# Annex 13. Changes from *BPM6*

A detailed list of individual changes, including the key changes introduced in this edition of the *Manual*, is provided below. The main themes behind the changes in *BPM7* are discussed in paragraphs [1.32–1.35]. Terms and definitions have been updated throughout the *Manual* to align with the *Common Glossary of Terms and Definitions in Macroeconomic Statistics*.

## Key Changes Introduced

The overall framework remains largely unchanged in *BPM7* in comparison with *BPM6.* The most important changes from *BPM6* are as follows:

- The stock/flow reconciliation—also known as the integrated IIP—is central to the *Manual* and other changes in financial assets and liabilities are included in the standard components of *BPM7* broken down into other changes in volume, exchange rate changes, and other price changes.;
- For both current and capital accounts, the terms “credits/revenues” and “debits/expenditures” replace “credits” and “debits”, respectively;
- The term “statistical discrepancy” replaces “net errors and omissions”;
- A standard statistical definition of net international reserves (NIR) is introduced;
- Guidance on the typology and classification of crypto assets is provided. Crypto assets without a counterpart liability designed to act as a general medium of exchange (e.g., Bitcoin) are treated as nonproduced nonfinancial assets and recorded in a separate category in the capital account; those with a corresponding liability are treated as financial assets;
- An internationally agreed definition of SPEs is introduced;
- The direct investment presentation in the standard components is broken down by instruments/sectors, replacing the presentation based on the relationship between the investor and the entity receiving the investment in *BPM6* (i.e., the building blocks for the directional principle);
- For measuring the equity of unlisted corporations at market-equivalent prices, only three valuation methods are recommended: own funds at book value; recent transaction price; and market capitalization (or

price-to-book value);

- Additional first-level standard service categories are introduced for improving the correspondence between the BOP services classification and the Central Product Classification (CPC); and
- More disaggregated institutional sector breakdowns are introduced, including a separate identification of a) nonfinancial corporations; and b) households and nonprofit institutions serving households.

# Chapter 1. Introduction

The title of the *Manual* is changed to ***Integrated*** *Balance of Payments and International Investment Position Manual* (paragraph 1.1).

The new *BPM7* (common with *2025 SNA*) chapters on globalization, digitalization, Islamic finance, informal activities, and communicating and disseminating macroeconomic statistics are briefly introduced (paragraphs [1.13-1.13a]). For the first time, the *Manual* and the *SNA* update processes were fully coordinated with joint task teams and decision-making arrangements. Seven chapters are prepared as common chapters for the *Manual* and the *2025 SNA*, and a *Common Glossary of Terms and Definitions in Macroeconomic Statistics* was developed to ensure consistency across statistical domains (paragraph [1.29]).

External sector sustainability; globalization; financial innovation and digitalization; and sustainable finance and climate change are highlighted as the four major update themes (paragraphs [1.31-1.35]).

A joint post-*2025 SNA*/*BPM7* research agenda for future work is identified (paragraph [1.43] and Annex 15).

# Chapter 2. Overview of the Integrated Framework

The concept of accumulation accounts is elaborated to ensure consistency with the SNA terminology (paragraphs 2.2 and 2.20).

For external accounts, the scope of accumulation accounts is limited to the financial account and the other changes in financial assets and liabilities account that explain the changes between the values in the opening and closing positions of the IIP. Taken as a whole, the combination of the opening IIP, accumulation accounts, and the closing IIP is referred to as the integrated IIP (paragraphs 2.6 and 2.10).

A shorter version of the integrated IIP statement (Table 2.1) is presented in this chapter (see Table 7.1 for a complete version).

For both current and capital accounts, the terms “credits/revenues” and “debits/expenditures” replace “credits” and “debits”, respectively (Box 2.1).

The term “statistical discrepancy” replaces “net errors and omissions” (paragraph 2.24).

With regards to the linkages and consistency with other macroeconomic datasets, linkages between external debt statistics (EDS) and relevant items in IIP liabilities is explained—a table on corresponding items between EDS and IIP is introduced (paragraph 2.34-1 and Table 2.2).

# Chapter 3. Flow, Stocks, and Accounting Rules

This chapter is presented as a common chapter with Chapter 4 of the *2025 SNA* for ensuring complete consistency of the core concepts relating to flows, stocks, and accounting rules. Therefore, the discussion of some topics has been reorganized and/or expanded compared to Chapter 3, *BPM6*.

With regards to partitioning transactions, unbundling package tours offered by tour operators into various service components is provided as an additional example (paragraph 3.45 and Box 11.xx).

Crypto assets without a corresponding liability designed to act as a general medium of exchange, or designed to act as a medium of exchange within a platform or network, are treated as nonproduced nonfinancial assets (see paragraph 14.xx). However, when these crypto assets are brought into circulation in exchange for production activities (e.g., proof-of-work, proof-of-stake, etc.), the emergence of the newly circulated crypto assets are not to be recorded as other changes in the volume of assets. Instead, the payments for the validation services are typically recorded, by convention, as cross-border transactions in crypto assets payable by the owners of the existing crypto assets to the producer of the services, with the new crypto assets, diluting the value of existing crypto assets. (paragraph 3.71).

Regarding concessional lending, it is noted that examples include the lending by governments at concessional interest rates and provision of loans at reduced interest rates by employers to their employees. In the external accounts, adjustments for concessional lending are restricted to the latter; the provision of adjusted information on concessional lending by governments and international organizations is encouraged as supplementary items (paragraphs 3.117and 14.xx).

In relation to the valuation of exports and imports, it is generally acknowledged that a valuation at the observed exchange values, which is closely aligned to the invoice values, is the conceptually preferred method. Subject to further testing of the implementation in practice, it is intended to be introduced as the basic principle for valuing exports and imports in the next version of the *Manual* (paragraphs 3.137 and 10.xx)

Some compulsory transfers, such as fines, penalties, and property forfeitures, are determined at a specific time. These transfers are recorded at the time the issuing unit has an unconditional claim on the funds. If a fine or penalty is subject to further appeal, an unconditional claim only exists once the appeal has been resolved (paragraphs 3.162 and 13.xx).

# Chapter 4. Institutional Units and Sectors, Economic Territory, and Residence

This chapter is presented as a common chapter with Chapter 5 of the *2025 SNA* for ensuring complete consistency of the core concepts relating to institutional units and sectors, economic territory, and residence, Therefore, the discussion of some topics has been reorganized and/or expanded compared to Chapter 4, *BPM6.*

The digitalization of economic activities (e.g., financial/nonfinancial services) has a significant impact on the way in which these activities are performed. Apart from the emergence of new products, such as digital platforms, cloud computing, etc., this phenomenon does not affect the classification of economic activities into institutional (sub)sectors and industries. Relevant units should continue to be classified in line with their economic objectives, functions, and behavior. The same holds for the classification of units involved in economic activities arising from technological innovations in the financial corporations sector, often referred to as fintech (paragraphs 4.21 and 4.124).

A decision tree for allocation of units to institutional sectors—including an additional supplementary breakdown of nonfinancial and financial corporations based on control—is introduced (Figure 4.1).

For the purpose of reporting external accounts data, more disaggregated institutional sector breakdowns are introduced. Domestic and foreign controlled corporations may be identified separately on a supplementary basis (paragraph 5.36 and Table 4.2).

An internationally agreed definition of SPEs is introduced (paragraph 4.77).

Funds which own, and rent out, dwellings and/or commercial property, are classified as providers of rental and other types of real estate services, and not as providers of financial services. As providers of nonfinancial services, they are classified in the nonfinancial corporations sector, and not as financial corporations (paragraph 4.139).

The investment funds who directly invest in other nonfinancial assets, such as crypto assets without a corresponding liability designed to act as a general medium of exchange, gold and other valuable metals, or high-end wines and whiskies, are classified as non-MMF investment funds (paragraph 4.140).

Crypto exchanges/trading/lending platforms may facilitate transactions in different types of crypto assets including those with and without corresponding liabilities. These units are classified as financial auxiliaries if their principal activity involves facilitating transactions in crypto assets with a corresponding liability. Otherwise, they are included in the nonfinancial corporations' sector (paragraph 4.147).

# Chapter 5. Classifications of Financial Assets and Liabilities

"Claims" are replaced with "financial claims" (paragraph 5.6).

The definition of "liability" is introduced (paragraph 5.7).

Financial claims include financial instruments linked to the price of commodities or other nonfinancial assets to the extent that they give rise to an economic asset with a counterpart liability (paragraph 5.XX).

Crypto assets with a corresponding liability are included in financial assets (paragraph 5.9).

Crypto assets without a corresponding liability designed to act as a general medium of exchange or as medium of exchange within a platform are treated as nonproduced nonfinancial assets (paragraph 5.XX).

Ownership of equity in legal entities may also take the form of equity crypto assets, which are similar to standard equity albeit relying on cryptography for being created, allocated, transferred, and managed (paragraph 5.22).

"Other equity" is renamed to "other equity and equity in international organizations" (paragraph 5.26).

Subscription rights are classified as equity (paragraph 5.XX).

An explanation on domestic arrangements for holding SDRs is added (paragraph 5.XX).

Digitally issued currency is to be recorded as currency (paragraph 5.36).

Crypto assets with a corresponding liability designed to act a general medium of exchange that are not issued or authorized by the central bank or government are included under currency and deposits (paragraph 5.38-1).

Electronic money that is a liability of deposit-taking corporation is to be recorded as transferable deposits (paragraph 5.41).

Interbank positions are to be classified in the relevant instrument categories. When there is uncertainty between a loan and a deposit, interbank positions are to be recorded under deposits (paragraph 5.42).

The treatment of margins for financial derivatives and other cash collateral is clarified (paragraphs 5.43, 5.73, and 5.94).

Crypto assets with a corresponding liability designed to act a medium of exchange within a platform and utility tokens that provide the holders future access to goods or services are treated as debt securities. Debt tokens (i.e., debt instruments, such as corporate bonds, relying on cryptography) are also classified as debt securities (paragraph 5.44-1).

The treatment of factoring is clarified (paragraph 5.XX).

Hybrid insurance products are to be recorded as life or nonlife insurance depending on which features are predominant (paragraph 5.XX).

Pension entitlements also arise from autonomous employer-independent pension schemes or funds if accumulated contributions are set aside for retirement income and are subject to regulations or supervision in line with or similar to employer-related pension schemes or funds (paragraph 5.66).

Pension entitlements of pension schemes where a government or another public unit is the employer are to be recorded as financial assets or liabilities if the pension entitlements can be regarded as part of the condition of employment and the employment contract underlying the scheme limits retrospective adjustments of the amount payable (paragraph 5.67).

Transactions of provisions for calls under standardized guarantee schemes recorded in the financial account include unearned fees and claims not yet settled, similar to transactions of reserves for nonlife insurance (paragraph 5.XX).

Payments for emissions permits are recorded as prepaid taxes on production, with taxes recorded at the time of surrender, at issuance prices. As such, they are recorded in other accounts receivable/payable (paragraph 5.XX).

Pool allocated gold accounts are to be recorded in the same way as allocated gold accounts (paragraph 5.76).

Financial derivatives also include derivative crypto assets (i.e., derivative contracts that rely on cryptography and that can be exchanged peer-to-peer even if the underlying asset is not a crypto asset) (paragraph 5.80).

Gold swaps and off-market central bank swap arrangements, as well as subscription rights are not to be recorded as financial derivatives (paragraph 5.83).

The treatment of option-type contracts is further elaborated (paragraph 5.84).

The treatment of option-type contracts is clarified against that of forward-type contracts with an explanation of credit default swaps (paragraph 5.85).

The treatment of warrants is further elaborated (paragraph 5.87).

The treatment of a delivery of notional value of foreign currency financial derivatives is elaborated (paragraph 5.XX).

Three supplementary classifications of financial derivatives are explained (paragraph 5.95).

The classification of financial derivatives by market risk category is further elaborated (paragraph 5.XX).

Supplementary recording of debt liabilities on a remaining maturity basis is elaborated with currency composition data being encouraged (paragraph 5.104).

How to calculate the remaining maturity of financial instruments is further elaborated (paragraph 5.XXX).

The currency composition of forward-type contracts in Table A14-I is presented as a memorandum item, while that for option-type contracts in Table A14-III is presented as a supplementary item (paragraph 5.108).

References to the London interbank offered rate are replaced with the Secured Overnight Financing Rate (paragraph 5.110).

# Chapter 6. Functional Categories in External Accounts

Investments in investment funds shares are always considered as portfolio investment (when the shares are negotiable) or other investment (when the shares are nonnegotiable) or reserve assets, if they meet all reserve assets criteria (paragraph 6.24).

For direct investment standard components, presentation by instruments (equity and debt instruments) and by sectors replaces the presentation based on the relationship between the investor and the entity receiving the investment (direct investor in direct investment enterprises, reverse investment, and between fellow enterprises). Further, the presentations based on the relationship between the investor and the entity receiving the investment and of reinvestment of earnings are moved to memorandum items (paragraphs 6.37-6.37-2).

For financial derivatives, presentation by market risk categories, by instrument, and by trading venue and clearing status on a supplementary basis is recommended (paragraphs 5.95 and 6.60).

Definition of greenfield direct investment and extension of capacity provided with further details including the guidance on collection of supplementary data in Annex 6 (paragraph 6.54).

In the case of notional cash pooling arrangements, debt instruments associated with such arrangements (e.g., deposits and loans) are recorded as other investment. (paragraphs 6.52-2, 6.62-1, and Annex 6).

Monetary gold includes the gold bullion held in pool allocated gold accounts (paragraphs 5.76 and 6.78).

Securities that have been transferred under repurchase agreements, or similar agreements by the monetary authorities for cash collateral and are not readily available for meeting BOP financing needs are to be excluded from reserve assets and reclassified as portfolio investment assets. Along the same lines, allocated and unallocated gold accounts held by monetary authorities with nonresidents out on swap in exchange of cash are to be excluded from reserve assets and either demonetized (gold bullion) or reclassified as other investment, currency and deposits, assets (unallocated gold accounts) (paragraphs 6.81 and 6.88).

Under the “other financial claims” category of reserve assets, examples of IMF Trust Accounts such as the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST) are mentioned (paragraph 6.92). See Annex 9 “Positions and Transactions with IMF” for additional details.

The recording of central bank swap arrangements is further clarified. Off-market central bank currency swap arrangements should be recorded as an exchange of deposits with maintenance of value. However, if the central banks conduct the transaction as a standard (market priced) currency swap, then it is recommended that the swap be recorded as an exchange of deposits with the simultaneous creation of a financial derivative, namely a forward contract (paragraphs 6.102-6.102-2).

A standard statistical definition of net international reserves (NIR) based on the conceptual framework of *BPM7*, and the *International Reserves and Foreign Currency Liquidity Guidelines for a Data Template* (*IRFCL Template*) is introduced. NIR are defined as reserve assets (RA) minus predetermined short-term net foreign currency drains (FCD) (Box 6.6).

# Chapter 7. Balance Sheet: International Investment Position

The integrated IIP is included in the standard components of *BPM7* as presented in Annex 14. Separate reporting of data on a) debt cancellation and write-offs; and b) reclassifications under other changes in volume is encouraged (i.e., they will be part of supplementary items) as indicated in Table 7.1.

Direct investment standard components are presented by instruments (equity and debt instruments) and resident institutional sectors. Presentation based on the relationship between the investor and the entity receiving the investment is included under memorandum items (paragraph 7.14).

Three preferred methods for measuring the equity of unlisted corporations at market-equivalent prices are prescribed: a) own funds at book value (OFBV); b) recent transaction price; and c) market capitalization or price-to-book value (P/B) (paragraph 7.16).

Guidance on the treatment of negative equity positions is provided (Box 7.1).

a) Equity in quasi-corporations; and b) unlisted portfolio investment equity securities without an observable market price should be valued using the above preferred methods (paragraphs 7.25 and 7.29).

While the basic valuation method for debt securities component of intercompany lending is market value, it could be compiled at nominal value as a supplementary item in cases where the economy is significantly impacted by direct investment (paragraph 7.25-1).

The treatment of short positions is explained consistent with Annex 7. Negative positions offset the double recording of security holdings by both the economic (original) owner and the final owner (the party who bought the borrowed security) and helps present consistent debtor-creditor relationship at a global level (paragraph 7.28-1).

It is recommended to compile a table on reconciliation between nominal and market valuation of debt securities liabilities as part of the "Additional Analytical Position Data" in Annex 14 on the lines of *External Debt Statistics 2013: Guide for Compilers and Users* (paragraph 7.30).

Further explanation on the valuation of credit default swaps is provided (paragraph 7.35).

In the case of loans with concessional interest rates, the positions are valued at nominal value based on the contractual interest rate, similar to any other loans (paragraph 7.43-1).

While the basic valuation principle for positions in loans is nominal value, when there is evidence of loan deterioration due to publicly known events (e.g., in the context of bank recovery operations), a value reset—even beyond the cases of bankruptcy and liquidation, or court decisions—is recommended (paragraph 7.44-1).

Annex 7.1 of *BPM6* is moved to the new *Annex 9 Positions and Transactions with IMF*.

# Chapter 8. Financial Account

The concept of superdividends no longer applies to direct investment in the standard presentation because any distributions out of distributable income from the current period and accumulated reinvested earnings from previous periods are treated as dividends. However, distributions beyond that (e.g., those funded from sales of assets) would not be included in dividends and should be recorded as withdrawals of equity (paragraph [8.XX]).

It is encouraged that mergers and acquisitions be differentiated from greenfield investment and extension of capacity (paragraph [8.18]).

A part of the description of corporate inversions is moved to Annex 6 (paragraph [8.19].

When an entity resident in one economy borrows on behalf of the government of another economy, and the borrowing is for fiscal purposes, the imputations are extended to reflect the underlying financial instruments and nature of transactions (paragraph [8.25]).

The concept of superdividends applies to portfolio investment, and they are recorded as withdrawal of equity (paragraph [8.28a]).

Recording of financial derivatives transactions on a net basis is acceptable where separate data on transactions in assets and liabilities are not available (paragraph [8.34]).

The surrender of a nonlife insurance policy by mutual agreement between a policyholder and nonlife insurer is treated as a transaction (paragraph [8.47]).

Transactions involving unallocated gold accounts are recorded in the financial account under reserve assets only if they occur between two monetary authorities or between a monetary authority and an international financial organization. Otherwise, they are classified as currency and deposits (paragraph [8.56a]).

# Chapter 9. Other Changes in Financial Assets and Liabilities Account

Revaluations and other changes in volume are part of the standard presentation of the external accounts (paragraph [9.5]).

When it is not practical to separate exchange rate changes from other price changes for financial derivatives, all revaluation effects are recorded as other price changes (paragraph [9.31]).

The types of other flows should not be tracked through ownership chains. For instance, uncompensated asset seizures should always be recorded via other price changes (as opposed to other changes in volume) for entities that are only indirectly impacted through their ownership of entities that have had their assets seized (paragraph [9.31a]).

When there are differences between transaction prices and the values recorded in the IIP for other types of instruments than loans, compilers should use all the information available to improve the quality of the estimated positions when they become aware that they are under or over-estimated (paragraph [9.33a]).

Debt may be written off for statistical purposes by compilers from both debtor and creditor economies to account for public announcements where nominal valuation clearly provides unrealistic values for loans (paragraph [9.9]).

The difference in treatment of provisions in the external accounts compared to financial accounting and monetary and financial statistics is described (paragraph [9.9]).

If a financial claim can no longer be collected because of bankruptcy or other factors and there is collateral, only the part of the claim that is not covered by the collateral should be recorded as other changes in volume. The remaining part should be treated as a repayment of the original instrument with a corresponding transaction that would account for the creditor taking economic ownership of the collateral (paragraph [9.9]).

New subsections on the treatment of assets declared under tax amnesty (paragraph [9.12b]) and catastrophic losses (paragraph [9.12c]) are included.

If corporations change sector, the change in the sector classification of the owner of financial assets and liabilities is treated as a reclassification (paragraph [9.24]).

# Chapter 10. Goods Account

Chapter 10 covers the goods account, with the services account moved to a new chapter, Chapter 11. *BPM6* Table 10.1 is modified to present an overview of the goods account only (services are presented in Table

11.1). New supplementary items are included in Table 10.1 to separately present goods traded within global manufacturing arrangements, including when such goods are traded via merchanting.

The description of e-commerce is updated to “digital trade” with references to Chapter 16 and Annex 5 (paragraph 10.8).

It is noted that IMTS recommends items for inclusion and for exclusion that are closely aligned to BOP (paragraph 10.11).

The informal economy is introduced with reference to Chapter 18.

The exception for FOB-type valuation on merchanted goods stated in *BPM6* is generalized to all cases where the change of ownership differs from the country of dispatch or arrival of the goods, in which cases transaction values are used (paragraph 10.xx).

Although the FOB-type valuation is recommended in this version of the *Manual*, the valuation at the observed transaction value, which is closely aligned to the invoice value, is conceptually preferred and may be introduced as the standard in the future versions of the *Manual* (paragraph 10.32).

The rationale for recording merchanting as net exports is added (paragraph 10.45).

The concept of inverse merchanting is explained (paragraph 10.46).

Box 10.1 provides numerical examples of merchanting and re-exports.

A new section (Section D) on global manufacturing arrangements is introduced. It distinguishes between different types of arrangements including processing and merchanting (which were covered in *BPM6*) and factoryless goods production (which was not mentioned in *BPM6*). The section discusses and illustrates global manufacturing arrangements with diagrams and discusses their treatment and adjustments that need to be made to the underlying source data. A tree diagram to identify when trade transactions are traditional merchandise trade, re-exports, or within merchanting, processing or FGP arrangements is presented (Figure 10.3). Finished goods that are purchased by the factoryless goods producer from the contractor and sold to residents of a third economy, or to residents of the economy of the contractor, without the goods passing through the economy of the factoryless goods producer, are recorded in the economy of the factoryless goods producer as imports and exports of general merchandise (and not as merchanting as would be implied under *BPM6*), see paragraph 10.69(b). The principal in a global manufacturing arrangement may sell material inputs to the contractor/processor via merchanting. Merchanting is recorded on a net basis as opposed to gross recording for these transactions (paragraph 10.71).

Box 10.2 presents numerical examples of a processing arrangement, an FGP arrangement, as well as merchanting within an FGP arrangement.

Additional recommended breakdowns of trade in goods are mentioned, including trade in goods by currency and by characteristics of the trading enterprise (see Chapter 15 and Annex 5, for more information).

Table 10.2, reconciling merchandise trade data and total goods on a BOP basis, is modified with some lines deleted that are already included in IMTS and some additional lines and groupings of types of adjustment added.

# Chapter 11. Services Account

Facilitating the exchange of nonproduced nonfinancial assets is included within the scope of services definition (paragraph 11.1)

The scope of the services account includes 17 main standard service categories—five additional first-level standard service categories compared to *BPM6*. Description of certain services items has been slightly updated to reflect the changes resulting from CPC version 3.0 (Table 11.1).

The telecommunication, computer, and information services category from *BPM6* is split into two standard, first-level categories: i) Telecommunication services; and ii) Computer and information services (Table 11.1 and paragraphs 11.xx-xx).

The other business services category from *BPM6* is split into five standard, first-level categories: i) research and development services; ii) professional and management consulting services; iii) nonfinancial intermediation services; iv) operating leasing services; and v) technical, environmental, and other business services (Table 11.1 and paragraphs 11.xx-xx).

Supplementary presentations of a) services exports/imports by characteristics of the trading enterprises (STEC); and b) the services account classified by currency are recommended (paragraph 11.61-1, Chapter 15, and Annex 5).

Freight services provided by nonresident carriers within the domestic economy and vice versa are included under freight services (paragraph 11.78). Also included in this service are rentals, charters, or operating leases of commercial vehicles with crew (paragraph 11.78-1).

The services of freight forwarders are included under other transport services (paragraph 11.80-1).

Goods and services provided free to nonresidents by government and NPISHs of the economy they are visiting known as social transfers in kind (e.g., free health services received by a foreign tourist from a hospital within general government, free educational services received by a foreign student from a university within general government) are included under travel (paragraph 11.86).

Regarding package tours, they should not be treated as a new product, but should be unbundled in order to record the transactions by different services providers that can be residents or nonresidents, and that contribute to the package tour separately. A definition of a package tour is also provided (Box 11.2).

For health-related travel, it is noted that the scope of "medical reasons" follows the definition of "health and medical care" from the *International Recommendations for Tourism Statistics 2008 (IRTS 2008)*. (paragraph 11.94 (a)).

The travel expenses of companions of patients, education-related travelers, and those traveling on short-term work or other business are included under "personal travel" (paragraph 11.94 (b)).

Financial services provided by fintech are classified in financial services without introducing new services categories. On the same lines, insurance services through fintech are covered under insurance and pension services (paragraph 11.117-1).

The fees related to financial digital platforms that intermediate funding or payment transactions, fees associated with credit cards, and factoring are included under financial services (paragraph 11.121).

Regarding factoring, the discount at which a factor buys trade accounts receivable from a supplier may consist of three elements: (i) fees; (ii) interest; and (iii) compensation for possible credit defaults; and from a conceptual perspective, the services provided by the factor is represented by fees only (paragraph 11.121-1).

Regarding margins on buying and selling transactions, while no changes are made to the underlying concept presented in the *BPM6*, a brief mention of the practical challenges in compiling this item is included (paragraph 11.1231-1).

The term “implicit financial services on loans and deposits” replaces “financial intermediation services indirectly measured or FISIM” (paragraph 11.126-11.136).

It is noted that the implicit financial services on loans and deposits should be positive irrespective of whether interest rates are either positive or negative Reviewing the reference rates to be used with a view to avoid negative implicit financial services is recommended (paragraph 11.134-1).

A definition of intellectual property products is introduced. In addition, the scope of “charges for the use of intellectual property n.i.e.” is clarified with updates to Table 10.4, *BPM6* (now Table 11.4).

The expanded scope of computer services includes cloud computing services; services of artificial intelligence systems, and miners/validators of crypto assets transactions; staking, cloud, and pooled mining of crypto assets; software applications facilitating online meetings and video conferencing, etc. (paragraph 11.143).

Validation of crypto asset transactions and the related recording in the BOP is explained (Box 11.5).

The scope of information services is updated to include compilation of information content produced by accessing and observing phenomena; services of chatbots that provide summarized information or translation for the questions of clients on a wide range of topics, etc. (paragraph 11.146).

The services of content creators that receive remuneration from the advertisers (via platform) should be recorded as supply of advertisement services (paragraph 11.149-1).

The term “nonfinancial intermediation services” replaces “trade-related services” and is defined as fees or commissions related to transactions in goods, services, and nonproduced nonfinancial assets payable to merchants, commodity brokers, dealers, auctioneers, commission agents as well as nonfinancial digital intermediation platforms (paragraph 11.150-1).

Within captive leasing arrangements, SPEs can be lessors and provide operating leasing services to their parent (paragraph 11.156-1).

The treatment of wet and dry leasing is clarified (paragraph 11.156-2).

Under technical, environmental, and other business services, reference to “services merchanting” is removed. Services provided by fee-based digital platforms that facilitate interactions between users, other than transactions in goods and services or financial transactions are included under other personal, cultural, and recreational services (paragraph 11.169-1).

With regards to government licenses, permits, and so forth, the guidance is updated. If a payment for a license is compulsory and the license is not transferable, then the payment is generally considered a tax. However, under limited scenarios, such as when it can be demonstrated that the payment is requited and a service commensurate to the payment is consumed by the individual, the payment should be recorded as a sale of a service (paragraph 11.180).

# Chapter 12. Earned Income Account

The term "earned income" replaces the term "primary income; the term "remuneration of employees" replaces the term "compensation of employees"; the term "interest and similar returns" replaces the term "interest", although much of the chapter retains the term "interest" for actual interest flows.

A paragraph on remote work and possible remuneration of employees is introduced (paragraph 12.18).

Concessional lending in the situation of an employer-employee relationship is recorded as a continuous stream of remuneration payments (paragraph 12.23).

Dividends and withdrawals from income of quasi-corporations paid to direct investors include any distributions from the current period's ordinary earnings or accumulated reserves from ordinary earnings in previous periods, but exclude payments from funds realized by the sale of assets (paragraph 12.27).

The term superdividend applies to all equity investment other than direct investment. Superdividends are defined as large and irregular payments made by corporations to their shareholders or owners that are funded from accumulated reserves or sales of assets other than cash. They are not treated as dividends, but as withdrawals of equity (paragraph 12.35).

Large and irregular payments made from accumulated reserves of ordinary earnings in previous periods to direct investors is introduced as a supplementary sub-item of dividends in the external accounts (paragraph 12.36).

The reduction in equity arising from the disposal or sale of assets (including from liquidating assets) may be displayed as supplementary information "of which, from sales of assets" in the financial account (paragraph 12.39).

Reinvested earnings on direct investment consist of the direct investors' proportion of distributable income of a direct investment enterprise, less amounts declared for dividend distribution to direct investors, or less withdrawals from income of quasi-corporations by the direct investors. (paragraph 12.50). This replaces the previous description of reinvested earnings as the direct investor's share of retained earnings of the direct investment enterprise.

While reinvested earnings on portfolio investment are not recorded in the external accounts, supplementary information on this item is encouraged. It is also noted that the current treatment of retained earnings for direct investment may be expanded to portfolio investment in future versions of the *Manual* (paragraph 12.49).

Fines and penalties may impact the calculation of retained earnings depending on the characteristics of the fine or penalty, including if it is considered extraordinary (paragraph 12.54).

Treatment of indirect fees of collective investment funds is clarified as being borne by the unitholders. To retain a net saving of zero, an imputed dividend is shown. A new box is shown to illustrate this treatment numerically (Box 12.2).

Interest is expanded to include also similar returns such as those that may arise in the case of Islamic finance (paragraph 12.48).

Manufactured interest and dividends are recorded as negative credits/revenues for a security taker who has on-sold the securities (paragraph 12.69).

Negative interest payable on financial instruments is recorded as a negative debit/expenditure, and vice versa (paragraph 12.71).

A new box illustrates the calculation of interest on bonds at a premium and at a discount. The treatment of securities under a reverse transaction and when there is on-selling is clarified (Box 12.5).

Rent includes payments to households giving explicit consent to monitor their behavioral patterns in the form of observable phenomena and fees paid between sporting clubs for so-called loan agreements on players (paragraph 12.86).

There are cases where an asset is split between two units, and a notional unit would need to be created if there is not already a resident institutional unit. However, notional units are never created in the case of nonresident fishing operators (paragraph 12.87).

Taxes on products and production may include payments of stability fees levied by governments on financial institutions to assist ailing financial institutions (paragraph 12.91).

Direct investment income is no longer broken down according to the types of direct investment relationships—direct investor in direct investment enterprises, reverse investment, and between fellow enterprises (paragraph 12.118).

# Chapter 13. Transfer Income Account

The term "transfer income" replaces the term "secondary income."

Under a tax amnesty, tax revenue should be recorded when the tax obligation is established. If a judgement or ruling is subject to further appeal, then the time of recording is when the appeal is resolved (paragraph 13.18).

The recording of licenses and permits to engage in certain activities is clarified as being usually recorded as a tax (paragraph 13.28).

Employer-independent schemes with a strong resemblance to employment-related social insurance schemes are considered to be social insurance schemes (paragraph 13.30).

Payments of premiums to, and claims from, hybrid insurance are recorded in the transfer income account only if the hybrid insurance scheme is recorded as a nonlife insurance product in the accounts (paragraph 13.44).

The list of transactions considered to be capital transfers are expanded to include nonrecurrent payments in compensation for accumulated losses or extensive damages; these are not listed explicitly in *BPM6*. Fines and penalties established in contracts of mergers and acquisitions are to be treated as an update of the market price and not a transfer (paragraph 13.57).

Nonrefundable contributions under citizenship-by-investment programs are recorded as current transfers, unless they are intended for capital investment projects (paragraph 13.60).

# Chapter 14. Capital Account

Table 14.1, overview of the capital account, includes crypto assets without a corresponding liability designed to act as a medium of exchange.

The section on natural resources notes that where permission is granted to exploit a natural to the extent that both the user and the legal owner are entitled to future economic benefits, the asset may be split between the owner and the permission holder (paragraph 14.9).

Contracts, leases, and licenses include nonfungible tokens that confer limited rights to the owner (paragraph 14.16).

The section on emission permits is removed as emission permits are now recorded as financial assets.

Crypto assets without a corresponding liability designed to act as a medium of exchange are recorded within a separate category in the capital account. As crypto assets are still relatively new, the classification is on the research agenda (paragraph 14.19).

Only insurance claims that are made following a major catastrophe or disaster at national level would be classified as capital transfers (paragraph 14.34).

Major compensation payments that are intended to recover losses over a multi-year period or to replace a financial or non-financial asset are included in capital transfers (paragraph 14.37).

No adjustment is made in the core external accounts for recording a transfer element in concessional lending. However, the transfer element at inception can be shown as supplementary data (paragraph 14.41).

Nonrefundable contributions under citizenship-by-investment schemes are recorded as capital transfers if they are intended for capital investment projects (paragraph 14.44).

# Chapter 15. Globalization

This is a new common chapter with Chapter 23 of the *2025 SNA*, and for the most part, the text is identical in both the *Manual* and the *2025 SNA*. This chapter includes sections covering global production; multinational enterprise (MNE) groups; measurement challenges; macroeconomic indicators and supplementary information to monitor the impact of globalization; and analytical tools. This chapter also includes a description of statistics on the Activities of Multinational Enterprises (AMNE statistics), which were previously described in a separate appendix (*BPM6* Appendix 4).

# Chapter 16. Digitalization

This is a new common chapter with Chapter 22 of the *2025 SNA*, and for the most part, the text is identical in both the *Manual* and the *2025 SNA*. This chapter includes the sections on digital transactions, industries, and products (with subsections on cloud computing, data and databases, artificial intelligence, and non-fungible tokens); types of digital platforms with detailed discussion on nonfinancial digital intermediation platforms, and free online platforms and free digital products; digitalization and the financial system with discussion on new financial services and means of payment enabled by digitalization, financial digital platforms, and digital representation of value—providing the typology and classification of crypto assets including a decision tree for classifying fungible digital assets.

# Chapter 17. Islamic Finance

This is a new common chapter with Chapter 26 of the *2025 SNA*, and for the most part, the text is identical in both the *Manual* and the *2025 SNA*. This chapter provides complete and consistent guidance to properly account for Islamic finance and insurance in the external accounts. It mainly discusses the concepts of Islamic financial institutions and their sectoring; measuring the output of Islamic financial institutions including Islamic insurance; investment income on Islamic financial instruments; classification of Islamic financial instruments in the accumulation accounts and balance sheet; and economic ownership of nonfinancial assets under Islamic financial arrangements.

# Chapter 18. Informal Economy

This is a new common chapter with Chapter 39 of the *2025 SNA*, and for the most part, the text is identical in both the *Manual* and the *2025 SNA*. This chapter discusses the framework for the informal economy, highlighting its role in providing employment and income, particularly in developing countries. It emphasizes the challenges of measuring informal activities and the need for consistent data to inform policies. The chapter outlines informal productive activities, distinguishing them from formal sectors and emphasizing their implications for inequality and poverty. It also addresses informal cross-border flows, including trade in goods and services, informal employment, and remittances. The chapter recommends improved statistical frameworks to capture informal economy dynamics.

# Chapter 19. Selected Issues in Integrated Balance of Payments and International Investment Position Analysis

The title of the chapter is changed to *Selected Issues in **Integrated** Balance of Payments and International Investment Position Analysis*.

The chapter includes new sections on the nexus between the current account and integrated IIP (paragraphs [19.13a-19.13e]), IIP and risk measurement (paragraphs [19.67-19.76]), the valuation paradox in the IIP (paragraphs [19.77-19.78]), and calculating and using rates of return (paragraphs [19.79-19.85]).

The references in the section *Further Information* have been updated.

# Chapter 20. Communicating and Disseminating Macroeconomic Statistics

This is a new common chapter with Chapter 21 of the *2025 SNA*, and for the most part, the text is identical in both the *Manual* and the *2025 SNA*. This chapter covers dissemination strategy and communication policy; communication with users; communication with suppliers; statistical confidentiality; taxonomies and metadata; a framework for measuring alignment with the macroeconomic statistical standards; and use of more understandable terminology for users. Significant progress has been made in harmonizing and improving the terminology used across the macroeconomic statistical standards. Table A13.1 shows changes in the names of the main accounts within the *Manual*, while Table A13.2 presents changes to specific terms.

## Table A13.1: Changes to the Names of the Main External Accounts

| ***BPM6* Terminology** | ***BPM7* Terminology (Individual Economic Account)** | **Economic Accounts Groups** |
|---|---|---|
| Goods and services account | Goods account / services account | Current account |
| Primary income account | Earned income account | |
| Secondary income account | Transfer income account | |
| Capital account | No change | Capital account |
| Financial account | No change | Accumulation accounts |
| Other changes in financial assets and liabilities account | No change | |
| International investment position | No change | Balance sheets |

## Table A13.2: Changes to Specific Terms

| ***BPM6* Terminology** | ***BPM7* Terminology** |
|---|---|
| Compensation of employees | Remuneration of employees |
| Credit | Credit/revenue |
| Debit | Debit/expenditure |
| Financial intermediation services indirectly measured (FISIM) | Implicit financial services on loans and deposits |
| International accounts | External accounts |
| Net errors and omissions | Statistical discrepancy |
| Net fees | Fees less service charges |
| Net guarantees | Guarantees less service charges |
| Net nonlife insurance premiums | Nonlife insurance premiums less service charges |
| Net reinsurance premiums | Reinsurance premiums less service charges |
| Net social contributions | Social contributions less service charges |
| Primary income | Earned income |
| Resource lease | Natural resource lease |
| Secondary income | Transfer income |
| Trade margin | Distribution margin |
| Trade-related services | Nonfinancial intermediation services |