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IMF Committee on Balance of Payments Statistics
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BPM6 Implementation Plan, and Plans for Preparing a *Compilation Guide*

**Prepared by the Statistics Department
International Monetary Fund**

CONTENTS

I. Introduction	3
II. Conversion of <i>BOPSY</i> and <i>IFS</i>	4
A. Conversion Date.....	4
B. Conversion matrix	5
C. Other aspects of the conversion of <i>BOPSY</i>	5
Harmonizing the coding systems of international agencies.....	6
Bridging from <i>BPM6</i> to <i>BPM5</i> and vice versa	6
Coordinated Direct Investment Survey.....	6
International Investment Position	6
Other conversion issues	7
D. <i>BPM6</i> Implementation Survey.....	7
III. Update of written material and other strategies	8
A. <i>Compilation Guide</i>	8
Proposal for the revision of the <i>Compilation Guide</i>	8
B. Other written material	9
IV. Cooperation with <i>SNA 2008</i> implementation plan	9
V. <i>BPM6</i> Training and technical assistance	10
Regional outreach seminars	10
BOP Headquarters Course 2008	10
Training of IMF experts.....	11
Implications of <i>BPM6</i> implementation for technical assistance.....	11
VI. Issues for Committee members	11
<i>BOPSY</i> conversion.....	11
Update of written material	11
Cooperation with <i>SNA 2008</i> implementation.....	11
<i>BPM5</i> to <i>BPM6</i> Conversion Matrix.....	12
Annex I. Schedule of Events.....	13
Annex II. Implementation Questionnaire 1993	17
Annex III. Compilation Issues for which Guidance is Sought	19

BPM6 Implementation Plan, and Plans for Preparing a Compilation Guide¹

I. INTRODUCTION

1. The new *Balance of Payments and International Investment Position Manual (BPM6)* is expected to be finalized and published on the IMF website as planned in late 2008, after its adoption in the November 2008 meeting of the IMF's Committee on Balance of Payments Statistics (Committee). A considerable part of the Committee's work program will be taken up with the task of implementing *BPM6* in the coming years. During last year's Committee meeting, IMF staff presented a paper setting out a strategy for the *BPM6* implementation at the international level² and aimed at obtaining the Committee's views for the program in the years ahead.
2. At its 2007 meeting, the Committee agreed that the simultaneous changeover of the presentation of data in the IMF's *Balance of Payments Statistics Yearbook (BOPSY)* and the *International Financial Statistics (IFS)* according to *BPM6* is a key element of the implementation strategy. Provisionally, 2012 or 2013 were set as the possible dates for the conversion in these publications. The Committee agreed that an effective implementation would require consideration of the implementation schedule of related datasets, such as the *SNA 2008* and the *OECD Benchmark Definition of Foreign Direct Investment (BD4)*. The need to coordinate *BPM6* implementation with regional statistical activities, particularly in Europe, was also considered important. The Committee endorsed a proposal for STA to develop a conversion matrix, linking balance of payments and international investment position (IIP) items of *BPM5* and *BPM6* and explaining the differences in contents of these items where applicable so as to facilitate the conversion to the new *Manual*.
3. The strategy paper presented at last year's meeting largely drew from the successful implementation of *BPM5* in 1993-1995 and discussed further steps to enhance the changeover. This included updating the written material for balance of payments compilers, especially the *Balance of Payments Compilation Guide (Compilation Guide)* and the *Balance of Payments Textbook (Textbook)*; providing assistance to balance of payments compilers in the form of training and seminars; and a questionnaire to be sent to countries in 2009 inquiring into their implementation strategies and identifying topics for which special support is needed. Committee members endorsed these proposals and indicated their willingness to support the implementation strategy through the contribution of papers on national experiences in implementing *BPM6*.
4. This paper highlights the steps that have been taken since last year's meeting and discusses the steps that lay ahead. Annex I presents a schedule of events for the

¹ Prepared by Mark van Wersch and Paul Austin

² "Implementation of *BPM6* - Strategy Going Forward" (BOPCOM 7/14), available at <http://www.imf.org/external/pubs/ft/bop/2007/20.htm>.

implementation of *BPM6*. The paper is presented as follows. Section II addresses the changeover in *BOPSY*, including the conversion date, the conversion matrix as a tool to facilitate the changeover (the conversion matrix is disseminated as a separate Annex to this paper), and a proposal for the 2009 implementation questionnaire. Section III discusses further proposals regarding the update of written material, especially the *Compilation Guide*. Section IV addresses the cooperation with the *SNA 2008* implementation plan. Section V summarizes further training and technical assistance the Fund plans to provide. Section VI seeks the proposed role of the Committee and requests comments on key elements of the implementation strategy proposed in this paper.

II. CONVERSION OF *BOPSY* AND *IFS*

5. A carefully prepared and fully articulated implementation strategy for *BPM6* is important to ensure the availability of high quality and timely data. For that reason, the changeover to *BPM6* of *BOPSY* and *IFS*, which offers a unique overview of consistent balance of payments data for 185 IMF member countries, is considered a key element of the implementation strategy.

A. Conversion Date

6. At its 2007 meeting, Committee members expressed interest in converting *BOPSY* in 2012/2013, but agreed that a final conversion date will be decided at the forthcoming Committee meeting of 2008. The potential conversion date was also discussed during the nine regional outreach seminars³ that the Fund organized in 2008 (see ahead).

7. Most of the participants at the well-attended seminars considered conversion in 2012 or 2013 feasible, with a clear preference for 2012, although this view was not unanimous and a number of participants noted that firm commitments could not yet be made. Behind the preference for 2012 was the view that the changes arising from *BPM6* were not as significant as for *BPM5*, and a sense that compilers should move ahead with the conversion (in terms of using the *BPM6* presentational formats and adopting updated standards for selected items), even if some updated standards could not be implemented until later. However, the importance of an updated *Compilation Guide* was consistently stressed.

³ The regional outreach seminars were held in Brazil (at the Joint Regional Training Center for Latin America), Barbados (at the Caribbean Regional Technical Assistance Centre), Tunis (at the Joint African Institute), Ghana (for other African countries), the U.A.E. (at the Arab Monetary Fund), Singapore (at the IMF- Singapore Regional Training Institute), China (for compilers from each province), at the European Central Bank, and in Austria (at the Joint Vienna Institute, primarily for countries in Europe that are not members or candidates for the European Union).

8. At the ECB seminar, most participants considered 2012 or 2013 feasible, but emphasized the need to implement *BPM6* alongside the revised *European System of Accounts (ESA)*. It was also noted that a regulation had to be passed to enable the ECB and Eurostat to collect certain data on the new standards. The European Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) has meanwhile opted for an early implementation in 2010 (for 2009 data) of the *BD4 / BPM6* standards for direct investment, and, provisionally, for simultaneous conversion of the remaining changes to *BPM6* and the new *ESA* in 2014. In its meeting of January 2009, the CMFB will further discuss the implementation dates.

9. The decision over which date to convert *BOPSY* to *BPM6* is central to the implementation strategy at the international level. To maintain momentum in the work, and following the consultation at the regional seminars, STA has a preference to convert *BOPSY* in 2012.

B. Conversion matrix

10. In October/November 2007, Committee members endorsed a proposal for Fund staff to prepare a conversion matrix, mapping the *BPM5* to the *BPM6* presentation to facilitate compilers in converting balance of payments and IIP data. The usefulness of the conversion matrix was confirmed in the regional outreach seminars, where a number of participants anticipated that the implementation of *BPM6* will, amongst others, depend on clear guidance included in the conversion matrix.

11. The conversion matrix maps *BPM5* items to *BPM6* items and also provides concise descriptions of the changes from *BPM5*. It is disseminated as a separate Annex to this paper.⁴ The compilation of the matrix took considerable time and effort, and its completion also depended on resolving the methodological treatments in *BPM6*, and therefore it could not be sent out for comments substantially in advance of the Committee meeting. STA proposes that Committee members review the matrix in the next couple of months before its broader dissemination among the IMF membership.

C. Other aspects of the conversion of *BOPSY*

12. The conversion of *BOPSY* will be a major exercise for STA's Balance of Payments Division (BPD) and the Statistical Information Management Section (SIMD). SIMD has started assessing electronic tools and products needed to compile and publish data according to the new presentation, and the preparation of a detailed plan to ensure a smooth transition. SIMD will need additional budget for these activities and a proposal to that end is in the making.

⁴ *BPM5-to-BPM6* Conversion Matrix (BOPCOM-08/10B and BOPCOM-08/10B(2)).

Harmonizing the coding systems of international agencies

13. Both ECB and Eurostat are cooperating with the Fund to coordinate the *BPM6* implementation and harmonize the coding system for providing balance of payments and international investment position (IIP) data to the international agencies. The agencies have each appointed contact persons for the coordination with IMF staff for both the overall *BPM6* implementation and the coding system. SIMD is in the lead in the Fund for coordinating the latter work and is investigating the possibilities to come forward with an improved coding system to take account of the changes arising from *BPM6*.

Bridging from *BPM6* to *BPM5* and vice versa

14. A tool is needed to enable the conversion back to the *BPM5* presentation of country data that is provided - partly or comprehensively - according to *BPM6* data standards and/or formats before the changeover in *BOPSY*, and vice versa after the changeover. For countries that adopt the full or incremental *BPM6* data standards or formats before the conversion of *BOPSY*, SIMD will make bridging tables to bring the data back to the *BPM5* data standards or formats. The longer the delay in converting *BOPSY* to *BPM6*, the more such conversions may be required.

15. BPD will support SIMD in preparing the bridging tables by providing the methodological input. The quality of the bridging from *BPM6* to *BPM5* would be much enhanced if countries were to supply supplemental data facilitating the conversion to the *BPM5* standards. Country approval will be sought before publication of their *BPM6* data on a *BPM5* basis in *BOPSY* once the bridging is completed. From the information obtained from the regional outreach seminars concerning countries' implementation plans, it appears that the bridging tables should be operational in 2009, or 2010 at the latest.

Coordinated Direct Investment Survey

16. The bridging tables may need to take account of the CDIS, which is to be conducted in 2010 for reference year 2009, since some countries may start providing direct investment data according to *BPM6* standards from 2010 on. However, it should also be noted that many of the changes introduced to direct investment (including identifying what units are in a FDI relationship using the Framework of Direct Investment Relationships, and several changes in the valuation principles pertaining to the measurement of direct investment) may be impossible to reliably bridge back to a *BPM5* basis.

International Investment Position

17. STA is also considering the development of IIP world tables, as interest in such data grows and the number of countries reporting IIP data currently exceeds 100. As noted in a

separate paper prepared for the Committee last year,⁵ STA intends to publish tables of global IIP data when *BOPSY* converts to *BPM6*.

Other conversion issues

18. After the conversion in *BOPSY*, separate databases for *BPM5* and *BPM6* data, respectively will be available. In principle there will be no overlapping data, i.e., the series in the *BPM5* database will stop as soon as a country converts to *BPM6*, unless a country would provide historical *BPM6*-basis data for historical periods. Some thought is to be given to the presentation of historical time series and breaks in series in *BOPSY*. Also, a reporting format needs to be developed from the Standard Components and Selected Other Items of *BPM6 Appendix 9* to be presented in *BOPSY*.

19. The quantitatively largest change in the data presentation according to *BPM6* is expected to take place in direct investment positions in the IIP. The change in treatment of goods for processing will be among the largest changes in treatment in balance of payments data for many countries.

D. *BPM6* Implementation Survey

20. As discussed in last year's Committee meeting, the IMF plans to conduct a survey on *BPM6* implementation plans for Fund member countries in the first half of 2009. The survey aims to identify areas where the Committee and the Fund itself can play a complementary role in supporting Fund member countries' *BPM6* implementation plans, and to identify methodological changes that are especially difficult to implement (see ahead). The survey results would guide the work on the *Compilation Guide* and the *Textbook*, as well as assist the Fund in planning for the conversion of the *BOPSY* into the *BPM6* format. A similar survey was undertaken by the Fund at the time of *BPM5* implementation, and the results were disseminated at the Committee meeting in 1994. The 1993 survey is attached to this paper as Annex II. Eurostat and the ECB have already circulated a joint *BPM6* questionnaire to member countries.

21. The timing of the *BPM6* implementation survey is aimed at drawing senior level attention to the new *Manual*. In seeking information on implementation plans, the survey could help in raising the profile of balance of payments compilation activities, and generate a strong institutional commitment backed by resource availability. The survey will adopt a matrix format, presenting each of the major changes recommended in *BPM6*, and enumerating country views on the range of difficulties and underlying factors affecting their implementation of these changes.

⁵ IIP: Progress made and plans for further development (BOPCOM-07/23).

22. Fund staff propose to use a module approach in producing and disseminating the *Compilation Guide* in chapters, with priority given to those chapters that address methodological changes that are especially difficult to implement (see ahead). The survey results would help identify these specific issues. The survey would also inquire on countries' plans for revising historical data, and identify those countries that plan to convert to *BPM6* before the *BOPSY* conversion date. This information would provide important inputs for the Fund's internal plans regarding the creation of appropriate electronic tools and products for the *BOPSY* conversion.

23. The results of the *BPM6* implementation survey would be reported to the Committee at its next meeting in 2009, and possible support strategies could be proposed at that time.

III. UPDATE OF WRITTEN MATERIAL AND OTHER STRATEGIES

A. *Compilation Guide*

Proposal for the revision of the *Compilation Guide*

24. The update of the *Compilation Guide* has a high priority as many participants of the regional outreach seminars emphasized the pressing need for a revised *Compilation Guide* addressing specific issues that the implementation of the *BPM6* entails. Many participants were concerned about compilation issues. For this reason participants emphasized the need to have a comprehensive, updated *Compilation Guide* available at an early stage.

25. STA intends to begin the update of the *Compilation Guide* in 2009 and the date of its completion is partly dependent on how the work is taken forward. A discussion and agreement on how to take forward the work during this year's Committee meeting would be welcomed. IMF staff envisage the following elements.

- To the extent that descriptions of compilation practices remain relevant, it seems reasonable to confine the revisions to updating the *Compilation Guide* where necessary, addressing those issues that have changed in *BPM6*, and taking account of new developments in compilation practices.
- For some issues, the *Compilation Guide* may draw on other guides, including the *CPIS Guide*, the *CDIS Guide*, the *Remittances Compilation Guide*, and the *External Debt Guide*.
- Topics of special interest may be added in separate boxes.
- The regional outreach seminars provided a number of topics that participants considered as most urgent to be addressed (see Annex III). The Committee members may consider providing support by addressing specific topics collected from the regional outreach seminars. The survey on the *BPM6* implementation may raise additional issues.

- A webpage for the *Compilation Guide* could be developed and the new chapters / boxes of the *Compilation Guide* could be published on the page as they become available.

26. The Statistics Department invites Committee members to contribute to the *Compilation Guide* on the basis of their own experience. Such a contribution is considered central to the update as compilation experience resides as much with Committee members as with Fund staff.

B. Other written material

27. The update of the *Textbook*, comprising a further elaboration of concepts and examples of particular types of transactions, is a longer term project. The exercises that have been updated for the Balance of Payments Headquarters Course could be an input for the updated *Textbook*. As was the case with *BPM5*, there is a need to proceed first with the *BOPSY* conversion and the *Compilation Guide*, but work could start on the *Textbook*, possibly once a final version of the *Compilation Guide* is posted on the website.

28. As the Committee is aware, the fourth edition of the OECD's *Benchmark Definition of Foreign Direct Investment* is finalized. The draft *Manual of Statistics of International Trade in Services* was disseminated last August for a worldwide review. The *Manual* is expected to be completed in 2010 and to be fully in line with *BPM6*. The update of *Guidelines for a Data Template (Guidelines)* was delayed this year but is starting. An assessment has been made of how the changes in *BPM6* will affect the *External Debt Guide*; it was presented at the meeting of the Inter-Agency Task Force on Finance Statistics (TFFS) that was held in April 2008. The TFFS has agreed that the updating process will start in 2011 with the publication of the new *Debt Guide* foreseen for 2013, ten years after the first edition. In general, virtually all publications and manuals will need to be updated to some extent, to align statements about methodology, cross-references, etc..

IV. COOPERATION WITH SNA 2008 IMPLEMENTATION PLAN

29. The editor of *BPM6* drafted the draft *SNA 2008* chapter on the Rest of the world account, which was sent for worldwide comments this summer, so it fully coincides with *BPM6*.

30. During last year's meeting, the Committee noted that an effective *BPM6* implementation would require coordination with the implementation of *SNA 2008*, especially for significant cross-cutting issues such as goods for processing, reclassifying merchanting, estimating data for the informal sector, and FISIM, for which balance of payments compilers could draw from the experience of national accountants, and vice versa. The UN Statistics Division informed the Committee that it intends to publish newsletters on the implementation of *SNA 2008*, and that it could include papers on cross-cutting issues.

31. Within the IMF Statistics Department (STA) there is close cooperation between the Balance of Payments and Real Sector Divisions. The *SNA 2008* and *BPM6* implementations are well coordinated although, as noted earlier, some important questions relating to implementation have not been resolved by countries.

V. *BPM6* TRAINING AND TECHNICAL ASSISTANCE

Regional outreach seminars

32. As discussed during last year's Committee meeting, a number of regional outreach seminars were planned by the Fund for 2008 to present *BPM6*, and nine seminars were conducted. The seminars were attended by representatives of 173 economies. Participants were senior statisticians and managers responsible for balance of payments and IIP data compilation and for the strategic planning required to implement *BPM6* in their countries. The seminars were mostly of one week length and covered the main changes and the most salient features of *BPM6*. Participants were invited to raise questions and discuss implementation strategies and timetables. The seminars thus provided useful information for the final drafting of *BPM6*, issues for which additional explanations are welcomed in the *Compilation Guide* (see above), and the anticipated BOPSY conversion date to *BPM6*.

Regional seminars in 2009

33. In 2009, a program of regional courses on the basis of *BPM6* will start, aimed at reaching all regions within a timeframe of 18 months. By about end-2008, STA intends to revamp the training material for the regional seminars to standard *BPM6* presentations. The courses will be of two weeks length rather than the traditional three weeks.

BOP Headquarters Course 2008

34. As was announced during last year's Committee meeting, all lectures, presentations and exercises for the 2008 BOP Headquarters Course (HQ course) were fully based on *BPM6* (the March 2008 draft). A further update of the material for the course will take place in the coming months to include subsequent changes in the *Manual*. In 2009, STA will decide if the HQ course of 2010 can be reduced from 6 to 5 weeks.

Training of Fund staff

35. Opportunities are sought for further training of Fund staff. This is to be considered for the first half of 2009, and could be given shape as tailored training per "area department" in the form of discussions with a duration of half a day.⁶

⁶ Some of the departments in the IMF are concerned with regions, including the European Department, the African Department, the Western Hemisphere Department, the Asia and Pacific Department, and the Middle East and Central Asia Department.

Training of IMF experts

36. IMF experts have asked the Fund for training on *BPM6*. Two options are being considered; (i) fit the training into the regional seminars, the disadvantage being that the seminars may not be tailored to their specific needs; (ii) provide them with the new *Manual* and additional material (electronic version of *BPM6* - drawing attention to *Appendix 8: Changes from BPM5*, conversion matrix, feedback received from the outreach seminars, and the articles on *BPM6* published in *SNA News and Notes* and *European Economic Statistics*), and hold subsequent teleconferences to discuss remaining questions.

Implications of *BPM6* implementation for technical assistance

37. Updating technical assistance for *BPM6* is considered of high importance; it will be undertaken on a case-by-case basis.

VI. ISSUES FOR COMMITTEE MEMBERS

38. The following are the main issues for the Committee.

***BOPSY* conversion**

- *What are the Committee's views on the timetable of conversion of BOPSY and IFS to the BPM6 data presentation (see par. 6-9 of this paper)?*
- *What are the views of the Committee on the conversion matrix from BPM5 to BPM6. Would any Committee member be willing to 'test run' it (see par. 10-11 and the separately disseminated Annex to this paper BPM5-to-BPM6 Conversion Matrix (BOPCOM 08-10/B and BOPCOM 08-10/B(2)))?*
- *Does the Committee have views on the proposed content and structure of the BPM6 implementation survey to be conducted in 2009 (see par. 20-23)?*

Update of written material

- *What are the Committee's views on the proposed timetable and elements for updating the Compilation Guide (see par. 24-26)?*
- *Can Committee members indicate specific topics for which they can provide updates for the Compilation Guide, e.g., in the form of boxes (see Annex III to this paper)?*

Cooperation with SNA 2008 implementation

- *Do Committee members have views on the coordination of the BPM6 and SNA 2008 implementation (see par. 29-31)?*

ANNEX A. *BPM5* TO *BPM6* CONVERSION MATRIX

See BOPCOM-08/10B and BOPCOM-08/10B(2)

ANNEX I. SCHEDULE OF EVENTS

	Balance of Payments Committee, SNA Update	BPM6	Update of other written material	Conversion of BOPSY	Courses, seminars and technical assistance
January 2008					First of 9 Regional Outreach Seminars in 2008.
					Technical Assistance missions starting to focus on change to <i>BPM6</i> .
February 2008	UNSC approved Volume 1 of the 2008 SNA.		<i>BD4</i> published on web.		
March 2008		Second draft of <i>BPM6</i> chapters posted on IMF's website for worldwide comments.			
April 2008			<i>CDIS Guide</i> published on IMF's website.		Balance of Payments Statistics Headquarters Course (HQ) fully based on March 2007 draft of <i>BPM6</i> .
May-June 2008					
May-August, 2008	Drafting of Rest of the World Account Chapter of <i>SNA 2008</i> . Subsequent dissemination for world wide comments.	Update of draft <i>BPM6</i> taking into account comments rec'd both from the webposting and the regional seminars.			

	Balance of Payments Committee, SNA Update	BPM6	Update of other written material	Conversion of BOPSY	Courses, seminars and technical assistance
August / October 2008		<i>BPM6</i> to translators			
September 2008		Near final draft <i>BPM6</i> sent to Committee, international agencies and IMF Departments.	Draft <i>Remittances Compilation Guide</i> posted for world wide comments.		
FUTURE EVENTS					
November 2008	Annual Committee Meeting. AEG Meeting to discuss Volume 2 of the <i>2008 SNA</i> ..	Adopt <i>BPM6</i> .	Start updating selected chapters of the <i>BOP Compilation Guide</i> ; start identifying Fund and external contributors, and case studies for boxes; start updating <i>Guidelines for a Data Template</i> .	Agree year of <i>BOPSY/IFS</i> conversion. Presentation of conversion matrix linking <i>BPM5</i> and <i>BPM6</i> .	
December 2008		Final <i>BPM6</i> draft, subject only to editing, posted on the IMF website. Manual to editor for final drafting	Seventh review of the Data Standards discussed by the IMF Board.		
Early 2009	UNSC to approve Volume 2 of the <i>2008 SNA</i> .	Letter to the IMF membership announcing the		Implementation questionnaire to IMF member countries.	Second Balance of Payments Statistics HQ Course on a <i>BPM6</i> basis.

	Balance of Payments Committee, SNA Update	BPM6	Update of other written material	Conversion of BOPSY	Courses, seminars and technical assistance
		posting of the final draft of <i>BPM6</i> . Start preparing hardcopy publication of <i>BPM6</i> .		Test run conversion matrix; then disseminate to member countries. Developing bridging tables for early conversions to <i>BPM6</i> .	First regional course on <i>BPM6</i> : Brazil.
2009				Reconsideration of coding system by international agencies, including the SDMX data structure Developing a <i>BPM6</i> database.	
November 2008-2010			Updating selected chapters of the <i>BOP Compilation Guide</i> . Completion of the updated <i>Guidelines for a Data Template</i> (foreseen for 2010). Completion of the <i>Manual on Statistics of International Trade in Services</i> (foreseen in 2010).	Start developing electronic tools for BOPSY conversion to <i>BPM6</i> . Processing of the CDIS data for the reference year 2009 (foreseen for 2010-2011).	
After 2010			Updating of <i>BOP Textbook</i> (possibly starting in 2011).	Completion of bridging tables for early and late conversions to <i>BPM6</i> .	

	Balance of Payments Committee, SNA Update	BPM6	Update of other written material	Conversion of BOPSY	Courses, seminars and technical assistance
			Update of the <i>External Debt Statistics Guide</i> (foreseen for 2011-2013)	<p>Completion of electronic infrastructure for IIP World tables.</p> <p>Conversion of <i>BOPSY/IFS</i> to <i>BPM6</i> (2012 or 2013).</p>	

ANNEX II. IMPLEMENTATION QUESTIONNAIRE 1993

International Monetary Fund

A Survey on Progress Made by Countries to Implement the Guidelines of the Fifth Edition of the Balance of Payments Manual

Please write in the space provided below. Attach additional sheets, if necessary, or, if you prefer, respond in a separate memorandum.

1. Below are listed the principal features introduced in the fifth edition of the Balance of Payments Manual. Please check the box that best reflects the progress your authorities have made to date in implementing each feature.

PRINCIPAL FEATURES	Has been implemented	Is being implemented	Will be Implemented *	Under consideration	Will not be implemented
1. Redefine the current account to exclude capital transfers, which are included in the capital and financial account.					
2. Redesignate the former "capital account" as the "capital and financial account," with separate components for capital and financial transactions.					
3. Distinguish goods, services, incomes, and current transfers within the current account.					
4. Expand the list of standard components for international services.					
5. Replace the "due for payment" concept with the "accrual" principle for recording interest in the current account.					
6. Classify appropriate components in the financial account by function, asset/liability, instruments, sector, and maturity.					
7. Expand the coverage of portfolio investment to include: (a) money market instruments and (b) marketable financial derivatives.					
8. Align classification schemes for income flows, financial flows, and stocks of external assets and liabilities.					
9. Develop data on the international investment position and report them regularly to the Fund.					
10. Develop regional presentations of data on flows (transactions) and stocks.					

* Please indicate approximate date for implementation.

2. Please indicate the features that you have found or will find easiest to implement.
3. Please indicate the features that you have found or will find most difficult to implement and the major obstacles in implementing them.
4. As concerns those features "under consideration," what factors will influence whether they will be implemented?

For features that "will not be implemented," why will they not be implemented?

5. In improving the current account statistics, do you have major problems in collecting comprehensive data on goods (distinguishing general merchandise, goods for processing, repairs, etc.), data on the expanded list of international services, and those on incomes? If so, please identify the problems and steps you are taking to address them.
6. Do you currently have a system that regularly collects data on transfers, both current and capital? (Examples of transfers are financial and technical assistance (including investment grants), debt forgiveness, migrants' transfers, workers' remittances, and humanitarian aid, and others.) Does the data collection system distinguish between current and capital transfers? If not, will it do so in the future?
7. Do you currently record direct investment data on a "directional basis," that is, distinguish between assets and liabilities? If not, will you do so in the future?

If you currently compile and report to the Fund international investment position (IIP) data, what are your plans to identify changes in IIP due to transactions, price changes, exchange rate changes, and other adjustments? If you currently do not compile and report IIP data to the Fund, do you intend to do so in the near future?

8. When you start reporting balance of payments data to the Fund in accordance with the guidelines of the fifth edition, will you at the same time adopt a comparable new national presentation? Will you be able to produce time series for earlier years in accordance with the new guidelines?

What other steps has your agency taken to implement the new guidelines? What is your country's overall strategy in implementing the guidelines? (If action plans have been developed, please describe them.)

9. Are there areas in which you would like the IMF Committee on Balance of Payments Statistics to assist you in implementing the new guidelines?
10. Other Comments

Name:
Organization:

Title:
Address:

ANNEX III. COMPILATION ISSUES FOR WHICH GUIDANCE IS SOUGHT

The issues listed in this Annex were collected during the nine regional outreach seminars on *BPM6* that the Fund conducted in 2008. Committee members are invited to select issues for which they can contribute to the *Compilation Guide*, e.g., in the form of boxes, on the basis of their own experience.

Merchandising and Goods for processing

- Survey design or other data collection methods for merchandising, in particular for countries with no foreign exchange regulation.
- Survey design for processing when it is not separately identified in customs data.

Services

- Examples on calculation or estimation of transport services for passengers.
- Examples on calculation or estimation of FISIM, including in foreign currency.
- The capture of activity in call centers and the practical difficulties in identifying the nature of the service provided.
- Methods for collecting/compiling data on expenses (wage and assistance) concerning foreign embassies and international organizations.

Reinvested earnings of investment funds

- The treatment of reinvested earnings of investment funds.
- Methods for distinguishing resident and nonresident investors in private equity funds / investment funds.

Personal transfers

- Due to the importance of remittances many countries, ways of identifying ‘personal transfers’ from remittances.
- Guidance in separating remittances into current and capital transfers.
- Guidance on the correct classification of personal transfers to students abroad, and the transfer of money by students abroad to their home countries, and of identifying the sources of these funds (scholarship funds and income generated from employment in country of study). Money transfer companies typically do not distinguish transactions of students.

Direct investment

- An elaboration of the valuation methods for direct investment in *BPM6*.

- Measurement of transactions between fellow enterprises. In particular, further clarification of how to identify Ultimate Controlling Parents.
- Guidance on data collection/compilation of investment in real estate abroad and in the host economy – an activity that is growing fast in some countries.
- Guidance on how to use consolidated balance sheets for direct investment, and coordination with national accounts.
- Guidance on how to interpret cases in which a company is distributing superdividends.
- Guidance on corporate structures for direct investment. It was suggested that the Fund might consider the development of a database that identified the names of the foreign subsidiaries of multinational enterprises operating around the world, perhaps drawing on market information. This would be a helpful tool in the CDIS.

Other

- Guidance on capturing smuggling/illegal transactions.
- Guidance on the collection /compilation of goods procured by travelers above the customs threshold (classified as “goods”).
- Guidance on the collection/compilation of data on financial derivatives. Methods for obtaining data on employee stock options (ESOs) as the granting of ESOs does not give rise to cash exchange.
- Interpretation and use of net errors and omissions
- Guidance on the identification of flows other than transactions that are currently obtained residually.