



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

Washington, D.C.
February 22–25, 2021

BOPCOM VM1—21/01

Agenda

Prepared by the Statistics Department
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<u>Monday, February 22</u>			
7:00 a.m.	Opening Remarks Administrative matters	<i>IMF (Mr. Ducharme) BOPCOM Secretariat</i>	
A. Towards the Update of Macroeconomic Statistical Manuals			
A.1. Balance of Payments Task Team (BPTT)			
7:10 a.m.	1. Coordination of the Revision of the <i>BPM6</i> with the Revision of Other Statistical Manuals	<i>BPTT Chair</i>	<i>Report for information (BOPCOM VM1 21/13)</i>
	<i>The report provides an update on the status of the revision of the International Statistical Standards (building on the Progress Report on the International Statistical Standards Update Project). The focus is on the coordination of the revision of the <i>BPM6</i> with other macroeconomic statistics manuals, as well as on the coordination with the other international organizations.</i>		
7:20 a.m.	2. Overview of the Work of the Balance of Payments Task Team	<i>BPTT Chair</i>	<i>Report for information (BOPCOM VM1 21/14)</i>
	<i>The report will introduce the items proposed for Committee's discussion by BPTT and a preview of items for the next meeting.</i>		
7:30 a.m.	3. Treatment of External Assets and Related Income Declared Under Tax Amnesty in External Sector Statistics (B.9)	<i>IMF</i>	<i>Paper for discussion (BOPCOM VM1 21/02 and 21/02.1)</i>
	<i>The paper discusses the treatment of cross-border assets and income declared under tax amnesties in external sector statistics and recommends adjustments for external assets and related income declared under tax amnesties for periods in which incomplete estimation occurred.</i>		
7:45 a.m.	Questions/reactions from the Committee and conclusions/action list		
A.2. Current Account Task Team (CATT)			
8:05 a.m.	4. Overview of the Work of the Current Account Task Team	<i>CATT Co-Chair</i>	<i>Report for information (BOPCOM VM1 21/15)</i>
	<i>The report will introduce the items proposed for Committee's discussion by CATT and a preview of items for the next meeting.</i>		
8:15 a.m.	5. Treatment of Travel Packages, Health-Related Travel, and Taxes and Fees on Passengers' Tickets (C.7): Way Forward	<i>Germany</i>	<i>Report for information (BOPCOM VM1 21/16)</i>
	<i>The report will present the way forward for finalizing the guidance note C.7, at the request of the drafting team. The issue of unbundling package tours needs further discussion for consistency with the treatment in the national accounts.</i>		

8:25 a.m.	Break					
8:40 a.m.	6. Recording of Fines and Penalties (C.8)	IMF	<i>Paper for discussion (BOPCOM VM1 21/03 and 21/03.1)</i>			
	<i>The paper discusses several issues related to the recording of fines and penalties in the balance of payments. It proposes amendments to be considered in the updated BPM6 and other manuals.</i>					
8:55 a.m.	Questions/reactions from others and conclusions/action list					
A.3. Globalization Task Team (GZTT)						
9:15 a.m.	7. Progress Report on Work Undertaken by the Globalization Task Team	GZTT Co-Chair	<i>Report for information (BOPCOM VM1 21/17)</i>			
	<i>The report will introduce the main developments in GZTT research and will present plans until the next Committee meeting.</i>					
9:25 a.m.	Close of the day					
<u>Tuesday, February 23</u>						
A.4. Direct Investment Task Team (DITT)						
7:00 a.m.	8. Overview of the Work of the Direct Investment Task Team	DITT Co-Chair	<i>Report for information (BOPCOM VM1 21/18)</i>			
	<i>The report will introduce the items proposed for Committee's discussion by DITT and a preview of items for the next meeting.</i>					
7:10 a.m.	9. Greenfield Investment and Extension of Capital (D.1)	UNCTAD	<i>Paper for discussion (BOPCOM VM1 21/04 and 21/04.1)</i>			
	<i>The paper discusses ways to compile greenfield statistics and extensions of capital of existing businesses that could enable policymakers and users to better understand the economic impact of direct investment in the host economy. Greenfield investment is an investment that brings new and additional resources and assets to the enterprise and leads to gross fixed capital formation.</i>					
7:25 a.m.	Questions/reactions from the Committee and conclusions/action list					

7:45 a.m.	10. Treatment of Collective Investment Institutions (D.3)	Brazil	<i>Paper for discussion (BOPCOM VM1 21/05 and 21/05.1)</i>
<i>The paper discusses the treatment of collective investment institutions (CIIIs) in ESS. CIIIs cover a wide variety of undertakings in which the main focus of managers tends to vary from passive management of the investment portfolio to active management of the day-to-day operations and/or long-term strategy of the companies in which they invest. The paper offers several alternatives for recording investments in and by CIIIs, including whether it is convenient recording them under direct investment.</i>			
8:00 a.m.	Questions/reactions from the Committee and conclusions/action list		
8:20 a.m.	Break		
8:35 a.m.	11. Corporate Inversions (D.4)	USA	<i>Paper for discussion (BOPCOM VM1 21/06 and 21/06.1)</i>
<i>Corporate inversions can have a noticeable effect on the cross-border statistics of both the economy of the new foreign parent company and the economy of the inverter, posing analytical, conceptual, and practical challenges for users and compilers. The paper proposes a definition of corporate inversion as well as three alternatives to address the conceptual and practical issues posed by corporate inversions.</i>			
8:50 a.m.	Questions/reactions from the Committee and conclusions/action list		
9:10 a.m.	12. Including Intra-Concern [Between Affiliates] Derivatives in Direct Investment (D.12)	DITT Co-Chair	<i>Paper for discussion (BOPCOM VM1 21/07 and 21/07.1)</i>
<i>Intra-concern derivatives, that is, financial derivatives between affiliates, occur within multinational enterprises, and their classification was discussed at the time of the previous update of the manuals. Currently, with the exception of financial derivatives associated with the official reserve asset management, all other derivatives transactions/positions are included in a separate functional category (financial derivatives) within the balance of payments and international investment position. The paper revisits the issue of including financial derivatives between entities in a direct investment relationship in the direct investment functional category.</i>			
9:25 a.m.	Questions/reactions from the Committee and conclusions/action list		

9:45 a.m.	13. Identifying Superdividends and Establishing the Borderline Between Dividends and Withdrawal of Equity in the Context of Direct Investment (D.17)	Germany	<i>Paper for discussion (BOPCOM VM1 21/08 and 21/08.1)</i>			
	<i>The concept of superdividends in direct investment entails two major drawbacks: (i) difficulties in operationalization which may lead to international inconsistencies, and (ii) limited interpretability of the related reinvested earnings sub-items. The paper presents the shortcomings of the current methodological treatment and proposes changes to the current BPM6 recommendations.</i>					
10:00 a.m.	Questions/reactions from the Committee and conclusions/action list					
10:20 a.m.	Close of the day					
<u>Wednesday, February 24</u>						
A.5. Financial and Payment Systems Task Team (FITT)						
7:00 a.m.	14. Overview of the Work of the Financial and Payment Systems Task Team	FITT Co-Chair	<i>Report for information (BOPCOM VM1 21/19)</i>			
	<i>The report will introduce the items proposed for Committee's discussion by FITT and a preview of items for the next meeting.</i>					
7:10 a.m.	15. Reverse Transactions (F.3)	IMF	<i>Paper for discussion (BOPCOM VM1 21/09 and 21/09.1)</i>			
	<i>The paper discusses the methodological framework of reverse transactions in BPM6. Reverse transactions are arrangements that involve a change of legal ownership of securities or gold with a commitment to repurchase the same or similar securities or gold, either on a specific date or with open maturity. The paper revisits current concepts, definitions, and treatment of reverse transactions and provides further methodological guidance and clarifications on recording positions and transactions associated with reverse transactions in ESS and national accounts.</i>					
7:25 a.m.	Questions/reactions from the Committee and conclusions/action list					
7:45 a.m.	16. Treatment of Cash Collateral (F.10)	FITT Co-Chair	<i>Paper for discussion (BOPCOM VM1 21/10 and 21/10.1)</i>			
	<i>Repayable margins in financial derivatives give rise to claims which are classified in the BPM6, and the 2008 SNA as deposits, if potentially included in the monetary aggregates or as other accounts receivable/payable, otherwise. This treatment is at odds with that of the European System of Accounts which classifies such claims as deposits if they are liabilities of monetary financial institutions, but as loans in other cases. The paper examines the treatment of cash collateral agreements in general terms, also beyond the specific case of repayable margins in financial derivatives.</i>					

8:00 a.m.	Questions/reactions from the Committee and conclusions/action list		
8:20 a.m.	Break		
A.6. Sustainable Finance			
8:35 a.m.	17. Sustainable Finance: Developing Guidance for Data to Address Climate Change	<i>Netherlands</i>	<i>Paper for discussion (BOPCOM VM1 21/11)</i>
	<i>The paper will briefly introduce the Fund's Climate Strategy, including progress made on developing indicators and statistics on sustainable finance. It will seek Committee's inputs on the way forward, specifically on guidance to be included in the updated BPM6.</i>		
8:50 a.m.	Questions/reactions from the Committee and conclusions/action list		
9:10 a.m.	Close of the day		
<i>End day</i>	Distribution of draft Summary of Discussion		
<u>Thursday, February 25</u>			
7:00 a.m.	18. Summary of Discussions	<i>IMF</i>	<i>(BOPCOM VM1 20/12)</i>
7:40 a.m.	Any other business		
8:00 a.m.	Close of meeting		

Items for Information:

Documents prepared for information will not be discussed during the meeting. However, they will be part of the official BOPCOM papers and will be posted on the BOPCOM webpage.

19. Investment Trend Monitor	UNCTAD	<i>Report for information (BOPCOM VM1 21/20)</i>
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