STATISTICS

Progress with Developing Compilation Guidance on Crypto Assets (SNA/M3.23/7)

Thirty-fourth Meeting of the Advisory Expert Group on National Accounts

October 16–18, 2023

Outline

- Purpose

- Draft Compilation Guidance: Proposed Structure

- Methodological Framework

- Data Sources

- Data Considerations and Challenges

- Proposed Timeline

- Questions for the AEG

Compilation Guidance: Purpose

Provide practical guidance on the recording of crypto assets: fungible and nonfungible

Compendium for compilers

To provide practical guidance on

- **data sources**
  and
- **compilation methods**

for measuring crypto assets related transactions and positions in macroeconomic statistics.

Consistency and comparability

To ensure compilation and dissemination of

- **consistent and**
- **comparable**

estimates related to crypto assets across countries following the international statistical standards

Fast-changing nature of crypto assets ecosystem ➡ **Potential further/ongoing updates of the guidance**

Draft Compilation Guidance: Proposed Structure
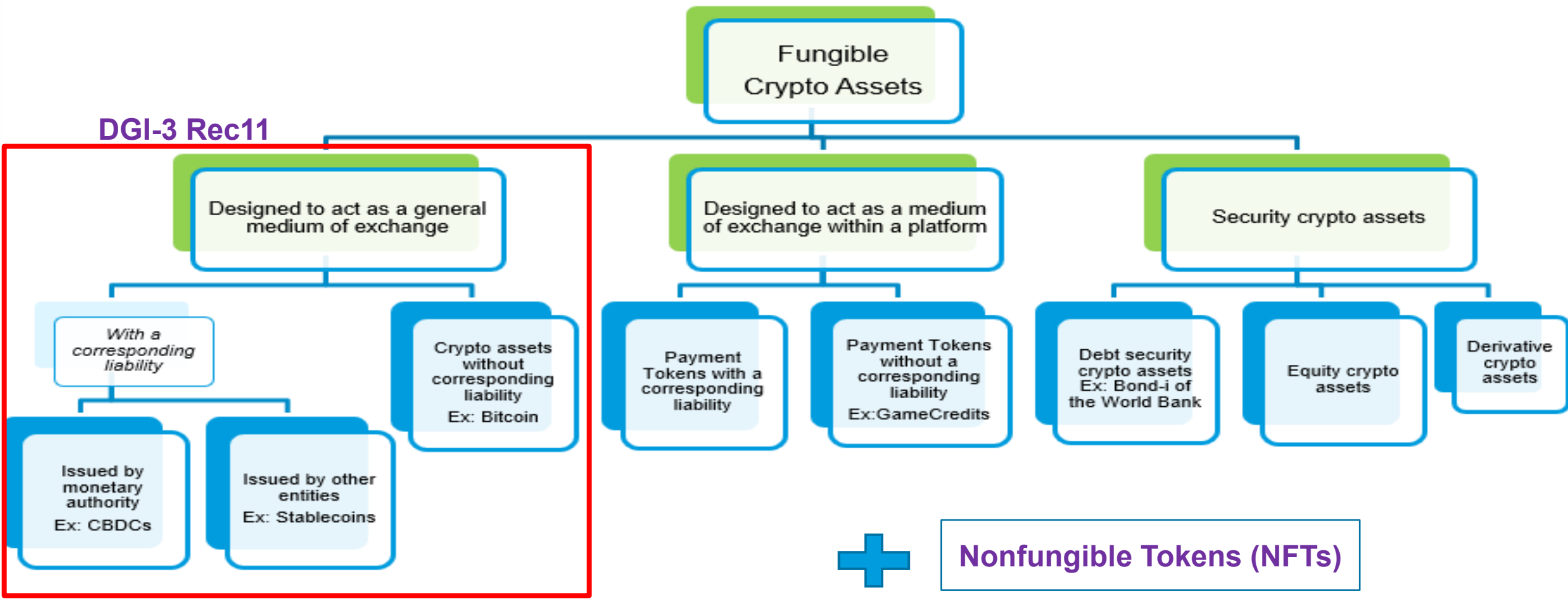
I. Overview of crypto assets ecosystem

II. Methodological framework for the recording of crypto assets

III. Data sources and compilation methods

IV. Data compilation and dissemination—challenges and solutions (tentative—to be developed at a later stage)

Annexes

A1. Country experiences and case studies

A2. Data reporting templates and survey instructions

A3. The concept of money and liquidity in MFS

Compilation Guidance: Methodological Framework

DGI-3 Rec11

Fungible Crypto Assets

- **Designed to act as a general medium of exchange**
  - With a corresponding liability
    - Issued by monetary authority Ex: CBDCs
    - Issued by other entities Ex: Stablecoins
  - Crypto assets without corresponding liability Ex: Bitcoin
- **Designed to act as a medium of exchange within a platform**
  - Payment Tokens with a corresponding liability
  - Payment Tokens without a corresponding liability Ex: GameCredits
- **Security crypto assets**
  - Debt security crypto assets Ex: Bond-i of the World Bank
  - Equity crypto assets
  - Derivative crypto assets

+ Nonfungible Tokens (NFTs)

Compilation Guidance: Data sources

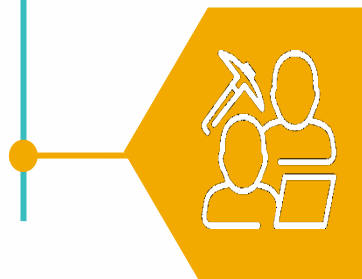| Administrative data sources	Existing surveys and possible new surveys	Alternative data sources
For example: • Financial statements of different institutional units including the mining companies, stablecoin issuers (part of NFCs/FCs) • International transactions reporting system (ITRS) • SRFs for monetary statistics • Tax records • Records of regulators, etc.	• Existing surveys such as foreign investment surveys and surveys established for regulatory purposes Possible new surveys and/or expanding existing • Surveys of mining companies, crypto exchanges, custodians, stablecoin issuers, etc. • Requires collaboration with large players Centralized (e.g., Binance, Coinbase) and decentralized exchanges (e.g., Uniswap, Curve) • Templates and instructions for data collection	For example: • Private data sources (e.g., Coinmetrics) provide data on crypto assets mainly covering daily prices, market capital cap • Chainalysis Market Intel • Existing crypto assets data related projects of international organizations (e.g., Project Atlas and Pyxtrial of BIS)

Compilation Guidance: Data considerations and Challenges

There are several challenges related to crypto data collection in the current state of the market:

Unique nature of crypto assets and pseudonymity of the holders

➢ **On-chain transactions** are traceable, but the residency of the holders is – by design – difficult to establish

➢ **Off-chain transactions** (that probably stand for majority of all) are untraceable and information on holder's position is not available

Crypto assets related research projects (from IMF and other International organizations)-we see value in collaboration to understand the data sources better

Consultations with businesses (e.g., crypto exchanges and custodians) is crucial to explore potential data collection in greater detail, which seems essential for developing an appropriate guidance

Compilation Guidance: Data Considerations and Challenges

Establishing the counterparty in the case of mining/validation services

Unhosted wallets and decentralized apps (currently still minor market share), but difficult to regulate with traditional regulations
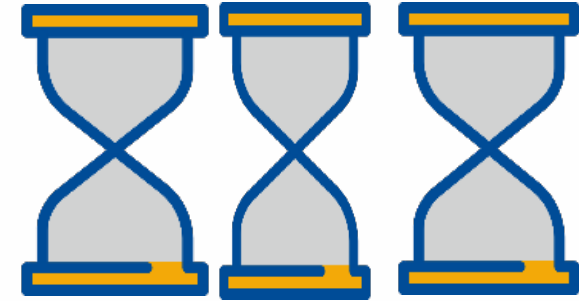
Lack of harmonized regulation and data collection standards, especially in the context of establishing holder's residency (e.g., crypto assets purchased from no KYC exchanges)

Potentially frequent changes of geographical location of stablecoins issuers

? Conducting in-depth analysis and leveraging on collaboration and consultation with businesses (exchanges: Centralized Exchanges (CEX) and Decentralized Exchange (DEX), stablecoin issuers and custodians)—for further insights on these challenges

Compilation Guidance Preparation: Proposed Timeline

Short-term deliverables

Collaboration and Research

Long-term (final) deliverables

▶ Presentations:

- ◆ AEG meeting: October 16-18, 2023

- ◆ BOPCOM meeting: October 24-26, 2023

- ◆ **11th IMF Statistical Forum: November 15-16, 2023**

▶ Research and drafting phase: NA, ESS, MFS collaboration

▶ Collaboration with DGI-3 Rec 11 TT

▶ Practical workshop: January 2024

▶ Interim updates to AEG/BOPCOM

October 2023 – September 2024

▶ Draft document on data sources and compilation methods, Annexes 1 and 2

▶ Draft document on other sections

▶ Presentation of the draft document to the AEG/BOPCOM (may be also to the Task Team on DGI-3 Rec #11)

October/November 2024

Relevant recommendations on the new surveys will be subject to possible collaboration and pilot exercises/surveys with some relevant institutions operating in this area

Questions for the AEG

1. Do you agree with the overall structure of the Compilation Guidance and the proposed timelines?
2. Are there any AEG member countries willing to participate in developing the Compilation Guidance? And/or sharing country experiences?
3. Do you consider that a practical workshop will be beneficial to develop further insights on data sources and compilation methods?
4. Do you have any suggestions on the procedure to be followed for finalizing/publishing the Compilation Guidance?
5. Do you have any other suggestions on the Compilation Guidance?