

IMF Committee on
Balance of Payments
Statistics

Joint Thirty-Eighth Meeting of the
IMF Committee on Balance of Payments Statistics
and Eighteenth Meeting of the Advisory Expert
Group on National Accounts

Intersecretariat
Working Group on
National Accounts

Remote Meeting
March 7–10, 2022

BOPCOM VM1—22/00
SNA/M1.22/00

Agenda

Monday, March 7, 2022

7:00–10:30 a.m. (EST)

Chair: Louis Marc Ducharme, BOPCOM Chair

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| 7:00–7:15 a.m. | <p>Opening remarks:</p> <p>Louis Marc Ducharme, Director, Statistics Department, IMF, and Chair of the BOPCOM</p> <p>Paul Schreyer, Chief Statistician and Director of Statistics and Data Directorate, and Chair of the ISWGNA</p> <p>Administrative matters: BOPCOM/AEG secretariats</p> <p><i>Proposed time allotment for GNs to be discussed for the first time:</i></p> <ul style="list-style-type: none">• <i>Presentation (presenter): 10 minutes</i>• <i>Discussion (Committee and AEG/ISWGNA members): 30 minutes</i>• <i>Wrap up/Summarizing the outcome of the discussion (Chair): 5 minutes</i> | | |
| Current Account Task Team (CATT) | | | |
| 7:15–8:00 a.m. | 1. Treatment of Travel Packages, Health-Related Travel, and Taxes and Fees on Passenger Tickets (C.7) | <i>CATT Secretariat</i> | <i>Paper for discussion (BOPCOM VM1—22/01 and 22/01.1) (SNA/M1.22/01 and SNA/M1.22/01.1)</i> |
| <p><i>This paper has been subject to global consultation and is being presented for final endorsement. This paper discusses issues related to “travel” and “passenger fares” and proposes amendments for consideration in the next edition of the Balance of Payments and International Investment Position Manual (BPM), but with no radical changes in their treatment. The treatment of package tours, which was originally covered as part of GN C.4 also affects national accounts and is now integrated in this paper. The paper also includes results of a survey conducted by Eurostat of European national accounts and balance of payments compilers to explore in more details the treatment of package tours in the national accounts and balance of payments and the associated data sources.</i></p> | | | |

| Financial and Payment Systems Task Team (FITT) | | | |
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| 8:00–8:45 a.m. | 2. Impact of Fintech and Other Financial Innovations (F.7) | <i>FITT</i> | <i>Paper for discussion (BOPCOM VM1—22/03 and 22/03.1) (SNA/M1.22/03 and SNA/M1.22/03.1)</i> |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. This paper examines the implications, from a statistical point of view, of new financial products, services, technologies, players, and access modes introduced by financial technology. It puts forward recommendations to ensure that Fintech-induced transactions and positions are adequately covered in the next edition of the Balance of Payments and International Investment Position Manual (BPM) and the SNA.</i> | | | |
| 8:45–9:00 a.m. | Break | | |
| 9:00–9:45 a.m. | 3. Debt Concessionality (F.15) | <i>FITT</i> | <i>Paper for discussion (BOPCOM VM1—22/04 and 22/04.1) (SNA/M1.22/04 and SNA/M1.22/04.1)</i> |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. This paper assesses and addresses the valuation and recording of concessional debt in a non-commercial context in the new editions of the BPM and the SNA, as well as all other macroeconomic statistics manuals. It recommends valuation at present value using a discount rate that is more realistic than the contractual rate and provides recommendations for the recording of the transfer element present in concessional lending.</i> | | | |
| 9:45–10:15 a.m. | 4. Asymmetric Treatment of Retained Earnings: Presentation on the Results of Testing (F.2) | <i>IMF</i> | <i>Paper for discussion (BOPCOM VM1—22/05) (SNA/M1.22/05)</i> |
| <i>This paper has been subject to global testing and is being presented for final endorsement. The paper discusses the outcome of the survey conducted to evaluate the practical feasibility of supplemental recording retained earnings (RIE), assess countries' source data availability to compile RIE estimates for portfolio investment and seek countries' interest to participate in the testing exercise. The testing results subsequent to the survey are also integrated.</i> | | | |
| 10:15 a.m. | Close of the day | | |

Tuesday March 8, 2022

7:00–10:00 a.m. (EST)

Chair: Louis Marc Ducharme, BOPCOM Chair and Paul Schreyer, ISWGNA Chair

Chair: Louis Marc Ducharme, BOPCOM Chair

Financial and Payment Systems Task Team (FITT)

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| 7:00–8:00 a.m. | 5. The Recording of Crypto Assets in Macroeconomic Statistics (F.18) | <i>FITT</i> | <i>Paper for discussion (BOPCOM VM1—22/06 and 22/06.1) (SNA/M1.22/06 and SNA/M1.22/06.1)</i> |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. This paper discusses the recording of crypto assets in macroeconomic statistics and presents its classification into three broad categories. While a consensus has been reached that crypto assets with a corresponding liability should be recorded as financial assets, none has yet been reached for those without a corresponding liability, designed to act as a general medium of exchange or as medium of exchange within a platform only. The paper presents four recording options for these specific types of crypto assets highlighting their pros and cons.</i> | | | |

Globalization Task Team (GZTT)

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| 8:00–8:30 a.m. | 6. Treatment of Special Purpose Entities (SPEs) and Residency (G.4) | <i>GZTT</i> | <i>Paper for discussion (BOPCOM VM1—22/08 and 22/08.1) (SNA/M1.22/08 and SNA/M1.22/08.1)</i> |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. The paper analyzes existing materials and examines ways to identify economic and financial flows of SPEs within macroeconomic statistics to better understand their contribution from both the national and international accounts' perspective. The preferred option is leaving the core SNA and BPM framework unchanged but compiling supplemental information on SPEs via an encouraged breakdown of foreign controlled SPEs within the institutional sector accounts for countries for which SPEs are significant. It also introduces the definition of SPEs, aligned and based on the recent work of BOPCOM, for inclusion in the updated manuals.</i> | | | |

8:30–8:45 a.m. **Break**

| Chair: Paul Schreyer, ISWGNA Chair | | | |
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| Globalization Task Team (GZTT) | | | |
| 8:45–9:30 a.m. | 7. Global Value Chains and Trade in Value-Added (G.7) | GZTT | Paper for discussion (BOPCOM VM1—22/07 and 22/07.1) (SNA/M1.22/07 and SNA/M1.22/07.1) |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. The paper analyzes how production fragmentation has deepened the divergence between gross flows, and data on production and final demand but does not recommend any changes to the core SNA and the BPM. It rather supports including a description of global value chains (GVCs) and Trade in Value Added (TiVA) in the next set of manuals as well as developing supplementary information for analysis to help motivate greater uptake. Within the SNA, to better understand GVCs at a global level, the paper favors building (i) TiVA indicators, (ii) GVC satellite account, and (iii) more granularity using the extended supply and use tables (eSUTs). Within the BPM, supplemental cross-border statistics detailed by geography or product have been proposed as part of a reporting template for GVC data collection, as agreed by the IMF’s Committee on Balance of Payments Statistics in 2019.</i> | | | |
| 9:30–10:00 a.m. | 8. Economic Ownership and Recording of Intellectual Property Products (Results of the GC and Final Endorsement) (G.5) | GZTT | Paper for discussion (BOPCOM VM1—22/9 and 22/9.1) (SNA/M1.22/9 and SNA/M1.22/9.1) |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. The paper puts forwards five specific options for recording economic ownership of intellectual property products (IPP), based on the review of existing materials, and past discussions. Adopting the Guide to Measuring Global Production (GMGP) decision tree for the determination of the economic owner of IPP across an MNE group (Option 4) has garnered large support.</i> | | | |

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| 10:00–10:30 a.m. | 9. Payments for “Knowledge-Based Capital” (Results of the GC and final endorsement) (G.9) | GZTT | <i>Paper for discussion</i> (BOPCOM VM1— 22/10 and 22/10.1) (SNA/M1.22/10 and SNA/M1.22/10.1) |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. The paper discusses the guidance for recording transactions related to marketing assets in both BPM6 and 2008 SNA. Two options are raised: (i) revisit the treatment of marketing assets as produced non-financial assets, which was part of the SNA research agenda (2008 SNA, Annex 4), or (ii) maintain the status quo in the treatment but with more appropriate and consistent recordings in both national and international accounts. Preliminary discussion has put forward that the issues raised in the 2008 SNA, paragraph A4.53 have not yet been fully resolved. The global consultation collected information on the extent to which economies still face measurement challenges was queried to understand if this still hindered the capitalization of marketing assets.</i> | | | |
| 10:30 a.m. | Close of the day | | |

Wednesday March 9, 2022

7:00–10:30 a.m. (EST)

Chair: Paul Schreyer, ISWGNA Chair

Financial and Payment Systems Task Team (FITT)

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| 7:00–7:35 a.m. | 10. More Disaggregated Definition of the Financial Sector and Financial Instruments (F.1) | <i>FITT</i> | <i>Paper for discussion (BOPCOM VM1—22/02 and 22/02.1) (SNA/M1.22/02 and SNA/M1.22/02.1)</i> |
| <i>This paper has been subject to global consultation and is being presented for final endorsement. This paper considers more disaggregated breakdowns of institutional sectors and financial instruments to improve the analytical value of the System of National Accounts (SNA) and the external sector statistics (ESS), and to better align these breakdowns with recent developments in the financial industry and markets. It consolidates the recommendations on additional institutional sector and financial instrument breakdowns from several other guidance notes to present them in a comprehensive and holistic manner. This paper also proposes to separately identify nonfinancial corporations from households and nonprofit institutions serving households in other sectors of ESS.</i> | | | |

Communication Task Team (CMTT)

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| 7:35–8:15 a.m. | 11. Terminology and Branding of the Economic Accounting Statistical Standards (Results of the GC and final endorsement) (CM.2) | <i>CMTT</i> | <i>Paper for discussion (BOPCOM VM1—22/12 and 22/12.1) (SNA/M1.22/12 and SNA/M1.22/12.1)</i> |
| <i>This paper has been subject to global consultation, the results and proposed changes to the guidance note are being presented for consensus. The guidance note makes several proposals to harmonize of the terminologies across economic accounting statistical standards, suggests alternative terms and expanded definitions where appropriate, and improves the branding of the economic accounting statistical standards to enhance the comprehension and usability of the statistics and statistical standards.</i> | | | |
| 8:15–8:30 a.m. | Break | | |

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| 8:30–9:00 a.m. | 12. An Assessment Framework to Measure Alignment with the Economic Accounting Statistical Standards (Results of the GC and final endorsement) (CM.1) | CMTT | <i>Paper for discussion (BOPCOM VM1— 22/11 and 22/11.1) (SNA/M1.22/11 and SNA/M1.22/11.1)</i> |
| <i>This paper has been subject to global consultation and the results as well as the proposed changes are being presented for consensus. The paper proposes an alignment framework that countries can use to assess the alignment of their respective statistical programs with the recommendations of economic accounting statistical standards. The framework is structured around the key building blocks of the statistical standards—concepts, accounting rules, methods, classifications, and the recommended accounts and/or tables that should be published.</i> | | | |
| 9:00–9:30 a.m. | 13. A Taxonomy for Communicating Economic Statistics Releases, Products and Product Update (Results of the GC and final endorsement) (CM.3) | CMTT | <i>Paper for discussion (BOPCOM VM1— 22/13 and 22/13.1) (SNA/M1.22/13 and SNA/M1.22/13.1)</i> |
| <i>This paper has been subject to global consultation, the results and proposed changes to the guidance note are being presented for consensus. It presents a set of proposals that national authorities could integrate into their current communication practices on statistical releases, products, and product updates. The adoption of international guidelines on communicating statistical products and releases should assist in the cross-country comparability of statistical releases and provide greater clarity for users.</i> | | | |
| Islamic Finance Task Team (IFTT) | | | |
| 9:30–10:15 a.m. | 14. Islamic finance in the System of National Accounts and External Sector Statistics (Results of the GC and final endorsement) (IF.1) | IFTT | <i>Paper for discussion (BOPCOM VM1— 22/14 and 22/14.1) (SNA/M1.22/14 and SNA/M1.22/14.1)</i> |
| <i>This consolidated paper has been subject to global consultation and is being presented for final endorsement. It proposes recommendations to resolve a number of issues arising from the intrinsic nature of Islamic finance and its specific provisions in the update of the 2008 SNA and BPM6. They relate to (i) classifying Islamic financial instruments underlying the various types of financing arrangements within the SNA and BPM frameworks, (ii) adopting the appropriate terminology to describe investment income for some Islamic financial instruments, (iii) discussing FISIM, (iv) sectorizing and determining how to calculate the output of some entities, which are unique to Islamic finance, (v) determining economic ownership of non-financial assets underlying various sales, equity and leasing arrangements under Islamic finance, and (vi) treating Islamic insurance and reinsurance.</i> | | | |
| 10:15 a.m. | Close of the day | | |

Thursday, March 10, 2022

8:00–9:30 a.m. (EST)

Co-Chairs: Louis Marc Ducharme, BOPCOM Chair, and Paul Schreyer, Chair of ISWGNA

Draft Summary of Discussions

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| 8:00 a.m. | 15. Draft Summary of Discussions of Joint AEG/BOPCOM Session | <i>Paper for discussion</i> (BOPCOM VM1— 22/15) (SNA/M1.22/15) |
| 9:30 a.m. | <i>Close of the day</i> | |

Items for Information:

Documents prepared for information will not be discussed during the meeting. However, they will be part of the official BOPCOM papers and will be posted on the BOPCOM webpage.

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| 1. Progress Report on the Holistic Review of BPM6 Update Priorities | IMF | Report for information (BOPCOM VM1—22/16) |
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This paper presents a brief overview of the progress made on the holistic review of BPM6 update priorities following the Committee's endorsement of the process in November 2021. The paper is for information only and includes an updated timeline. It is now expected that the Committee's discussion of the holistic review will take place in the fall of 2022 instead of June 2022 as previously envisaged to allow more time to complete all the necessary preparatory steps.