

Results of the AEG e-discussion on Migrants' transfers

Introduction

1. The paper (SNA/M1.05/13.1) solicits the opinion of the AEG members on migrant transfers through e-discussion.
2. Migrants' transfers arise when individuals move their residence from one economy to another. They cover the movement of personal effects and financial assets between countries and changes in stock position of personal investments and debt arising from the change in residence status. Migrants' transfers are classified as capital transfers in balance of payments statistics, but the *System of National Accounts 1993 (SNA)* is silent on their treatment with the exception of migrants' effects. The paper proposed removing "migrants' transfers" from the capital account because no change of ownership occurs. While the change proposed in the paper primarily impacts on balance of payments methodology, the recommendation relating to migrants' effects in paragraph 14.92 of the *SNA* ("*Sometimes the classification of certain physical items as goods is questioned, most often because they may be accorded exceptional treatment under customs regulations or in the trade returns. The following examples are listed as items of this kind which should be included in goods:... migrants' effects;...*") would need to change to not recommend their inclusion in imports and exports of goods, and clarifying text should be added to chapters 11 and 12, respectively, of the *SNA* so that consistent treatment in the financial account and other changes in assets would be assured.

Response of AEG members to the issue of migrants transfers

Questions	Yes	No	No response
1. Does the Group agree with the proposal not to record migrants' personal effects under imports and exports of goods (and to amend SNA paragraph 14.92 accordingly)?	15	1	
2. Would the Group like to clarify the recording of the changes in financial assets and liabilities due to changes in residence? If so, should the changes in assets and liabilities position of individuals who change their residence be recorded under "other changes in volume of assets"?	14	2	
3. Should the same principles apply to corporations that change their residence (either due to relocation or to boundary changes)?	6	7	3
4. Should clarifying text be added to SNA chapters 11 and 12, so that the special nature of these economic events is explicitly outlined?	16		

Conclusion

3. The consultation shows that most of AEG members participating support the recommendations on migrant transfers, but that the same principles should not apply to corporations that change their residence.

A summary of some of the comments is in the annex.

Summary of comments on migrant transfers

The original response and full comments are available on the UN website¹

Comments to question 1:

1. One member observes that the issue would depend upon the residency of the returning migrant. If the inflow or outflow of personal effect means that the migrant is changing the resident status, then there is an implicit transaction of between residents. If there is no change of residency then imports and exports should be recorded.

Comments to question 2:

2. One member observes that by changing the residency of an individual will entail financial transactions between resident and non resident even if the individual is the same. This should also apply to corporations.

Comments to question 3:

3. Some members observed that corporations do not change residence in the same way people do. Apparent changes in the residence of corporations normally are the result of the cessation of a corporation in one country and the creation of a new corporation in another. In the case where the fixed assets of a corporation is moved from one country to another it should be recorded as exports and divestment from the old country and imports and capital formation in the new country.

¹ <http://unstats.un.org/unsd/sna1993/viewvote.asp?tID=38&stID=2&sstID=0>