



STATISTICS

Integrated IIP: Financial Derivatives, Other Investment, and Reserve Assets

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IMF Statistics Department – United Nations
Economic Commission for Europe
SNA / BPM Joint Virtual Outreach Seminar

Themes of this presentation will be mainly covered in the following chapters of BPM7



Chapter 5.
Classifications
of Financial
Assets and
Liabilities



Chapter 6.
Functional
Categories



Chapter 7.
International
Investment
Position



Chapter 8.
Financial
Account



Chapter 9.
Other Changes
in Financial
Assets and
Liabilities
Account

The background features a light blue and white color scheme with various financial data visualizations. There are several line graphs with circular markers, some showing an upward trend. A bar chart with vertical bars is visible in the lower right quadrant. A candlestick chart with a square marker and the value '37.93' is positioned in the lower center. The overall aesthetic is clean and professional, typical of a financial report or presentation.

Integrated IIP: Financial Derivatives

Financial Derivatives: New Breakdowns

- **New breakdowns of Financial Derivatives** by
 - Market risk category
 - Instrument
 - Trading venue



New Data
Related to
Financial and
Payments
Systems



Financial Derivatives: New Guidance

- Recording of **transactions on a net basis** is acceptable where separate data on transactions in assets and liabilities are not available.
- All **revaluation effects** are due to ***other price changes*** (rather than *exchange rate changes* in BPM6) for those types of derivatives where it may not be practical to separate exchange rate changes from other revaluations.
- Methodological guidance for the **recording of novation and portfolio compression** as financial transactions, including the role of central counterparties



New Annex on Financial Derivatives and Reverse Transactions (Annex 7)

- **Financial derivatives** will be discussed comprehensively with new recommendations (e.g., classification by risk category).
- **Reverse transactions** (e.g., repos) will also be discussed comprehensively with clarifications.





Integrated IIP: Other Investment

37.93

Other Investment: Subscription Rights, Equity in International Organizations, and Factoring

- **Subscription rights**
 - Clarified to be recorded as equity.
- **Equity in international organizations**
 - Recorded in renamed “*Other equity and equity in international organizations.*”
- **Factoring**
 - Claims under factoring are recorded in loans (to be **reclassified** from *accounts payable/receivable*).



Other Investment: Insurance and Pension

- **Hybrid insurance products**
 - To be allocated to life or nonlife insurance depending on which features are predominant.
- **Autonomous employer-independent pension schemes**
 - Qualify as social insurance.



Other Investment: Valuation

- Valuation of nonnegotiable instruments
 - **Nominal valuation principle for loans will be maintained.**
 - Strengthen the existing framework to **allow for value reset even beyond cases of bankruptcy and liquidation**, when there is public evidence of loan deterioration.
 - **Concessional loans**—positions are to be valued at nominal value as any other loan based on the contractual interest rate.
- **Other investment/equity in international organizations** and other equity positions—may be valued using the methods for DI-unlisted equity.



Other Investment: Clarifications and additional guidance

- **Remaining maturity**
 - Treatment of debt instruments repaid in installments.
 - Concept of remaining maturity and its proxy for recording.
 - Currency composition information encouraged.





Integrated IIP: Reserve Assets

37.93

Reserve Assets: New Guidance

- **Securities and gold collateral under repurchase agreements** → reclassify them from reserve assets (e.g., to portfolio investment).
- **Off-market central bank currency swaps** → exchange of deposits with maintenance of value.
- **Standard (market priced) currency swaps** → exchange of deposits with a financial derivative (forward) contract.
- **IMF Resilience and Sustainability Trust (RST)**—contributors' loan and deposit claims → other claims/other reserve assets (Annex 9 provides additional details).
- **Frozen assets** → reclassify to the relevant functional category (e.g., portfolio investment).



Reserve Assets: Clarification and New Presentation of Net International Reserves

- **Standard statistical definition of Net international reserves (NIR) based on the framework of the Reserves Data (IRFCL) Template.**

$\text{NIR} = \text{Reserve assets} - \text{Net short-term foreign currency drains}$



THANK YOU FOR YOUR ATTENTION!