

7TH INTEGRATED BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION MANUAL

Balance of Payment Manuals: Evolving with the Times

The International Monetary Fund (IMF)'s Balance of Payments Manual (BPM) sets the international standard for compiling external sector statistics. Its key editions, as outlined in Exhibit 1, were developed in coordination with the System of National Accounts (SNA) updates to better capture modern financial realities, including globalization and the emergence of new financial instruments. The manual has evolved through several editions since its first release in 1948, culminating in the latest edition, BPM7, published in 2025.

BPM Manuals, 1948-2025



An Overview of BPM7

The IMF released the **seventh edition of the Integrated Balance of Payments and International Investment Position Manual (BPM7)** on 20th March 2025. This latest edition introduces updated global standards for compiling external sector statistics, including the Balance of Payments (BOP) and the integrated International Investment Position (IIP). The revisions reflect major shifts in the global economy, particularly increased **economic interconnectedness, digitalization, and financial innovation**. As the BPM6 had not been updated since 2009, this release marks a significant milestone in the evolution of international statistical standards.

The launch of BPM7 is aligned with the updated System of National Accounts 2025 (2025 SNA), endorsed by the United Nations Statistical Commission on 5th March 2025, ensuring harmonized standards. IMF member countries are encouraged to **implement** both standards **between 2029 and 2030** to enhance the quality and comparability of macroeconomic data, thereby facilitating informed policy decisions.

BPM7's Main Highlights

Provides the updated global standard for compiling external sector statistics, ensuring countries measure cross-border transactions and financial positions consistently

Introduces new concepts and refined classifications of evolving global economy

The key objective is to strengthen coherence between domestic and international accounts



What's New in BPM7?

New Chapters in BPM7

Globalization

1 This chapter includes sections covering global production; multinational enterprise (MNE) groups; and MNEs' activities

Digitalization

2 This chapter includes the sections on digital transactions, industries, and products; digital platforms; digitalization and the financial system.

Islamic Finance

3 This chapter provides complete and consistent guidance to properly account for Islamic finance and insurance in the external accounts.

Informal Activities

4 This chapter discusses the framework for the informal economy, highlighting its role in providing employment and income.

Communication the Accounts

5 This chapter covers dissemination strategy and communication policy; communication with users and suppliers; and statistical confidentiality.

BPM7 Terminology

Goods account/ Services account

Earned income account

Transfer income account

Capital account

Earned income account

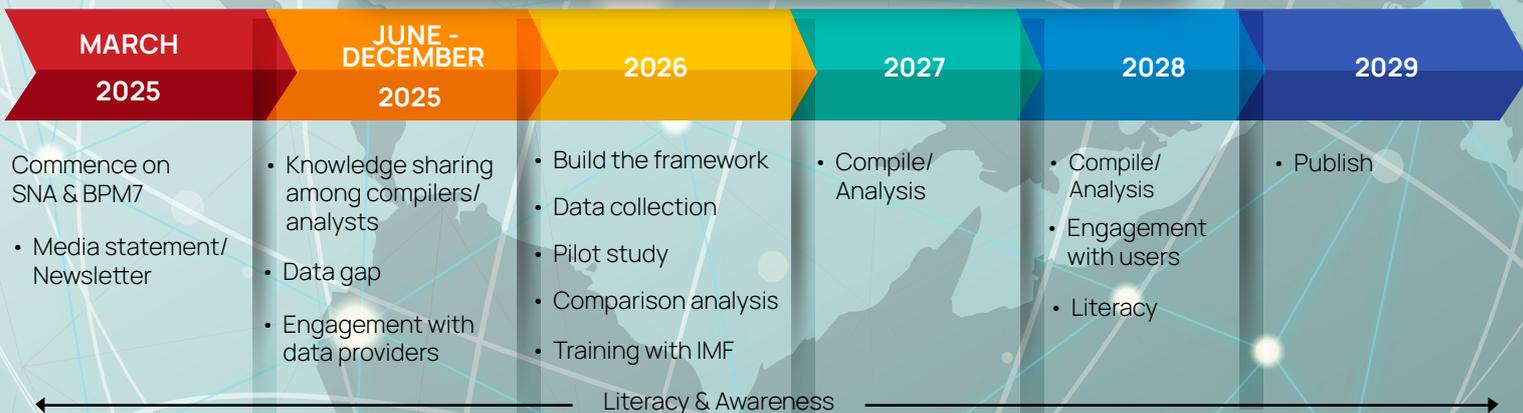
Transfer income account

Capital account

BPM7: Malaysia's Key Priority



Timeline on Malaysia's Implementation for BPM7



Source: Release of New Standards for Macroeconomic Statistics (BPM7), IMF, July 2025

