



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

Washington, D.C.
June 21–24, 2021

BOPCOM VM2—21/01

Agenda

Prepared by the Statistics Department
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Monday, June 21

7:00 a.m.	Opening Remarks Administrative matters	IMF (Mr. Ducharme) BOPCOM Secretariat
A. Towards the Update of Macroeconomic Statistical Manuals		
A.1. Balance of Payments Task Team (BPTT)		
7:10 a.m.	1. Overview of the Work of the Balance of Payments Task Team	<i>BPTT Chair</i> Report for information (BOPCOM VM2 21/13)
<p><i>The report presents an overview of the activities and progress made by the BPTT since the last meeting of the IMF's Committee on Balance of Payments Statistics (the Committee) in February 2021, and sets its work plan prior to the next Committee meeting scheduled for October 2021.</i></p>		
7:20 a.m.	2. Arrears in International Investment Position (B.7)	<i>Russia</i> Paper for discussion (BOPCOM VM2 21/02 and 21/02.1)
<p><i>The paper discusses several issues related to the treatment of arrears in the international accounts. The current presentation of the international investment position (IIP) lacks the indicator related to arrears as a separate item, making it difficult to interpret IIP statistics in terms of "asset quality" and does not provide information on the share of such instruments in the country's position. The GN discusses these issues and proposes alternatives to be considered.</i></p>		
7:35 a.m.	Questions/reactions from the Committee and conclusions/action list	
7:55 a.m.	3. Recording Citizenship-by-Investment Programs (B.8)	<i>IMF</i> Paper for discussion (BOPCOM VM2 21/03 and 21/03.1)
<p><i>This paper describes Citizenship-by-investment (CBI) programs, and provides advice on how to record them, which are not thoroughly detailed in BPM6. Some CBI programs require an investment and easily fit under existing guidance for recording investments, others require a non-refundable contribution where the general principle for recording such transaction creates some ambiguity. This paper describes three options for classifying nonrefundable contributions under CBI programs: taxes, purchase of services, or transfers. The treatment and related clarifications will have impact on government finance and national accounts, and coordination is needed to ensure consistency.</i></p>		
8:10 a.m.	Questions/reactions from the Committee and conclusions/action list	
8:30 a.m.	Break	

A.2. Globalization Task Team (GZTT)						
8:45 a.m.	4. Progress Report on Work Undertaken by the Globalization Task Team	GZTT Co-Chair	<i>Report for information (BOPCOM VM2 21/14)</i>			
	<i>The report will present the current state of play of the GZTT, highlighting the main developments in GZTT research and upcoming work plan until the next Committee meeting.</i>					
8:55 a.m.	5. Valuation of Imports and Exports of Goods: First Stage Survey Results	GZTT Co-Chair	<i>Report for information (BOPCOM VM2 21/15)</i>			
	<i>The paper will summarize the findings of the first phase of the global consultation survey targeting both the national accounts and balance of payments communities.</i>					
9:10 a.m.	Questions/reactions from the Committee and conclusions/action list					
A.3. Communication Task Team (CMTT)						
9.30 a.m.	6. Progress Report on Work Undertaken by the Communication Task Team	CMTT Chair	<i>Report for information (BOPCOM VM2 21/16)</i>			
	<i>The report provides an update on the activities of the CMTT since the Committee meeting in October 2020, and a preview of upcoming work for the next meeting.</i>					
9.50 a.m.	Close of the day					
<u>Tuesday, June 22</u>						
A.4. Current Account Task Team (CATT)						
7:00 a.m.	7. Overview of the Work of the Current Account Task Team	CATT Co-Chair	<i>Report for information (BOPCOM VM2 21/17)</i>			
	<i>The report provides an update on the activities of the CATT since the February 2021 Committee meeting, and a preview of upcoming work for the next meeting.</i>					
7:10 a.m.	8. International Trade Classified by Currency (Including for Trade Linked to Long-Term Trade Credited and Advances) (C.3)	Morocco	<i>Paper for discussion (BOPCOM VM2 21/04 and 21/04.1)</i>			
	<i>This paper recognizes the analytical value of the currency composition of international trade and proposes improvements to be considered in the BPM6 update. It recommends the development of an encouraged (voluntary) data collection template that introduces a disaggregation of international trade by currency.</i>					
7:25 a.m.	Discussant	<i>IMF Research Department</i>				
7:35 a.m.	Questions/reactions from the Committee and conclusions/action list					

7:55 a.m.	9. Trade in Services Classifications (C.6)	OECD	<i>Paper for discussion (BOPCOM VM2 21/05 and 21/05.1)</i>
	<p><i>This paper recommends a moderate restructuring of BPM6 services classification, providing further detail in the main (first-level) BPM service categories and improving correspondence between the balance of payments classification of services and the Central Product Classification (CPC). While recognizing that the growing fragmentation of production processes and the rise of digitalization require additional information not currently available within the framework, it maintains that the classification of services, which is (mostly) product-based, should remain so. If new services are identified during the ongoing CPC revision, then the balance of payments classification should reflect them where relevant.</i></p>		
8:10 a.m.	Questions/reactions from the Committee and conclusions/action list		
8:30 a.m.	Break		
A.5. Direct Investment Task Team (DITT)			
8:45 a.m.	10. Overview of the Work of the Direct Investment Task Team	DITT Co-Chair	<i>Report for information (BOPCOM VM2 21/18)</i>
	<p><i>The report presents an overview of the activities of the DITT since the February 2021 Committee meeting, and a preview of upcoming work for the next meeting.</i></p>		
8:55 a.m.	11. Eliminating the Imputations for an Entity Owned or Controlled by General Government (D.5)	IMF	<i>Paper for discussion (BOPCOM VM2 21/06 and 21/06.1)</i>
	<p><i>The paper discusses the proposal of enhancing the current BPM6/2008 SNA treatment with respect to specific direct investment enterprises (particularly SPEs) incorporated by governments with more appropriately defined imputations. The objective is to reflect the proper nature, value and counterpart of relevant flows and positions in the government accounts to better support fiscal analysis. The paper also considers the option of adopting the nationality approach with respect to government SPEs, which implies consolidating nonresident SPEs with the controlling government.</i></p>		
9:10 a.m.	Questions/reactions from the Committee and conclusions/action list		
9:30 a.m.	12. Public-Private Partnership (D.8)	Zambia	<i>Paper for discussion (BOPCOM VM2 21/07 and 21/07.1)</i>
	<p><i>The paper recognizes that there is no need to change the conceptual framework for recording cross-border transactions and positions of PPP arrangements involved in a DI relationship. Given the significance of these arrangements in many economies and the need to ensure consistency in the treatment by compilers across macroeconomic statistics, the paper recommends the development and inclusion of more detailed guidance in the updated balance of payment manual, on the concepts, definitions, scope, and statistical treatment of PPPs under DI.</i></p>		

9:45 a.m.	Questions/reactions from the Committee and conclusions/action list					
10:05 a.m.	Close of the day					
<u>Wednesday, June 23</u>						
A.6. Financial and Payment Systems Task Team (FITT)						
7:00 a.m.	13. Overview of the Work of the Financial and Payment Systems Task Team	FITT Co-Chair	<i>Report for information (BOPCOM VM2 21/19)</i>			
	<i>The report provides an update on the activities of the FITT since the February 2021 Committee meeting, and a preview of upcoming work for the next meeting.</i>					
7:10 a.m.	14. Asymmetric Treatment of Retained Earnings (F.2)	FITT Co-Chair	<i>Paper for discussion (BOPCOM VM2 21/08 and 21/08.1)</i>			
	<i>The paper discusses that the asymmetric treatment of retained earnings (RIE). Because RIE is limited to DI and is not extended to cross-border portfolio investment nor to domestic equity relationships, there are asymmetries in the measures of corporate profits in official statistics. This can give rise to issues of interpretability and comparability of macroeconomic indicators. This paper discusses several recording options to address these methodological asymmetries; however with a large support to leave the core balance of payments accounts and national accounts unchanged, but adding supplementary information on portfolio investment RIE to the balance of payments (and possibly memorandum items) and national accounts and supplementary information on public corporations RIE and overall investment in resident enterprises RIE to the national accounts.</i>					
7:25 a.m.	Discussant	<i>IMF Research Department</i>				
7:35 a.m.	Questions/reactions from the Committee and conclusions/action list					
7:55 a.m.	15. Financial Derivatives by Type (F.4)	BIS	<i>Paper for discussion (BOPCOM VM2 21/09 and 21/09.1)</i>			
	<i>This paper considers alternatives to the current classification for derivatives that may provide users of ESS and NAs with more useful analytical measures. The paper examines options for prioritizing the presentation of the breakdowns in on-balance sheet positions, and the notional value of foreign currency derivatives (Appendix 9 of BPM6); proposes changes in derivatives recording related to revaluations and gross/net recording; and recommends clarifications of the standards for treatment of post-trading processes.</i>					
8:10 a.m.	Questions/reactions from the Committee and conclusions/action list					
8:30 a.m.	Break					

8:45 a.m.	16. Capturing Non-Bank Financial Intermediation in the System of National Accounts and the External Sector Statistics (F.6)	IMF	<i>Paper for discussion (BOPCOM VM2 21/10 and 21/10.1)</i>			
<i>The paper proposes further breakdowns of financial subsectors and financial instruments to better capture non-bank financial intermediation, by striking a balance between what is required from a users' perspective and what is feasible from a compilers' perspective. The proposal is to implement (some of) the institutional sector and financial instrument breakdowns that have been agreed upon as part of the G20 Data Gaps Initiative (DGI) in the updated SNA and BPM.</i>						
9:00 a.m.	Questions/reactions from the Committee and conclusions/action list					
9:20 a.m.	17. Subscription Rights (F.16)	FITT Co-Chair	<i>Paper for discussion (BOPCOM VM2 21/11 and 21/11.1)</i>			
<i>The paper highlights the contradictory guidance on subscription rights that currently exists between the "Handbook on National Accounting: Financial Production, Flows and Stocks in the System of National Accounts", which recommends a classification of the rights under financial derivatives, and the "Handbook on Securities Statistics", which recommends a classification as equity. This paper looks into both options and proposes that the updated manuals explicitly recommend the classification of subscriptions rights as equity.</i>						
9:35 a.m.	Questions/reactions from the Committee and conclusions/action list					
9:55 a.m.	Close of the day					
<u>Thursday, June 24</u>						
A.7. Draft Summary of Discussions						
7:00 a.m.	18. Review of the draft summary	IMF	<i>Report for discussion (BOPCOM VM2 21/12)</i>			
7:50 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. World Investment Report 2021	UNCTAD	<i>Report for information (BOPCOM VM2 21/20)</i>
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UNCTAD report discusses the current trends in foreign direct investment and future prospects.