IMF Committee on Balance of Payments Statistics	Joint Thirty-Eighth Meeting of the MF Committee on Balance of Payments Statistics and Eighteenth Meeting of the Advisory Expert Group on National Accounts	Intersecretariat Working Group on National Accounts

Remote Meeting
March 7 – 10, 2022

BOPCOM – 22/14.1
SNA/M1.22/14.1
For Discussion

IF. 1 Islamic Finance in the National Accounts and External Sector Statistics: Outcome of Global Consultation

Prepared by Joint Islamic Finance Task Team (IFTT)

Islamic Finance in the National Accounts and External Sector Statistics

Outcome of Global Consultation

Most of the respondents to the global consultation indicated the topic is of high or medium relevance to their economy. The outcome of the global consultation also shows solid support for the recommendations for the various topics in the guidance note (detailed below). It reinforces the need for more flexibility for current macroeconomic statistical standards to account for Islamic finance activities. The respondents agreed with the recommendations to broaden the terminology used for the investment income for Islamic loans and deposits; sectorize Islamic financial entities and calculate their output; apply the concept of economic ownership to the treatment of non-financial assets underlying various Islamic financial arrangements; classify Islamic financial instruments using a slotting-in approach to preserve the universality of current standards and develop a decision tree to guide future classification; and sectorize Islamic insurance entities and calculate their output.

The global consultation also confirmed that while the FISIM formula in the 2008 SNA is preferred from a conceptual perspective to calculate Islamic financial intermediation services, diverging views appear to remain on the appropriate reference rate to use, with a slight preference to recognize only one reference rate for both conventional and Islamic FISIM.

There was also strong support for the recommendations to include a special section on Islamic finance in the updated SNA and BPM and to develop a compilation guide on Islamic finance (which will also include guidance on developing an Islamic finance satellite accounts). Some respondents also volunteered to participate in testing and experimentation exercises if they were to be organized.

In view of the broad agreement received during the global consultation, the recommendations in the guidance note (GN) are proposed to be approved by the AEG and BOPCOM for inclusion in the updated SNA and BPM.

BACKGROUND

1. The global consultation was conducted from 14 December 2021 to 25 January 2022.[1] Thirty-six respondents from twenty nine economies and regional and international organizations submitted responses to the questions on the recommendations, of which the majority were provided by Asian economies (19), followed by Africa (six), Europe and South America (four each) and North America (three) (see table 1).[2] Sixty seven per cent of the respondents reported the topic is either of high or medium relevance to their economy, while 22 per cent assessed it is of low relevance. A few respondents (11 per cent) said it is not relevant to their economies. Four out of five respondents who indicated that the topic is highly relevant are from Asia.

[1] The guidance note and the list of recommendations are available here.

[2] Annex A shows the responses for each recommendation by region, while annex B shows the comments provided by respondents for each recommendation.

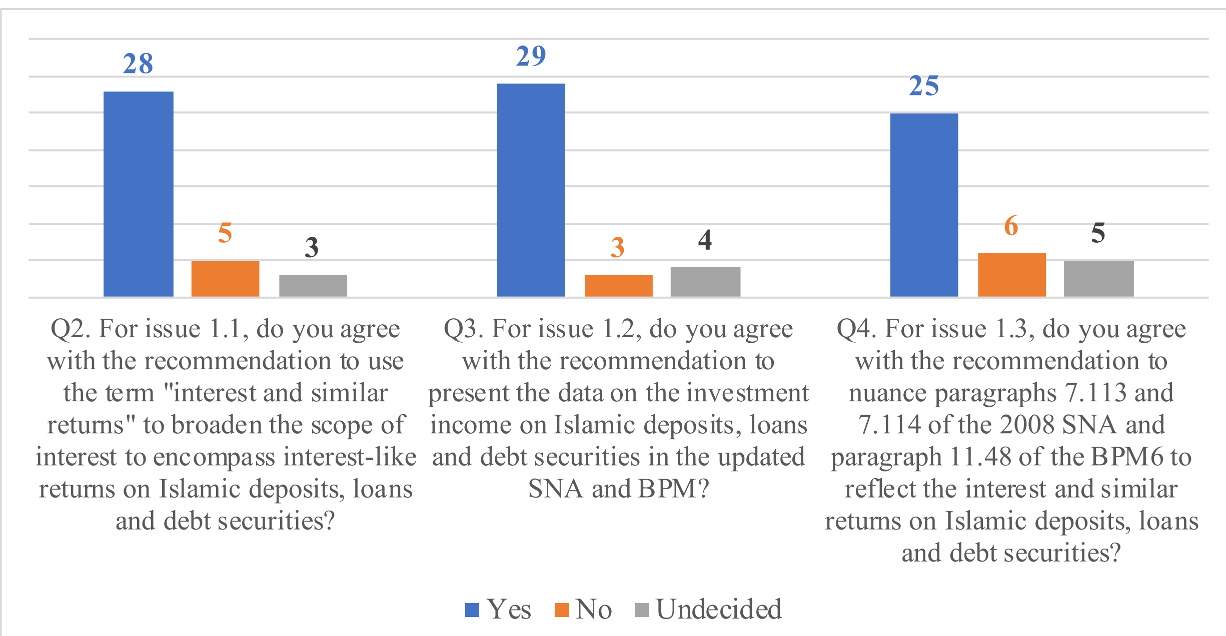
Table 1 Responses on the relevance of Islamic finance by region

Q1. Is this topic of relevance for your country?	Asia	Africa	Europe	South America	North America	TOTAL
High relevance	12	1		1	1	**15**
Medium relevance	5	1	1	2		**9**
Low relevance	1	3	2	1	1	**8**
Not relevant	1	1	1		1	**4**
TOTAL	**19**	**6**	**4**	**4**	**3**	**36**

TERMINOLOGY FOR THE INVESTMENT INCOME FOR ISLAMIC DEPOSITS, LOANS AND DEBT SECURITIES

2. The consultation on issues related to the terminology for the investment income for Islamic deposits, loans and debt securities reveals overwhelming support to (a) use the term "**interest and similar returns**" to broaden the scope of interest to encompass interest-like returns on Islamic deposits, loans and debt securities (issue 1.1); and (b) retain the current classification of the investment income in the 2008 SNA and BPM6 with renaming of "interest (D41)" into "**interest and similar returns (D41)**" while giving economies the option to create a sub-category to present these returns (issue 1.2). The proposed recommendations to nuance **paragraphs 7.113 and 7.114 of the 2008 SNA** and **paragraph 11.48 of the BPM6** to reflect the interest and similar returns on Islamic deposits, loans and debt securities were largely supported as well (issue 1.3) (see chart 1).

Chart 1: Summary of responses to recommendations for terminology for the investment income for Islamic deposits, loans and debt securities



3. On issue 1.1, the supporting respondents (78 per cent) argued that the proposed terminology ensures flexibility and continuity with the current terminology, helps avoid

misinterpretation and preserves the existing macroeconomic statistical frameworks, while the alternative term “financing and investment income” would not be so intuitive and would overlap with other different aggregates such as “Investment income disbursements (D44)”. The respondents that were against this proposal expressed concern about whether users would understand the 'similar' part of the term and suggested an explanation somewhere to make it clear. Alternative terms were proposed, such as 'earnings on deposits', 'return on deposits', etc.

4. Regarding issue 1.2, the respondents in favor of maintaining –and renaming– the current classification (81 per cent) considered that this recommendation preserves the universality of the international statistical standards and will add value for economies where there are significant Islamic financial activities.

5. A broad majority of sixty nine per cent of the respondents agreed with the proposed changes of wording for the three paragraphs indicated in issue 1.3, affirming it would clearly reflect the expansion of coverage to such Islamic financial instruments, in line with issue 1.1. Within the supporting answers, it was suggested that some changes should be further explained for clarity using footnotes and examples, for instance, to explain that the concept of interest and similar returns is inclusive of property incomes received or charged. One respondent against the proposals argued it can create confusion in future discussions if it is not clearly stated that the wording includes Islamic finance and suggested therefore that it would be easier to add a separate paragraph on Islamic finance instead of nuancing current paragraphs.

SECTORIZATION AND OUTPUT OF ISLAMIC FINANCIAL ENTITIES

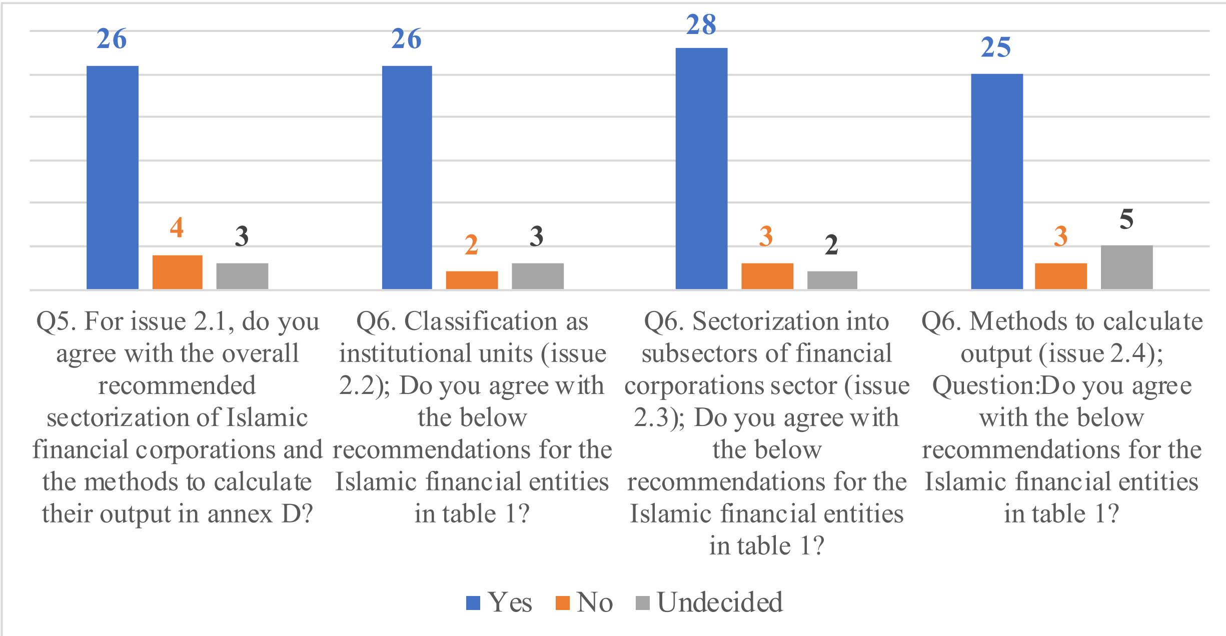
6. A large majority (79 per cent) supported the overall recommended sectorization of Islamic financial corporations and the methods to calculate their output as provided in annex D of the guidance note (issue 2.1). A quite similar majority supported the recommendations for the treatment of entities enumerated in table 1 of the guidance note (off-balance sheet restricted investment accounts, Islamic windows in conventional banks, Waqf funds and Hajj funds) as institutional units (84 per cent) (issue 2.2), their sectorization (85 per cent) (issue 2.3) and the methods to calculate their output (76 per cent) (issue 2.4) (see chart 2).

7. On issue 2.2, the main reasons in support of the proposal lie in the fact that each entity can maintain separate set of accounts with available data and has sufficient autonomy to make economic decisions. An undecided respondent argued that Islamic windows in conventional banks should not be classified as institutional units.

8. On issue 2.3, it was mentioned that the proposed sectorization in table 1 complies with the 2008 SNA sectorization of units which share the same economic characteristics, with one respondent emphasizing that the classification of the subsector would depend on the nature of the savings.

9. As for issue 2.4, supporting respondents observed that the recommendations are consistent with how these units are sectorized and with the methods used to calculate the output of similar conventional units.

Chart 2: Summary of responses to recommendations for sectorization and output of Islamic financial entities

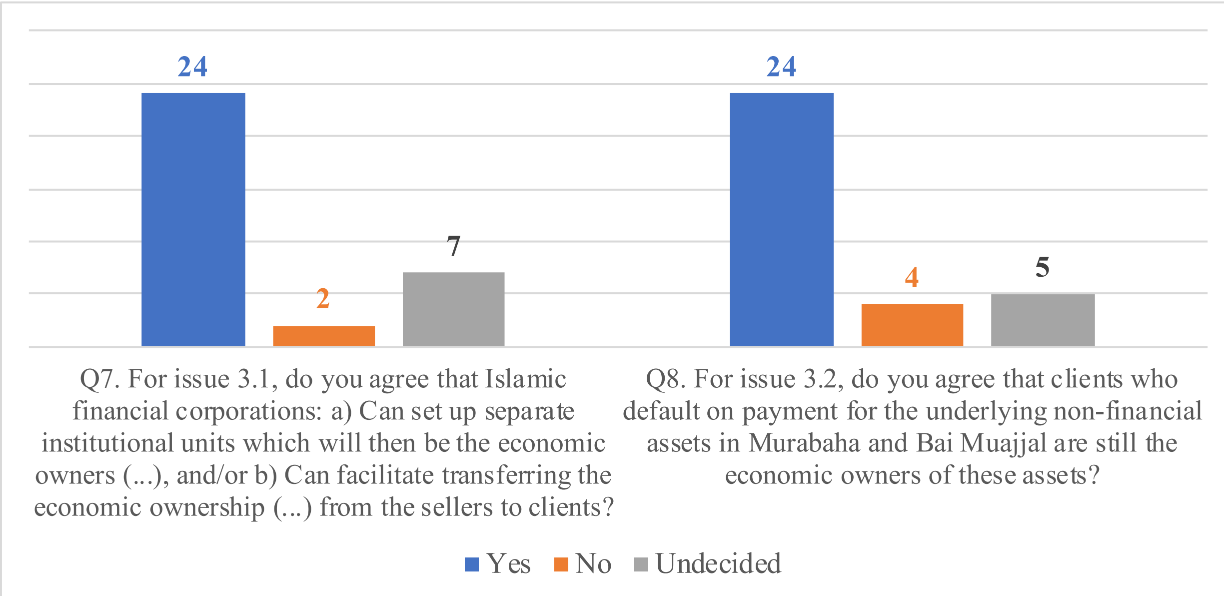


ECONOMIC OWNERSHIP OF NON-FINANCIAL ASSETS RELATED TO SALES, LEASE, AND EQUITY FINANCING WHICH ARE LEGALLY OWNED BY ISLAMIC FINANCIAL CORPORATIONS

10. A clear majority of respondents (73 per cent) agreed that Islamic financial corporations **can set up separate institutional units which will then be the economic owners of the underlying non-financial assets** for relevant Islamic financial arrangements, and/or can facilitate transferring the economic ownership of these non-financial assets from the sellers to clients (issue 3.1), since it would better articulate the role of Islamic financial corporations as providers of financial services. One respondent detailed that the current recording of Islamic finance might give a picture of increased participation of Islamic financial corporations in non-financial activities, with the risk of an over-estimation in terms of the SNA reporting because these corporations may not necessarily use the assets in their productive activities. An undecided respondent expressed concerns that the recommendation may represent a way of dividing activities, as happens in financial groups that segment the operations of each specialized economic activity.

11. The same majority also supported that clients who default on payment for the underlying non-financial assets in Murabaha and Bai Muajjal are still the economic owners of these assets (issue 3.2) considering default does not change the economic ownership of the non-financial assets, until a possible confiscation of them becomes effective. One respondent corroborated it with their local practice that keeps the assets recorded as the property or economic ownership of the clients until the goods/assets are settled through the National Sharia Arbitration Board after no agreement is reached through deliberation, so that ownership can be transferred to Islamic financial corporations again. Another respondent noted that clients remain entitled to claim the benefits or assume the risks associated with the use of these assets (see chart 3).

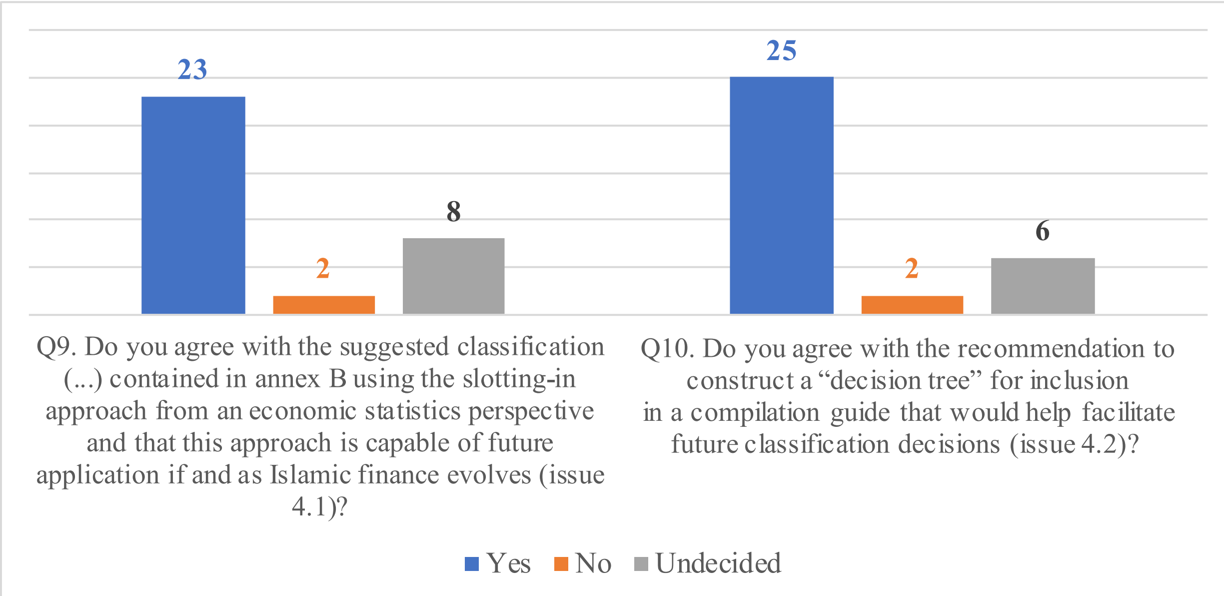
Chart 3: Summary of responses to recommendations for economic ownership of non-financial assets related to sales, lease, and equity financing which are legally owned by Islamic financial corporations



CLASSIFICATION OF ISLAMIC FINANCIAL INSTRUMENTS AND CORRESPONDING INVESTMENT INCOME

12. The proposed classification of Islamic financial instruments developed in annex B of the guidance note using the slotting-in approach from an economic statistics perspective (issue 4.1) gained large support (70 per cent) among respondents who concur concomitantly that this approach is capable of future application if and as Islamic finance evolves. It was appreciated that the approach is more effective than creating new classifications and definitions for Islamic financial instruments. The indicated approach has also been qualified as the most practical solution for integration in economic statistics given the existing similarities of Islamic and conventional financial instruments even if there is no direct relationship between them. Around 76 per cent of them also supported the recommendation to **construct a "decision tree"** for inclusion in a compilation guide that would help facilitate future classification decisions (issue 4.2). Many of them pointed out the benefits and usefulness of such a tool for compilers given the complex nature of the subject, which would help to properly classify Islamic financial instruments and improve their classification. One undecided respondent, however, noted that the decision tree would only help compilers if it could be constructed in a practical way that avoids the rise of new ambiguities (see chart 4).

Chart 4: Summary of responses to recommendations for classification of Islamic financial instruments and corresponding investment income



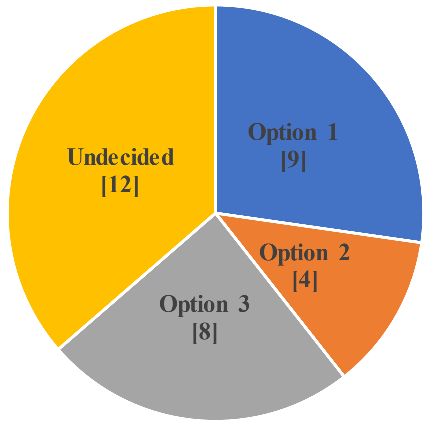
REFERENCE RATES AND TERMINOLOGY TO CALCULATE ISLAMIC FISIM

13. Two out of three respondents (67 per cent) agreed with the recommendation to apply the FISIM formula in the 2008 SNA to calculate the financial intermediation services provided by Islamic deposit-taking corporations (option 1) rejecting, then, the perspective that the concept of FISIM does not apply to Islamic deposit-taking corporations, since interest is not accepted as a part of Islamic finance (issue 5.1).

14. Despite this majority, views were, nevertheless, split on the options regarding the appropriate reference rate(s) that should be used to calculate conventional and Islamic deposits and loans which are denominated in the same currency (issue 5.2). While some respondents (36 per cent) were undecided on it, the others expressed a slight preference to recognize only one unique reference rate for both conventional and Islamic FISIM (option 1, consistent with the guidance in the 2008 SNA and BPM6) rather than recognition of different/separate reference rates for conventional and Islamic FISIM (see chart 5).

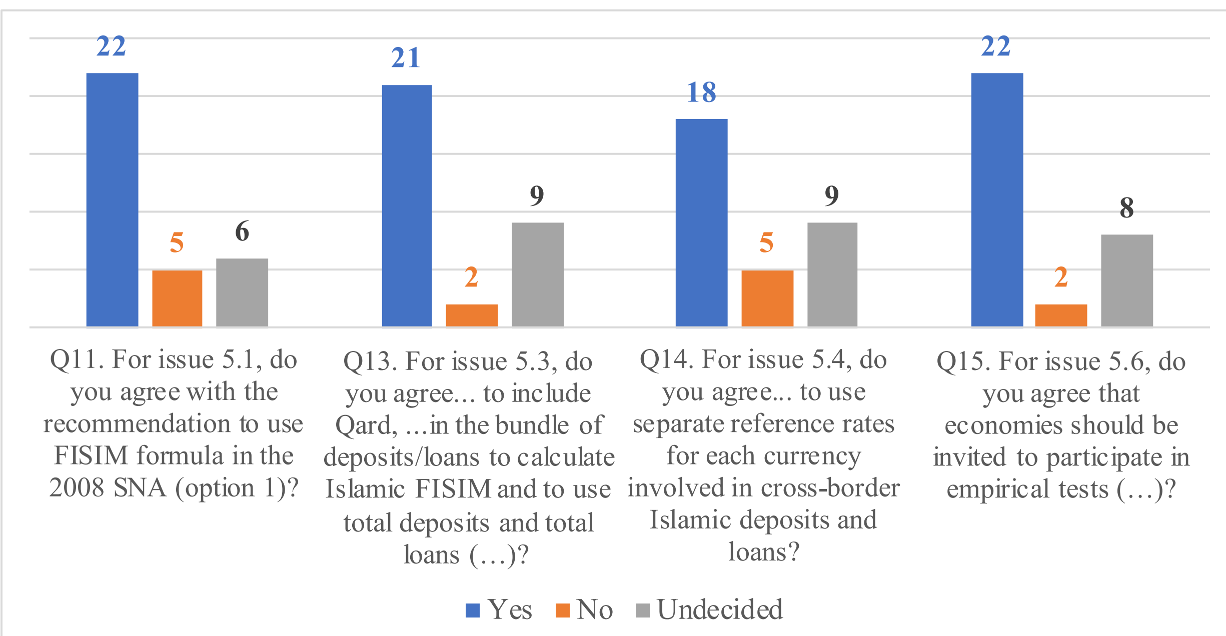
15. Respondents that favored option 1 praised the simplicity of this option that makes it convenient from a practical consideration as it facilitates the work of statisticians and can be applied easily compared to the other options. Option 2 gained less support even if its arguments were considered conceptually stronger by one respondent. Among respondents favoring option 3, one justified this preference by current practices in their economy as the operating characteristics of Sharia/Islamic financial institutions are different from conventional ones, while another respondent clarified that there are no reference rates of interest for Islamic banks, since the reference rate can only be derived for commercial margins. Finally, an undecided respondent stressed that exercises could be done with the three options to determine in a practical way which one would be the most viable.

Chart 5: Summary of responses to preferred option for appropriate reference rate(s) to calculate Islamic FISIM



16. Further, for issue 5.3, 66 per cent of the respondents agreed with the recommendation that Qard, Wadiah, Amanah, and Qard-hasan deposits and Qard-hasan financing should be included in the bundle of deposits/loans to calculate Islamic FISIM. For issue 5.4, 56 per cent of the respondents agreed that separate reference rates should be used for each currency involved in cross-border Islamic deposits and loans. Also, for issue 5.6, 69 per cent agreed with the need to invite economies to participate in empirical tests such as what reference rate to use to calculate domestic and cross-border FISIM on Islamic deposits and loans (see chart 6).

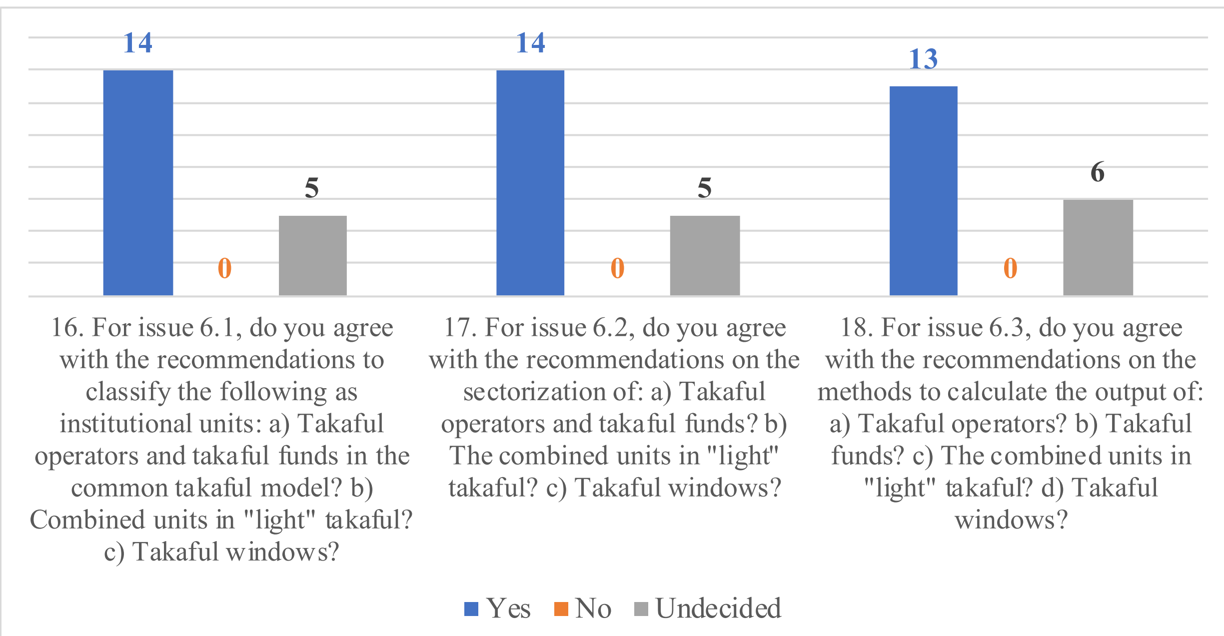
Chart 6: Summary of responses to recommendations for other FISIM issues



ISLAMIC INSURANCE (TAKAFUL AND RETAKAFUL)

17. A rather large majority (74 per cent) supported the recommendation to classify takaful operators and takaful funds in the common takaful model, combined units in “light” takaful and takaful windows as institutional units (issue 6.1). One respondent noted that it is possible for the financial statements of takaful operators and takaful funds to be separately provided, while another noted that takaful windows have distinctly identified assets and liabilities, which are separate from those of conventional operations. In addition, 74 per cent supported the recommendations to sectorize takaful operators into the financial auxiliaries subsector (S126), and takaful funds, “light takaful” and takaful windows into the insurance corporations subsector (S128) of the financial corporations sector (issue 6.2). One respondent noted that takaful operators appear similar to insurance brokers which are similarly sectorized into financial auxiliaries subsector. Another noted that the economic activities of takaful windows and “light” takaful appear to be similar to those of their conventional insurance counterparts, which, in turn, justify their sectorization into the insurance corporations subsector. Further, two-thirds of the respondents agreed with the recommended methods to calculate the output of these three Islamic financial entities, generally on the basis that these methods are similar to those used to calculate the output of their conventional counterparts (issue 6.3) (see chart 7).

Chart 7: Summary of responses to recommendations for Islamic insurance



GENERAL RECOMMENDATIONS

18. Respondents were asked if they agreed with the recommendations to:

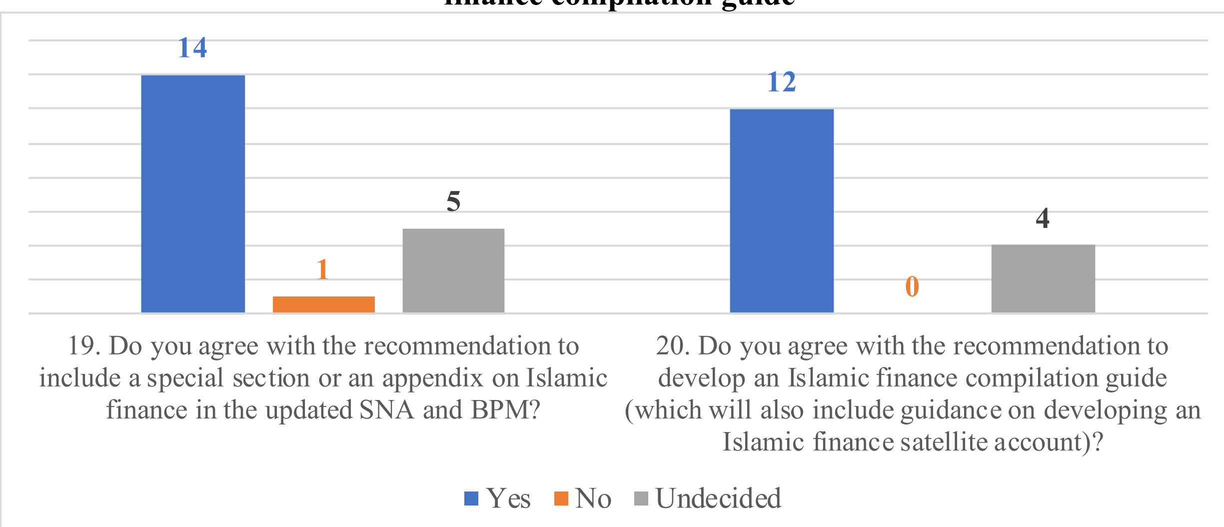
a. Include a special section or an appendix on Islamic finance in the updated SNA and BPM?

b. Develop an Islamic finance compilation guide (which will also include guidance on developing an Islamic finance satellite account)?

19. Seventy per cent supported the recommendation to include a special section on Islamic finance in the updated SNA and BPM, on the basis that a more comprehensive and complete overview of Islamic finance will improve the content of these two manuals. Besides, this will help users better understand the distinctions and interconnections between conventional and Islamic finance. One respondent was undecided about including such a special section as it might duplicate the content in the proposed compilation guide. Instead, this respondent proposed developing the compilation guide only.

20. Seventy five per cent of the respondents supported the recommendation to develop an Islamic finance compilation guide. One respondent noted that it would help compilers to better understand the mechanisms of this type of finance, the methodology to adopt and the classification of the transactions in the balance of payments (see chart 8).

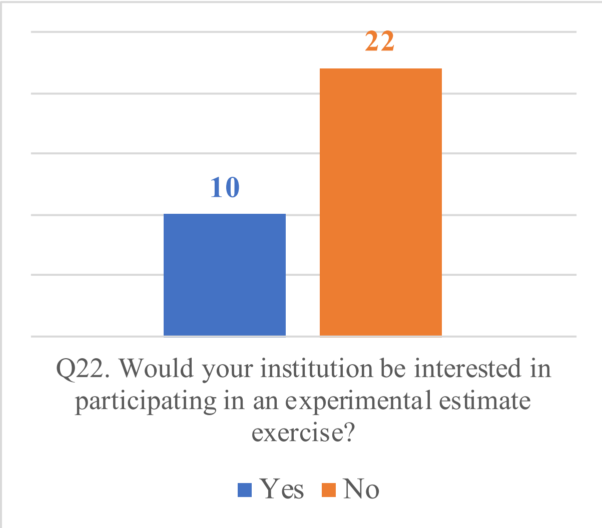
Chart 8: Summary of responses to recommendations to include a special section or an appendix on Islamic finance in the updated SNA and BPM and to develop an Islamic finance compilation guide

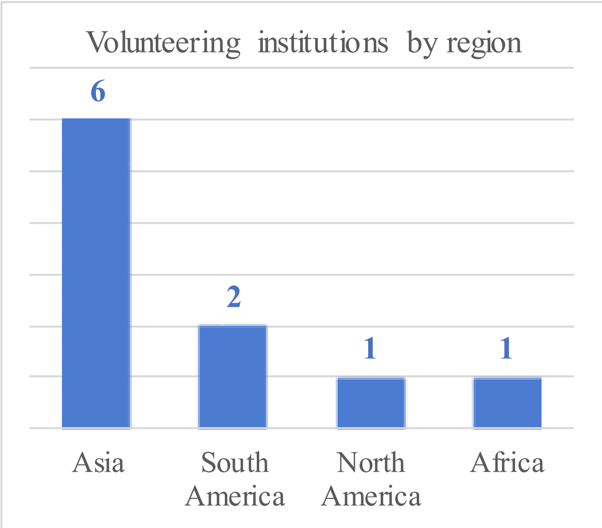


EXPERIMENTATION AND TESTING

21. Thirty one per cent of the respondents indicated that they would be interested in participating in the experimentation and testing of the recommendations. Sixty per cent of the respondents who would like to participate in the experimentation and testing of the recommendations are from Asia (see chart 9). One suggestion was the reference rate for calculating the FISIM on Islamic deposits and loans. There was also a suggestion to organize workshops on Islamic finance involving the banking community, statistical offices, macroeconomic teams and other relevant stakeholders. The need for technical assistance for experimentation and testing was also highlighted by a few respondents.

Chart 9: Summary of responses to interest in participating in an experimental and testing exercise by region





QUESTIONS FOR AEG AND BOPCOM

22. Do the AEG and BOPCOM agree on the following?

   a. Include the recommendations for all the issues, with the exception of issue 5.2 related to which reference rates to use when calculating Islamic FISIM, in the updated SNA and BPM.
   b. Conduct experimentation and testing of which reference rates to use when calculating Islamic FISIM before a decision is made on issue 5.2.
   c. Include a section on Islamic finance in the updated SNA and BPM.
   d. Develop an Islamic finance compilation guide.

Annex A: Breakdown of responses by issues and regions

Questions/Issues	Asia	Africa	Europe	South America	North America	TOTAL
Q2. issue 1.1	**19**	**6**	**4**	**4**	**3**	**36**
Yes	16	4	3	3	2	28
No	2	2	1			5
Undecided	1			1	1	3
Q3. issue 1.2	**19**	**6**	**4**	**4**	**3**	**36**
Yes	16	5	3	3	2	29
No	2	1				3
Undecided	1		1	1	1	4
Q4. issue 1.3	**19**	**6**	**4**	**4**	**3**	**36**
Yes	16	4	1	2	2	25
No	2	2	2			6
Undecided	1		1	2	1	5
Q5. issue 2.1	**17**	**6**	**3**	**4**	**3**	**33**
Yes	14	4	3	3	2	26
No	2	2				4
Undecided	1			1	1	3
Q6A. issue 2.2	**15**	**6**	**3**	**4**	**3**	**31**
Yes	14	3	3	4	2	26
No		2				2
Undecided	1	1			1	3
Q6B. issue 2.3	**17**	**6**	**3**	**4**	**3**	**33**
Yes	14	5	3	4	2	28
No	2	1				3
Undecided	1				1	2
Q6C. issue 2.4	**17**	**6**	**3**	**4**	**3**	**33**
Yes	14	4	2	3	2	25
No	1	2				3
Undecided	2		1	1	1	5
Q7. issue 3.1	**17**	**6**	**3**	**4**	**3**	**33**
Yes	14	3	3	3	1	24
No		2				2
Undecided	3	1		1	2	7
Q8. issue 3.2	**17**	**6**	**3**	**4**	**3**	**33**
Yes	13	4	3	2	2	24

Questions/Issues	Asia	Africa	Europe	South America	North America	TOTAL
No	1	2		1		4
Undecided	3			1	1	5
Q9. issue 4.1	**17**	**6**	**3**	**4**	**3**	**33**
Yes	13	3	3	3	1	23
No		2				2
Undecided	4	1		1	2	8
Q10. issue 4.2	**17**	**6**	**3**	**4**	**3**	**33**
Yes	15	4	1	3	2	25
No		2				2
Undecided	2		2	1	1	6
Q11. issue 5.1	**17**	**6**	**3**	**4**	**3**	**33**
Yes	12	2	3	3	2	22
No	2	3				5
Undecided	3	1		1	1	6
Q12. issue 5.2	**17**	**6**	**3**	**4**	**3**	**33**
Option 1	2	2	3	1	1	9
Option 2	2			1	1	4
Option 3	6	1		1		8
Undecided	7	3		1	1	12
Q13. issue 5.3	**16**	**6**	**3**	**4**	**3**	**32**
Yes	12	2	3	2	2	21
No		2				2
Undecided	4	2		2	1	9
Q14. issue 5.4	**16**	**6**	**3**	**4**	**3**	**32**
Yes	11	1	2	2	2	18
No		3	1	1		5
Undecided	5	2		1	1	9
Q15. issue 5.6	**16**	**6**	**3**	**4**	**3**	**32**
Yes	14	2	1	3	2	22
No		2				2
Undecided	2	2	2	1	1	8
Q16. issue 6.1	**9**	**3**	**2**	**2**	**3**	**19**
Yes	9	1	1	2	1	14
Undecided		2	1		2	5
Q17. issue 6.2	**9**	**3**	**2**	**2**	**3**	**19**
Yes	9	1	1	2	1	14
Undecided		2	1		2	5

Questions/Issues	Asia	Africa	Europe	South America	North America	TOTAL
Q18. issue 6.3	**9**	**3**	**2**	**2**	**3**	**19**
Yes	8	1	1	2	1	13
Undecided	1	2	1		2	6
Q19. include section	**9**	**3**	**2**	**3**	**3**	**20**
Yes	8	3		2	1	14
No	1					1
Undecided			2	1	2	5
Q20. compilation guide	**6**	**3**	**1**	**3**	**3**	**16**
Yes	5	3	1	2	1	12
Undecided	1			1	2	4
Q22. Volunteers	**17**	**5**	**3**	**4**	**3**	**32**
Yes	6	1		2	1	10
No	11	4	3	2	2	22

Annex B: Detailed comments by issues

Q2. For issue 1.1, do you agree with the recommendation to use the term "interest and similar returns" to broaden the scope of interest to encompass interest-like returns on Islamic deposits, loans and debt securities?	
Yes	Ensures continuity with the current terminology to describe investment income on conventional deposits, loans and debt securities. The use of the term "similar" also suggests interest-like returns on these Islamic financial instruments, allowing for integration into existing frameworks.
	Islamic finance operates similar with conventional but they do not receive interest from their clients.
	Keeping the concept of interest in the term helps avoiding misinterpretation. The alternative term financing and investment income would not be so intuitive and would overlap with D44.
	Similar return will assist in the integration of these Islamic financial instruments and the associated income from the instrument into the existing macroeconomic statistical frameworks. The development of alternative classification frameworks for Islamic finance will also be avoided. It seems to be the optimal solution to include Islamic Finance returns.
	The same terms that have been developed in the different reference manuals must be maintained, in this way the terminology will remain standardized, established regardless of the application of the concept of interests.
	The SNA classification for "Interest" appears to be inconsistent with Shari'ah's prohibition on "riba" (normally translated as "interest"), whereas these returns may represent a broader concept that may include equity-like, rental, or sales features.
	We agree to use the term “interest and similar returns” compared with “financing and investment income”. The preferred terminology gives flexibility to include investment income for Islamic deposits, loans, and debt securities while preserves the existing macroeconomic statistical frameworks.
	We agree with the reasoning set out in the Guidance Note.
	Well, Interest is the price of or returns to Capital as a factor of production. It is similar to wages and salaries which is the price of or returns to labour. Also, similar to rent and profit which are returns to land and entrepreneurship respectively. The main concern of Islamic Finance is to eliminate exploitation in the production process. One difficulty in this regard is that I don't think there is an "Islamic Economy". Thus, the known approach to eliminate exploitation in the production process is to replace the capitalist mode of production by the socialist mode of production. In reality, the economy of most Islamic countries with few exceptions is capitalist oriented. Thus, it is very difficult or impossible to implement the Sharia which basically aims at the elimination of exploitation in the production process.
	[Adopting this term enables us to take into account the advantages of Islamic finance without creating new classifications in the current statistical systems.]

	]Because there is a difference between the benefits that come from conventional finance and Islamic finance, Islamic finance is not subject to the same methods in which conventional finance deals because it follows and adheres to the principles and rules of Islamic Sharia.]
No	Because they are returns but not interest
	South Sudan does not use Islamic Laws for financial operations
	We are not sure that users would understand the 'similar' part of the term. It would require an explanation somewhere to make it clear. From a BoP perspective we appreciate the need to avoid the word interest but would prefer to retain the term 'earnings on deposits', loans, etc. Alternatively, if the word earnings is not suitable perhaps 'return on deposits', etc would be seen as appropriate as that is used in the proposed term.

Q3. For issue 1.2, do you agree with the recommendation to present the data on the investment income on Islamic deposits, loans and debt securities in the updated SNA and BPM?	
Yes	Agree for countries with material Islamic finance in their economies that they have the option to publish the data. However, as highlighted in question 2B, we do not agree with the term being proposed. Would prefer the status quo.
	Preserves the universality of the international statistical standards by presenting such data. The nuanced paragraphs would clearly show the expansion of coverage to such Islamic financial instruments. Economies where Islamic finance is prevalent are also given the option to create a sub category for their Islamic deposits, loans and debt securities.
	The possibility to present D41 data with an "of which" breakdown for countries where these data is significant and avoiding changing the classification is the best option.
	These suggested data will add value for economies where there are significant Islamic financial activities. We note that the recommendation is suggested as an 'option' for such countries.
	This calls for the specification of the orientation of the economy, whether the national economy is capitalist or socialist. That is to say both the SNA and BPM should take into account both capitalist and socialist principles in the compilation of national income accounting with is more or less a bridge between the SNA and BPM.
	This will provide economies with significant Islamic financial activities with the option to add a of which category within interest and the statistical framework do not need to change.
	We agree that valuation on income and deposits in Islamic economies should be presented in special sections as annexes in the updated SNA manual.
	We agree with option 2 “Retain the current classification of investment income in the SNA and BPM, but give economies with significant Islamic financial activities the option to create a subcategory within interest (D41) or its proposed new nomenclature to present these returns”, to preserve the universality of international statistical standards. But, because in Indonesia,

	there are financial reports for sharia/Islamic financial activities separately from their conventional companies/activities and the value is also quite significant (around 6%), so we will create a subcategory within interest (D41) to present these returns. For example, for insurance companies, there are financial reports for sharia life insurance and sharia non-life insurance.
	We strongly agree that the components of investment income should be presented in the SNA and BPM6 according to the current classification. Economies with significant Islamic financial activities should be given the option of creating a sub-category within "Interest and similar returns", to include "Returns on Islamic deposits, loans, and debt securities."
	Yes, Islamic finance must be separated from conventional finance on national accounts
	[The updated system should include the classification method of data related to investment income, loans and Islamic debt bonds, and the presentation must be consistent with the classification of traditional finance data, with the ability to distinguish between them.]
	[The current classification must be approved, with the possibility of adding a subclassification for the economies concerned.]
No	South Sudan does not use Islamic Laws for financial operations
	[No need for that in particular, it can be incorporated with non-islamic banks]

Q4. For issue 1.3, do you agree with the recommendation to nuance paragraphs 7.113 and 7.114 of the 2008 SNA and paragraph 11.48 of the BPM6 to reflect the interest and similar returns on Islamic deposits, loans and debt securities?	
Yes	Islamic Finance is either part of the capitalist or socialist economies. So far we do not have an Islamic Economy or African Economy as universal world system.
	It is helpful for clarity to explain that the SNA concept of D.41, or 'Interest and similar returns' if renamed as proposed, is inclusive of property incomes received or charged on debt instruments such as Islamic deposits, loans and debt securities.
	The changes to paragraph SNA 7.113, SNA 7.114, and BPM 11.48 already in line with issue 1 and covers the concept of sharia/Islamic finance in general.
	The new recommended definitions comply with the definition part of standard interest, as well as the part of deposits, loans, and debt securities for Islamic economies.
	The nuanced paragraphs would clearly show the expansion of coverage to such Islamic financial instruments.
	These changes should be explained.
	We agree that the proposed changes should be applied to the relevant paragraphs in the SNA and BPM6 to reflect these interests and similar returns on Islamic investment income components. This is in addition to providing footnotes and examples of "similar returns".
	yes, Islamic receive return from their investment similar with conventional but their income cannot classify to interest

	[It should include one or more paragraphs for clarification to reflect the benefits and returns of Islamic finance. It is also necessary to add notes and examples in the System of National Accounts that clarify and show similar returns.]
	[Because this can be the conceptual framework of statistics that accommodates Islamic finance, which is developing with time.]
No	As highlighted in question 2B we feel the word similar is not clear enough. Would prefer the term 'earnings on deposits', loans, etc. Alternatively, 'return on deposits', etc.
	South Sudan does not use Islamic Laws for financial operations
	We object especially to the use of the term ‘profit’ and ‘profit share’ in paragraph 7.114 as it would seriously dilute the difference between interest and dividend. But also the terms ‘uses of funds’ or ‘sources of funds’ in paragraph 7.113 can create confusion in future methodological discussions on interest when it is not clearly stated that these are only to allow the inclusion of Islamic finance. In our opinion these additions should be clearly circumscribed with reference to Islamic finance which would be easier to do by adding a separate paragraph on Islamic finance instead of changing the wording of the current paragraphs.
	[No need for that in particular, it can be incorporated with non-islamic banks]

Q5. Do you agree with the overall recommended sectorization of Islamic financial corporations and the methods to calculate their output in annex D (issue 2.1)?	
Yes	Annex D provides extensive details and examples of the Islamic financial corporations that are sectorized into each subsector. The method to calculate the output is consistent with conventional financial instruments when parallel comparisons can be made.
	For sectorization à For Deposit Taking Corporations have the same conditions in Indonesia, which also includes Islamic microfinance banks (BPRS) and Islamic windows (UUS). à For captive financial ins and money lenders have the same conditions in Indonesia, which also includes waqf funds (LAZ and BWM). For methods to calculate their output à The method of calculating the sharia/Islamic output which is offered, is in accordance with the available data in Indonesia.
	No comment.
	The recommendations are well justified and the explanations are clear.
	The sectorization is the same as those established in the SNA, the valuation by the sectors is interesting due to the application of the concept of interests.
	This methods of output is in line with other measurement of Financial services as stated in the SNA. They also fit into the framework according to their characteristics.
	We broadly agree with the proposed recommendations which have been derived from an examination of the features of the particular cases, and applying the principles of the SNA / BPM Manuals.

	We support the recommended sectorization of Islamic financial corporations and the treatment of entities as institutional units, their sectorization and the methods to calculate their output.
	[Because it includes Islamic financial institutions]الإسلامية
No	South Sudan does not use Islamic Laws for financial operations
	[The sectorization was based on the functions of each Islamic financial corporation, which correspond to the existing classifications in the current statistical standards.]
	[No need for that in particular, it can be incorporated with non-islamic banks]

Q6. Classification as institutional units (issue 2.2); Question: Do you agree with the below recommendations for the Islamic financial entities in table 1?	
Yes	Criteria for institutional units are met, each maintaining separate set of accounts.
	In Indonesia, the data for all Islamic financial entities in table 1 (The off-balance sheet restricted investment accounts, Islamic windows in conventional banks, Waqf funds, and Hajj funds) are available separately, so they can be classified as a separate institutional unit.
	In the case of off-balance sheet restricted investment accounts, the terminology of 'accounts' could cause confusion. For these vehicles, we understand that they can satisfy the conditions to be institutional units if they have sufficient autonomy, for example they are managed as a fund.
	Independently managed and has separate accounts. Detailed work has already been done on the classification of institutional units.
	Same sectorization as the proposal in SNA 08
	We support the recommendation that the newly identified Islamic financial entities should be considered as institutional units.
	[Standards of institutional unit are available in these units]
	[This is because the funds for these investments and these accounts are placed in an investment fund that is managed independently]
Undecided	Islamic windows in conventional banks should not be classified as institutional units.

Q6. Sectorization into subsectors of financial corporations sector (issue 2.3); Question: Do you agree with the below recommendations for the Islamic financial entities in table 1?	
Yes	Complies with the SNA08 sectorization
	In Indonesia, all Islamic financial entities in table 1 (The off-balance sheet restricted investment accounts, Islamic windows in conventional banks, Waqf funds, and Hajj funds) have the same characteristics as the sectorization of financial corporations classified in table 1.
	Sectorization are on the basis of the characteristics of the subsector being satisfied.

	The classification of institutional follow the current classification used for financial corporations. The classification of the sub-sector would depend on the nature of the savings.
	We support the GN recommendations.
	Yes
	[Attaching these institutions to the sectors currently available is based on the closeness of their functions and characteristics.]
	[Because the sectorization is consistent with the fact of these funds]

Q6. Methods to calculate output (issue 2.4); Question: Do you agree with the below recommendations for the Islamic financial entities in table 1?	
Yes	Methods to calculate output are consistent with how they are sectorized
	The calculation of output is in line with issue 2.3.
	The sum of cost method should be sufficient to calculate most of the output.
	The valuation methods are adequate and are in line with SNA08
	Yes
	[Production is calculated by commercial margins on buying and selling. There is no clear clause on interest in the financial statements]
	[Because it reflects the ways they are categorized]
	[These methods take into account what is available in the current conceptual framework.]
Undecided	Based on Islamic countries' experience and preferences for these methods.

Q7. For issue 3.1, do you agree that Islamic financial corporations: a) Can set up separate institutional units which will then be the economic owners of the underlying non-financial assets for Islamic financial arrangement, and/or) Can facilitate transferring the economic ownership of these non-financial assets from the sellers to clients?	
Yes	because In Indonesia, separate data is available for ijarah contracts.
	No comment.
	The two options would better articulate the role of Islamic financial corporations as providers of financial services.
	This arrangement should not result in any recording/classification issues. Having separate institutional units will help to align the recording of the Islamic Financial Accounting Standards to that of the SNA, which strictly refers to economic ownership of non-financial assets. The current recording of Islamic finance gives a picture of increased participation of Islamic financial corporations in non-financial activities, which might be an over-estimation in terms of the SNA reporting since these corporations may not necessarily use the assets in their productive activities. Therefore, a separation of these transactions will support the recording of macroeconomic statistics.
	We agree with the recommendation to consider Islamic financial corporations as providers of financial services since they can establish a separate institutional

	unit and transfer economic ownership. The time of recording is also well explained.
	[especially paragraph (b)]
No	South Sudan does not use Islamic Laws for financial operations
	[The final customer is the real owner of the assets, and the financial institutions are nothing but mechanisms to guarantee this financing within a framework consistent with Islamic principles.]
Undecided	Establishing separate units and making these institutions the ones that have non-financial assets on their balance sheet is a way of dividing activities, as happens in financial groups that segment the operations of each specialized economic activity.

8A. For issue 3.2, do you agree that clients who default on payment for the underlying non-financial assets in Murabaha and Bai Muajjal are still the economic owners of these assets?	
Yes	Indonesia uses the concept definition of Murabaha and Bai Muajjal in general, so in case of default on payment for the underlying non-financial assets, it is still recorded as the property or economic owners of the clients until the goods/assets are settled through the National Sharia Arbitration Board after no agreement is reached through deliberation, so that ownership can be transferred to Islamic financial corporations again.
	No comment.
	The clients remain economic owners of the non-financial assets as they are entitled to claim the benefits or assume the risks associated with the use of these assets. As long as the financial corporation can confiscate the underlying assets, this should not be an issue.
	The default on payment for the underlying non-financial assets is essentially a default on a financial payment.
	Until the confiscation becomes effective
	we agree that clients who default on payment will still be considered as economic owners of these assets.
	We agree with the recommendation that, in the event of a debt, a possible seizure should be the form of recovery.
	[Because default does not change the ownership of the non-financial asset]
No	South Sudan does not use Islamic Laws for financial operations
	[Considering the possibility of confiscating this assets in case that the customer is unable to pay.]

Q9. Do you agree with the suggested classification of Islamic financial instruments contained in annex B using the slotting-in approach from an economic statistics perspective and that this approach is capable of future application if and as Islamic finance evolves (issue 4.1)?	
Yes	Because Indonesia uses the same definition concept in general for each Islamic financial instruments contained in annex B, so the suggested classification of

	types to SNA/EES that has been made is appropriate. For example, in Indonesia, SUKUK is classified as debt securities.
	No comment.
	The slotting-in approach looks at the characteristics of the Islamic financial instruments from various deciding factors, allowing for future application with Islamic finance evolving since the fundamentals are likely to remain the same. More efficient than creating new classifications/ definitions for Islamic financial instruments in general.
	This is the most practical solution. Although there is no one-on-one relationship between Islamic financial instruments and conventional financial instruments, from terminology description perspective some similarities exist and thus will be useful for their integration in the economic statistics. This makes provision for Islamic finance as it grows or evolves in future. The key word is slotting-in approach which implies that nothing is replaced but provision is made for new instruments
	We agree with the reasoning set out in the Guidance Note. In particular, we consider that it is important to examine carefully the factual details of the Islamic financial instruments, in conjunction with the principles of the SNA and BPM Manuals.
No	South Sudan does not use Islamic Laws for financial operations
Undecided	Annex 'B' might help compilers to classify Islamic financial instruments according to the factors included.
	The classification of financial instruments has special characteristics so that the classification meets the necessary characteristics within the framework of SNA 08, the decision tree would be an important tool for the best classification of these instruments.
	[Adopting a "decision tree" approach would facilitate classification within the currently approved financial instruments.]

Q10. Do you agree with the recommendation to construct a "decision tree" for inclusion in a compilation guide that would help facilitate future classification decisions (issue 4.2)?	
Yes	A decision tree would provide a clear guide for compilers to classify an Islamic financial instrument, providing greater clarity and "guided paths" to identifying Islamic financial instruments that could be potentially hard to classify under current SNA/ESS classifications.
	Given the complex nature of the subject we are sure that compilers would appreciate all the guidance that can be provided.
	It would be an important tool to improve the classification of financial instruments.
	The decision tree as well as the compilation guide will be very useful.
	The decision tree would be helpful for compilers to classify financial instruments correctly.

	It will also ensure that their classification is consistent with the SNA financial instrument classification guidelines. Care must be taken that treatment will not differ between countries.
	We agree with the recommendation to construct a ”Decision tree”, because it can make us map the types of Islamic financial instruments and distinguish their activities or characteristics more easily.
	We strongly support the inclusion of the "decision tree" in both the SNA and ESS. It assists compilers in properly classifying Islamic financial Instruments.
	[Helps clarify and classify]
No	South Sudan does not use Islamic Laws for financial operations
	[This approach remains effective to keep pace with the development of Islamic financing instruments in the future.]
Undecided	A decision tree based on the SNA / BPM principles could assist compilers and submitters of data if it can be practically constructed. In constructing such a decision tree, it will be important to avoid introducing any unintentional new ambiguities arising from re-statements or interpretations of the Manuals.

Q11. For issue 5.1, do you agree with the recommendation to use FISIM formula in the 2008 SNA to calculate the financial intermediation services provided by Islamic deposit-taking corporations (option 1)?	
Yes	Deposit-taking occurs through financial intermediation and is done in a similar way to Western economies, so the way to calculate the FISIM would be similar to that recommended in the SNA 08.
	For ease of implementation it would be good to keep consistency with current methods and not to make this too complicated.
	If they are classified as deposit-taking corporations they are involved in financial intermediation activities. The FISIM formula has been tested and scrutinized and is the worldwide standard.
	No comment.
	Option 2 resembles the 1993 formula which has been improved with the 2008 formula.
	Since the Islamic financial corporations are classified as deposit-taking corporations, this suggests they are involved in financial intermediation activities, which is consistent with the conventional financial corporations which are also deposit-taking.
	Since the Islamic financial corporations are classified as deposit-taking corporations, we recommend using the FISIM formula to calculate financial intermediation services.
	We agree with option 1. Even though, Islamic banking does not operate in the same way as conventional bank, it provides a financial intermediation mechanism from the surplus units to the deficit units, thus incurs an implicit service fee.
No	South Sudan does not use Islamic Laws for financial operations
	[There are no interests received and interests paid clearly in the financial statements]

	[As long as Islamic financial institutions provide services closely related to financial intermediation, it is reasonable to adopt the FISIM method for calculating these services.]

Q12. For issue 5.2, which reference rate(s) should be used to calculate conventional and Islamic deposits and loans which are denominated in the same currency? Option 1: Only one unique reference rate is recognized for conventional and Islamic FISIM. This option is consistent with the guidance in the 2008 SNA and BPM6. Option 2: One unique reference rate is recognized, with the explicit recognition of different risk profiles for Islamic deposit-taking corporations. Option 3: Different reference rates are recognized for conventional and Islamic FISIM on the basis that the prohibition on interest and restrictions to engage only in Shari'ah-compliant activities and transactions will tend to internalize Islamic Banking activity within a specific subsector of the general economy.	
Option 1	For simplicity, option 1.
	Option 1 has the advantage of being fully consistent with the SNA. We did not see sufficient evidence for the case for varying from Option 1.
	The reference rate is a service-free rate. If one unique reference rate can be used to derive the SNA interest and FISIM on conventional deposits and loans with varying characteristics, there is no reason why a different reference rate should be used to calculate the SNA interest and FISIM on Islamic deposits and loans. This is in line with the guidance in the SNA.
	[This option is convenient from a practical point of view as it facilitates the work of statisticians and can be obtained easily compared to other options.]
Option 2	In practice, option 2 and 3 may share methods, unless a proper way to calculate the risk profiles is identified. Conceptually, the arguments for option 2 seem to be stronger.
Option 3	We choose option 3 “Different reference rates are recognized for conventional and Islamic FISIM on the basis that the prohibition on interest and restrictions to engage only in Shari'ah-compliant activities and transactions will tend to internalize Islamic Banking activity within a specific subsector of the general economy”, because in Indonesia, the operating characteristics of sharia/Islamic financial companies are different from conventional ones.
	[For Islamic banks, there are no reference rates of interest, but a reference rate can be calculated for commercial margins]
Undecided	Based on Islamic countries' experience and preferences
	Difficult to arrive at a consensus given that the FISIM formula in the 2008 SNA requires a single, unique reference rate and yet, there are fundamental differences between these Islamic financial instruments and conventional financial instruments - a degree of insulation between the Islamic financial system to the global financial system.
	Due to the characteristics that Islamic economies present, the 3 options are interesting, however, exercises could be done with the 3 options to determine in a more real way which would be the most viable.

	South Sudan does not use Islamic Laws for financial operations

Q13. For issue 5.3, do you agree with the recommendation to include Qard, Wadiah, Amanah, and Qard-hasan deposits and Qard-hasan financing in the bundle of deposits/loans to calculate Islamic FISIM and to use total deposits and total loans to calculate Islamic FISIM?	
Yes	As above, for simplicity this is a sensible recommendation.
	As described in paragraph 5.3, we agree that these instruments be included due to their characteristics.
	Because activities related to deposits/loans must be calculated using the FISIM formula, so that it is in line with conventional financial activities.
	No comment.
	Preference for total deposits and total loans approach instead of taking the more complex instrument-by-instrument approach to calculate Islamic FISIM.
	This will make the process of estimating FISIM less complicated
	We agree with the subtask team's recommendation to account for the totals of the services provided in calculating the Islamic FISIM
No	South Sudan does not use Islamic Laws for financial operations
	[All these mechanisms are paid for the provided services, so they must be included in the general total of deposits.]

Q14. For issue 5.4, do you agree with the recommendation to use separate reference rates for each currency involved in cross-border Islamic deposits and loans?	
Yes	Conceptually agree, but in implementation it will be difficult to use separate reference rates for each currency involved in cross-border Islamic deposits and loans.
	If information on deposits and loans in foreign currency is available, it is advisable to use specific reference rates for each currency.
	This would be consistent with our existing practices.
	To maintain consistency with BPM6.
No	South Sudan does not use Islamic Laws for financial operations
	Use one weighted foreign reference rate for all cross border Islamic deposits and loans.
	We believe that a single reference rate, perhaps based on an appropriate weighted average of multiple foreign currency rates, might be more pragmatic.
	[Each currency has its own reference rate. So, different rates can be adopted according to the currency.]
Undecided	Based on Islamic countries' experience and preferences.

Q15. For issue 5.6, do you agree that economies should be invited to participate in empirical tests such as what reference rate to use to calculate domestic and cross-border FISIM on Islamic deposits and loans?	
Yes	China would not like to participate, because Islamic Finance is not widespread in China.

	Empirical tests are needed so that the reference rates used later can reflect the most appropriate conditions in the global economy.
	Empirical tests will add to existing experience and improve decision-making.
	For those countries that have material Islamic finance in their economies it seems sensible that these proposals are tested to ensure they are appropriate and robust.
	The results of the empirical tests can be used to provide inputs to finalize the recommendation on the reference rates.
	We agree to use separate fees as deposits and fees charge different fees and more because of the way they are cross-border
	Yes, the outcome of such a project will provide a better solution regarding what reference rate to use. If practical testing is done, then possible issues would arise that might have been missed during the discussions.
No	South Sudan does not use Islamic Laws for financial operations
	[The conclusions drawn from this research will be useful and will facilitate appropriate decision-making]
Undecided	No comment.

Q16. For issue 6.1, do you agree with the recommendations to classify the following as institutional units: a) Takaful operators and takaful funds in the common takaful model? b) Combined units in "light" takaful? c) Takaful windows?	
Yes	Further disaggregation of these institutional units will help us better classify and better understand these institutional units.
	Met the requirements of what constitutes an institutional unit.
	Provided that they maintain a separate accounting/balance sheet
	They qualify as institutional units since they are considered as legal entities and engage in economic activities. Have separate accounts and can be managed separately Takaful is not significant in South Africa.
	We agree to classify Takaful/Re-Takaful operators, funds, and windows as separate institutional units in the compilation of national and international accounts statistics. Operators and funds units have the main attributes of institutional units, including the existence of a complete set of accounts. Windows also have distinctly identified assets and liabilities, separate from those of the conventional operation. As for the combined unit in “light” version of Takaful/Re-Takaful, to be classified as one institutional unit.
	Yes, we agree. In Indonesia, financial statement of takaful operator of takaful fund can be separated from conventional corporation. But, the value of takaful fund or takaful operator is quite small.

Q17. For issue 6.2, do you agree with the recommendations on the sectorization of: a) Takaful operators and takaful funds? b) The combined units in "light" takaful? c) Takaful windows?	
Yes	According to the definitions of Takaful and Takaful funds, we consider the sectorization proposed in this guide to be appropriate since they have an activity similar to those traditionally defined in the proposed sectors.
	Met the requirements of the sector.
	They operate various business models. Activities of Takaful operators are similar to that of insurance brokers, which qualifies them as a financial auxiliary. Takaful fund, the combined units in “light” Takaful and Takaful windows meets the classification of insurance corporations since they operate as Islamic insurance entities
	We agree with the recommendations to sectorize Takaful operators as financial auxiliaries. Whereas Takaful funds, windows, and combined units to be sectorized into insurance corporations’ subsector.
	Yes, we agree for sectorize takaful operators and takaful funds classified into financial auxiliaries subsector (S126) and insurance corporations subsector (S128) of the financial corporations sector, for the “light” takaful classified into insurance corporations subsector (S128) of the financial corporations sector, and for takaful windows classified into insurance corporations subsector (S128) of the financial corporations sector.

Q18. For issue 6.3, do you agree with the recommendations on the methods to calculate the output of: a) Takaful operators? b) Takaful funds? c) The combined units in "light" takaful?d) Takaful windows?	
Yes	Method to calculate output is consistent with the sectorization.
	Output of Takaful should be consistent with how outputs are measured for businesses in the same sub-sector. If Takaful is sectorized in the insurance sub-sector, Takaful outputs should be measured in the same way as other insurance companies. If it is deemed more appropriate to use service fees/charges as a measure for Takaful’s outputs, then it would be more appropriate to sectorize Takaful under financial auxiliaries, so as to be consistent with their peers in the same sub-sector.
	This is in line with the output calculation of other financial services in the 2008 SNA.
	We fully agree with the methods recommended in this guide, we believe that what is proposed gives us an overview of the operations of these institutions, the steps to follow for Current transactions, revaluation accounts, and balances.
	Yes. We agree with the recommendations on the methods to calculate the output of those institutional units
	Yes. We agree with the recommendations on the methods to calculate the output of those institutional units.
Undecided	The experience of Islamic countries will add expertise and preferences to the calculation methods.

Q19. Do you agree with the recommendation to include a special section or an appendix on Islamic finance in the updated SNA and BPM?	
Yes	Provides a clear elaboration on what differs in Islamic Finance and how the updated SNA and BPM reconciles the differences.
	There are substantial benefits to be gained from this special section or an appendix. It is always helpful to have appropriate guidance in SNA. It will provide more context & clarity as well as guidance.
	We agree that an appendix be included in the new SCN and BPM, having more detail on the different draws will help us understand the functioning of Islamic accounts.
	We strongly support the inclusion of an Islamic finance appendix in the updated SNA and BPM. This will assist compilers to understand the distinctions and interconnections between conventional and Islamic finance.
	Yes, we agree, because the more comprehensive and complete explanation and cases can make better SNA and BPM.
Undecided	There clearly needs to be guidance for compilers. I worry having an appendix in the manual and a compilation guide will duplicate material. I would favour one or the other. Possibly leaning towards the compilation guide. There are other areas that are seeking to strengthen definitions and guidance which is good and should be supported but there needs to be a balance in how much is added to the manuals. Instead of saying the same thing twice, as in the BoP and SNA manuals, it could be documented in the compilation guide and both manuals could signpost the compilation guide.

Q20. Do you agree with the recommendation to develop an Islamic finance compilation guide (which will also include guidance on developing an Islamic finance satellite account)?	
Yes	Please see question 19B for comment.
	Provide compilers with clarity.
	The Islamic Finance Compilation Guide will definitely help to understand the mechanisms of this type of finance and the methodology to adopt, to insure a better classification of the transactions in the balance of payments
	This will be helpful for countries where Islamic Finance is substantial
	We agree in the Development of the Islamic Finance Guide, having work materials that give the tools to understand the context of Islamic accounts will complement these guides that have been developed.
	We also support the recommendation to develop an Islamic finance compilation guide, which should include guidance on the development of Islamic finance satellite accounts, specifically in the areas of digital economy, digital trade, FDI, remittances. The compilation guide will assist compilers in reviewing current practices, structure, and classification of Islamic financial instruments.
	Yes, we agree, because the more comprehensive and complete explanation and cases can make better SNA and BPM.

Q21. Do you have any other comments on the guidance note?
Apart from questions 1 to 4, the subjects to this questionnaire are beyond our expertise. We are therefore unable to add significantly to this discussion.
At the moment, no
In Lebanon, there are three Islamic banks in operation, with a market share of less than 5%, and no Islamic windows are permitted. The feedback from Islamic countries, as well as the sharing of their experiences, will broaden our knowledge and allow us to make more effective contributions.
No additional comments.
No further comment but congratulations on the hard work that must have gone into compiling the paper. I also found the webinar of great use to help explain the various terminology.
no thanks
Output of Takaful should be consistent with how outputs are measured for businesses in the same sub-sector. If Takaful is sectorized in the insurance sub-sector, Takaful outputs should be measured in the same way as other insurance companies. If it is deemed more appropriate to use service fees/charges as a measure for Takaful's outputs, then it may be more appropriate to sectorize Takaful under financial auxiliaries, so as to be consistent with their peers in the same sub-sector. An annex with detailed elaboration of treatment of Islamic finance in BPM7 and BPM7 CG would be useful.
South Sudan does not use Islamic Laws for financial operations
Statistics have to be more transparent and disaggregated
The activities of financial institutions whose value is insignificant in number, then there is a possibility, we do not follow the calculation of the SNA as a whole (in its implementation).
The guide and recommendations are a tool that will serve for a better understanding of the valuation of financial transactions and assets of Islamic economies.
[I think that the members of the committee have made tremendous efforts to make this guidance note comprehensive and absorbing all the statistical issues raised by Islamic finance. However, there are some errors related to the formulation of some ideas, but they are few.]
[Please include in the new system an entire chapter relating to Islamic banks.]

Q22A. Would your institution be interested in participating in an experimental estimate exercise? Potential topics for experimental estimates include: 1. What reference rate to use to calculate domestic and cross-border FISIM on Islamic deposits and loans.2. Outputs of Islamic financial entities (including takaful and retakaful). Q22B. If yes, what technical assistance, if any, would you need?	
Yes	Assistance would be needed to assess current data availability for the purpose of the experimental exercise.
	On the reference rate to be used in the calculation of the National and Cross-Border FISIM on Islamic deposits and loans.
	reference rate used to compile FISIM for Islamic institution
	Support to conduct workshops on Islamic Finance between the banking community, the statistics office, the macroeconomic team and other relevant stakeholders. Also, a consultant is required to guide our workshop meetings.

	We will specified the required technical assistance once we start the experimental phase.
	Technical Assistance about the comparison of activities of the international sharia/Islamic system (in several countries).