



Joint Forty-First Meeting of the  
IMF Committee on Balance of Payments Statistics  
and Twenty-Third Meeting of the Advisory Expert  
Group on National Accounts

Inter-secretariat  
Working Group on  
National Accounts

Remote Meeting  
July 13, 2023

BOPCOM VM2—23/04  
SNA/M2.23/00.b

## Summary of Discussions



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## INTRODUCTION

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1. The forty-first meeting of the IMF Committee on Balance of Payments Statistics (Committee) and the twenty-third meeting of the Advisory Expert Group (AEG) on National Accounts was jointly held on-line on July 13, 2023. This summary of discussions includes the action points agreed by the Committee and the AEG during the meeting.
2. Mr. Bert Kroese, Chief Statistician, Data Officer, and Director of the Statistics Department (IMF), and Chair of the Committee welcomed the AEG and Committee members to the meeting and introduced the three topics of the meeting.

## COMMON GLOSSARY OF MACROECONOMIC STATISTICS

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### TOPICS PRESENTED FOR DISCUSSION

3. In March 2023, the Communication Task Team (CMTT) submitted a draft proposal for the “Glossary of terms and definitions for macro-economic statistics” (the Glossary), which proved to be an excellent starting point for a further review by the *2008 SNA/BPM6* update editorial teams. Through several converging rounds of discussions, the editorial teams managed to agree on almost all the terms and definitions. However, a few terms and definitions could not yet be finalized, mainly because they are dependent on the final outcomes of GNs which have not yet been endorsed.
4. In July 2023, the list of terms and definitions will be circulated to the key stakeholders (representatives from Government Finance Statistics, Monetary and Financial Statistics, and the System of Environmental-Economic Accounting), requesting their feedback on specific terms. It is expected that the glossary will be presented to the AEG and the Committee for consultation, and that the glossary be finalized by the end of September 2023. Given the involvement of a considerable number of experts during the process of arriving at an agreed set of terms and definitions, the consultation of AEG/Committee members will primarily focus on a limited number of high-level questions (e.g., the scope of the glossary, missing elements, etc.). The consultation is not intended to have a detailed editorial assessment and discussion of individual terms and definitions, as there will be an opportunity to comment on these terms and definitions in the global consultations on the draft chapters.

### SUMMARY OF DISCUSSIONS

5. Peter van de Ven (SNA Lead Editor) on behalf of the drafting team updated the participants on the progress of the Glossary and consulted the AEG and Committee members on: (i) the proposed way forward; (ii) recommendations on a few generic content-related issues; and (iii) on their preference for one of the two options for defining financial claims and financial assets.

### ***Main conclusions and actions***

- There was unanimous support for the proposed way forward for the finalization of the Glossary and the recommendations about content-related issues.

- There was majority support for including equity in the definition of financial claims,
- AEG and BOPCOM members agreed that a separate global consultation will not be needed for the Glossary since the global consultations on the draft chapters of the 2025 SNA and BPM7 will provide an opportunity to provide comments on the terms and definitions.
- The drafting teams to prepare a revised/clean version of the Glossary for AEG/BOPCOM consultation based on high-level questions.
- The Glossary will be translated into the other five non-English United Nations languages to facilitate the translation of the 2025 SNA and BPM7 respectively.

## WS.7 EMISSION TRADING SCHEMES

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### TOPICS PRESENTED FOR DISCUSSION

6. Following global consultation which revealed no clear consensus on the preferred option for recording emission trading schemes, the GN on WS.7 Emission Permits was discussed at the October 2022 AEG meeting. The AEG members generally supported Option 4 (Emission Permits recorded as a financial asset with taxes on production recorded at surrender) but noted that: (i) a minority of AEG members saw Option 4 only as the second-best option; and (ii) the feasibility of the sub-options (Option (a) the permit to be valued at the price at issuance (cash) and (b) the permit to be valued at the prevailing market price at the time it is surrendered) would need to be further discussed, also with the Balance of Payments community by way of consultation with the BOPCOM. The updated GN was then submitted to BOPCOM for consultation in March 2023. Two BOPCOM members disagreed with Option 4. Other BOPCOM members, while not expressing a concern with Option 4, considered that the GN would benefit from a better elaboration of the sub-options for Option 4, and some members expressed concerns about practical implementation.

7. The GN Drafting Team has prepared a note, addressing the comments raised by BOPCOM members, to seek guidance from the AEG/BOPCOM on the way forward.

### SUMMARY OF DISCUSSIONS

8. Peter Harper (SNA Project Manager) presented the topic and consulted the AEG and BOPCOM members on: (i) to confirm that the recording of emission permits as a financial asset with taxes on production recorded at surrender (Option 4) is the preferred option for the 2025 SNA; (ii) the classification for Emission Permits as accounts receivable (pre-paid taxes) / accounts payable; and (iii) the proposal to provide practical guidance on the recording of and measurement for Emissions Permits issued for free, including practical guidance on the measurement of cross border transactions. Most AEG/ BOPCOM members agreed on Option 4; the classification for Emission Permits as accounts receivable (pre-paid taxes) / accounts payable and that the taxes on production should be valued at the issuance price, but there were varying views regarding practical implementation of Option 4. Some members indicated that Emission Permits do not meet the definition of financial assets as they do not result in a debtor-creditor relationship. There was general agreement that there is no ideal way to reflect these in the standards and that hence some compromise needed to be found.

9. Members agreed to organize a workshop to discuss the implementation issues as well as the communication of the topic. They also agreed to have a written consultation on the final proposal considering the absence of several BOPCOM members at the meeting.

### **Main conclusions and actions**

- The BPM/SNA editorial teams (in consultation with the GN drafting team) to prepare a note elaborating on the merits, recording and practical implications of Option 4 and circulate it to the AEG and BOPCOM for written consultation and final approval by the end of August 2023.
- A workshop will be organized to discuss implementation issues and provide practical guidance, after which its outcomes will be reported to the AEG and BOPCOM.
- It is important that in communication about the topic that there is sufficient justification for the recommended approach.

## **CM.2 TERMINOLOGY AND BRANDING OF THE ECONOMIC ACCOUNTING STATISTICAL STANDARDS**

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### TOPICS PRESENTED FOR DISCUSSION

10. This GN proposed an alignment of statistical terminologies, update of terms where appropriate and improve the branding of the statistical standards to improve comprehension and usability of macroeconomic statistics. After AEG/BOPCOM review and discussion during past meetings, the GN was sent for global consultation (which ended on 28<sup>th</sup> June 2023). The GC results were discussed during this meeting.

### SUMMARY OF DISCUSSIONS

11. Sanjiv Mahajan (Chair of the Communication Task Team) presented the progress made and the outcomes of the GC consultation of the GN and user consultation covering the proposals. There was general support for the overall recommendations and the need for ensuring consistency of terminologies across statistical manuals. Some members raised concerns regarding potential consistency issues related to the changes to the terms *credits* and *debits* and others such as *FISIM*, “*international*” trade and *merchanted*. Some members highlighted the additional challenges when translating the proposed changes to terms into other languages. Chair of the Communication Task Team agreed that it makes sense to remove “services” from the merchanted proposal on consistency grounds that margins are only shown on goods and not services.

### **Main conclusions and actions**

- AEG and BOPCOM Members took note of the main conclusions of the global and user consultations and endorsed the revised GN. However, a number of concerns were raised in relation to the changes to the terms, *credits* and *debits*, which will require further discussion.
- AEG and BOPCOM Members also expressed concern about the potential consistency issues arising from incorporating the proposed changes in the BPM7 and 2025 SNA (including changes to terms *FISIM* “*international*” trade and *merchanted*) and requested the SNA/BPM editorial teams to: properly

document and convey any adjustments to the proposals to AEG and BOPCOM for information; and to properly justify any differences between the macroeconomic statistical manuals.

- AEG and BOPCOM Members acknowledged that there could be challenges in translating the proposed changes into other languages and advised that the translation process carefully considers the most appropriate alternatives within those languages.