

Chapter 13: The balance sheet – Comments of the worldwide review - Overview

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Comments overview:

Date	Country/AEG member	
20/02/2007	Netherlands	Word template and PDF file of chapter 13
16/02/2007	European Central Bank	Word template and PDF file of chapter 13
		PDF file, in spanish, describes the changes made to the chapter (Google translation). There seems to be no criticism or proposals for amendments.
14/02/2007	Mexico	PDF file of chapter 13,
14/02/2007	Denmark	Word template and PDF file of chapter 13,
14/02/2007	OECD	Word template and PDF file of chapter 13,
13/02/2007	USA	Word template and PDF file of chapter 13,
13/02/2007	Ireland	PDF file of chapter 13, for editor only
13/02/2007	Norway	Word template of chapter 13,
13/02/2007	IMF	Word template and PDF file of chapter 13,
12/02/2007	UNSD	Word template of chapter 13
12/02/2007	Eurostat	Word template of chapter 13,
12/02/2007	Czech Republic	Word template of chapter 13, for editor only
12/02/2007	Switzerland	A letter, with one item for the AEG
12/02/2007	Johan Prinsloo (AEG)	PDF file of chapter 13, but there are no comments. Maybe he sent the wrong file.
12/02/2007	Australia	Word template of chapter 13, for editor only
12/02/2007	Germany	Word template of chapter 13, for editor only
12/02/2007	Israel	Word template and PDF file of chapter 13, for editor only
09/02/2007	Hong Kong	Word template of chapter 13, for editor only
06/02/2007	Finland	Word template and PDF file of chapter 13. Only one comment on ESOs
27/03/2007	Korea	Word template

Chapter 13: The balance sheet – Part I: General comments

Country	Comment
Netherlands	<p>We do not see the principal difference between balance sheets (as presented in table 13.1) and the asset accounts (as presented in table 13.2). In our opinion, balance sheets should preferably not be presented with financial assets and liabilities netted. Furthermore, no conceptual difference seems to be introduced when distinguishing the different types of changes in assets/liabilities. Furthermore, in our opinion, more information on memorandum items may be included. This is true for both foreign direct investment and pension schemes (including social security schemes). Or will this part of other sections in the revised SNA? In that case, reference should be made to the relevant chapters. The assets described are not coded, which is quite inconvenient. One may want to add the relevant codes. Of course, this would be relevant throughout the whole SNA.</p>
ECB	<p>1. Paragraph 13.4 could be included into a general introductory section or in a chapter as recommended otherwise (see the general comments on chapters 10 to 13, including 14).</p>
	<p>2. The remarks made in the paragraphs 13.6 and 13.7 on the analytical use of balance sheets are not complete. One option would be to split the statements by institutional sector saying something on the analysis of households, non-financial corporations, financial corporations, general government and rest of the world balance sheets or focus on specific key indicators like assets, sub-groups of assets, liabilities, debt, net worth, own funds (should be introduced early as it is mentioned several times throughout the chapter), leverage or include also flow/stock ratios.</p>
	<p>3. Another important element is to look at asset prices.</p>
	<p>4. The memorandum accounts should all appear at the end of the Chapter, for example including non-performing loans in 13.71 and 13.72.</p>
Mexico	<p>Google translation:</p>
	<p>System of National Accounts 1993 Rev. 1 Chapter the 13 Leaves of Balance The publisher raises that some modifications in the presentation have become of the manual with respect to the previous version, mentions that Cuentas de Activos is discussed in I capitulate 2, who is important to understand tables in chapter 26 of the SCN, which is bound to the monetary and financial statistic, integrating balance with the necessary information as it is it the share capital, fixed capital and the integration of the environmental accounting. He describes that in part C of the revision of I capitulate 13 explicitly detail the definitions of the active accounts. He mentions the discussion about the type of assets that must appear in each one of the leaves of the balance, which did not appear in the previous version. Changes in some financial assets exist and nonfinanciers, the main ones are the Earth treatment, the valuation of values of noncotizable variable rent and the registries in the insurances, the annuities, pensions and standardized schemes of guarantee.</p>

Chapter 13: The balance sheet – Part I: General comments

Country	Comment
	<p>For the case of the loans nonmade, these are reviewed in the description of the registries of balance for loans. The leaves of Balance: * For the two versions they maintain the objective: "The balance completes the sequence of accounts and shows the final result of the seats registered in the production accounts, distribution and use of the entrance, and accumulation" (SCN 93). The balance leaves provide an indicator of the economic position. These resources are summarized in the registry that it balances, which is the net patrimony, this one is defined as the total value of the assets had by a unit or institutional sector except the value of all its excellent obligations. For the economy altogether, the net patrimony is the difference between the value of all the financial assets and nonfinanciers and all the obligations nonfinanciers in a while determined. For his determination it is precise that each assets and liabilities are identified and valued of separated way.</p>
	<p>This sum often is referred like national wealth * "the existence of a set of balance integrated with the accounts of flows allows the analysts to form one more a ampler vision with respect to the economic and financial pursuit and evaluation of the conditions and behaviors. The balance provide the information necessary to analyze several questions; for example, in the studies on the determining factors of the behavior of the homes, the saving and consumption functions usually include variables of wealth with the purpose of catching the effects of certain factors, as the fluctuations of prices of the values of the societies or the deterioration and obsolescencia of stocks of durable consumer goods, on the guidelines of purchase of the homes. In addition, the balance of the homes are necessary with the purpose of evaluating the distribution of the wealth and the liquidity"" (SCN 93) and (SCN93 Rev. 1).</p>
	<p>Commentaries The main changes in this chapter in the form aspect refer to the treatment of the annex of definitions that appeared in the present version of the SCN93, which have been gotten up to the text of chapters 10 and 11 (account of capital and financier respectively). As far as the conceptual aspect, this chapter presents/displays the definitions of the new propose tipología of assets by revision 1, from it it is almost totally reformed to give to capacity to the new categories of financial assets and nonfinanciers and who are measured in the accounts previously mentioned.</p>
IMF	<p>We broadly find the incorporation of new recommendations clear. However, the recommendations of the IMF's Monetary and Financial Statistics Compilation Guide were not considered in the current version. Therefore, some specific comments regarding financial assets come from the recommendations in this Compilation Guide.</p>
	<p>Extensive comments on Section 4 on net worth are provided in the Adobe Acrobat file.</p>

Chapter 13: The balance sheet – Part I: General comments

Country	Comment
UNSD	UNSD finds the chapter easy to read, however we feel that it does not discuss nor has a table to link the opening balance sheet changes in the balance sheet and the closing balance sheet as in the current SNA.
Eurostat	This chapter deals with a three dimensional issue. The first dimension corresponds to the operations, the second dimension corresponds to the assets and the third dimension corresponds to the sectors. So, the presentation in two dimension tables is not always easy and we consider that the introduction of asset accounts is interesting. We have some specific comments presented below.
Czech Republic	We have some problems with the Note by the editor. Should it be mentioned chapter 13 there, or chapter 12? In 2nd paragraph of the Note, section D is mentioned but we failed to find any one so labeled with that letter neither in chapter 12 nor in chapter 13.
	We would recommend to retain the Annex to the chapter 13 with (updated) definitions of assets, because it would be immediately linked to stock data shown in the balance sheet.
Germany	We would prefer having an annex with the definitions of assets.
	As an intermediate solution a small reduce table could replace the present table 13.1.
Israel	As in the previous chapters, the additions are helpful.
	The stress on asset accounts is new – in SNA93 assets liabilities accounts were mentioned in chapter 2, should they not be called asset-liabilities accounts then? Especially in table 13.2 which is for the whole economy.
	One-off guarantees are not mentioned under the memorandum items.
	See also comments in PDF.
Hong Kong	Good to see some discussions on the practical compilation issues, such as PIM, and it would be desirable to have more.
Finland	Recommendations concerning the recording of employee stock options (par. 13.89) should be amended to better reflect the AEG proposal. See detailed comments on PDF.

Chapter 13: The balance sheet – Part II: Comments on specific draft paragraphs or passages

1. Do you find it helpful to have the definitions of assets included as the assets are introduced rather than assembled in an annex to chapter 13? (A comprehensive glossary, drawing on the definitions in the text, will be available.)

Country	Comment
Netherland	In our opinion, it is helpful to have the definitions in the chapter itself. However, we prefer to have an annex with definitions of assets (and transactions) as well. This is very convenient for easy reference.
ECB	As indicated in the comments to the chapters on accumulation accounts it would be useful to start with the balance sheet chapter which covers the definitions of assets and liabilities.
	Each of the balance sheet entries should have a clearly understood and concise definition which is not there.
	All classification and practical issues should go into a Guideline.
	This chapter should also be expanded to explain the use of balance sheets in economic analysis.
USA	Most readers will probably be familiar with the general definitions of most asset and liability categories. Thus, it seems preferable to confine the specific definitions of these items to a comprehensive annex.
UNSD	Definition of assets is important; it should be in the introduction, rather than in the annex.
Eurostat	No. We consider it preferable to have the definitions in an annex
Czech Republic	If a comprehensive glossary, drawing on the definitions in the text, will be allocated as an annex to chapter 13, nothing substantial will be changed.
Australia	We support and encourage the use of definitions where assets are introduced within the relevant text.
Israel	Yes
Hong Kong	It is desirable to have an annex to provide an overview of the definitions of all non-financial and financial assets covered in the System.
Korea	It is thought to be more compact that the definitions are kept in the annex rather than they are introduced in the main part of the chapter.

Chapter 13: The balance sheet – Part II: Comments on specific draft paragraphs or passages

2. Section A: Do you find it helpful to describe asset accounts in this chapter to explain the links between balance

Country	Comment
Netherland	See general remarks under part I.
ECB	The description of asset accounts in the table was not at all helpful in understanding the use and analysis of the balance sheet and should be taken out and put in the Guide, if necessary.
UNSD	Yes. Assets can be presented in three dimensions by: types of assets, economic activities and institutional sectors. This chapter is a place for discussing them, probably as an annex. Comment on para. 26.6. The draft mentions "consumer durables" as though it is part of the SNA balance sheet. It is true that this para is from para. 13.4 of the existing SNA, but for consistency, either this reference be removed or a qualification be made.
Eurostat	Yes but it also could be interesting to present the impact of PIM calculations on net worth, especially when the economic situation is bad, since, in this case, PIM calculations generally overvalue the assets of the corporations and, therefore, the net worth.
Czech Republic	Yes.
Australia	Yes, we agree it is helpful
Israel	Yes
Hong Kong	Since the asset account is not a compulsory account under SNA, it is suggested to mention it in an annex as supplementary information. It is useful to have the links from the balance sheets of SNA to the PIM (an important compilation methodology of the balance sheets) and the SEEA (a very useful application). In particular, the discussion of SEEA can be further enriched in the chapter.
Korea	The asset accounts can be compiled on a constant price basis with their asset deflators. It can be a part of process to derive these statistics for compiling the national balance sheet. Is it not good to refer to these things in this chapter?

Chapter 13: The balance sheet – Part II: Comments on specific draft paragraphs or passages

3. Is the relationship between the balance sheet entries and the entries in the capital account, the financial account, the other changes in the volume of assets account and the revaluation account sufficiently clear?

Country	Comment
ECB	The relationships is a key analytical tool for users but it was not set out in any clear way here (see for example in 13.6 and 13.7), if at all. We can do this very easily in a clear logical way, from the ECB work on institutional sector accounts but also based on diagrams used in IMF manuals (see also the comments made on this issue at other occasions).
USA	Since the general relation between the accounts will presumably be covered in the introductory chapters of the SNA, additional clarity could achieved in this chapter by simply relating the change in net worth between the opening and closing balance sheets to the sum of specific line items that explain the changes in net worth in the accumulation accounts.
IMF	We find that Table 13.1 should present the stocks and their changes more clearly. The changes made to the current SNA 1993 Table 13.1 are not well understood. The text could explain better the structure of this table. Specific comments are provided in the Adobe Acrobat file.
UNSD	The problem with this chapter is that it does not yet have a table to link the opening balance sheet changes in the balance sheet and the closing balance sheet as in the current SNA.
Eurostat	Yes.
Czech Republic	Should not be anything said about the relationship between the balance sheet memorandum entries and the entries in the capital account, the financial account, the other changes in the volume of assets account and the revaluation account?
Australia	Yes, we feel it is sufficiently clear
Germany	13.37: There seems a contradiction to chapter 10 (10.78). To be consistent, the wording should be changed to: „The costs of ownership transfer on produced assets are not shown separately in the balance sheets. These costs are always included in the value of the asset to which they relate. The costs of ownership transfer on non-produced assets are categorized as produced assets.”
	13.40: It is almost impossible to comment this on paragraph without having an overview concerning general way of recording originals and copies.

Chapter 13: The balance sheet – Part II: Comments on specific draft paragraphs or passages

3. Is the relationship between the balance sheet entries and the entries in the capital account, the financial account, the other changes in the volume of assets account and the revaluation account sufficiently clear?

Country	Comment
	In our view it is not clear if it is referred to tangible or intangible copies of originals. Concerning tangible copies of Original, there is no reason to make an exception in their treatment compared to any other tangible goods recorded as fixed assets in the SNA. The conditions stipulated in 13.40 may lead to the misunderstanding that tangible goods containing copyrights have to be treated differently from other tangible goods free of copyrights (even if the SNA criteria for fixed assets are met). Such tangible copies have further to be recorded as output on the production side (in addition to the production of the originals).
	So possibly the paragraph addresses intangible copies of originals, i.e. without any tangible carrier. If this is the case, it would be helpful to make it clear. But in this case parts of the original have been sold and further recordings are needed in the SNA. We suggest to include a link to such complementary recordings.
	13.47 the last sentence needs to be changed:
	Land (...), excluding written-down costs of ownership transfer, which are associated with produced assets.”
Israel	Yes
Hong Kong	The integrated relationship of the balance sheet entries, accumulation and other volume changes under the capital and financial account is a salient feature of SNA. It is noted that the discussions have been simplified in the current draft. It seems desirable to have more elaboration.

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
Netherland	Para. 13.19: In the final sentence, it is stated that the price of an asset is the same for purchaser and seller. This does not hold in the case of costs of ownership transfer.
	Para. 13.67: Here, it is stated that the value of loans includes the amount of interest accrued. This is inconsistent with para. 13.91.
	Para. 13.94: The text of this paragraph seems to be internally inconsistent.
ECB	13.1 Not sure whether the term asset accounts is commonly used. It is also not very clear what is really meant. An example might be useful. Reference to asset accounts is also made in paragraph 13.11; however, the examples mentioned in this paragraph are difficult to understand (at least in the context of an institutional sector accounts framework)
	13.2 A balance sheet is also drawn up for the rest of the world.
	13.3 Is the lessee not also the economic owner?
	13.4 The term “financial and non-financial resources” should be avoided.
	13.5 The statement that the balance sheet completes the accounts is a little bit old-fashioned. It only applies if dealing with the accounts in a sequence. Equally important as the ‘vertical’ presentation (and balancing) is the horizontal presentation (by institutional sector) and also the presentation of stocks and the corresponding accumulation accounts (stock/flow balancing).
	13.6 Why reference to durable consumer goods as they are not seen as non-financial assets in the System?
	13.8 The sentences of this paragraph repeat what is already in 13.1. The third sentence contains a completely different subject – the relationship between the opening balance sheet and the closing balance sheet. Again, this part has already been presented in chapter 12, paragraph 97 (which splits the other changes in the volume of assets into its two parts)
	13.10 This paragraph should be more detailed (OECD, Measuring capital).
	13.12 There are a lot of repetitions in it. This paragraph would be better placed at the beginning in describing the content of a balance sheet and its changes.
	13.13 to 13.15 See comments on 13.12
	13.24 Reference should be made to unlisted shares and not to unlisted securities.
	13.27 The description of the present value of future returns is too short. The example of valuing unlisted shares, other equity, dwellings or buildings based on this method could be explained.
	Would it not be useful to explain the nominal value and the face value as both are mentioned later (for instance in the context of the own funds at book value method)?

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
	The paragraphs included in Section C (The entries in the balance sheet) could be easily included under the corresponding types of assets and liabilities when defining and describing them (currently in chapter 10 and 11). For the reader it is rather cumbersome to collect all relevant information on assets and liabilities from the different chapters.
	13.61 In practice accrued interest is also included in deposits.
	13.62 to 13.66, 13.68 It is more accurate to use the term debt securities
	13.67 In contrast to deposits accrued interest is included here. Do not see a reason to treat both financial assets differently.
	19.68 Reclassification of loans to debt securities (see also our comment on Chapter 11, para. 11.52: Loans that are traded and for which there is evidence of a market with quotations in the market are reclassified to debt securities (A loan which is traded once is not necessarily to be reclassified). Basic idea is precisely to avoid volatility in asset classes in setting clear criteria for differentiating loans from debt securities. Loans that are re-packaged then become debt securities as there has been clear expression of willingness, and at least consultation, between the lender and borrower for this. Or loans that have
	passed the maturity and, thus, at least one party has not abode with his/her obligations, become non-performing; they may then become securities if they are object of transactions.
	13.70 to 13.72 The description of the treatment of non-performing loans would be much clearer if a small numerical example would be included and be shown in a table.
	13.74 The own funds at book value should be included as a fourth valuation method and not seen as an exceptional treatment. Later on (in 13.78) it is said that this method is widely used.
	13.80 Not sure whether the central bank is a good example of a quasi-corporation as some of them issue shares. Are partnerships quasi-corporations?
	13.91 Should we not be stricter to exclude accrued interest from other accounts receivable/payable? The same should apply for arrears. We should get rid of the term “securities other than shares.”
	13.95 Why to define ‘own funds’ so late? Is it really the difference between net worth and equity? According to my recollection it is defined as the sum of both (see ESA).
	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2ECB2.pdf
Denmark	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2Berner.pdf
	13.37 We believe that cost of ownership transfers on non-produced assets should be shown seperately. This also seems to be consistent with table 13.2
	13.38 We find that the description of sum-of-cost approach should be harmonized, see par 10.109, that is either inclusion of the capital service or a return to fixed capital. In this par. there should be a reference to the part in the updated SNA where the description of how to calculate capital service/return to fixed capital is.

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
OECD	13.1 The definition of net worth is wrong. Second sentence to be changed in "Assets and liabilities can be aggregated across all types so as to show the total value of assets less the total value of liabilities, or net worth, of an institutional unit."
	13.3 last sentence: typos: suppress "." after chapter 19, include " and a fuller description of the distinction..."
	13.8 after "single type of asset", add "(or liability)"
	13.8 (b) after "financial assets" add "(and liabilities)"
	13.12 typo: add blank after "in chapter 11."
	13.16 typo: add comma after "but"
	13.21 second sentence: "In some cases, prices may be approximated by accumulating and revaluing acquisitions less disposals of the type of asset in question over their lifetime, where appropriate taking into account changes in the value due to consumption of fixed capital or depletion;"
	13.81 typo last sentence: "can be found"
	13.32 clarification: second sentence: replace by: However, house prices generally include the value of the land on which the house sits and it may be difficult to exclude it, in which case a technique such as PIM will have to be used.
	13.34 first sentence: wording: : "Markets for existing automobiles, aircraft, and other transportation equipment may be sufficiently representative to yield useful price observations that can be used directly to value these stocks or at least be used in conjunction with a set of PIM assumptions."
	13.31 typos : replace "particularly vehicles" by "such as vehicles", suppress "for example" and suppress "." after "model"
	13.35 typo, last sentence: "; in this case, they should be recorded"
	13.36 : delete paragraph. R&D should be treated in the paragraph about originals (13.39)
	13.37 clarification: the case of COT for non produced non financial assets should be treated separately. We propose: "There are no costs of ownership transfer shown separately in the balance sheets for fixed assets. The costs of ownership transfer for non produced non financial assets are shown separately ."
	13.43 We do not understand why a large part of paragraph 13.48, which gave practical solutions for the valuation of work in progress, has been deleted. It should be reintroduced here.
	13.39 first sentence: insert R&D in "Originals of intellectual property products, such as research and development, computer software...."
	13.39 last sentence: typo: "present"
	13.49: we are not sure that "site clearance and preparation for the erection of buildings" should be included as land improvements.
	13.47: Delete last sentence. Indeed, COT is not part of the value of land. COT is shown separately for non fixed assets.

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
	13.49 second sentence: the discussion about the ratios is difficult to understand: We propose "a more usual method is to deduce the value of land by subtracting the replacement cost of the buildings from the value on the market of combined land and buildings."
	13.70 typo: non-performing
	13.80 It should be stated that "Other equity" may include the counterpart of reinvested earnings. "Other equity also includes "the financial assets that non-resident units in their capacity as owners of land or buildings on the economic territory of the country have against notional resident units and vice-versa."
	13.80 typos: include "." after "shares."
	suppress one of two "." further down.
	13.80 last sentence: it should be more general: replace "quasi-corporations" by "these units"
	13.85 first sentence. The AEG formulation should be rather used: "The value to be entered in the balance sheet for calls under standardised guarantees is the net present value of expected payments under the guarantee, net of any expected recoveries from
	the defaulting borrowers where the guarantor acquires the defaulting asset when paying the claim."
	13.82: The wording of paragraph 13.82 should be tightened, using text from the report to the AEG. We propose to replace this paragraph by: "Provisions for non life insurance to be recorded in the balance sheet consists of provisions for unearned premiums, and provisions for claims outstanding. Provisions for unearned premiums include the industry's definition of provisions for unearned premiums plus provisions for unexpired risks and provisions for bonuses and rebates. Provisions for claims outstanding includes the industry definition of provisions for claims outstanding plus provisions for incurred but not (enough) reported incidents and provisions for the equalisation of claims."
	13.83 typo : But
	13.89 typos: "to receive stocks (shares) at a future date." further down: "When an ESO" further down: "balance sheet"
	13.90 typos: include "." after "granted". further down: "ESOs may be valued"
	13.95: This paragraph is confusing, does not give a correct definition of "own funds", and breaks ground on the concept of reinvested earnings. First, for corporations, "Own funds" should be defined as Total assets minus Total liabilities excluding shares, or, which is equivalent, "net worth plus shares" (and not net worth minus shares as in the current text). Second, it should be explained that, for corporations, the concept of own funds is a better tool than the concept of net worth, because shares are not a liability for corporations. Third, I do not see the advantage of the introduction of the concept of retained earnings. For the moment, there is a concept of reinvested earnings (D43) applicable to cross border corporations, but which has not been extended to domestically owned corporations nor to the general government. If we did so, the concept would be interesting, but we did not do so.
	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2OECD1.pdf
USA	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2USA2.pdf

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
	13.1 The second sentence of paragraph 13.1 could create confusion by seeming to equate the total value of assets to net worth. The original text for this section was clearer.
	13.7 Suggest including examples using national accounts, such as assessments by economists of the financial status of a sector, or the performance of risk analyses by central banks.
	13.63 The difference in wording between 13.63 ("as a general principle") and 13.64 ("should always be valued...") seems confusing.
	13.97 It would be useful to briefly note how the SNA concept of net worth differs from the concept of shareholders' equity that is used in business accounting.
Ireland	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2ireland.pdf
Norway	Table 13.1 The table is confusing. Why say "changes" when it is a balance sheet?
	13.8 Note that regarding asset accounts, type (b) for financial assets will only include issues and redemptions
	13.56 When the value of a lease is negative it should not be recorded in the system?
	13.63/13.64 Text repetition
	13.89/13.90 The text refers to grant date as the day the value of the ESO is measured, but the AEG has recommended the vesting date.
	13.95 The sentence about retained earnings (in bold) is difficult to understand.
	13.101 Does not read well
	Printing errors
	13.65 (be used), 13.99 (so consumer durables)
IMF	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2IMF2.pdf
	13.3 Repos might also be mentioned here.
	Table 1 title is inconsistent with its contents.
	13.7 The term "current" is not defined, nor is "reserve ratios", unless in another chapter.
	13.7 Mention might be made that the balance sheet for the ROW is the same as the IIP but whereas the IIP looks at the rest of the world from the point of view of the resident economy, the ROW represents the data from the point of view of nonresidents.
	13.11 The phrase "another example is in some sorts of monetary statistics accounts" seems most odd. An example may be helpful.
	13.25 I think one has to be careful about the use of "written off" when amortized is meant, given that "write offs" have a very different meaning in the SNA than the one used here.
	13.26 It is unclear if the sentence refers to business accounting or to the System.
	13.25 Valuation of purchased goodwill in business accounting is influenced by tax considerations and the principle of prudence, not always reflecting the true market value of the goodwill over time. Nonetheless, if the goodwill is amortized following tax recommendations or accounting rules and the market still recognize value in the goodwill, this value will be reflected in a bigger negative net worth.
	Section C: The wording here and in the BPM should be exactly the same.

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
	13.58 The sentence "financial claims that are not traded on organized markets should be valued by the amount that a debtor must pay to extinguish the claim." The general valuation principle should be market value, regardless of trading eg equity claims in direct investment should in principle be valued at market value not as implied here in nominal value.
	13.59 The reference to value gold according to bilateral arrangements between central banks should be erased. The MFS compilation guide recommends that the bid price in the London gold market be used to value the closing stocks of gold.
	13.60 Insert that the IMF rate is with the dollar (see pdf file attached)
	13.61 Non-interest-bearing deposits (assets and liabilities) denominated in national currency should be recorded as the nominal amount of the outstanding deposit balances. Interest bearing deposits denominated in national currency should be recorded at book value-i.e., the nominal amount of the outstanding deposit balance plus the accrued interest on the deposits.
	13.62 is "short term" defined somewhere" If so, it should be referenced; if not, it should be defined here.
	13.68 last sentence The criteria should be cited, or referenced to Chapter 11.
	13.70 suppress "or interest payments equal to 90 days or more have been capitalised, refinanced, or delayed by agreement. "
	13.71 suppress from "The closest ..." to "cash flows"
	13.71 Stating what the differences between the way impaired loans and loan losses are calculated would be helpful.
	13.74 BPM has six approaches and (a) is not one of them. These approaches should be the same. See draft BPM, para. 7.16
	13.77 Are "profits" defined anywhere? Corporate profits and profits in the SNA may be quite different.
	13.78 This paragraph may be unnecessary. Instead, it could be useful to define "own funds at book value".
	13.79 Consistency with the IIP should be emphasized.
	13.85 This example is hard to understand. Something appears to be missing.
	13.88 This second sentence seems odd. When the value of the asset and/or liability are amortized, there is not longer entries in the balance sheet for this financial derivative.
	13.91 This is inconsistent with the monetary and financial statistics manual and compilation guide. Accrued interest should always be classified together with the underlying asset.
	13.89 Mention should also be made about the treatment of stock options that are issued to non-employees (such as for the payment for a good or service)
	13.93 The last sentence could be deleted because the alternative view (para. 13.95) is an incorrect interpretation of the concepts of net worth and own funds.
	13.95 disagree with the definition of own funds
	13.96 Para. 13.96 is applicable to own funds at book value, as understood in business accounting, but not the concept of own funds in the System.

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
	13.96 Some other paragraph could be added to explain better the concept of net worth and its nature (see in PDF file)
	13.97 delete paragraph
	13.101 Mention should be made that the data should be the same as those in the IIP.
Eurostat	13.8: It could be preferable to explain explicitly the treatment of the consumption of fixed capital in the links between opening and closing balance sheets.
	13.42: There is a contradiction with 10.139. The transportation costs paid to a transport enterprise must be included in the purchaser's price.
	13.82: It is important to ensure that equalization provisions are treated consistently in chapter 13 and chapter 17.
	13.97: It could be useful to explain in relation with 10.185 that, since the value of the goodwill is generally not estimated, the net worth of a corporation is normally negative. By consequence, it also could be useful to modify the numerical example of table 13.1 so that the net worth for S11 and S12 is negative.
Switzerland	§ 13.3 “A fuller description of the treatment of leases is given in chapter 19 17.”
	Other chapters (10, 12) and later parts of chapters 13 (§ 13.55) refer to chapter 17 (not 19) for additional explanations on lease transactions.
	§ 13.55 and 13.56 For the sake of consistency with § 12.31, the definition should include resource leases and permits to undertake some specific economic activities as potential assets.
	§ 13.58 “The prices should exclude service charges, fees, commissions and similar payments for services provided in carrying out the transactions.”
	There is a contradiction with chapter § 13.67 on loans: “ The values to be recorded in the balance sheets of both creditors and debtors are the amounts of principal that the debtors are contractually obliged to repay the creditors when the loans mature. This amount includes any interest that has accrued but not been paid. It also includes any amount of indirectly measured service charge (the difference between the amount demanded by the lender as interest and the amount recorded in the SNA accounts as interest payable) due on the loan that has accrued and not been paid. “
	A reference to (at least) the special case of loans should therefore be made. Furthermore, if an extended definition of FISIM is used (e.g. including debt securities), additional instruments may need to be valued including accrued implicit service charges. It should be pointed out that if debt securities issued by “banks” are considered FISIM-producing instruments, their market price will automatically include any accrued interests and therefore any accrued FISIM.
Australia	13.11 – It would be useful to add why asset accounts for financial instruments might be required – presumably to assist in financial market analysis. Also, it could be pointed out in the discussion on asset accounts that they are simply rearrangements of information already articulated and as such do not require any additional compilation effort.

Chapter 13: The balance sheet – Part III: Other specific comments (or format of template was not used)

Country	Comment
	13.36 - Once the discussion on R&D is finalised it would be helpful to extend this paragraph. Also, where R&D is performed under contract then it should be valued at the contract price and not the sum of costs.
	13.55 – See comment on 10.13.
	Para 13.71 – It could be mentioned that the ‘second best’ option is likely to come from the balance sheets of the creditors themselves.
	13.74 - 13.79 - The methods listed do not include one that was approved by BoPCom and is included in the international accounts (apportioning the global capitalisation) for listed, multi-national corporations and one that is included in the international accounts (making macro-level adjustments to book values). Further detail on all of the options is available from the draft of the international accounts (chapter 6) or from the draft of the benchmark definition of foreign direct investment (chapter 5 and annex 5).
	Refer to BPM6 Ch 6 - approximating market value:
	recent transaction price
	apportioning global value
	present value
	net asset value
	own funds at book value
	values reported by enterprises with macro level adjustments.
	13.89 – The sentence ‘The date when it is actually acquired is the exercise date.’ should read ‘The date when the underlying stock is actually acquired is the exercise date.’. Also, ‘exercise’ in the next sentence should be changed to ‘vesting’.
	13.96 - Since the scope of the asset boundary is limited to purchased goodwill more precision in the explanation of the exclusion of goodwill from own funds would be appropriate.
Israel	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2Israel2.pdf
Finland	http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter13dv2finland2.pdf