



UPDATE OF THE OECD BENCHMARK DEFINITION OF FDI, 4TH EDITION (BD4)

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Outline

- *Benchmark Definition of FDI, 4th Edition (BD4)* : the journey so far
- Main changes from *BD4*
- *Benchmark Definition of FDI, 5th Edition (BD5)* Research Agenda
- *BD5* Finalisation: timeline

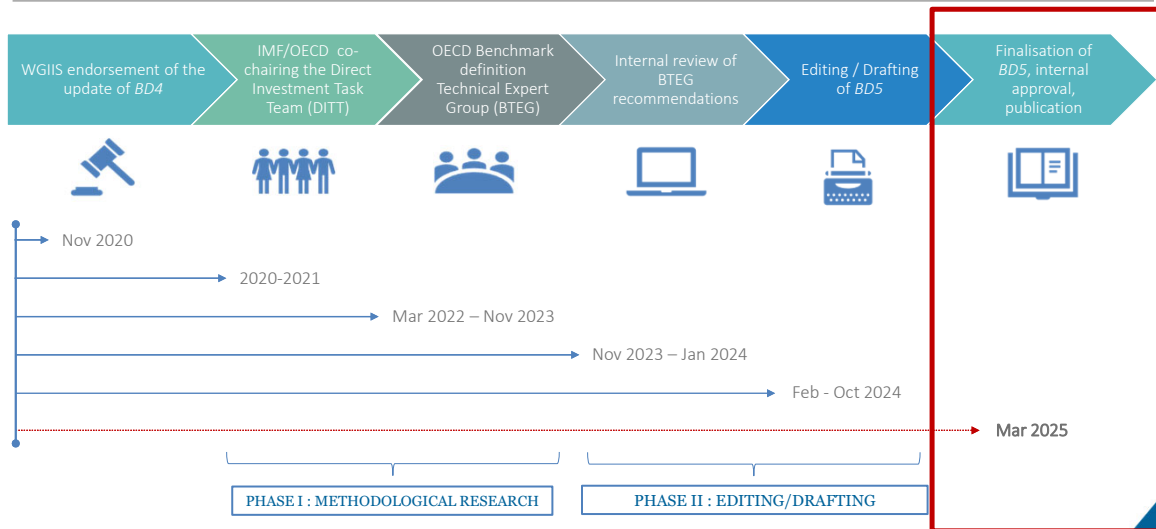
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BD4 update : the journey so far

(1/2)



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BD4 update : the journey so far

(2/2)

- **Nov 2020:** the OECD Working Group on International Investment Statistics (WGIIS) endorsed the launch of the update of BD4.
- **2020-2021:** the OECD co-chaired with the IMF the Direct Investment Task Team (DITT), responsible for researching DI topics that would support the update of BPM6 (and indirectly BD4).
- **2022-2023:** the OECD coordinated the work of the Benchmark definition Technical Expert Group, responsible for providing more guidance on DITT recommendations and supporting the revision of BD4. The OECD ensured the recommendations from the BTEG notes were consistent with those from the DITT.
- **Nov 2023 - Jan 2024:** WGIIS internal consultation on recommendations and new reporting requirements.
- **Feb – Oct 2024:** editing phase of the new manual with a first full draft of BD5 discussed at the WGIIS meeting in October 2024. We are now entering the last phase of the update.
- Throughout the update process, there has been close collaboration between the editorial teams of the different manuals (2025 SNA, BPM7, BD5) to ensure harmonised language and consistent recommendations.

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Main changes from BD4

(1/2)

Major change	Description
Integrated FDI position statement	<ul style="list-style-type: none">Introduce integrated FDI position statementExpand discussion of other changes in financial assets and liabilities account
Measurement of FDI income	<ul style="list-style-type: none">Treatment of depreciation of capitalised R&D expendituresClarify measurement of FDI income for financial corporationsClarify recording of dividendsExpand discussion of needed adjustments to business accounting
Valuation of unlisted equity	<ul style="list-style-type: none">Identify preferred methods for valuing unlisted equityPresent a decision tree to assist compilers in selecting a method based on information they have available
Collective investment institutions (CIIs)	<ul style="list-style-type: none">Exclude investment in CIIs from FDI
Multinational Enterprises (MNEs)	<ul style="list-style-type: none">Introduce definition of MNEs

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Main changes from BD4

(2/2)

Major change	Description
Ultimate investing economy (UIE)	<ul style="list-style-type: none">Recommend a standard presentation of inward FDI positions and a supplementary presentation of FDI income by UIEExpand discussion of methods to reallocate FDI statistics to UIE
Ultimate host economy (UHE)	<ul style="list-style-type: none">Define UHE and present possible methods to reallocate outward FDI positions to UHE
FDI by type (i.e., by purpose of the FDI transaction)	<ul style="list-style-type: none">Define greenfield investment, extensions of capacity, and corporate and financial restructuringRecommend a breakdown of FDI transactions by typePresent a decision tree to assist compilers to identify the type of FDI transaction
Pass-through funds	<ul style="list-style-type: none">Define pass-through funds aligned with <i>BPM7</i>Introduce a breakdown of FDI statistics by residency to estimate pass-through funds
Special purpose entities (SPEs)	<ul style="list-style-type: none">Introduce internationally agreed definition of SPEsPresent a decision tree to assist compilers to identify SPEs

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BD5 Research Agenda

- Several topics were identified by the work of the Benchmark definition Technical Expert Group as requiring additional research. These include various aspects under the following 5 broad categories:
 - Valuation of unlisted equity
 - Ultimate host economy
 - Pass-through funds in FDI
 - Application of the Current Operating Performance Concept
 - Other items
 - The role of leasing for greenfield investment and extensions of capacity
 - FDI statistics reporting separately control and influence relationships
 - Linking of FDI surveys to other surveys
- There seems to be **good alignment** with **BPM7 Research Agenda** on most of these topics.

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BD5 Finalisation : timeline

- **First review** of the full draft of *BD5* by the **WGIIIS** (14-31 Oct 2024)
- **Second review** of the full draft of *BD5* by the **parent Committees** (25 Nov – 13 Dec 2024)
- Approval by the **OECD Executive Committee** (04 Feb 2025)
- Adoption by **OECD Council** (24 -25 Feb 2025)
- **Release of *BD5*** at the WGIIIS Spring meeting and **publication** (24 -26 Mar 2025)
- **Revision** of the **Glossary** and **BPM7/2025 SNA citations** once these manuals are finalised (Q4 2025/Q1 2026) + Publication of **translated versions** (Q1 2026)

**To ensure
consistency
across manuals**

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**Thank you for
your attention**

Contact us

We look forward to hearing from you!



Access all the latest FDI
statistics and trend analyses at:

[https://www.oecd.org/en/
topics/foreign-direct-
investment-fdi.html](https://www.oecd.org/en/topics/foreign-direct-investment-fdi.html)

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