

**ISWGNA: NATIONAL ACCOUNTANTS TELECONFERENCE**  
**JULY 24, 2006**

**Participants**

Eurostat: C. Ravets

IMF: A. Bloem (Chair), L. Rivas (minutes)

OECD: C. Aspden

UNSD: I. Havinga

World Bank: B. Hexeberg

1993 SNA Update project: C. Carson (Project Manager), A. Harrison (Editor).

The Chair welcomed Mr. Christian Ravets, alternate of Mr. Gueye. The Chair proposed to conclude the discussions of the outstanding issues as soon as possible to expedite the drafting of the *1993 SNA Rev. 1.*

**1. Items from the Consolidated “To do” list (June 30 version)**

The ISWGNA: National Accountants (ISWGNA:NA) discussed a number of the substantive items in the updated “To do” list (June 30 version).

*a. Leases and licences*

Original and copies: The Editor informed the meeting that she had checked the conclusions of the AEG on this issue and the only change that needed to be made to the conclusions of the ISWGNA (see last teleconference) is to replace the term “annual payments” by “regular payments.”

Leases to exploit natural resources: Mr. Aspden reported on the answers he received on the treatment of resource leases. All agreed that the revised SNA should recommend that economic ownership of the natural resource resides with the lessor, only the lessee is undertaking production and he pays royalties (i.e. rent) to the lessor to use the natural resource. Some respondents suggested the financial lease approach as the conceptually preferred approach; others proposed to treat the lease as a contract for the sale of the resource as the conceptually correct approach. Hence, as the resource is extracted it would be recorded as a sale from the owner to the extractor. This has intuitive appeal, but it would mark a major change to the SNA. Therefore, the ISWGNA decided to include the treatment of resource leases in the long-term research agenda.

Cost of ownership transfer: The ISWGNA reaffirmed that the cost of ownership transfer on intangible non-produced assets should be treated as gross fixed capital formation as in the case of the cost of ownership transfer on produced assets and tangible non-produced assets. The ISWGNA agreed that the category cost of ownership transfer of non-produced assets should be sub-divided into cost of ownership transfer of natural assets and cost of ownership transfers of contracts, leases and licences.

*b. Pensions*

Mr. Ravets reported that Eurostat has set up the Task Force on Pensions jointly with the ECB. Two meetings are planned, in September and November 2006. He added that the plan is to have a note on the conclusions of the task force by the end of November, in time to be considered by a global task force on pensions in early December.

The Project Manager commented that the note that Mr. Gueye sent to the ISWGNA on the mandate of the Task Force on Pensions stated that the ISWGNA, the Editor, and the Project Manager would be kept informed on the progress of the task force, and this was very welcome. She said that if some view on how to go forward is already taking shape, that view should not come out as a surprise at the end.

*c. Employee stock options*

The ISWGNA received a note on the treatment of employee stock options prepared by Mr. Verrinder. The ISWGNA decided that the Editor would write a note on suggestions for the treatment of employee stock options as soon as she discusses this issue with Mr. Verrinder. The ISWGNA agreed to reply on their views on this issue by the end of the week.

*d. Reinvested earnings of public corporations*

The Editor proposed to include some text in the *1993 SNA Rev. I* to align the treatment of exceptionally large payments of public and private corporations to their owners. Mr. Ravets said that the Manual on Deficit and Debt defines exceptionally large payments as withdrawals of equity instead of dividends, and that treatment should be followed. The ISWGNA decided to make the treatment of exceptionally large payments of the private sector consistent of that for the public sector.

*e. Guarantees*

The ISWGNA decided to prepare a note on guarantees stating the treatment proposed in the case the set of new tables are not ready on time.

*f. Units: Holding companies*

The ISWGNA decided that the revised SNA should follow the ISIC regarding the classification of holding companies.

*g. Globalization*

The Project Manager and the Editor proposed to mention globalization in the preface with a summary of the accomplishments regarding this issue, note the specific recommendations when they are related to other chapters, and bring the issue together in the chapter on corporations. The ISWGNA agreed with this proposal.

*h. Consistency issues*

Inventories: the ISWGNA decided that there should be no change to the classification of assets under construction as described in the 1993 SNA.

The Chair proposed that the ISWGNA resolves the remaining consistency issues in a two-day meeting in September, given that time is running short. The ISWGNA agreed to meet during September 7-8 in Washington DC. The Project Manager proposed to send a note to the AEG reminding them to comment on consistency issues. The meeting also agreed to split the consistency issues among the members of the ISWGNA in order to prepare the materials for the meeting in September.

**2. Scheduling of chapters (Editor's e-mail of July 18)**

The Editor had prepared a condensed matrix on the status of issues and chapters. She said that some outstanding issues prevented her from concluding work on some chapters. The Project Manager proposed a three-way approach on outstanding issues: (1) that the Editor provides text on small consistency issues and flags when she does so, so that the AEG (including ISWGNA) and statistical offices can review her insertions when chapters are sent to them for review; (2) that when the Editor considers that the issues are important, she raises them with the Project Manager who, in turn, seeks resolution on a quick-turnabout basis with the ISWGNA; (3) that when the issues are too sensitive to fill in, gaps are left in the text until the AEG can be consulted. The ISWGNA agreed to the procedure proposed. The Editor was asked to send the updated matrix to the UNSD to replace the one being used on the (still restricted) prototype progress-monitoring site on the web.

**Proposal for next AEG meeting**

The Project Manager proposed that the next AEG meeting be a five-day meeting beginning on March 19, 2007. However, given the budget constraints faced by the revision project, Mr. Havinga, Ms. Hexeberg and the Project Manager will continue researching to decide the venue of the meeting.

**3. Upcoming meetings and events**

*a. IARIW*

The Project Manager informed the meeting that the Full Set of Provisional Recommendations would be the basis of the Editor's presentation at the meeting of the IARIW in August. She mentioned that Mr. Hakouz has been invited to present a paper on the reactions in his region to some of the recommendations and Ms. Wilson will present a paper on the implementation of updated pension recommendations. In addition, the experience of some European countries in updating the 1993 SNA for the government sector, uses of the national accounts for policy, and accounting for military assets will be discussed.

*b. MG meeting, September 3*

The Project Manager reported that the Management Group (MG) has agreed to meet in September in Montreal.

c. *APEXII*

The Project Manager informed the ISWGNA that the meeting of the chiefs of statistics of the Asian Pacific Region would devote a session to the SNA Update and the informal sector. Mr. Edwards and Mr. Havinga will present a paper on the implementation of the SNA. The meeting will take place in Korea during September 21-22, 2006.

**4. Action items**

The meeting discussed and agreed on new dates for the remaining actions from the previous teleconference and dates for the new action items:

Action	By when	Responsible	Status
Substantive comments on all issues in the full set of provisional AEG recommendations document	In due course	All	In progress
Set of new tables on guarantees	End of August	Messrs. Lequiller and Mink	In progress
Timetable for preparing first draft of chapter on informal sector	In due course	Project Manager and Mr. Havinga	In progress
Discuss note on NPIs with Ms. Wilson	In due course	Editor	In progress
Send views on the treatment of employee stock option to the Editor by email	July 28	All	In progress
Identify three people for eagle eye review of draft chapters	In due course	Project Manager and Editor	In progress
Note on e-consultation on financial assets' classification	August 18	Mr. Mink	In progress
Discuss codification of classification	September 7-8	Messrs. Aspden and Havinga	In progress
Comments on chapter on Government and the Public Sector	End of December	All	In progress

**5. Next meeting**

The ISWGNA confirmed September 7 and 8 as the dates for the next meeting. Dates were discussed but not decided on for a meeting around the time of the OECD national accounts meeting in October.