


DQAF: Alignment with the Balance of Payments Manual (BOPCOM 25/13)

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Forty-Fifth Meeting of the IMF Committee on Balance of Payments Statistics
October 28–30, 2025

1


Measuring alignment to the BPM



Transparent and consistent assessment of alignment with the BPM



Guide to help identify areas for improvement.



A benchmarking tool for a key dimension of quality.

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2

2

Measuring Alignment with *2025 SNA* and *BPM7*

- The SNA / BPM CMTT developed an “Alignment” tool to assist countries in understanding the degree to which they align with the recommendations outlined in the System of National Accounts and Balance of Payments Tools.
- The IMF, World Bank, UNSD have expanded on this tool and developed a maturity rating mechanism to assist countries in quantifying their level of alignment with the *BPM7* and SNA.
- The IMF has integrated this tool (1 for 1) into the IMF Data Quality Assessment Framework (as dimension 3 – Alignment with Statistical Standards (previously called methodological soundness)).

The IMF Data Quality Assessment Framework (DQAF)

- DQAF takes a broad view of quality
- It assesses five dimensions of quality
- The DQAF has multiple uses:
 - ◆ Data Standards Initiative – Data Dissemination Bulletin Board
 - ◆ IMF Technical Assistance
 - ◆ IMF Data ROSC
 - ◆ **Self-evaluation tool for countries to self-assess the state of their program relative to international benchmarks.**



Alignment Tool

Element of Quality	Element Weight	Indicator of Quality	Indicator Weight (Mechanic Approach)	Indicator Weight (Adjusted)	# Assessment Criteria	Maturity
Alignment with concepts and definitions	30%	Coverage of economic territory	17%	17%	9	4.4
		Coverage of flows and positions	35%	35%	18	4.8
		BOPIIP Concepts	48%	48%	25	4.8
Alignment with accounting rules	20%	Valuation	67%	67%	14	4.0
		Principles of recording	33%	33%	7	5.0
Alignment with methods	10%	Appropriate statistical techniques are applied	100%	100%	11	4.4
Alignment with classifications	15%	Classifications	100%	100%	4	5.0
Alignment with recommended scope of statistical output.	25%	BOP Standard Components and Memorandum items	3%	50%	1	4.0
		IIP Standard Components and Memorandum items	3%	40%	1	5.0
		Reserve-related liabilities	3%	2%	1	5.0
		Currency composition of assets and liabilities	3%	2%	1	5.0
		BOP and IIP supplementary items	88%	6%	29	4.3
Alignment with the BPM6						4.5
						4.6

- ✓ 5 elements of quality, 12 indicators of quality, 95 Recommendations
- ✓ In this case alignment is estimated as 3.6 out of 5 – which can be interpreted as having implemented **72%** of the recommendations in the balance of payments manual.

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5

5

Recommendations / Best Practices

Element of Quality: Alignment with concepts and definitions			
Indicator of quality: Coverage of economic territory			
QID	RBP	WEIGHT	OBS_VALUE
3.1.1.1	Is the domestic territory treated as part of your economic territory?	30	Highly - Between 90% and 94% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.2	Are resident incorporated and unincorporated affiliates of nonresident companies included in your data?	30	Broadly - Between 80% and 89% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.3	Are territorial enclaves in other countries (e.g., embassies, military bases) treated as part of your economic territory?	5	Fully - Over 95% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.4	Are free zones, bonded warehouses, and offshore factories under customs control included in your economic territory?	5	Not aligned - Less than 50% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.5	Are workers who spend part of the year abroad (seasonal/cross-border) accounted for as residents if they meet BPM criteria on center of economic interest?	5	Limited - Between 50% and 79% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.6	Is the residence of Special Purpose Entities (SPEs) attributed to the economy in which they are incorporated?	10	Highly - Between 90% and 94% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.7	Are international organizations not considered residents of any national economy?	5	Highly - Between 90% and 94% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.8	Are all units of general government (e.g. embassies, military bases) considered to be resident in their own economy?	5	Highly - Between 90% and 94% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.
3.1.1.9	Subject to specific circumstances, would an individual, who works continuously for one year or more in a foreign country, cease being a resident of his/her own economy?	5	Highly - Between 90% and 94% of the recommended (activity, transactions, stocks/flows, territory, population, units) is estimated.

- For each alignment indicator we have identified recommendations that we expect countries to implement.
- We ask countries if they have implemented the recommendation and “how well” they have implemented the recommendation.

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6

6

Testing the Alignment Tool

- BOPCOM Members (8)
- CCAMTAC SNA/BPM Implementation Workshop (7)
- Asia SNA/BPM Implementation Workshop (14)
- Other (2)

Results – Dimension and Elements

Dimension / Element	BPM6	%	BPM7	%	Respondents
Alignment with the Balance of Payments Manual	4.38	88%	3.72	74%	31
Alignment with concepts and definitions	4.47	89%	3.71	74%	31
Alignment with accounting rules	4.75	95%	4.71	94%	31
Alignment with methods	4.11	82%	3.84	77%	31
Alignment with classifications	4.95	99%	3.04	61%	31
Alignment with recommended scope of statistical output.	3.75	75%	3.55	71%	31

- On average (31 respondents), 88% of the *BPM6* recommendations are implemented.
- The estimate decreases to 74% when the additional *BPM7* recommendations are taken into consideration.
- The lowest category is alignment with recommended scope of statistical output.

Results – Indicators

Indicator	BPM6	%	BPM7	%	Respondents
Coverage of economic territory	4.80	96%	4.80	96%	31
Coverage of flows and positions	4.50	90%	4.23	85%	31
BOPIIP Concepts	4.34	87%	2.98	60%	31
Valuation	4.66	93%	4.60	92%	31
Principles of recording	4.94	99%	4.94	99%	31
Appropriate statistical techniques are applied	4.11	82%	3.84	77%	31
Classifications	4.95	99%	3.04	61%	31
BOP Standard Components and Memorandum items	4.10	82%	4.10	82%	31
IIP Standard Components and Memorandum items	3.68	74%	3.15	63%	31
Reserve-related liabilities	3.39	68%	3.39	68%	31
Currency composition of assets and liabilities	1.61	32%	1.61	32%	31
BOP and IIP supplementary items and Non-performing loans	2.18	44%	2.18	44%	31

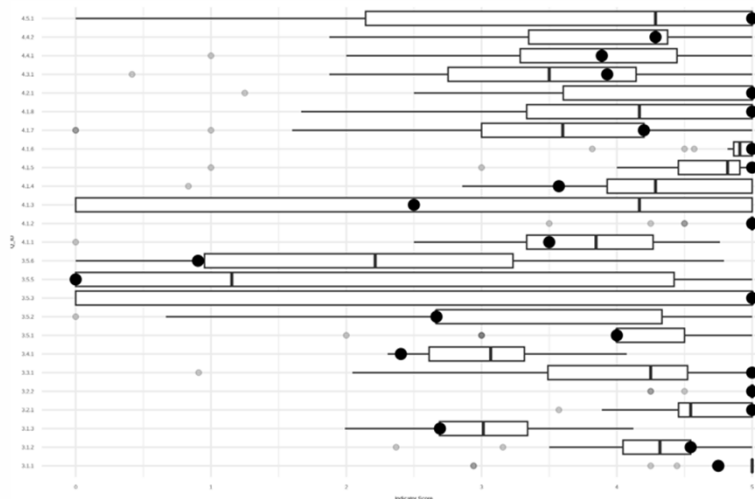
- Most of the new *BPM7* recommendations fall into the BOPIIP concepts and classification categories.
- Integrated IIP recommendation falls in the IIP Standard Components and Memorandum items.

Results – Country Reports

Element	BPM6	%	BPM7 Score	%2	Global BPM6	Global %	Global BPM7	%3
Alignment with concepts and definitions	4.47	89%	3.47	69%	4.47	89%	3.71	74%
Alignment with accounting rules	4.80	96%	4.8	96%	4.75	95%	4.71	94%
Alignment with methods	4.80	96%	4.8	96%	4.11	82%	3.84	77%
Alignment with classifications	4.80	96%	2.2	44%	4.95	99%	3.04	61%
Alignment with recommended scope of statistical output.	3.55	71%	3.02	60%	3.75	75%	3.55	71%
Source data are adequate to ensure accuracy and reliability.			3.94	79%			4.11	82%
Accuracy of source data is regularly assessed			4.8	96%			4.23	85%
Rigorous statistical techniques are used for modeling, estimation, imputation, editing and valuation.			3.73	75%			3.37	67%
Rigorous quality assurance practices are employed			3.87	77%			3.81	76%
Revisions analysis and reliability monitoring is conducted.			4.8	96%			3.54	71%

- The reports are set up to allow countries to compare their “quality score” with global, or regional averages.
- Countries can compare their “*BPM6*” vs their “*BPM7*” score to determine where investments may be required.
- Countries can also compare statistical programs (e.g., SNA and BPM) to determine how to allocate implementation resources.

Results – Country Reports



- Boxplots can be prepared for each indicator.
- Show the dispersions and median.
- Countries can quickly pinpoint those areas where they fall below the median and outside the 25% and 75% tails.

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11

11

General Feedback / Proposed Refinements

- On average, it took 1 day to complete the self-assessment.
- On average, 3 people were needed to complete the questionnaire.
- Most respondents felt the results were a fair assessment of their degree of implementation.
- Several individuals suggested that we provide greater guidance in completing the assessment.
- Several individuals identified recommendations they felt should be added to the list.
- Nobody suggested dropping questions.

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12

12

Questions for BOPCOM

- Do committee members agree with how we propose to take on their feedback and update the tool?
- Do committee members have further views on the alignment tool?
- What are committee members views on establishing a maturity rating that signals “Implementation of *BPM7*”.