

G.5 Economic Ownership of Intellectual Property Products: Recording of Intra MNE Transactions

Instructions

For each question, please provide the answer by clicking the relevant check box or by typing in the framed textboxes, which will automatically expand to fit the text. We recommend providing coordinated answers between the national agencies responsible for the national accounts and balance of payments compilation (for example, National Statistics Office and Central Bank). If only one agency is providing a coordinated answer concerning national accounts and balance of payments, please indicate that in your response to the questionnaire concerning which area of macroeconomic statistics. Otherwise, please choose the area of macroeconomic statistics your answer is referring to.

Please note that the survey may reach one or more contacts in your agency; however, only one response is expected. A printable version of the questionnaire and the guidance note are available at the SNA Consultations webpage of the United Nations Statistics Division, and the Globalization Task Team webpage on the IMF's *BPM6* website. If you have any questions, please contact: [**SNA-Globalization@imf.org**](mailto:SNA-Globalization@imf.org) and copy [**sna@un.org**](mailto:sna@un.org). We look forward to and highly appreciate your collaboration.

Sincerely,
Globalization Task Team

Name and Affiliation

Please provide your information below:

Country _____
Institution/Organization _____
Name _____
Position/Title _____
Email _____

1. Your response concerns which area of macroeconomic statistics?

- National Accounts
- Balance of Payments
- Both National Accounts and Balance of Payments

2A. Is this topic of relevance for your country?

- High relevance
- Medium relevance
- Low relevance
- Not relevant

2B. Please provide arguments in favor of your response:

(End of Page 1)

Determining economic ownership of intellectual property products (IPPs) [1] – fixed assets such as computer software and databases, research and development (R&D), entertainment, literary and artistic originals, mineral exploration, and evaluation – among units of a Multinational Enterprise (MNE), and the recording of related transactions can be challenging as this affects the recording of assets and related income flows in macroeconomic statistics. Both the 2008 SNA and BPM6 treat IPPs (originals, license to reproduce, and copies) as produced assets. The IPP assets created at one location in an MNE group maybe funded by affiliates elsewhere in the group, can be traded, and can be used as an input into the production of other (non-IPP) goods and services. An MNE may also assign legal ownership of the IPP asset to a special purpose entity (SPE). With all these arrangements in place, in the case of MNEs, the change in ownership of an IPP, from the economic point of view of transfer of all risks, rewards, rights and responsibilities of ownership, is not straightforward. Based on the review of existing materials, and past discussions, this Guidance Note (GN) discusses five options for recording economic ownership, of which Option 4 - a more nuanced approach based on the Guide to Measuring Global Production (GMGP) decision tree – is favored.

[1] Intangible assets such as marketing assets are a related category. The 2008 SNA considers these as non-produced assets and are only included on the balance sheet when their value can be derived from explicit transactions. Guidance Note G.9 "Payments for Non-Produced Assets (Marketing Assets)" revisits the issue of whether marketing assets should be considered as produced assets. Furthermore, the asset boundary may be extended in the next update of the SNA to include data as being discussed by the Digitalization Task Team.

3A. Do you agree that for previously produced IPP, the economic ownership (parent, producer, production affiliate) depends on the underlying arrangement and a default solution cannot be considered?

- Yes
- No

This Question is Conditionally Shown if: (3A = No)

3B. If no, please specify why:

4A. Do you agree that Option 4 - the Guide to Measuring Global Production (GMGP) Decision Tree (see Guidance Note, Annex IV) is a useful tool for applying the preferred conceptual treatment of assigning economic ownership of IPPs across an MNE Group based on risk and rewards?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

4B. Additional comments, if any, to elaborate on the decision tree in Question 4:

5A. Since SPEs are considered institutional units [2], in the case of an SPE holding IPP assets (node 1.2.2 of GMGP Decision Tree) the recommendation is that the SPE is deemed the economic owner of the IPP asset. Do you agree with the recommendation?

[2] This is in alignment with the GN 4 "Treatment of SPEs and Residency of the GZTT" and as per the IMF's Operational Guidelines on SPEs.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

This Question is Conditionally Shown if: (5A = Strongly disagree OR 5A = Disagree)

5B. If you strongly disagree or disagree, please specify why:

(End of Page 2)

6. Are intra-MNE flows of IPPs material in your jurisdiction?

- Yes
- No

7. Are SPEs that own IPPs material in your jurisdiction?

- Yes
- No

8A. With the Base Erosion and Profit Shifting (BEPS) requirement that substance is aligned with value creating activities, have you seen evidence of a greater coincidence of economic ownership and legal ownership of IPPs than was the case previously (i.e., when the OECD Handbook on Intellectual Property Products was published in 2010)?

- Yes
- No

8B. Please provide comments, if any, on your country's experience with the alignment between economic and legal ownership of IPP:

9A. Does your institution have an organizational unit (often called large case units (LCUs)) responsible for consistency analysis of MNEs to ensure that the data of large corporations are incorporated coherently across economic statistics?

- Yes
- No

This Question is Conditionally Shown if: (9A = No)

9B. If no, please specify why:

10A. Have you undertaken any testing of the GMGP Decision Tree?

- Yes
- No

This Question is Conditionally Shown if: (10A = No)

10B. If no, please specify why:

This Question is Conditionally Shown if: (10A = Yes)

11. Please provide a brief summary of the results (more detailed responses can be sent to sna-globalization@imf.org)

This Question is Conditionally Shown if: (10A = No)

12A. Do you plan to undertake testing of the GMGP Decision Tree in the future?

- Yes
- No

This Question is Conditionally Shown if: (12A = Yes)

12B. If yes, please specify when. Would you be willing to share your results?

(End of Page 3)

13. Do you have any other comments on the guidance note?

14. In order to maximize transparency in the SNA and BPM update process, we would like to publish responses to global consultations.

Do you give consent that your response to this questionnaire can be published?

- Yes
- No

(End of Page 4)
