

**Twenty-Third Meeting of the
IMF Committee on Balance of Payments Statistics
Washington, D.C.
October 25–27, 2010**

***BPM6* Implementation Plans:
Adoption of *BPM6* and Other Updates in the International Accounts of the
Canadian System of National Accounts**



Statistics Canada
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Adoption of BPM6 and other updates in the international accounts of the Canadian System of National Accounts

IMF BOPCOM

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Updates to the International Accounts Program

- **PGM: qBOP; qIIP; mSec; aCPIS; aFDI/FAS; aTIS**
- **Context of the 2012 historical revision (HR) to the Canadian System of National Accounts ... Issues currently under consideration (some TBD)**
- **Context of retooling of the IA surveys**
- **2012 ... mini HRs afterwards (2014 - deferred)**
- **Scope: Increased compliance with international standards, including BPM6 ... phased in (data challenges)**
- **Scope: Statistical revisions, classification changes**

BPM6 + other changes – Current Account

- Move to adopt NAPCS for international trade – services in progress, project for goods
- BOP-IIP full conversion to NAICS
- PTAs (6-16) quarterly trade ... **BOP-IIP**
- Revisions to trade in services → survey re-design, admin data → ↑`d coverage-accuracy
- Goods for processing – **deferred**
- Merchanting – **excluded** (remains services)
- Repairs from *Goods* to *Services*

BPM6 + other changes – Current Account

- FISIM estimated and included in *Services*
- R&D to be capitalized in SNA and cross-border sales to be treated as purchased services
- *Insurance services detail and methodology* under review
- *Postal and courier services* moved to *Transportation*; Introduction of *Telecommunications, computer, and information services*; *Term Royalties* replaced by *Fees for franchises and other proprietary rights*

BPM6 + other changes – Current Account

- Exclusion of migrants` personal effects
- Re-exports as supplementary items (TBD)
- Proposed new detail-breakdown under transportation and government services (TBD) ... Issues of confidentiality
- No plan on modes of supply for services (esp. M1 and M4; M3 FAS) – **excluded**
- *Labour income* moved from services (individual service providers) to *Primary income* (admin data)
- Other BPM6 changes to goods and services → too small, no data

BPM6 changes – Current Account

- Concept of *Primary income* introduced (labour and property income)
- *Investment income* detail linked to financial instruments (in place + changes to FA)
- Income on IF shares include RIE (TBD)
- FDI income detail by type – **deferred**; FDI income from reverse investment not on gross basis – **deferred**
- Other BPM6 changes to investment income → in place, too small, no data
- BPM6 changes to current transfers, outside of *Secondary income* title (TBD)

BPM6 changes – Capital and Financial Account – Capital Account

- **Cosmetic changes to the capital account ...**
New sub-details need to be assessed for quality and confidentiality (**TBD**)
- **Exclusion of migrants` transfers**
- **Generation of an overall balance similar to that used in the Canadian SNA Flow-of-Funds**
– *Net lending-borrowing balance* from the current account balance (saving) and net capital account flows

BPM6 changes – Capital and Financial Account – Financial Account

- Split between FDI debt and equity – **deferred**
- FDI asset-liability principle (**TBD**)
- FDI M&A activity (**TBD**) ... Confidentiality?
- Other FDI detail, outside of RIE, – **deferred**
- Split between listed and unlisted equity (**TBD**)
- Investment fund shares in FDI and portfolio investment (**TBD**)
- S-T and L-T split on portfolio securities, but will retain focus on instrument detail ...
Securities databases

BPM6 changes + other – Capital and Financial Account – Financial Account

- Financial derivatives in progress (TBD)
- Adopt S-T and L-T split on deposits and loans, as well as trade credit – **excluded**
- Official reserves (detail) to separate category
- Insurance, pensions and standardized guarantees (TBD)
- Allocation of SDRs as a liability (completed)
- NEO → *Statistical discrepancy: Net Errors and Omissions ... Canadian SNA consistency*

BPM6 + other changes – Capital and Financial Account - Financial Account

- Reversing the sign on BOP domestic asset flows ... More consistent with other accounts and for ease of analysis
- MEMO items (TBD)
- Analysis of net errors and omissions in the context of sector account flows
- BOP-IIP by institutional sector can be done but likely – deferred
- BOP Financial Account changes carryover to IIP

BPM6 + other changes – International Investment Position

- Basic FDI asset-liability principle applied ... Further refinements **deferred** pending completion of financial surveys re-design
- Debt-equity split in FDI, FDI fellow enterprise detail – **deferred** (re-design)
- Real estate - Other investments to FDI (**TBD**)
- Market valuation for tradable securities in place; Market valuation for FDI and unlisted equity in progress ... PTAs vs full geography
- Valuation of loans
- Other changes in Assets Accounts implicit ... explicit (**TBD**)

Canadian System of National Accounts: BPM6 + other revisions

- **SUMMARY**

- ⊡ Moving towards BPM6 and other international standards ... 2012 - **2014**

- ⊡ More frequent (mini) historical revisions → more flexible system that can adapt on an ongoing basis to evolving international standards and new demands for information

- ⊡ Statistical revisions from improved data, increased coherence, classification changes, etc ... Important part of historical revisions