

CATT Inaugural Meeting (June 11, 2020)— Summary of Discussions

ATTENDEES

- **IMF:** Mr. Carlos Sánchez-Muñoz, Mr. Paul Austin, Ms. Maria Borga (currently with the OECD; joining IMF at end-June 2020), Ms. Silvia Matei, Mr. Malik Bani Hani, Mr. Kenneth Egesa, and Ms. Tatiana Carandang.
- **Eurostat:** Ms. Lena Frej-Ohlsson and Mr. Robert Leisch.
- **Country representatives:** (Argentina) Ms. Silvia Amiel, (Botswana) Ms. Baby Mogapi, (Brazil) Mr. Thiago Vieira, (Canada) Mr. Denis Caron, (Denmark) Mr. Casper Winther, (Jamaica) Mr. Esmond McLean, (Kosovo) Mr. Bedri Zymeri, (Mexico) Mr. Gerardo Durand Alcántara, (Moldova) Ms. Angela Gherman–Cernei, (Morocco) Mr. Mounir Rhandi, (Peru) Ms. Consuelo Soto, (Russia) Mr. Robert Pupynin, (Thailand) Ms. Angsupalee Wacharakiat, and (United States) Ms. Kristy Howell.
- **Other International Organizations:** Mr. Rodolfo Ostolaza and Mr. David Brackfield (both OECD); Mr. Markie Muryawan (UNSD).

SUMMARY OF DISCUSSIONS/KEY POINTS

1. The CATT Co-Chairs (Mr. Austin and Ms. Frej-Ohlsson) presented an overview of the overall *BPM6* Update process, and informed the audience on the role of the CATT and its relations with the other Task Teams (TTs) for updating the *BPM6* and the *2008 SNA*, the research topics assigned to it, and further relevant details regarding the participation and preparation of the Guidance Notes (GN). In this regard, the Co-Chairs expressed their appreciation for all the expressions of interest received from CATT members ahead of the meeting.
2. **GN:** Co-Chairs outlined the standard format and content of the GN. The objective of the GNs is to provide a clear and concise view of the methodological issues that the CATT was asked to investigate and the outcome of its deliberations to be considered for the *BPM7*. While the six-page limit is intended to streamline the presentation in a standard format across the TTs, additional relevant material should be presented as annexes.
3. **Timeline for the preparation of GNs:** With a view to having all (currently) 10 GNs of CATT's finalized by October 2021, the work program should aim at: (i) immediately initiating work on the topics assigned high priority; and (ii) identifying those topics where comprehensive prior research/deliberations are well advanced and could enable the delivery of a GN in the shortest possible time—for the next IMF Balance of Payments Statistics Committee (Committee) Meeting, tentatively scheduled for October 2020.

Thus, the three-week duration for drafting of a GN is critical for those GNs that will likely be discussed and/or approved at the 2020 Committee Meeting. This would allow sufficient time for the entire review and finalization process (estimated at 17 weeks), as explained during the meeting. For the other GNs, there is a little more latitude in the drafting timeline.

4. **Review process:** All GNs will be ultimately submitted for discussion and decision by the Committee, either by discussion as an item agenda at a Committee meeting or through written consultations. While the high priority topics are likely to be tabled as items for discussion during the Committee meetings, such a determination would also be based on the complexity of the issue, level of consensus on the proposal, and its likely impact on the BPM framework.

5. **Participation to drafting GNs:** It was clarified that while voluntary contributions are encouraged, attribution of the lead/contribution to topics will take into account: (i) expressions of interest while avoiding overburden on any one institution; and (ii) previous or ongoing research undertaken by a country/international organization (IO) on a particular topic (for example, considering the significant work on topic C.2 goods and services account by (trading) enterprise characteristics, the OECD would be assigned the lead on the topic). In participating in the drafting of a GN, where applicable, members may also draw on the expertise of specialists working on the topic in their institution. Moreover, it is envisaged that generally no more than three contributors should be involved in drafting a specific GN.

6. **Assignment of drafter(s) by topic:** The Co-Chairs expressed appreciation to all members who have indicated their interests in contributing to draft GNs, either before or during the meeting.¹ The Balance of Payments Task Team (BPTT) Chair—who attended the meeting as an observer—joined in expressing his great appreciation to the large number of volunteers for drafting GNs. After examining all proposals and taking into account the above-referred criteria for attribution, a revised list of drafters and new proposed topics will be circulated shortly after the meeting for members' approval.

7. **Topic C.5:** The topic actually consists of two different issues. Therefore, it was agreed to split C5 into two separate issues (C5.1 statistical impact of the new public accounting standard related to leasing and C5.2 economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts and probably shipping) with two GNs. Eurostat agreed to take the lead on both issues, starting with the impact of the new IFRS16 business model for leases to be ready by October 2020.

8. **Selection of topics for submission to the 2020 Committee Meeting:** Based on an initial assessment considering their relatively advanced stage of research, three topics—C1, C2, and C5.1—were identified for consideration in the first round of drafting. This will be confirmed in a subsequent communication with the membership. The BPTT Chair highlighted that, given the varying degrees of complexity of the topics, flexibility should be observed along the drafting process before a GN is ready to be presented to the Committee. Thus, if necessary, members should take a few more days before firming their proposal and/or suggesting new topics and follow up with the CATT Co-Chairs/secretariat, as needed.

9. **Topics for which another Task Team is leading/responsible (C10 -11):** while these two topics are included on the agenda, CATT will not be in the lead to draft GNs. On **FISIM (C10)**, Russia sought

¹ Ten members volunteered contributions during the meeting.

clarifications in view of their interest in contributing to this topic. As of now, the TTs working on SNA research topics have not come to a definite conclusion whether or not to bring the issue on the front burner. A substantial amount of work had been previously put into by a SNA Task Force on FISIM that submitted its final recommendations to AEG/ISWGNA in 2013. In addition, more related issues have emerged recently (e.g., FISIM for Islamic finance instruments, which will be coordinated with the Task Force on Islamic Finance). If a strong case concerning methodological issues is made from the BOP side, this issue may be discussed in coordination with the SNA update. The UNSD has agreed to follow up and revert to CATT. On the topic of **Valuation of imports and exports (CIF-FOB adjustment) (C11)**, extensive research has been previously undertaken by the Task Force on International Trade Statistics (TF-ITS), as well as by the SNA's TT on Globalization, to which the BOP perspective is also represented. CATT will not be leading on this topic but will continue to provide input from the BOP perspective to ensure a harmonized treatment in all relevant datasets.

10. **Suggestions of new topics:** The Co-Chairs thanked Russia² and Moldova³ for submitting new proposals before the meeting. In addition, Argentina noted during the meeting that while there is an increased demand for compiling services according to the Modes of Supply (MOS), this topic is not covered within the CATT assignments and suggested to add it. The meeting was reassured that all new proposals will be discussed within the broader scope of all proposals received from all TTs and the members will be subsequently informed on the decision.

11. **BPM6 Update website:** A dedicated website covering all TTs involved in the updating process is under construction and will be launched shortly (subsequently launched on June 12, 2020). Besides the public sections, it will also include a link to a collaboration site (restricted) for comments by CATT members, who will be provided a login/password for access.

12. **Next meeting of CATT:** A specific date for the next (virtual or in-person) meeting is to be determined. It will depend very much on the progress with drafting of the first GNs and depending on the needs.

13. **Other matters:** (i) the IMF Co-Chair announced he will be vacating his position (effective June 30) to the new incoming Co-Chair, Maria Borga; (ii) the Minutes and the PowerPoint presentation will be shared with the membership shortly.

ACTIONS

Secretariat

- *circulate the Minutes and the PowerPoint presentation*
- *circulate an updated list of GN leads and drafters for members' approval.*

² The proposals were (i) **Construction services:** Recording of construction services, when construction companies are residents of other countries and when it comes to separating the foreign trade in construction services and creating a direct investment enterprise; and (ii) **Government services:** A clear definition of what should be included in "Other government services" is needed

³ The proposal is to provide guidance on how to classify the international **trade by geographical breakdown**.

IMF

- *revert on proposals for additional topics (following discussion with co-Chairs across TTs).*

UNSD

- *follow up on the status of the FISIM work within the SNA update and inform the CATT*

CATT members:

- *can submit new topics for the update of the BPM6 and show their interest in contributing to or taking the lead in drafting GNs for one of the discussed topics by early next week (June 15–17).*