



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

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For information

Overview of the Work of the Balance of Payments Task Team

Prepared by the Balance of Payments Task Team (BPTT)

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Overview of the Work of the Balance of Payments Task Team¹

This report presents an overview of the activities and the progress made by the Balance of Payments Task Team (BPTT) since the last meeting of the IMF's Committee on Balance of Payments Statistics (the Committee) in October 2020. BPTT's current work plan includes the preparation of 11 guidance notes (GNs) primarily focused on general principles of macroeconomic statistics and cross-cutting issues. In addition, the BPTT work plan also includes the review of 42 GNs prepared by other task teams, before the GNs are posted for public consultation. Of the 11 GNs, one was approved by the Committee in its October 2020 meeting and posted on the Balance of Payments and International Investment Position Manual, sixth edition, update website. Two GNs are at different stages of review process—one passed the BPTT review/public consultation and presented in this meeting, and another GN has just passed the stage of BPTT review and will be posted for public consultation soon. During the last three months, the BPTT reviewed nine GNs of other TTs—two from the Current Account Task Team (CATT), five from the Direct Investment Task Team (DITT), and two from the Financial and Payments Systems Task Team (FITT). Based on the plans for the next four months, the BPTT intends to prepare six GNs and review around 15 GNs from other TTs (CATT, DITT, and FITT), prior to the Committee meeting scheduled for June 2021.

INTRODUCTION

1. **The second meeting of the Balance of Payments Task Team (BPTT) was conducted on November 20, 2020.** In addition to the presentation on the main decisions taken in the October 2020 Committee meeting, the BPTT discussed and agreed on its role in reviewing other TTs' guidance notes (GNs) and a tentative timeline for the preparation of BPTT's GNs as well as for reviewing the GNs from other TTs. The BPTT also welcomed two new members representing the Government Finance Statistics to the TT. The Chair clarified to the members that the BPTT/AEG review should focus on substantive issues (before the GNs go for public consultation) and also whether the questions to the Committee in the GN go in the right direction. It was underscored that the review is not meant to seek answers to the questions in the GN. The Chair also informed the members that the Committee would undertake a holistic assessment of the various proposals approved by the end of Phase I of the *Balance of Payments and International Investment Position Manual, sixth edition (BPM6)*, update process (i.e., by March 2022).

OVERVIEW OF THE BPTT'S WORK

2. **Currently, the BPTT is responsible for the preparation of 11 GNs covering five high priority and six medium priority items.** The GN B.5 *International Accounts Supporting the Analysis of Welfare* (which was part of the previous list) has been dropped from the compendium of research issues in coordination with the OECD (lead author of this GN). It was agreed with the OECD that there was nothing specific that could be addressed at this time regarding the extension of the work on measuring welfare to the international accounts. Further, removing this GN from the list will avoid duplications and the risk of

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uncoordinated proposals vis-à-vis the ongoing work being carried out by the SNA Wellbeing and Sustainability TT. The OECD will inform BPTT if there are issues related to the external sector coming out of the research work being conducted by the Wellbeing and Sustainability TT. However, if the need arises, a research topic could be added back to the list.

3. **Of the 11 GNs, one GN was approved by the Committee and two other GNs have been finalized.** The GN B.4 *Reconciliation Between Flows and Stocks* was approved by the Committee in its October 2020 meeting and posted on the *BPM6* update website under [Approved Guidance Notes](#) and will be part of the annotated outline of the *BPM7*. The GN B.9 *Treatment of External Assets and Related Income Declared Under tax Amnesty in External Sector Statistics* has passed the stage of public consultation and presented in this Committee meeting, and another GN B.7 *Arrears in International Investment Position* has just passed the stage of BPTT review and will be posted for public consultation soon. Further, work on six GNs (B.1, B.2, B.3, B.8, B.11, and B.12) is at different stages and likely to pass the BPTT review and public consultation prior to the June 2021 Committee meeting. Remaining two GNs (B.6 and B.11) are expected to be finalized for Committee's review by October 2021. A tentative timeline for delivery and status of each of the GNs has been prepared in consultation with the lead authors and presented in the [Annex](#).

4. **The BPTT has reviewed nine GNs from other TTs during the last three months.** The BPTT broadly agreed with the proposals made by the TTs on all the GNs. Based on the plans of other TTs, around 15 GNs will be received for BPTT review from these TTs (four from CATT, five from DITT, and six from FITT) prior to the Committee meeting in June 2021.

Annex. Balance of Payments Task Team (BPTT):

Task Assignments for Guidance Notes

Issue No.	Research Topic	Proposed Team	Tentative Delivery Date to BPTT/ Current Status
<i>High-Priority Items</i>			
B.1	Nationality concept	Lead: Brazil Contributors: Netherlands, Zambia UNSD China	End-March 2021
B.2	Standardized definition of net international reserves/revisit reserves-related liabilities definition*	Lead: IMF Contributors: Germany Brazil	End-March 2021
B.3	Treatment of currency unions*	Lead: IMF Contributors: BEAC BCEAO ECCB	End-March 2021
B.4	Reconciliation between flows and stocks	Lead: Germany Contributors: Canada USA ECB IMF	October 2020 <i>(approved by BOPCOM)</i>
B.5	International accounts supporting the analysis of welfare	Lead: OECD Contributors: IMF	June 2021 <i>(OECD—who proposed this topic earlier—suggested to delete this topic)</i>
B.6	Sustainable finance	Lead: Netherlands Contributors: IMF	Stocktaking: February 2021 <i>(presented in this meeting)</i> GN: End-August 2021

Issue No.	Research Topic	Proposed Team	Tentative Delivery Date to BPTT/ Current Status
<i>Medium-Priority Items</i>			
B.7	Arrears in IIP	Lead: Russia	February 2021 (completed BPTT review)
B.8	Recording citizenship by investment programs	Lead: IMF Contributors: ECCB	End-March 2021
B.9	Treatment of external assets and related income declared under tax amnesty in external sector statistics	Lead: IMF Contributors: OECD	Dec 2020 (presented to BOPCOM Feb 2021 meeting)
B.10	Auxiliary reconciliation tables	Lead: OECD Contributors:	End-August 2021
B.11	Other economic flows on insurance and pension reserves	Lead: Australia Contributors: OECD	End-March 2021
B.12	Treatment of illiquid equity in international organizations in the IIP	Lead: ECB Contributors: IMF	End-March 2021

* These GNs have significant importance for IMF's surveillance. Therefore, it is planned that both GNs will be circulated for a review of the IMF's departments prior to sending them for BPTT review.