

Retained Earnings of Mutual Funds and Other Collective Investment Schemes

SNA Update Issue 42

BOPCOM Outcomes on the Questions/Points for discussion

IV. Points for discussion

1. Which of the options is preferred?

The Committee did not take a position as between the 1993 SNA and ESA 95 approaches.

The Committee expressed concern about the lack of an internationally standard definition of “collective investment schemes” and “mutual funds,” for example, the coverage of investment companies, unregulated mutual funds, and hedge funds was unclear.

Some concern was also expressed concern about the ESA 95 classification of income from mutual funds. In the 1993 SNA, income derived from equity in mutual funds is a return on equity, while in ESA 95 is based on the fund’s income sources.

2. What are the views on creating a working group on income that will continue its work beyond the finalization of the new balance of payments manual, and which may result in a subsequent revision?

The Committee supported the proposed working group which would include representatives from all areas of macroeconomic statistics.