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Balance of Payments
Statistics

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For information

Progress Report on the Holistic Review of *BPM6* Update Priorities

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This report presents a brief overview of the progress and next steps for the holistic review of the Balance of Payments and International Investment Position Manual, sixth edition (BPM6) update priorities. This report is for information only and includes an updated timeline. It is now expected that the discussion of the holistic review by the IMF Committee on Balance of Payments Statistics (the Committee) will take place in the fall of 2022 instead of June 2022 as previously envisaged. The new timeline ensures enough time to complete all the necessary preparatory steps, including the preparation of the global survey with compilers and users, as well as for the Committee members to absorb the material prior to the discussion. The next active involvement of Committee members is expected to take place in May 2022 when members will be invited to provide comments on the draft questionnaire on the costs and benefits of the proposed BPM6 changes and additions. This questionnaire will be used for global consultation to collect inputs from both compilers and users of external sector statistics (ESS).

INTRODUCTION

1. **In its October 2021 meeting, the IMF's Committee on Balance of Payments Statistics (the Committee) endorsed the process for the holistic review of the *Balance of Payments and International Investment Position Manual, sixth edition (BPM6)* update priorities.** Committee members agreed to have the discussion of the holistic review at some point after the March 2022 Committee meeting, such that decisions on all remaining guidance notes can be taken prior to this fundamental discussion. Members also agreed to launch a global survey to seek inputs from external sector statistics (ESS) compilers and users on the amendments in the pipeline. In concrete terms, it was agreed that a note with a summary of all proposed amendments will be prepared for the Committee's discussion of the holistic review and will offer a preliminary assessment by dividing the amendments into the following buckets: (i) will be included in *BPM7*, (ii) will remain on the Committee's research agenda for future work (and be mentioned as such in *BPM7*), or (iii) will not be included in *BPM7* and will be removed from the research agenda (but the Committee may possibly request some of these items to be included in other relevant manuals). This report lays out the plans for the next steps of the holistic review, including an updated timeline.

STATUS AND NEXT STEPS

2. **The holistic review of *BPM6* update priorities involves five steps.** The first step is to prepare a summary list of all *BPM6* amendments proposed in reports and clarification notes previously endorsed by the Committee as well as in BPM and joint BPM/System of National Accounts (SNA) Task Teams' guidance notes. The summary list will be divided into additions/changes and clarifications/reaffirmations with an assessment of the expected impact for each amendment. The list will also show if the amendments will trigger new standard or supplementary data requirements.

3. **In the second step, a draft questionnaire for the global survey will be prepared based on the summary list of all proposed amendments.** The draft questionnaire will be sent to the Committee

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members for comments before the survey is launched. Clarifications and reaffirmations will not be part of the global survey because they do not alter the existing framework. However, they will be reflected in *BPM7* and/or the updated *BPM6 Compilation Guide*.

4. **In the third step, ESS compilers and users will be asked to participate in the global survey and provide cost and benefit assessments of additions and changes.** Importantly, this step will require the final version of most (if not all) guidance notes to be available before the survey is launched, since most users and many compilers will not have been directly involved in the update process and will thus require proper background material to understand the proposals they will be asked to evaluate. The questionnaire will contain cost-related questions targeting mostly compilers and benefit-related questions targeting a wider audience of users. Respondents from some institutions may be both compilers and users and therefore in a position to provide inputs on both costs (mostly compilers) and benefits (mostly users). Such an approach would help balance demands from different types of users, which Committee members largely agreed with. As it is not feasible to conduct a comprehensive value-based cost/benefit analysis, respondents will be asked to assess the costs (benefits) on a scale from 1 to 5 with the following interpretation of the categories: 1 = very low costs (benefits), 2 = low costs (benefits), 3 = medium costs (benefits), 4 = high costs (benefits), and 5 = very high costs (benefits).

5. **In the fourth step, the IMF's Statistics Department (STA) will prepare the background material for the Committee discussion of the holistic review.** This background material will include the summary list of all proposed amendments, a summary of the results of the global survey, a preliminary division of the amendments into the three buckets described in paragraph 1, and an annex with the amendments that will be reflected in the updated *BPM6 Compilation Guide*. While the global survey will serve as an important element in the preliminary division of amendments into the three buckets, there will be no predetermined or fixed cutoff scales. This approach ensures sufficient flexibility (e.g., to allow certain amendments to be included if key users find them critical for surveillance or policy purposes, even if they entail relatively high costs). There may also be a lower bar for including new supplementary data requirements compared to standard requirements.

6. **The fifth and final step will be the Committee discussion, which will be based on the prepared background material.** The plan is to provide the material well in advance of the meeting on the holistic review to ensure that Committee members will have sufficient time to absorb the material.

7. **It is now expected that the Committee's discussion will take place in the fall of 2022.** The discussion could either be scheduled as part of the regular Committee meeting or as a separate ad hoc meeting. It was previously envisaged that the discussion could take place in June 2022, but the suggested new timing allows more time to complete all the necessary preparatory steps (see Appendix I).

8. **As mentioned above, the holistic review depends on the finalization of Task Team guidance notes.** While most guidance notes have either been completed or are at an advanced stage of preparation, a number of them still need to go through the final approval to be published on the [IMF's website](#) (see Appendix II). Since Committee members make this final approval, it would place a significant burden on them if all guidance notes were to be pushed through this final approval process in a short period of time. The updated tentative timeline does consider this concern.

9. **A few guidance notes may not be completed before the summer.** In this case, the holistic review could move forward based on the draft guidance notes and the relevant parts of the Summary of

Discussions stating the decisions taken by the Committee. Some SNA Task Team guidance notes may only be completed by end-2022, while they may also have an impact on the *BPM6* update. They would be considered for the holistic review to the extent their outcome may reasonably be anticipated at the time the discussion will be taking place.

Appendix I. Tentative Timeline for the Holistic Review of *BPM6* Update Priorities

Step	Description	Responsible	Target date
1	Prepare summary list of all proposed amendments in Committee-endorsed report and clarification notes as well as approved guidance notes	STA	May 2022
2	Send draft questionnaire for the global survey to Committee members for comments	STA/Committee members	May 2022
3	Launch global survey aimed at ESS compilers and users	STA/ESS compilers and users	June 2022
4	Prepare background material for the discussion of the holistic review (summary of all proposed amendments, summary of the results of the global survey, a preliminary assessment of the amendments, and an annex with the amendments that will be reflected in the updated <i>BPM Compilation Guide</i>) and send it to Committee members	STA	August/ September 2022
5	Discussion of the holistic review	Committee members	Fall 2022

Appendix II. Status of the Approval and Publication of Guidance Notes

Task Team	Total Guidance Notes	Of which: Approved and Published
Balance of Payments Task Team (BPTT)	8	4
Current Account Task Team (CATT)	8	2
Direct Investment Task Team (DITT)	16	4
Financial and Payment Systems Task Team (FITT)*	16	8
Globalization Task Team (GZTT)	8	0
Informal Economy Task Team (IETT)	4	0
Islamic Finance Task Team (IFTT)	6	0
Communications Task Team (CMTT)	5	0
Total	71	18

Notes: "Approved and published" refer to the final approved guidance notes published on the [IMF's website](#). There are two joint CATT/GZTT Guidance Notes, which have been counted as one for each Task Team.

**For FITT, only 6 approved Guidance Notes have been published; remaining two will be posted shortly.*