

**15th Meeting of the Advisory Expert Group on National Accounts,
6-8 April 2021, Remote Meeting**

Agenda item: 3.1

**Incorporating corrected inconsistencies in the 2008 SNA, clarifications and interpretations
and other global statistical initiatives into the updated 2008 SNA**

I. Introduction

1. The update of the 2008 SNA is well underway. A number of task teams have been formed to develop guidance and recommendations to resolve a number of substantive issues. These guidance and recommendations will be presented in guidance notes which will be circulated for global consultation. An editorial task team will also be formed to incorporate the approved guidance and recommendations in the guidance notes into the updated SNA.
2. Since the release of the 2008 SNA, the international statistical community has actively collaborated to resolve issues related to the 2008 SNA and assess how new developments in the economy and society impact on the 2008 SNA. Examples of work to resolve issues related to the 2008 SNA include the correction of inconsistencies in the current 2008 SNA and clarifications and interpretations of existing SNA rules. At the same time, various other global statistical initiatives, many of which are related to the national accounts, have been launched. These efforts and initiatives can be split into the following groups which are elaborated in the following sections:
 - Links between the SNA and the most recent adoption of resolutions on labour statistics by the International Conference of Labour Statisticians (ICLS)
 - Relevant Interagency Group on Economic and Financial Statistics (IAG) templates
 - Inconsistencies within the 2008 SNA
 - Clarifications and interpretations of existing SNA rules
 - Treatment of government and other measures in response to COVID-19
 - New developments
3. The update of the 2008 SNA provides an excellent opportunity to incorporate the outcomes of these efforts and global statistical initiatives into the updated SNA. However, the SNA mainly provides conceptual guidance on the compilation of national accounts. Thus, the task to incorporate these outcomes will have to be selective and consider only those outcomes which have a bearing on the conceptual and structural aspects of the updated SNA. This is especially so in the case of clarifications and interpretations of existing SNA recommendations and COVID-19 responses.
4. The rest of the note is structured as follows. Sections II-VII elaborates on the efforts and initiatives which are outlined above. Section VIII suggests a way forward, while questions for the AEG are presented in section IX.

II. ICLS resolutions on labour statistics

5. The links between the SNA and the two recent ICLS resolutions on labour statistics need to be clarified in the updated SNA. They are:
 - Resolution concerning statistics of work, employment and labour underutilization (2013, 19th ICLS): https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_230304.pdf
 - Resolution concerning statistics on work relationships (2018, 20th ICLS, including the new classification of Status in Employment): https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/meetingdocument/wcms_648693.pdf

III. Relevant IAG templates

6. The IAG is implementing the G-20 data gaps initiatives (DGI) and has developed a number of templates for the G-20 members to report data for various recommendations. Where appropriate, some of templates could be considered for inclusion in a chapter on the presentation of the accounts in the updated SNA. Examples include the templates on shadow banking and sectoral accounts (see G-20 DGI templates).

IV. Inconsistencies within the 2008 SNA

7. There are a number of inconsistencies in the text between various chapters and paragraphs in the 2008 SNA which need to be corrected so that they can be incorporated into the updated SNA. Examples include:
 - Treatment of taxes arising from the central bank imposing a higher rate of interest than the market rate (see paragraphs 7.96(f) and 7.122-7.126 of the 2008 SNA)
 - Treatment of subsidies arising from the central bank accepting a lower rate of interest than the market rate (see paragraphs 7.105(d) and 7.122-7.126 of the 2008 SNA)
 - Inconsistency in the use of the term “premiums” in the formulae to calculate insurance output (see paragraphs 6.185, 6.195, 17.27, 17.30 and 17.33 of the 2008 SNA)
 - Inconsistency in the use of the terms “increases (plus decreases) in life insurance technical reserves and “increases (plus decreases) in actuarial reserves and reserves for with-profits insurance” in the life insurance output formula (see paragraphs 6.195 and 17.30 of the 2008 SNA)
8. In addition, some typographical errors need to be corrected, as indicated in the non-exhaustive list in annex 1.
9. Correcting these inconsistencies and typographical errors will greatly benefit the work of the joint sub-task team on interactive and digitally-enabled statistical standards and classifications to develop taxonomies linking the various parts of the SNA and other macroeconomic statistical manuals and international classification standards.

V. Clarifications and interpretations of existing SNA rules

10. A number of formal clarifications and interpretations of existing SNA rules have been issued since the release of the 2008 SNA. Some have been published in the SNA News and Notes. These clarifications and interpretations, which should be considered for inclusion in the updated SNA, include:

- [SNA News and Notes Number 30/31](#) and [SNA News and Notes Number 32/33](#) (treatment of emission permits)
 - [SNA News and Notes Number 36](#) (treatment of output of central banks)
 - [SNA News and Notes Number 37](#) (delineation of head offices and holding companies)
 - [SNA News and Notes Number 39](#) (recording of flows between a defined benefit pension fund and its sponsor)
 - [SNA News and Notes Number 39](#) (statistical treatment of negative interest)
 - Clarification on calculation of FISIM
 - Recording of central bank swap arrangements
 - Treatment of negative equity in direct investment statistics
11. At the same time, members of the ISWGNA (and possibly AEG members) may have provided clarifications of existing SNA rules in response to email queries from external users after the release of the 2008 SNA. Where appropriate, these could be considered for inclusion in the updated SNA. Examples of clarifications provided by UNSD to external users include:
- Treatment of output of offshore banks
 - Timing of recording of gross fixed capital formation in fixed assets when the payments for the purchases are made in installments in more than one accounting period
 - Treatment of refunded premiums when insurance policies are surrendered

VI. COVID-19 responses

12. The COVID-19 pandemic has resulted in massive government relief measures to provide assistance to households and businesses to mitigate its effects. At the same time, businesses have come up with various initiatives to provide relief to consumers. The ISWGNA has prepared a number of notes to provide guidance on how to record these measures and initiatives which could be considered for inclusion in the updated SNA. Examples include:
- Recording of government support to employers and self-employed
 - Recording of deferred or waived rental payments by private landlords
 - Recording of deferred delivery of, and payments for, goods and services
 - Recording of loan payment deferrals by financial intermediaries

VII. New developments

13. Digital collectibles and non-fungible tokens (NFTs) have been in the headlines recently since a jpeg of Beeple’s “Everydays: the First 5000 Days” was sold for US\$69.3 million at an auction conducted by Christie’s.¹ NFTs have also boomed in recent months thanks to the embrace of almost all corners of the art, entertainment and media worlds. This immediately raises the question of how to treat these entities and record transactions in them in the national accounts. As these entities seem to be related to the digital economy, it is suggested that the digitalization task team (DZTT) develop recommendations on how to account for them in the national and external sector accounts, and, where appropriate, other macroeconomic statistical domains:

VIII. Way forward

14. The above sections provide examples of outcomes of resolution of issues and global statistical initiatives that could be considered for incorporation into the updated SNA, but they are definitely not exhaustive. Members of the ISWGNA and AEG are mostly like to have encountered issues and initiatives belonging to the above genres. At the same time, the task to incorporate these outcomes will have to be selective and consider only those outcomes which have a bearing on the conceptual and structural aspects of the updated SNA. This is especially so in the case of clarifications and interpretations of existing SNA rules and COVID-19 responses. As a way forward, the following are suggested:
- Form a task team to provide guidance on the links between the SNA and the adoption of the most recent ICLS resolutions on labour statistics
 - Request the digitalization task team to develop recommendations on how to account for digital collectibles and NFTs in the national and external sector accounts, and, where appropriate, other macroeconomic statistical domains
 - For the other issues:
 - Record existing ones in matrices on a platform which allows co-authoring
 - ISWGNA and AEG members will enter the issues they have encountered and the outcomes
 - Develop criteria to decide which outcomes that the editorial task team will incorporate into the updated SNA

IX. Questions for the AEG

15. The AEG is invited to provide comments on the way forward.

Errata for the 2008 SNA - In the following text the paragraph numbers with wrong text are listed. The mistake is highlighted in red and the correction is highlighted in green.

1.4 The SNA is designed for economic analysis, decisiontaking and ~~peacemaking~~ (→**policymaking**), whatever the industrial structure or stage of economic development reached by a country.

4.106 e. ~~cooperative~~ (→**Cooperative**) credit banks, credit unions; and

7.51 ~~5~~Almost any kind of consumption good.....

10.115 If an original is ~~acquired~~ (→**produced**) as a valuable, its production does not count as own account production

11.17 The evolution of net lending can be seen clearly in table 11.1. Non-financial corporations are shown to have a net borrowing requirement of ~~72~~ (→**56**). This requirement is financed by incurring liabilities of ~~135~~ (→**139**) and acquiring financial assets of ~~63~~ (→**83**); the difference between the two equals net borrowing. Similarly, the household sector, which has a net lending balance of ~~206~~, (→**174**) achieves this result by acquiring financial assets of ~~220~~ (→**189**) and incurring liabilities of ~~14~~ (→**15**).

11.18 In table 11.1, the financial corporations sector has a net borrowing of ~~15~~(→**1**), which is financed by net incurrence of liabilities of ~~182~~ (→**173**) and net acquisition of financial assets of ~~167~~. (→**172**)

11.73and loans that have become debt securities are ~~also~~ excluded from loans.

13.28 Further explanation of these adjustments can be found in chapters 10 and ~~19~~ (→**20**).

13.40 As explained in chapter 6 and chapter ~~19~~(→**20**),....

16.67 Disposable income, ~~net~~ (→**gross**), is 317 for general government, 37 for NPISHs and 1 219 for households. Final consumption expenditure is 352 for government, 32 for NPISHs and 1 015 for households. Total consumption expenditure is 1 399. Saving is given by disposable income less final consumption expenditure.

16.68 Other changes in volume of assets are ~~2~~ (→**1**).

17.19 All investment income ~~attributed~~ (→**attributable**) to policyholders,

17.239given in figure ~~17.3~~ (→**17.2**).

20.28the asset in year ~~t=1~~ (→**t+1**) is b_t , V_{t+1}

20.35the repayment of ~~principle~~ (→**principal**)from the....

28.71 By writing the supply table horizontally and the **supply** (→**use**) table vertically in terms of these sub-matrices and their associated accounts, table 28.8 emerges. The rows and columns labelled E denote the total economy and those labelled R the rest of the world.

29.101 The derivation of these items is shown in table 6 of the *TSA* manual which is included as table 28.1(→29.1).

In the following text the figures and table numbers with missing text are listed. The corrected text is highlighted in green.

Figure 2.2, page 35

Under the column "Main aggregate" the first line reads: "Domestic product".
It should read "Domestic product (**GDP, NDP**)"

Table 12.6, page 254 and 255

The description of the middle part of the table on both pages reads: "Neutral holding gains"
It should read: "Neutral holding gains **and losses**"

Table 14.10, page 286

The fifth line reads: "transport services (6)"
It should read: "**Trade, accommodation, food & beverages**; transport services (6)"

Table 14.15, page 294

The fifth line of products reads: "transport services (6)"
It should read: "**Trade, accommodation, food & beverages**; transport services (6)"

Table 17.7, page 362

The fourteenth line reads: "pension scheme service charges"
It should read: "**P**ension scheme service charges"

The fifteenth line reads: "Defined contribution pension benefits"
It should read: "**P**ension benefits"

Table 17.7, (cont) page 363

The fourteenth line reads: "pension scheme service charges"
It should read: "**P**ension scheme service charges"

The fifteenth line reads: "pension benefits"
It should read: "**P**ension benefits"

Annex 2, page 576 and 577

The description of the middle part of the table on both pages reads: “Neutral holding gains”
It should read: “Neutral holding gains and losses”

Annex 2, page 578 and 579

The heading of the table, in accordance with figure 2.12, should be:

The opening balance sheet, changes in assets and liabilities and closing balance sheet

The following tables show corrected numbers

Table 14.12, page 290

9	Community and social services (92-93)	275	0	0	0	275	0
10	Other services (94-99)	95	0	4	0	91	0
11	Public administration (91)	91 168				91 168	
12	CIF/FOB adjustment on imports	0				0	
13	Direct purchases abroad by residents	43				43	
14	Total	4159	0	141	-8	4026	78 181
		4236				4103	

Table 14.12, page 290

13	Direct purchases abroad by residents	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	9	-29	-29
14	Total uses at basic prices	400 4103	46	1 098	109	121	39	51	47	60	132	18	116	1 835	452	76	1 902	342	43	43	
15	Taxes less subsidies on products	133	1	35	5	2	0	1	1	0	1	0	2	48	10	0	54	24	54	24	
16	Total uses in purchasers' prices	47 1 133	114	123	39	52	48	60	133	16	118	1 883	462	78	1 400	1 016					
17	Total gross value added (GVA)	133	42	728	130	139	61	94	146	123	142	66	50	1 721	1 854					1378	1015
18	Compensation of employees	19	247	79	102	32	44	49	79	113	47	39	1 150	1 150							
19	Taxes less subsidies on production and imports																				
20	Mixed income, gross																				
21	Operating surplus, gross																				
22	Consumption of fixed capital - mixed income																				
23	Consumption of fixed capital - other																				
24	Total output	89	1 861	244	262	100	146	194	183	275	82	168	3 604								

Table 17.2, page 372

Figure 17.2: Indications of the flows associated with different financial instruments

Financial instrument	Services appearing in the production account		Property income appearing in the distribution of primary income account			Revaluation account
	Buy/sell margin	Margin on interest	Interest	Dividends	Investment income Withdrawals attributed to collective incomes of quasi-fund investment share holders	Holding gains and losses
Monetary gold and SDRs						
Gold bullion						X
Unallocated gold accounts			X			X
SDRs			X			X
Currency and deposits						

Table 28.7, page 517

Total at purchaser's prices	47	1 133	114	123	52	48	99	133	16	118	1 883									
Total gross value added/GDP	42	728	130	139	94	146	184	142	66	50	1 721	1 854								
Compensation of employees	1019	122	547	879	491	027	44	549	2111	71113	247	39	334	1150						
Taxes less subsidies on production	-2	43	5	-5	4	6	3	2	1	1	58	191								
Consumption of fixed capital	413	0	83	0	11	0	31	0	12	15	20	0	19	21	2	10	52	222		
Mixed income, gross	87	0	30	12	15	0	9	0	0	0	0	0	0	0	0	0	1561			
Operating surplus, gross	218	0	108	0	31	0	33	0	46	80	91	0	70	20	27	0	18	10	112	482
Total output	89	1 861	244	262	146	194	283	275	82	168	3 604									

Table 17.9, page 368

Table 17.9: Detailed transactions concerning social and other insurance

Table number		Insurance corporation/ Social				Total economy
		Corporation/ Employer	insurance fund	Households	Other sectors	
Intermediate consumption			1	3	4	
17.1	Non-life insurance	1		3	4	
Output (Output shown as negative use for compactness)				-13		
17.1	Non-life insurance			-6		
17.2	Life insurance			-4		
17.5	Other employment-related schemes - funded non-pension benefits			-1		
17.7	Other employment-related schemes - DC pension benefits			-1.4		
17.8	Other employment-related schemes - DB pension benefits			-0.6		
Employers' actual social insurance contributions		181			181	
17.3	Social security non-pension benefits	15			15	
17.5	Other employment-related schemes - funded non-pension benefits	6			6	
17.6	Social security pension benefits	139			139	
17.7	Other employment-related schemes - DC pension benefits	11			11	
17.8	Other employment-related schemes - DB pension benefits	10			10	
Employers' imputed social contributions		13.1			13.1	
17.4	Other employment-related schemes - unfunded non-pension benefit	9			9	
17.8	Other employment-related schemes - DB pension benefits	4.1			4.1	
Household actual contributions				124	124	
				-115	-115	
17.3	Social security non-pension benefits			10	10	
17.4	Other employment-related schemes - unfunded non-pension benefits			9	9	
17.5	Other employment-related schemes - funded non-pension benefits			5	5	
17.6	Social security pension benefits			87	87	
17.7	Other employment-related schemes - DC pension benefits			11.5	11.5	
17.8	Other employment-related schemes - DB pension benefits			1.5	1.5	
Investment income			37.2		37.2	
17.1	Non-life insurance		6		6	
17.2	Life insurance		7		7	
17.5	Other employment-related schemes - funded non-pension benefits		4		4	
17.7	Other employment-related schemes - DC pension benefits		16.2		16.2	
17.8	Other employment-related schemes - DB pension benefits		4		4	
Insurance service charges paid by households				6	6	
17.1	Non-life insurance			2	2	
17.2	Life insurance			4	4	
Social insurance scheme service charge				3	3	
17.5	Other employment-related schemes - funded non-pension benefits			1	1	
17.6	Social security pension benefits					
17.7	Other employment-related schemes - DC pension benefits			1.4	1.4	
17.8	Other employment-related schemes - DB pension benefits			0.6	0.6	
Social insurance benefits			290		290	
17.3	Social security non-pension benefits		22		22	
17.4	Other employment-related schemes - unfunded non-pension benefit		9		9	
17.5	Other employment-related schemes - funded non-pension benefits		7		7	
17.6	Social security pension benefits		210		210	
17.7	Other employment-related schemes - DC pension benefits		26		26	
17.8	Other employment-related schemes - DB pension benefits		16		16	
Adjustment for the change in pension/non-pension entitlements			12.3		12.3	
			-2	14.3	12.3	
17.5	Other employment-related schemes - funded non-pension benefits		-2		-2	
17.7	Other employment-related schemes - DC pension benefits		11.3		11.3	
17.8	Other employment-related schemes - DB pension benefits		3		3	
Claim by pension fund on pension manager			4.1		4.1	
17.8	Other employment-related schemes - DB pension benefits		4.1		4.1	