**Issue 44. Financial assets classification.**

a) **Monetary gold and SDRs**
Statistics Sweden supports the recommended split of the category monetary gold and SDRs.

b) **Investment fund shares**
We agree on the recommendation to treat “investment fund shares” as a separate category of instruments distinguished from “shares and other equity”.

We also support the proposal to have “money market fund shares/units” as a separate category. A further break down distinguishing different types of investment funds shares would preferably be on a voluntary basis as the character and relative importance of investment fund shares can change over time and between countries. If a further break down would be requested as non mandatory we would rather see a break down of three main categories; “Bond fund shares”, “Equity fund shares” and “Other fund shares”. The last category could then be further broken down in the different types mentioned, but still on a voluntary basis.

c) **Financial derivatives**
We support the proposal to classify “financial derivatives” as a separate category. We find a break down of derivatives into different risk categories too detailed and not quite justified for statistical purposes. Any further split of the category “financial derivatives” must be on a voluntary basis in our opinion, as these instruments often are rather complex, consisting of different elements. There would probably be difficulties to unambiguous determine their character and it is doubtful whether the cost of reporting institutions and the statistical producers would be in proportion to the statistical information achieved and its reliability.

If the final outcome after all would be the proposed distinction between options and forwards and also distinguishing employee stock options from other options we would rather prefer a straight hierarchy, as shown below. We would also propose a slightly different naming of the subcategories of Financial Derivatives. The categories “Options” and “Forwards” may give a rather narrow impression of the content of these items. Since instruments like swaps (interest, currency, credit default) and Fras, and many other, should be
included here, it would be more accurate to make a breakdown according to Option-like and Forward-like derivatives.

Financial derivatives and employee stock options

Option-like

of which employee stock options

Forward-like

In our opinion the employee stock options should be on a voluntary basis as their impact can fluctuate over time and between countries and industry.

g) Reserves for calls on standardized guaranties

Concerning proposed introduction of a subcategory “reserves for calls on standardized guaranties” we want to emphasize that this category should be restricted only to guaranties designed as financial contingent assets where the contractual arrangement itself has a market value because it is tradable or can be offset on the market and this category should only comprise guarantees where the counterpart can be identified and is reporting the guarantee at the same time in its balance sheet. This symmetry is important in order to keep the identity between assets and liabilities in the financial accounts. As a consequence it is important with a uniform treatment over all institutional sectors.