Central Bank of Paraguay

Migration to the BPM6 in Paraguay: achievements and work ahead

Balance of Payments Statistics Workshop
February 13, 2020
International accounts in Paraguay

Content

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Migration to the BPM6
How did the process start?

• In November 2017, the Central Bank of Paraguay (the Bank) started a process to adopt the guidelines by the International Monetary Fund (IMF) in the Sixth Edition of the Balance of Payments and International Investment Position Manual (BPM6).
• To conduct this project, the Bank hired Rigoberto Torres Mora, a specialist in international accounts from the Central Bank of Costa Rica.
• He has been guiding us step by step in order to understand and improve some of the methodologies to compile information.
• The projects comprises two stages.

Rigoberto Torres Mora
• Head of the External Sector Statistics at the Central Bank of Costa Rica
• International advisor in International Accounts to the IMF
Migration to the BPM6

Stage 1: Timeline

1st visit
- Review of methodological aspects and principles of BPM6

Nov 2017
- Mapping of BPM5 to BPM6 format.
- Mapping of existing and potential sources of information for each of the international accounts

2nd visit
- First template with the new BoP current and capital accounts (data for q1 2014-q2 2017)

Mar 2018
- Preparation of Data template on international reserves and foreign currency liquidity

3rd visit
- First template of the IIP (data for q1 2014-q4 2017)

Jun 2018
- Initial works to adapt external debt reporting tables to BPM6 (External Debt Compilation Guide)

4th visit
- Statistics required for the subscription of the Special Data Dissemination Standard (SDDS)

Sep 2018
- First template with the new BoP financial account

5th visit
- Potential surveys for international accounts (services)
- Other variations of financial assets and liabilities

Nov 2018
- Potential surveys for international accounts (services)
- Other variations of financial assets and liabilities

6th visit
- Statistics required for the subscription of the Special Data Dissemination Standard (SDDS)

Mar 2019
- Potential surveys for international accounts (services)
- Other variations of financial assets and liabilities

7th visit
- Training course in international accounts: Methodological and analytical aspects

Jun 2019
- Update and review of metadata
Migration to the BPM6

Stage 2: Timeline

1st visit
- Methodology to calculate Financial Intermediation Services Indirectly Measured (FISIM)
- Adaptation of external debt reporting tables to BPM6

2nd visit
- New surveys for international accounts (services)

3rd visit
- Review and final reconciliation of national and international account figures
- Final training on methodological aspects and principles of BPM6

Mar 2020
May 2020
Jun 2020
Jul 2020

Internalization of the new BoP and IIP figures by the national accounts sector

Implementation of BPM6
Migration to the BPM6

So far, some achievements of the project are:

1. Goods/ Current account
   Update of the digital *external trade statistics* platform (SOFIA v.2) that will replace the SOFIA v.1

2. Services (Transport) / Current account
   Revised methodology to measure *freight transportation services*

3. Services (Insurance) / Current account
   Revised methodology to measure *reinsurance services*, based on financial statements provided by the Superintendency of Insurances

4. Services (Travel) / Current account
   Revised methodology to measure *travel services*. Administrative records from National Secretariat of Tourism (SENATUR)

5. BoP and IIP
   Design of a *digital platform of the BoP and IIP based on BPM6*

6. DI and PI / Financial account
   Design of a digital *survey on DI and PI*, according to the asset/liability principle
   Reports will be available in BPM5 and BPM6 format
DI compilation
Implementation of surveys:
DI and PI
The Bank currently compiles and publishes statistics only regarding inward DI (directional principle BPM5). Historically, the Bank did not compile or publish detailed statistics on outward DI.

- **Sources**: quarterly surveys on economic data, financial statements and notes to financial statements (non financial companies), documentation submitted in order to obtain tax incentives, as well as other information available to the public.
- **Entities**: non financial companies, banks and insurance companies.

In September of each year, once all the figures of the non-financial companies are received, the preliminary figures of direct investment of the previous year are published. In previous months, the Bank publishes provisional figures with information on direct investment only from banks and insurance entities.
### Directory of DI Companies

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-financial companies</td>
<td>408</td>
</tr>
<tr>
<td>Banks</td>
<td>9</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>6</td>
</tr>
</tbody>
</table>

**Total:** 423

### Directory by country of direct investor

- **Brazil:** 131
- **US:** 30
- **Spain:** 30
- **Argentina:** 27
- **Uruguay:** 25
- **Other countries:** 180

Report published in 2019
In order to improve the collection of data for the BoP and IIP the Department of External Sector Statistics has been working with the Department of Information Technology to design a digital platform to compile information on DI and PI based on BPM6.

### Portals being developed

- **Module 1:** Company portal
- **Module 2:** Data management
- **Module 3:** Business Intelligence

- Available to the public at [www.bcp.gov.py](http://www.bcp.gov.py)
- Available internally only at the Bank

For more information, please contact (+595 21) 608 011 (Call center), or e-mail us to cuentasinternacionales@bcp.gov.py.
Implementation of surveys: DI and PI

Module 1: Company portal

Registration: Every company must initially create an account and provide information regarding: name, tax id, economic activity, establishment date, contact information

Data report: Every quarter the company must fill the survey on DI and IP

Available to the public at www.bcp.gov.py
Module 2: Data management

Compilation: The platform compiles information from different sources (non financial and financial)
Validation: Before the calculation, the platform performs some validations on the surveys received
Calculation: After the validation, the platforms generates aggregate and disaggregate information on the items/components of DI and PI
Reporting: You can view and download reports on direct and portfolio investment by component, by country, by economic activity
Module 3: Business Intelligence

Available internally at the Bank

Implementation of surveys: DI and PI

Portals being developed
Currently, we are migrating historical data of shareholders, net equity and asset and liabilities from non financial companies and financial companies (banks and insurance) to the Module 2.

The Module 1 is finished, while Module 2 and Module 3 depend on the migration of the historical data, to perform extensive proves of the calculations.

The platform has successfully passed pen test or ethical hacking, and has incorporated the recommendations that have been suggested.

Once implemented the survey, we expect to include other questions on BdP components such as services received and provided by DI an PI companies.

* A penetration test, colloquially known as a pen test, pentest or ethical hacking, is an authorized simulated cyberattack on a computer system, performed to evaluate the security of the system.
Work ahead
Developing a methodology for the calculation of Financial Intermediation Services Indirectly Measured (FISIM)

Improving the collection of DI and PI assets (no data so far)

Improving the collection of liabilities on DI and PI. Include exchange houses, other financial institutions and general warehouses

Concluding the tables of external debt (public and private)

Developing surveys to improve statistics on services (mainly air and land transport)

Work ahead
International accounts in Paraguay

Thank you!