

## **Annex 1: Correspondence between Old & New Formats of BOP**

The Report of the Working Group on Balance of Payments Manual for India (Chairman: Shri Deepak Mohanty), released by the RBI on its website ([www.rbi.org.in](http://www.rbi.org.in)) on November 23, 2010, had recommended that the BoP data for India should be presented in the new format of standard presentation of BoP as suggested by the IMF's Balance of Payments Manual (Sixth Edition), i.e., BPM6. The time line set by the IMF for implementing the BPM6 standards is the end of 2012. As a follow up of the implementation of the recommendations of the Working Group, the BoP data for the four quarters of 2010-11 have been presented in the new format to comply with the BPM6 standards. The granular details under each sub-head of BoP would be presented in due course once new information become available through standard reporting. This note lists out the major changes in the various accounts of BoP to provide a link between the earlier and new formats, as noted below.

### **I. Current Account**

- Merchanting, which was part of services earlier, has been added to goods as net exports of goods under merchanting. Accordingly, receipts and payments under services has been adjusted for merchanting receipts and payments (i.e., on a gross basis).
- Services have been presented in the new format under the 12 sub-heads. Within services, postal and courier services, which was earlier part of communication services, have been added to arrive at transportation services. Royalties and license fees have been renamed as 'charges for the use of intellectual property rights' in the new format.
- Income and private transfers have been classified under the heads of 'primary income' and 'secondary income', respectively, in line with the BPM6. Accordingly, primary income includes compensation of employees and investment income from the old format. On the other hand, secondary income in the new format includes only the private transfers portion, while official transfers is included as part of rechristened capital account.

### **II. Capital Account**

- Existing capital account has been bifurcated under two heads as 'capital account' and 'financial account' in the new format. Accordingly, the rechristened capital account in the new format includes official transfer part of current account and purchase/sale of intangible assets like patents, copyrights, trademarks etc. portion of capital account of the old format.

### **III. Financial Account**

- The 'financial account' in the new format excludes purchase/sale of intangible assets like patents, copyrights, trademarks, etc. portion of capital account of the old format and includes reserve assets, which was the item below the line in the old format.
- Funds raised by Indian corporates through ADRs/ GDRs which was part of portfolio investment in the old format has been classified under 'other investments'.
- Banking capital has been classified into three parts. 1. NRI deposits has been named as 'currency and deposits' of 'deposit taking corporations, except the central bank'; 2. Movements in Nostro/Vostro balances have been classified as 'loans to deposit taking corporations'; 3. 'Others' of banking capital in the old format has been included as currency and deposits of central banks.
- External assistance to/by India has been reclassified as Loans to/by General Government.
- External Commercial Borrowings to/by India have been reclassified as Loan to/by other sectors.