

## Results of the AEG e-consultation on Multiterritory enterprises

### Introduction

1. A paper on multiterritory enterprises (SNA/M2.04/21) was presented to the AEG meeting in December 2004. It was decided to solicit the opinion of the AEG members through e-consultation (SNA/M1.05/27.1).

2. Multiterritory enterprises are single enterprises that have substantial operations in two or more territories but for which branches are not able to be identified. (Note: International organizations are not treated in the same way). In the case of multiterritory enterprises, there is agreement with the general principles in *BPM5*, but generalized to all kinds of activities (rather than limited to mobile transport enterprises), and to consider other possible factors for splitting (e.g. some operational factors such as shipping tonnage, rather than just equity shares). The complexities of practical implementation should be acknowledged in the new manual. The case of joint sovereignty zones should be referred to in the new manual, which should allow flexibility in implementation. For both multiterritory zones and joint sovereignty zones, the manual should indicate the need for collaboration between the compilers of the territories concerned. The implications for other economies when compiling partner data should also be noted in the new manual.

### Response from AEG members

| Questions  | Yes | No | No response |
|--|-----|----|-------------|
| 1. Do you agree with the prorating of multiterritory enterprises and enterprises in joint sovereignty zones?                             | 7   |    |             |
| 2. If so, would you prefer that the manuals suggest:   |     |    |             |
| (a) a range of possible criteria for prorating?  | 7   |    |             |
| (b) a particular criterion? If so, which criterion?  |     |    | 7           |
| 3. To cover the possibility that (a) might be chosen, other suggestions on possible criteria for inclusion in the list would be welcome. |     |    | 7           |

### Conclusion

3. The consultation shows that all AEG members participating support the recommendation of the prorating of multi-territory enterprises and enterprises in joint sovereignty zones, but did not make suggestions on possible criteria.