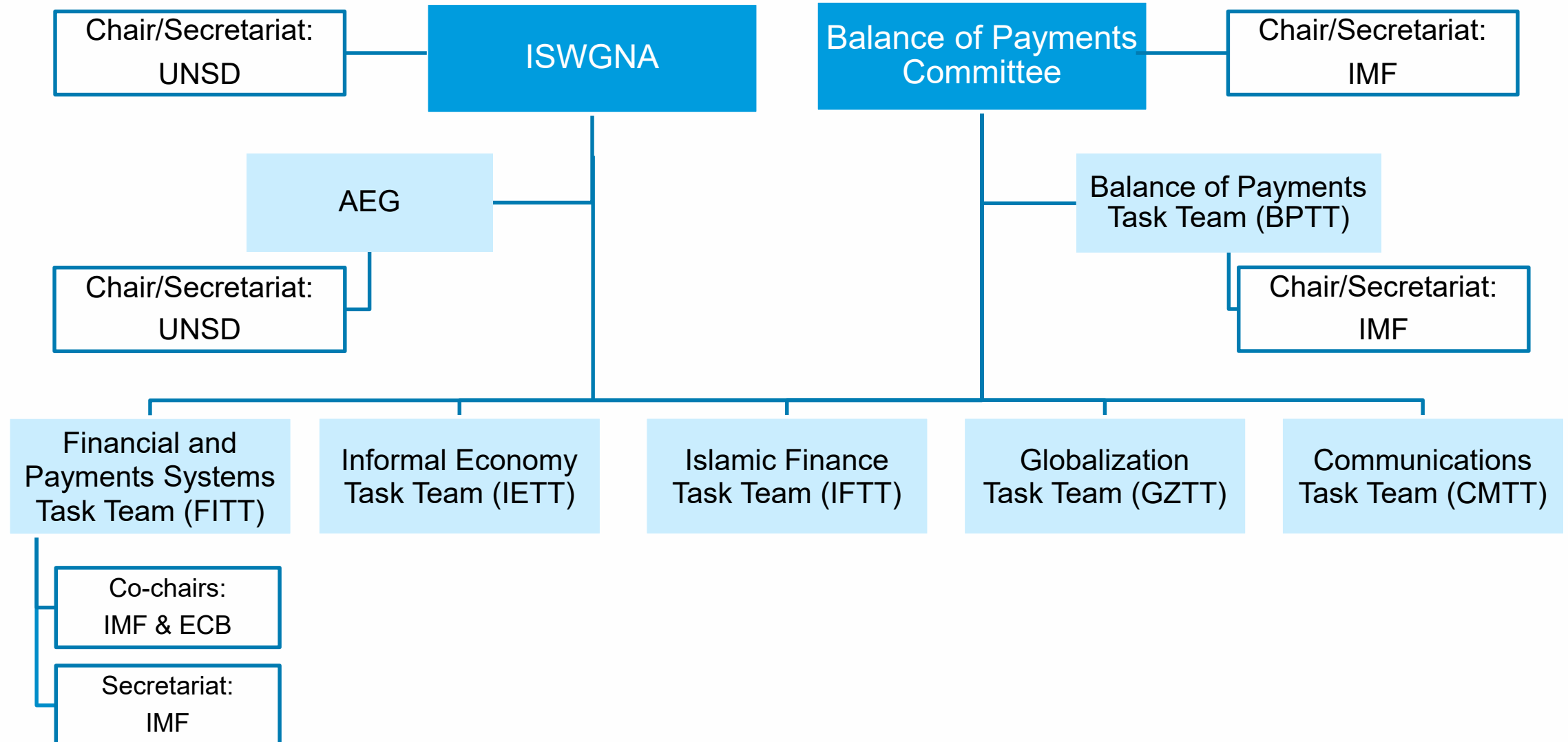
Sixteenth meeting of the Advisory Expert Group
on National Accounts

12-14 July 2021

Outline


- **Overview of FITT Work**
- **Proposed Distribution of GNs**
- **Proposed Timeline for GNs**


BPM7 Joint Task Team



Overview of FITT Work Since February 2021

The FITT is currently assigned 17 research topics (14 were originally assigned) to prepare respective GNs for consideration.

-  The following 4 new topics were introduced, and lead authors and contributors assigned:
 - F.15 “*Debt Concessionality*”
 - F.16 “*Subscription Rights*”
 - F.17 “*Master Risk Participation Agreements*”
 - F.18 “*Crypto Assets*” (joint with the Digitalization Task Team)

-  F.11 “*Treatment of Electricity Forwards*” has been dropped.

Overview of FITT Work Since February 2021

FITT's work plan is being implemented following the agreed time frame and sequence:



GNs endorsed by the Committee and AEG, finalized, and posted on the *BPM6* Update webpage as approved GNs:

- F.3 *“Reverse Transactions”*
- F.5 *“Treatment of Credit Default Swaps,”* and
- F.8 *“Valuation of Debt Securities at Both Market and Nominal Value”*



GNs F.10 *“Treatment of Cash Collateral”*

- Feedback from the Committee and AEG—more work needed with a view for FITT to propose a way forward



GNs presented to this AEG meeting following the public consultation and BOPCOM discussion:

- F.2 *“Asymmetric Treatment of Retained Earnings Between Direct and Portfolio Investment and Potential Extension to Domestic Relationships”*
- F.4 *“Financial Derivatives by Type”*
- F.6 *“Non-bank Financial Intermediation,”* and
- F.16 *“Subscription Rights”*

Proposed Distribution of GNs

October 2020	February 2021	June 2021	October 2021*
F.5 “Treatment of Credit Default Swaps”	F.3 “Reverse Transactions”	F.2 “Asymmetric Treatment of Retained Earnings Between Direct and Portfolio Investment and Potential Extension to Domestic Relationships”	F.1 “More Disaggregated Definition of the Financial Sector and Financial Instruments”
F.8 “Valuation of Debt Securities at both Market and Nominal Value”	F.10 “Treatment of Cash Collateral”	F.4 “Financial Derivatives by Type”	F.7 “Impact of FINTECH and Other Financial Innovations”
		F.6 “Non-bank Financial Intermediation”	F.12 “Covering Hybrid Insurance and Pension Products”
		F.16 “Subscription Rights” <i>(new)</i>	F.13 “Measurement of Margins on Buying and Selling of Financial Instruments”
		<u>By Written Procedure:</u>	F.17 “Master Risk Participation Agreements” <i>(new)</i>
		F.9 “Valuation of Loans (Fair Value)”	F.18 “Crypto Assets” <i>(new)</i>
		F.14 “Treatment of Factoring Transactions”	
		F.15 “Debt Concessionality” <i>(new)</i>	

* possibility of discussing some of the GNs earlier or after the October 2021 meeting via written procedure

Proposed Timeline for GNs due by October 2021

Action	Timeline
	October 2021 Meeting
Draft GN to be ready for FITT review	No later than June 25, 2021
Draft GN to be submitted to AEG/BPTT for review	No later than July 19, 2021
GN to be posted for public consultation	No later than August 16, 2021
GN to be sent to the Committee/AEG	No later than October 11, 2021

Thank you very much for your attention!
Any questions?