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For information

Overview of the Work of the Current Account Task Team

Prepared by the Current Account Task Team (CATT)

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Overview of the Work of the Current Account Task Team¹

This report provides an update on the activities of the Current Account Task Team (CATT) since its inaugural meeting. CATT's work plan includes the preparation of 10 guidance notes (GNs), covering methodological/measurement issues, and supplemental presentations, associated with the current account. Three guidance notes were prepared for discussion at the IMF's Committee on Balance of Payments Statistics (the Committee) meeting, and deadlines were established for the other notes. The production of this first set of guidance notes provided lessons for the future, including the need for adequate time for discussion within the Task Teams, the need for clarity in what is being asked of reviewers, and the need for greater coordination between Task Teams to avoid duplication of work and conflicting recommendations.

- 1. The inaugural meeting of the Current Account Task Team (CATT) was held on June 11, 2020.** At that meeting, it was agreed that three guidance notes (GNs) would be prepared for discussion at the October 2020 Committee meeting: (i) C.1 Recording of Transactor-Based Components of Services; (ii) C.2 Goods and Services Account by (Trading) Enterprise Characteristics; and (iii) C.5.1 Statistical Impact of the New Public Accounting Standard Related to Leasing. While no new issues were added to the *Compendium of Research Issues*, topic C.5, which covered financial and operating leasing, was divided into two GNs due to the complexities of the issues involved. The second GN—C.5.2 Economic Ownership in the Context of Financial and Operating Leasing Pertaining, in Particular, to Aircrafts—is scheduled for completion in April 2021. After a consultation among CATT members and a review by the BPTT targeting substantive issues, these three GNs were posted for public consultation on September 22, 2020. Currently the first draft of a fourth GN, C.7 Treatment of Travel Packages, Health-Related Travel, and Taxes and Fees on Passengers' Tickets, is currently being reviewed by the CATT.
- 2. After the inaugural meeting, the teams that would be drafting each GN were established.** For each drafting team, a lead author who is responsible for organizing the drafting of the GN was also identified. At the inaugural meeting, deadlines for the other GNs were agreed (Table 1).
- 3. In addition to the issues assigned to the CATT, there are GNs being developed by other Task Teams that touch on current account topics and on which the CATT will be consulted for review or even contribution.** One of these GNs, on the valuation of imports and exports of goods in the international standards (CIF to FOB adjustment) prepared by the Globalization Task Team (GZTT), benefited from the contribution and subsequently comments from the CATT membership. The CATT Secretariat also prepared a summary of CATT's findings on this GN along with consolidated comments for the GZTT.
- 4. Preparing these first GNs was a learning experience.** First, the very tight schedule for preparing these GNs for this Committee meeting was difficult, especially as much of the review time was over the summer holidays for many of the CATT members. When the drafting teams were preparing the initial draft, scheduling a virtual meeting among the drafting team to iron out differences was found to be more efficient than exchanging several rounds of emails. In the future, it would be good to allow more

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time for the consultation within the CATT to ensure that all points of view are reflected. The turnaround time for the drafting teams to address the CATT comments was also very short. It would be better if they have time to reflect more on the comments and have additional discussions within the drafting team as well as specific CATT members to better understand their comments to help them arrive at a recommendation.

5. **A second key lesson learned was to be very clear about what we expect from the reviewers at each stage in the process.** Some members of the BPTT answered the questions posed in the GNs when we were only asking them to raise red flags and to help define the questions for the Committee. It is the Committee that is expected to answer the questions. Given the tight deadlines, the CATT decided to address the substantive comments received from the BPTT members jointly with those from the public consultation in the GN draft that is sent to the Committee.

6. **A final and very challenging lesson is that many of the topics are related and touch on topics being discussed within other Task Teams.** This means coordination will be of the utmost importance to finalize the work in the various Task Teams and to achieve a comprehensive methodological harmonization among the various related topics as well as between the updated SNA and BPM. This coordination is further strengthened by the conversion of the GZTT to a joint Task Team reporting to both the ISWGNA/AEG and the Committee. However, other ways to strengthen the coordination to avoid duplication or work by Task Teams and conflicting recommendations should be explored.

Table 1. List of Issues Assigned to the CATT, with Proposed Teams and Delivery Dates

Issue No.	Research Topic	Proposed Team	Delivery Date
High Priority Issues			
C.1	Recording transactor-based components of services (travel, construction and government goods under services)	IMF Canada Peru	October 2020
C.2	Goods and services account by (trading) enterprise characteristics	OECD Denmark Jamaica Mexico	October 2020
C.3	International trade classified by currency (including for trade linked to long-term trade credits and advances)	Brazil Kosovo Moldova Morocco	June 2021
C.4	Merchanting and factoryless producers; clarifying negative exports in merchanting; Merchanting of services	Germany Denmark OECD	April 2021
C.5.1	Statistical impact of the change in treatment of operating leases in business accounting	Eurostat Canada	October 2020
C.5.2	Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts	Russia	April 2021
Medium Priority Issues			
C.6	Trade in services classifications	OECD IMF UNSD Argentina	April 2021
C.7	Treatment of travel packages, health-related travel, and taxes and fees on passengers' tickets	Germany Botswana Thailand	December 2020
C.8	Recording penalties and fines	USA Brazil	February 2021
C.9	Valuation of trade under long term contracts	Argentina OECD	June 2021