

Residence in the context of balance of payments is determined by an entity's centre of predominant economic interest. As a general guideline it is sufficient to qualify as resident when being present in a territory for one year or more.

Migrants going abroad with the intention to stay and work for one year or longer will accordingly become residents of the host economy.

On the contrary, short trips below one year for recreation or work do not lead to a change in residence. Workers employed under contracts below one year (**seasonal workers**) or non-residents who commute to work into another economy (**border workers**) are not considered residents of the host economy, where they are employed.

The criterion of residence is used in balance of payments statistics to determine whether a transaction is relevant for being registered or not. In this context it has to be highlighted that only transactions **between residents and non-residents** are relevant in the balance of payments, thus excluding all economic activities which are conducted only between residents of an economy (or between non-residents for that sake).

Further information

- [Remittances according to the BPM6 manual](#)
- [Balance of payments statistics](#)
- [Regulation \(EC\) No.184/2005 of the European Parliament and of the Council of 12 January 2005](#) on Community statistics concerning balance of payments, international trade in services and foreign direct investment.
- [Commission Regulation \(EU\) No.555/2012 of 22 June 2012](#) amending Regulation (EC) No.184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment, as regards the update of data requirements and definitions.

Related concepts

- [Balance of payments](#)
- [Remittances](#)

Statistical data

- [Balance of payments statistics](#)
- [Personal transfers and compensation of employees](#)

Source

Balance of payments and international investment position manual, Washington D.C., IMF 2009, 6th edition (BPM6)