Current Account Task Team (CATT) Inaugural Meeting

June 11, 2020
Welcome by Co-Chairs and Tour de Table

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Any other business
Overview/CATT Terms of Reference
# BPM6 Update: Process and Timeline

<table>
<thead>
<tr>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tbody>
<tr>
<td>Q1</td>
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<td>Q2</td>
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<td>Q3</td>
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<td>Q4</td>
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- **Launch BPM6 Update Process**: Develop TORs for—and convene—TTs
- **TTs produce GNs, seek worldwide feedback**
- **Committee decides on changes to BPM6**
- **Produce Annotated Outline of BPM7**

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<thead>
<tr>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
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<tr>
<td>Q2</td>
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<td>Q4</td>
<td>Q1</td>
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<td>Q1</td>
<td>Q2</td>
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<td></td>
<td>Q4</td>
<td>Q1</td>
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</table>

- **Draft BPM7 Chapters and Appendixes**
- **Preliminary Draft BPM7 to Committee**
- **Revised Draft for review**
- **Final Draft Delivered**
- **Worldwide consultations, including through regional outreach seminars**

**TTs**: Task Teams; **TORs**: Terms of Reference
BPM Task Teams for Updating the BPM6

Balance of Payments Committee

Balance of Payments Task Team (BPTT)
- Chair: IMF
- Secretariat: IMF

Current Account Task Team (CATT)
- Co-chairs: IMF and Eurostat
- Secretariat: IMF and Eurostat

Direct Investment Task Team (DITT)
- Co-chairs: IMF and Poland
- Secretariat: IMF and OECD

Chair/Secretariat: IMF
Joint Task Teams for Updating the BPM6 and the 2008 SNA

- **ISWNGA**
  - **Chair/Secretariat:** UNSD
  - **AEG**
  - **Chair/Secretariat:** UNSD

- **Balance of Payments Committee**
  - **Chair/Secretariat:** IMF
  - **Balance of Payments Task Team (BPTT)**
    - **Chair/Secretariat:** IMF

- **Financial and Payments Systems Task Team (FITT)**
  - **Chair:** TBD
  - **Co-chairs:** IMF & ECB
  - **Secretariat:** IMF

- **Informal Economy Task Team (IETT)**
  - **Chair:** UNSD
  - **Secretariat:** IMF

- **Islamic Finance Task Team (IFTT)**
  - **Chair:** UNSD
  - **Secretariat:** ESCWA

- **Intellectual Property Products Task Team (IPTT)**
  - **Chair:** OECD
  - **Secretariat:** IMF

- **Communications Task Team (CMTT)**
  - **Chair:** TBD
  - **Co-chairs:** Japan & UK
  - **Secretariat:** IMF & World Bank
CATT’s Role

Provide technical inputs and make recommendations on current account issues within the framework of the revision of BPM6, primarily through the instrument of the Guidance Note.

Its mandate includes addressing the current account issues drawn from the Committee’s research agenda and proposing documented solutions for discussion by the Committee. The key issues are presented in the Compendium of Issues adjoined to its terms of reference.

Research issues labeled as high priority should be the core work of the group.

In addition to the list of topics identified in the Compendium of Issues, CATT may consider, as appropriate, other current account methodological issues raised by its members and by the other TTs relevant for the BPM6 update.

The BPM6 update process has a five-year timeline, ending in March 2025. Much like the other topical TTs, CATT will be operational mostly throughout the Phase I of the update process (March 2020–March 2022).

CATT may also be consulted during Phase II (drafting of BPM7 chapters) on an as-needed basis, should any significant issues arise during the worldwide consultation process overseen by BPTT.
Eurostat co-chair
Membership representing BP and SNA communities/countries with varying levels of statistical development
coordination of work on cross-cutting issues (including with SNA task teams on globalization and digitalization)
review of guidance notes by BPTT and AEG

A global collaborative initiative
Working Procedures

BPTT has an oversight/coordinating role for the BPM6 update and will undertake first review of CATT’s Guidance Notes. CATT will also send the GN to the AEG when the topic is likely to impact the SNA.

Working Procedure:

Primarily through written consultations and virtual meetings

- To avoid duplication, CATT will:
  - Take account of current or completed work on topics related to research issues under its purview.
  - Coordinate with other Task Forces or Working Groups on cross-cutting issues.

Reporting:

- Periodic reports to the Committee (to be shared with AEG/ISWGNA).
- Key report: Committee’s annual meeting progress reports: will include both the outcomes and recommendations on the issues considered through the Guidance Notes.

- The Committee will make the final decisions for the BPM6 update.
CATT Launched
Guidance Notes Drafting Teams and Timelines Identified (CATT Work Program)
Guidance Notes Drafted and Reviewed
Public Consultation
Guidance Notes updated
Committee Decision
If change: placed in BPM 7 Annotated Outline

Key Features:

- Terms of Reference and CRI
- Link for a separate Guidance Note page.
- Link to provide feedback on GNs.
- Link to a collaboration site (restricted) for comments. CATT members will be provided a login/password for access
Research Topics Assigned to CATT
Standard Framework of Guidance Notes (GNs)

SECTION 1: THE ISSUE

- Background (up to two pages)
  - What is the issue
  - Current international standards to treat the issue
  - Concerns/shortcomings in the current standards

- Issues for discussion (up to two pages)
  - Possible alternatives
  - Points for discussion

SECTION 2: OUTCOMES (up to two pages)

- Recommendation
  - To revise: proposed revision and its rationale
  - Not to revise: reasons

- Rejected alternatives with reasons

- Required changes in the current standards
## Current Account Task Team (CATT) Research Topics: High-priority items

<table>
<thead>
<tr>
<th>Issue No.</th>
<th>Research Topic</th>
<th>Links to other TTs</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.1</td>
<td>Recording transactor-based components of services (travel, construction and government goods under services)</td>
<td>GZTT/IPTT</td>
</tr>
<tr>
<td>C.2</td>
<td>Goods and services account by (trading) enterprise characteristics</td>
<td></td>
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<tr>
<td>C.3</td>
<td>International trade classified by currency (including for trade linked to long-term trade credits and advances)</td>
<td></td>
</tr>
<tr>
<td>C.4</td>
<td>Merchanting and factoryless producers; clarifying negative exports in merchanting; Merchanting of services</td>
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<td>C.5.1</td>
<td>Statistical impact of the change in treatment of operating leases in business accounting</td>
<td>IPTT</td>
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<td>C.5.2</td>
<td>Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts</td>
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## Current account Task Team (CATT) Research Topics: Medium-priority items

<table>
<thead>
<tr>
<th>Issue No.</th>
<th>Research Topic</th>
<th>Topics for which another Task Team is leading/responsible</th>
</tr>
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<tbody>
<tr>
<td>C.6</td>
<td>Trade in services classifications</td>
<td>GZTT/DZTT</td>
</tr>
<tr>
<td>C.7</td>
<td>Treatment of travel packages, health-related travel, and taxes and fees on passengers’ tickets</td>
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<tr>
<td>C.8</td>
<td>Recording penalties and fines</td>
<td></td>
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<tr>
<td>C.9</td>
<td>Valuation of trade under long term contracts</td>
<td></td>
</tr>
<tr>
<td>C.10</td>
<td>FISIM</td>
<td></td>
</tr>
<tr>
<td>C.11</td>
<td>Valuation of imports and exports (CIF-FOB adjustment)</td>
<td>GZTT, TFITS</td>
</tr>
</tbody>
</table>

GZTT = Globalization Task Team; IPTT = Intellectual Property Products Task Team; DZTT = Digitalization Task Team
Preparation of Guidance Notes
1. In its oversight/coordinating role, BPTT reviews the draft GNs to ensure overall consistency of the proposals. Only those GNs that impact SNA, the AEG will be asked to review.

2. After the second round review by BPTT (in case of major changes resulting from public consultation), CATT will send the GN to the Committee.

3. For cross-cutting SNA and BP issues, in case of joint endorsement the Committee proceeds to a decision for the BPM6 Update. If divergent views emerge, Committee and ISWGNA Chairs request SNA/BPM editors’ views. If the editors’ views also diverge, the Committee and the ISWGNA may consider adopting their respective positions, with transparent documentation of the points of departure.

4. Final endorsement of recommendations on the BPM6 Update resides with the Committee; and should take account any new perspectives/considerations raised in the editors’ views. Should the Committee have reservations about the CATT’s proposal, it may also seek the editors’ views. In this regard, the Committee should also carefully consider retaining the status quo (i.e., no change) and placing the issue on a future research agenda.
Approval Process for Guidance Notes (GNs)

- **Step 1**: First draft of the GN by authors, including summary of recommendations
- **Step 2**: Review by Co-chairs and Secretariats
- **Step 3**: Consultations within CATT (written or via VC if necessary)
- **Step 4**: Finalize GN based on consultation
- **Step 5**: Submit for review to BPTT (and AEG, as applicable)
- **Step 6**: Incorporate comments and circulate within CATT
- **Step 7**: Release draft GN for wider public consultation
- **Step 8**: Second review by BPTT and AEG *only* if there are significant changes (AEG second review for issues that impact SNA)
- **Step 9**: Presentation to the Committee and to the ISWGNA for endorsement
# Broad Timeline for Producing GNs

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Number of weeks</th>
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<tbody>
<tr>
<td>Drafting of the GN</td>
<td>3*</td>
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<tr>
<td>Consultation within the TT members</td>
<td>2</td>
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<tr>
<td>Draft Finalized</td>
<td>1</td>
</tr>
<tr>
<td>Draft GN submitted for review to BPTT (and AEG) by TT Chairs</td>
<td>1</td>
</tr>
<tr>
<td>Incorporate comments and circulate within TT</td>
<td>1</td>
</tr>
<tr>
<td>Posting for public consultation</td>
<td>4</td>
</tr>
<tr>
<td>Incorporation of comments, discussion within TT and finalization by co-chairs</td>
<td>1</td>
</tr>
<tr>
<td>If significant changes, only, second round of review to BPTT/AEG/other stakeholders</td>
<td>1</td>
</tr>
<tr>
<td>GN final version including recommendations completed and sent to Committee</td>
<td>1</td>
</tr>
<tr>
<td>Committee Discussion/Decision*</td>
<td>2</td>
</tr>
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<td>17</td>
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* Three week duration for drafting of GNs critical for GNs to be discussed at next Committee Meeting in October 2020. GNs to be discussed at Committee meetings should be sent to Committee at least 2 weeks in advance of meeting date; for written consultations, two weeks timeline suggested.
## Assignment of Topics: High-priority

(Expressions of interest received as of 6/10)

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<td>Germany, Russia, Denmark</td>
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<td>Brazil^{2}</td>
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Key Targets along the Timeline

June 2020

Committee Meeting October 27-29, 2020

Committee Meeting October 2021
Guidance Notes Production: Proposed ‘First Wave’ (October 2020)

C.1 Recording transactor-based components of services (travel, construction and government goods under services)

C.2 Goods and services account by (trading) enterprise characteristics

C.5.1 Statistical impact of the change in treatment of operating leases in business accounting
Any other business