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STATISTICS DIRECTORATE

**Working Party on International Trade in Goods and Trade in Services Statistics**

**TWENTY-FOURTH MEETING OF THE IMF COMMITTEE ON BALANCE OF PAYMENTS  
STATISTICS**

**7-9 November 2011, OECD Headquarters, Paris**

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**TWENTY-FOURTH MEETING OF THE IMF COMMITTEE ON BALANCE OF PAYMENTS  
STATISTICS**

*Moscow, Russia  
October 24–26, 2011*

**BPM6 COMPILATION GUIDE**

*Prepared by the Statistics Department International Monetary Fund*

**Introduction**

- At its annual meeting in November 2010, the IMF Committee on Balance of Payments Statistics (Committee) was updated on the work that has been completed and that still remained on preparing the *Balance of Payments Compilation Guide* on a *BPM6* basis (*BPM6 CG*). The *BPM6 CG* will reflect the many important methodological changes introduced in *BPM6*, and will identify data sources and methodologies that are useful in compiling data on a *BPM6* basis. The IMF also invited Committee members to provide case studies. Also, a draft schedule for updating the *BPM6 CG* was discussed with the Committee.
- In order to facilitate dissemination and review of the material, the IMF suggested that compilation guidance be posted on the dedicated website as soon as the material became available. It was recognized that the *BPM6 CG* will have to be careful not to unintentionally introduce methodological changes.
- This paper updates the Committee on the progress in preparing the *BPM6 CG* and on the work that still remains. The drafts of a number of chapters and appendices have recently been sent (or will soon be sent) to Committee members for comments. Many of the most complex chapters, i.e., those that pertain to areas where major methodological changes were introduced in *BPM6*, were among those that were drafted first. After the material has been received by the Committee, it will be posted on the new IMF website (<http://www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm>) for worldwide comments. Annex 1 presents the updated draft schedule for *BPM6 CG* preparation.

## **CHAPTER-BY-CHAPTER PROGRESS ON THE *BPM6 CG***

- Below is a list of the proposed chapters and appendices for inclusion in the *BPM6 CG*. Changes that are proposed to the list of chapters that were presented to the Committee last year (BOPCOM–10/09) are highlighted, and a brief summary of progress in reviewing/preparing each chapter is given.

### **Chapter 1: Introduction**

- This chapter provides an overview of the *BPM6 CG*. It explains why a compilation guide is needed and gives a summary of the major changes in structure and content between the *BPM5 CG* and the *BPM6 CG*. It also outlines the scope and organization of the *BPM6 CG*.
- This chapter is being drafted by the STA's Balance of Payments Division (BPD).

### **Chapter 2: How to Conduct a Survey (in 2010 BOPCOM paper, included as “Surveys of Businesses”)**

- This chapter discusses the procedures for organizing and conducting a survey of enterprises that may be developed to collect data for compiling balance of payments and IIP statistics. It highlights the relative benefits and relative costs of conducting surveys. The chapter draws from the *Coordinated Direct Investment Survey Guide*. Separate sections discuss how to establish a timetable to launch and conduct a survey, how to create a survey frame, how to draft survey questionnaire, and how to deal with low coverage and low response rate.
- This chapter was drafted by BPD and has been provided to Committee members for comment.

### **Chapter 3: Specific Surveys of Businesses for Balance of Payments and IIP Purposes (new title that replaces chapters “Household Budget Surveys” and “Other Data Collections from Households” from the 2010 BOPCOM paper)**

This chapter consists of three sub-chapters dedicated to different types of surveys grouped by scope and/or type of targeted population.

#### ***A. Collections of statistics on goods and services***

This sub-chapter describes types of surveys aimed at collecting data on goods, (including goods under merchanting) and selected services (e.g., transport, travel, insurance, and other types of services). Goods data collections could be available to the balance of payments compilers from importers/exporters, and services data collections from services transactors. The sub-chapter draws substantially from the material contained in the *BPM5 CG*, Chapters IV and V.

**B. Collections from persons and households**

- This sub-chapter presents the primary types of household data collections, such as migration statistics, alternative statistics on across-the-border movements, surveys of travelers, and other household data collections that could be available to the balance of payments compilers. The sub-chapter includes essentially the material contained in the *BPM5 CG*, Chapter VII.

**C. Surveys of international activity associated with securities**

- This sub-chapter discusses surveys that are used to approach principals to measure liabilities to, claims on, or transactions with nonresidents. It also will examine the role of financial intermediaries and their impact on the balance of payments and outlines ways in which compilers may collect data on international securities. The sub-chapter will be based on the *BPM5 CG*, Chapter VI. The sub-chapter will include a case study on a security-by-security data base that is now being used.
- This chapter is being drafted by BPD, and the case study will be drafted with inputs from other international organizations.

**Chapter 4: International Transactions Reporting System**

- This chapter describes the international transactions reporting system (ITRS) and the uses of the data from the ITRS in compiling balance of payments statistics. It provides an overview of the establishment of an ITRS and *its scope*, and reviews the advantages and disadvantages of an ITRS compared to other data sources. Issues of coverage, timing and valuation are also discussed. The chapter is a revised version of Chapter III of the *BPM5 CG*.
- This chapter was drafted by BPD and was provided to Committee members for comment.

**Chapter 5: International Merchandise Trade Statistics**

- This chapter examines data collections based on international merchandise trade statistics (IMTS), or customs data. It reviews the differences between the concepts used in *International Merchandise Trade Statistics: Concepts and Definitions* and *BPM6* concepts, and discusses the techniques used to adjust IMTS data to *BPM6* concepts. Such adjustments are necessary partly due to different valuation principles and coverage of IMTS and *BPM6* concepts of goods trade. The chapter also discusses the difference between general and special trade systems, and pros and cons for their use in compiling goods statistics on a *BPM6* basis.
- This chapter was drafted by BPD and has been provided to Committee members for comment.

**Chapter 6: Data from Official and Administrative Sources**

- This chapter examines the various administrative and official sources that could be used as sources of data, such as government accounts, external debt statistics, and central bank statistics. It also examines the data collected by international organizations, such as the Organization for Economic Cooperation and Development (OECD), the Bank for International Settlement (BIS) international banking statistics, the World Bank (WB) external debt statistics, and the IMF international financial statistics. It outlines the differences in concepts between these data sources and *BPM6* concepts, and how these differences may be addressed.

- This chapter is being drafted by BPD with review and input from the OECD, BIS, and WB.

### **Chapter 7: Selected IMF’s Data Collection Initiatives (new title that replaces chapters “Household Budget Surveys” and “Other Data Collections from Households” from the 2010 BOPCOM paper)**

- The chapter discusses two global data collections that are conducted by the IMF—the Coordinated Direct Investment Survey (CDIS) and the Coordinated Portfolio Investment Survey (CPIS)—and briefly explain how the data could be used in balance of payments and IIP compilation. The chapter will also discuss the IMF’s international financial statistics, and international reserves and foreign currency liquidity statistics.
- This chapter is being drafted by BPD.

### **Chapter 8: Compiling the Balance of Payments and International Investment Position Statistics—An Overview**

- This chapter provides an overview of the compilation of the balance of payments and IIP statement. It will examine broad issues relating to estimation and the various techniques that could be used when data are unavailable or deficient. This chapter will also examine the design and management of the BOP statistical process. It will also examine a range of issues that a compiler could face such as multiple exchange rates, residency issues, the use of foreign currency for domestic transactions (dollarization, euroization), and regional arrangements.
- This chapter will be among the final chapters to be drafted. As an overview chapter, it would benefit from the completion of Chapter 9 through Chapter 17.

### **Chapter 9: The International Investment Position**

- This chapter incorporates material from the publication International Investment Position: A Guide to Data Sources and the publication Quarterly International Investment Position: Guide for Compilers and Users. It discusses the estimation of exchange rate changes, estimation of the various valuation changes and the options open to the compiler when these data are not available. It also discusses deriving an estimate of the opening position when some of the relevant data are not directly available and therefore must be estimated. It includes guidance on compiling both quarterly and annual IIPs, including memorandum and supplementary items introduced in BPM6.
- This chapter is being drafted by BPD.

### **Chapter 10: The Financial Account**

- This chapter will be closely related to the previous chapter on IIP. It will be structured according to the functional categories, i.e. direct investment, portfolio investment, financial derivatives (other than reserves) and employee stock options, other investment, and reserve assets. Much of this chapter will focus on the data sources that could be used to derive the various estimates of financial accounts transactions and will discuss compilation and estimation issues, as well as various techniques that could be employed when source data are unavailable or deficient. It will also examine the use of stock data to estimate transaction flows.
- This chapter is being drafted by BPD.

### **Chapter 11: Goods**

- This chapter describes how data on goods transactions could be derived from the primary data sources and also outlines how these data should be adjusted to derive estimates of goods based on *BPM6* concepts. It also examines how enterprise survey data could be used to augment the data from the IMTS and the ITRS. This chapter examines some of the data sources that could be used to derive estimates of goods under merchanting that in *BPM6* are recorded under goods.
- This chapter has been drafted by BPD and has been provided to Committee members for comment.

### **Chapter 12: Services**

- The chapter examines the items that are derived through explicit/direct estimation from source data and the items that are derived implicitly/indirectly. In particular, it discusses manufacturing services on physical inputs owned by others; freight and insurance on imports; travel; treatment of intellectual property; and selected other services components. (A detailed description of compilation of FISIM and insurance services is provided in a separate dedicated annex.)
- This chapter was drafted by BPD. Also, the World Tourism Organization contributed substantial material for the sections that pertain to travel. It has been provided to Committee members for comment.

### **Chapter 13: Primary Income**

- This chapter examines data sources and compilation techniques for primary income, and places greater emphasis on borderline issues, such as differentiating between compensation of employees and services; rent and rental; and taxes and payments for services.
- This chapter was drafted by BPD and has been provided to Committee members for comment.

### **Chapter 14: Secondary Income**

- This chapter examines the measurement of personal transfers. It will borrow from the guidelines on measuring remittances presented in the *Remittances Compilation Guide*. The chapter also will elaborate on treatment of current international cooperation.
- This chapter is being drafted by BPD.

### **Chapter 15: Capital Account**

- This chapter addresses some borderline issues such as the distinction between capital taxes and current taxes, and capital transfers and current transfers. It also discusses borderline cases in transactions on acquisition /disposal of nonproduced nonfinancial assets.
- This chapter is being drafted by BPD.

### **Chapter 16: Exceptional Financing**

- This chapter discusses the rearrangement (and splitting) of the items in the standard presentation of the balance of payments accounts to derive the analytical presentation, and describes the range of exceptional financing transactions, with examples.

- This chapter was drafted by BPD and has been (or will soon be) provided to Committee members for comment.<sup>1</sup>

### **Chapter 17: The Accessibility and Serviceability of Statistics**

- This chapter addresses quality issues relating to Dimension Four and Dimension Five of the Data Quality Assessment Framework. It therefore examines issues such as the periodicity and timeliness of the statistics, revision policy, and the dissemination of data and metadata. This chapter also reviews the presentational changes introduced in the *BPM6*.
- This chapter was drafted by STA's front office and has been provided to Committee members for comment.

## **Appendices**

### ***Appendix I: BPM6 Conversion Matrix and Explanatory Notes***

This annex has been prepared by BPD and is posted on <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>.

### ***Appendix II: Insurance Transactions and Positions***

- This appendix reviews the treatment of the various transactions relating to insurance, including direct insurance (nonlife and life insurance) and reinsurance. It presents an example of the accounts of an insurance enterprise, and shows how transactions and position (where relevant) are estimated for *BPM6* components associated with insurance.
- This appendix was drafted by BPD and has been (or will soon be) provided to Committee members for comment (see footnote 1).

### ***Appendix III: Financial Intermediation Services Indirectly Measured (FISIM) (new appendix)***

This appendix provides guidance on estimating FISIM when users and providers are residents of different economies. The appendix includes an example illustrating the estimation of FISIM and its treatment in balance of payments accounts. It also elaborates on how to estimate FISIM when deposits and loans are denominated in different currencies, and identifies data sources that could be utilized for developing estimates.

This appendix is being drafted by BPD staff in consultation with Real Sector Division.

### ***Appendix IV: Foreign Direct Investment***

- This appendix provides guidance on the compilation of statistics on foreign direct investment. Areas that will be addressed include presentation of model survey forms for collecting FDI data from enterprises, discussion of the treatment of fellow enterprises, identification of Ultimate Controlling Parents, and discussion of statistical unit issues (enterprises versus local enterprise groups).

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<sup>1</sup> At the time of completing this paper on Progress on the *BPM6 Compilation Guide*, the chapter had not yet been provided to the Committee, but it is expected to be provided prior to the Committee meeting.

- This appendix is being drafted by BPD staff.

***Appendix V: Compiling Balance of Payments and IIP Statements by Partner Countries***

This appendix describes approaches that may be employed in compiling international accounts by partner country, including the principles used to identify the partner country for transactions in goods and debt securities. A section will discuss some issues associated with compiling partner country data in an economic union.

The appendix will be drafted by BPD with inputs from other organizations requested.

***Appendix VI: Linkages with Other Macroeconomic Datasets.***

This appendix includes three sub-chapters dedicated to national accounts, monetary and financial statistics, and government finance statistics, respectively.

The appendix is being drafted by BPD. The sub-chapter Linkage of the International accounts with the National Accounts has been (or will soon be) provided to Committee members for comment. The remaining sub-chapters will be provided for comment as they become available.

***Appendix VII: Model Survey Forms and Other Data Collection Instruments***

This appendix is being prepared by BPD.

*Questions for the Committee*

1. *Are members of the Committee willing to provide case studies for the BPM6 CG?*
2. *Do members of the Committee have general comments on the BPM6 CG?*

## ANNEX I

**SIXTH EDITION OF THE BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT  
POSITION COMPILATION GUIDE**

**UPDATED TIMETABLE**

1. Activity 2.	3. Target Date
4. First set of key draft chapters	5. September/October 2010
6. Develop <i>BPM6 CG</i> website Post <i>BPM6</i> Implementation plans Post chapters as they become available	7. 8. September 2010 (completed) 9. 10. Starting October 2011
11. Worldwide consultation on first set of chapters	12. Starting October 2011, with the deadline for comments on each chapter eight weeks after the posting
13. Revise first set of chapters	14. January-February 2012
15. Second set of draft chapters disseminated to BOPCOM members and posted on the IMF website for comments	16. March 2012
17. Worldwide consultation on second set of chapters	18. March-May 2012
19. Revise second set of chapters	20. June-July 2012
21. Final editing of all chapters	22. August-September 2012
23. <i>BPM6 Compilation Guide</i> presented to BOPCOM	24. October 2012
25. Pre-publication draft of the <i>BPM6 Compilation Guide</i> on the IMF website	26. December 2012