



Forty-Fourth Meeting of the IMF Committee on Balance of Payments Statistics

Washington, D.C.
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BOPCOM—24/04
For discussion

***BPM7* Standard Components and Selected Other Items: General Guidance from BOPCOM**

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THE ISSUES

1. **Annex 14 of the *Integrated Balance of Payments and International Investment Position Manual, seventh edition (BPM7)* will contain standard components and selected other items like Appendix 9 of *BPM6*.** The *BPM6* appendix is structured in the following way:
 - A. Balance of Payments
 - B. International Investment Position
 - C. Additional Analytical Position Data
 - 1) Currency Composition
 - 2) Remaining Maturity
 - 3) Reserve-Related Liabilities
2. **The *BPM7* annex will be adjusted to incorporate the changes that are already agreed with the IMF Committee on Balance of Payments Statistics (BOPCOM) in other chapters.** For instance, there will be new standard components for crypto assets without a counterpart liability designed as a medium of exchange and for direct investment where it has been decided to include a standard breakdown by instruments (equity and debt instruments) and sectors as for the other functional categories. In addition, the international investment position (IIP) table will be expanded to become an integrated IIP table that includes the full stock/flow reconciliation (following *BPM7* Table 7.1). Similarly, there will be new supplementary items such as a detailed breakdown of other financial corporations for all functional categories. Other new supplementary items such as greenfield investment and extension of capacity can be mentioned after the main tables like in the listings after the balance of payments (BOP) and IIP tables in Appendix 9 of *BPM6*.
3. **The *BPM7* editorial team is seeking BOPCOM's feedback on the structure and specific tables to be included in the *BPM7* annex.** In particular, the editorial team would appreciate feedback on two issues: (i) should the BOP and IIP tables (Sections A and B) be merged; and (ii) should certain tables be added to or dropped from the section on Additional Analytical Position Data?

OPTIONS

4. **Regarding the first issue, there are pros and cons of presenting the BOP and IIP in a single table or keeping them separate.** A benefit of presenting them in a single table is that it would send a clear signal that the BOP and IIP are closely interconnected since the items in the BOP financial account feed directly into the integrated IIP. Another benefit is that this approach would avoid repetition since it would not list all the functional categories/financial items in both the BOP and IIP tables. On the other

¹ Prepared by Venkat Josyula and Jannick Damgaard, *BPM7* lead editors, and reviewed by Carlos Sánchez-Muñoz, *BPM7* Project Manager.

hand, there are also benefits in keeping the BOP and IIP tables separate as in *BPM6*, while expanding the IIP table to show the integrated framework. This would maintain continuity from *BPM6* and could help users who are only interested in the BOP when using *BPM7* as a reference document. Such users may find it confusing to only have one table that shows the current account, capital account, and integrated IIP (including the financial account) instead of a separate BOP table with the underlying details.

5. **Regarding the second issue (number of analytical tables), it may be useful to strike a balance between the need for comprehensive analytical data and the risk of excessive information that could make it difficult to navigate the tables.** The *BPM7* editorial team proposes to add a new subsection with tables related to sustainable finance to reflect the increased importance of this topic. The editorial team also sees merit in adding a table on reconciling nominal and market valuation of debt securities liabilities as discussed in Guidance Note F.8. Other than that, the editorial team suggests to only make minor adjustments to existing tables.

Questions for BOPCOM:

1. *Do members prefer to have separate BOP and IIP tables or to have a combined table?*
2. *Do members agree with the proposal to add tables related to sustainable finance and to reconciling nominal and market valuation of debt securities liabilities to the section on Additional Analytical Position Data? Do members see a need to add or drop other tables?*