



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

Bangkok, Thailand
October 28–30, 2025

BOPCOM—25/06
For discussion

World Bank Debtor Reporting System (DRS): Main Updates, Process, and Timeline

Prepared by the Statistics Department and World Bank

INTERNATIONAL MONETARY FUND

World Bank Debtor Reporting System (DRS): Main Updates, Process, and Timeline¹

The World Bank's Debtor Reporting System (DRS) is a core instrument underpinning the Bank's policy on external debt and financial statements. It provides a detailed view of countries' borrowing activities, debt-service capacity, financing needs, and overall creditworthiness. Over time, the DRS has evolved into an essential global public good, supporting policy design, debt management, and research while ensuring comparability across countries through alignment with international statistical standards.

This note seeks the BOPCOM members' opinion about the updates and changes to be introduced in the DRS. The DRS 2025 is currently being updated to enhance transparency, improve accuracy, and ensure closer alignment with evolving international standards, including 2025 System of National Accounts (2025 SNA) and the seventh edition of the IMF's Integrated Balance of Payments and International Investment Position Manual (BPM7). The update introduces an integrated reporting template, expanded coverage of debt instruments and sectors, and a new DRS Manual to guide debt reporters. Together, these enhancements will strengthen data completeness, quality, and efficiency while easing the reporting burden for countries through improved validation and reconciliation processes.

INTRODUCTION

1. The World Bank's Debtor Reporting System (DRS) is a longstanding, cross-country comparable database on external debt for low- and middle-income countries (LMICs). It plays a central role in promoting debt transparency by providing standardized information on borrowing, repayment obligations, and sustainability. By capturing repayment profiles and enabling forward-looking debt analysis, the DRS supports informed policy decisions and effective debt management.
2. DRS is closely aligned with the World Bank's broader mission of promoting economic growth, efficient resource allocation, and policy-based financing. These objectives have become more urgent amid growing debt complexity, increased borrowing following the COVID-19 pandemic, and heightened debt distress risks among LMICs. Many countries still face difficulties in compiling reliable and comprehensive debt data due to expanding reliance on non-traditional creditors, complex debt instruments, and liabilities arising from SOEs, PPPs, and special purpose vehicles.
3. Debt financing remains essential for development but rising debt levels and servicing burdens in IDA countries threaten to crowd out vital public investment and social spending. This reinforces the need for timely, complete, and accurate public liability data to support sound fiscal and debt sustainability analysis. DRS has often been revised to meet international statistical standards and as now it complements the 2008 SNA, BPM6, and GFSM 2014. Yet its unique instrument-level granularity sets it apart from these manuals, offering a deeper layer of detail that is essential for granular financial analysis.
4. To reflect evolving needs and align with updates in international statistical standards—such as the 2025 SNA and BPM7—the World Bank is undertaking a major redesign of the DRS. This redesign aims to expand sectoral and instrument coverage, harmonize definitions with other macroeconomic

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frameworks, improve reporting of debt stocks and flows, and strengthen debtor-creditor reconciliation. These updates will enhance both the quality and policy relevance of external debt data.

5. The updated DRS introduces an integrated reporting template consolidating existing forms, new data fields, and consistency checks. It emphasizes completeness, transparency, and interpretability, while reducing the reporting burden through simplification and improved validation. By deepening the profiling of debtors, creditors, and instruments, the new framework will better support risk analysis, debt sustainability assessments, and cross-country comparability—delivering a critical tool for debt management and development planning.

PROCESS FOR UPDATING THE DRS

6. The update of the DRS is being developed through the Technical Working Group for Improving and Enhancing Public and External Debt Statistics (TWGDS), led by the World Bank's DECDG, with participation from the IMF Statistics Department, the Commonwealth Secretariat (COMSEC), and UNCTAD's DMFAS Program. The objective is to establish a coherent and modernized reporting framework that supports the revision of the DRS Manual and templates in line with international standards, expands scope to include domestic debt, and streamline processes across related platforms such as Quarterly External Debt Statistics (QEDS) and Quarterly Public Sector Debt (QPSD).

7. This modernization agenda aims to strengthen global debt transparency, accuracy, and comparability. By aligning with updates in the *2025 SNA* and *BPM7*, the revised DRS introduces enhanced concepts, updated classifications, and expanded debt coverage—enabling policymakers and researchers to better assess risks, sustainability, and financing needs. The update includes a new *DRS Manual*, a User Guide offering practical instructions, and consolidated Reporting Templates designed to simplify implementation and ensure cross-country comparability.

8. The update has been informed by an extensive global consultation process involving debt compilers from Debt Management Offices and Central Banks, as well as other stakeholders. Conducted through surveys and a dedicated online platform, the consultation ensures the revised system reflects both the best international practices and the operational realities of data reporters. The process also emphasizes the importance of timely, accurate, and comprehensive data for debt sustainability assessments and policymaking, particularly in the context of recent debt challenges and restructuring initiatives.

9. Since its launch in September 2023, the TWGDS has met regularly to review proposed changes, draft templates, and methodological updates. Bilateral technical meetings were held with UNCTAD and COMSEC in early 2024 to address system-specific considerations. Throughout 2024 and into 2025, iterative feedback cycles have refined the template, definitions, classification systems, and the structure of the *DRS Manual and User Guide*. Key milestones include the agreement on a standardized classification system and the harmonization of reporting codes across systems.

10. Implementation of the updated framework is advancing. In March 2025, COMSEC and UNCTAD began integrating the new DRS requirements into their respective debt management platforms (Meridian and DMFAS), which serve over 90 percent of DRS reporters. By July 2025, the World Bank finalized the full debt reporting package, and the final DRS Manual is scheduled for publication in March 2026. The updated system will be operational starting with the 2026 reporting cycle.

11. In parallel, TWGDS is rolling out a multi-year implementation plan that includes technical integration, capacity building, and ongoing support to ensure successful adoption by countries. The plan includes collaboration with national debt offices and statistical agencies to support smooth transition, data reconciliation, and alignment with global standards. These efforts are crucial to enhancing the quality, usability, and policy relevance of global debt statistics.

KEY DIMENSIONS OF THE DRS UPDATE

12. The DRS update introduces a set of significant revisions to its principles of reporting, reflecting both the evolution of borrowing practices and the need for closer alignment with international statistical standards such as the *BPM7*, and the *External Debt Statistics Guide (EDS)* (Appendix II). These changes aim to ensure consistency across countries, strengthen comparability, and provide a more comprehensive and transparent picture of external debt. While many of the revisions bring the DRS into closer alignment with *BPM7*, the system also introduces unique features that go beyond these standards, such as tranche-level reporting and the inclusion of project classifications.

13. The update revises the residency criteria. Previously based on physical location, residency will now follow the center of predominant economic interest, consistent with BPM standards. This adjustment ensures correct classification of entities such as special-purpose entities (SPEs), offshore financial centers, and Public Private Partnership (PPP) arrangements. By expanding coverage to offshore subsidiaries and other cross-border borrowing entities, the DRS reduces long-standing gaps in reporting and better reflects the reality of modern financial structures.

14. A major improvement concerns the treatment of borrowing dominated in domestic currency. Under the current DRS, debt denominated in foreign currency reporting is mandatory while debt denominated in domestic currency is reported on a voluntary basis, and multi-currency instruments are converted into a single currency. The update makes debt denominated in both foreign and domestic currency reporting mandatory, requiring tranche-by-tranche reporting in the original currency of denomination. System-based conversion ensures greater transparency on foreign-exchange exposures, improving cross-country comparability. This approach goes further than *BPM7*, which requires full currency reporting but does not prescribe tranche-level granularity.

15. Another key change relates to maturity and instrument coverage. The current DRS focuses on long-term debt, defined as obligations with an original maturity of more than one year. The updated framework now covers both short-term and long-term instruments, while also introducing system-generated calculations of remaining maturity—an approach fully aligned with *BPM7*, which requires reporting of original maturity and recommends supplementary remaining maturity. Instrument coverage has also been broadened significantly, moving beyond loans, bonds, and SDRs to encompass all debt instruments, including deposits, trade credits, insurance and pension liabilities, account payable and intercompany lending. This extension fills important data gaps, especially in short-term and private-sector flows, and ensures full alignment with *BPM7* classifications.

16. In terms of sectors of debtor and creditor classifications, the DRS moves from a predominantly public-sector focus to a more comprehensive institutional-sector framework, requiring detailed subsector reporting (e.g., central government, local government, financial corporations, and households). On the creditor side, disaggregation now extends beyond broad aggregates such as “banks” or “governments” to

cover sub-sectoral distinctions, including bilateral versus multilateral creditors and suppliers' credits etc. This enhanced granularity aligns with *BPM7* recommendations and supports more accurate creditor–debtor mapping. Complementing this, borrower reporting shifts from broad institutional groups to detailed subsectors, classified by control type (public, private, or foreign controlled etc.).

17. The update also improves classification by purpose and economic activity. While SNA International Standard Industrial Classification (ISIC) codes remain the primary framework, they are now supplemented by World Bank Classifications of economic sectors and project theme categories. This dual system preserves international comparability while also enhancing the World Bank policy relevance for operational and analytical use—going beyond *BPM7* and *2025 SNA*, which stops at economic activity classification.

18. On valuation, the new DRS records most debt instruments at nominal value and introduces market valuation for debt securities. This change aligns with *BPM7* requirements and provides a more accurate view of the impact of market fluctuations on debt sustainability and borrowing costs. Similarly, the time of recording principle has been strengthened: whereas the current DRS is largely based on cash reporting, the updated system adopts an accrual basis, consistent with *BPM7*, capturing obligations as they are incurred.

19. The framework for stocks, flows, and arrears has also been reinforced. The system now requires full reconciliation between opening and closing stocks of debt, with automated revaluation adjustments capturing exchange-rate and price effects—fully aligned with *BPM7* practice. The treatment of arrears has been fully revised: rather than reclassifying interest arrears as short-term obligations, the new DRS preserves their association with the original instrument, ensuring analytical consistency.

20. Debt-service details are expanded as well, moving beyond the traditional focus on principal, interest, and commitment fees to now include service charges and penalty fees. This broader coverage ensures that all costs associated with debt obligations are captured, including those that may arise from arrears or contractual breaches. By incorporating these additional categories, the reporting framework provides a more accurate and comprehensive representation of the financial burden carried on by borrowers. It also enhances transparency by clarifying the full range of payment obligations, allowing for improved assessment of debt sustainability, fiscal risks, and the potential challenges countries may face in meeting their repayment commitments.

21. Information on contingent liabilities has been significantly expanded. Under the old DRS system, reporting was limited to the guarantor's name, while the update now requires full details on the guarantor (including name, type, and sector) as well as the ultimate debtor, encompassing both public and private guarantors. Such detailed reporting is in line with *BPM7*'s treatment of contingent liabilities as memorandum items but goes further in operational depth.

22. Data granularity is likewise strengthened by shifting from the existing loan-level coverage, which has traditionally focused on public and publicly guaranteed private debt, to a comprehensive loan- and tranche-level reporting framework that extends across all sectors of the economy. This refinement ensures that not only the overall characteristics of borrowing instruments are captured, but also the specific features of each tranche within a loan—such as disbursement schedules, interest rate terms, maturities, and currency composition.

23. DRS reporting process has been refined to increase efficiency and usability. Under the previous system, countries were required to complete up to five separate reporting forms, a structure that frequently led to duplication of information and inconsistencies across submissions. The updated framework consolidates these requirements into a single, integrated reporting template. This streamlined approach simplifies the submission process, reduces the reporting burden for countries, and enhances the efficiency of data compilation. At the same time, it improves consistency and comparability of the information reported, thereby strengthening data quality and aligning the system more closely with international statistical practices.

24. The new DRS reporting template incorporates standardized reference tables aligned with the 2025 SNA and BPM7. These reference tables cover all key reporting dimensions—such as institutional sectors, financial instruments, maturities, and currency classifications—ensuring consistency across statistical domains. By embedding these internationally harmonized classifications into the reporting system itself, the DRS not only aligns with global standards but also facilitates automated validation, cross-country comparability, and integration with national accounts and balance of payments statistics.

25. A key feature of the new template is its adaptability. Because of the detailed row-level information it captures, evolving methodologies and definitions can be more readily incorporated without requiring structural overhauls to the system. This flexibility ensures that the DRS remains forward-looking and capable of integrating methodological improvements as they emerge.

Questions for the Committee:

1. *Do you agree with the proposed changes to the DRS reporting framework, and do you consider them consistent with international statistical standards and compilation practices?*
2. *Are there additional refinements or adjustments you would recommend in the short term to further strengthen consistency, comparability, or usability of the reported data?*

ANNEX II. LIST OF MAIN CHANGES ON UPDATING 2025 DRS

Principles of DRS Reporting	Dimension	Current DRS	Updated DRS	Main Changes
Definitions	Residency criteria	Physical location	Center of predominant economic interest (incl. SPEs, SPVs, PPPs, offshore)	Broader definition that is aligned with <i>BPM6</i> and better reflects modern financial structures
	Currency	Foreign (mandatory) + Domestic (voluntary); multi-currency (combined into a common currency)	Foreign + Domestic (mandatory); tranche-by-tranche with system conversion	Additional tranche-level detail with system-based currency conversion. Foreign and domestic reporting are both mandatory
	Maturity	Long-term original maturity (>1 year)	Original and system-calculated remaining maturities for Short-term (≤ 1 year) & long-term (>1 year)	Includes both short- (≤ 1 year) and long-term (>1 year) debt. The system adds remaining maturity at the reporting date alongside original maturity
	Financial instruments	Mainly loans, bonds, and SDRs	All debt instruments (SDRs, loans, debt securities, currency and deposits, trade credit, intercompany lending, etc.)	Coverage expands from loans/bonds/SDRs to all debt instruments
Classification	Sectoral coverage	Public-sector approach (public + guaranteed private)	Public-sector and institutional sector approach (more subsectors, incl. SPEs)	More detailed institutional sector breakdowns with mandatory SPE reporting
	Creditors	Institutional sector aggregates (commercial bank, exporter, bondholder, gov't agency, etc.)	Disaggregated Institutional subsectors + bilateral, multilateral, supplier credits	From broader aggregates to more specific creditor subsectors
	Borrowers	Institutional sector aggregates (Central Government, Central Bank, Local Government, Public corporations, Mixed enterprises, etc.)	Disaggregated Institutional subsectors + public/private/foreign controlled	Reorganized and detailed classifications

	Economic sector & purpose classifications	ISIC codes	ISIC + WB classification + project theme	ISIC retained, with added World Bank sector and project theme classifications for better alignment
Methodology	Valuation	Nominal (except bonds, which are valued at face/par value)	Nominal (all instruments) + market value (debt securities)	Market valuation added for debt securities; nominal valuation retained for all instruments
	Time of recording	Cash basis	Cash + accrual basis (system-generated)	Both cash and accrual bases supported, with accruals system-generated
Stocks and Flows	Stock-flows approach	Aggregate stocks & flows (limited)	Full reconciliation (opening–closing stocks, revaluations auto-generated)	Full opening-to-closing stock reconciliation with automated revaluations for better consistency
	Arrears	Interest arrears reclassified as short-term	Interest arrears kept under original instrument	Improved arrears treatment
	Debt service	Principal, interest, commitment fees	Principal, interest, commitment fees + service & penalty fees	Scope broadened to include service and penalty fees in addition to principal, interest, and commitment fees, in order to better capture debt burdens
Data Granularity & Reporting	Contingent liabilities	Only name of public guarantor recorded	Full characterization of guarantor (name, type, sector, ultimate debtor)	Expanded detail, including private guarantors
	Granularity	Loan-level (public + guaranteed private); aggregate unguaranteed private	Loan/tranche-level data for all instruments and sectors	Moving to more granular data collection under all dimensions
	Reporting Template	Up to 5 Separate Forms to report DRS data	Comprehensive unified approach of reporting	Streamlining submissions via an integrated single template