

Assets boundary for intangible non-produced assets /Other intangible fixed assets

Summary conclusion

Recommendations/questions

1. The following recommendations and question were presented for the AEG's consideration:
 - (a) The definition of an asset given in the SNA should make clear that the securitisation of future revenue is not an asset in the system. When future income unrelated to any asset recorded on a unit's balance sheet is the subject of securitisation arrangements on the market such arrangements are always to be treated as borrowing. These arrangements involve the transfer of the entitlement to future income, which does not fit the definition of an economic asset.
 - (b) The category "Other intangible non-produced assets" should be eliminated, and either the category "leases and other transferable contracts" should be redefined to include contracts such as mobile phone licences that are only transferable by means of a change of ownership of the licensee, or another category should be created to accommodate such contracts.
 - (c) The category "Other intangible fixed assets" should be maintained.

Outcomes

- (a) The AEG agreed.
- (b) The AEG agreed in principle, taking the view that there should be no categories that are not well-defined. However, the need for retaining this category should be re-examined after the work on leases and licences has been finalised.
- (c) The AEG noted that the Canberra II Group was in favour of retaining the category despite not being able to identify anything that would be included in it. The need for this category will be further investigated by the Editor.