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For discussion

Outcomes of the Holistic Review Survey of *BPM6* Update Priorities

Outcomes of the Holistic Review Survey of *BPM6* Update Priorities¹

This note presents the outcomes of the global survey of compilers and users of external sector statistics, which was conducted during July–August 2022 as part of the holistic review of the Balance of Payments and International Investment Position Manual, sixth edition (BPM6) update priorities. There was broad participation in the survey, and the responses indicate that there is a solid case for implementing many of the recommended new data breakdowns to meet the needs of core users at reasonable compilation costs. Based on the results, it is proposed to include five out of the six recommended new standard components in BPM7. The sixth recommendation to include a breakdown of financial derivatives by market risk category as a standard component received less support in the survey, and it is therefore proposed to change the breakdown from a standard component to a supplementary item. In addition, it is proposed to drop some recommended supplementary items as the costs are high compared to the benefits. It is also proposed to include in BPM7 all conceptual recommendations that have already been approved by the IMF’s Committee on Balance of Payments Statistics (the Committee). As a way forward, it is proposed 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 for it (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.

INTRODUCTION

- 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.** The review is based on the recommendations included 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 (GNs). Committee members agreed to launch a global survey of compilers and users of external sector statistics (ESS) to seek their inputs on the costs and benefits of these recommendations. The Advisory Expert Group on National Accounts (AEG) has been informed about the holistic review as it is a key objective to achieve full consistency between *BPM7* and the *System of National Accounts 2025 (2025 SNA)*.
- To facilitate the Committee’s decision on the holistic review, the IMF’s Statistics Department (STA) has prepared this discussion note as well as two annexes.** Annex I contains a summary of the survey responses while Annex II includes a summary list of all *BPM6* update recommendations with a preliminary assessment into the following three 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 dropped from the research agenda. When recommendations have been superseded by other GNs or do not entail changes to the *BPM* methodology, they have not been placed in either of these buckets. For each recommendation, the summary list also

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indicates the type, impact, risk, data requests, links to other GNs, and whether it will be included in the *BPM7 Compilation Guide*.

SURVEY RESULTS

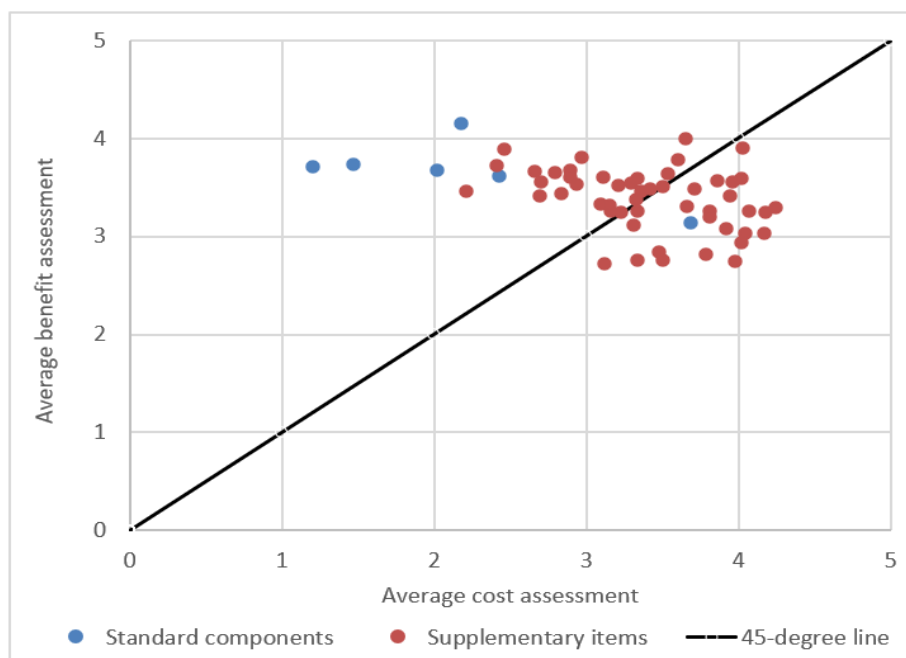
3. **The global survey of ESS compilers and users was conducted during July–August 2022.** A draft copy of the survey had been circulated to members of the Committee and the AEG in advance to ensure that inputs from both the ESS and national account communities were reflected. The survey only included questions about new data breakdowns—both standard components and supplementary items—to focus on the recommendations with the largest expected impact on costs and benefits. ESS compilers were asked to provide cost assessments on a scale from 0 (no costs) to 5 (very high costs), while users were asked to assess the benefits on a similar scale.

4. **There was broad participation in the survey.** The gross total number of responses was 125, which was reduced to a net total of 95 responses after removing duplicate responses and consolidating responses from economies with multiple cost assessments and institutions with multiple benefit assessments. In total, the 95 respondents provided cost assessments for 3,123 items and benefit assessments for 2,201 items. There was broad geographic representation with responses from 71 economies across the world.² Regarding institutional representation, most responses came from central banks, followed by national statistics offices and international organizations. Both compilers and users were well represented with several respondents being both compilers and users.

5. **The results show that users assess the benefits of most recommendations to be relatively high while cost assessments vary more (Figure 1).** In 32 out of 57 cases, the average benefit assessment was higher than the average cost assessment. The cost/benefit assessments indicate that there is a solid case for implementing many of the recommended new data breakdowns to meet the needs of core users at reasonable compilation costs. A comprehensive summary of the survey results is provided in Annex I.

² Europe has the highest representation with responses from 26 economies, followed by Asia & Pacific (12), Western Hemisphere (12), Africa (11), and Middle East & Central Asia (10). See Annex I for additional details.

Figure 1. Average Cost and Benefit Assessments



PRELIMINARY ASSESSMENTS

NEW STANDARD COMPONENTS

6. **There is a high bar for including new standard components in *BPM7*.** Standard components are items that are fully part of the framework and contribute to the totals and balancing items. Since economies are expected to compile these data, they should only be included if the benefits are high, and a critical mass of economies are able to compile the data at reasonable costs.

7. **The survey results show that there is a strong case for including five out of the six recommended new standard components.** The benefit assessments were significantly higher than the cost assessments for the recommendations to split certain service components (GN C.6), add a sectoral breakdown of direct investment (GN D.7), split nonfinancial corporations, and households and nonprofit institutions serving households (GN F.1), and produce an integrated international investment position statement (GN B.4).

8. **The sixth recommendation to include a breakdown of financial derivatives by market risk category as a standard component received less support in the survey.** In particular, the average cost assessment of implementing this recommendation was relatively high. This indicates that it would be difficult for many economies to provide this breakdown—which may be less relevant in economies with less advanced financial markets. **It is therefore proposed to change the breakdown from a standard component to a supplementary item.**

NEW SUPPLEMENTARY ITEMS

9. **The bar for including new supplementary items is lower than for standard components.**

The reason is that supplementary items are outside the standard presentation and may be compiled depending on circumstances in the particular economy, taking into account the interests of policymakers and analysts as well as resource costs. The inclusion of new supplementary items will allow economies with high capacity to move forward according to internationally agreed standards, while economies with lower capacity will have the opportunity to consider these items in their medium to long-term priorities. At the same time, the inclusion of many new supplementary items may overburden compilers, so it is important to balance these tradeoffs and establish an order of priorities.

10. **The survey results are used to guide the preliminary assessment of new supplementary items.** While the cost/benefit assessments are not based on monetary values, they can be used as crude indicators. Recommendations on new supplementary items have been included when the average benefit assessment minus the average cost assessment is not below -0.5. When the benefit-cost score is lower, an individual assessment taking into account other relevant factors has been carried out (see below). The relatively low threshold of -0.5 has been chosen because ESS experts in the Task Teams have gone through the topics in detail and only recommended new supplementary items when they saw clear benefits in doing so.

11. **It is also worth keeping in mind that the implementation of *BPM7* could be a phased approach.** Historically, the international statistical standards have been in place for approximately 15 years, and compilers do not necessarily have to implement all recommendations immediately. *BPM7* could also provide additional guidance to describe under which circumstances it would be particularly relevant to compile certain supplementary items to guide the priorities of national compilers.

Current Account

12. **GN C.1:** The benefit-cost scores for adding supplementary items on constructions (-0.7) and construction services (-0.6) are slightly below the threshold. Yet, it is proposed to include these recommendations in *BPM7* to allow for greater linkages with the national accounts.

13. **GN C.3:** The benefit-cost score for including a breakdown of services by currency is -0.6. Nevertheless, it is proposed to include the recommendation in *BPM7* as the information of currency denomination is critical for some core users, including for the IMF's work on dominant currencies and external adjustment.³

14. **GN C.4:** Despite the relatively low benefit-cost score of -0.9 for adding an item under *net exports of goods* to identify material inputs procured by the principal in a global manufacturing arrangement from third parties and sold to the contractor, it is proposed to include this recommendation due to the increasing importance of such arrangements.

15. **GN C.7:** The benefit-cost score of including travel packages as a supplementary item only falls just below the threshold (-0.6). National accounts compilers have suggested that recording travel

³ For example, see Chapter 2 of the 2019 External Sector Report ([Exchange Rates and External Adjustment](#)); Accompanying Technical Note ([GVCs and Invoice Currencies](#)); or the IMF Staff Discussion Note [Dominant Currencies and External Adjustment](#)

packages as a separate supplementary line in *BPM7* may be useful in the calculation of price statistics. Moreover, some economies already compile this information or could do it at low costs, and therefore it is proposed to include the recommendation in *BPM7*.

Direct Investment

16. **GN D.1:** Most recommendations in this GN have a positive benefit-cost score, but the recommendation to exclude pass-through funds from greenfield direct investment has a score of -0.8. Still, it is proposed to keep it as it may have significant power for certain analyses, and it will only be a small part of the new supplementary items for greenfield direct investment.

17. **GN D.4:** The benefit-cost score for corporate inversions is -0.6, but it is proposed to keep the recommendation. The reason is that, while this issue may not be relevant for many economies, it is highly relevant for some economies where the benefits of having these data will be significant. Moreover, *BPM6* (para. 8.20) already mentions that supplementary data for corporate inversions could be provided without specifying such data further.

18. **GN D.12:** Due to the low benefit-cost score of -1.1, **it is proposed to drop the recommendation to include an “of which: between affiliates” item under financial derivatives.**

Financial and Payment Systems

19. **GN F.2:** Despite a relatively low benefit-cost score of -0.8, it is proposed to keep the recommendation to compile reinvested earnings for portfolio investment as a supplementary item. The rationale is that there is already a push to extend reinvested earnings to all corporations in the next revision round of the international statistical standards as it would be conceptually desirable to have a uniform treatment of income from equity investments. In practical terms, the inclusion of reinvested earnings can have a significant impact as documented in the [2018 External Sector Report](#), and ESS compilers in some economies with important financial centers have already tested estimation strategies and may not have capacity/cost related constraints.

20. **GN F.3:** **It is proposed to drop the recommendation to include reverse transactions by type of (lent/borrowed) assets** as a supplementary item due to the low benefit-cost score of -1.0.

21. **GN F.4:** In addition to the recommendation to change the breakdown of financial derivatives by market category from a standard component to a supplementary item, **it is proposed to drop the breakdown by trading venue** due to the low benefit-cost score of -1.2.

22. **GN F.7:** It is proposed to drop the recommendations to include “of which” categories for fintech companies and instruments since the moderate benefit assessments do not make up for the high-cost scores, leading to benefit-cost scores of -1.0 and -1.1, respectively. However, **since fintech is a developing area, it is proposed to include it on the Committee’s research agenda.**

Globalization

23. **GN G.4:** The survey provides support for a breakdown by special purpose entities (SPEs), but the costs of nationality-based SPE statistics are assessed to be high and has a benefit-cost score of -1.0. Therefore, **it is proposed to drop the recommendation to include nationality-based SPE statistics in *BPM7* and instead let it remain on the research agenda.**

24. **It is proposed to include all recommendations that were not part of the global survey in the BPM7.** This is because these are conceptual recommendations that have already been approved by the Committee, and they will not lead to the inclusion of new standard components or supplementary items. Also, all GNs have gone through global consultations where compilers have had a chance to flag concerns. In addition, complex issues have been subject to testing to ensure the feasibility of including them. Further, the draft annotated outlines of *BPM7* chapters will be posted for global consultation, providing additional opportunity for commenting on various recommendations.

PROPOSED WAY FORWARD

25. **While most recommendations presented in GNs have already been approved by the Committee (and the AEG, where relevant), there are still some pending issues.** Many of the pending issues will mainly have an impact on the 2025 SNA (e.g., GNs from the Digitalization Task Team and the Wellbeing and Sustainability Task Team), although some of them would need to be reflected in *BPM7* to ensure consistency with the national accounts. There may also be a need to reflect SNA updates from guidance provided in [SNA News and Notes](#), [past AEG meetings](#), and other various items in *BPM7*. However, the pending issues are not expected to change the fundamental BPM framework or have a significant impact on the amount of data series to be collected.

26. **It is necessary to decide on the update recommendations to move forward with the drafting of BPM7.** Annotated outlines for several *BPM7* chapters have already been circulated to the Committee (and the AEG, where relevant), noting that the new data collections are contingent on the outcome of the holistic review. However, the decision-making process is complicated by the facts that some GNs are still not finalized, and that no holistic assessment/prioritization has been undertaken by the national accounts community.

27. **To balance these considerations, it is proposed that the Committee make a tentative decision in the October 2022 meeting on the recommendations that have already been agreed upon on an individual basis.** This would 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 for it (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 to ensure that the *BPM7* timetable stays on track.

28. **This note will be shared with the AEG as part of the ongoing close collaboration on the Manual updates.** The AEG will also be informed about the Committee's decision on the holistic review.

Questions for the Committee:

- 1) *Do Committee members agree with the preliminary assessment of the treatment of BPM6 update recommendations?*
- 2) *Do Committee members agree on the proposed way forward?*

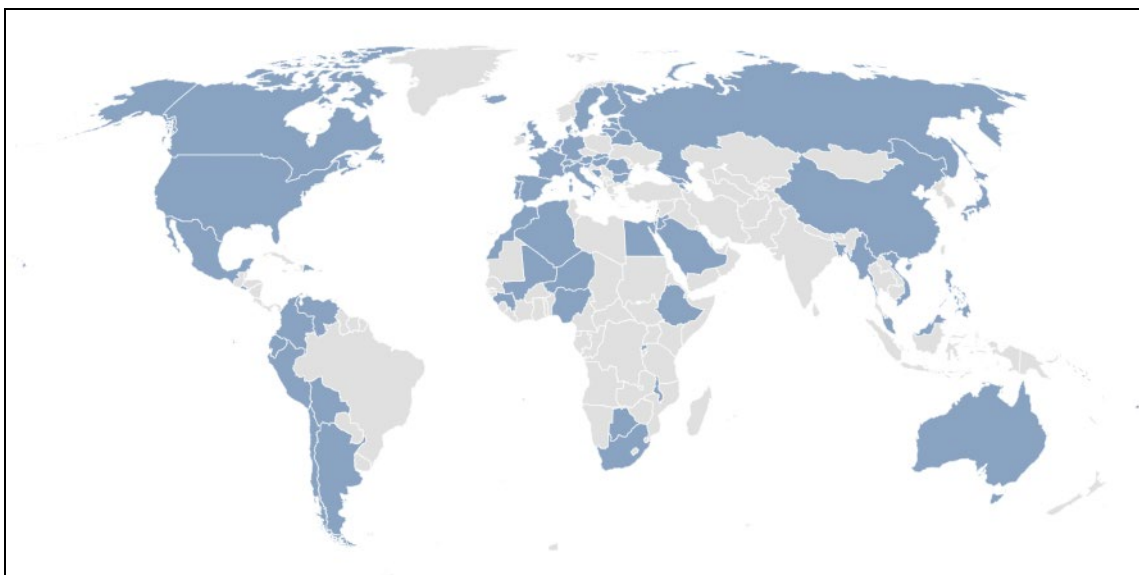
Annex I. Summary of Responses to the Survey for the Holistic Review of *BPM6* Update Priorities

Who Responded to the Survey?

1. The gross total number of responses is 125. However, some responses were sent both through the official system and via email, and duplicate responses have been removed. Moreover, some economies provided multiple cost assessments and some institutions multiple benefit assessments. These responses have been consolidated by taking the average rounded cost/benefit assessment on a scale from 0 (no costs/benefits) to 5 (very high costs/benefits), so that no economy will have more than one cost assessment per question and no institution will have more than one benefit assessment. This reduces the number of responses included in the summary of results to 95. The summary results presented in this note are based on the 95 consolidated responses, representing a total of 3,123 cost assessments and 2,201 benefit assessments.

2. There is broad geographic representation with responses from 71 economies across the world (see Figure 1). Europe has the highest representation with responses from 26 economies, followed by Asia & Pacific (12), Western Hemisphere (12), Africa (11), and Middle East & Central Asia (10). Regarding institutional representation, most responses come from central banks, followed by national statistics offices and international organizations (see Table 1). Both compilers and users are well represented with several respondents being both compilers and users.

Figure 1. Responses by Economy



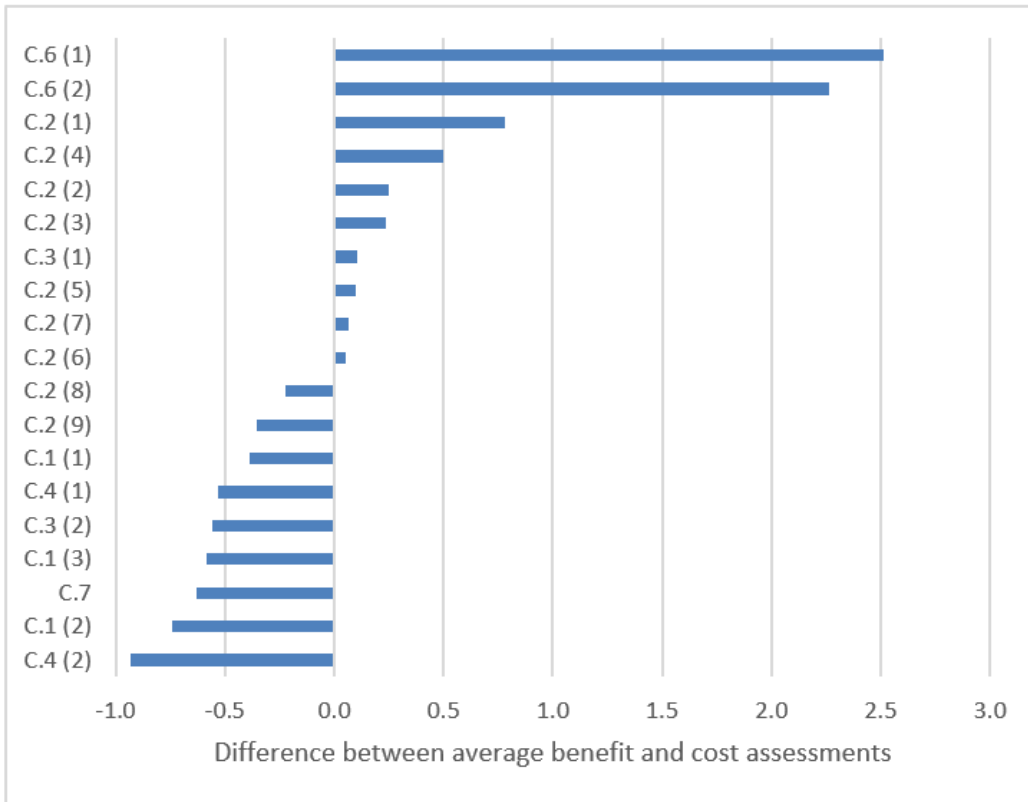
Note: Responses received from the 71 economies shown in blue.

Table 1. Responses by Institution and Role

Institution	Compiler	User	Both Compiler and User	Total
Central bank	33	3	18	54
National statistics office	6	9	3	18
Central bank/national statistics office (for joint responses from compilers)	1	0	9	10
International organization	1	7	2	10
Other public sector institution	0	0	3	3
Total	41	19	35	95

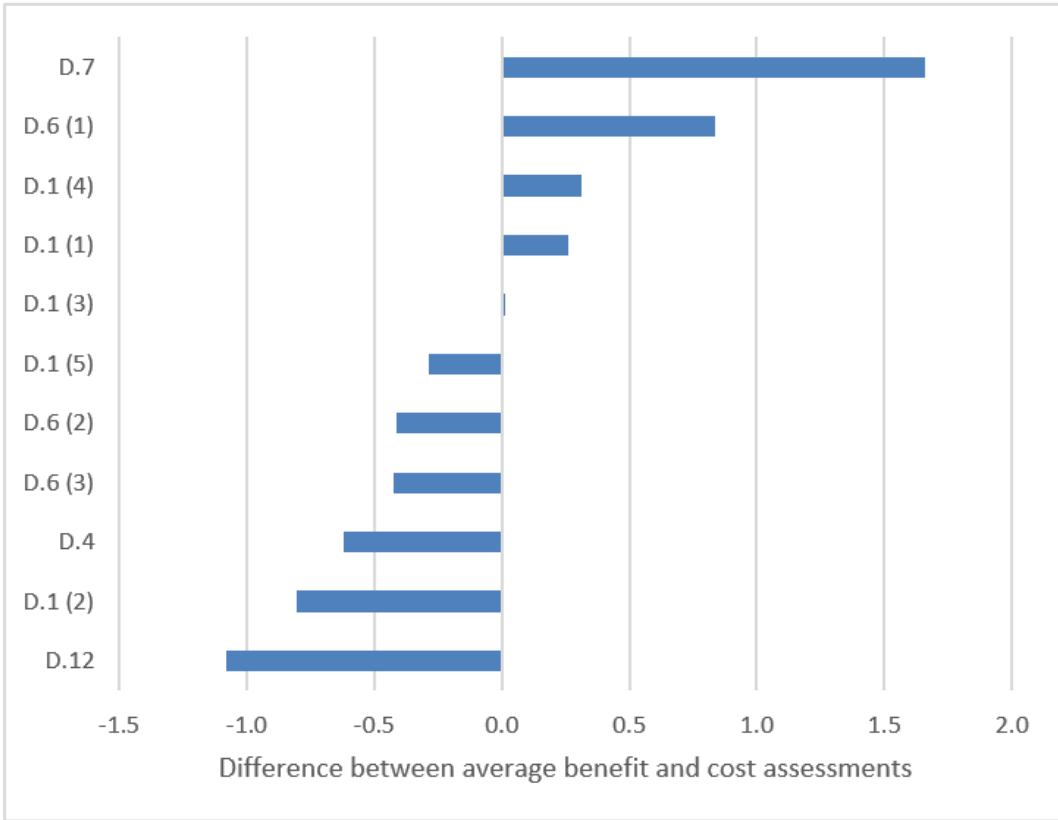
Summary of Responses Related to the Current Account

GN	Description	Type ^{/1}	Benefits ^{/2}	Costs ^{/2}	Difference ^{/3}
C.1	Add <i>personal, cultural, and recreation services (acquired by travelers)</i>	SI	2.7 (44)	3.1 (61)	-0.4
	Add <i>constructions</i>	SI	2.8 (45)	3.5 (60)	-0.7
	Add <i>construction services</i>	SI	2.8 (45)	3.3 (62)	-0.6
C.2	Breakdown of <i>goods trade by industry</i>	SI	3.7 (46)	2.9 (65)	0.8
	Breakdown of <i>goods trade by ownership</i>	SI	3.5 (46)	3.3 (65)	0.3
	Breakdown of <i>goods trade by firm size</i>	SI	3.3 (45)	3.1 (63)	0.2
	Breakdown of <i>services trade by industry</i>	SI	3.6 (46)	3.1 (64)	0.5
	Breakdown of <i>services trade by ownership</i>	SI	3.5 (46)	3.4 (64)	0.1
	Breakdown of <i>services trade by firm size</i>	SI	3.4 (45)	3.3 (62)	0.1
	Breakdown of <i>investment income by industry</i>	SI	3.5 (47)	3.4 (64)	0.1
	Breakdown of <i>investment income by ownership</i>	SI	3.5 (47)	3.7 (62)	-0.2
	Breakdown of <i>investment income by firm size</i>	SI	3.3 (46)	3.7 (62)	-0.4
C.3	Breakdown of <i>goods</i> by currency	SI	3.3 (42)	3.2 (64)	0.1
	Breakdown of <i>services</i> by currency	SI	3.3 (43)	3.8 (64)	-0.6
C.4	Add item under <i>general merchandise</i> to identify trade in goods within a global manufacturing arrangement	SI	3.4 (43)	3.9 (57)	-0.5
	Add item under <i>net exports of goods under merchanting</i> to identify material inputs procured by the principal in a global manufacturing arrangement from third parties and sold to the contractor	SI	3.2 (41)	4.2 (57)	-0.9
C.6	Split <i>telecommunications, computer, and information services</i>	SC	3.7 (42)	1.2 (69)	2.5
	Split <i>other business services</i>	SC	3.7 (42)	1.5 (68)	2.3
C.7	Add <i>travel packages</i>	SI	2.8 (45)	3.5 (61)	-0.6
/1: SC = standard component; SI = supplementary item.					
/2: Shows the average benefit/cost assessments on a scale from 0 (no benefits/costs) to 5 (very high benefits/costs) with the number of responses in brackets.					
/3: Shows the average benefit assessments minus the average cost assessments. The calculations are based on non-rounded averages.					



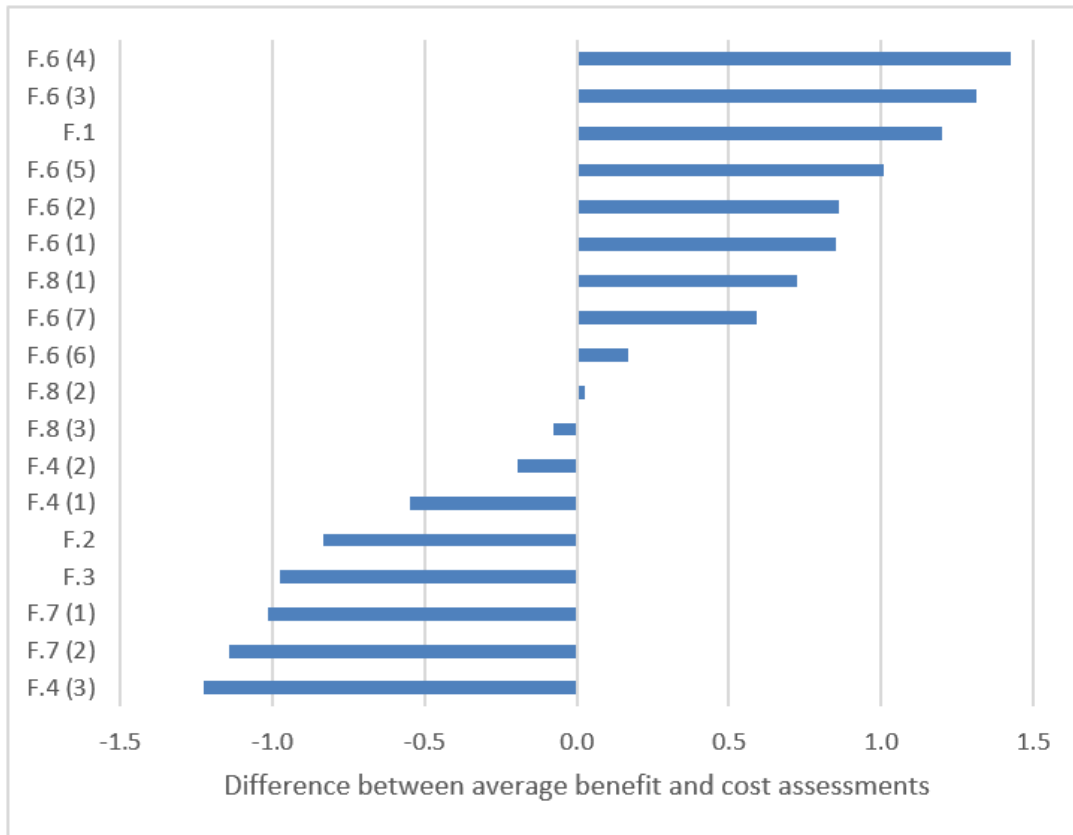
Summary of Responses Related to Direct Investment

GN	Description	Type ¹	Benefits ²	Costs ²	Difference ³
D.1	Greenfield direct investment (DI) (<i>total net inward DI</i>)	SI	3.6 (42)	3.3 (66)	0.3
	Greenfield DI (<i>excluding pass-through funds</i>)	SI	3.3 (38)	4.1 (58)	-0.8
	Greenfield DI (<i>additional information on reinvested earnings</i>)	SI	3.5 (41)	3.5 (64)	0.0
	Greenfield DI (<i>economy of immediate investor</i>)	SI	3.5 (40)	3.2 (62)	0.3
	Greenfield DI (<i>economy of ultimate investor</i>)	SI	3.6 (40)	3.9 (64)	-0.3
D.4	Provide statistics on corporate inversions	SI	3.2 (41)	3.8 (59)	-0.6
D.6	DI statistics by ultimate investing economy	SI	3.8 (41)	3.0 (60)	0.8
	DI statistics that look through SPEs to the first operating unit	SI	3.6 (38)	4.0 (55)	-0.4
	DI statistics identifying pass-through funds	SI	3.6 (37)	4.0 (54)	-0.4
D.7	Sectoral breakdown of DI	SC	3.7 (43)	2.0 (67)	1.7
D.12	Include “of which: between affiliates” item under financial derivatives	SI	2.9 (34)	4.0 (51)	-1.1
<p>/1: SC = standard component; SI = supplementary item.</p> <p>/2: Shows the average benefit/cost assessments on a scale from 0 (no benefits/costs) to 5 (very high benefits/costs) with the number of responses in brackets.</p> <p>/3: Shows the average benefit assessments minus the average cost assessments. The calculations are based on non-rounded averages.</p>					



Summary of Responses Related to Financial and Payments Systems

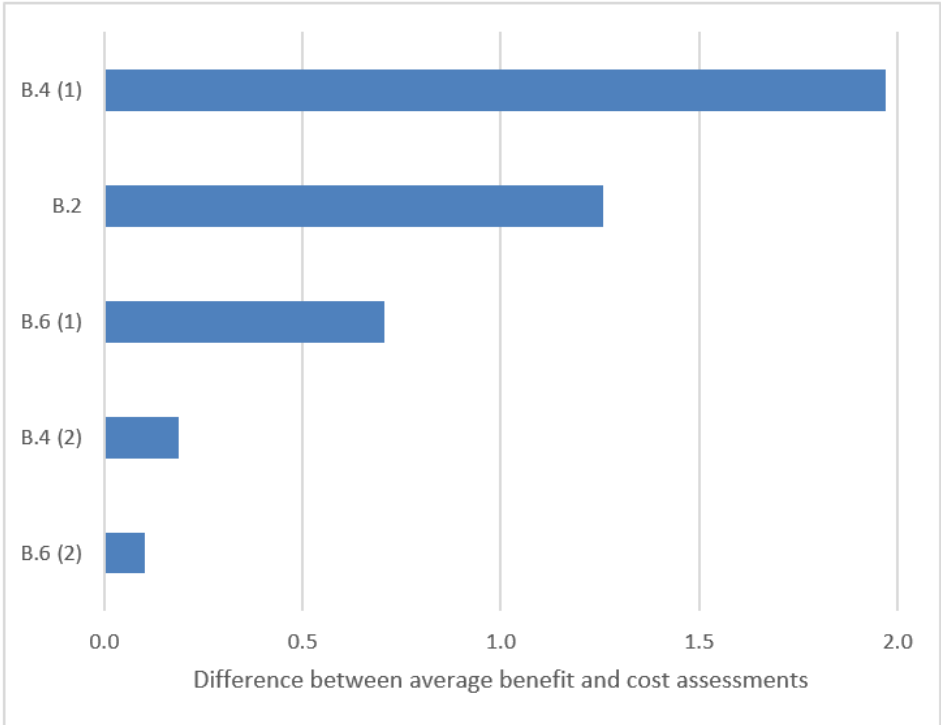
GN	Description	Type ^{/1}	Benefits ^{/2}	Costs ^{/2}	Difference ^{/3}
F.1	Split nonfinancial corporations, and households and nonprofit institutions serving households	SC	3.6 (29)	2.4 (52)	1.2
F.2	Reinvested earnings for portfolio investment	SI	3.1 (36)	3.9 (49)	-0.8
F.3	Reverse transactions by type of (lent/borrowed) assets	SI	2.8 (32)	3.8 (47)	-1.0
F.4	Financial derivatives by <i>market risk category</i>	SC	3.1 (36)	3.7 (48)	-0.5
	Financial derivatives by <i>instrument</i>	SI	3.1 (36)	3.3 (49)	-0.2
	Financial derivatives by <i>trading venue</i>	SI	2.8 (36)	4.0 (46)	-1.2
F.6	Other financial corporations (OFC) breakdown: <i>Money market funds (MMFs)</i>	SI	3.6 (36)	2.7 (51)	0.8
	OFC breakdown: <i>Non-MMF investment funds</i>	SI	3.7 (35)	2.8 (49)	0.9
	OFC breakdown: <i>Insurance corporations</i>	SI	3.7 (36)	2.4 (51)	1.3
	OFC breakdown: <i>Pension funds</i>	SI	3.9 (35)	2.5 (50)	1.4
	OFC breakdown: <i>Other financial intermediaries</i>	SI	3.7 (36)	2.7 (50)	1.0
	OFC breakdown: <i>Other financial intermediaries (of which: central clearing counterparties)</i>	SI	3.3 (34)	3.2 (45)	0.2
	OFC breakdown: <i>Captive financial institutions and money lenders, and financial auxiliaries</i>	SI	3.5 (34)	2.9 (48)	0.6
F.7	Introduce “of which” category for fintech companies within the subsector classification	SI	3.0 (35)	4.0 (47)	-1.0
	Introduce “of which” category for instruments or services classifications where necessary to separate out fintech-related instruments and services	SI	3.0 (35)	4.2 (47)	-1.1
F.8	Debt securities at nominal value	SI	3.4 (36)	2.7 (52)	0.7
	Introduce table to reconcile nominal and market valuation of debt securities liabilities	SI	3.3 (36)	3.2 (49)	0.0
	Direct investment inter-company lending (as supplement to the reconciliation table)	SI	3.3 (35)	3.3 (48)	-0.1
/1: SC = standard component; SI = supplementary item.					
/2: Shows the average benefit/cost assessments on a scale from 0 (no benefits/costs) to 5 (very high benefits/costs) with the number of responses in brackets.					
/3: Shows the average benefit assessments minus the average cost assessments. The calculations are based on non-rounded averages.					



Summary of Responses Related to General Principles, Structural and Cross-Cutting Issues

GN	Description	Type ^{/1}	Benefits ^{/2}	Costs ^{/2}	Difference ^{/3}
B.2	Introduce standardized statistical definition of net international reserve	SI	3.5 (30)	2.2 (43)	1.3
B.4	Produce an integrated international investment position statement	SC	4.2 (33)	2.2 (50)	2.0
	Break down “other changes in volume” into two supplementary “of which” categories—“reclassifications” and “debt cancellation and write offs”	SI	3.8 (33)	3.6 (50)	0.2
B.6	Geographical and industrial sector breakdowns of DI	SI	3.6 (35)	2.9 (47)	0.7
	Introduce “of which” category to identify green bonds	SI	3.6 (33)	3.5 (43)	0.1

/1: SC = standard component; SI = supplementary item.
 /2: Shows the average benefit/cost assessments on a scale from 0 (no benefits/costs) to 5 (very high benefits/costs) with the number of responses in brackets.
 /3: Shows the average benefit assessments minus the average cost assessments. The calculations are based on non-rounded averages.



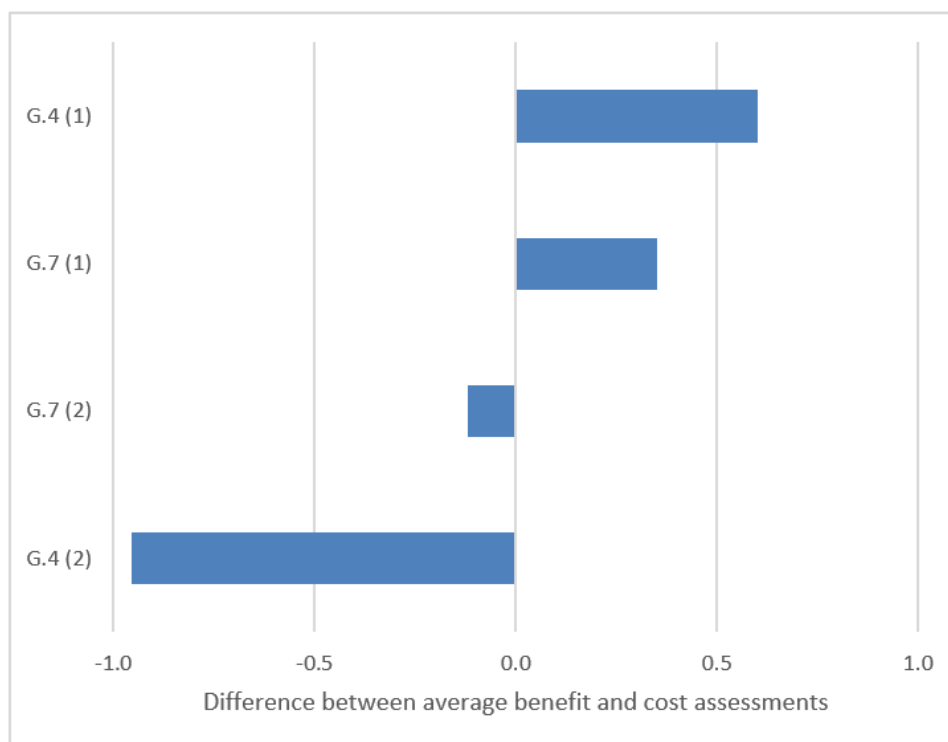
Summary of Responses Related to Globalization

GN	Description	Type ^{/1}	Benefits ^{/2}	Costs ^{/2}	Difference ^{/3}
G.4	Breakdown by special purpose entities (SPEs)	SI	3.4 (32)	2.8 (43)	0.6
	Nationality-based SPE statistics	SI	3.3 (31)	4.2 (41)	-1.0
G.7	Supplementary cross-border statistics detailed by geography	SI	4.0 (33)	3.6 (37)	0.4
	Supplementary cross-border statistics detailed by product	SI	3.9 (32)	4.0 (37)	-0.1

/1: SC = standard component; SI = supplementary item.

/2: Shows the average benefit/cost assessments on a scale from 0 (no benefits/costs) to 5 (very high benefits/costs) with the number of responses in brackets.

/3: Shows the average benefit assessments minus the average cost assessments. The calculations are based on non-rounded averages.



Detailed Summary of Responses to the Survey

CURRENT ACCOUNT

Guidance Note C.1: Recording of Transactor-Based Components of Service (Travel, Construction, and Government Goods and Services Not Included Elsewhere) in the Balance of Payments

The classification of some services in the *Balance of Payments and International Investment Position Manual, sixth edition (BPM6)* differs from the classification in the *2008 System of National Accounts (2008 SNA)* and the Central Product Classification. Specifically, *BPM6* classifies travel, construction, and government goods and services not included elsewhere on a transactor basis (i.e., based on the provider/acquirer rather than the product itself). To support analysis of the consistency between trade data and supply and use tables, this Guidance Note recommends maintaining the transactor-based approach while (i) adding to the **supplementary** reporting under travel in the *BPM6* paragraph 10.95 to include personal, cultural, and recreation services (acquired by travelers) as a distinct item under the other services category; and (ii) introducing **supplementary** reporting under construction services for (a) constructions (e.g., buildings) and (b) construction services.

5a. What is your assessment of the costs associated with implementing the recommendations described above? (Please check one box per row.)

Supplementary data	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Average
Personal, cultural, and recreation services (acquired by travelers)	6	1	9	19	16	10	3.1
Constructions	2	2	7	13	25	11	3.5
Construction services	4	3	7	13	24	11	3.3

5b. What is your assessment of the benefits associated with implementing the recommendations described above? (Please check one box per row.)

Supplementary data	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Personal, cultural, and recreation services (acquired by travelers)	4	6	4	17	10	3	2.7
Constructions	3	5	9	14	11	3	2.8
Construction services	3	5	8	16	10	3	2.8

Guidance Note C.2: Goods, Services, and Investment Income Accounts by Enterprise Characteristics

This Guidance Note recommends the inclusion of **supplementary** data on enterprise characteristics as part of the annual reporting of the current account. Specifically, the Guidance Note recommends annual breakdowns of the goods, services, and investment income accounts by the characteristics of the resident party to the transaction, such as industry, ownership (domestically controlled vs. controlled from abroad/unknown), and firm size (based on employment), to enhance the relevance of the current account for the analysis of globalization.

6a. What is your assessment of the costs associated with implementing the recommendations described above? (Please check one box per row.)

Current account component	Breakdown by:	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Average
Goods trade	Industry	8	1	15	18	12	11	2.9
	Ownership	3	1	9	24	17	11	3.3
	Firm size	7	0	9	21	16	10	3.1
Services trade	Industry	5	1	11	22	15	10	3.1
	Ownership	3	1	8	21	20	11	3.4
	Firm size	2	2	8	22	18	10	3.3
Investment income	Industry	3	0	10	18	20	13	3.4
	Ownership	0	0	7	19	21	15	3.7
	Firm size	1	0	7	19	19	16	3.7

6b. What is your assessment of the benefits associated with implementing the recommendations described above? (Please check one box per row.)

Current account component	Breakdown by:	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Goods trade	Industry	1	1	2	12	22	8	3.7
	Ownership	1	1	4	12	22	6	3.5
	Firm size	2	3	4	9	23	4	3.3
Services trade	Industry	2	1	2	11	22	8	3.6
	Ownership	3	1	3	10	23	6	3.5
	Firm size	1	3	5	10	21	5	3.4
Investment income	Industry	2	2	2	14	19	8	3.5
	Ownership	2	1	3	13	22	6	3.5
	Firm size	2	2	4	15	18	5	3.3

Guidance Note C.3: International Trade Classified by Currency (Including for Trade Linked to Long-term Trade Credits and Advances)

This Guidance Note recognizes the analytical value of the currency composition of international trade and recommends the following:

Recommendation 1 (goods): An annual, **supplementary** (i.e., compiled depending on circumstances in the particular economy) disaggregation of international trade in goods (gross totals of the imports and exports) by the currency of denomination.

Recommendation 2 (services): An annual, **supplementary** disaggregation of international trade in services (gross totals of the imports and exports) by the currency of denomination.

7a. What is your assessment of the costs associated with implementing the recommendations described above? (Please check one box per row.)

Recommendation	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Average
Recommendation 1 (goods broken down by currency)	7	3	9	13	18	14	3.2
Recommendation 2 (services broken down by currency)	5	0	4	10	19	26	3.8

7b. What is your assessment of the benefits associated with implementing the recommendations above? (Please check one box per row.)

Recommendation	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Recommendation 1 (goods broken down by currency)	1	5	2	13	16	5	3.3
Recommendation 2 (services broken down by currency)	1	4	3	14	17	4	3.3

Guidance Note C.4: Merchanting and Factoryless Producers; Clarifying Negative Exports in Merchanting; and Merchanting of Services

This Guidance Note focuses on disentangling the transactions related to global manufacturing arrangements and factoryless goods producers (FGPs—i.e., producers that outsource the manufacturing transformation activities but own the underlying intellectual property products and control the outcome of the production process), as well as merchanting of services. Among other things, the Guidance Note recommends the addition of a **supplementary** item under *General Merchandise* covering goods traded within a global manufacturing arrangement and **supplementary** items under *Net exports of goods* under *Merchanting* covering the material inputs procured by the principal in a global manufacturing arrangement from third parties and sold to the contractor.

8a. What is your assessment of the costs associated with implementing the recommendations above?
(Please check one box per row.)

Data	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Average
Adding supplementary item under <i>General Merchandise</i> to identify trade in goods within a global manufacturing arrangement	1	2	2	11	19	22	3.9
Adding supplementary item under <i>Net exports of goods</i> under <i>Merchanting</i> to identify material inputs procured by the principal in a global manufacturing arrangement from third parties and sold to the contractor	0	2	0	10	19	26	4.2

8b. What is your assessment of the benefits associated with implementing the recommendations above?
 (Please check one box per row.)

Data	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Adding supplementary item under <i>General Merchandise</i> to identify trade in goods within a global manufacturing arrangement	2	3	1	10	23	4	3.4
Adding supplementary item under <i>Net exports of goods</i> under <i>Merchanting</i> to identify material inputs procured by the principal in a global manufacturing arrangement from third parties and sold to the contractor	4	2	2	9	20	4	3.2

Guidance Note C.6: Trade in Services Classifications

Many countries are unable to compile the full *BPM6* classification on international trade in services, and some only produce the first-level breakdown (in other words, the twelve major services categories without additional breakdowns). This limits the usefulness of existing international trade in services statistics for analysis and policymaking. Therefore, this Guidance Note recommends the following:

Recommendation 1 (*telecommunications, computer, and information services*): Split *Telecommunications, computer, and information services* into two **standard**, first-level items: (i) *Telecommunication services* and (ii) *Computer and information services*.

Recommendation 2 (*other business services*): Split *Other business services* into five **standard**, first-level items: (i) *Research and development services*; (ii) *Professional and management consulting services*; (iii) *Trade-related services*; (iv) *Operating leasing services*; and (v) *Technical and other business services*.

9a. What is your assessment of the costs associated with implementing the recommendations above?
(Please check one box per row.)

Recommendation	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Average
Recommendation 1 (Split <i>Telecommunications, computer, and information services</i>)	34	8	11	11	5	0	1.2
Recommendation 2 (Split <i>Other business services</i>)	29	8	9	14	8	0	1.5

9b. What is your assessment of the benefits associated with implementing the recommendations above?
(Please check one box per row.)

Recommendation	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Recommendation 1 (Split <i>Telecommunications, computer, and information services</i>)	0	1	2	13	18	8	3.7
Recommendation 2 (Split <i>Other business services</i>)	0	1	2	12	19	8	3.7

Guidance Note C.7: Treatment of Travel Packages, Health-Related Travel, and Taxes and Fees on Passengers' Tickets

This Guidance Note recommends, among other things, recording travel packages as a separate **supplementary** line in *BPM7*.

10a. What is your assessment of the costs associated with implementing the recommendation (recording travel packages as a separate supplementary line) described above?

3 0 (no costs; already compile these data)

4 1 (very low costs)

6 2 (low costs)

8 3 (moderate costs)

28 4 (high costs)

12 5 (very high costs)

Average: 3.5

10b. What is your assessment of the benefits associated with implementing the recommendation (recording travel packages as a separate supplementary line) described above?

2 0 (no benefits)

4 1 (very low benefits)

8 2 (low benefits)

19 3 (moderate benefits)

9 4 (high benefits)

3 5 (very high benefits)

Average: 2.8

11. Please feel free to elaborate on your responses related to the current account (optional):

General comments:

- Costs will differ across countries, depending on current collection tools, but generally such changes are key to improve analysis of the external sector.
- The costs are very high if we would have to modify the current surveys, or carry out new ones, to comply with the proposed disaggregation (this comment applies mainly to the case of services).
- Since we have full consistency with the national accounts, it will be important that cross-cutting issues, such as the treatment of travel packages, are fully coordinated with the national accounts, and thus the SNA (and for our purpose the ESA as well).
- Even if data are available from the Statistical Office, new data reception, compilation, and reporting by new entities implicate high costs and IT developments.
- We welcome the effort to launch this consultation, which will provide valuable information for the preparation of the BPM7 drafting. At the same time, we see the relevance of undertaking a similar exercise in due time to cover other GNs that are not included here because a conclusion has not yet been reached on the specific dataset to require. Moreover, we think that this exercise should be applied to other GNs that even though might not entail substantial data requirements they refer to controversial issues where information on benefits, together with costs, would help take an appropriate decision. We also suggest that the holistic review that will be based on this survey -and possible extensions- is undertaken jointly with the national accounts community, so that the objective of achieving full consistency between the (digital) manuals, with identical texts where appropriate, is ensured.
- In the current account, it is convenient to have the openings indicated (such as new breakdowns) both in goods, services and investment, for the preparation of the Supply and Use Tables with the purpose of better and more accurately considering the impacts of globalization

Comments related to specific Guidance Notes (GNs):

- GN C.1
 - Would require the alternative presentation in travel as standard presentation with further detail and especially further details in the services questionnaire. Therefore, the costs would be high, and we do not see respective data needs.
- GN C.2
 - Enterprise characteristics are not part of BPM methodology but are enterprise statistics. For goods, data by enterprise are not available to the BoP compiler in our country, they are part of Merchandise Statistics, and the Goods Account cannot be broken down to the enterprise level. Portfolio investment income relies on the sec-by-sec data model, which is designed for BoP purposes. To transfer results to the enterprise level will be highly resource intensive.
 - Our trade statistics have undergone major redevelopment in recent year, so most elements are currently available. There would be high costs involved in developing the breakdowns for investment income for both the central bank and statistical office. Investment income is presented by functional category and broken down by sector. The sector breakdown goes some way to providing an industry break down already. Overall, we do not see the benefits of such breakdowns.
- GN C.3
 - Data by currency are not available for the goods account but only for Merchandise Statistics. Data by currency for the services account are relevant for Central Banks but require in-depth data analysis and high compilation costs.
- GN C.4
 - Information on goods within global manufacturing arrangements are already included in our BoP. They are compiled from I/O analysis and require in-depth data analysis. We do not think that

merchanting can or should be interfered with inputs in global manufacturing arrangements as merchanting does not involve any production arrangements, but the goods are rather traded without any changes in product.

- This GN recommends not only the addition of supplementary items stated in this survey but also a change of item under which FGP-type transactions should be recorded -- from "net exports of goods under merchanting" (i.e., net recording of sales minus acquisition) to "general merchandise" (i.e., gross recording of exports and imports). Transactions that may be classified as FGP-type transactions as defined in the GN are often conducted not only by so-called FGPs but also by traditional manufacturers. A change in the recording of merchanting transactions by traditional manufacturers from current "net" to proposed "gross" recording would involve a significant cost and would substantially increase both exports and imports to cause a break in time-series data. Besides, even if transactions solely by so-called FGPs -- not including the traditional manufactures-- should be recognized as "FGP-type transactions," it would be rather costly to distinguish such transactions and to collect relevant data.
- GN C.7
 - The compilation of travel packages is one of the most challenging issues in the services account. It is difficult to disentangle the single components and to attribute them to the various services items. It is also difficult to get hold of the correct counterpart countries, which are sometime even unknown to the respondents. As there is no single counterpart in travel packages and as they also may include resident-to-resident transactions, an "of which" position in BoP can only be stated globally.
 - For the time being, NA treats travel packages as a single product as foreseen by SNA. In case of revision of BPM7/SNA rules, it is possible to implement the new provisions with low costs.
 - Skimming this GN, the benefits of recording travel packages as a separate supplementary line were not very clear.

DIRECT INVESTMENT

Guidance Note D.1: Greenfield Investment and Extension of Capacity

This Guidance Note recommends including guidance on the definition and collection of data on greenfield investment and extension of capacity. *Definition:* A broader definition of greenfield direct investment (DI) is proposed: greenfield DI is both investment in new direct investment enterprises (DIEs) (narrow definition) and new capital injections/extension of capacity (broader definition) into existing DIEs.

Collection of Data: Compilers would be encouraged to collect information on inward greenfield investments and extension of capacity as part of DI transactions. This will be as a **supplementary** series under DI and compiled using “the transactions approach,” i.e., breaking down DI transactions by their type (M&As; greenfield investment; extension of capacity; and a residual category that includes financial restructuring). Countries should collect these data for both equity and debt instruments, and exclude the “pass-through” funds, if possible. The recording should be on net inward DI. Greenfield investment and extension of capacity statistics should ideally collect breakdowns by industry of the DIE as well as geographical breakdown of the (ultimate) investor to deepen our understanding of these investments. Compilers should also provide additional information on reinvested earnings (RIE), i.e., the net income of direct investment enterprises that has not been distributed to direct investors in the form of dividends, if possible.

12a. What is your assessment of the costs associated with compiling supplementary statistics on greenfield DI transactions as described above? (Please check one box per row.)

Supplementary statistics on greenfield DI transactions	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Total net inward DI	5	1	7	17	26	10	3.3
Excluding pass-through funds	0	2	2	8	24	22	4.1
Additional information on reinvested earnings	4	2	6	14	22	16	3.5
Economy of immediate investor	7	2	7	15	17	14	3.2
Economy of ultimate investor	1	1	4	14	24	20	3.9

12b. What is your assessment of the benefits associated with supplementary statistics on greenfield DI transactions as described above? (Please check one box per row.)

Supplementary statistics on greenfield DI transactions	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Total net inward DI	3	1	2	8	18	10	3.6
Excluding pass-through funds	3	2	4	8	15	6	3.3
Additional information on reinvested earnings	3	1	3	9	15	10	3.5
Economy of immediate investor	3	1	2	8	18	8	3.5
Economy of ultimate investor	3	1	1	10	15	10	3.6

Guidance Note D.4: Corporate Inversions

This Guidance Note recommends including in *BPM7* (i) a taxonomy of the most usual cases of corporate actions that involve inversions as well as other forms of restructuring with similar economic effects; (ii) the official definition of corporate inversion as: “*A corporate inversion describes the corporate restructuring of a transnational enterprise group such that the original parent company in one economy that is the ultimate parent of the corporate group becomes a subsidiary of the new parent in another economy. In addition, ownership of a group of enterprises may be shifted to the new parent company*”; and (iii) strengthening the current guidance on compiling **supplementary** statistics covering transactions, positions and income of corporate inversions for economies where they are relevant.

13a. What is your assessment of the costs associated with providing supplementary statistics for corporate inversions?

1 0 (no costs; already compile these data)

1 1 (very low costs)

3 2 (low costs)

13 3 (moderate costs)

26 4 (high costs)

15 5 (very high costs)

Average: 3.8

13b. What is your assessment of the benefits associated with providing supplementary statistics for corporate inversions?

1 0 (no benefits)

3 1 (very low benefits)

2 2 (low benefits)

18 3 (moderate benefits)

15 4 (high benefits)

2 5 (very high benefits)

Average: 3.2

Guidance Note D.6: Ultimate Investing Economy/Ultimate Host Economy and Pass-through Funds

Complex financing and ownership structures of multinational enterprises can mask ultimate ownership links and “inflate” DI transactions and positions as each flow into and out of each economy is counted even if the funds, or income, is just passing through. This Guidance Note recommends the following:

Recommendation 1 (*ultimate investing economy (UIE)*): (i) Define the UIE based on control of the group to align with the approach used for statistics on multinational enterprises (i.e., the “Winner Takes All”); and (ii) develop a **supplementary** presentation of DI statistics by UIE.

Recommendation 2 (*ultimate host economy (UHE)*): Develop a **supplementary** presentation of DI statistics that looks through special purpose entities (SPEs) to the first operating unit as a first step in presenting DI statistics by UHE.

Recommendation 3 (*pass-through funds*): (i) Streamline the definition of pass-through funds; and (ii) develop a **supplementary** presentation of DI statistics with identification of pass-through funds based on the residency of the ultimate investor.

14a. What is your assessment of the costs associated with implementing the recommendations above? (Please check one box per row.)

Recommendation	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Recommendation 1 (supplementary presentation of DI statistics by UIE)	8	5	8	11	16	12	3.0
Recommendation 2 (supplementary presentation of DI statistics that looks through SPEs to the first operating unit)	1	4	2	7	16	25	4.0
Recommendation 3 (supplementary presentation of DI statistics identifying pass-through funds)	0	2	2	10	19	21	4.0

14b. What is your assessment of the benefits associated with implementing the recommendations above? (Please check one box per row.)

Recommendation	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Ave- rage
Recommendation 1 (supplementary presentation of DI statistics by UIE)	1	1	1	6	25	7	3.8
Recommendation 2 (supplementary presentation of DI statistics that looks through SPEs to the first operating unit)	2	1	1	9	20	5	3.6
Recommendation 3 (supplementary presentation of DI statistics identifying pass-through funds)	2	0	1	10	19	5	3.6

Guidance Note D.7: Sectoral Breakdown of Direct Investment

DI is currently the only functional category, for which the financial instruments are not presented by resident institutional sector. This Guidance Note recommends implementing a sectoral breakdown of DI (central bank; deposit-taking corporations, except the central bank; general government; other financial corporations; nonfinancial corporations; households, and nonprofit institutions serving households) as part of the **standard** presentation in the balance of payments and the international investment position (IIP). This sectoral breakdown will be for both equity and debt instruments, and, for the total equity investment, this breakdown is applied to reinvestment of earnings as well. This change will be implemented maintaining the *BPM6* standard components used to derive the directional values within DI to support the reconciliation of DI statistics to directional principle as memorandum items.

15a. What is your assessment of the costs associated with incorporating a sectoral breakdown of DI?

13 0 (no costs; already compile these data)

14 1 (very low costs)

14 2 (low costs)

17 3 (moderate costs)

3 4 (high costs)

6 5 (very high costs)

Average: 2.0

15b. What is your assessment of the benefits associated with incorporating a sectoral breakdown of DI?

0 0 (no benefits)

0 1 (very low benefits)

6 2 (low benefits)

11 3 (moderate benefits)

17 4 (high benefits)

9 5 (very high benefits)

Average: 3.7

Guidance Note D.12: Including Intra-Concern [Between Affiliates] Derivatives in Direct Investment

Currently, with the exception of financial derivatives associated with the official reserve asset management, all others are included in the separate functional category *financial derivatives* within the balance of payments and IIP. This Guidance Note recommends that intra-concern derivatives continue to be reported in the *financial derivatives* functional category but that a **supplementary** “of which: between affiliates” item be added so that intra-concern financial derivatives can be separately identified.

16a. What is your assessment of the costs associated with providing a supplementary “of which: between affiliates” item under *financial derivatives*?

1 0 (no costs; already compile these data)

1 1 (very low costs)

4 2 (low costs)

6 3 (moderate costs)

17 4 (high costs)

22 5 (very high costs)

Average: 4.0

16b. What is your assessment of the benefits associated with having a supplementary “of which: between affiliates” item under *financial derivatives*?

2 0 (no benefits)

3 1 (very low benefits)

5 2 (low benefits)

10 3 (moderate benefits)

13 4 (high benefits)

1 5 (very high benefits)

Average: 2.9

17. Please feel free to elaborate on your responses related to direct investment (optional):

General comments:

- In general, the new data requests regarding FDI are quite manifold. Therefore, a prioritization in implementing the new methodologies and presentations is necessary. Furthermore, international guidance is needed so that approaches are harmonized between respondents. Otherwise, asymmetries will rise. Additionally, for some new data requests, data sources are not yet available or are in a testing phase (derivatives). Therefore, an assessment of costs is only preliminary. This is especially the case for financial derivatives. Here the foremost task should be to develop the compilation of the standard presentation in BoP further before new data requests are raised.
- It is important to include breakdowns to identify the new gross capital formation originated by direct investment; as well as the investments made through the different subsidiaries of the parent company, identifying the countries from which these investments are made.
- The data on FDI come from the foreign private capital survey (annual and quarterly surveys). The new data requirements will require some adjustments to survey questionnaires. Capacity building to the enumerators will also be necessary.
- In all cases, where micro data is needed and not readily available from alternative sources, the costs of implementation are usually very high. Changing a survey (e.g., for direct investment) and implementing all changes afterwards in the synthesis process is according to our experience a long and costly process.
- We certainly understand the importance of further breakdown of DI statistics for better understanding and policy analysis. However, we would like to mention that data availability and response burden should be seriously considered as well.

Comments related to specific Guidance Notes (GNs):

- GN D.1
 - While recording greenfield investment and extension of capacity on net inward DI is recommended, I think gross basis data are more useful than net basis data. As net basis data record capital injection for greenfield investment minus withdrawals of investment, we cannot observe the amount of greenfield investment flow into the invested economy. Thus, greenfield investment should be recorded on gross basis.
 - Greenfield investment and extension of capacity is a breakdown data of equity investment, and an additional breakdown by economy of investor will induce confidentiality problems.
 - Producing greenfield FDI estimates using the transactions approach would require a whole new survey to collect details on transactions per affiliate rather than the consolidated information collected at present. The increase in response burden on respondents would likely be prohibitive. We have tried collecting this information directly using new questions on the current survey, but less than 5% of respondents answered the questions.
 - Shifting our greenfield statistics from the capital approach to the transactions approach would be very costly and result in decreased utility for data users. We currently publish greenfield DI by both immediate and ultimate investor according to the capital approach.
 - The idea of breaking down FDI flows into "M&As", "greenfield investment", "extension of capital" and "restructurings" is rather popular among analysts. However, these concepts, as they are currently defined, are not necessarily very operational in official statistics. For example, distinguishing "greenfield" from "extensions of capital" is often difficult in practice. Also, their analytical relevance is somewhat obscure. Likewise, the distinction between intra-group restructurings and M&As can be analytically obscure, since the former are often carried out through intra-group merger(s) and/or acquisition(s). On the other hand, it would be analytically very useful to be able to segregate between M&A-related FDI transactions (i.e., transactions that take place between an acquirer/receiver and a seller/transferor of assets in DI enterprises) from

genuine capital injections/withdrawals in/from the target DI enterprise (i.e., transaction where the DI enterprise is the actual counterpart).

- GN D.4
 - Corporate inversions: The benefit would be high if corporate inversions are important in the reporting economy.
- GN D.6
 - Regarding the recommendation on the look through SPEs to the first operating unit, we have put N/A since we think it is not a matter of higher or lower cost. It is an issue that exceeds the national compiler since an action at the international level of coordination, data sharing and implementation of the use of the LEI as an identifier of the agents would be necessary.
 - We currently use the proportional method for determining the UBO (UIE) in the BOP DI statistics. This method is described in D.6 as the conceptually more accurate approach. The Winner-Takes-All approach was recommended for pragmatic reasons given that it is easier to implement. Switching methods would be very costly and result in less accurate statistics.
- GN D.7
 - Sectoral breakdown: We can produce these results internally, so costs would come from updating internal reporting systems, adapting output tables and systems to complete reporting templates. See less benefit to providing the sectoral breakdown for DI because the majority is in private non-financial corporations.
 - Refining sectoral categorization to distinguish public enterprises from private enterprises would be very helpful.
- GN D.12
 - DI intra-concern derivatives: We collect consolidated results by country and industry for non-MFIs, so intra-concern derivatives would be included in the reported values without being able to identify them separately. FDI information on MFIs is collected by our central bank and consolidated in their reported values for FDI statistics. It is also unclear what benefit external users would gain from having intra-concern derivatives as a supplementary series.
 - The GN on this item says that it is beneficial to separate between affiliates derivatives in DI because they may behave atypically, and they may differ from market terms. However, summing all these between affiliates derivatives together (where they could be very different from one another) and presenting them in one line under financial derivatives, while beneficial, does not completely address the concern discussed in the GN.

Guidance Note F.1: More Disaggregated Institutional Sector and Financial Instrument Breakdowns

More disaggregated breakdowns of institutional sectors need to be considered to improve the analytical value of external sector statistics. This Guidance Note recommends splitting nonfinancial corporations, and households and nonprofit institutions serving households (NPISH) into two separate **standard** components. Currently, these institutional sectors are aggregated into one as a standard component in *BPM6*, which does not allow separating cross-border positions and flows of resident corporations from those of households and NPISHs.

18a. What is your assessment of the costs associated with splitting nonfinancial corporations, and households & NPISH?

11 0 (no costs; already compile these data)

6 1 (very low costs)

6 2 (low costs)

15 3 (moderate costs)

7 4 (high costs)

7 5 (very high costs)

Average: 2.4

18b. What is your assessment of the benefits associated with splitting nonfinancial corporations, and households & NPISH?

0 0 (no benefits)

0 1 (very low benefits)

2 2 (low benefits)

10 3 (moderate benefits)

14 4 (high benefits)

3 5 (very high benefits)

Average: 3.6

Guidance Note F.2: Asymmetric Treatment of Retained Earnings

Retained earnings of direct investment (DI) enterprises are considered in the international statistical standards as being remitted to the direct investors and reinvested by them. The corresponding income flows are called “reinvested earnings” (RIE). The treatment of retained earnings as RIE is circumscribed to DI and does not extend to cross-border portfolio investment or to domestic equity relationships, which induces asymmetries in the reflection of corporate profits in official statistics and might be seen as giving rise to issues of interpretability and comparability of macroeconomic indicators. This Guidance Note concludes that while there might be a conceptual preference for the extension of RIE to all equity investments, there would be practical challenges. Therefore, this Guidance Note recommends keeping the core balance of payments accounts unchanged. The Guidance Note also recommends adding **supplementary** information on portfolio investment RIE.

19a. What is your assessment of the costs associated with providing supplementary information on portfolio investment RIE?

0 0 (no costs; already compile these data)

2 1 (very low costs)

3 2 (low costs)

11 3 (moderate costs)

14 4 (high costs)

19 5 (very high costs)

Average: 3.9

19b. What is your assessment of the benefits associated with receiving supplementary information on portfolio investment RIE?

2 0 (no benefits)

4 1 (very low benefits)

4 2 (low benefits)

9 3 (moderate benefits)

13 4 (high benefits)

4 5 (very high benefits)

Average: 3.1

Guidance Note F.3: Reverse Transactions

This Guidance Note recommends that the *BPM7* discuss the usefulness of separate identification of repo-related transactions and positions and encourages economies engaged in reverse transactions to prepare **supplementary** information on such transactions (e.g., by type of assets under reverse transactions (cash, securities, or other) and the role of assets in reverse transactions (provided/lent vs. received/borrowed)).

20a. What is your assessment of the costs associated with providing supplementary information on reverse transactions by type of (lent/borrowed) assets?

1 0 (no costs; already compile these data)

1 1 (very low costs)

3 2 (low costs)

9 3 (moderate costs)

21 4 (high costs)

12 5 (very high costs)

Average: 3.8

20b. What is your assessment of the benefits associated with receiving supplementary information on reverse transactions by type of (lent/borrowed) assets?

2 0 (no benefits)

3 1 (very low benefits)

4 2 (low benefits)

15 3 (moderate benefits)

6 4 (high benefits)

2 5 (very high benefits)

Average: 2.8

Guidance Note F.4: Financial Derivatives by Type

This Guidance Note recommends discontinuing the current breakdown of financial derivatives by broad type (i.e., options and forward-type contracts) in favor of more analytically useful classifications. The following classifications should be introduced: (a) by market risk category (foreign exchange; single-currency interest rate; equity; commodity; credit; others), (b) by instrument (options; forwards and related instruments; futures; swaps; credit derivatives; marketable employee stock options and other instruments), and (c) by trading venue (exchange traded; over the counter (cleared); over the counter (not cleared)). Classification (a) is a **standard** component while both (b) and (c) are **supplementary** items but to be listed in the list of standard components and selected supplementary items/presentation tables.

21a. What is your assessment of the costs associated with implementing the recommendations described above? (Please check one box per row.)

Breakdown by:	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Market risk category (standard component)	2	1	3	13	14	15	3.7
Instrument (supplementary)	4	2	8	7	17	11	3.3
Trading venue (supplementary)	1	1	2	9	14	19	4.0

21b. What is your assessment of the benefits associated with implementing the recommendations described above? (Please check one box per row.)

Breakdown by:	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Ave- rage
Market risk category (standard component)	3	1	4	12	12	4	3.1
Instrument (supplementary)	3	1	4	12	13	3	3.1
Trading venue (supplementary)	4	1	7	15	6	3	2.8

Guidance Note F.6: Capturing Non-Bank Financial Intermediation in the System of National Accounts and the External Sector Statistics

This Guidance Note recognizes the analytical value of collecting additional information on non-bank financial intermediation and recommends introducing further breakdowns of the subsector Other Financial Corporations (OFCs) as **supplementary** items to better capture non-bank financial intermediation. The OFC breakdown would include (i) money market funds (MMFs); (ii) non-MMF investment funds; (iii) insurance corporations; (iv) pension funds; (v) other financial intermediaries (of which: central clearing counterparties); and (vi) captive financial institutions and money lenders, and financial auxiliaries.

22a. What is your assessment of the costs associated with providing further supplementary breakdowns of OFCs as described above? (Please check one box per row.)

Data	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Money market funds (MMFs)	12	3	5	10	10	11	2.7
Non-MMF investment funds	11	2	6	8	11	11	2.8
Insurance corporations	10	5	9	15	5	7	2.4
Pension funds	8	5	12	13	5	7	2.5
Other financial intermediaries	11	2	9	10	7	11	2.7
Other financial intermediaries (of which: central clearing counterparties)	5	2	8	9	8	13	3.2
Captive financial institutions and money lenders, and financial auxiliaries	8	2	8	8	11	11	2.9

22b. What is your assessment of the benefits associated with having further supplementary breakdowns of OFCs as described above? (Please check one box per row.)

Data	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Ave- rage
Money market funds (MMFs)	1	2	3	9	12	9	3.6
Non-MMF investment funds	0	1	4	10	11	9	3.7
Insurance corporations	1	2	1	7	16	9	3.7
Pension funds	0	1	2	7	15	10	3.9
Other financial intermediaries	1	1	2	10	13	9	3.7
Other financial intermediaries (of which: central clearing counterparties)	0	4	4	10	9	7	3.3
Captive financial institutions and money lenders, and financial auxiliaries	0	2	4	10	10	8	3.5

Guidance Note F.7: Impact of Fintech on Macroeconomic Statistics

This Guidance Note finds that existing international statistical standards allow for proper treatment and recording of fintech companies and fintech related activities (not only financial transactions but also provision of services) in most cases. Therefore, the Guidance Note recommends introducing a **supplementary** “of which” category for fintech companies within the subsector classification if a country has a strong need to separately identify them. Such an “of which” category may also be considered for instruments or services classifications where necessary (e.g., for central bank digital currencies or crypto assets, or financial services provided by fintech platforms) to separate out fintech-related instruments and services.

23a. What is your assessment of the costs associated with implementing the recommendations above?
(Please check one box per row)

Data	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Introduction of a supplementary “of which” category for fintech companies within the subsector classification	0	0	1	12	18	16	4.0
Introduction of a supplementary “of which” category for instruments or services classifications where necessary to separate out fintech-related instruments and services	0	0	1	9	18	19	4.2

23b. What is your assessment of the benefits associated with implementing the recommendations above? (Please check one box per row)

Data	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Introduction of a supplementary “of which” category for fintech companies within the subsector classification	3	2	3	12	13	2	3.0
Introduction of a supplementary “of which” category for instruments or services classifications where necessary to separate out fintech-related instruments and services	3	2	3	13	11	3	3.0

Guidance Note F.8: Valuation of Debt Securities at Both Market and Nominal Value

The valuation method for debt securities recommended in *BPM6* and the *2008 SNA* is market value. This Guidance Note recommends the inclusion of explicit guidance to compile stocks of debt securities at nominal value, as a supplement to the existing market valuation. It proposes to strengthen the recommendation to compile securities liabilities using both market and nominal values. It also recommends adopting a **supplementary** presentation table that provides a reconciliation between nominal and market valuation of debt securities liabilities. Finally, the Guidance Note recommends reporting debt securities used in direct investment inter-company lending as a supplementary item to the table.

24a. What is your assessment of the costs associated with implementing the recommendations described above? (Please check one box per row.)

Data	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Average
Nominal values	6	8	5	15	13	5	2.7
Reconciliation table	1	5	6	14	16	7	3.2
Direct investment inter-company lending (as supplement to the table)	3	2	5	13	16	9	3.3

24b. What is your assessment of the benefits associated with implementing the recommendations described above? (Please check one box per row.)

Data	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Nominal values	1	2	4	7	18	4	3.4
Reconciliation table	1	2	4	10	18	1	3.3
Direct investment inter-company lending (as supplement to the table)	1	2	7	6	15	4	3.3

25. Please feel free to elaborate on your responses related to financial and payments systems (optional):

General comments:

- Some of the required new details (e.g., additional sectoral breakdown) are in line with the G-20 Data Gaps Initiative. Others, especially fintech-related new details, are still lacking international guidance in classifying and capturing the respective entities and especially instruments (crypto assets).
- We think a revised definition of debt is necessary due to a contradiction about SDR. SDR allocations is considered debt, but that is not the case in an analysis of debt sustainability.
- The high costs to comply with the proposed recommendations originate from the limitations in the sources of information. The implementation and processing of information that captures the type of transactions and positions requested is required, which implies expenditure of monetary resources, time and people.

Comments related to specific Guidance Notes (GNs):

- GN F.2
 - In the case of „Asymmetric Treatment of Retained Earnings”, it is to be mentioned that the very high costs are related to the assets side only. For liabilities, the costs would probably be moderate.
 - Costs would be low because we have implemented an estimation strategy.
 - Providing portfolio RIE for the ESS could be done at moderate cost using the estimation approach that we used for the international portfolio RIE exercise.
- GN F.5
 - The proposed breakdowns on derivatives would be useful. However, it would be even more important that the revised standards would provide more detailed guidance on how to treat different types of derivatives in ESS.
- GN F.8
 - In the case of debt securities, the nominal value is only available and for shares only the market value. The government-issued debt securities have both.

Guidance Note B.2: Standardized Statistical Definition of Net International Reserves

Net International Reserves (NIR) are available from several sources, but definitions and practices differ along several dimensions, including specificity and treatment of liabilities (on a maturity and residential basis), liabilities to the IMF, and Special Drawing Rights (SDR) allocations. This Guidance Note recommends the introduction of a standardized statistical definition of NIR based on the existing statistical frameworks in *BPM6* and the International Reserves and Foreign Currency Liquidity (IRFCL) Guidelines and recommends inclusion of the new definition in the respective updated versions. The recommended statistical definition provides a comprehensive approach aimed to inform reserve adequacy assessments and macroeconomic policy advice. Modifications for country-specific characteristics and vulnerabilities remain crucial for reserve adequacy assessments and in the design and monitoring of Fund-supported programs. The proposed statistical definition of NIR goes beyond the scope of the standard balance of payments framework, but it could be included in *BPM7* in an annex/box and be part of the IRFCL framework.

26a. What is your assessment of the costs associated with producing information on NIR according to the standardized statistical definition described above?

5 0 (no costs; already compile these data)

8 1 (very low costs)

11 2 (low costs)

13 3 (moderate costs)

4 4 (high costs)

2 5 (very high costs)

Average: 2.2

26b. What is your assessment of the benefits associated with having information on NIR according to the standardized statistical definition described above?

0 0 (no benefits)

2 1 (very low benefits)

4 2 (low benefits)

7 3 (moderate benefits)

12 4 (high benefits)

5 5 (very high benefits)

Average: 3.5

Guidance Note B.4: Reconciliation Between Flows and Stocks

This Guidance Note recommends putting the integrated presentation of flows and positions at the center of *BPM7* by presenting the external statistics framework as being composed of three major intertwined elements: (i) the balance of payments, (ii) the international investment position (IIP), and (iii) the accumulation accounts, which explain changes in the IIP between two points in time with transactions from the balance of payments' financial account, revaluations, and other changes in volume. The integrated IIP statement would be included as a **standard** component in *BPM7*. Further, the "Other Changes in Volume" should be presented with a total, and with two **supplementary** "of which" categories— "Reclassifications" and "Debt Cancellation and Write-offs".

27a. What is your assessment of the costs associated with implementing the recommendations above? (Please check one box per row.)

Data	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Producing an integrated IIP statement as a standard component	16	5	6	8	7	8	2.2
Breaking down "Other Changes in Volume" into two supplementary "of which" categories— "Reclassifications" and "Debt Cancellation and Write offs"	1	2	6	13	13	15	3.6

27b. What is your assessment of the benefits associated with implementing the recommendations above? (Please check one box per row.)

Data	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Ave- rage
Producing an integrated IIP statement as a standard component	0	1	1	2	17	12	4.2
Breaking down "Other Changes in Volume" into two supplementary "of which" categories— "Reclassifications" and "Debt Cancellation and Write offs"	0	2	2	7	12	10	3.8

Guidance Note B.6: Sustainable Finance: Integrating Measures of Climate Change Risk into External Sector Statistics

This Guidance Note recommends including an updatable appendix in *BPM7* on measures and balance of payments/IIP indicators related to climate change-related financial risks. The appendix initially would include the following indicators:

Recommendation 1 (*direct investment breakdowns*): Include **supplementary** geographical and industrial sector breakdowns of direct investment.

Recommendation 2 (*green bonds*): Add a **supplementary** “of which” category to identify green bonds in the balance of payments/IIP.

28a. What is your assessment of the costs associated with implementing the recommendations above? (Please check one box per row.)

Recommendation	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Recommendation 1 (supplementary geographical and industrial sector breakdowns of direct investment)	10	2	5	8	10	12	2.9
Recommendation 2 (supplementary “of which” category to identify green bonds)	1	2	4	12	14	10	3.5

28b. What is your assessment of the benefits associated with implementing the recommendations above? (Please check one box per row.)

Recommendation	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Ave- rage
Recommendation 1 (supplementary geographical and industrial sector breakdowns of direct investment)	2	2	2	4	17	8	3.6
Recommendation 2 (supplementary “of which” category to identify green bonds)	1	1	3	4	19	5	3.6

29. Please feel free to elaborate on your responses related to general principles, structural and cross-cutting issues (optional):

General comments:

- Limited number of staff and enumerators, financial resources, increasing response burdens will be the main drivers of the costs.

Comments related to specific Guidance Notes (GNs):

- GN B.2
 - Regarding international reserves, BoP compilers depend on information from national central banks' accounting departments. And especially for the euro area, information needs to be assessed by the ECB.
- GN B.4
 - We consider the introduction of a third "BoP" table, namely on reconciliation, as the main way forward in *BPM7*. Data are available in our case as there are already related tables released on our website. But there are no data available on the distinction between "Reclassifications" and "Debt Cancellation and Write offs" in the sec-by-sec system for the compilation of portfolio investment. Furthermore, we point to the fact that the reconciliation between the current account and the IIP will shed more light and stipulate discussion on errors and omissions.
- GN B.6
 - International guidance on a harmonized definition/classification of green bonds is missing.
 - The current proposal to use only the ICMA definition seems to be potentially inconsistent with other statistical initiatives that may use extended definitions or other standards to determine green securities. A common definition of what should be considered "green" should therefore be agreed and coordinated beforehand.
 - Recommendation 2 (supplementary "of which" category to identify green bonds) – low costs in case if relevant identifier will be included in the Centralized Securities Database (CSDB).
 - Based on this GN, these bonds show the extent to which financial institutions are contributing to financing of green investment. However, these bonds do not seem to be a good proxy for quantifying the public or private green investment (given that purchasing these bonds is only one of the many ways in which a company or a government can invest in green or climate related projects).
 - A breakdown of FDI by country and sector is published annually in line with the OECD's BD4.
 - The BP framework is based on the resident to non-resident dimension, and it is not feasible to develop detailed geographical data for direct investment such as city level. As for industry breakdown, the classification should be aligned with other statistics, and so discussions such as on ISIC revision should be taken into account.

GLOBALIZATION

Guidance Note G.4: Treatment of Special Purpose Entities and Residency

This Guidance Note recognizes the analytical value of compiling data on special purpose entities (SPEs) and recommends the following:

Recommendation 1 (*definition and sector breakdown*): Adopt an international definition of SPEs in both *BPM7* and the *2025 SNA*, aligned with the recent work of the IMF’s Committee on Balance of Payments Statistics. The Guidance Note also recommends leaving the core framework unchanged and integrating the recommended breakdown of SPEs within the institutional sector accounts on a **supplementary** basis for countries for which SPEs are significant.

Recommendation 2 (*nationality basis*): Present nationality-based SPE statistics as a **supplement** to residency-based statistics for economies for which SPEs are deemed important. The nationality-based approach reflects a global consolidation of multinational enterprises (MNEs) such that the statistics are organized according to the location of the entity that ultimately controls the SPEs rather than by the residency of the SPEs, thus incorporating the dimension of ownership and control.

30a. What is your assessment of the costs associated with implementing the recommendations above? (Please check one box per row.)

Recommendation	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Ave- rage
Recommendation 1 (supplementary breakdown for SPEs)	8	4	4	7	11	9	2.8
Recommendation 2 (producing supplementary nationality-based SPE statistics)	1	1	0	5	12	22	4.2

30b. What is your assessment of the benefits associated with implementing the recommendations above? (Please check one box per row.)

Recommendation	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Recommendation 1 (supplementary breakdown for SPEs)	1	2	2	9	13	5	3.4
Recommendation 2 (producing supplementary nationality-based SPE statistics)	2	2	3	7	12	5	3.3

Guidance Note G.7: Global Value Chains and Trade in Value Added

This Guidance Note examines how production fragmentation has deepened the divergence between gross transactions, as recorded by traditional international trade statistics, and the data on production and final demand as accounted for in value added statistics. To better account for interlinked core production activities and supporting services activities, the Guidance Note recommends no changes to the core BPM and SNA concepts. Instead, the Guidance Note recommends including a description of global value chains (GVCs) and trade in value added in the updated manuals. Within the BPM, the Guidance Note recommends including **supplementary** cross-border statistics detailed by geography or product as part of a reporting template for GVC data collection.

31a. What is your assessment of the costs associated with implementing the recommendations above? (Please check one box per row.)

Data	0 (no costs; already compile these data)	1 (very low costs)	2 (low costs)	3 (moderate costs)	4 (high costs)	5 (very high costs)	Average
Supplementary cross-border statistics detailed by <u>geography</u>	3	1	1	11	6	15	3.6
Supplementary cross-border statistics detailed by <u>product</u>	2	0	1	8	7	19	4.0

31b. What is your assessment of the benefits associated with implementing the recommendations above? (Please check one box per row.)

Data	0 (no benefits)	1 (very low benefits)	2 (low benefits)	3 (moderate benefits)	4 (high benefits)	5 (very high benefits)	Average
Supplementary cross-border statistics detailed by <u>geography</u>	1	0	1	6	13	12	4.0
Supplementary cross-border statistics detailed by <u>product</u>	1	0	1	8	11	11	3.9

32. Please feel free to elaborate on your responses related to globalization (optional):

General comments:

- Supplementary nationality-based SPE statistics as well as supplementary cross-border statistics detailed by product (not available in BoP) go well beyond the scope of national BoP statistics.
- Both globalization guidance notes raise data sourcing and processing challenges, especially to ensure they are timely and of robust quality.

Comments Related to Specific Guidance Notes (GNs):

- GN G.4
 - Special purpose entities: We have experimented in the measurement of SPE's in direct investment using the IMF decision tree but not investigated other functional categories or trade.
 - SPE statistics available for direct investment but not for other parts of external sector statistics.
- GN G.7
 - We publish statistics on international trade in goods monthly by trading partner country and for a limited breakdown of products. Greater detail or additional statistics associated with global value chains can be complex.
 - Although these data would provide a rich source for analysis of GVC, it has to be ensured that the compilation remains voluntary.
 - Adding breakdowns that allow us to quantify the participation of an economy in the process of fragmentation of production contributes significantly to the analysis and evaluation of globalization.
 - The supplementary breakdown by product and geography required for GVCs is too detailed in many cases and the information required to produce the breakdown is not available in the basic sources used for estimation of goods and services in BOP.
 - As customs statistics have no information whether the ownership of imported or exported goods changed, we doubt that data quality would be sufficient for comprehensive interpretation of the data.
 - Current data sources do not identify global value chains so significant resources would be needed to implement. While we can see a benefit of the metric, the complexity of multinational companies creates a large challenge.

Annex II: Summary List of *BPM6* Update Recommendations

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
Clarification Notes									
1	Clarification Note 1: International Reserves and Foreign Currency Liquidity Data Template—Clarification on the Recording of Gold Under Other Foreign Currency Assets	The note clarifies that gold not held as a reserve asset is not a financial asset. Therefore, to be consistent with <i>BPM6</i> and other macroeconomic statistics manuals, gold not included in official reserve assets shall not be recorded in Section I (B) of the International Reserves and Foreign Currency Liquidity Data Template. Instead, gold not held as a reserve asset shall be recorded as a new separate Memo Item under Section IV. [This recommendation will not affect the <i>BPM6</i> update but will be reflected in <i>International Reserves and Foreign Currency Liquidity, Guidelines for a Data Template.</i>]	CL	B + D	No	No	No	-	-
2	Clarification Note 2: Remaining Maturity Classification—Clarification of the Definition	This note clarifies the definition of remaining maturity in <i>BPM6</i> (paragraphs 5.104 and 5.105). Conceptually, remaining maturity should be calculated by discounting payments due, with those falling within one year or less as short-term remaining maturity and those falling beyond one year as long-term remaining maturity. However, given practical considerations, the undiscounted value of principal payments to calculate remaining maturity provides an acceptable proxy.	CL	B + D	No	No	No	Yes	1
3	Clarification Note 3: The Statistical Treatment of Negative Interest Rates	<i>BPM6</i> and other macroeconomic statistics manuals provide no explicit guidance on the treatment of negative interest rates. This note clarifies that negative interest rates on deposits should be recorded as negative income receivable by the investors (and payable by the financial institutions) in the primary income account excluding FISIM, like positive interest income on deposits.	CL	B + D	No	No	No	Yes	1
4	Clarification Note 4: Clarification on Reserve Position in the IMF	This note clarifies that reserve position in the IMF should be classified as other deposits without a maturity breakdown. However, if a classification by original maturity is deemed necessary, it should be attributed as long-term, in line with the nature of its main component, the reserves tranche.	CL	D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
5	Clarification Note 5: Recording of Central Bank Swap Arrangements in Macroeconomic Statistics	This note clarifies that off-market central bank currency swap arrangements should be recorded as an exchange of deposits with maintenance of value. However, if the central banks conduct the transaction as a standard (market priced) currency swap, then it is recommended that the swap be recorded as an exchange of deposits with the simultaneous creation of a financial derivative, namely a forward contract.	CL	B + D	No	No	No	Yes	1
6	Clarification Note 6: Statistical Treatment of Precious Metals Accounts	This note clarifies that allocated precious metals accounts other than monetary gold represent ownership of nonfinancial assets; and unallocated precious metals accounts are treated as deposits in foreign currency. For allocated precious metals accounts, certificate fees, as well as ongoing fees for storage, should be recorded as financial services. Further, this note reaffirms that the classification of monetary gold as a financial asset within reserve assets is an exception among commodities because of the historic role of gold in the international financial system.	CL	D	No	No	No	Yes	1
7	Clarification Note 7: Sectoral Classification of International Organizations	This note clarifies that international organizations (with the exception of currency union or economic union institutions) should be included in the rest of the world in national accounts (not resident in any country's economic territory) with a separate code according to the nature of their activity. In the balance of payments, they should be included in one of the additional sectors for counterpart data. Along these lines, the IMF is to be classified as an "international financial organization."	CL	B + D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
8	Clarification Note 8 : The Statistical Treatment of Transfer and Loan Agreements of Sport Players and of Their Salaries and Residence When on Loan	This note clarifies that fees paid for the temporary transfer of rights to use the services of sports players under loan agreements should be recorded as rent, and amounts related to other terms, such as risk factors, transfers of registration, agents' commissions, players' sponsorship, and media rights, should be recorded in the relevant balance of payments items. The note also clarifies that, if the parent club pays part of the salary of a player on loan, this part should be deducted from the loan fee and considered to be paid by the borrower. It finally confirms that, if the loan lasts for more than one year, the player's country of residence should be considered to have changed.	CL	D	No	No	No	Yes	1
9	Clarification Note 9 : Treatment of Crypto Assets in Macroeconomic Statistics	This note clarifies that Bitcoin-like crypto assets and digital tokens without counterpart liabilities should be classified as produced nonfinancial assets as a distinct sub-category under valuables. Other crypto assets with characteristics similar to those of more standard financial instruments should be classified according to current guidelines. While this guidance for dealing with crypto assets is consistent with the current statistical standards, the development and use of crypto assets need to continue being closely monitored and these recommendations may need to be revisited if conditions substantially change in the future. [This clarification note has been superseded by GN F.18]	CL	A + B + D	No	No	F.18	-	-
10	Clarification Note 10 : The Treatment of Freight and Insurance Associated to Merchanting and the Geographical Allocation of Net Merchanting	This note clarifies that freight transport and insurance costs associated to merchanting are to be recorded at transaction prices as agreed between the parties and dependent on the agreed delivery terms, that is not "free on board" (fob). The note also clarifies that the country allocation of "net exports of goods under merchanting" should be done by adding up all credit and debit entries of goods under merchanting for each partner country.	CL	D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
11	Clarification Note 11 : Treatment of Participations in the Capital of International Organizations and the Respective Income	This note recommends that all capital subscriptions in international organizations, including in the form of unlisted shares, should be classified under other investment – other equity, and consequently, the income on such subscription should be recorded under primary income – investment income – other investment – withdrawals from income of quasi-corporations. This treatment introduces a change with respect to current guidelines in the <i>BPM6</i> , so it will require a change in the next edition of the Manual. [This clarification note has been superseded by GN B.12]	CH	D	No	No	B.12	-	-
Previous Committee-Endorsed Work									
12	BOPCOM 18/03 : Final Report of the Task Force on Special Purpose Entities	The concluding recommendations of the report are: (i) Adopt an international definition of SPEs in the context of ESS, accompanied by a decision tree and a typology, that will assist compilers in their task to collect and report cross-border data. The decision tree will be used as an operational guidance, while the typology aims to delineate the different types of SPEs based on their economic functions and relate them to their institutional sector. (ii) Launch an international data collection with a view to separately identify cross-border transactions and positions for SPEs. [This Task Force report has been superseded by GN G.4, and the data collection on SPEs has already been in place since the start of 2022]	AD	A + B + C + D	CI	SI	G.4	-	-
13	BOPCOM 19/03 : Final Report of the Task Force on Informal Economy	The key recommendations include: (i) dissemination of encouraged collection, compilation, and dissemination practices should continue through the dedicated web platform, (ii) collection techniques and compilation methods should be tailored to take account of available data sources, statistical capacity, resources, and an adequate assessment of costs/benefits, (iii) coordination between ESS and NA compilers should be stepped up, and (iv) greater emphasis on informal economy data issues specific to the financial account and the IIP is needed. [This Task Force report has been superseded by GN IE.7]	CL	A + B + D	No	No	IE.1	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
14	BOPCOM 19/04 : Final Report of the Working Group on Balance of Payments Statistics Relevant for Global Value Chains	The final recommendations of the report are: (i) compile and disseminate the proposed balance of payments items relevant for GVC analysis, (ii) economies are encouraged to provide supplementary data that highlight the role of MNEs in the current account, (iii) economies are encouraged to continue to develop statistics on the items that were not included in the GVC reporting proposal but that would be useful for improving indicators for GVC analysis, (iv) international organizations should support economies in making these data available through technical assistance and training, and (v) increased coordination between international accounts and national accounts compilers. [This Task Force report has been superseded by GN G.7]	AD	A + B + C + D	CI	SI	G.7	-	-
15	BOPCOM 19/23 : UN Report on the Work on the Guidelines on Accounting for Global Value Chains	The final Guidelines contain the following five parts: (i) accounting for global value chains, (ii) global value chain satellite accounts, (iii) integrated business statistics, (iv) global value chain analysis and policy framework, and (v) an annex, which covers various topics in more detail. [This UN report has been superseded by GN G.7]	AD	A + B + C + D	CI	SI	G.7	-	-

No.	Issue	Recommendation	Type ^{/1}	Impact ^{/2}	Risk ^{/3}	Data ^{/4}	Links ^{/5}	CG ⁶	Bucket ⁷
Balance of Payments Task Team Guidance Notes									
16	GN B.2 : Standardized Statistical Definition of Net International Reserves	Net International Reserves (NIR) are available from several sources, but definitions and practices differ along several dimensions, including specificity and treatment of liabilities (on a maturity and residential basis), liabilities to the IMF, and Special Drawing Rights (SDR) allocations. This GN recommends the introduction of a standardized statistical definition of NIR based on the existing statistical frameworks in <i>BPM6</i> and the International Reserves and Foreign Currency Liquidity Guidelines and recommends inclusion of the new definition in the respective updated versions. The recommended statistical definition provides a comprehensive approach aimed to inform reserve adequacy assessments and macroeconomic policy advice. Modifications for country-specific characteristics and vulnerabilities remain crucial for reserve adequacy assessments and in the design and monitoring of Fund-supported programs.	AD	B + D	No	SI	No	Yes	1
17	GN B.3: Treatment of Centralized Currency Unions in Macroeconomic Statistics [Approved by the Committee and will be posted soon]	Issue 1 (<i>imputed reserve assets</i>): The reserve assets of the member economies of the Central African Economic and Monetary Community (CEMAC), the Eastern Caribbean Economic and Currency Union (ECCU), and the West African Economic and Monetary Union (WAEMU) are pooled. In both the WAEMU and the CEMAC, member states pool their foreign assets in a common foreign exchange reserve fund and there is no national ownership of a share of the common pool. This GN recommends maintaining the guidance on imputed reserve assets following the principles outlined in <i>BPM6</i> , namely using net claims on the currency union central bank for deriving imputed reserve assets.	SQ	No	No	No	No	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		<p>Issue 2 (<i>resident institutional units</i>): National agencies in centralized currency unions are deemed to be resident institutional units in the economies where they are located. Where no national agencies are established, for statistical purposes, a notional institutional unit is imputed. This GN recommends maintaining the <i>BPM6</i> guidance to treat national agencies (including the notional resident units) as residents of economies of their location.</p>	SQ	No	No	No	No	-	-
		<p>Issue 3 (<i>own account transactions</i>): <i>BPM6</i> guidance indicates that transactions of currency union residents with the currency union central bank, where the currency union central bank is acting on its own account, should be recorded in the national balance of payments of the member economy according to the nature of the transaction. This GN recommends maintaining the concept of “own account” transactions/positions discussed in <i>BPM6</i>, consistent with treating national agencies as residents of the economies of their location. However, the text in <i>BPM6</i> should be clarified such that own account transactions are considered as those that do not relate to regular operations of monetary authorities of an economy.</p>	CL	D	No	No	No	Yes	1
18	GN B.4 : Reconciliation Between Flows and Stocks	<p>This GN recommends putting the integrated presentation of flows and positions at the center of <i>BPM7</i> by presenting the external statistics framework as being composed of three major intertwined elements: (i) the balance of payments, (ii) the IIP, and (iii) the accumulation accounts, which explain changes in the IIP between two points in time with transactions from the balance of payments’ financial account, revaluations, and other changes in volume. The integrated IIP statement, with the same line items as the existing standard components in Appendix 9B of <i>BPM6</i>, would be included as an additional standard component in <i>BPM7</i>. Further, the “Other Changes in Volume” should be presented with a total, and with two supplementary “of which” categories – “Reclassifications” and “Debt Cancellation and Write-offs”.</p>	CH	A + B + C + D	QI	SC + SI	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
19	GN B.6 : Sustainable Finance: Integrating Measures of Climate Change Risk into External Sector Statistics	This GN recommends including an updatable appendix to the revised <i>BPM</i> on measures and BOP/IIP indicators related to climate change-related financial risks. The appendix initially would include recommendations on the geographical and industrial sector breakdowns of direct investment as well as an “of which” category to identify green bonds in the BOP/IIP along with information on the analytical uses and limitations of the indicators.	AD	A + B + D	No	SI	WS.7	Yes	1
20	GN B.7 : Arrears in International Investment Position	The Committee discussed this GN and recommended maintaining status quo on methodology and presentation of arrears, mainly considering the collection burden and costs associated with the implementation of other alternatives.	SQ	No	No	No	No	-	-
21	GN B.8: Recording Citizenship-by-Investment Programs	[Final version not ready yet]							
22	GN B.9 : Treatment of External Assets and Related Income Declared Under Tax Amnesty in External Sector Statistics	Current international statistical standards do not provide specific guidance on the treatment of cross-border assets and income declared under tax amnesties in external sector statistics. This GN fills this gap by recommending adjustments for external assets and related income declared under tax amnesties for periods in which incomplete estimation occurred. This GN does not cover the recording of the corresponding taxes, which in principle are transactions between residents. The GN recommends the application of the <i>BPM6</i> accrual principle, that is (i) adjusting the assets/income series in the current period and backwards for external positions, external transactions, and other external flows; but (ii) when it is not possible to make adjustments to historical series, the adjustment will only affect the current period estimates of external assets/income.	CL	D	BR	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
23	GN B.12 : Treatment of Equity in International Organizations That is in the Form of Unlisted Shares or Nonnegotiable Equity	<i>BPM6</i> classifies capital subscriptions to international organizations in portfolio or other investment depending on the legal form of the capital. This GN recommends that all capital subscriptions in international organizations, including in the form of unlisted shares, should be classified under other investment since participation/subscription of a country in the capital of such organizations follows geopolitical and institutional considerations. Specifically, the GN recommends amending the standard presentations of balance of payments and international investment position (IIP) by changing the components <i>other investment – other equity</i> (financial account/IIP) and <i>other investment income – withdrawals from income of quasi-corporations</i> (primary income) to, respectively, <i>other investment – equity in international organizations and other equity</i> and <i>other investment income – dividends and withdrawals from income of quasi corporations</i> .	CH	D	BR	No	No	Yes	1
Current Account Task Team Guidance Notes									
24	GN C.1 : Recording of Transactor-Based Components of Service (Travel, Construction, and Government Goods and Services n.i.e.) in the Balance of Payments	The classification of some services in <i>BPM6</i> differs from the classification in the <i>2008 SNA</i> and the <i>Central Product Classification</i> . Specifically, <i>BPM6</i> classifies <i>travel, construction, and government goods and services not included elsewhere</i> on a transactor basis, i.e., based on the provider/acquirer rather than the product itself. To provide product level data to facilitate analysis using trade data with supply and use tables, this GN recommends maintaining the transactor-based approach while (i) adding to the supplementary reporting under travel in the <i>BPM</i> to include personal, cultural and recreation services (acquired by travelers) as a distinct item under the other services category; (ii) introducing supplementary reporting under construction services for (a) constructions (e.g., buildings) and (b) construction services; and (iii) providing clarification and methodological guidance on the compilation of the government goods and services.	AD	B + D	QI	SI	C.4 + C.7	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
25	GN C.2 : Goods, Services, and Investment Income Accounts by Enterprise Characteristics	This GN recommends the inclusion of supplementary data on enterprise characteristics as part of the annual reporting of the current account. Specifically, the GN recommends annual breakdowns of the goods, services, and investment income accounts by enterprise characteristics, such as industry, ownership (domestically controlled vs. controlled from abroad/unknown), and size, to enhance the relevance of the current account for the analysis of globalization. The activity could build on on-going data collections such as the Eurostat-OECD <i>Goods Trade by Enterprise Characteristics</i> (TEC) and <i>Services Trade by Enterprise Characteristics</i> (STEC) statistics.	AD	A + B + D	CI	SI	D.6 + C.4	Yes	1
26	GN C.3 : International Trade Classified by Currency (Including for Trade Linked to Long-term Trade Credits and Advances)	This GN recognizes the analytical value of the currency composition of international trade and recommends improvements to be considered in the update of the Manual.	AD	A + D	CI	SI	No	Yes	1
		Issue 1 (goods) : This GN recommends an annual, supplementary disaggregation of international trade in goods (gross totals of the imports and exports) by currency.	AD	A + D	CI	SI	No	Yes	1
		Issue 2 (services) : This GN recommends an annual, supplementary disaggregation of international trade in services (gross totals of the imports and exports) by currency.	AD	A + D	CI	SI	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
27	GN C.4: Merchanting and Factoryless Producers; Clarifying Negative Exports in Merchanting; and Merchanting of Services [Approved by the Committee but final version not posted yet]	This GN focuses on disentangling the transactions related with global manufacturing arrangements and factoryless goods producers (FGPs) as well as merchanting of services. The GN recommends that (i) FGPs be classified in the manufacturing sector and be deemed to produce and sell goods rather than distribution services; (ii) the industrial classification of FGPs should not depend on the affiliation with the contractor responsible for transforming the goods; (iii) international transactions involving final goods within global manufacturing arrangements be recorded gross under general merchandise instead of net under merchanting as is the current practice; (iv) adding supplementary item under <i>General merchandise</i> to identify trade in goods within a global manufacturing arrangement, and (v) adding supplementary item under <i>Net exports of goods</i> to identify material inputs procured by the principal in a global manufacturing arrangement from third parties and sold to the contractor. [The outcomes of this GN should also be reflected in the updated version of Table 10.2 from <i>BPM6</i> , which shows the reconciliation between merchandise source data and total goods on a balance of payments basis.]	CH	A + B + C + D	BR + CI + QI	SI	C.2	Yes	1
28	GN C.5: Statistical Impact of the Change in Treatment of Operating Leases in Business Accounting: Economic Ownership in the Context of Financial and Operating Lease Transactions Pertaining, in Particular, to Aircraft [Approved by the Committee but final version not posted yet]	This GN recommends maintaining status quo and not making any changes to the <i>BPM6</i> recording standards on leases to align it with the IFRS 16. Detailed guidance to compilers on how to implement these standards should be included in the new manuals, including in the updated <i>BPM Compilation Guide (CG)</i> .	CL	B + D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
29	GN C.6: Trade in Services Classifications	<p>Many countries are unable to compile the full <i>BPM6</i> classification on international trade in services flows, and some only produce the first-level breakdown, which limits the usefulness of existing international trade in services statistics for analysis and policymaking.</p> <p>Issue 1 (<i>telecommunications, computer, and information services</i>): This GN recommends splitting <i>Telecommunications, computer, and information services</i> into two standard, first-level items: (i) <i>Telecommunication services</i> and (ii) <i>Computer and information</i>.</p>	CH	B + D	No	SC	C.1 + C.2 + C.4 + C.5	Yes	1
		<p>Issue 2 (<i>other business services</i>): This GN recommends splitting <i>Other business services</i> into five standard, first-level items: (i) <i>Research and development services</i>; (ii) <i>Professional and management consulting services</i>; (iii) <i>Trade-related services</i>; (iv) <i>Operating leasing services</i>; and (v) <i>Technical and other business services</i>.</p>	CH	B + D	No	SC	C.1 + C.2 + C.4 + C.5	Yes	1
30	GN C.7: Treatment of Travel Packages, Health-Related Travel, and Taxes and Fees on Passengers' Tickets [Approved by the Committee but final version not posted yet]	<p>Issue 1 (<i>travel packages</i>): <i>BPM6</i> mentions package tours only in the context of passenger transportation, but not in the context of travel. This GN recommends (i) clarifying that packages need to be unbundled into their components; (ii) considering the service of the tour operator as a fee on a contract basis and recorded separately; (iii) adding a box under travel in the updated <i>BPM</i> to provide clearer methodological guidance supporting the unbundling of package tours; (iv) maintaining "travel" as a separate component of services in the <i>BPM</i> with breakdown into business and personal travel, and correspondingly the standard breakdown between business (whose imports decreases GDP) and personal travel (whose imports are GDP neutral) in the national accounts standards; and (v) recording travel packages as a separate supplementary line in <i>BPM7</i>.</p>	AD	B + D	No	SI	C.1	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		<p>Issue 2 (health-related travel): Health-related travel is currently a supplementary item under the standard item <i>personal travel</i> in <i>BPM6</i> (paragraph 10.94 (a)). According to the definition, health-related travel covers <i>medical and dental services, other health care, food, accommodation, and local transport</i> acquired by persons traveling abroad for medical reasons. However, confusion may arise because health expenditures by those not traveling for health purpose (e.g., persons receiving health services during a holiday trip) are included under <i>all other personal travel</i> subcomponent. This GN recommends that the term <i>medical reasons</i> should follow the scope of <i>health and medical care</i> as specified in the <i>International Recommendations for Tourism Statistics 2008</i>. The GN also recommends classifying the expenses of the patients' companions as <i>other personal travel</i>.</p>	CL	B + D	No	No	C.1	Yes	1
		<p>Issue 3 (tax and fees on passengers' tickets): This GN recommends no changes to <i>BPM6</i> for <i>taxes and fees on passenger tickets</i>.</p>	SQ	No	No	No	C.1	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
31	GN C.8 : Recording of Fines and Penalties	<p>This GN discusses several issues related to the recording of fines and penalties in the balance of payments. Although <i>BPM6</i> covers these concepts, some uncertainties remain, and as these transactions have become large and more frequent, compilers have asked for further clarification. The GN recommends the following clarifications to <i>BPM</i> and other manuals: (i) define a fine/penalty payment as one that is “punitive in nature” and more clearly distinguish these payments from payments of compensation that are intended to compensate for injury or damages; (ii) major compensation payments should be recorded as capital transfers (instead of current transfers) if they are “intended to recover losses incurred over a multi-year period or to replace an asset (financial or nonfinancial);” (iii) fine/penalty transactions should not be recorded until the unit issuing the fine has an “unconditional claim to the funds” and clarify that if a judgment or ruling is subject to further appeal, an unconditional claim exists “when the appeal is resolved;” (iv) <i>BPM</i> should be explicit about whether (or in which circumstances) fines/penalties should impact direct investment income when DIES are the responsible party in these transactions; (v) explicitly treat contingent fines and penalties in contracts of M&A as price adjustments/updates—and therefore direct investment (or portfolio investment) transactions, and not as transfers; and (vi) add guidance regarding possible fines and penalties related transactions</p>	CL	B + D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
Direct Investment Task Team Guidance Notes									
32	GN D.1 : Greenfield Investment and Extension of Capacity	The GN recommends including guidance on the <i>definition</i> and <i>collection of data</i> on greenfield investment and extension of capacity. <i>Definition</i> : A broader definition of greenfield direct investment (DI) is proposed: greenfield DI is both investment in new direct investment enterprises (DIEs) (narrow definition) <i>and</i> new capital injections/extension of capacity (broader definition) into existing DIEs. <i>Collection of data</i> : Compilers would be encouraged to collect information on inward greenfield investments and extension of capacity as part of DI transactions. This will be as a supplementary series under DI and compiled using the “the transactions approach.” Countries should collect these data for both equity (other than reinvestment of earnings) and debt instruments, and exclude the “pass-through” funds, if possible. The recording should be on net inward DI. Greenfield investment and extension of capacity statistics should ideally collect breakdowns by industry of the DIE as well as geographical breakdown of the (ultimate) investor to deepen our understanding of these investments. Compilers should also provide additional information on reinvested earnings (RIE), if possible. Further, the GN recommends using the transaction approach for a supplementary series on greenfield investment and extension of capacity as it is consistent with the balance of payments framework, while the capital approach could be considered in a broader context of analyzing multinational enterprises.	AD	A + B + C + D	CI + QI	SI	D.6 + D.9	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
33	GN D.2: Valuation of Unlisted Equity	<i>BPM6/2008 SNA</i> recommend six valuation methods that can be used in the case of unlisted equity for which the market value is not available. Issue 1 (preferred valuation methods): This GN recommends that the new manuals should explain the concept to be measured—namely, in the absence of market prices, own funds as the difference between assets and liabilities of unlisted corporations to be measured at market prices—in line with the core principles of macroeconomic statistics. This GN also recommends treating <i>own funds at book value (OFBV)</i> , <i>transaction prices</i> , and <i>market capitalization</i> as the preferred methods to provide estimates of market value and using a decision tree to implement one of the three preferred methods. The <i>BPM7 CG</i> should include further details on how the preferred methods recommended as well as the decision tree can be applied in practice.	CL	A + B + D	BR	No	No	Yes	1
		Issue 2 (treatment of negative equity): This GN recommends producing a separate clarification note on the treatment of negative equity in the current <i>BPM</i> and <i>SNA</i> framework covering limited/unlimited liability (including the possibility of zeroing out negative equity for the cases of limited liability).	CL	B + D	BR	No	No	-	-
		Issue 3 (treatment of provisions): This GN recommends reviewing the treatment of accounting provisions, including loan loss provisions, in the case of the valuation of unlisted equity under <i>OFBV</i> . For this review, agreement for additional guidance and clarification in the <i>BPM</i> , <i>SNA</i> , and <i>BPM CG</i> on the treatment must be achieved. The issue is being considered in GN WS.9 <i>Recording of provisions</i> .	CL	B + D	No	No	WS.9	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
34	GN D.3 : Treatment of Collective Investment Institutions	According to <i>BPM6</i> , investments in and by collective investment institutions that meet the operational definition of DI should be included in DI. This GN recommends to always treat investments <u>in</u> investment fund shares as portfolio investment while investments <u>by</u> investment funds may be recorded under DI or portfolio investment in accordance with the current <i>BPM6</i> rules.	CH	B + D	BR	No	D.7	Yes	1
35	GN D.4 : Corporate Inversions	This GN recommends including in <i>BPM7</i> (i) a taxonomy of the most usual cases of corporate actions that involve inversions as well as other forms of restructuring with similar economic effects; (ii) the official definition of corporate inversion as “a corporate inversion describes the corporate restructuring of a transnational enterprise group such that the original parent company in one economy <i>that is the ultimate parent of the corporate group</i> becomes a subsidiary of the new parent in another economy. In addition, ownership of a group of enterprises may be shifted to the new parent company”; and (iii) strengthening the current guidance on compiling supplementary statistics for corporate inversions for economies where they are relevant.	CL	A + B + D	No	SI	D.6	Yes	1
36	GN D.5: Eliminating the Imputations for an Entity Owned or Controlled by General Government that is Used for Fiscal Purposes [Approved by the Committee but final version not posted yet]	If a government uses an entity resident in a different economic territory to conduct fiscal operations, special imputations of transactions and positions between the government and that entity should be made under current guidelines. This is to ensure that fiscal operations undertaken through nonresident entities are appropriately reflected in the general government accounts. This GN recommends (i) maintaining the treatment of nonresident government controlled SPEs used for fiscal purposes as nonresident institutional units; (ii) introducing enhanced imputations to better reflect the fiscal operations of government controlled SPEs; and (iii) extending the enhanced imputations to reflect the imputed debt in the government accounts under the same financial instrument as the debt incurred by the SPE.	CH	A + B + D	No	No	G.4	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
37	GN D.6: Ultimate Investing Economy/Ultimate Host Economy and Pass-through Funds	Complex financing and ownership structures of multinational enterprises can mask ultimate ownership links and “inflate” DI flows and positions as each flow into and out of each economy is counted even if the funds, or income, is just passing through. Issue 1 (ultimate investing economy (UIE)): This GN recommends: (i) Streamline the definition of UIE to align with the approach used for MNE statistics (i.e., the ‘Winner Takes All’); and (ii) develop a supplementary presentation of DI statistics by UIE.	AD	A + B + D	CI	SI	D.9 + G.2 + G.4	Yes	1
		Issue 2 (ultimate host economy (UHE)): This GN recommends: Develop a supplementary presentation of DI statistics that looks through SPEs to the first operating unit as a first step in presenting DI statistics by UHE.	AD	A + B + D	CI	SI	No	Yes	1
		Issue 3 (pass-through funds): This GN recommends: (i) Streamline the definition of <i>pass-through funds</i> ; and (ii) develop a supplementary presentation of DI statistics with identification of pass-through funds.	AD	A + B + D	CI	SI	G.4	Yes	1
38	GN D.7: Sectoral Breakdown of Direct Investment	DI is currently the only functional category, for which the financial instruments are not presented by resident institutional sector breakdown. This GN recommends implementing a sectoral breakdown of DI as part of the standard presentation in the balance of payments and the IIP. This sectoral breakdown will be for both equity and debt instruments, and, for the total equity investment, this breakdown is applied to reinvestment of earnings as well. This change will be implemented maintaining the <i>BPM6</i> standard components used to derive the directional values within DI to support the reconciliation of DI statistics to directional principle as memorandum items.	AD	A + B + D	CI	SC	F.1	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
39	GN D.8 : Public-Private Partnerships	This GN recommends providing additional guidance on the concepts, definitions, scope, and statistical treatment of PPPs related to DI in an annex of the <i>BPM7</i> , with a focus on determining if there is a DI relationship. Also, the GN recommends guidance on the sources and compilation methods for PPPs data in the <i>BPM7 CG</i> .	CL	B + D	No	No	No	Yes	1
40	GN D.9 : Reconciling BPM-Based Direct Investment (DI) and Activities of MNEs (AMNE) Statistics	Both DI and Activities of MNE (AMNE) statistics provide valuable insights into the operations and financing of MNEs, but there is currently no agreed framework for reconciling AMNE with DI statistics. This GN recommends developing a framework for reconciling DI and AMNE statistics that would include identifying additional breakdowns (e.g., differentiating influence from control relationships in DI statistics), new supplementary presentations (e.g., classifying inward DI statistics by ultimate investing economy), and perhaps additional variables (e.g., adding some financial variables, such as consolidated assets and liabilities to AMNE statistics) to better enable the two sets of statistics to be used together. It also recommends aligning the definition of MNE with the one put forward in the GN G.2. [While new supplementary items, e.g., inward DI statistics by ultimate investing economy (GN D.6), will be introduced in <i>BPM7</i> , further research could be done to explore the best ways to reconcile DI and AMNE statistics in practical terms. The OECD could also include additional information in the next version of the <i>OECD Benchmark Definition of Foreign Direct Investment</i> .]	AD	A + B + D	CI	SI	D.1 + D.6 + G.2	Yes	1 + 2
41	GN D.10 : Defining the Boundaries of Direct Investment	This GN recommends (i) retaining a numerical threshold to define DI; (ii) retaining this threshold at 10 percent; and (iii) maintaining status quo that DI relationships can only be achieved by ownership of equity and removing from the research agenda the question of “whether DI relationships can be achieved other than by economic ownership of equity (e.g., through warrants or repos)”.	SQ	No	No	No	D.3 + G.2	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
42	GN D.11 : Removing Debt Between Affiliated Insurance Corporations and Pension Funds from Direct Investment	Under <i>BPM6</i> , DI excludes debt positions between selected types of affiliated financial corporations because debt between these affiliated institutions typically corresponds to “normal banking type business.” Insurance corporations and pension funds (ICPFs) are excluded from this rule because their end goal goes beyond providing financial intermediation. This GN revisits the arguments to justify the exclusion of ICPFs debt positions. It concludes that debt between ICPFs and their affiliated entities largely remains linked to the DI relationship. ICPFs’ debt activities have not evolved enough in nature since the last manual update to justify a change in treatment. Therefore, this GN recommends maintaining the status quo in the new manuals.	SQ	No	No	No	No	-	-
43	GN D.12 : Including Intra-Concern [Between Affiliates] Derivatives in Direct Investment	Currently, with the exception of financial derivatives associated with the official reserve asset management, all others are included in the separate functional category <i>financial derivatives</i> within the balance of payments and IIP. This GN revisits the issue of including financial derivatives between entities in a DI relationship in the DI functional category. It recommends that intra-concern derivatives continue to be reported in the <i>financial derivatives</i> functional category but that a supplementary “of which: between affiliates” item be added so that intra-concern financial derivatives could be separately identified.	AD	D	QI	SI	F.4	-	3
44	GN D.14: Financial Conduits Approved by the Committee and will be posted soon]	The GN recommends maintaining the status quo in the manuals. that is, instruments issued by Financial Conduits (FCs) should typically be classified as either <i>Portfolio Investment – debt security</i> , <i>Direct Investment – loan</i> , or <i>Direct Investment – equity</i> . This GN also examines, but rejects, proposals for capturing the activities of FCs that would better serve analysts such as the possible separate identification of the DI transactions and positions of FCs, for instance in the reporting of SPEs, as well as a supplementary presentation by the economy of the ultimate investors in the FC.	SQ	No	No	No	D.5 + G.4	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
45	GN D.16: Treatment of Retained Earnings	[Final version not ready yet]					F.2		
46	GN D.17: Identifying Superdividends and Establishing the Borderline Between Dividends and Withdrawal of Equity in the context of Direct Investment	[Final version not ready yet]					D.16 + F.2		
47	GN D.18 : Cash Pooling in Direct Investment	The GN emphasizes the relevance of the actual application of the creditor/debtor principle and recommends including a detailed description of the main types of cash pooling arrangements and ways to identify and classify associated debt instruments as either DI or other investment in the updated manual.	CL	D	No	No	No	Yes	1
Financial and Payments Systems Task Team Guidance Notes									
48	GN F.1 : More Disaggregated Institutional Sector and Financial Instrument Breakdowns	Issue 1 [confirming recommended sector breakdowns in other GNs] : This GN consolidates the recommendations on additional institutional sector breakdowns from other GNs to finalize and present them in a comprehensive and holistic manner. The GN confirms the recommendation to introduce further breakdowns for other financial corporations (OFCs) as supplementary items following the recommendations in the GN F.6. Further, following the recommendations of GN F.7, the GN does not recommend introducing separate sectors or financial instruments for fintech. Following the recommendations from GN G.4, the GN also recommends introducing “of which” items for SPEs as supplementary items for deposit-taking corporations, OFCs, and NFCs sectors.	AD	A + B + D	CI	SI	F.6 + F.7 + G.4	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		<p>Issue 2 (<i>additional sector breakdown</i>): More disaggregated breakdowns of institutional sectors need to be considered to improve the analytical value of external sector statistics. This GN recommends splitting nonfinancial corporations (NFCs), and households and nonprofit institutions serving households (NPISH) as two separate standard components. Currently, these institutional sectors are aggregated into one as a standard component in <i>BPM6</i>, which does not allow separating cross-border positions and flows of resident corporations from those of households and NPISHs.</p>	AD	A + B + D	CI	SC	F.6	Yes	1
		<p>Issue 3 [confirming recommended instrument breakdowns in other GNs]: This GN consolidates the recommendations on additional financial instrument breakdowns from other GNs to finalize and present them in a comprehensive and holistic manner. It confirms the recommendation to introduce breakdowns of financial derivatives as presented in the GN F.4. Following the recommendations of GN F.6, this GN recommends including “Repurchase agreements, securities lending with cash collateral, and margin lending” as “of which” item under loans in the updated <i>BPM</i> and <i>SNA</i>.</p>	AD	A + B + D	No	SC + SI	F.4 + F.6	-	-
49	GN F.2: Asymmetric Treatment of Retained Earnings [Approved by the Committee but is pending NA testing]	Retained earnings of foreign direct investment (FDI) enterprises are considered in the international statistical standards as being remitted to the direct investors and reinvested by them. The corresponding income flows are called “reinvested earnings” (RIE). The treatment of retained earnings as RIE is circumscribed to FDI and does not extend to cross-border portfolio investment or to domestic equity relationships, which induces asymmetries in the reflection of corporate profits in official statistics and might be seen as giving rise to issues of interpretability and comparability of macroeconomic indicators. This GN concludes that while there might be a conceptual preference for the extension of RIE to all equity investments, there would be practical challenges. Therefore, this GN recommends keeping the core balance of payments accounts unchanged while adding supplementary information on portfolio investment RIE.	AD	A + B + C + D	QI	SI	D.3 + D.16 + D.17	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
50	GN F.3: Reverse Transactions	Issue 1 (<i>methodological frameworks for recording reverse transactions</i>): This GN recommends maintaining the current recording of reverse transactions as recommended in <i>BPM6</i> , that is, no change in economic ownership of the underlying assets, and recording of securities (equity and debt securities)/gold lending fees as interest and short positions generated by on-selling as negative assets.	SQ	No	No	No	No	-	-
		Issue 2 (<i>clarification for recording of short positions</i>): The party that acquires securities under a repurchase agreement or security lending (borrowing) can on-sell the securities due to the change in legal ownership of the securities (<i>BPM6</i> , paragraph 11.67). This on-selling of the securities that are not recorded on the balance sheet is classified as short selling and recorded as a negative asset (<i>BPM6</i> , paragraphs 7.28 and 7.61). <i>BPM6</i> does not clearly explain that the use of negative positions is to address the problem raised by the double-counting of the security by both the economic (original) owner and the final owner, nor what are the implications for who-to-whom presentations by counterpart sector and geography. This GN recommends introducing further clarifications (possibly a Box) for recording of short positions (including their income streams and from-whom-to-whom implications) in the income and financial accounts for reverse transactions in the updated <i>BPM</i> .	CL	A + D	No	No	No	Yes	1
		Issue 3 (<i>classification of income for security lender, borrower, and short-seller</i>): The economic owner of securities continues recording dividends and the accrual of interest on the securities even when the legal ownership of the security changes under a reverse transaction, including when the security is further on-sold to a third party. This GN recommends recording positive credit in dividends/interest for the security lender and negative credit in dividends/interest for the security borrower.	CL	A + D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		Issue 4 (<i>identification of the partner economy and sector counterpart for “manufactured dividends or interest”</i>): This GN recommends identifying the partner for “Manufactured dividends/interest” by the economy and sector of the security issuer, consistent with the positions held by the security lender and borrower.	CL	A + D	No	No	No	Yes	1
		Issue 5 (<i>clarification on commodities under reverse transactions</i>): In addition to securities and gold, commodities are used for reverse transactions. This GN recommends including commodities in the discussion on reverse transactions in the updated <i>BPM</i> .	CL	A + D	No	No	No	Yes	1
		Issue 6 (<i>supplementary information on reverse transactions</i>): This GN recommends that the updated <i>BPM</i> discusses the usefulness of separate identification of repo-related transactions and positions and encourages economies engaged in reverse transactions to prepare supplementary information on such transactions, e.g., by type of assets under reverse transactions (cash, securities, or other) and the role of assets in reverse transactions (provided/lent vs. received/borrowed) [Based on the results of the global survey of compilers and users, this recommendation will not be included in <i>BPM7</i>.]	AD	A + B + D	No	SI	F.1 + F.6	-	3

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
51	GN F.4: Financial Derivatives by Type	<p>Issue 1 (<i>broad classification of financial derivatives</i>): This GN recommends discontinuing the current breakdown of financial derivatives by broad type (i.e., options and forward-type contracts) in favor of more analytically useful classifications. The following classifications should be introduced: (a) by market risk category (standard component), (b) by instrument, and (c) by trading venue (both b and c are supplementary items but to be listed in the list of standard components and selected supplementary items/presentation tables [Appendix 9 of <i>BPM6</i>]).</p> <p>[Based on the results of the global survey of compilers and users, the recommendation to break down financial derivatives by market risk category will be changed to supplementary item and the breakdown by trading venue will not be included in <i>BPM7</i>.]</p>	CH	A + B + C + D	BR	SI	D.12 + F.1 + F.5	Yes	1
		<p>Issue 2 (<i>compiling notional values of foreign currency derivatives</i>): Only a very limited set of countries compile data for Tables A9-I-2a and A9-I-2b of <i>BPM6</i> Appendix 9 that capture the currency composition of the notional amounts of derivatives with foreign currency payment obligations crossed by sector. This GN recommends presenting the current Tables A9-I-1b and A9-I-2b of <i>BPM6</i> Appendix 9 more prominently in the updated <i>BPM</i>. If the compilation of these is too burdensome, a simplified table could be introduced to balance these competing objectives.</p>	CL	A + B + C	No	No	No	-	Yes

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		Issue 3 (<i>convention for recording of revaluations on foreign currency derivatives</i>): Any amounts accruing under financial derivatives are classified as revaluations and are included in the other changes for both assets and liabilities (<i>BPM6</i> , paragraph 6.59). This is, for example, the case for exchange rate options for which the underlying asset is the exchange rate between a pair of foreign currencies, while the option itself may be denominated in the currency of international accounts compilation. Hence, the market price of such an option is directly influenced by movements in the exchange rate between the two foreign currencies, rather than by developments in the currency of international accounts compilation. This GN recommends enhancing analytical clarity on what constitutes an exchange rate revaluation and to comply with <i>BPM6</i> , paragraph 9.28, the convention in <i>BPM6</i> , paragraph 9.31, shall change so that all revaluation effects are due to other price revaluations rather than as exchange rate evaluations for those types of derivatives where it may not be practical to separate exchange rate changes from other revaluation.	CH	D	BR	No	No	Yes	1
		Issue 4 (<i>recording of post trading activities</i>): This GN recommends expanding the current <i>BPM6</i> Chapter 8 (Financial Account) by providing methodological guidance for the recording of novation and portfolio compression as financial transactions. The recording of novation and portfolio compression does not lead to methodological changes, but rather calls for additional guidance within the existing methodology.	CL	B + D	No	No	No	Yes	1
		Issue 5 (<i>gross and net recording of assets and liabilities</i>): This GN recommends clarifying in paragraph 8.34 of <i>BPM6</i> that recording of transactions on a net basis is acceptable where separate data on transactions in assets and liabilities are not available, and the position may change between assets and liabilities (e.g., forwards, swaps). The method used should be consistently applied during the life of the instrument, not only when switching from assets to liabilities.	CL	D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
52	GN F.5 : Treatment of Credit Default Swaps	This GN recommends continuing to classify CDS as option-type derivatives. While the GN recommends no changes to the existing classification of CDS, it suggests that the next set of international standards should contain a brief explanation or text box highlighting the main characteristics of CDS. <i>[Additionally, the GN recommends supplementary breakdowns of financial derivatives by risk categories where credit derivatives would be separately identified to enhance the analytical use of derivatives classification, but this is covered in further detail in GN F.4]</i>	CL	A + B + D	No	No	F.4	Yes	1
53	GN F.6 : Capturing Non-Bank Financial Intermediation in the System of National Accounts and the External Sector Statistics	Issue 1 (<i>further institutional sector breakdown</i>): This GN recommends introducing further breakdowns of the subsector <i>Other Financial Corporations (OFCs)</i> as supplementary items to better capture non-bank financial intermediation. The OFC breakdown would include: (i) money market funds (MMFs), (ii) non-MMF investment funds, (iii) insurance corporations, (iv) pension funds, (v) other financial intermediaries (of which: central clearing counterparties), and (vi) captive financial institutions and money lenders, and financial auxiliaries.	AD	A + B + D	CI	SI	F.1 + F.7	Yes	1
		Issue 2 (<i>additional breakdowns for financial instruments</i>): This GN recommends including the following “of which” supplementary items under loans in the main presentation in the updated version of <i>BPM</i> to provide more information on liquidity risk and leverage: <i>Of which: Repurchase agreements, securities lending with cash collateral, and margin lending.</i> [Based on the results of the global survey of compilers and users, this recommendation will not be included in BPM7, see GN F.3 (Issue 6).]	AD	A + B + D	CI	SI	F.1 + F.3	No	3

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
54	GN F.7: Impact of Fintech on Macroeconomic Statistics	<p>Issue 1 (<i>sector and instrument breakdowns</i>): This GN finds that existing international statistical standards allow for proper treatment and recording of fintech companies and fintech related activities (not only financial transactions but also provision of services) in most cases. Therefore, the GN does not recommend introducing separate sectors or financial instruments for fintech, but rather recommends introducing an “of which” category for fintech companies within the subsector classification if a country has a strong need to separately identify them. Such an “of which” category may also be considered for instruments or services classifications where necessary (e.g., for central bank digital currencies or crypto assets, or financial services provided by fintech platforms) to separate out fintech-related instruments and services.</p> <p>[Based on the results of the global survey of compilers and users, this recommendation will not be included in <i>BPM7</i>. However, fintech is a developing area and will be included in the research agenda.]</p>	AD	A + B + D	CI + QI	SI	F.1 + F.6 + F.18	-	2
		<p>Issue 2 (<i>practical guidance</i>): While the existing statistical methodology allows for capturing most fintech related concepts, there are challenges associated with compilation. This GN recommends including practical guidance in the next edition of <i>BPM</i> to address compilation issues related to fintech as well as giving clear guidance on the recording of “e-money” in line with the <i>Monetary and Financial Statistics Manual and Compilation Guide</i>.</p>	CL	A + B + D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
55	GN F.8 : Valuation of Debt Securities at Both Market and Nominal Value	The valuation method for debt securities recommended in <i>BPM6</i> and the <i>2008 SNA</i> is market value. This GN recommends the inclusion of explicit guidance to compile stocks of debt securities at nominal value, as a supplement to the existing market valuation. It proposes to strengthen the recommendation to compile securities liabilities using both market and nominal values. It also recommends adopting a presentation table that provides a reconciliation between nominal and market valuation of debt securities liabilities. Finally, the GN recommends reporting debt securities used in direct investment inter-company lending as a supplementary item to the table.	AD	A + B + C + D	No	SI	No	Yes	1
56	GN F.9 : Valuation of Loans (Fair Value)	Valuation of loans at nominal value could be seen as a deviation from the general principle of market valuation recommended in <i>BPM6</i> . This GN recommends maintaining the current nominal valuation principle for loans and strengthening the existing framework allowing for value reset even beyond cases of bankruptcy and liquidation, when there is public evidence of loan deterioration.	CL	B + D	No	No	F.6 + F.8 + F.15	Yes	1
57	GN F.10: Treatment of Cash Collateral	[Final version not yet ready]							
58	GN F.12: Covering Hybrid Insurance and Pension Products [Approved by the Committee but final version not posted yet]	Issue 1 (insurance products) : The recommended recording of insurance products differs substantially depending on how they are classified. This GN recommends keeping the current categories for life insurance/nonlife insurance. It also recommends clarifying the standards by adding a statement highlighting that hybrid insurance products are classified based on the predominant nature of the policy.	CL	D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		Issue 2 (pension products): The recommended recording of pension products differs substantially depending on how they are classified. This GN recommends clarifying that autonomous, employer-independent schemes or funds can also qualify as social insurance pensions, and specify the criterion as follows: “Accumulated contributions are set aside for retirement income and are subject to regulation or supervision in line with or similar to employer-related pension schemes/funds.”	CL	D	No	No	No	Yes	1
59	GN F.13: Measurement of margins on buying and selling of financial instruments	[Final version not yet ready]							
60	GN F.14: Treatment of factoring transactions	[Final version not yet ready]							
61	GN F.15: Debt Concessionality	[Final version not yet ready]					F.9		
62	GN F.16 : Subscription Rights	<i>BPM6</i> and the <i>2008 SNA</i> remain silent on the classification of stock subscription rights. At the same time, contradictory guidance on the subject exists between the “Handbook on National Accounting: Financial Production, Flows and Stocks in the System of National Accounts”, which prescribes a classification of the rights under financial derivatives, and the “Handbook on Securities Statistics”, which on the contrary requires a classification as equity. This GN recommends that the updated manuals explicitly require the classification of subscription rights as equity.	CL	B + D	No	No	No	Yes	1
63	GN F.18: The Recording of Crypto Assets in Macroeconomic Statistics	[Final version not yet ready]					F.7		

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
Informal Economy Task Team Guidance Notes									
64	GN IE.1 : Statistical Framework of the Informal Economy	This GN presents a coherent set of conceptual recommendations for the measurement of work and economic activity in the informal economy, focusing on the perspective of economic units. The framework redefines the informal sector; outlines how formal enterprises can engage in informal productive activities; and delineates the production of households of goods and services for own use, including informal non-profit institutions serving households and direct volunteering. In addition, it considers the issues of informality facilitated by digitalization, as well as informal cross border flows. While the GN recommends no changes to the <i>BPM</i> methodology, the framework can be used to strengthen compilation practices.	SQ	A + B + D	No	No	No	Yes	-
Islamic Finance Task Team Guidance Notes									
65	GN IF.1 : Islamic finance in the System of National Accounts and External Sector Statistics [Issue 5 still pending]	Issue 1 (<i>terminology for the investment income for Islamic deposits, loans, and debt securities</i>): This GN recommends changing the term “interest” to “interest and similar returns” in the updated <i>BPM6</i> and <i>2008 SNA</i> to better reflect the broader interest-like returns on Islamic deposits, loans, and debt securities, thus enabling a better integration of these Islamic financial instruments and the associated income into the existing macroeconomic statistical frameworks.	CH	B	No	No	No	Yes	1

No.	Issue	Recommendation	Type ^{/1}	Impact ^{/2}	Risk ^{/3}	Data ^{/4}	Links ^{/5}	CG ⁶	Bucket ⁷
		<p>Issue 2 (<i>sectorization and output of Islamic financial entities</i>): This GN recommends treating (i) off-balance sheet restricted investment accounts as institutional units in the non-money market funds subsector (S124) and calculating output as the sum of costs and FISIM on financing arrangements such as Murabaha and Ijarah; (ii) Islamic windows in conventional banks as institutional units in the deposit corporations except the central bank subsector (S122) and calculating output as a combination of FISIM, fees, and commissions; (iii) Waqf funds as institutional units in the captive financial institutions and money lenders subsector (S127) and calculating output as the sum of costs; and (iv) Hajj funds as institutional units in the non-money market investment funds subsector (S124) and calculating output as the sum of costs.</p>	CL	B + D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		<p>Issue 3 (<i>economic ownership of non-financial assets related to sales, lease, and equity financing which are legally owned by Islamic financial corporations</i>): This GN recommends the following clarifications regarding the of economic ownership of non-financial assets in financing arrangements such as Murabha, Bai Muajjal, Mudaraba, diminishing Musharaka, Bai Salam, Istisna'a, Operating Ijarah, Financing Ijarah and Tawarruq: (i) it is possible that Islamic financial corporations can establish a separate institutional unit (often in partnership with other units), which will then be the economic owner of the underlying non-financial assets; (ii) if no separate institutional units are set up, Islamic financial corporations can act as facilitators by transferring the economic ownership of the non-financial assets from the seller to the client; (iii) economic owners of the underlying non-financial assets should be considered the ultimate purchasers of these assets that they obtain through Islamic financial corporations; and (iv) the time of recording of the acquisition of the underlying non-financial assets is the moment when the economic ownership of these assets changes hands. Regarding economic ownership of non-financial assets when clients default on paying for these assets in financing arrangements such as Murabaha and Bai Muajjal, this GN recommends that the client will still be considered as the economic owner of the underlying non-financial asset as the default on payment is essentially a default on a financial payment.</p>	CL	B + D	No	No	No	Yes	1
		<p>Issue 4 (<i>classification of Islamic financial instruments and corresponding investment income</i>): This GN recommends constructing a decision tree that will enable compilers to classify Islamic financial instruments appropriately in the SNA and BPM. The deciding factors include the form of institutional unit, the design of the instrument, on- of off-balance sheet recording, type of claim, presence of negotiable securities, and size of ownership holdings.</p>	CL	B + D	No	No	No	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		Issue 5 (<i>reference rates and terminology to calculate Islamic FISIM</i>): [Options still being discussed]							
		Issue 6 (<i>Islamic insurance (takaful and retakaful)</i>): This GN recommends (i) classifying takaful operators and takaful funds as separate institutional units; (ii) sectorizing takaful operators and takaful funds if they are classified as institutional units into, respectively, the financial auxiliaries subsector (S126) and insurance corporations subsector (S128); (iii) calculating the output of takaful operators as the wakalah fees they charge to administer takaful funds and/or the share of profits earned from investing takaful funds, and the output of takaful funds as the sum of costs as the wakalah fees they pay to takaful operators and/or the share of profit payable to takaful operators plus other intermediate consumption, if any.	CL	B + D	No	No	No	Yes	1
		Issue 7 (<i>appendix on Islamic finance</i>): This GN recommends including a special section or an appendix on Islamic finance in the updated <i>BPM</i> and <i>SNA</i> , which highlights the differences between conventional and Islamic finance, brings together all the entries in the accounts connected with Islamic finance, and explains their interconnections.	AD	B + D	No	No	No	-	1
		Issue 8 (<i>compilation guide on Islamic finance</i>): This GN recommends developing an Islamic finance compilation guide to (i) discuss the differences between conventional and Islamic finance; (ii) provide guidance on developing an Islamic finance satellite account to enhance its statistical visibility; and (iii) provide practical guidance and illustrative numerical examples on how to record Islamic financial activities in the national and international accounts.	AD	B + D	No	No	No	-	-

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
Globalization Task Team Guidance Notes									
66	GN G.1: Valuation of Imports and Exports of Goods in the International Standards CIF to FOB Adjustment [Approved by the Committee but final version not posted yet]	<p><i>BPM6</i> and the <i>2008 SNA</i> recommend recording of imports and exports of goods at free-on-board (FOB) values. However, the FOB recording is not fully reconciled with the principle of output valuation at basic prices used for domestic transactions in the <i>2008 SNA</i>. In recent years, different authors suggested the use of transaction (invoice) values for recording of imports and exports.</p> <p>Both the Advisory Expert Group on National Accounts and the IMF's Committee on Balance of Payments Statistics consider the use of transaction values as conceptually sound. However, for the current <i>BPM</i> and <i>SNA</i> updates, this GN recommends maintaining status quo, given that the limited results obtained during the second stage of the global consultation testing did not support the practical adoption of transaction values at this time.</p> <p>The GN puts forward that the change in the standards to value trade in goods at transaction prices (Option 3) must be the conceptual goal for the next round of <i>BPM</i> and <i>SNA</i> updates. A phased approach between the <i>BPM7</i> and <i>2025 SNA</i> to the next updates will enable assessing the quality of invoice values over time and ensure that economies start preparing for a transition to the use of invoice values which will be applicable.</p>	SQ	No	No	No	No	No	2

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
67	GN G.2 : Treatment of MNE and Intra-MNE Flows	<p>This GN recommends defining a multinational enterprise (MNE) as a legal entity that (i) has at least one nonresident affiliate or branch and (ii) exercises control over its affiliate(s) or branch(es) either directly—by owning over 50 percent of the voting power in the entity—or by indirect transmission of control. The MNE is the ultimate controlling parent, i.e., the direct investor at the top of the control chain.</p> <p>The concept of the Ultimate Controlling Parent (UCP) used in this GN would be consistent with the UIE concept under the proposed “Winner Takes All (WTA)” approach, as per GN D.6.</p> <p>The GN also supports including in <i>BPM7</i> a new chapter on globalization, including the treatment of MNEs and Intra-MNE group flows.</p>	CL	A + B + D	No	No	D.4 + D.6 + G.4 + G.7	Yes	1
68	GN G.4 : Treatment of Special Purpose Entities and Residency	<p>Issue 1 (definition and sector breakdown): This GN recommends adopting an international definition of Special Purpose Entities (SPEs) in both <i>BPM7</i> and the <i>2025 SNA</i>, aligned with the recent work of the IMF’s Committee on Balance of Payments Statistics. The GN also recommends leaving the core framework unchanged and integrate the recommended breakdown of SPEs within the institutional sector accounts on a supplementary basis for countries for which SPEs are significant.</p>	AD	A + B + C + D	CI	SI	D.5 + D.14 + F.1	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
		<p>Issue 2 (nationality basis): This GN recommends presenting nationality-based SPE statistics as a supplement to residency-based statistics for economies for which SPEs are deemed important. The nationality-based approach reflects a global consolidation of MNEs such that the statistics are organized according to the location of the entity that ultimately controls the SPEs rather than by the residency of the SPEs, thus incorporating the dimension of ownership and control.</p> <p>[Based on the results of the global survey of compilers and users, this recommendation will not be included in <i>BPM7</i>, but it remains on the research agenda for possible inclusion at a later stage, particularly if methods can be developed to reduce compilation costs]</p>	AD	A + B + C + D	Cl	SI	D.6	No	2
69	GN G.5 : Economic Ownership of Intellectual Property Products: Recording of Intra-MNE Transactions	Both <i>BPM6</i> and the <i>2008 SNA</i> treat intellectual property products (IPP) as produced assets. In the case of MNEs, the change in ownership of an IPP, from the economic point of view of transfer of all risks, rewards, rights, and responsibilities of ownership, is not straightforward. This GN concludes that the economic ownership (parent, producer, production affiliate), for previously produced IPP, depends on the underlying arrangement such that a default solution cannot be considered. The GN recommends using the <i>Guide to Measuring Global Production</i> decision tree to determine the economic owner of IPP across an MNE group. It also clarifies that SPEs can be the economic owners of IPP assets aligned with GN G.4 “Treatment of SPEs and Residency” and as per the IMF’s “Operational Guidelines on SPEs”.	CL	A + B + D	No	No	G.4	Yes	1

No.	Issue	Recommendation	Type ¹	Impact ²	Risk ³	Data ⁴	Links ⁵	CG ⁶	Bucket ⁷
70	GN G.7 : Global Value Chains and Trade in Value Added	This GN examines how production fragmentation has deepened the divergence between gross flows, as recorded by traditional international trade statistics, and the data on production and final demand as accounted for in value added statistics. To better account for interlinked core production activities and supporting services activities, the GN recommends no changes to the core <i>BPM</i> and <i>SNA</i> concepts. Instead, the GN recommends including a description of <i>global value chains (GVCs)</i> and <i>trade in value added</i> in the updated manuals. Within the <i>BPM</i> , the GN recommends including supplementary cross-border statistics detailed by geography or product as part of a reporting template for GVC data collection.	AD	A + B + C + D	CI	SI	C.2 + C.4 + D.6 + G.2	Yes	1
71	GN G.9: Payment for Nonproduced Knowledge-Based Capital (Marketing Assets)	[Final version not ready yet]							
Communication Task Team Guidance Notes									
72	GN CM.1: An Assessment Framework to Measure Alignment with the Economic Accounting Statistical Standards	[Final version not ready yet]							
73	GN CM.2: Terminology and Branding of the Economic Accounting Statistical Standards	[Final version not ready yet]							
74	GN CM.3: A Taxonomy for Communicating Economic Statistics Releases, Products, and Product Updates	[Final version not ready yet]							
75	GN CM.4: Gross and Net Measures	[Final version not ready yet]							

No.	Issue	Recommendation	Type ^{/1}	Impact ^{/2}	Risk ^{/3}	Data ^{/4}	Links ^{/5}	CG ⁶	Bucket ⁷
(Selected) Digitalization Task Team Guidance Notes									
76	GN DZ.3 : Treatment of "Free" Digital Products in the "Core" National Accounts	This GN recommends no changes in framework for balance of payments statistics, but the updated <i>BPM</i> should mention that free services of non-resident platforms may be funded indirectly through international transactions in advertising services and other things. Furthermore, references can be made to the guidance provided in the OECD-WTO-IMF Handbook on Measuring Digital Trade.	CL	A + B	No	No	No	Yes	1
77	GN DZ.6: Recording of Data in the National Accounts	[Final version not ready yet]							
78	GN DZ.7 : Improving the visibility of Artificial Intelligence in the national accounts	This GN recommends updating the SNA definition of intellectual property rights and including a definition of artificial intelligence. These SNA definitions could also be included in the updated <i>BPM</i> .	CL	A + B	No	No	No	No	1
79	GN DZ.8: Cloud computing	[Final version not ready yet]							
80	GN DZ.9: Incorporating Digital Intermediation Platforms into the System of National Accounts	[Final version not ready yet]							
81	GN DZ.10: Non-fungible tokens (NFTs)	[Final version not ready yet]							
(Selected) Wellbeing and Sustainability Task Team Guidance Notes									
82	GN WS.7: Emissions permits: the atmosphere as an asset	[Final version not ready yet]							
83	GN WS.9: Recording of provisions	[Final version not ready yet]							

No.	Issue	Recommendation	Type ^{/1}	Impact ^{/2}	Risk ^{/3}	Data ^{/4}	Links ^{/5}	CG ^{/6}	Bucket ^{/7}
84	GN WS.14: Distinction Between a Tax and Service Transaction and other Borderline Cases	[Final version not ready yet]							

/1: AD = addition; CH = change; CL = clarification; SQ = status quo

/2: A = improve information on key topics of the research agenda; B = enhance the coherence between macroeconomic statistics; C = trigger significant impact; D = contribute to improving quality, for example by reducing the level of asymmetries or providing additional information; No = no impact

/3: BR = potential break in time series; CI = potential confidentiality issues; QI = potential data quality issues; No = no significant implementation risk

/4: No = No new data requests; SC = new standard components; SI = new supplementary items

/5: Direct links to other GNs

/6: Yes = will be included in the *BPM7 Compilation Guide*; No = will not be included in the *BPM7 Compilation Guide*; - = not relevant

/7: 1 = will be included in *BPM7*; 2 = will remain on the Committee's research agenda for future work and be mentioned as such in *BPM7*; 3 = will not be included in *BPM7* and will be dropped from the research agenda; - = not relevant