

B. Goods to be recorded differently in IMTS and BPM6 /national accounts

24.11. *Conceptual differences and data compilation.* The main conceptual differences in the recording of international transactions in goods between IMTS 2010 and the BPM6/2008 SNA are described in IMTS 2010, annex F. This chapter briefly discusses the possible collaboration of IMTS and BPM6 compilers on the compilation of these goods.

24.12. *Goods for processing with or without change of ownership* (see IMTS 2010, paras. 1.19-1.21 and F.4). These transactions are to be included in IMTS as trade in goods, while in the BPM6 the initial trade transaction is to be recorded as trade in services. Chapters XX and XXI discuss the possible identification of goods for processing and the trade between related parties in IMTS.

24.13. *Returned goods* (see IMTS 2010, paras. 1.23 and F.6). If exported goods are subsequently returned, they should be included in imports and identified as reimports when they are returned. Similarly, goods imported and subsequently returned should be included in exports and identified as re-exports when they are returned.^[4] If returned goods can be identified by IMTS compilers, e.g., via the special customs procedure code, this information should be made available to BPM6 compilers in order to allow them to void the initial transactions in their recording, as required by BPM6.

24.14. *Migrants' effects* (see IMTS 2010, paras. 1.26 and F.7). Migrants' effects are to be included in IMTS if they are of a significant scale, while they should be excluded from trade on a BPM6 basis, as no change of ownership takes place. The exclusion of this transaction in BPM6 would be greatly facilitated if the goods would be specifically identified in the statistical recording of the customs transactions.

24.15. *Goods entering or leaving the economic territory of a country illegally* (see IMTS 2010, paras. 1.59 and F.8). It is recommended that these transactions (which may include legal as well as illegal goods)^[5] be excluded from IMTS and separately recorded. BPM6 includes in general merchandise illegal goods as well as smuggled goods that are otherwise legal (BPM6, paras. 10.17 (i) and 10.17 (j)). Customs and BOP compilers should work together to assess the quantity of smuggled goods, e.g., BOP compilers might have an indication from their surveys that travellers are not properly declaring their goods.

24.16. *Goods lost or destroyed after leaving the exporting country but before entering the importing country and after ownership has been acquired by the importer.* It is recommended that these goods be excluded from IMTS of the importing country but to be separately recorded (see IMTS 2010, paras. 1.60 and F.9). To support the proper recording of these transaction in the balance of payments, IMTS compilers should provide this information to BOP compilers.

24.17. *Goods imported for construction projects by non-resident enterprises* (see IMTS 2010, para. F.10). Such goods, where these operations are not sufficiently substantial to constitute a branch of the enterprise, are not recorded as trade in goods in BPM6 (see BPM6, para. 10.22 (d)) but are recorded as exports and imports in IMTS. The specific identification of these goods in the statistical recording of the customs transactions would be useful to BPM compilers.

24.18. *Goods transferred from or to a buffer stock organization.* It is recommended that such goods be included in IMTS (see IMTS 2010, paras. 1.27 and F.11). BPM6 excludes goods temporarily exported or imported, such as goods for storage, if no change of ownership takes place (BPM6, para. 10.22 (e)). However, these goods are to be recorded if they are sold while being abroad (BPM6, para. 10.17(g)). The specific identification of those goods in the statistical recording of the customs transactions would be useful to BPM6 compilers.

[4] There are different cases of returned goods, such as goods returned due to poor quality and goods on consignment (see IMTS 2010, para. 1.17 above) that are not sold or returned.

[5] The illegal entry or exit from the economic territory may refer to both legal and illegal goods, i.e., it is not necessarily the goods themselves, but the manner in which they enter or leave the economic territory, that is illegal.